

**OFFICE OF THE NORTHAMPTONSHIRE POLICE AND CRIME COMMISSIONER
&
NORTHAMPTONSHIRE POLICE**

JOINT INDEPENDENT AUDIT COMMITTEE

5th December 2016 at 10.00am to 13.00pm

The Greenwell Room, Wootton Hall, Northampton, NN4 0JQ

If you should have any queries in respect of this agenda, please contact Steve Dainty on 03000 111 222 Ext 347953

Members of the public, with the permission of the Chair of the Committee, may ask questions of members of the Committee, or may address the Committee, on an item on the public part of the agenda.

Further details regarding the process for asking questions or making an address to the Committee are set out at the end of this agenda notice

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AGENDA			
No	Item	Officer	
1	Apologies for non- attendance	JB	
2	Declarations of Interests	Members	
FORCE AGENDA			
3	Force Strategic Risk Register (inc Force Governance Board)	AF/RB	
4	HMIC Reports – see www.hmic.gov.uk	AF	
COMBINED AGENDA			
5	Announcements from the Chair	JB	
6	Minutes and Matters Arising from the previous meeting	JB	
7	Matters Arising Action Log (inc Collaboration update)	JB	
8	MTFP and Budget update	SD	
9	Financial Update 2016-17	SD	
10	Treasury Management Update	PD	
11	External Audit - Progress Report and Annual Audit Letters	KPMG	
12	External Audit Appointments 2018-19 onwards	SD	
13	Internal Audit - Progress Report -	Mazars	
14	Implementation of Audit recommendations a. Force b. OPCC	PD SD	
15	Governance a. OPCC – Final documentation b. Force – Verbal Update	JN AF	
16	Tri Force update (Verbal)	JN	
17	Transformation Board (Verbal)	AF	
18	Accountability Board (Verbal)	JN	
OPCC AGENDA			
19	OPCC Risk Register and Assurance Map	JN	
TO NOTE AGENDA			
20	Items for escalation to the Commissioner and / or the Chief Constable	JB	

AGENDA			
21	Agenda Plan for the next four meetings	SD	
22	Date and venue of next meeting 6 th March 2017 - 10:00am – 1:30pm – Greenwell Room	SD	

23	Such other business by reason of the special circumstances to be specified, the Chair is of the opinion is of sufficient urgency to warrant consideration. <i>(Members who wish to raise urgent business are requested to inform the Chairman beforehand).</i>	JB	
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24	Resolution to exclude the public	JB	
	<p>Items for which the public be excluded from the meeting:</p> <p>In respect of the following items the Chair may move the resolution set out below on the grounds that if the public were present it would be likely that exempt information (information regarded as private for the purposes of the Local Government Act 1972) would be disclosed to them:</p> <p><i>“That under Section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that if the public were present it would be likely that exempt information under Part 1 of Schedule 12A of the Act of the descriptions against each item would be disclosed to them”.</i></p>		

PRIVATE AGENDA			
	No items		

	Private Meeting of Committee Members with the Auditors (if required)	JB	
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Continued overleaf ...

Further details regarding the process for asking questions or making an address to the Committee

i. General

Members of the public, with the permission of the Chair of the Committee, may ask questions of members of the Committee, or may address the Committee, on an item on the public part of the agenda.

ii. Notice of questions and addresses

A question may only be asked or an address given if notice has been given by delivering it in writing or by electronic mail to the Monitoring Officer no later than noon two working days before the meeting.

Notice of questions or an address to the Committee should be sent to:

Steve Dainty
Office of the Police and Crime Commissioner
West Wing
Police HQ
Wootton Hall
NORTHAMPTON
NN4 0JQ

or by email to:

stephen.dainty@northantspcc.pnn.police.uk

by 12 noon 28th November 2016

Each notice of a question must give the name and address of the questioner and must name the person to whom it is to be put, and the nature of the question to be asked. Each notice of an address must give the name and address of the persons who will address the meeting and the purpose of the address.

iii. Scope of questions and addresses

The Chair of the Committee may reject a question or address if it:

- Is not about a matter for which the Committee has a responsibility or which affects Northamptonshire;
- is defamatory, frivolous, offensive or vexatious;
- is substantially the same as a question which has been put or an address made by some other person at the same meeting of the Committee or at another meeting of the Committee in the past six months; or
- requires the disclosure of confidential or exempt information.

Continued overleaf ...

Further details regarding the process for asking questions or making an address to the Committee (continued)

- iv. Asking the question or making the address at the meeting**
The Chair of the Committee will invite the questioner to put the question to the person named in the notice. Alternatively, the Chair of the Committee will invite an address to the Committee for a period not exceeding three minutes. Every question must be put and answered without discussion but the person to whom the question has been put may decline to answer it or deal with it by a written answer. Every address must be made without discussion.

- v. The Members of the Committee are:**

Mr J Beckerleg (Chair of the Committee)

Ms G Scoular

Mr M Pettitt

Mr A Knivett

MARTIN SCOBLE

CHIEF EXECUTIVE & MONITORING OFFICER

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**Report to the Joint Independent Audit Committee
05 December 2016**

Corporate Risk Register and Force Assurance Board

RECOMMENDATION

The Board is asked to note the updated position on corporate risks and the Force Assurance Board.

1 PURPOSE OF THE REPORT

- 1.1 This report provides the Joint Independent Audit Committee with an update on the management of corporate risks within the Force and the outcomes of the Force Assurance Board.

2 CORPORATE RISK REGISTER

- 2.1 There are currently sixteen risks recorded on the Corporate Risk Register. Twelve risks are 'High' and four are 'Medium'.
- 2.2 The attached Monthly Risk Report shows the details and the current status of the risks.

3 FORCE ASSURANCE BOARD

- 3.1 The Force Assurance Board met on 24 October to provide assurance that the Force has adequate and effective governance measures and controls in place to manage any identified risks and issues.
- 3.2 The Board meets quarterly to consider any issues or areas of concern highlighted from the Corporate Risk Register, the Organisational Performance Group, the Transformation Programme, departmental risk registers and regulatory compliance.
- 3.3 In addition the Board monitors progress against actions recommended from internal or external audits, HMIC inspections, IPCC investigations and serious case reviews to identify any exceptions or areas of concern.
- 3.4 The decision record of the October meeting is attached together with the Monthly Risk Summary report, the Force Assurance Map and reports summarising progress against HMIC inspection actions and internal audit actions.

EQUALITY, DIVERSITY AND HUMAN RIGHTS IMPLICATIONS

None

HUMAN RESOURCES IMPLICATIONS

None

RISK MANAGEMENT IMPLICATIONS

This is the purpose of the report.

ENVIRONMENTAL IMPLICATIONS

None

Author: Richard Baldwin,
Force Risk and Business Continuity Advisor


Chief Officer Portfolio Holder: Andy Frost, Deputy Chief Constable

Background Papers: Monthly Risk Summary Report – November 2016
Decision Record of Force Assurance Board 24 October 2016
Force Assurance Map Nov 2016 v5.1
Summary of Internal Audit Recommendations for JIAC 051216
160817 HMIC Recommendation Tracking

AGENDA ITEM 3

**NORTHAMPTONSHIRE POLICE
FORCE ASSURANCE BOARD
DECISION RECORD FROM MEETING HELD ON
MONDAY 24 OCTOBER 2016 – 0930h – THE GREENWELL ROOM**

1	PRESENT/APOLOGIES	<p>Present: Andy Frost (Chair), Nick Alexander, Richard Baldwin, Mark Behan, Jenny Clarke, Tim Driver, Aby Harris, Jen Helm, Gez Jackson, Robert Judd, David McInally, Ali Roberts, Rachel Swann (<i>left at 0945</i>), Tanya Goulding (Decision Record)</p> <p>Apologies: Carol Hever, Lyndsay Smith, Clare Taylor</p>	
2	ACTION UPDATES FROM PRVIOUS MEETING (25 08 16)		
2.1	Organisational/Departmental Risks	<p>AF reported that a number of department heads are not formally recording their department’s risks.</p> <p>ACTION: All Department Heads are reminded of their responsibility for having their own department risk registers and formally recording risks.</p>	
		ACTION UPDATE: Not all received. RG to chase those outstanding and update at next meeting.	RB
2.2.1	Transformation Programme Risks	<p>Specials The focus is to retain and train the 600 Specials we do have. The recruiting process and training is currently being revamped. There is a risk we may lose a number during this process.</p> <p>ACTION: C/Supt Stamper to put out a positive message around the work being done around this.</p>	
		ACTION UPDATE: Update at next meeting.	
2.2.2		ACTION: The risk around the failure to meet the 900 target	

		can now be removed.	
		ACTION UPDATE: Completed	Discharged
2.3.1	Information Security Risk	ACTION: Message to be published highlighting caution required when opening attachments.	
		ACTION UPDATE: Completed	Discharged
2.3.2		ACTION: TD to inform AC which departments and which systems are of concern.	
		ACTION UPDATE: Engaged with Op Evolution in considering the information security risks.	Discharged
2.3.3		ACTION: TD to update AF when he has the comms/training information.	
		ACTION UPDATE: Two messages on Forcenet and a further one to go out this week. A regional approach has been taken. Staff invited to complete the package. EMCHRIS monitoring level of completions. ACTION: All to remind staff of the new scheme and the NCALT package.	All
2.4.1	Health and Safety	The last Health and Safety audit was in 2008 and may be time to consider reviewing. It was agreed to start this post September 2017. ACTION: DMcI to review the work required and associated costs.	
		ACTION UPDATE: See attached  FW Attached Image.msg	
2.4.2		Change in the Asbestos regulations in 2012 – there is a requirement to increase awareness and training. Expecting communications within next 6 -12 months.	

		ACTION: To assess and update Board/AF when clearer understanding of what this means.	
		ACTION UPDATE: Reliant on the CoP approving the draft documents.	
2.5	Employment Law	CH requested the Leigh Day Pension Challenge be added to the Risk Register. ACTION: RB to add to the Risk Register.	
		ACTION UPDATE: Completed	Discharged
2.6	Financial Management	We are confident everything is on track to close our accounts by the end of September. ACTION: NA to confirm when they are closed.	
		ACTION UPDATE: Accounts signed off in advance of the statutory deadline.	Discharged
2.7.1	Internal Audit Actions	Transformation Programme Risk Register – AF confirmed each transformation programme now has a risk register. ACTION: This risk can now be closed.	
		ACTION UPDATE: Completed	Discharged
2.7.2		Procurement Risks 4.1 – 4.9 ACTION: NA to provide updates to RB by 31 August 2016.	
		ACTION UPDATE: Completed	Discharged
2.7.3		Core Financials 4.1 – 4.10 ACTION: NA to provide updates to RB by 31 August 2016.	
		ACTION UPDATE: Completed	Discharged
2.7.4		ACTION: RB to provide an overarching paper to go to JIAC by 1 September 2016.	
		ACTION UPDATE: Completed	Discharged
2.7.5		Change Management ACTION: The three observations can be closed as complete.	


		ACTION UPDATE: Completed	Discharged
2.6.1	HMIC Audit Actions	E-CINS – C/Supt Stamper has been tasked by RS to work with Emma Hildreth around concerns about duplication, work not being actioned, who owns the system/data and data quality - recommendation remains open ACTION: RB to add to the risk register.	
		ACTION UPDATE: Completed	Discharged
2.6.2		ACTION: DS to chase any updates and update the paper by 1 September.	
		ACTION UPDATE: Action complete.	Discharged
2.7	Force Assurance Map	ACTION: All to review their risks to identify any gaps and update RB by 1 September 2016.	
		ACTION UPDATE: All completed.	Discharged
2.8.1	Feedback on Meeting	ACTION: All to provide any feedback on the meeting to RB.	
		ACTION UPDATE: This request remains open.	Discharged
2.8.2		Additional items for the agenda: Risks and Issues Issues identified by IPCC Investigations – MB Serious Case Reviews – Steve Lingley ACTION: RB to note additional agenda items.	
		ACTION UPDATE: Completed	Discharged
3	RISKS AND ISSUES		
3.1	Performance Risks	RS updated the meeting, of note: Capacity of response function This remains an ongoing risk. Known and understood, with work	

		<p>being done to mitigate the risk. Being closely monitored by the Local Command Team.</p> <p>Rape offences Gold group has been established.</p> <p>Hate crime Saw an increase following Brexit, however the figures have now stabilised. Issue around messaging has been rectified.</p> <p>Sickness Discussed and monitored at OPG.</p> <p>Burglary levels Rising in recent times. Local Poling Command tasked with looking at some plans around tackling this issue.</p> <p>Domestic abuse arrest rates SDM looking at this.</p> <p>All the above will be monitored by OPG.</p>	
3.2	Organisational/Departmental Risks	<p>Niche Data Quality Position is improving.</p> <p>£1.7m budget deficit Remains a risk for the Force</p> <p>HTCU Accreditation Awaiting to hear from UKAS around proposed regional solution.</p> <p>ACTION: RS to provide Nick Alexander details of the potential cost implications.</p>	RS

3.3	Transformation Programme Risks	<p>Capacity and capability to deliver transformation programme AF updated, of note</p> <ul style="list-style-type: none"> • Digital and E-services will be looked at within the Tri-Force work • Agile will continue as transformation programme • There are some funds available to support 2 x posts • Will be monitored through the Transformation Board 	
3.4	Information Security Risks	<p>TD provided an update on information security risks, of note:</p> <p>Protective monitoring Regional solution being sought for a single product. Application to be submitted next April.</p> <p>ACTION: MB to speak to the Tri-force lead for Counter Corruption to ensure this gets picked up the PSD Business Case.</p> <p>ACTION: NA to highlight as a pressure on the MTFP.</p>	<p>MB</p> <p>NA</p>
3.5	Collaboration Risks	Not discussed.	
3.6	Issues Identified by IPCC Investigations	<p>MB updated on the paper submitted regarding findings for organised learning in relation to Op Juniper, with no issues of note.</p> <p>AF reported that concern had been raised at JNCC around the length time IPCC investigations take and the effect it has on the staff who are under investigation.</p>	
3.7	Serious Case Reviews	ACTION: SL to provide report on any outstanding SCRs and any recommendations we need to be aware of.	Steve Lingley

3.8	Under Cover Policing Inquiry	AF provided an update on the risk associated with the UCPI, of note: ACTION: All staff to be reminded that before destroying any property, paper information or weeding any electronic data, we must always consider if it could be linked to any UC enquiry. If in doubt, check with Louise Fleckney.	ALL
4	REGULATORY COMPLIANCE		
4.1	Health and Safety	DMcI updated, of note: Cross Force Auditing Started dialogue with nearby forces for cross force auditing. ACTION: DMcI to explore starting with Nottinghamshire and Leicester and update AF outside the meeting to agree a way forward. Asbestos Awareness Awaiting brief from COP around the national awareness training and timescales. ACTION: DMcI to update AF outside the meeting on whether this training will be an NCAIT package for consideration by the L&D Priorities Panel.	DMcI DMcI
4.2	Information Security	TD updated, with no issues of note.	
4.3	Police Regulations/Complaints/Code of Ethics	MB provided an update on the Tri-Force. No issues of note.	
4.4	Employment Law	Leigh Day Pension Challenge AR updated, of note	

		<ul style="list-style-type: none"> • 11 ET1s received in relation to this dispute, where Northants are named as the Respondent • Total of 50 police officers in involved in the claims • Numbers are expected to rise • Not able to ascertain potential costs <p>ACTION: AR to provide an update at the February meeting.</p>	AR
4.5	Financial management	<p>NA provided an update.</p> <p>Agenda item for the February meeting.</p>	
5	INTERNAL AUDIT ACTIONS		
5.1	Summary of Actions by Exception	<p>RB took the meeting through the Red risks, of note:</p> <p>Key Financial Controls Discussion took place around being more specific about the component parts of what we are trying to finish. ACTION: RB and NA to discuss outside the meeting.</p> <p>Business Continuity Leave as is.</p> <p>Service Level Risk Registers See action at 2.1 above.</p> <p>Procurement Procurement audit just been completed.</p> <p>Core financials ACTION: Timescales to be reviewed before JIAC- NA</p>	RB/NA
6	HMIC INSPECTION ACTIONS		NA

6.1	Summary of Actions by Exception	AF updated the meeting on HMIC recommendations monitoring, of note: ACTION: Prior to the November JIAC, dates for delivery of the outstanding actions will need to be identified – DP/GA	DS/GA
7	BUSINESS CONTINUITY MANAGEMENT		
7.1	Business Continuity Risks/Issues	RB reported he has been in discussions with the Op Evolution team around business continuity plans.	
7.2	Business Continuity Plan Exceptions	RB updated, of note: <ul style="list-style-type: none"> • We are being audited in December • Currently we have eight plans which are past review date, which are being worked on ACTION: RB to speak with George Cooper in relation to business continuity/pandemic flu.	RB
8	FORCE ASSURANCE MAP	 Force Assurance Map Oct 2016 v5.1.x ACTION: RB to work with the owners to ensure the gaps are filled. ACTION: Agenda item for May meeting.	RB RB
9	ANY OTHER BUSINESS	None declared.	
10	DATES OF NEXT MEETING	Already scheduled for 0930h on 20 February 2017 in the Greenwell Room.	ALL TO NOTE

PEEL Strand	Objective	Type of Risk	Responsibility	Initial Risk	Current Risk	Commentary	First Line of Defence: Key Controls		Second Line of Defence: Management Oversight / Governance		Third Line of Defence: Independent Assurance		Overall Assurance RAG Rating	Actions
							Assurance Measures	Effectiveness	Assurance Measures	Effectiveness	Assurance Measures	Effectiveness		
Effectiveness	Reduce Offending	Anti- Social Behaviour	ACC	Medium	Medium	ASB volumes are in line with seasonal trends. Noise nuisance complaints have risen in May and June, in line with the longer lighter evenings and seasonal trends seen.	ASB Strategy District and Sector briefings MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015. Further inspection scheduled for November 2016	Adequate	Adequate	
		Road Policing	ACC	Low	Low	The summer drink drive campaign in June has resulted in increases in FPNs issued for seatbelts and speeding, although there has not been any change in the numbers of arrest for drink driving despite breath tests trebling.	Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015. Further inspection scheduled for November 2016	Adequate	Adequate	
		Violent Crime	ACC	Very High	Very High	Levels of Violence against the Person are increasing (as expected with seasonal trend forecast over the summer). This increase is also being observed in A&E admissions for assaults -levels have been in exception for the six months up to June 2016. The increase in VAP is one of the main contributing factors to the increasing picture of crime harm the county is experiencing	Violent Crime Strategy District and Sector briefings MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015. Further inspection scheduled for November 2016	Adequate	Adequate	
		SAC	ACC	Medium	High	SAC offences have shown a more marked increase in the last quarter into exception for theft from vehicles	Serious Acquisitive Crime Strategy MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015. Further inspection scheduled for November 2016	Adequate	Adequate	
		Sexual Offences	ACC	Very High	Very High	Rape can now be considered as a long term performance exception. With 72 rapes reported in June 2016 this well above the monthly average (41). Of the 72 rape offences 22 are 'non recent' meaning that over two thirds (69.4%) are recent offences. The 22 'non recent' offences is twice the average observed over the last two years (11.5).	Rape and Sexual Violence Policy MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015. Further inspection scheduled for November 2016	Adequate	Adequate	
	Investigate Crime and Manage Offenders	Repeat Offences	ACC		High	Increasing levels of repeat victims of all crime have been observed. This is mainly due to increasing levels of repeat victims of Violence against the Person (VAP) which includes victims of Domestic Abuse. Levels are increasing when including DA victims and when excluding DA victims. Crimes committed by those in the IOM cohort remain stable.	MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015. Further inspection scheduled for November 2016	Adequate	Adequate	
		Resolution Rates	ACC	Medium	Medium	The resolution rate has shown a slight improvement in June to 20.1% with volumes showing a marked increase (backlog of resolutions starting to filter through). The cumulative rate however continues to fall and our national position has slipped further to 35.	Crime Resolution Strategy MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015. Further inspection scheduled for November 2016	Adequate	Adequate	
	Protect Vulnerable People	Protecting Vulnerable People	ACC	Medium	High	Under 18 victims are increasing and account for over a third of all victims in the last quarter. Mental health incidents rose sharply in June to the highest levels for over 12 months. Missing people reports especially for young people under 18 are increasing and pose a potential risk to the force if this continues (impact on services and ability to respond to other calls for service).	Protecting Vulnerable People Strategy MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational performance group Effectiveness of partnership working managed through Local Safeguarding Children's Board (LSCBN), Safeguarding of Vulnerable Adults (SOVA), Health & Well-being Board (HWPB), Children and Young People's Partnership Board (CYPPB)	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015. Further inspection scheduled for November 2016 HMIC inspection of Child Protection undertaken in January and October 2013.	Adequate	Adequate	
		Domestic Abuse	ACC	Medium	Medium	Domestic abuse levels are stable, but data quality issues exist so levels recorded on systems now may not fully represent the actual picture of domestic abuse in the county. Pressures exist in relation to DA arrest rates and the best investigative model to respond to increased work loads for domestic abuse.	Domestic Abuse Policy and Procedures MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015. Further inspection scheduled for November 2016	Adequate	Adequate	
		Child Sexual Exploitation	ACC	High	Medium	The joint RISE CSE model is now well embedded with a sound performance and narrative update shared with partners at the CSE strategic group. Referral data on line cases shows a stabilising of referrals for live cases and case loads. The emerging risks relate to historic reports of a complex nature and the potential for referrals from the national bodies reviewing historic abuse and referrals coming from the new 'truth panels'	Investigating Child Abuse and Safeguarding Children Procedure MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group NSCB and it's CSE subgroups governance.	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015. Further inspection scheduled for November 2016 HMIC inspection of Child Sexual Exploitation undertaken in September 2013.	Adequate	Adequate	
		Hate Crime	ACC	Medium	High	There has been a national increase in reported hate crime since the EU referendum.	MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group A dedicated resource through prevention and protection is in place and provides operational and tactical oversight and response to hate crime.	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015. Further inspection scheduled for November 2016	Adequate	Adequate	
	Tackle Serious and Organised Crime	Cyber Crime	ACC	High	High	Accreditation remains a significant high risk area for the Force. Cyber Department currently have dedicated two staff members to the process to work alongside a representative from Finance. Timescales for completion are October 2017 and regionally we are not on target to achieve this. Exhibit handling within HTCUC has increased over the last twelve months by almost 16.5%. There has been an exponential increase in IIOC referrals from CEOP and CAB has seen an increasing demand from across the organisation around communications Data applications.	Cyber Crime Plan MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015. Further inspection scheduled for November 2016	Adequate	Adequate	
		Organised Crime	ACC	High	Low	No issues identified at this time. Limited data to make a full assessment	MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015. Further inspection scheduled for November 2016	Adequate	Adequate	

Risk Assurance Map (2016/17)

PEEL Strand	Objective	Type of Risk	Responsibility	Initial Risk	Current Risk	Commentary	First Line of Defence: Key Controls		Second Line of Defence: Management Oversight / Governance		Third Line of Defence: Independent Assurance		Overall Assurance RAG Rating	Actions
							Assurance Measures	Effectiveness	Assurance Measures	Effectiveness	Assurance Measures	Effectiveness		
		Terrorism	ACC	High	High	Nationally and regionally the threat in relation to the Islamic State in Iraq and the Levant (ISIL) remains a priority with the recent attacks in France and Germany continuing to highlight the significant risk posed.	MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group Operation Serene monitors internal and event security linked to CT	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015. Further inspection scheduled for November 2016	Adequate	Adequate	
Efficiency	Managing Resources	Workforce Planning	DCC	High	High	999 and non emergency call handling within the FCR during June saw performance fall slightly following an increase in overall volumes handled. Response times to G1 and G2 calls also fell and both grades are showing as outliers in June. Triage and post triage calls abandoned rose but not into exception - seasonal trend given increase in call volumes. Officer strength is stable, with police staff recording an increase of 16 compared with May - this may also have contributed to the year end overspend forecast. Specials continue to make a significant contribution to the force with nearly 162000 hours in the last 12 months. Crimes per visible officer are slowly increasing, and June saw a slight reduction in the proportion of officers in visible frontline roles.	Workforce planning is managed by the Workforce Planning Group Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Demand Management undertaken in September 2011.	Adequate	Adequate	
		Demand Management	DCC	Medium	High	Repeat locations have been increasing in recent months with June now at the UCL. Crime volumes have been steadily increasing in the last quarter across all volume crime types including violence and its derivatives, resulting in most crime types showing as exceptions. Foresight data indicates a number of outliers but in crime types not prioritised by the policing plan (e.g. other sexual offences). SAC offences have shown a more marked increase in the last quarter into exception for theft from vehicles. Peer performance has deteriorated. Sexual offences particularly rape show as an outlier in June. Cancelled crimes are stabilising.	Operational performance is managed through the quarterly Organisational Performance Group	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Demand Management undertaken in September 2011.	Adequate	Adequate	
		Workforce Management	DCC	Medium	High	Officer sickness was notably higher in June but staff sickness was stable. Officer days lost (0.81) was the highest for 6 months. Overtime costs jumped in June and are likely to have contributed to the forecasted year end overspend.	Operational performance is managed through the quarterly Organisational Performance Group	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Workforce and Succession Planning undertaken in January 2015	Adequate	Adequate	
		Training & Development	DCC	Medium	Medium	KPIs from EMCHRS L & D in April show that NICHE training has impacted on the delivery of First Aid and OST training, however this training is now being delivered and the figures are improving. HMIC inspection hot debriefed showed a need to further clarify the expectations of our leaders and work is being undertaken in this regard. Awaiting full report.	Training and Development Plan	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Workforce and Succession Planning undertaken in January 2015	Adequate	Adequate	
		Financial Management	DCC	Medium	Medium	The force has recently been inspected for Efficiency and as part of this HMIC looked at understanding of costs and quality of service levels, reducing costs with improved quality, use of investments and planning and prioritising investments for the future and funding investments sustainably. HMIC have not yet provided their report from this inspection but the inspection de-brief highlighted that the force achieved savings within the CSR period and a much improved approach and process for force accounts. Issues were cited around the budget setting process linked to the force being invited to engage and inform this process more than previously.	Segregation of duties in particular that between cash payments and authorisation, budget management and advice. The controls surrounding the reconciliation and management accounts ensure that the Force operates a transparent and open reporting process that enables those charged with governance to see a clear correlation between assumptions and forecasted outturn. Organisational performance is managed by the quarterly Organisational Performance Group	Adequate	Oversight of financial management is provided by the Accountability Board and Police and Crime Panel. Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board. OPG	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016. Internal audits of aspects of financial control take place annually.	Adequate	Adequate	
		Estates Management	DCC	Medium	Medium	Op Evolution is the Force response to estates management. Risks to the delivery of Op Evolution are recorded in a dedicated risk register and monitored by the Op Evolution Board	Progress against delivery of the Op Evolution objectives is managed by the Op Evolution Board.	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016	Adequate	Adequate	
		Vehicle Fleet Management	DCC	Low	Low	All force vehicles are fitted with Telematics devices to monitor performance of vehicles. Transport and Travel policy ensures the most efficient use of vehicles.	All force vehicles are fitted with Telematics devices to monitor performance of vehicles. Transport and Travel policy ensures the most efficient use of vehicles.	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of vehicle fleet management scheduled for 2017/18	Adequate	Adequate	
		Transformation Programme	DCC	Medium	Medium	All risks to the delivery of the Transformation Programme are recorded on the Transformation risk register and reviewed by the Transformation Board.	Management of the Transformation Programme is overseen by the Transformation Board	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audits of Collaboration arrangements undertaken in September 2013. Internal audit of Change Management Programme undertaken in February 2014 Internal audit of Delivery of the Police and Crime Plan undertaken in January 2014 Internal audit of Governance of Resource Functions scheduled for 2015/16	Substantial	Adequate	

PEEL Strand	Objective	Type of Risk	Responsibility	Initial Risk	Current Risk	Commentary	First Line of Defence: Key Controls		Second Line of Defence: Management Oversight / Governance		Third Line of Defence: Independent Assurance		Overall Assurance RAG Rating	Actions																									
							Assurance Measures	Effectiveness	Assurance Measures	Effectiveness	Assurance Measures	Effectiveness																											
Managing Change	Regional Collaboration	Regional Collaboration	DCC	Medium	Medium	These comments relate to regional collaboration as it relates to the current Tri-Force collaboration programme between Leicestershire, Northamptonshire and Nottinghamshire Forces. This does not relate to other existing operational collaborations such as EMSOU, EMOPAS or EMCJS, which are governed by a separate process. The current programme relates to a broadening and deepening of existing regional collaborations. There are currently five agreed and endorsed streams of work as agreed by the Tri Force Collaboration Board that are CONTACT MANAGEMENT, NICHE AND OTHER TECHNOLOGY ENABLED CRIME AND INTELLIGENCE, ENABLING SERVICES, IT CONVERGENCE AND PROFESSIONAL STANDARDS. In addition there are some ancillary pieces of work being overseen by the Programme Team such as ESN migration and some elements of standardisation of PP approaches. Work is governed by a monthly design authority of DCCs and OPCC chief executives and a three monthly board of CC and PCC	Management of the regional collaboration programme is overseen by the Collaboration Board	Adequate	Oversight of the Regional Collaboration programme is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016. Internal audits of Collaboration arrangements undertaken in September 2013.	Adequate	Adequate																										
															Emergency Services Integration	DCC	Low	Low	The wider collaboration with FRS is now in its third year with many of the initial workstreams maturing and becoming business as usual. The Joint operations team delivering CCA responsibilities, event planning and ops support for both services with stronger operational and tactical relationships with EMAS and LAs under the daily direction and leadership of a FRS GM. The same can be said for prevention and protection lead by a FRS AO and supported by a Chief Inspector. The operational workstreams namely, RVS, MIAT, Alerters, shared accommodation are all advanced and delivering organisational and community benefits.	Management of the emergency services integration is overseen by the Interoperability Board	Adequate	Oversight of the Interoperability Board is provided through the Transformation Board. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016	Adequate	Adequate													
	Service Delivery Model	DCC	Medium	Medium	The overall aim is to review all elements of operational demand (excluding regional collaboration units) in respect of Northamptonshire Police, seeking methods of reducing, removing and better managing demand to improve the efficiency and effectiveness of the force and provide an improved service to the people of Northamptonshire.	Management of the Service Delivery Model is overseen by its own Governance Board chaired by ACC Swann	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016	Adequate	Adequate																											
														Estates Strategy (inc Op Evolution)	DCC	Medium	Medium	The realignment and restructure of our Estate to ensure we support the SDM requirements, facilitate the movement from FHO and utilise the new build (NAH) and hubs efficiently and effectively. Think the OPCC may own the overall Estate Strategy	Management of Op Evolution is overseen by its own Governance Board chaired by Supt Dennis Murray and reports into DCC Frost. Other meetings will take place between the COT and OPCC re the wider Estate Strategy which may feed into Op Evolution	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016. Internal audit of Estates Strategy & Management undertaken in August 2014. Internal audit of the Estates Management Strategy undertaken in September 2012	Adequate	Adequate														
																											Business Continuity Management	DCC	Medium	Medium	BCP's exist for all departments but they will need to be updated to reflect the changes in Force structure and any further changes as a result of the Service Delivery Model and Op Evolution.	Business Continuity Plans Business Continuity Policy and Procedures Departmental Heads are responsible for ensuring each department has an up to date Business Continuity Plan with oversight provided by the Force Risk and Business Continuity Advisor	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016. Internal audit of Force Business Continuity undertaken in December 2013. Internal audit of FCR Business Continuity undertaken in 2014	Adequate	Adequate	Further internal audit of Business Continuity scheduled for December 2016
	Victim and Witness Satisfaction	ACC	Very High	Medium	Satisfaction with treatment is stable but remains lower than levels seen in previous years. The public continue to report they have high confidence that the police would treat them with respect if they needed our help. Satisfaction with follow up remains a long term risk and is being managed by the victim and witnesses working group	Victim satisfaction surveys MI provided through the Performance Hub Oversight of victim satisfaction is provided by a victim satisfaction group chaired by the force.	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016	Adequate	Adequate																											
														Community Engagement	ACC	Low	Low	We have effective mechanisms in place for engaging with the public, either on an ongoing basis or in the event of significant incidents (CTAs etc). We also have effective mechanisms for coordinating our engagement in partnership with other agencies (through CSPs for instance) Engagement is appropriately resourced to meet our business needs.	District and Sector briefings Dedicated engagement officers Social Media responses	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016. Internal audit of the Social Impact / Value of the Police and Crime Plan scheduled for September 2015. Independent Advisory Groups	Substantial	Adequate														
																											Police Visibility	ACC	Low	Low	LRO remodelling suggestions are currently ongoing via the SDM, giving considerations of allocation of resourcing also influenced by the Crime Harm Index. CSP managers have been engaged with via LP Command. Recommendations have been submitted relating to a 'future state' proactive policing capability which will support localised threat harm and risk issues, enhancing geographical coverage from resourcing. The local policing footprint under the Neighbourhood policing model will be further influenced by SDM review, awaiting ratification	Police & Crime Plan Dashboard Police visibility is managed through the quarterly Organisational Performance Group	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016. HMIC inspection of Making Best Use Of Police Time was undertaken in March 2014	Substantial	Adequate	
	Complaints	DCC	High	Low	Complaint data is stable and indicates no risks at this time.	Police Staff Misconduct Policy and Procedures Governance of discipline and standards is overseen by Professional Standards Department	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016. HMIC inspection Police Integrity and Corruption undertaken July 2014.	Substantial	Adequate																											
Ethics														CC	High	Medium	The Chief Constable chairs an internal Ethics Committee. There is also an external Ethics Board made up of independent members.	Code of Ethics Departmental heads are responsible for ensuring their departments comply with the Code of Ethics.	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016. HMIC inspection Police Integrity and Corruption undertaken July 2014.	Substantial	Adequate															

Legitimacy

Maintain Public Confidence

Maintain Discipline and Standards

Risk Assurance Map (2016/17)

PEEL Strand	Objective	Type of Risk	Responsibility	Initial Risk	Current Risk	Commentary	First Line of Defence: Key Controls		Second Line of Defence: Management Oversight / Governance		Third Line of Defence: Independent Assurance		Overall Assurance RAG Rating	Actions
							Assurance Measures	Effectiveness	Assurance Measures	Effectiveness	Assurance Measures	Effectiveness		
	Compliance with Regulation / Legislation / Codes of Practice	Health & Safety	DCC	Low	Low	Accidents remain low across the force	Health & Safety Policy and Procedures Compliance with Health and Safety Regulations is the responsibility of departmental managers overseen by the Facilities Manager (Compliance). Oversight of Health & Safety is provided by the quarterly Health & Safety Committee.	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Health & Safety scheduled for 2017/18	Substantial	Adequate	
		Information Security	DCC	Low	Low	The Deputy Chief Constable is the Force SIRO	Information Security Policy and Procedures Data Protection Policy Information Management Policy Security Incident Management Policy and Procedure Secure Erasure of Data procedure Compliance with Information Security policy is managed by departmental managers overseen by the Force Information Security Officer.	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Data Security undertaken in March 2014. The National Dashboard rates Northants as 'green' for every category of Information Assurance. Internal audit of IT Health Check scheduled for March 2016	Substantial	Adequate	
		Legal / Regulatory Compliance	DCC	Medium	Medium	The Deputy Chief Constable is the chair of the Force Assurance Board where regulatory compliance is monitored.	Departmental heads are responsible for ensuring their departments comply with all relevant regulations.	Limited	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 HMIC inspection Police Integrity and Corruption undertaken July 2014.	Substantial	Adequate	

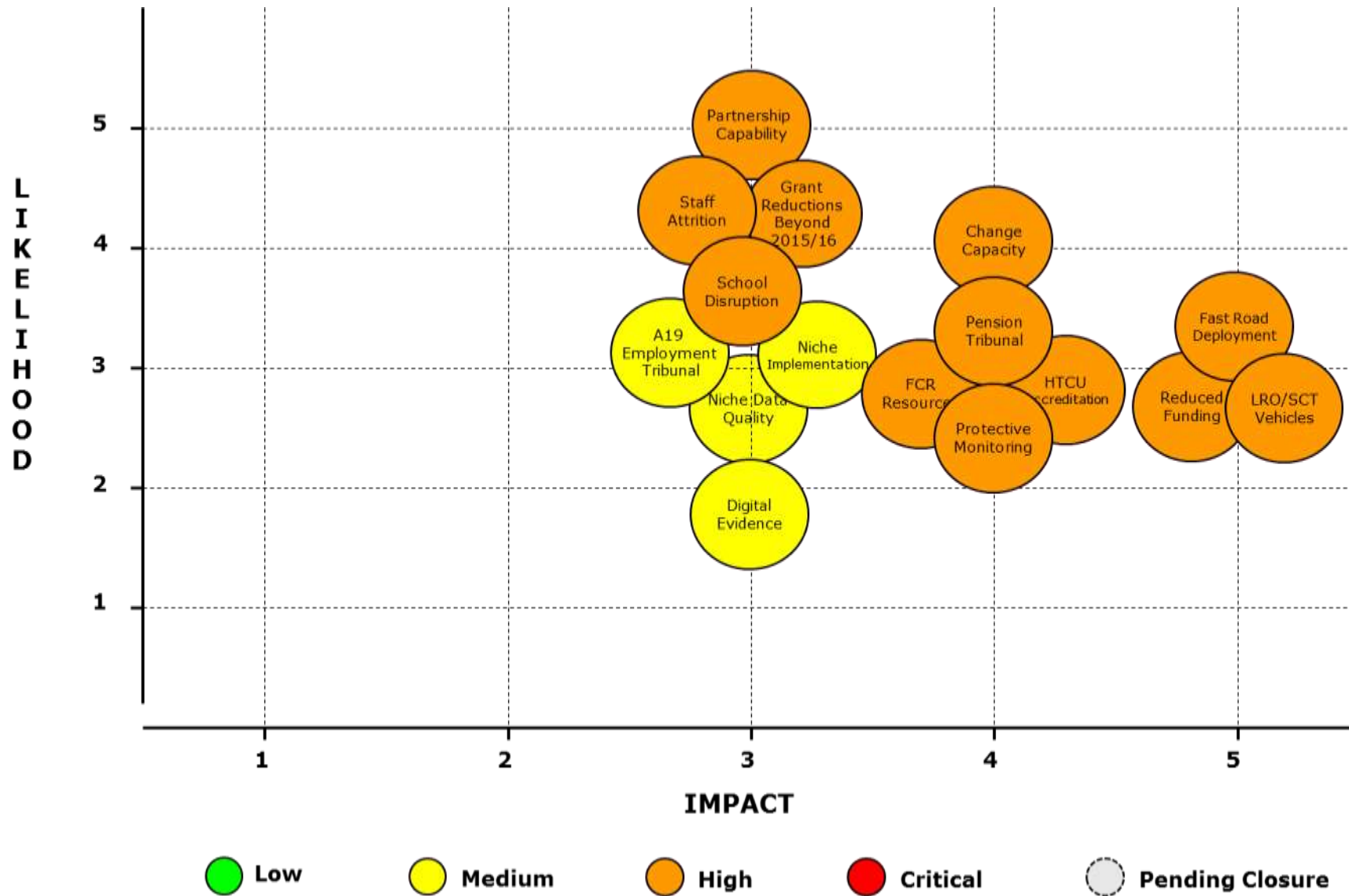


Risk Management Monthly Summary Report

November 2016

Corporate Risk Register

There are currently sixteen open risks on the Corporate Risk Register. Twelve are 'high' and four are 'medium'.



Summary details are below:-

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
CR 60	16	4	4	Reduced capacity and/or capability (i.e., financial, etc.) to deliver transformational changes that enable the Police and Crime Plan could result in a failure to meet operational or financial targets.	A Transformation Programme has been developed to plan and manage the required changes. The Force and OPCC are collectively working to address human and financial resource challenges, in addition to identifying priority work streams within the transformation agenda (while returning business as usual elements of the portfolio back to the operational business).	The e-services work is transferring to ISD. Funding has been identified to allow recruitment of additional resources.	→
R 19	15	3	5	Less funding available, both from public and private sources to enable the force to prepare for population growth. Also changes in demand/ demographics from growth could result in increases followed by delayed Council Tax receipts.	Bids for Innovation funding have continued to be made, with the Commission increasing council tax by 1.99%, if collection rates & the precept continues to increase & this is available to the Force to use for frontline policing, this reduces this associated risks.	Investment requirements to the Tri-Force Collaboration & delayed savings could result in pressures on ability to delivery uniform current service levels to increased demand and populous.	→
CR 59	15	5	3	A reduction in partnership resources due to budgetary constraints means that the Police increasingly have to perform roles on behalf of partners which is diverting resources away from key policing functions.	Negotiation with partners to ensure commitment to providing adequate resources. Regional Service Level Agreement with EMAS to outline the standards and expectations of both services. Executive Group/COG to make decision on the position of the Force in relation to injured persons or transportation of injured persons as a result of EMAS non-attendance at scenes.	The triage work is ongoing with the Head of Safeguarding. Further meetings are to be held with partners to discuss closer ways of working.	→
CR 78	15	3	5	Response officers, who are not adequately trained, are deployed to incidents on 'fast roads', increasing the possibility of serious injury to themselves or members of the public.	EMCHRs LD tasked to develop a training package to deliver fast roads training to all LRO officers. Communication to all officers regarding risk assessment before deployment and wearing of high visibility clothing. Communication to Oscar 1 and 2 regarding risk assessment and deployments onto 'Fast Roads'. Issue of additional cones and signage to response cars.	Course dates for all response officers have now been agreed and officers planned in. New officers will obtain the skill as part of their standard driving course going forwards. Training starts on 8th November 2016 with all LRO officers now planned in.	→

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
CR 79	15	3	5	LRO and SCT vehicles, without appropriate marking or equipment, are deployed onto fast roads increasing the risk of serious injury to officers or members of the public.	Transport to be tasked to 'cost' marking the current fleet. Equipment audit of existing fleet. Communication to all officers and staff regarding risk assessment and deployment. Additional cones and signage provided for response vehicles.	Fleet marking has now commenced 9 vehicles marked and all new vehicles arrive meeting the new specification. DTU vehicle is also marked for training purposes.	→
CR 77	12	4	3	The announcement of the Strategic Alliance, subsequent ending of PBS Consultation and the development of a new Service Delivery Model places additional pressure on already under resourced departments and increases the threat of staff attrition due to uncertainty over the future.	Agree a retention strategy. Recruit temporarily to key posts. Share post holders across 2/3 forces.	A lot of engagement work is being done. An outline business case around what the Enabling Services phase of the tri-force collaboration will look like is due by 10 October. The full business case is due in December.	→

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
CR 71	12	4	3	<p>Grant reductions beyond 2015/16 have been announced as 1.3%, however, there is still an unknown top slicing effect, which could significantly increase this headline. The current range of possibilities are assumed to be - 1.3% to -6% which varies the deficit in year one from £0.95m to £4.3.</p> <p>A 1.3% cut would still equate to a roughly £13m savings requirement due to inflationary and emerging issues pressures, with a further need to invest around £10m in capital across the 5 years of the MTFP.</p> <p>Tri-Force Collaboration savings are currently being firmed up, however, investment costs are likely to delay benefits until year 3 (2018-19), which puts pressure on revenue budgets until then.</p>	<p>Following some decisions that have been made relating to the Service Delivery Model (SDM), the COT Team are making some key Threat, Risk, Harm budgeting and staffing decisions in order to continue to balance the balance.</p> <p>Longer Term, there is a need to develop an affordable Organisational Design. The Tri Force collaboration should mitigate the impact in terms of consolidation, efficiency and integration opportunities.</p>	<p>Options for staff need to be considered based on a proper consideration of threat, harm and risk, activity and demand analysis.</p> <p>The Tri Force Collaboration, SDM, including the departmental and organisational workforce mix alongside a full review of Supplies and Services budgets are currently being reviewed.</p> <p>With lead times and the scale of the changes required, it is likely that permanent savings needed for 2016-17 savings target are unlikely to be identified until late into the financial years and therefore the Force is trying to identify in years opportunities to mitigate the overspend.</p>	→

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
CR 84	12	4	3	The opening of the new school on the Wootton Hall site disrupts day to day police operations causing a potential reduction in services and possible damage to public confidence and reputation.	A dedicated access route and car park have been provided with temporary signage to divert traffic from the FHQ drive. Temporary signage will be in place directing traffic to the access route but additional measures may be required to prevent school traffic from using the FHQ access road.	Building of the temporary school accommodation is nearing completion with the school scheduled to open in September 2016. Traffic associated with the school, particularly at drop-off and pick-up times could cause congestion in the main route from FHQ impeding police vehicles which could impact on operational performance. Additional numbers of vehicles and pedestrians on the site increases the possibility of collisions / accidents. Any reduction in service or additional policing measures that are required to manage the school traffic could lead to adverse publicity and damage to reputation. The greater number of members of the public visiting the site may lead to increased security risk due to unidentified people accessing the FHQ site. A dedicated access route and car park for the school has been provided but it is not known whether this will be sufficient for the volume of traffic that the school may generate.	

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
CR 80	12	3	4	The Hi Tech Crime Unit fails to achieve ISO17025 accreditation by UKAS resulting in them possibly not being able to present evidence in court as experts leading to potential failure of prosecutions and associated risk of continued offending and reputational damage to the force and loss of public confidence.	Regional solutions are being developed for the legal entity and a quality management framework but it is not known at this stage whether these will be accepted by the accreditation body.	National updates indicate that there is a general consensus that not all forces will complete within the required timeframe. One of the contributing factors to this is the fact that UKAS are unable to recruit sufficient numbers of technical experts to undertake the accreditation process although they are in the process of a recruitment drive to attempt to address this. Northants are making reasonable progress in terms of document preparation but this would be strengthened if the force would commit to providing the staff necessary instead of the constant requests for the seconded officers to return. The EMSOU response was to divide the five forces into two phases; Derbyshire and Leicestershire in phase 1 with Northants, Lincs and Notts in phase 2. It is a significant indicator of our own timetable for inspection that Derbyshire and Leics has already slipped.	→
CR 83	12	3	4	An abnormal number of staff leaving the FCR, coupled with increased seasonal demand and overspill demand from Leicestershire potentially resulting in insufficient capacity within the FCR to be able to effectively manage the call volumes being received. This could lead to a reduction in the level and quality of service provided to the public.	Bring the next intake of staff forward from October to August and fast track candidates currently going through the application process. Run a further recruitment drive in October. Approach Specials to identify any volunteers who might work in the FCR.	A new intake has commenced in August. Further discussion are to take place over the October intake as the FCR is currently above establishment on paper but with nine on maternity leave plus sickness. The FCR budget has a predicted £325k overspend which would increase further with the October intake.	→

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
CR 85	12	3	4	Following the introduction of the new Police Pensions Scheme in April 2015 a number of officers are pursuing claims in a national challenge at an employment tribunal on the grounds of discrimination. If successful the Force could face compensation payments and adverse publicity and damage to reputation	Legal services are providing a regional lead for the responses to this national action. Thus providing a co-ordinated single point of contact for all forces and responses.	Legal firm Leigh Day are pursuing the claims on behalf of police officers across the country and are actively encouraging more officers to submit claims with approx. 80k officers affected nationally. A social media campaign has been launched to raise awareness of the challenge. To date a number of officers from Northants have submitted claims.	→
CR 49	12	3	4	Limited capability to monitor systems use increases risk of misuse and potential reputational damage and loss of public confidence.	Introduce protective monitoring software to allow system use to be effectively and consistently monitored and audited.	This risk has increased due to PSN Certification moving to the Cabinet Office, who are less likely to tolerate our non-compliance. We have no allocated funding to address this potentially expensive issue. A regional solution remains our best option.	↑
CR 50	9	3	3	An employment tribunal rules that the compulsory retirement of officers under Regulation A19 was unlawful resulting in financial compensation claims, damage to the Force's reputation and a reduction in public confidence	A Central London employment tribunal will determine if the use of A19 was lawful. Insurance reserve should cover the excess of £100k for each claim.	An appeal has been made to the High Court which will be heard on 31 January 2017	→
CR 76	9	3	3	Niche will replace the Case, Custody, Crime and Intelligence systems with a regional solution. This will require a substantial programme of work within a very aggressive timescale which will have a significant impact across the Force.	The programme identified and recorded a number of specific risks associated with the implementation. Response measures were identified for each of these risks and were monitored by the Programme Board. Most of those risks have been mitigated in preparation for and completion of implementation.	The implementation of Niche in March 2016 delivered the core modules of Case, Crime, Custody and Intelligence together with Northants additional functionality such as Public Protection, VCoP and Property. These elements will continue to be refined over the forthcoming months including the simplification of tasks and workflow. Throughout 2017 the optimisation plan will deliver new and improved functionality including Premises Search, Case File Development, Digital Witness Statements and Briefings/Mapping work. The full list can be seen in the Optimisation Delivery Schedule.	→

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
CR 82	9	3	3	The web form is the primary means of data input to Niche but lacks data validation consistently stringent enough to prevent input errors. Consequently the poor quality of some data being input to Niche compromises decision making and may affect operational activity.	<ul style="list-style-type: none"> • Development of Niche Dashboard App by ISD (for operational use to more easily identify outstanding tasks). • Development Niche Performance Dashboard by Corporate Performance Team (to monitor the trend of resolving the most significant data quality issues e.g. missing OIC and task information). • Offer to ISD to bring in an additional System Administrator for 6 months (to help address the location data integrity issues). • Recruitment of an additional local Data Cleansing Clerks (to support wider data integrity checking and resolution). • Extension of 2 x IMU Officers to the end of the financial year to undertake monitoring and feedback to operational staff (SDM review will consider ongoing. additional resource requirements) • Recruitment of an Auditor role to dip sample PO7s etc. • Web form Optimisation (phase 1 complete but further enhancements required). • Programme Team going through process of rationalising, streamlining and simplifying workflows, tasking and OELs. • Regional sessions being convened to consider business rules and mandatory fields. • Programme Team and EMCHRS providing further Staff Training and support. 	<p>We have deployed the Dashboard App and are now looking at optimisation of this to improve VCoP compliance. The Niche Performance Framework is near to completion for monitoring progress on key issues</p> <p>ISD are recruiting a System Administrator asap to seek to address the location and gazetteer related challenges – the other recruitment noted is also progressing</p> <p>A workshop has been held to develop a prioritisation matrix for resolving the data quality issues – this will allow local and regional data quality issues to be addressed with a focus on matters that could adversely affect operational decision making or statutory returns (this approach is being recommended as best practice to take forward across regional forces with Northants leading the way on this).</p> <p>Regional funding has been approved for two additional web form developers to be recruited.</p>	↓

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
CR 48	6	2	3	There is lot of complicated evidential data held in a number of different locations and formats with no appropriate policies over use. There is a danger of mis-management of the data which could result in evidential data being compromised or lost. The Force is also in breach of the Data Protection Act due to keeping records beyond the period that we are entitled to.	To have a central repository where all digital data is held and managed appropriately. This will need a policy and procedure document producing.	Somewhat improved by Niche implementation, but a longer term solution is necessary to reduce & remove legacy systems. Paper records are a significant risk & the large number of office moves in 2017 should be used to vastly reduce paper records. A collaborative solution to MOPI compliance is the best realistic option due to resource demands.	→

'Status' key – ↓ risk decreasing, → no change, ↑ risk increasing

**Briefing Paper for the Joint Independent Audit Committee
Meeting December 2016**

Agenda Item: HMIC Reports

1. INTRODUCTION

- 1.1 Her Majesty's Inspectorate of Constabulary (HMIC) independently assesses police forces and policing across activity from neighbourhood teams to serious crime and the fight against terrorism – in the public interest.
- 1.2 HMIC operates a five stage monitoring process of police forces which informs the level of oversight they will have with an individual force.
- 1.3 HMIC produces a large number of inspection reports each year, both in its own right and through 'joint inspections' undertaken in partnership with other regulators. This activity results in a high number of recommendations, which may be local, general or national in application.
- 1.4 All recommendations and areas for improvement are captured by Corporate Development Department and project managed to ensure all are appropriately considered by the force and effective progress is monitored and maintained.
- 1.5 The purpose of this paper is to provide an overview of Northamptonshire Police's current standing with HMIC and an update on recommendations and areas for improvement to this Committee since the last briefing to the meeting of 7 march 2016.

2. HMIC Oversight

- 2.1 The HMIC Oversight monitoring process has five stages;
 - 1) Routine monitoring
 - 2) In depth analysis and monitoring by regional HMI (of those forces where routine monitoring identifies problems)
 - 3) Referral to the Crime & Police Monitoring Group (if the HMI is concerned that a problem is at risk of not being resolved)
 - 4) Concerns raised publically by HMIC (if the HMI has serious concerns that are not being resolved)
 - 5) Concerns escalated to the Home Secretary (in extreme cases, if significant concerns are not being addressed)
- 2.2 Northamptonshire Police have been at stage 1 of the HMIC monitoring process since July 2016.

3. BACKGROUND AND OVERVIEW

- 3.1 Only HMIC inspections published during 2014 onwards (i.e. not joint inspections) are in scope.
- 3.2 Only Recommendations & Areas for Improvement (i.e. not "findings" or other commentary) are in scope.
- 3.3 The process will not duplicate or add further tiers to existing, effective scrutiny of the progression of HMIC recommendations within the force.
- 3.4 2016 has seen a significant reduction in the level of inspection of HMIC conducted by HMIC.
- 3.5 In July 2016 the HMIC completed their PEEL Efficiency, Legitimacy & Leadership Inspection of Northamptonshire Police.
- 3.6 The HMIC have published their Efficiency report and graded Northamptonshire Police as GOOD. This is an improvement on the 2015 grading of Requires Improvement.
- 3.7 'Hot Debrief' of the Legitimacy & Leadership briefing was positive and the Force is hopeful of receiving a Good rating.
- 3.8 The Legitimacy & Leadership Reports are to be published on the 8th December 2016.
- 3.9 The PEEL Effectiveness Inspection was conducted during the week commencing 7 November. This inspection considered the following questions;
 1. How effective is the force at preventing crime, tackling anti-social behaviour and keeping people safe?
 2. How effective is the force at investigating crime and reducing re-offending?
 3. How effective is the force at protecting those who are vulnerable from harm, and supporting victims?
 4. How effective is the force at tackling serious and organised crime?
 5. How effective are the force's specialist capabilities?
- 3.10 Areas for Improvement identified in the 2016 Efficiency (3), Legitimacy (5) and Leadership (1) have been communicated to the Force and work has commenced on addressing these.
- 3.11 The Hot Debrief of the Effectiveness Inspection indicated that the HMIC noted improvements in Northamptonshire Police since their 2015 inspection. There were some areas initially identified for improvement but the HMIC are now considering the evidence they have gathered before formally indicating any Areas for Improvement in due course to the Force.
- 3.12 A quantitative overview of 'progress' is as follows:
 - March 2015:** 17 'live' Recommendations out of a total of 127 across 6 inspections.
 - June 2015:** 18 'live' Recommendations out of a total of 153 across 8 inspections.
 - Oct 2105:** 15 'live' Recommendations out of a total of 197 across 13 inspections.

Jan 2016: 21 'live' Recommendations/Areas for Improvement out of a total of 236 recommendations/AFIs across 20 inspections

March 2016: 37 'live' recommendations and areas for improvement out of a total of 258 that have been made since January 2014.

September 2016: 26 'live' recommendations and AFI's

- 3.13 As of **November 2016** there are now 34 'live' recommendations and AFI's. An overview of these are attached at annex A.
- 3.14 While there appear to be no critical risks at present, this does not imply that all recommendations are either fully complete or complete within the (often rather notional) timescales set by the inspectorate.
- 3.15 Most importantly, while Recommendations are by nature retrospective and focussed on ameliorating past practice, Inspections bring new expectations and requirements. As a result, progress against past recommendations is no guarantee of high performance in future inspections.

Dave Spencer C/Insp
17 November 2016

Annex A

HMIC Recommendation Monitoring

All recommendations made and areas for improvement identified by HMIC are subjected to robust oversight to ensure effective consideration and response by the force Corporate Development Department. Listed below are the recommendations and areas for improvement where improvement work is ongoing or are subject to monitoring.

INSPECTION: Core Business National Report		
FULL TITLE: Core Business: an inspection into crime prevention, police attendance and the use of police time (Sept 14)		
8	<p>Not later than 1 September 2015, all forces should provide and periodically refresh basic crime prevention training for officers and staff who come into contact with the public.</p> <p>Anticipated completion date: January 2017</p>	<p>23/12 update from L Jones PCP: Prevention is now back in new recruit training and the first session has been delivered.</p> <p>Proposed action: continue to monitor to check positive changes (a) become embedded and (b) cover the breadth of staff anticipated within this Recommendation, i.e. not just recruits.</p> <p>Update from Laura Jones; My only other update on this is that this needs reviewing once the SDM is embedded and once the Sector Officers/PCSOs are identified we need to deliver a training to existing staff.</p> <p>In addition we are in the process of writing a number of prevention guides which will be available both internally and externally to help members of the public help themselves before falling victim, and to assist in all officers and staff being able to</p>
		<p>Gary Ashton & Charlotte Mcleod</p>

		<p>access basic crime prevention advice to answer queries and add value to contact with members of the public – these are a few months off of completion. (1/3/16)</p> <p>Update 24 Aug 16 (Charlotte McLeod)</p> <p>Crime prevention training is delivered to new recruits on a regular basis.</p> <p>The Crime Prevention team are now finalising a library of crime prevention guides that will be made available online for the public to provide advice about preventing crime and keeping safe, as well as being easily accessible to officers in order to provide this advice when responding to a wide range of crime types.</p> <p>As part of the strategic planning for the Prevention and Community Protection department, we are currently reviewing further crime prevention training to officers and staff beyond the recruitment stage.</p> <p>Force Assurance Board view: Action to continue until library is completed, published and promoted & a proposal for crime prevention training is produced. (25 Aug 16)</p> <p>Update 4.11.16 by Charlotte McLeod</p> <p>The work outlined above is in progress. Additional capacity in the Crime Prevention has now been sourced to complete the online guides.</p>	
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INSPECTION: PEEL Crime			
FULL TITLE: Crime inspection 2014 Northamptonshire Police (published November 14)			
5	<p>Within 3 months, Northamptonshire Police should review the use of E-CINS and by March 2015 should have developed and commenced the implementation of an action plan to ensure relevant officers and police staff are using the system to assess and record risks and protect vulnerable people.</p> <p>Anticipated completion date: April 17</p>	<p>A training schedule is in place which is facilitated by Police, to train identified police and partner staff to expand the use of the system.</p> <p>Further police use of the system has been identified, and ECINs going forward will be used within IOM and alcohol licensing – these 2 projects are being led by the relevant</p>	<p>Charlotte McLeod</p> <p>C/Supt Stamper added as</p>

		<p>teams. Funding for ECINS has been secured, via the County Chief Executive Group, up to August 2016, along with the provision of an ECINS development Post.</p> <p>23/12 update from L Jones PCP: ISA has now been reviewed and new partners continue to join to utilise the system.</p> <p>Proposed action: continued monitoring</p> <p>Update from Laura Jones; We continue to experience significant issues with users of the system not logging on, and recently it has been identified that there is a lack of Sgt overview of ASB cases on ECINs, as well as issues with team administrators not cleansing the system and removing users when individuals move on to different teams.</p> <p>This is very much still work in progress, it needs senior leadership buy-in and communications and in my view this would best come from the leaders within the teams who are not using the system. Details for the different teams will be sent to Chris Hillery and Gary Ashton in the forthcoming weeks.</p> <p>We are also looking at a mechanism to communicate directly with users as oppose to general communications. On the ground the ASBUs continue to promote and bring on board Sectors which is having some success in some areas.</p> <p>At a partnership level, we continue to get new partners on board, however there are issues with partners commissioning different systems. This has been raised to Martin Hammond, KBC and chair of ASB and Hate Crime Board to take forward with Chief Executives. (1/3/16)</p> <p>Update 24 Aug 16 (Charlotte McLeod)</p> <p>As at August 2016, there are 27 teams within Northamptonshire Police using E-CINS, including the RISE Child Sexual Exploitation team, Anti-Social Behaviour Units and the IOM Unit amongst</p>	<p>a lead (25 Aug 16)</p>
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		<p>others. In addition to these, there are over 65 partner organisations signed up to E-CINS including Voice, schools, and borough and district councils. 46 training sessions have been delivered by the E-CINS Development Officer since March 2016. An action plan is in place led by the E-CINS User Group, which is made up of SPOCS and representatives across signed up organisations.</p> <p>The partnership is currently reviewing the future governance and management of ECINS, as there is a lack of strategic ownership to drive forward this agenda and embed the use of E-CINS across the Force and partners. A partnership Strategic Group is therefore being introduced which Chief Supt. Mick Stamper will be attending.</p> <p>Further plans include introduction of a Quality Assessment/Audit guide for SPOCS within each organisation to ensure the use of the system, and information, is being monitored and assessed effectively.</p> <p>Force Assurance Board view: 25 Aug 16 This action to remain open pending the work by C/Supt Stamper until the strategic ownership and governance issues are resolved.</p> <p>Update from ACC Swann 16 Nov 16 - Force risk around Ecins and its governance, management RRD function etc. Mick Stamper undertaking work with partners to improve this before widening its use as still duplication and double entry required</p>	
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INSPECTION: The Welfare of vulnerable people in police custody		
FULL TITLE: The Welfare of vulnerable people in police custody (published March 2015)		
3	Regular reports on custody, including the data above, should be provided routinely by forces for consideration by the police and crime commissioner and be published on PCC's websites, to	For regional custody and local performance leads to consider/provide any interim update on. Custody data is not part of the Police and Crime Plan
		Sarah Crampton

<p>demonstrate to the public that the police are delivering services to communities on a fair and transparent basis.</p> <p>Anticipated completion date: January 17</p>	<p>Dashboard reported each month but could be incorporated if needed.</p> <p>CDD Update September</p> <p>This has been discussed with the OPCC, which is awaiting learning from other OPCCs prior to implementing this matter. CDD seeks to meet with OPCC to understand their plans for progressing the letter and/or spirit of this recommendation.</p> <p>Update from Ashley Liggins: This is not currently being requested or progressed. As with the above update, this will be on hold now until the significant amount of work for NICHE is completed. (1/3/16)</p> <p>Update by Sarah Crampton</p> <p>23/8/16 – All custody reporting requires redevelopment with the introduction of NICHE. Regional colleagues will be looking to build a regional performance framework which we will be able to publish if appropriate. Timescales for this work are currently unknown. (23 Aug 16)</p> <p>Update by Sarah Crampton</p> <p>9/11/16 SC met with regional justice team MI manager Leah Johnson. Data for Q1 shared with Steve Walsh from force net team to ensure corporate tools were used for visually representing information on the new external site in the same way for Notts and Leicester. However, the data has been put into a table and is not right for publishing (too complex to understand) so further work is needed but no clear timescales given. Alexa Daly in OPCC leading on this.</p> <p>Update by Alexa Daly</p> <p>16 Nov 16 - Leah Johnson has provided all of the data required to date. Steve Walsh is re-looking at presenting the data in a visually appealing way to be published on the PCC website as soon as possible.</p>	<p>Alexa Daley</p>
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13	<p>Within three months, all chief constables should ensure that systems designed to identify, prior to police attendance, whether a reported incident involves or is at the address of a firearm certificate holder are in place and are always applied by staff dispatching officers to incidents; and that officers understand the risk assessment which they should be undertaking in such circumstances, and their power, when appropriate, to seize firearms and firearm certificates.</p> <p>Anticipated completion date: March 17</p>	<p>SEPT – As at Rec 1 (above). December update:</p> <p>Due to different gazetteers in NFLMS and STORM, occasional addresses may not have the flags. FLU are advised through Gucci update if address is not linked and we manually manage this to ensure flags are placed on these addresses. FLM liaising with Niche team at present to ensure no further issues will arise when we got on to Niche which will impact officer/public safety.</p> <p>FO entry shortly reminding officers of actions to be taken re firearms seizure during domestic/violent incidents.</p> <p>Outcome/rationale: Although the above represents a tenable approach at present, the importance of this Rec to public and officer safety suggests that it should remain open and subject to further light touch monitoring to ensure that the transition to Niche effectively automates the appearance of relevant flags on C+C systems.</p> <p>Update from Bridget Hodgson: Jeff Winfield is at present working with Matt Ball to ensure all holders are flagged before records transferred to Niche, there is an issue at present in that refused/revoked and cancelled holders are still on the system and are on NFLMS so we could end up with flags on these persons. I have no issue with warning flags remaining on refused/revoked persons but FLU staff may need to carry out some manual removal/change of flags on the cancelled to show that no firearms should be in possession. (1/3/16)</p> <p>Update from Bridget Hodgson 10.5.16: Still an issue at present over addresses not being linked to STORM from NFLMS, the work done by Matt Ball for an automatic update before changeover to Niche was not possible – a list has been supplied by Matt and addresses that appear on both systems have now been flagged. We are working on a fix for the remaining addresses. However, FCR staff are aware that all information on</p>	<p>Supt Bell/ Bridget Hodgson / FCR</p>
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firearms holders and addresses/firearms held is available in FCR on NFLMS and PNC. (STORM only gives information on addresses where firearms held – not holders - NFLMS/PNC should also be checked where applicable in case certificate holder involved in incident away from home address – eg domestic where holder goes to address of estranged partner, etc).

Update 19 August from Supt Murray.

I held a task and finish group to resolve these issues. The work required necessitated a change at the firearms licencing end. The word set for domestic incidents was changed to include firearms and plug the gap. The main issue was persons who visit the county and store firearms at a nominated location (parents house etc). Bridget should be able to inform if this is resolved.

Update from Bridget Hodgson 22/08/16: BCR ongoing – two-thirds of holders and addresses now on Niche. FLU staff have taken over management of flag updating as part of normal process. Still manually managing the STORM/NFLMS address issue.

Force Assurance Board view: Action to remain open until a full update of Niche has been completed and then reconsider. (25 Aug 16)

Update from Bridget Hodgson 21/10/16: Uploading of holders to Niche is continuing. New issue with update to NFLMS Gazetteer: Any new addresses e.g. new grant applications from new persons not previously on NFLMS, or addresses changed during the life of an existing certificate, upon renewal, variation, transfer etc., will not be tagged via GUCCI, until the release containing the necessary changes and fixes to the interface is deployed. There is no date for this at this time. FCR staff and all officers have been made aware of this via direct email to FCR plus Force Orders and Forcenet entries.


INSPECTION: PEEL: Police efficiency 2015 An inspection of Northamptonshire Police

FULL TITLE: PEEL: Police efficiency 2015 An inspection of Northamptonshire Police (published October 2015)

<p>AFI 1</p>	<p>The force should undertake further work to gain a fuller understanding of current demand for its services, and likely future changes in demand. This is so it can make best use of its resources by matching them to demand to meet the needs of the public</p> <p>Anticipated completion date: Full Business Case to be presented January 17</p> <p>Implementation timescales to be incremental from April 17.</p>	<p>This is being developed within the Service Delivery Model project who are considering four demand types;</p> <p>Public demand - The things the public ask us to do.</p> <p>Protective demand - The things we do, without being asked directly, to protect the public and their property.</p> <p>Internal (value) - The things we do that, whilst not falling in to the above categories, contribute directly to the servicing of public or protective demand.</p> <p>Internal (waste) - The things we do that do not service public or protective demand and do not directly contribute to their servicing.</p> <p>The above work will identify what the organisation is doing now, what it wishes and needs to do in the future and the type of skills (capability) it will require to do this. Once the skills are established a gap analysis can take place and a workforce development plan written.</p> <p>UPDATE 22 August 2016 (Andrew Wilson)</p> <p>Phase one of the SDM concerns five key areas of business:</p> <ul style="list-style-type: none"> • Response • Neighbourhood • Safeguarding • Crime Management and Investigation • Preliminary work on Demand and Contact Management <p>Process Evolution have been engaged to understand current demand and review resourcing levels accordingly regarding Response, Safeguarding and Investigation. In house skills are being developed to use the Process Evolution software to develop this work to be inclusive of wider/hidden demand and model against different service provisions. In addition, analysts have produced a Vulnerable Localities Matrix to seek to align</p>	<p align="center">Andrew Wilson</p>
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		<p>Neighbourhood and community resources to areas of greatest harm and this approach has been endorsed by the College of Policing Principal Researcher. The intention is for in house analytical skills to be developed to ensure that a continual improvement approach can be taken, with monitoring in place to review demand and consider if further changes in resources are necessary.</p> <p>Force Assurance Board view: Action to remain open and to be progressed within the Service Delivery Model work. (25 Aug 16)</p> <p>Update 14 Nov 16 Final business case for the SDM to be presented in January 17</p>	
AFI 2	<p>The force should develop its understanding of the links between its outcomes, outputs and costs</p> <p>Anticipated completion date: Full Business Case to be presented January 17</p> <p>Implementation timescales to be incremental from April 17.</p>	<p>This is included within the Service Delivery Model project</p> <p>UPDATE 22 August 2016 (Andrew Wilson)</p> <p>Key aims for the SDM are to protect people from harm by matching resources to demand and to use a systems thinking approach to streamline our processes where possible. The objective is for victims and witnesses to be given a better service and not passed to lots of different people. This will include a focus on:</p> <ul style="list-style-type: none"> • Focus on improved resolutions • Focus on improved victim satisfaction • Early Intervention <p>The outline business cases being developed in September and October will cover this element.</p> <p>Force Assurance Board view: Action to remain open and to be progressed within the Service Delivery Model work. (25 Aug 16)</p> <p>Update 14 Nov 16 Final business case for the SDM to be presented in January 17</p>	<p>Andrew Wilson</p>

AFI 3	<p>The force should develop a future workforce plan that is aligned with its overall demand and budget. The plan should include future resource allocations, the mix of skills required by the workforce and behaviours expected of them.</p> <p>Anticipated completion date: Full Business Case to be presented January 17</p> <p>Implementation timescales to be incremental from April 17.</p>	<p>This is included within the Service Delivery Model project</p> <p>UPDATE 22 August (Andrew Wilson)</p> <p>As above. Training needs assessments will be undertaken prior to skills based selection processes should resources need to be realigned to demand. A comprehensive implementation plan will be developed, with support of BDAs, to deliver a successful change, including a focus on culture and behaviour.</p> <p>Force Assurance Board view: Action to remain open and to be progressed within the Service Delivery Model work. (25 Aug 16)</p> <p>Update 14 Nov 16 Final business case for the SDM to be presented in January 17</p>	Andrew Wilson
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INSPECTION: Regional Organised Crime Units			
FULL TITLE: Regional Organised Crime Units A review of capability and effectiveness (published December 2015)			
3	<p>By 30 June 2016, every police force in England and Wales should publish an action plan that sets out in detail what steps it will take to make maximum use of the ROCU capabilities, minimise duplication at force level, and ensure that the use of shared ROCU resources are prioritised between regional forces. This action plan should be developed:</p> <ul style="list-style-type: none"> <input type="checkbox"/> in consultation with police and crime commissioners, ROCUs and the ROCU executive board; <input type="checkbox"/> with regard to both local force priorities (in particular, as specified in the relevant police and crime plan) and National Crime Agency (NCA) priorities; and <input type="checkbox"/> with regard to the other recommendations contained in this report. <p>Anticipated completion date: January 17</p>	<p><i>Requires a degree of action at a local level.</i></p> <p>December update:</p> <ul style="list-style-type: none"> i) DOI opts for this to be monitored by STCG rather than CSIG. ii) Update in essence: work ongoing in conjunction with regional colleagues. <p>Update from Supt Bell: The ROCU have their own action plan,</p> <p> HMIC Recommendations.xls</p> <p>Their update in respect of this action is, 'Head of Crime in each Force area to assess areas of duplication in relation to locally held</p>	Supt Fosskett

		<p>resources with assets that are also held at the ROCU and produce a force bespoke plan to reduce this duplication. ROCU resources are already appropriately managed and prioritised through RTTCG in the East Midlands.' Flagged up to Supt Foskett (1/3/16)</p> <p>Update 4/9/16 D/Supt Foskett</p> <p>A paper recommending structural change to the OCDT has been submitted to the SDM. The proposed structure move away from areas of duplication towards more shared ownership, understanding and development of OCGs locally by appointing LROs via FIB tasking.</p> <p>The investigative response to more priority OCGs will be dealt with via the new structure. The new Det. Inspector for the team will ensure there are no overlaps in the remit.</p>	
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INSPECTION: PEEL Vulnerability – Northamptonshire Police			
FULL TITLE: PEEL: Police Effectiveness 2015 (Vulnerability) – An inspection of Northamptonshire Police (published December 2015)			
AFI 2	<p>The force should improve its investigation of cases involving vulnerable victims, including rape, by ensuring that it carries out investigations to the required standards with proper supervision and recording of plans and actions.</p> <p>Anticipated completion date: January 2017</p>	<p>December update:</p> <p>A rape training program has been developed for 2016 with a scenario based approach. The force has a rape lead at DCI and DI level and now works closely with the judiciary and cps on case learning.</p> <p>Update from Supt Lingley (Feb 16)</p> <ul style="list-style-type: none"> • Training program has taken place • New rape problem profile supporting investigative knowledge of the threats • New Rape subgroup with action plan which includes investigative improvements and exploring with the cps prosecutions not supported by victims • Rape lead is now embedded within the CID model supporting staff development and post charge case work 	<p>Supt Foskett</p>

		<p>Update 4/9/16 D/Supt Foskett</p> <p>There is a new crime and prisoner allocation policy which outlines how offences will be allocated the right resource and skill set.</p> <p>The policy centres not only on 'serious and complex' but allows for each crime or prisoner to be assessed according to threat, risk and harm. This ensures that any crime where there is risk around vulnerability in victims etc. – even where it is not serious/complex – should be dealt with by an appropriately trained investigator with the right level of skill and training.</p> <p>A new investigation model is currently in development under the SDM which will see all investigations moved under a single command. This will ensure better consistency in investigation, training and supervision of every crime.</p> <p>Recently there has been a re-introduction of 'tray checks' from supervisors to ensure that each officer has regular supervision of their investigations.</p>	
AFI 3	<p>The force should improve its response to missing and absent children and those at risk of sexual exploitation by ensuring it improves its understanding of the scale and nature of the issue. This understanding should be achieved through analysis and assessment of available information, including that of partners.</p> <p>Anticipated completion date: April 2017</p>	<p>Supt Lingley update: Dec 15</p> <p>The force has developed with partners a new protocol for the response to missing children. Those missing from care are no longer treated as absent. A new response to missing persons investigations with a proposal for increased resources in the central team is being consulted on. A revised problem profile will be commissioned once the quality of partnership data has been addressed led by the CSE sub group.</p> <p>Update from Supt Lingley (Feb 16)</p> <ul style="list-style-type: none"> • Regional problem profile is now being undertaken • Local profile forms part of the 2016 work plan • Post sdm proposal for revised investigation model for missing • CSE Missing sub group is supported with a partnership data set and monthly performance pack 	Supt Lingley

		<p>Update from Supt Helm (31 Aug 16)</p> <ul style="list-style-type: none"> Enhanced information sharing now occurring through platform of monthly CSE and Missing forum. Forum takes place between practitioners and service managers across key public, private and third sector agencies facilitated by Police. Identifies at risk individuals and creates wrap-around support Paper under commission for post SDM structure that effectively invests in missing to remove all medium and low risk missing investigations to care and management of specialist safeguarding unit. Will maximise specialist skill set and streamlined partnership SLAS and ISAs for prompt and effective response to risk assessment, recovery and long term intervention to prevent repeat missing episode thereby maximising safeguarding outcomes. <p>Update D Supt Lingley (21/10/16)</p> <ul style="list-style-type: none"> The SDM proposal is still being considered but the OPC have agreed to run a three month proof of concept trial in late 16 early 17 with 6 staff in Northampton 	
AFI 4	<p>The force should improve its response to persistent and repeat missing children by ensuring it uses information from previous missing episodes to develop a co-ordinated and prioritised response.</p> <p>Anticipated completion date: January 2017</p>	<p>December update: As above</p> <p>Update from Supt Lingley (Feb16)</p> <ul style="list-style-type: none"> Information from social care is now shared from all return interviews and forms part of the strategy meetings As above <p>Update from ACC Swann (25 Aug 16) – Supt Murray has worked on this. Supt Murray added to owner column and emailed for an update. Awaits further updates.</p> <p>Update from Supt Helm (31 Aug 16) Children’s Safeguarding command now overseeing the</p>	Supt Lingley

		<p>implementation of changes in line with partners through the NSCB.</p> <p>Update 3 Sept 2016 from Supt Lingley</p> <ul style="list-style-type: none"> • The missing person unit is now fully resourced again • A business case has been developed for a missing person investigation team to manage under18 medium risk as part of the SDM quick hits. This is being further developed to scope a 24/7 365 model with a proposal by the end of Sept 16 <p>Update D Supt Lingley 21/10/16</p> <ul style="list-style-type: none"> • Robust governance exists on this matter through the partnership board • Pressures within partners may present risks to the current method of operating • As above trial of new of working taking place <p>Update from ACC Swann</p> <p>16 Nov 16 - Review of MFH policy completed by supt murray, now under supt Lingley, adopted AP / best practice</p>	
AFI 5	<p>The force should improve its investigation and safeguarding of domestic abuse victims by ensuring that frontline staff carry out risk assessments to the appropriate standards, staff attending incidents of domestic abuse consistently use body-worn video cameras and that the force has sufficient staff with the appropriate professional skills and experience to investigate cases and safeguard victims.</p> <p>Anticipated completion date: January 2017</p>	<p>December update:</p> <p>All medium and high risk DA is dealt with by CID which now has staff from the former DAU. This has seen the quality of investigations rise and DVPN numbers rise dramatically. BWV is now mandated for all DA. A full DA QA audit is taking place in early January looking at the victims journey</p> <p>Update Supt Steve Lingley (Feb 16)</p> <ul style="list-style-type: none"> • There a still significant gaps in the response to DA with recent QA audits showing low use of BWV often linked to the upload speeds • Post SDM plans to build a cross system based approach to develop our response • New DA ops group with practitioners now exploring a new 	<p>Supt Lingley</p>

model of response and investigation as part of the force gold violence plan

- Post SDM all DA will be investigated within a single sub system of the force it is proposed and improved investigative oversight within Crime.

Update from Supt Helm (31 Aug 16)

Process Evolution commissioned to review DA to establish improved service provision and accurate resourcing prediction, to inform SDM proposals.

Review of use of DVPO to ensure balance between maximised safeguarding outcomes and consideration of case by application being developed.

Update 3 Sept 2016 from Supt Lingley

- The force has now commissioned a force and system wide review of the response, investigation and safeguarding response to Domestic Abuse to propose as part of the SDM a victim focussed and effective model
- The CID manage those DA offences where the complexity requires the skills of a PIP2 detective in order to deliver a high quality service across all its portfolio which has meant increased demand on PIU
- The routine use of BWV is still not fully embedded with the infrastructure to support this not yet in place but the expectation remains that staff will use BWV.

Update 21/10/16 from D Supt Lingley

- Outline business case for the investigative model as well as response has now been prepared
- Role of the SDAU is now defined
- Increasing use of BWV for all business reported by ISD data records
- Improved outcomes of charge and reduced attrition reported during 2016

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INSPECTION: PEEL: Police Legitimacy 2015			
FULL TITLE: PEEL: Police Legitimacy 2015. An inspection of Northamptonshire Police (Published February 2016)			
1	<p>The force should take steps to ensure its local teams have sufficient information available to them to improve their understanding of local communities.</p> <p>Anticipated completion date: January 2017</p>	<p>Allocated to Supt Chris Hillery (20 Feb 2016)</p> <p>Update 20 Aug 2016 (Supt Hillery) CDD analysts have been commissioned to complete a CHi review of all 147 wards in Northamptonshire. This will inform police and partnership resourcing of these wards along with the tactical options that will have the most impact. This is due for delivery in Sept 2016., once complete and starting with the High harm wards a community profile will be completed to better inform local resources on the area being policed.</p> <p>Force Assurance Board view: The action remains ongoing pending the delivery of the work in progress. (25 Aug 16)</p> <p>Update 1st November 2016 from Supt Hillery – CHi work now complete and informing the SDM resource allocation for LP. Once signed off this will be used to inform those resources allocated on an ongoing basis with quarterly updates.</p>	Supt Hillery

INSPECTION: PEEL: Police Effectiveness 2015			
FULL TITLE: PEEL: Police Effectiveness 2015. An inspection of Northamptonshire Police			
1	<p>The force should provide officers and staff with clear direction about how crime prevention activity should be focused in line with local priorities</p> <p>Anticipated completion date: January 2017</p>	<p>Update 31st Aug 2016 (Supt Hillery) Working with AO Mark Ainge and in consultation with staff and officers from within protection and prevention we have developed a draft joint strategy that reflects the force control strategy and FRS priorities. This is underpinned by an Interops board and integrated</p>	C/Supt Stamper

		<p>management structure through CI Ashton.</p> <p>Furthermore, under the SDM the development of the PCSO and SCT constable Job description will include problem solving and prevention, supported by a model that will allow local teams to draw down prevention assets and resources through tasking and business as usual command structures.</p> <p>Once agreed the structure and strategy will be communicated and supported by an action plan to monitor delivery and effectiveness.</p>	
2	<p>The force should adopt a structured and consistent problem solving process to enable it to tackle crime and anti-social behaviour more effectively.</p> <p>Anticipated completion date: December 2016</p>	<p>Update 20 Aug 2016 (Supt Hillery)</p> <p>The force has agreed that its primary problem solving model will be SARA. The role of SCT problem solvers and PCSOs is currently being reviewed and will consider what additional training and approaches maybe required to develop sustainable solutions at a local level. EMCHRS L&D have agreed that SARA is the only model they will deliver until directed otherwise.</p> <p>Force Assurance Board view: Action to remain open while above work progresses (25 Aug 16)</p> <p>Update 1st November 2016</p> <p>SARA has now been agreed as the only PS model with EMCHRS and the command. HMIC recognised the use and application of SARA within their hot debrief.</p>	Supt Hillery
3	<p>The force should use evidence of 'what works' drawn from other forces, academics and other agencies to continually improve its approach to the prevention of crime and anti-social behaviour. There should be routine evaluation of tactics and sharing of effective practice.</p> <p>Anticipated completion date: April 17</p>	<p>Update from Supt Cox: Plans are being developed to re-position CDD with increased focus on research & scanning to develop more efficient & effective practices to support operational leads. Including the development of an internal peer review service.</p> <p>This includes developing wider networks across policing & academia to capture emerging ideas, the introduction of an EBP Forum to identify, builds on existing practice (Op Predict, Early Intervention), develop research aligned to improvements in force priority areas and improving the web section within Forcenet as the</p>	<p>C/Insp Spencer</p> <p>Change of lead to Gary Ashton</p>

		<p>new version goes live. (1/3/16)</p> <p>Update from C/Insp Spencer Work has been completed scoping successful practice elsewhere, most notably West Midlands Police to design an effective governance and oversight process. Relationships developing with East Midlands Police Academic Consortium (EMPAC) and Open University Consortium to obtain and share learning from further afield. Over 50 volunteers have come forward to form an Evidence Based Policing Forum which will be formally launched on the 30th September. 18 members have received EBP training from Nottingham Trent University. The development of Forcenet is progressing with initial conversations between the web designers and CDD having taken place.</p> <p>Force Assurance Board view: Action to remain open while above work progresses (25 Aug 16)</p> <p>Update 14 Nov 16 from C/Insp Spencer The second meeting of the EBP Forum is arranged for 15th December. The ownership of Forcenet development has transferred to ISD who are aware of this piece of work. It is awaiting progress by ISD,</p>	
4	<p>The force should ensure that all crimes are allocated promptly to investigators with the appropriate skills, accreditation and support to investigate them to a good standard.</p> <p>Anticipated completion date: December 2016</p>	<p>Update Supt Foscett (31 Aug 16) The Force has introduced a new crime screening framework developed from work by Sussex Police that ensures crime allocations are based on the level of threat, risk and harm aligned to the skill level required for that investigation.</p>	<p>Supt Foscett</p>
5	<p>The force should take steps to ensure that all available evidence is recorded at scenes of crime.</p>	<p>Update Supt Foscett (31 Aug 16) All frontline officers are PIP 1 trained. Guidance and direction has been provided on the use of body worn video and preservation of evidence. Consideration needs to be given to how those on the</p>	<p>Supt Foscett</p>

	<p>Anticipated completion date: January 2017</p>	<p>frontline are enabled to carry out thorough initial investigations against competing other priorities; this is being considered within the SDM modelling work.</p>	
6	<p>The force should ensure that there is regular and active supervision of investigations to check quality and progress.</p> <p>Anticipated completion date: December 2016</p>	<p>Update Supt Foskett (31 Aug 16)</p> <p>New procedures have been introduced that ensure regular supervisor checks are conducted; for uniform frontline roles these are to be every 2 weeks and within CID and specialist investigation teams these are every 3 to 4 weeks. This is commensurate with the level of ability of officers within these commands and the level of supervision required.</p> <p>Reality testing of this new process will be conducted across September by the Continuous Improvement Team.</p>	<p>Supt Foskett</p>
7	<p>The force should improve its ability to retrieve digital evidence from mobile phones, computers and other electronic devices quickly enough to ensure that investigations are not delayed.</p> <p>Anticipated completion date: January 2017</p>	<p>Update from Supt Bell (22/8/16)</p> <ul style="list-style-type: none"> In April 2015 a decision was made to increase the size of the mobile examination teams, and to centralise their management. Since this date we had a period of training, development and change to ensure that the change was sustainable. This function now provides a triage facility to the whole force, and has demonstrated significant improvements in turnaround times for mobile devices. The digital triage team also assist in examining devices believed to be involved in the sharing, possession or creation of illegal images of children. During the past year, a decision was also made to formally train senior investigating officers and their deputies in digital case management (an increase from the previous year where only SIO's would risk assess or prioritise work). This training was over several months and enabled decision makers (generally Di's and Ds's) to appropriately prioritise investigations, and be able to use the technical teams to best effect. In the last 6 months the force has also invested in forensic software that is sold on the idea it will triage electronic devices. The 	<p>Supt Bell</p>

		<p>project was tasked with reviewing the different tools to see if they offer any benefits, and if so how they could be used to best effect (by front line officers, by technical teams prior to existing tools etc). This piece of work is ongoing, due for feedback by the end of the calendar year.</p> <p>Force Assurance Board view: Action to remain open while above work progresses (25 Aug 16)</p> <p>Update from Supt Bell 4.11.16:</p> <p>As a result of the triage review we have now introduced a new pre-processing procedure which is seeing a great deal of success. This process is ensuring that officers are getting selected data extracted for review often months before we are able to allocate technical investigators. Data extracted includes chat, messages, internet activity etc and is shared on a network controlled drive.</p> <p>This process has only been running for a month, and we are now considering the implications of extending this trial and making it standard practice.</p>	
8	<p>The force should introduce a clear process to ensure that those who are circulated as wanted on the police national computer, those who fail to appear on police bail and named suspects identified through forensic evidence are swiftly arrested.</p> <p>Anticipated completion date: January 2017</p>	<p>Update from Supt Foskett (31 Aug 16)</p> <p>People wanted for offences are flagged and managed through the NICHE system. Tasks are generated through NICHE and allocated to officers to ensure the person highlighted as wanted is located. These tasks are managed and reviewed by supervisors until the offenders are located. The Force moved to NICHE in March 2016. The corporate development department are in the process of looking at the data contained within NICHE to develop a data performance network to allow them to capture data on how many people are wanted for offences across the Force. At this stage we are not able to accurately identify the number of people wanted for crime across the Force. There is a separate process managed by a Force SPOC in relation to people wanted on Court Warrants. The Force currently has 450 people wanted on warrant, this includes, Court, recall to prison and European arrest warrants. This number</p>	<p>Supt Foskett</p>

		<p>has been stable and they haven't seen any reduction in numbers recently. Issues have been flagged with foreign nationals who are circulated as wanted, but have left the United Kingdom.</p> <p>This matter is being further researched with a view to present it at the Force Organisational Performance Group meeting to consider the end to end processes associated with the problem and develop solutions.</p>	
9	<p>The force should supplement its serious and organised crime profile by establishing a local partnership structure with responsibility for tackling serious and organised crime.</p> <p>Anticipated completion date: December 2016</p>	<p><u>Update from DCI Spicer - March 16.</u></p> <p>The force has discussed this issue directly with partners and discussed whether a new partnership set up around Serious and Organised Crime should be set up / is desired. The feedback from partners is that they would not want a separate meeting but would prefer the SOC local profiles to be developed along the lines of each CSP and that the issues around SOC and the local management of OCGs be discussed and developed within existing structures.</p> <p>Within FIB an analyst has developed a local SOC profile for each CSP and has sent out questionnaires to two CSP Community Safety managers to try and enhance and develop this local response. The response so far (as of March 16) is mixed. The force is seeking the support of the Home Office (Lucie Irving) to go through the current OCG profile and seeking some additional advice and support around the type of model to follow that is experienced and commended in other similar sized, similar funded forces.</p> <p>Update 22.4.16: Meeting held with Lucie Irving, SOC, HO on 21.4.16. Advice has been taken and we are currently rethinking how we are going to undertake the SOC Plans.</p> <p><u>Update 11/5/16 DCI Spicer</u></p> <p>The idea of developing the SOC local profiles by each CSP has not worked out. This took a lot of analyst's time to do and the results back were mixed. After a meeting with the Home Office the force is now going to approach this in a different way:</p> <p>A 4 Ps plan will be developed that covers the whole county around SOC with separate appendices for each CSP to identify those that can assist in tackling SOC in each CSP within the plan. The governance structure for this will be the CSP managers meeting</p>	Supt Bell

chaired by Emma Hildreth so no new Local partnership Board will be created. To get this 'off the page' then a new approach to getting more local 'LROs' is being developed with permission sought for this role to be given to local officers – mostly Detective Inspectors. The LROs will be trained in the roles and responsibilities of an LRO and they will own the local aspect of the 4Ps plan around developing the partnership to support and tackle SOC. The FIB OCG Development desk will then support the LROs in discharging their functions with staff on that desk given geographic responsibility to exchange information and assist the LRO in managing their particular OCGs.

The annual local crime profile will still be conducted by analysts from FIB, this will be written in conjunction with EMSOU as it is now and will also include updates from the 4Ps plan and from the LROs and all of the CSPs to make the product for more rounded and inclusive.

Update from Supt Bell (22/8/16)

The CSP managers are keen to engage in this area of business, the CSP's managers board will be used as the governance structure. A training package has been developed in conjunction with Beds Police. This is due to delivered to them in September with the formal governance around SOC going live October.

Force Assurance Board view: Action to remain open while above work progresses (25 Aug 16)

Update from DI Pattison (3/11/16)

All CSP managers have been met and briefed regarding plans for them to work with LRO's to support the management of OCG's within the county. Whilst this remains in its early stages the CSP managers are keen to support this work. They have been made aware of the OCG's on their area and provided with details of the nominals linked to them. LRO's are still to undertake work with them.

In addition to the above the GAIN disruption officer will be working with LRO's to determine opportunities for partnership working with

		agencies within the GAIN set up.	
10	<p>The force should engage routinely with partner organisations in order to increase its ability to disrupt and investigate serious and organised crime.</p> <p>Anticipated completion date: December 2016</p>	<p><u>Update from DCI Spicer – March 16.</u></p> <p>The force had a local GAIN meeting and network until the recent decision to disband the local group and focus on regional delivery. Partnership engagement in SOC takes the form of partnership involvement at the monthly OCGM meeting (e.g. Fire Service and Trading Standards who are regular invitees) and also through regional GAIN collaboration and through the EMSOU 'Disruption Officer' who is tasked with assisting in bringing partnership expertise to bear on OCG investigations – such as through HMRC, Housing, Trading Standards – there are numerous examples of how this has operated.</p> <p>There is also a lot of developing work and cooperation with partners in dealing with Foreign National crime and Human Trafficking (e.g. Through the Salvation Army, Hope for Justice).</p> <p>When the local profile work is resolved and SOC is delivered into the CSPs through the Lead responsible Officer (LRO) then it is anticipated that local partnership buy in and engagement around SOC will increase.</p> <p><u>Update 11/5/16 DCI Spicer</u></p> <p>The force continues to develop its approach to tackling CSE and Modern Slavery in partnership – for example an MOU with Hope for Justice is currently being developed.</p> <p>The GAIN partnership has now changed and is focused more on being strategic with an end to local GAIN meetings. The relationships with local GAIN members however continue through FIB managers and the EMSOU disruption officer with regular partnership involvement in a wide range of interventions in the management of current OCGs.</p> <p>The further development of partnership involvement is considered as part of the change in strategy around the overall management of SOC in the county through a 4Ps plan and the change in the way that the LROs operate and are supported (detailed at point 9).</p> <p>Force Assurance Board view: Action to remain open while above work progresses (25 Aug 16)</p>	Supt Bell

		<p>Update from DI Pattison (3/11/16)</p> <p>All CSP managers have been met and briefed regarding plans for them to work with LRO's to support the management of OCG's within the county. Whilst this remains in its early stages the CSP managers are keen to support this work. They have been made aware of the OCG's on their area and provided with details of the nominals linked to them. We still need to embed routine contact with CSP managers by the LRO's.</p> <p>In addition to the above the GAIN disruption officer will be working with LRO's to determine opportunities for partnership working with agencies within the GAIN set up.</p>	
11	<p>The force should improve the awareness of organised crime groups among neighbourhood teams to ensure that they can reliably identify these groups, collect intelligence and disrupt their activity.</p> <p>Anticipated completion date: December 2016</p>	<p><u>Update from DCI Spicer – March 16.</u></p> <p>The force has established a 'gangs management framework' with quarterly meetings chaired by the DOI – there are some excellent examples of gang management on the local sectors particularly in Wellingborough and East Northants where this is linked to an overarching investigation under the operational name 'Operation Worcester'. This activity is designed to prevent younger gang members developing into OCG members and escalating offending. The gangs management framework identifies other potential gang members and potential OCG members of the future throughout the county and this framework allows local officer the opportunity to identify those at risk of becoming drawn into serious and organised crime.</p> <p>The force is in the process of reviewing the 'LRO' process which will sit more with area Chief Inspectors than with the FIB DI and DCI. This will enable better intelligence sharing and a more open channel of communication with the local area to then become more involved in and responsive to disrupting the activities of Serious and Organised Crime Groups.</p> <p><u>Update 11/5/16 DCI Spicer.</u></p> <p><u>The force remains on track with its gangs management plan, there</u></p>	Supt Bell

will shortly be a further refresh of the intelligence held with FIB around gangs and groups, and the issue sits under the DOI who has a governance group. Some fantastic work has been completed on area – particularly in Wellingborough and East Northants around preventing youngsters being involved in gangs and then onto SOC – the different approaches taken in the force will be captured at the next gang’s governance board under the stewardship of the DOI.

As detailed elsewhere in questions 9 and 10 the force is proposing to change its approach to the way that it manages its OCGs through its LROs. The force plans to train and develop more local LROs to manage and develop OCGs more locally with partners and has mature plans in place to do this.

Force Assurance Board view: Action to remain open while above work progresses (25 Aug 16)

Update from DI Pattison (3/11/16)

Briefings packages are being sent to areas to provide details to officers regarding the OCG’s on their areas, to increase awareness of them and to promote intelligence and pro-active engagement with linked nominals.

Inspector Alexander-Lloyd is the SCT SPOC for OCG’s and a monthly meeting has been established with DI Pattison from FIB to discuss OCG’s and current activity and support that can be offered from area officers. Insp Alexander-Lloyd also sits on a number of the community safety partnerships around the force.

LRO allocation has been completed with many allocated on a geographical basis. This should promote effectively working between the DI’s owning the OCG and officers local to them.

13	<p>The force should ensure it takes opportunities to communicate with the public about serious and organised crime, in particular to publicise successful operations, offer reassurance and provide advice to help people to protect themselves from serious and organised crime.</p> <p>Anticipated completion date: January 2017</p>	<p>Update from Marie; I've drafted a starter for ten re a comms plan for serious and organised crime.</p> <p>This is more of a strategic plan rather than drilling down into lots of detail into each area of serious and organised crime, but hopefully gives some guidance on key messages we can include in comms as well as the approach we should take.</p> <p>This is a starting point so please feel free to amend/make suggestions on where we can go next. (1/3/16)</p> <p>Update from Marie. Over the past 6 months consistent communications have been delivered against all areas of serious and organised crime, in particular Child Sexual Exploitation, Human Trafficking and Cyber Crime. We have also increased the amount of crime prevention messages above previous levels. This work is ongoing. (30 Aug 16)</p>	<p>Richard Edmondson</p> <p>Marie Forsyth</p>
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INSPECTION: PEEL Efficiency 2016			
FULL TITLE:			
1	<p>The force should ensure that its recruitment plan seeks to address skills gaps across the organisation, not just on operational skills</p> <p>Anticipated completion date: June 2017</p>	<p>UPDATE – 26/10/16 from Ali Naylor</p> <p>Retained HR works closely with the business and Learning and Development specialists to identify and address skills gaps across the organisation. Examples of this include</p> <ul style="list-style-type: none"> • CID succession planning (e.g. CID Aideships, Investigators career pathways, DC transferee recruitment) • Police Now Recruitment and Development Programme • Fast Track to Inspector Programmes • Direct Entry Superintendent Programme • Custody Sergeants succession planning • Promotion Boards • Force Control Room recruitment • The upskilling of staff and officers in Project Management • Cyber Crime Accreditation Scheme 	<p>Ali Naylor</p>

		Once the SDM has been signed off, work will commence in identify any skills gaps within the new model; officer and staff. Once identified a plan will be developed with clear accountabilities to address any identified gaps.	
2	The force should devise and implement an ICT strategy, clearly integrated with a workforce plan as soon as possible Anticipated completion date: April 17	Update from DCC Frost (14 Nov 16) A tri-force strategy is being developed. We will not be writing a Force specific strategy .Phil Eaton Is developing this strategy.	DCC Andy Frost
3	The force should ensure that all assumptions for investment and medium term financial plans are sound Anticipated completion date: December 2016		Nick Alexander

INSPECTION: PEEL Legitimacy 2016			
FULL TITLE:			
1	The force should utilise its community engagement processes better and find new ways to obtain specific feedback as to how the public perceive they are treated by the police. Anticipated completion date: January 2017	Update from ACC Swann 16 Nov 16 - Community engagement is one of three strategic priorities for staff under SDM, will be developed with MS through this	ACC Rachel Swann & C/Supt Mick Stamper
2	The force should ensure it produces a local strategic counter-corruption threat assessment and control strategy. Anticipated completion date: January 2017	Update 1.11.16 from Supt Behan This is being developed and QA'd.	DCC Andy Frost & Supt Mark Behan
3	The force should review staffing levels within the CCU to ensure they have sufficient capacity and capability to manage their work effectively.	Update 1.11.16 from Supt Behan A further investigator and researcher have been added to the strength of the CCU to run through to 31/03 /17. A longer term plan and resource bid being formulated in the context of greater	DCC Andy Frost & Supt Mark Behan

	<p>Anticipated completion date: Initial response completed. Longer term solution tbc</p>	<p>regional collaboration.</p>	
4	<p>The force should ensure it has sufficient preventative health care measures in place to support the wellbeing of their staff</p> <p>Anticipated completion date: April 2017</p>		<p>CC Simon Edens & Supt Elliot Foskett</p>
5	<p>The force should ensure it has in place an effective system in place for managing individual performance.</p> <p>Anticipated completion date: Oracle PDR reporting is being trialled via the MFSS to be able to provide Force Managers with reports around PDR completion rates, objectives and evidence against individuals. Progress to be reviewed in January 2017.</p> <p>Updated Force Comms around the function of the Performance Improvement forum to be sent out by end of November 2016.</p>	<p>Update: 24/10/16 from Ali Roberts</p> <p>Northamptonshire Police has a number of informal and formal processes within the Performance Management Framework. Systems and policies are in place to manage individual attendance and performance with expert guidance from HR dedicated to each area of business to identify departmental trends and improve individual performance.</p> <p>There is a comprehensive Attendance Management Policy plus Guidance Notes for Managers that detail what the organisation expects from managers and individuals including sickness monitoring, statement of fitness certificates and management of recuperative and adjusted duties. The Recruitment Policy for Police Staff and Extension to Probation and Termination of Services for Police Officers provides advice and procedures for managing individuals with developmental needs and includes fitness tests, poor attendance, completion of portfolio's and regular reviews.</p> <p>The PDR system is used to set objectives to align individual performance to organisational priorities. Northamptonshire Police focusses on improving individual performance through a variety of solutions such as coaching, mentoring, on the job training, internal and external courses, and development plans. Should the individual fail to meet the required standard despite development opportunities then fair and effective processes for the effective management of individuals are set out in the Capability Procedure for Police Staff and the Unsatisfactory Performance Procedure for Police Officers.</p> <p>Northamptonshire Police adopt a holistic approach to managing performance through the use of referrals and case conferences with Occupational Health to provide support to the individual and a medical steer to the manager. Individuals are encouraged to seek</p>	<p>Ali Naylor</p>

		<p>support from the Federation and Unison and there are a number of support networks including Open Minds who provide a safe haven for staff through illness and recovery from mental ill-health. Ongoing complex cases that may include health and wellbeing issues plus unacceptable attendance and performance are referred to the monthly Performance Improvement Forum. There are representatives from HR, PSD, operational police managers, Unison and the Federation to mutually agree an action plan that is owned by the manager with support from HR.</p>	
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INSPECTION: PEEL Leadership 2016			
FULL TITLE:			
1	<p>The force should introduce a system of consistent talent management across the workforce</p> <p>Anticipated completion date: June 2017</p>	<p>Update from Laura Pettit, 27 Oct 16</p> <p>The organisation has a number of talent management programmes in operation. These include:</p> <ul style="list-style-type: none"> • CID Aideships. • Career Pathways (this is already in place for investigative roles and is now being extended to include non investigative police officer roles). • Internal Development Programme (a pre-requisite to the Fast Track to Inspector Programme). • Fast Track to Inspector Programme (Internal and External). • Direct Entry Superintendent Programme. • Police Now Recruitment and Development Programme. • Temporary Promotion Opportunities / Acting Up Opportunities / Temporary Higher Responsibilities (officer and staff). • Leadership and Development Programme for Senior Police Officer Managers. • Lateral Development Programme for officers and staff. 	<p>ACC Rachel Swann</p>

		<ul style="list-style-type: none">• Internal and external secondments including overseas secondments for officers and staff.• Attachments (officers and staff).• Career breaks (officers and staff).• Springboard Women's Development Programme.• Spring Forward Development Programme (open to men and women who are new to management / leadership roles or eager to progress in a managerial / leadership role).• Releasing Potential Programme (RPP). This programme has been available to Female and BME Officers from the Inspecting and Superintending ranks.• Mentoring Programme.• Coaching Programme. <p>Work is also ongoing with Multi Force Shared Services (MFSS) to develop the Performance Development Review (PDR) system in order to introduce a talent management module (a 9 box grid), that will assist the organisation in better identifying talent and succession planning across all roles within the force moving forward.</p> <p>With limited opportunities available to police staff, the organisation is actively supporting applications from staff for out of force secondments and career development on internal and collaborative change management programmes/projects.</p>	
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**NORTHAMPTONSHIRE POLICE AND CRIME COMMISSION and NORTHAMPTONSHIRE
CONSTABULARY**

JOINT INDEPENDENT AUDIT COMMITTEE

MINUTES OF MEETING HELD ON

14th September 2016

(Excluding Exempt Items)

PRESENT

Audit Committee Members

J Beckerleg (in the Chair)
M Pettitt
T Knivett

Northamptonshire Police and Crime Commission

S Mold	Police and Crime Commissioner (part)
J Neilson	Acting Chief Executive
S Dainty	Acting Chief Finance Officer
J Motte	Accounting Technician
R Jones	Strategic Finance Officer
S Desor	Strategic Finance Officer

Northamptonshire Police

A Frost	Deputy Chief Constable
N Alexander	Acting Chief Accountant Corporate Services
R Baldwin	Force Risk and Continuity Advisor

Auditors

A Cardoza	KPMG
S Lacey	KPMG
B Welch	Mazars

1. APOLOGIES FOR NON-ATTENDANCE

G Scoular
P Dawkins (Force Chief Financial Officer)
M Clarkson (Mazars)

2. DECLARATIONS OF INTEREST

Members made the following declarations of interest

T Knivett Member of the Police Disciplinary Panel

J Beckerleg i) Worked for the Chief Fire Officers Association
 ii) Member of House of Lords Audit Committee
 iii) Member of the Finance Committee of the Bar Council

M Pettitt Daughter employed by Northamptonshire Police

FORCE AGENDA

3. VALUE FOR MONEY

Mr Frost presented the report. He indicated the report set out ongoing approaches to VFM. It was work in progress and would therefore continue to develop over time.

Mr Pettitt commented that the report was a good foundation. It raised several points about the importance of benchmarking and using the outputs of the VFM exercise in the future. It was important that JIAC members were engaged in this process.

It was important the business benefits claimed in business cases were achieved and there were arrangements in place to measure progress during the implementation of particular programmes / projects. The importance of remaining within the agreed scope and using resources properly to complete projects was noted.

The issue of whether the various collaborations provided Value for Money was discussed and it was recognised that further work needed to be undertaken on this aspect.

A key element to in securing VFM was the budgeting process and how resources are allocated. The committee discussed the benefits of public consultation on the budget and priorities.

The Committee **noted** the report.

ACTION POINTS	
A Frost /N Alexander	To provide updates to the Committee as appropriate.

4. FORCE STRATEGIC RISK REGISTER

Mr Frost introduced the report. He noted that following a request by the Audit Committee to review how the Force deals with risk, a Force Assurance Board, which he chaired, had been

established. The Board would address all operational, change and financial risks. Its first meeting was held at the end of August 2016.

The Force Assurance Board would hold regular meetings to discuss risk and ensure the risk management process is working. This was still work in progress. The Board would concentrate on high level risks to ensure that the Force had the appropriate mitigations in place.

The Chair welcomed the creation of the Force Assurance Board. The Board's minutes (included on the agenda) demonstrated progress and provided the Committee with assurance. Mr Baldwin spoke to the risk register. One new risk has been added – a command risk regarding the day to day issue of the school on the Wootton Hall site.

The Force was re-developing a risk assurance map – this was still work in progress and would be brought to the Committee at its next meeting.

Mr Pettitt queried risks regarding the decant plan for Wootton Hall. Officers noted the decant plan was in progress and at this stage the financial resources so far authorised were adequate.

The Committee **noted** the report.

ACTION POINTS	
R Baldwin	To provide an update to the next meeting on the Risk Register, Risk Assurance Map and timescales for resolution.

5. HMIC Reports

The Committee welcomed the report summarising the HMIC work and the follow up of the previous HMIC inspections.

Mr Frost noted that the Force was now no longer subject to oversight by the Crime and Police Monitoring Group as a result of a recommendation by HMIC. The Force was therefore subject only to routine monitoring by HMIC. This was very positive news and was welcomed by the Committee.

The Effectiveness inspection under the PEEL regime will take place during the autumn 2016. The Force was awaiting final reports of the Efficiency and Legitimacy inspections; the Leadership inspection will take place in 2017.

In addition the Force (in common with all others) was subject to an HMIC inspection of Crime Integrity data recording at one day's notice. No such notice had yet been given.

The Committee **noted** the report.

ACTION POINTS	
A Frost	To provide update to the next meeting of the Committee

COMBINED AGENDA

6. Announcements from the Chair

Mr Beckerleg noted he had recently attended a regional workshop on collaboration. This had discussed a joint way forward, sharing internal audit resources, to provide assurance in relation to the various regional collaborations.

He also suggested there would be merit in starting a national forum for “police audit committees” to share items / good practice etc.

ACTION POINTS	
S Desor	To provide a proposal for Mr Beckerleg to consider

7. Minutes and Matters Arising

The minutes of the previous meeting were **agreed**.

(i) Force Counter Fraud

Mr Frost presented the report covering the work of the Counter Corruption Unit (CCU). In presenting the report Mr Frost noted the Force had a comprehensive register of gifts received. There is also a register of business interests which is reviewed by PSD.

The Committee was interested in how the CCU fitted into the overall Police Standards Department (PSD) and the number and outcomes of complaints handled by the PSD.

The Committee were assured by the arrangements in place within the Force.

ACTION POINTS	
Andy Frost	Force and Counter Fraud to be included on the November 16 workshop agenda

8. Matters Arising Action Log

None raised.

9. Statement of Accounts

Mr Dainty presented the report and circulated a short update report detailing the main adjustments post 30 June 2016 draft statement of accounts.

Mr Dainty noted the significance of achieving closure on time for the 2015-16 accounts given the issues relating to the accounts for 2014-15. The office of the PCC had invested in additional staff resources to ensure that closure was achieved on time. Only minor amendments were expected to be made to enable the accounts to be published by the statutory deadline of 30 September 2016.

Following on from the 2015-16 closedown process, an aspirational goal for the 2016-17 accounts would be to achieve an earlier closure than the statutory deadline of 30 September

2017, anticipating the changes in the statutory timetable for the 2017-18 accounts – i.e. 31 July 2018.

To achieve this goal the OPCA and Force had engaged the Chartered institute of Public Finance and Accountancy (CIPFA) to pilot its closure toolkit in Northamptonshire. The other forces within the Tri-force collaboration were also interested in the use of this toolkit.

The Chair asked that the six month delay in publishing the accounts for 2014-15 should be noted in the Annual Governance Statement. He also asked that the Governance statement reflect the areas of concern noted by HMIC in their PEEL inspections.

He also asked that the draft accounts and annual governance statement should be presented each year to the Committee before they were passed to external audit, per CIPFA guidance. There was an expectation that this would happen when the draft statement of accounts were produced for 2016-17.

The Committee expressed some concern at the sustainability of achieving the statutory deadlines in the future given that some of the key staff were employed only on interim contracts, although it noted the comments earlier regarding the CIPFA toolkit.

Mr Pettitt requested a simple explanatory note on MFSS expenditure to aid transparency.

The Committee invited the external auditor (KPMG) to present his ISA 260 report – see notes below.

ACTION POINTS	
N Alexander	To insert section for MFSS costs and to amend governance statement re PEEL inspections
M Pettitt	To provide feedback to the chief finance officers following his further review of the Statement of Accounts as soon as practicable.
S Desor	To amend the governance statement re closure of accounts 2014-15.

10. External audit update / ISA 260 report

Mr Cardoza noted the accounts were much improved since last year. He pointed that a different version of the accounts was provided to the KPMG audit team on 11 July 2016 from the published 30 June 2016 version. The update had been supplied with appropriate explanations of the variations.

There were no significant changes to the accounts presented to JIAC meeting since the 11 July 2016 version.

KPMG expected to issue an unqualified opinion on the accounts. In addition there would be an unqualified VFM opinion issued. Signed Letters of Representation were required from the management of the Commission and the Force.

The auditor noted his slight concern regarding the sustainability of the improvements and acknowledged the plans regarding the CIPFA closure toolkit. He stressed it was important that lessons were learnt to ensure that an appropriate review of the draft accounts by managers was still in place for next year's accounts.

Mr Pettitt asked KPMG for further detail on how they had reached their VFM opinion. Mr Lacey replied that the Police and Crime plan was the basis – it was reviewed with reference to the resources deployed to meet those outcomes. KPMG were content that resources had been prioritised to achieve the desired outcomes.

Mr Pettitt initiated a discussion on the recent sale of Wootton Hall. Questions on the review of the options for sale and governance were discussed. Mr Cardoza noted the ISA 260 report stated that KPMG, as part of their VFM work, had reviewed the governance processes and arrangements for the disposal of Wootton Hall (including the processes for agreeing and approving the sale using the valuation information received). KPMG stated that they were content that the transaction was satisfactory and explained that the scope for their VFM opinion did not cover the Wootton Hall sale option appraisal process.

Mr Pettitt questioned the KPMG statement on page 25 of the ISA report to the effect there was no short term adverse financial impact of the change from the Strategic Alliance to the Tri-Force Collaboration Programme given that the Force was forecast to overspend in 2016-17. Mr Dainty reassured the Committee on this point.

Mr Neilson set out the key timescales for the approval of the medium term financial strategy 2017-22. A consultation draft would be prepared during the autumn and a final version would be produced for approval by the Commissioner in February 2017.

The Committee formally **agreed** to recommend the Commissioner and the Chief Constable sign the accounts for 2015-16

11. Financial Update 2016-17

Mr Dainty introduced the report, correcting some casting errors.

The current forecast was a potential £1.8m overspend. This was anticipated as a possibility when the budget was approved, and has been provided for in the Commission's reserves strategy. However, the Force and OPCC would apply their best efforts to reduce this potential overspend throughout the rest of the financial year.

The level of reserves was in line with the approved plans.

Regarding the capital programme, Mr Dainty pointed out that the latest approved plans use all of the approved borrowing limit, and also noted the potential need for significant new investment over the medium term period.

Mr Pettitt asked about the following points:

- (i) Disclosure of the £6.9m reserve for the decant plan in the accounts
- (ii) Police Pensions – what were the delays in the procurement of an external provider
- (iii) Clarification on potential VAT liability on external speed training course
- (iv) Overspend on OPCC

[Points (i) – (iii) were to be actioned for the next meeting (see below action points)]

On point (iv), Mr Neilson and Mr Dainty noted the Commissioner’s recent restructuring of the OPCC had resulted in a number of staff leaving the Commission and a number of vacancies pending the arrival of new colleagues. Overall the budget was expected not to be overspent at the year end.

The impact of the Tri Force programme on the service delivery model was discussed. Mr Frost explained that the full final business case on the service delivery model would be produced in January 2017. The reason for the delay was due to the need to align local plans with the Tri Force approach.

The Committee **noted** the report

ACTION POINTS	
N Alexander / S Dainty	Borrowing limit – feedback to be provided to the next JIAC
N Alexander	Update on police pensions procurement exercise to be provided to the next JIAC
N Alexander	VAT liability update on external speed training course – awaiting HMIC clarification which will be provided to the next JIAC
S Dainty	Decant plan disclosure in accounts to clarify for JIAC

12. Treasury Management

Mr Alexander introduced the report. An update on the 2016-17 position would be provided at the next meeting.

The Chair commented that the external cash managers had produced a better return than the internal arrangements.

The Committee **noted** the report.

13. & 14. Internal Audit – Progress Report/ Implementation of Audit recommendations

Mr Welch introduced the report.

This was the second update report but it did not include all collaboration reports (detailed in appendix 1). There was one additional report on complaints management.

The firearms audit had been completed and would be brought to next JIAC meeting.

MFSS - Internal Audit focus had been on local review.

Additional audit work was planned for ‘core financials’ for mid October 2016. This would be done in tandem with Nottinghamshire. Programmed audits also included financial planning and procurement.

Regarding the Collaboration audits draft terms of reference were available for each of the areas. This year the 5 regional PCC CFO's had each been allocated responsibility for overseeing one of the collaboration audits. The PCC CFO for Northants was responsible for EMSOU.

The scope of these audits was key. It was important to ensure there was a signed section 22 collaboration agreement and that the various arrangements set out in those agreements were in place and effective.

On the issue of customer satisfaction measurement with Internal Audit, Mr Welch noted the lack of feedback from auditees.

In respect of regional governance development Mr Neilson noted the five regional OPCC Chief Executives had been charged by Commissioners to bring forward proposals for improvement.

Mr Knivett asked for clarification that change management would not be covered in the current audit programme; Mr Welch confirmed that this was the case.

The Committee **noted** the report

ACTION POINTS	
B Welch	<p>To report back to JIAC on the level of assurance that can be given on audits of collaborations (including MFSS).</p> <p>Scope of internal audit work going forward to be revisited and the conclusions reported back to JIAC</p>
J Beckerleg	<p>To review governance arrangements for regional collaborations based on internal audit recommendations</p>

15 – Tri force update

Mr Neilson gave an update to the Committee.

Business cases for five work streams were being developed and critical decisions were to be made by Commissioners and Chief Constables in December 2016.

A key issue was the capacity of the programme team to deliver; several key people had recently left.

The Committee **noted** the verbal report.

ACTION POINTS	
J Neilson	<p>To provide update on Tri-Force to next JIAC meeting</p>

16. Transformation & Accountability boards

Mr Frost reported on recent work of the Transformation Board, emphasising the links with the Tri Force programme and the need to align work streams; notably the Service Delivery Model and Agile working. He also noted the Specials/ Cadets programme was being reshaped.

The Committee **noted** the report.

17. Governance (OPCC)

Mr Neilson introduced the draft documentation and invited the Committee to let him have comments over the next few weeks as part of the consultation exercise on a revised scheme of governance.

ACTION POINTS	
JIAC	JIAC members to provide comments to J Neilson by end of October 2016
J Neilson	J Neilson to provide updated documents to JIAC by end of December
A Frost	Force to provide details of parallel arrangements for Force governance

18. OPCC Risk register and Assurance Map

Mr Neilson noted there were no material changes since the last report.

The Committee **noted** the report.

19. Items for Escalation to the Commissioner and /or the Chief Constable

None noted

20. Agenda Plan for the next four meetings

The JIAC asked for further information about data security and information management covering an explanation of the policies that exist, the training that is given, the instances where there have been breaches of policy and the way in which the approach is managed and monitored.

ACTION POINTS	
Andy Frost/John Neilson	Further information to be provided on data security and information management

21. Date and venue of next meeting

Noted

22. AOB

None

23. Private Agenda & exclusion of the Public

None

THE MEETING CONCLUDED AT 13:25

END

JOINT INDEPENDENT AUDIT COMMITTEE
5th December 2016

Matters Arising Log

Minute	Action	Who	Comment	Status
Meeting held on 9th September 2015				
6	Include a report on the outcome of Baker Tilley's work (Collaborations) on a future agenda of the Committee when appropriate.	SD	Workshop between Audit Chairs, C Exec's and CFO's was held on 21 st July, hosted by RSM. It was agreed IA days would be pooled (50 days). First group to be audited 2016-17 on a 3 year rolling programme. SD lead on EMSOU	Open
Meeting held on 7th March 2016				
14	To update the Committee on the outcomes from the CFO meeting so that it could decide whether to put forward an in-depth review on a specific area.	SD	see above	Open
Meeting held on 20th June 2016				
9	To present the outcome of a 'deep dive' into the governance aspects of EMOpS to the next JIAC workshop and consider the practicality of inviting the collaboration lead managers.	SD	Overtaken by events at the Workshop 21 st July. SD now responsible Officer for the IA EMSOU and agreed with Chair that this will substitute	Ongoing
Meeting held on 14th September 2016				
3	Value for money – to provide updates to Committee as appropriate	AF/NA	Agreed and will be included on future agenda's as required.	Closed
4	To provide an update to the next meeting on the Risk Register, Risk Assurance Map and timescales for resolution.	RB	Included on Dec 16 Agenda	Closed
5	HMIC Reports - To provide update to the next meeting of the Committee	AF	Included on Dec 16 Agenda	Closed

Minute	Action	Who	Comment	Status
6	To provide the Chair with a proposal for an Audit Committee forum	SDr		
7	Force and Counter Fraud to be included on the November 16 workshop agenda	SD	Included on Nov 16 Workshop Agenda	Closed
9	Statement of Accounts <ul style="list-style-type: none"> To insert section for MFSS costs and to amend governance statement re PEEL inspections To provide feedback to the chief finance officers following his further review of the Statement of Accounts as soon as practicable. To amend the governance statement re closure of accounts 2014-15. 	NA MP SDr	Actioned Actioned Actioned	Closed Closed Closed
11	Financial Update <ul style="list-style-type: none"> Borrowing limit –feedback to next JIAC Update on police pensions procurement exercise. VAT liability update on external speed training course – awaiting HMIC clarification which will be provided to the next JIAC Decant plan disclosure in accounts to clarify for JIAC 	NA/SD NA SD	Included on Agenda Included on Agenda Actioned	Closed Closed Closed
13	To report back to JIAC on level of assurance that can be given on audits of collaborations (including MFSS)	BW	The assurance levels will be reported upon completion of each report (including the five collaboration audits and the core financials and procurement audits, both of which have a shared element to them).	Closed
	Scope of internal audit work going forward to be revisited and the conclusions reported back to JIAC		Any future audits where it is agreed up front that an opinion will not be given, this will be agreed with client officers and, if possible, reported to the JIAC.	Closed
	To review Governance arrangements for regional collaborations through IA recommendations	JB	As and when the collaboration audits are reported	Ongoing
15	To provide update on Tri-Force to next JIAC meeting	JN	Included on Dec 16 Agenda	Closed
17	JIAC members to provide comments to J Neilson by end of October 2016	JIAC	Actioned	Closed
	To provide updated documents to JIAC by end of December	JN	Included on Dec 16 Agenda	Closed

Minute	Action	Who	Comment	Status
	Force to provide details of arrangements for Force governance	AF	Included on Dec 16 Agenda	Closed
20	Further information to be provided on data security and information management	AF/JN	Included on November 2016 Workshop Agenda	Closed

JB - John Beckerleg
SDr – Sanjay Desor

JN - John Neilson
BW – Brian Welch

SD - Steve Dainty
MP – Martin Pettitt

AF – Andy Frost

RB – Richard Baldwin NA – Nick Alexander

Author:

Steve Dainty



**NORTHAMPTONSHIRE POLICE AND CRIME COMMISSION and
NORTHAMPTONSHIRE CONSTABULARY**

JOINT INDEPENDENT AUDIT COMMITTEE

5TH December 2016

REPORT BY	Steve Dainty – Strategic Finance Officer
SUBJECT	MTFP and Budget Update
RECOMMENDATION	To note the report

1. INTRODUCTION

- 1.1. At the workshop on 21st November 2017 a brief report was given to the Committee as to the progress in developing the MTFP 2017-18 to 2021-22, including the Capital Programme and Reserve positions.
- 1.2. Since then little has changed with the information except that the quality assurance on the figures has begun. At the time of writing this report the Chancellor has not delivered his Autumn Statement and any implication flowing from this will be given verbally to the Committee.

2. CURRENT POSITION

REVENUE

- 2.1. Attached to this report is the document circulated at the workshop which indicates a funding gap of £3.869m for 2017-18 and a further £11.523m over the period 2018-19 to 2021-22.
- 2.2. The forecasts do not allow for any possible changes to the Police Grant formula, which is now expected to effect the 2018-19 position at the earliest. Although no details are yet known it is expected that Northamptonshire will benefit from these changes.

[Type text]

- 2.3. Work is currently underway in identifying possible areas of savings which could be put forward but it is extremely challenging when the budget is 80% staff and the Force are being advised by HMIC that certain areas are under resourced. Pressures from regional collaborations are also coming through.
- 2.4. On the funding side, it has been assumed a 2% reduction in Government funding and at this stage this is still considered to be prudent. A 1.99% increase in precept has also been assumed, although the Commissioner has yet to make his final decision on this. As part of the 2016-17 settlement the then Chancellor stated that in order for Police funding to remain at standstill a 1.99% increase in precept had been assumed.
- 2.5. As part of the strategy for the 2016-17 MTFP the Commissioner agreed to make contributions to reserves of £4.3m per annum. This decision was made against the backdrop of uncertainty regarding Strategic Alliance (now Tri Force), unidentified savings of £1.8m, Capital Programme pressures and Estates. These uncertainties and pressures continue and underline the prudence of that decision.
- 2.6. It is expected that the SDM will report in January 2017, which will propose changes to how the Force delivers its services and objectives.

CAPITAL

- 2.7. The current Capital Programme is detailed in Agenda item 9 and totals over £60m. This is currently being updated.
- 2.8. There are significant pressures which may need to be accommodated, including:
 - Decant Plan
 - Phase I (Sept 2017)
 - Phase II (June 2018)
 - Phase III (April 2000)
 - Estates Strategy Phase III
 - Tri-Force
 - Phase II – IT
 - Phase III – Other Enabling Services
- 2.9. Financing options include:
 - Increase in Prudential Borrowing Limit – consequential increase in revenue costs
 - Use of Reserves – underlines the importance of Capital/Transformation Reserve with the yearly contribution of £4m+
 - Transformation Fund Grants – Particularly Tri-Force
 - Capital Receipt generation
 - Delete schemes from the approved Capital Programme

[Type text]

RESERVES

- 2.10. Under the current strategy reserves are forecast to stand at £13.987m by 1st April 2017 and £19.7m by the end of 2021-22. However, although these balances seem large, these will be utilised to relieve some of the pressures on the MTFP.

3. CONSULTATION ARRANGEMENTS

- 3.1. It is programmed, for the first time, to formally consult with the taxpayers of Northamptonshire on the MTFP. Consultation documentation is currently being drafted with a view to consultation commencing December 2016.

EQUALITY, DIVERSITY AND HUMAN RIGHTS IMPLICATIONS	None
HUMAN RESOURCES IMPLICATIONS	None
ENVIRONMENTAL IMPLICATIONS	None
RISK MANAGEMENT IMPLICATIONS	None
Author:	Steve Dainty – Strategic Resources Officer
Chief Officer Portfolio Holder:	J Neilson – Director for Resources and Governance,

[Type text]

**JOINT INDEPENDENT AUDIT COMMITTEE
WORKSHOP – 21ST NOVEMBER 2016
REPORT BY: DIRECTOR FOR RESOURCES AND GOVERNANCE
SUBJECT: MTFP 2017-18 TO 2021-22 UPDATE**

- MTFP for 2017-18 to 2021-22 is currently in the early stages of development, with the Autumn Statement expected 22nd/23rd November 2016, provisional settlement mid to late December 2016 and final settlement January 2017.

REVENUE

- Common assumptions, at this stage, have been agreed with the three Tri-Force partners:

FUNDING	
Police Grant	-2.00% p.a.
Tax Base increase	1.00% p.a.
Precept increase	1.99% p.a.

SPENDING					
	2017-18	2018-19	2019-20	2020-21	2021-22
Police and Staff pay	1.00%	1.00%	1.00%	2.00%	2.00%
Police Pension Employers	23.24%	23.24%	23.24%	23.24%	23.24%
LGPS Employers Cont.	17.00%	18.00%	19.00%	20.00%	20.00%
Non Pay Inflation	0.00%	0.00%	0.00%	0.00%	0.00%
Utilities Inflation	2.00%	2.00%	2.00%	2.00%	2.00%
Fuel Inflation	0.00%	0.00%	1.00%	2.00%	3.00%

These inflation rates will be kept under constant review

- Using the above the current funding and spending forecasts are:

	2017-18	2018-19	2019-20	2020-21	2021-22
	£,000	£,000	£,000	£,000	£,000
Total Funding available	120,983	121,117	121,326	121,600	121,950
Cash Limits					
Force	112,877	112,987	113,309	113,693	114,149
OPCC	3,887	3,770	3,657	3,547	3,441
Contribution to Reserves	4,219	4,360	4,360	4,360	4,360
	120,983	121,117	121,326	121,600	121,950
Current Spending Forecasts					
Force	116,746	113,173	115,086	118,210	118,867
OPCC	3,887	3,900	3,588	3,678	3,574
Savings to be identified					
Force	-3,869	-186	-1,777	-4,517	-4,718
OPCC	0	-130	69	-131	-133
	-3,869	-316	-1,708	-4,648	-4,851

[Type text]

Clearly as we move through the process the MTFP forecasts will be further developed with the aim of delivering a balanced position

- The forecasts do not allow for any possible changes to the Police Grant formula, which is now expected to effect the 2018-19 position at the earliest.

CAPITAL

- The Capital Programme currently totals £60.362m, of which £7.652 are completed schemes, which will be removed when the programme is updated, £25.95m for Kettering NAH (including the Training and Learning Facility and a further £8.9m for Agile Working and NICHE.
- The Prudential Borrowing limit of £25m is expected to be reached in 2017-18
- The Capital Programme is currently being updated with a first draft revision expected at the end of November 2016.
- There are significant potential pressures on the future Capital Programme, which may need to be accommodated:

Decant Plan

Phase I (Sept 2017)

Phase II (June 2018)

Phase III (April 2000)

Estates Strategy Phase III

Tri-Force

Phase II – IT

Phase III – Other Enabling Services

- Financing options include:
 - Increase in Prudential Borrowing Limit – consequential increase in revenue costs
 - Use of Reserves – underlines the importance of Capital/Transformation Reserve with the yearly contribution of £4m+
 - Transformation Fund Grants – Particularly Tri-Force
 - Capital Receipt generation
 - Delete schemes from the approved Capital Programme

[Type text]

RESERVES

- As at 1st April 2017 it is forecast that the cash backed reserves will total £13.987m

RESERVE	AMOUNT £,000
OPCC – Carry forward	611
Pensions	1,180
Initiatives Fund	176
Capital/Transformation	5,194
Decant Plan	1,145
Insurance	83
Safety Camera	1,194
General	4,404
TOTAL	13,987

- The present financial strategy provides for a yearly contribution to Reserves of £4.360m being £0.910m to Initiatives Fund and £3.450m to Capital/Transformation Reserves. The issues highlighted above demonstrate the prudence of this strategy.
- On current approvals it is expected that by the end of 2021-22 the level of uncommitted reserves will total £19.7m and will be available to alleviate the issues described above subject to cash flow implications.

CONSULTATION ARRANGEMENTS

- It is programmed, for the first time, to formally consult with the taxpayers of Northamptonshire on the MTFP. Consultation documentation is currently being drafted with a view to consultation commencing December 2016.



JOINT INDEPENDENT AUDIT COMMITTEE

5th December 2016

**REPORT BY THE DIRECTOR FOR RESOURCES AND GOVERNANCE (OPCC)
AND ASSISTANT CHIEF OFFICER FINANCE AND RESOURCES (FORCE)**

2016-17 Revenue and Capital Expenditure Monitoring

1. INTRODUCTION

1.1. This report sets out at a high level, the revenue and capital monitoring position for both the Police and Crime Commissioner and the Force. It details actual spend against the approved budget as at 30TH October 2016 and forecasts the estimated outturn for 2016-17

2. OVERALL REVENUE POSITION

2.1. The net revenue budget which was approved by the Police and Crime Panel in February 2015 totalled £116.224m.

2.2. The overall forecast position is as below:

	BUDGET 2016-17 £,000	CASH LIMIT 2016-17 £,000	PROFILE TO Oct 16 £,000	ACTUAL TO Oct 16 £,000	FORECAST OUTURN £,000	VARIANCE £,000
FORCE						
Police Pay	51,587	51,587	30,006	29,526	51,087	-500
PCSO Pay	3,335	3,335	1,978	1,769	3,235	-100
Police Pensions	11,098	11,098	7,979	-982	11,198	100
Specials & Vol Operations	1,005	1,004	586	518	904	-100
Business Sup Depts.	18,495	18,473	10,785	10,657	18,873	400
Collaboration & Reg.	19,180	19,256	14,591	11,510	20,056	800
	7,615	7,562	4,411	5,367	8,562	1,000
TOTAL FORCE	112,315	112,315	70,336	58,365	113,915	1,600
OPCC	3,909	3,909	2,280	1,951	3,954	45
TOTAL EXPEND	116,224	116,224	72,616	60,316	117,869	1,645

2.3. The current forecast is showing forecast overspends of £1.6m for the Force and £45k for the OPCC. However carry forward approval was given to the Force in 2015-16 for expenditure of £697k (£86k Force training, £386k Regional Innovation and £225k Niche) and the £100k overspend on pensions will be funded from the Pension Reserves thus reducing the Force net overspend to £803k.. The £45k overspend on the OPCC was anticipated when the budget was agreed, and is earmarked to be funded from the OPCC carry forward reserve.

2.4. When the budget for 2016-17 was constructed the Force had a savings requirement of £7.267m, but only managed to identify £5.510m, leaving a balance of £1.757m still to find. It was assumed at the time that the Service Delivery Model, which is reviewing the workforce model, would deliver a substantial proportion of this gap. Unfortunately, currently, this has not been the case but the unfunded gap has fallen to £803k. No details of alternative savings plans are known.

2.5. The budget provision for Police Officers is based on an average establishment of 1,220 through the 2016-17 financial year.

2.6. Comments on the individual services are given below,

Police Pay – underspend £500k

The forecast has been maintained at £0.5m underspent, which is due to roles being identified and then no longer being recruited to. The workforce

mix of all Staff, Officers and PCSO's will continue to be reviewed and this may increase the underspend projections.

PCSO Pay – Underspend -£100k

The PCSO outturn has been maintained at a projected £0.1m underspend. The variance is mainly due to the recruitment into officer ranks and the PCSO vacancies not being filled. As we approach the planned 2017-18 reduction in PCSO numbers, natural attrition may occur which would cause the projection to increase further.

Police Pensions – overspend £100k

Delays in the procurement of an external provider for the administration of Police Pensions has resulted in the forecast overspend. Any variance on this budget will be balanced through the use of the Pension Reserve which currently totals £1.28m.

Specials and Volunteers – Underspend -£100k

The position has improved by £0.1m from a projected of balanced budget to £0.1m underspent. This has arisen from decisions to change the way in which the Specials and Volunteers programme is managed.

Operations – overspend 400k

The position has decreased further by £0.2m from a projected overspend of £0.6m to £0.4m. This follows a £0.1m reduction in forecast for the 16/17 revenue costs from the Niche implementation and a further £0.1m within custody resulting from lower than expected costs outside of the G4S contract.

The position includes;

- £0.3m of carry forwards expenditure, offset by reserves utilisation;
- A revised projection of £0.2m within the FCR (CMD), which remains due to the attrition assumptions. Work is continuing to reduce and mitigate this; and
- A total of £0.1m of other underspends within the remaining budgets.

Use of reserves would reduce the projected overspend to £0.1m.

Business Support Departments – overspend £800k

Business Support Departments (BSD) forecast overspend has remained constant at £0.8m. The overspend is due to the identified shortfall within the Force savings plan and underspends attributable to vacancies within Corporate Services. Costs in relation to the Estates Master Plan are also contained within this budget.

Collaboration and Regional – overspend £1.0m

The forecast overspend of £0.9m has increased slightly to £1.0m , with £0.4m relating to the use of carry forwards reserves for regional innovation funding, cost pressures within EMOPSS and MFSS which are continuing to be challenged and additional budget requirements within Regional Legal.

OPCC – overspend £45k

The small overspend, which is expected to reduce to nil by the year end is a result of a number of variations to staffing and other costs offset by vacancies.

2.7.To summarise the position after the approved use of reserves the overall position is:

	FORCE £,000	PCC £,000	TOTAL £,000
Variance as above	1,600	45	1,645
Use of Reserves			
Carry forward reserves	-697	-45	-742
Pension Reserve	-100		-100
Unfunded variance	803	0	803

3. Forecast Level of Reserves

3.1. The provisional level of Reserves at 31st March 2017 total £13.987m as set out in appendix 1. However of this only £6.339m are not committed and will be required to support the pressures which are mounting on the Capital Programme and MTFP.

4. Capital

4.1. The Capital Programme approved by the former Commissioner in February 2016 totalled £52.253m. However since the approval the former Commissioner has approved the financing of up to £6.9m for the Decant Plan from Wootton Hall. This, along with other variations to the cost of approved projects (+£1.016m) has resulted in a revised total cost of £60.169m.

4.2. Since the Commissioner approved the increase, minor changes have been identified, primarily for NICHE, which will be funded from reserves

4.3. The updated Capital Programme is detailed in Appendix 2 and totals £60.196m.

4.4. Any further additions to the capital programme will mean the recommended level of borrowing could be exceeded as all internal available financing has been utilised. This will also mean the financing charges for interest will increase along with the Minimum Revenue Provision of 7.75%. The only exceptions will be if the scheme is funded from revenue, external income or currently approved schemes are cancelled.

5. Recommendations

5.1. To note the forecast out-turn position for 2016-17.

John Neilson
Director for Finance and Governance

Paul Dawkins
ACO Finance and Governance

EQUALITY, DIVERSITY AND HUMAN RIGHTS IMPLICATIONS	None
HUMAN RESOURCES IMPLICATIONS	None
ENVIRONMENTAL IMPLICATIONS	None
RISK MANAGEMENT IMPLICATIONS	Small
REPORT AUTHOR	Steve Dainty Strategic Finance Officer

RESERVES 2016-17											
	Carry Forward		Pensions	General	Initiatives Fund	Capital/Transfm	Decant Plan	Insurance	Safer Roads	Employee Benefit	TOTAL
	Force	OPCC									
Opening Balance - 1st April 2016	697	1,356	1,280	4,404	2,941	3,010	0	83	1,194	1,145	16,110
Contributions 2016-17											
Police Grant						3,000					3,000
Increase in Tax Base						790					790
Council Tax Surplus						1,071					1,071
Victims & Witnesses (precept)					910						910
Transfers 2016-17											
Decant Plan Reserve		-700			-2,200	-400	4,445			-1,145	0
Repay Temp Borrowing					4,289						4,289
Movement in Reserves 2016-17											
Force Carry Forward	-472										-472
OPCC Revenue 2016-17		-45									-45
Force Overspends			-100								-100
Capital Programme 2016-17	-225				-3,007	-1,746	-3,300				-8,053
Initiatives Funding 2016-17					-2,757						-2,757
Tri Force 2016-17						-531					-531
Closing Balance 31st March 2017	0	611	1,180	4,404	176	5,194	1,145	83	1,194	0	13,987

CAPITAL PROGRAMME 2015-16 TO 2020-21

PROJECT	TOTAL COST	PREVIOUS YEARS	2016-17	2017-18	2018-19	2019-20	2020-21
	£000	£000	£000	£000	£000	£000	£000
Transformation Investment							
Interoperability Programme	1,971	1,231	286	454			
Agile Working	4,032	472	303	2,000	650	607	
NICHE	4,715	2,736	1,379	600			
Decant Plan	6,900		3,300	1,500	400	1,700	
Other Force Projects							
Capital Programme Management	187	129	58				
Regional Collaboration							
Tri Force	727	430	494	-197			
Procurement of Body Worn Video	1,091	590	80	80	80	261	
Knowledge/Policy Management	115	89	26				
Legacy - IT	128	49	73	6			
TOTAL CHANGE PROGRAMME	19,866	5,726	5,999	4,443	1,130	2,568	0
REPLACEMENT SCHEMES							
Information Services							
IT Replacement Equip.	2,754	401	738	455	455	705	
IT Infrastructure Hardware Replacement	1,897	580	392	375	275	275	
Photocopier Replacement Programme	329	57	110	114	48		
TOTAL REPLACEMENT SCHEMES	4,980	1,038	1,240	944	778	980	0
OTHER SCHEMES							
Property							
21st Century Estate (NAH)	20,550	1,992	12,655	5,661	242		

CAPITAL PROGRAMME 2015-16 TO 2020-21

PROJECT	TOTAL COST	PREVIOUS YEARS	2016-17	2017-18	2018-19	2019-20	2020-21
	£000	£000	£000	£000	£000	£000	£000
Estates Investment Strategy	390	355	31	4			
Accessibility Fund	100	0	25	25	25	25	
Crime and Justice							
Criminal Justice Centre	45	-15	60				
CJC Intercom	29		29				
Digital Recording	179	67	0	112			
Information Services							
Emergency Services Network	3,124	41	50	3,033			
Business Intelligence	284	156	114	14			
Policing the Future Pilots	43	38	0	5			
Vehicles							
Vehicle Purchases	6,281	2,368	979	1,034	950	950	
Operational Equipment							
ANPR Equipment programme (RCU)	250	61	69	60	60		
TOTAL OTHER SCHEMES	31,275	5,063	14,012	9,948	1,277	975	0
COMPLETED SCHEMES							
Various Schemes	4,075	4,075					
TOTAL CAPITAL PROGRAMME	60,196	15,902	21,251	15,335	3,185	4,523	0

CAPITAL PROGRAMME 2015-16 TO 2020-21

FINANCING	TOTAL	PREVIOUS YEARS	2016-17	2017-18	2018-19	2019-20	2020-21
	£000	£000	£000	£000	£000	£000	£000
Capital Grants	3,827	1,827	500	500	500	500	
Innovation Funding	2,665	2,421	244				
Useable Capital Receipts	7,008	335		3,379	1,644	1,650	
Revenue Funded	1,558	931	429	66	66	66	
Capital Reserve	3,400	3,400					
Prudential Borrowing	25,000	5,589	11,800	7,611			
External Funding	1,399	1,399					
Reserves - Capital	3,852		3,007	88	150	607	
Capital/Transformation	4,362		1,746	2,191	425		
Force Carry Forward	225		225				
Other	6,900		3,300	1,500	400	1,700	
TOTAL	60,196	15,902	21,251	15,335	3,185	4,523	0



Report to the Audit Committee

5th December 2016

Report of the Acting Head of Finance

TREASURY MANAGEMENT FORECAST OUTTURN 2016-17

RECOMMENDATION

The Committee is recommended to note this report.

1 PURPOSE OF THE REPORT

- 1.1 This report provides an update on the Interim outturn position on Treasury Management Performance for the Office of the Northamptonshire Police and Crime Commissioner (ONPCC) for the financial year 2016-17

2 BACKGROUND

- 2.1 The Bank of England (BoE) base rate was reduced to 0.25% on 4th August, having previously been at 0.50% since 5th March 2009. The current rate is the lowest since the published records began on 20th Jan 1975.

Forecasts for 2016-17 were for the BoE base rate to remain at 0.5%. The table 1 summarises the budget, forecast and variance in respect of Treasury Management income and expenditure for the year.

Table 1

	Budget	Forecast Out-turn £'000s	Sums (Invested) Borrowed £'000s	Average Return / Cost %	Variance
Net Interest (Receivable)					
Managed Funds-Investec	(75)	(97)	(7,714)	1.26%	(22)
Short-term fixed deposits	(50)	(11)	(9,286)	0.11%	39
Total	(125)	(108)	(17,000)		17
Net Interest Payable					
PWLB - fixed rate loans	611	63	1,300	4.82%	(548)
Short - term loans	5	1			(4)
Current Account	20	20			0
Total	636	84	1,300		(552)
Net Interest - (Receivable) / Payable	511	(23)	(15,700)		(535)

- 2.2 Investec forecast that interest earned on its managed fund would be 1.16%. Table 1 above shows that if investments continue as forecast, we are expecting to earn £97,000 (1.26%) for the full year. This does not take account of the fees charged, by the firm for managing the fund.
- 2.3 In terms of year to date interest earned, the Investec portfolio has earned 1.4% in the year to September, whereas internally managed fixed term deposits earned an average of 0.08% during the year. It is assumed that the internally managed budgets will reduce further in the 2017-18 budget setting process, mainly as a result of limited investment opportunities.
- 2.4 In reality the CC revenue budget of £112.3m is currently forecast to over spend and as a result has limited cash balances, however, capital expenditure to October 16 was only £6.0m, against a year to date budget of £12.0m.
- 2.5 Internal Treasury Management investment options have further been limited by the financial environment and the Force has had restricted cash balances to invest. Consequently alongside the BoE base rate reduction the forecast outturn is expected to under achieve on interest earned by £39,000.
- 2.6 All lending has been maintained within the maximum criteria for amounts and days as defined within our approved investment criteria. Additionally, no investments are made in instruments whose capital value may fluctuate in order to comply with the objective of principal security first.

2.7 Counterparties Limits

Shown below are the counterparty limits, as per the Treasury Management Strategy.

	Use	Max £ of total investments	Max. maturity period
Contracted Bank Group (Natwest)	In-house	£30m	364 days
Contracted Bank Group Short Term Interest Bearing Account (SIBA)	In-house	£8m	364 days
UK banks	In-house	£5m	364 days
UK banks	Fund Managers	£5m	364 days
Banks high credit rated (sovereign rating) countries – non UK	In-house and Fund Managers	£5m	182 days

As at 30th September 2016 there had been no breaches of the counterparty limits. If this should occur then members would be notified and informed of the appropriate action that was taken.

2.8 Long-term borrowing

No long term borrowing have yet been required during 2016-17, however in accordance with the Capital Outturn report, borrowing will be required in order to fund the 2015-16 internal borrowing and a proportion of the 2016-17 capital programme. This delay in borrowing is currently resulting in a forecast under-spend on interest paid of £548,000.

The ONPCC's debt is monitored against the 'authorised limit' and 'operational boundary'. The authorised limit for 2016/17 was set at £25m and is the statutory limit determined under section 3(1) of the Local Government Act 2003. This has not been exceeded. The operational boundary is also £25m which is the maximum level of projected external debt.

The ONPCC's decision on the details financing of the capital programme will be made later in the year. There is sufficient headroom within authorised limit for the ONPCC to borrow externally.

2.9 Relevant matters upon which decisions are made

CIPFA's Prudential Code for Capital Finance for Policing bodies plays a key role in ensuring that the capital investment plans are affordable (implications for Council Tax), prudent, sustainable (implications for capital receipts or external borrowing) and have the flexibility to enable timely remedial action to be taken where problems arise.

The estimated impact of this capital investment decision, above capital investment decisions previously taken are £2.34 for Band B Council Tax payer. With yearly estimated revenue implications being £0.29m in interest costs and £0.25m in capital repayments.

2.10 Maturity of Debt

The Prudential Code recommends that the OPCC sets upper and lower limits for the maturity structure of its fixed rate borrowing.

Revised maturity structure of fixed rate borrowing during 2016/17	upper limit	lower limit	Forecast Actual
Under 12 months	20%	0%	0%
12 months and within 24 months	20%	0%	0%
24 months and within 5 years	20%	0%	0%
5 years and within 10 years	50%	0%	0%
10 years and above	100%	0%	100%

The actual values move as fixed maturity dates draw nearer with each advancing year.

2.11 Short-term borrowing activities

During 2016-17, we have a temporary overdraft facility with our banking provider NatWest, which has meant we have been able to increase external investment lengths and not withdrawing monies to cover very low level in month cash shortfalls, however, deposit reductions are likely to occur further into the year.

2.10 Conclusion

The Force has under achieved against its forecast on Treasury Management Activity for the Year to Date position, which is predominantly due to the reduction in interest rate, the reliance upon funding the capital programme through cash flow and the limited investment opportunities outside of a few UK banks.

In the remainder of the financial year, the gain is expected to improve slightly due to the expected borrowing, which would in turn replenish internal funds, however, with control of nearly 45% of the investable fund outside of the remit of the OPCC and timing of the borrowing being currently uncertain, the forecast is difficult to predict.

John Neilson - Director For Resources Transformation And Governance

PAUL DAWKINS – ACO Resources - Section 151 Officer

Author: Nick Alexander – Acting Head of Finance

Background Papers: None



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Our ref **SL/DS/AC/NP**

Contact **Andrew Cardoza**
0121 232 3869

29 September 2016

Dear Paul

Audit of accounts 2015/16 – Notice of certification of completion of the audit

I am pleased to advise you that the audit of the Northamptonshire Chief Constable's accounts for the year ending 31 March 2016 has been completed.

An unqualified opinion on the accounts was issued on 29 September 2016. On the same date we also issued an unqualified conclusion on the Northamptonshire Chief Constable's arrangements for securing value for money.

I have not had to exercise any statutory audit powers under the Audit & Accountability Act 2014 (the Act).

May I draw your attention to Regulation 16(1) of the Accounts & Audit Regulations 2015 which requires the Authority to publish (which must include publication on its website) a statement:

- that the audit has been concluded and that the statement of accounts have been published;
- of the rights on inspection conferred on local government electors by section 25 of the Act (inspection of statement of accounts etc.); and
- setting out the address at which, and the hours during which, those rights may be exercised.

Yours sincerely

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Mr S Dainty
Acting Director for Resources and Section 151
Officer – Police and Crime Commissioner
Northamptonshire Police Force
Force Headquarters
Wootton Hall
Northampton, NN14 0JQ

Our ref **SL/DS/AC/NP**
Contact **Andrew Cardoza**
0121 232 3869

29 September 2016

Dear Stephen

Audit of accounts 2015/16 – Notice of certification of completion of the audit

I am pleased to advise you that the audit of the Northamptonshire Police and Crime Commissioner's accounts for the year ending 31 March 2016 has been completed.

An unqualified opinion on the accounts was issued on 29 September 2016. On the same date we also issued an unqualified conclusion on the Northamptonshire Police and Crime Commissioner's arrangements for securing value for money.

I have not had to exercise any statutory audit powers under the Audit & Accountability Act 2014 (the Act).

May I draw your attention to Regulation 16(1) of the Accounts & Audit Regulations 2015 which requires the Authority to publish (which must include publication on its website) a statement:

- that the audit has been concluded and that the statement of accounts have been published;
- of the rights on inspection conferred on local government electors by section 25 of the Act (inspection of statement of accounts etc.); and
- setting out the address at which, and the hours during which, those rights may be exercised.

Yours sincerely



Andrew Cardoza
Director, KPMG LLP



Technical update

Incorporating the External Audit Progress Report

**Police and Crime Commissioner for Northamptonshire and
Chief Constable for Northamptonshire**

November 2016

Contents

**The contacts at KPMG
in connection with this
report are:**

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External audit progress report

Technical developments

Page

3


6

This report provides the joint independent audit committee with an overview on progress in delivering our responsibilities as your external auditors.

The report also highlights the main technical issues which are currently having an impact in local government.

If you require any additional information regarding the issues included within this report, please contact a member of the audit team.

We have flagged the articles that we believe will have an impact at the PCC & CC and given our perspective on the issue:

 High impact

 Medium impact

 Low impact

 For information



External audit progress report

External audit progress report

This document provides the Joint Independent Audit Committee with a high level overview on progress in delivering our responsibilities as your external auditors.

At the end of each stage of the audit we issue certain deliverables, including reports and opinions. A summary of progress against these deliverables is provided in Appendix 1 of this report.

Area of responsibility	Commentary
Financial statements	<p>Since the Committee meeting on 14 September 2016 we have:</p> <ul style="list-style-type: none"> • issued an unqualified opinion on your 2015/16 accounts on 29 September 2016. This means that we believe the financial statements give a true and fair view of the financial position of the PCC & CC and of its expenditure and income for the year; • Issued our certificate on 29 September 2016 confirming that we have concluded the audit for 2015/16 in accordance with the requirements of the Local Audit & Accountability Act 2014 and the Code of Audit Practice; • produced our 2015/16 Annual Audit Letter as required by the National Audit Office’s Code of Audit Practice. The purpose of preparing and issuing the Annual Audit Letter is to communicate to external stakeholders, including members of the public, the key issues arising from auditor’s work. This information will be published on the PSAA website and is attached as a separate paper for the Committee’s information. We encourage you to publish this information on the PCC & CC’s websites; and • commenced our planning work for the 2016/17 audit. We met the ACO – Finance and Resources on 30 November 2016 to understand the current issues and priorities facing the PCC and CC.
Value for Money	<p>Also on 29 September 2016 we issued an unqualified conclusion on the PCC & CC’s arrangements to secure economy, efficiency and effectiveness in their use of resources for the year ended 31 March 2016.</p>

Appendix 1

2015/16 audit deliverables

Deliverable	Purpose	Timing	Status
Planning			
Fee letter	Communicate indicative fee for the audit year.	April 2015	Done
External audit plan	Outline our audit strategy and planned approach. Identify areas of audit focus and planned procedures.	February 2016	Done
Substantive procedures			
Report to those charged with governance (ISA 260 report)	Details the resolution of key audit issues. Communication of adjusted and unadjusted audit differences. Performance improvement recommendations identified during our audit. Commentary on the PCC/CC's value for money arrangements.	September 2016	Done
Completion			
Auditor's report	Providing an opinion on your accounts (including the Annual Governance Statement). Concluding on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the VFM conclusion).	September 2016	Done
WGA	Concluding on the Whole of Government Accounts consolidation pack in accordance with guidance issued by the National Audit Office.	September 2016	Done
Annual audit letter	Summarise the outcomes and the key issues arising from our audit work for the year.	October 2016	Done



Technical developments

Appointment of external auditor

Level of impact: ● (Medium)	KPMG perspective
<p>Following the Audit Commission's closure PCC & CC external audits are currently governed by transitional arrangements under the <i>Local Audit and Accountability Act 2014</i>, with audit contracts overseen by Public Sector Audit Appointments Ltd (PSAA). These transitional arrangements end with the audit of 2017/18 financial year, so auditors must be appointed under the new arrangements from 2018/19. In practice this decision must be made by 31 December 2017. There are three main options for local authorities to consider:</p> <ol style="list-style-type: none">1. Undertake an individual auditor procurement and appointment exercise;2. Undertake a joint audit procurement and appointing exercise with other bodies, for example those in the same locality; or3. Join a 'sector led body' arrangement where an approved third party procures audit on behalf of multiple bodies. <p>As the relevant supervisory body, the Institute of Chartered Accountants in England and Wales (ICAEW) maintains a register of audit firms and 'key audit partners' who have been recognised as meeting the eligibility criteria for local audit. Whatever the approach taken, local authorities can only appoint audit firms from the ICAEW register. KPMG has been registered by ICAEW for local audit work and has 21 Partners and Directors recognised as meeting the eligibility criteria, providing comprehensive national coverage through an experienced senior team.</p> <p>For options 1 and 2, the Act requires an Auditor Panel to be established. Guidance on auditor panels at local authorities has been issued by the CIPFA – see www.cipfa.org/policy-and-guidance/publications/g/guide-to-auditor-panels-pdf</p> <p>One option, subject to complying with EU procurement rules, might be to continue with your current auditor for an initial period. Although this would delay testing the market, fees could be benchmarked for reasonableness against published data or by comparing to similar bodies. This would provide stability of service in the short term and avoid the 'rush to market' as other local authorities undertake procurement exercises within a short time period, allowing tendering later in a more settled market.</p>	<p><i>Members may wish to discuss the options open to them on how to procure their auditor for 2018/19 and beyond and ensure they formulate a timetable for making this decision.</i></p>

Appointment of external auditor (cont.)

Level of impact: ● (Medium)	KPMG perspective
<p>The Audit Commission produced a report and slide pack summarising the lessons learnt from its 2012 and 2014 procurements of audit services, providing the reader with a list of factors that contributed to the delivery of successful outcomes for both procurements. A copy of this document can be found on the PSAA website at www.psa.co.uk/wp-content/uploads/2016/01/Learning-the-lessons-from-the-2012-and-2014-Audit-Commission-procurements-of-audit-services.pdf</p> <p>The lessons learnt may be helpful in generally informing procurements of audit services undertaken by individual local public bodies or collective procurement bodies under the new arrangements. However, it should be noted that the procurements undertaken by the Audit Commission were unique to the Commission's regime and the approaches taken may not be relevant in their entirety to other procurements.</p> <p>For option 3, in July 2016 the Secretary of State for Communities and Local Government specified PSAA as an appointing person under regulation 3 of the <i>Local Audit (Appointing Person) Regulations 2015</i>. This means that PSAA can make auditor appointments from 2018/19 to relevant principal authorities that choose to opt into its national collective scheme. For further information, see PSAA's website - www.psa.co.uk/supporting-the-transition/appointing-person/</p>	

Devolution

Level of impact: ● (For Information)

In spring 2016, the NAO published its report *English devolution deals*. This report finds that devolution deals to devolve power from central government to local areas in England offer opportunities to stimulate economic growth and reform public services for local users, but the arrangements are untested and government could do more to provide confidence that these deals will achieve the benefits intended.

The report is available free of charge and the full version or a summary can be accessed at www.nao.org.uk/report/english-devolution-deals/

Councillors' / members' travel expenses

Level of impact: ● (Low)

KPMG perspective

HM Revenue and Customs (HMRC) are in the process of contacting Local Authorities, PCCs and CCs to commence PAYE and NIC compliance reviews focusing on the historic treatment of councillors'/members' mileage expenses. Those bodies that are unable to demonstrate they have reported payments correctly face a tax and NIC charge, with interest and potentially penalties applying.

The previous rules

Up until 5 April 2016, HMRC could agree that for some councillors/members, home is a place of work and therefore the cost of journeys to council offices could be paid free of tax and NIC. This could have been the case where, for example, councillors were required to see constituents at home. HMRC do not accept however that working from home out of choice makes home a place of work and in these cases, any expenses reimbursed in respect of travel to PCC/CC offices should have been subject to tax and NIC.

HMRC Compliance Reviews

Those bodies that are unable to support their historic treatment of councillor/member mileage expenses face a liability to unpaid PAYE, NIC, interest and potentially penalties going back four, and possibly six years. It will be important for the PCC and CC to review their expenses records to determine how travel expenses have been treated and the processes and rationale behind that treatment. Given that different councillors/members can have different working patterns it will be important to review the treatment on a case by case basis.

The new rules

With effect from 6 April 2016, a new exemption has been introduced for councillors'/members' travel expenses. From this date, a councillor's/member's journey between their home and their office will be treated as 'business travel' which means that any mileage expenses reimbursed for this journey will, up to certain limits, be free of tax and NIC (subject to their home not being more than 20 miles outside the relevant authority boundary).

How KPMG can help

KPMG's public sector Employment Tax specialists provide practical advice on dealing with HMRC Employer Compliance reviews. We regularly assist local authorities, PCCs and CCs in liaising with HMRC and staying ahead of legislative and practice developments. If you would like to speak to one of our specialists please contact your normal KPMG contact.

The Committee may wish to seek assurances how the PCC and CC are progressing with the new requirements.



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Appointing person: Frequently asked questions

Question	Response
1. What is an appointing person?	<p>Public Sector Audit Appointments Limited (PSAA) has been specified as an appointing person under the Local Audit (Appointing Person) Regulations 2015 and has the power to make auditor appointments for audits of the accounts from 2018/19 on behalf of principal authorities who opt in, in accordance with the Regulations. The 'appointing person' is sometimes referred to as the sector-led body.</p> <p>PSAA is a company owned by the LGA's Improvement and Development Agency (IDeA) and was established to operate the transitional arrangements following closure of the Audit Commission.</p>
2. When will invitations to opt in be issued?	<p>The date by which principal authorities will need to opt into the appointing person arrangement is not yet finalised. The aim is to award contracts to audit firms by June 2017, giving six months to consult with authorities on appointments before the 31 December 2017 deadline. We anticipate that invitations to opt in will be issued before December 2016.</p> <p>In order to maximise the potential economies of scale from agreeing large contracts with firms, and to manage any auditor independence issues, PSAA needs as much certainty as possible about the volume and location of work it is able to offer to firms. Our provisional timetable suggests that we will need to start preparing tender documentation early in 2017, so we will need to know by then which authorities want to be included.</p>

Question	Response
3. Who can accept the invitation to opt in?	In accordance with Regulation 19 of the Local Audit (Appointing Person) Regulations 2015, a principal authority will need to make the decision to opt in at full council (authority meeting as a whole), except where the authority is a corporation sole (such as a police and crime commissioner), in which case the function must be exercised by the holder of the office.
4. Can we join after it has been set up or do we have to join at the beginning?	The Regulations require that once the invitations to opt in have been issued, there will be a minimum period of eight weeks for you to indicate acceptance of the invitation. One of the main benefits of a an appointing person approach is the ability to achieve economies of scale as a result of being able to offer larger volumes of work. The greater the number of participants we have signed up at the outset, the better the economies of scale we are likely to achieve. This will not prevent authorities from joining the sector-led arrangements in later years, but they will need to make their own arrangements to appoint an auditor in the interim. In order to be in the best position we would encourage as many authorities as possible to commit by accepting the invitation within the specified timeframe.
5. Will membership be free for existing members of the LGA?	The option to join the appointing person scheme will be open to all principal local government authorities listed under Schedule 2 of the Local Audit and Accountability Act 2014. There will not be a fee to join the sector-led arrangements. The audit fees that opted-in bodies will be charged will cover the costs to PSAA of appointing auditors and managing the arrangements. We believe that audit fees achieved through large contracts will be lower than the costs that individual authorities will be able to negotiate. In addition, by opting into the PSAA offer, authorities will avoid the costs of their own procurement and the

Question	Response
	requirement to set up an auditor panel with independent members.
6. How will we be able to influence the development of the appointing person scheme and associated contracts with audit firms?	We have not yet finalised the governance arrangements and we are considering the options, including how best to obtain stakeholder input. We are considering establishing a stakeholder engagement panel or advisory panel which can comment on our proposals. PSAA continues to work in partnership with the LGA in setting up the appointing person scheme and you can feed in comments and observations to PSAA by emailing generalenquiries@psaa.co.uk and via the LGA and their Principal Advisors.
7. Will there be standard contract terms and conditions?	The audit contracts between PSAA and the audit firms will require firms to deliver audits compliant with the NAO Code of Audit Practice. We are aware that authorities would like to understand how performance and delivery will be monitored and managed. This is one of the issues that could be discussed with the stakeholder advisory panel (see Q6).
8. What will be the length of the contracts?	The optimal length of contract between PSAA and firms has not been decided. We would welcome views on what the sector considers the optimal length of audit contract. We anticipate that somewhere between three and five years would be appropriate.
9. In addition to the Code of Audit Practice requirements set out by the NAO, will the contract be flexible to enable authorities to include the audit of wholly owned companies and group accounts?	<p>Local authority group accounts are part of the accounts produced under the CIPFA SORP and are subject to audit in line with the NAO Code of Audit Practice. They will continue to be part of the statutory audit.</p> <p>Company audits are subject to the provisions of the Companies Act 2006 and are not covered by the Local Audit (Appointing Person) Regulations 2015. Local authority companies will be</p>

Question	Response
	able to appoint the same audit firm as PSAA appoints to undertake the principal body audit, should they so wish.
10. Will bodies that opt in be able to seek information from potential suppliers and undertake some form of evaluation to choose a supplier?	PSAA will run the tendering exercise, and will evaluate bids and award contracts. PSAA will consult authorities on individual auditor appointments. The appointment of an auditor independently of the body to be audited is an important feature of the appointing person arrangements and will continue to underpin strong corporate governance in the public sector.
11. Will the price be fixed or will there be a range of prices?	The fee for the audit of a body that opts in will reflect the size, audit risk and complexity of the work required. PSAA will establish a system for setting the fee which is fair to all opted-in authorities. As a not-for-profit organisation, PSAA will be able to return any surpluses to participating authorities after all costs have been met.
12. We have shared service arrangements with our neighbouring bodies and we are looking to ensure that we share the same auditor. Will the appointing person scheme allow for this?	<p>PSAA will be able to make appointments to all principal authorities listed in Schedule 2 of the Local Audit and Accountability Act 2014 that are 'relevant authorities' and not excluded as a result of being smaller authorities, for example parish councils.</p> <p>In setting up the new arrangements, one of our aims is to make auditor appointments that take account of joint working and shared service arrangements. PSAA will seek information on such arrangements to allow it to make a sensible distribution of appointments.</p>
13. We have a joint committee which no longer has a statutory requirement to have an external auditor but has agreed in the interests of all parties to continue to engage one. Is it possible to use this process as an option to procure the external auditor for the joint committee?	The requirement for joint committees to produce statutory accounts ceased after production of the 2014/15 accounts and they are therefore not listed in Schedule 2. Joint committees that have opted to produce accounts voluntarily and obtain

Question	Response
	non-statutory assurance on them will need to make their own local arrangements.
<p>14. How will the appointing person scheme ensure audit firms are not over-stretched and that the competition in the market place is increased?</p>	<p>The number of firms eligible to undertake local public audit will be regulated through the Financial Reporting Council and the recognised Supervisory Bodies (RSBs). Only appropriately accredited firms will be able to bid for appointments whether that is through PSAA or an auditor panel. The seven firms appointed by PSAA and the Audit Commission generally maintain a dedicated public sector practice with staff trained and experienced in public sector work.</p> <p>One of the advantages of the appointing person option is to make appointments that help to ensure that each successful firm has a sufficient quantum of work to make it possible for them to invest in public sector specific training, maintain a centre of excellence or hub that will mean:</p> <ul style="list-style-type: none"> • firms have a regional presence; • greater continuity of staff input; and • a better understanding the local political, economic and social environment.
<p>15. Will the appointing person scheme contract with a number of different audit firms and how will they be allocated to authorities?</p>	<p>PSAA will organise the contracts so that there is a minimum number of firms appointed nationally. The minimum is probably four or five (depending on the number of bodies that opt in). This is required, not just to ensure competition and capacity, but because each firm is required to comply with the FRC's ethical standards. This means that an individual firm may not be appointable for 'independence' reasons, for example, because they have undertaken consultancy work at an audited body. PSAA will consult on appointments that allow each firm a</p>


Question	Response
	balanced portfolio of work subject to independence considerations.
16. What will be the process to feed in opinions from customers of current auditors if there are issues?	PSAA will seek feedback on its auditors as part of its engagement with the sector. PSAA will continue to have a clear complaints process and will also undertake contract monitoring of the firms it appoints.
17. What is the timetable for set up and key decisions?	<p>We expect the key points in the timetable to be broadly:</p> <ul style="list-style-type: none"> • establish an overall strategy for procurement - by 31 October 2016; • achieve 'sign-up' of scheme members - by early January 2017; • invite tenders from audit firms - by 31 March 2017; • award contracts - by 30 June 2017; • consult on and make final auditor appointments - by 31 December 2017; and • consult on, propose audit fees and publish fees - by 31 March 2018.
18. What are the terms of reference of the appointing person?	PSAA is wholly owned by the IDeA (the IDeA is wholly owned by the LGA). PSAA will continue to operate as an independent company, although there will be changes to its governance arrangements and its founding documents to reflect the fact that it will be an appointing person rather than a transitional body.
19. Will the appointing person take on all audit panel roles and therefore mitigate the need for there to be one in each individual authority?	Opting into the appointing person scheme will remove the need to set up an auditor panel. This is set out in the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015.



Developing the option of a national scheme for local auditor appointments

www.psa.co.uk


Public Sector
Audit Appointments



“The LGA has worked hard to secure the option for local government to appoint auditors through a dedicated sector-led national procurement body. I am sure that this will deliver significant financial benefits to those who opt in.”

– Lord Porter CBE, Chairman,
Local Government Association

Over the next few months all principal authorities will need to decide how their auditors will be appointed in the future. They may make the appointment themselves, or in conjunction with other bodies. Or they can take advantage of a national collective scheme which is designed to offer them a further choice. Choosing the national scheme should pay dividends in quality, in cost, in responsiveness and in convenience.

Public Sector Audit Appointments Ltd (PSAA) is leading the development of this national option. PSAA is a not-for-profit company which already administers the current audit contracts. It has been designated by the Department for Communities & Local Government (DCLG) to operate a collective scheme for auditor appointments for principal authorities (other than NHS bodies) in England. It is currently designing the scheme to reflect the sector's needs and views.

The Local Government Association (LGA) is strongly supportive of this ambition, and 200+ authorities have already signalled their positive interest. This is an opportunity for local government, fire, police and other bodies to act in their own and their communities' best interests.

We hope you will be interested in the national scheme and its development. We would be happy to engage with you to hear your views – please contact us at [**generalenquiries@psaa.co.uk**](mailto:generalenquiries@psaa.co.uk)

You will also find some questions at the end of this booklet which cover areas in which we would particularly welcome your feedback.

Audit does matter

High quality independent audit is one of the cornerstones of public accountability. It gives assurance that taxpayers' money has been well managed and properly expended. It helps to inspire trust and confidence in the organisations and people responsible for managing public money.

Imminent changes to the arrangements for appointing the auditors of local public bodies are therefore very important. Following the abolition of the Audit Commission, local bodies will soon begin to make their own decisions about how and by whom their auditors are appointed. A list of the local government bodies affected can be found at the end of this booklet.

The Local Government Association (LGA) has played a leadership role in anticipating these changes and influencing the range of options available to local bodies. In particular, it has lobbied to ensure that, irrespective of size, scale, responsibilities or location, principal local government bodies can, if they wish, subscribe to a specially authorised national scheme which will take full responsibility for local auditor appointments which offer a high quality professional service and value for money.


The LGA supported PSAA's successful application to the Department for Communities & Local Government (DCLG) to be appointed to deliver and manage this scheme.

PSAA is well placed to award and manage audit contracts, and appoint local auditors under a national scheme

PSAA is an independent, not-for-profit company limited by guarantee and established by the LGA. It already carries out a number of functions in relation to auditor appointments under powers delegated by the Secretary of State for Communities & Local Government. However, those powers are time-limited and will cease when current contracts with audit firms expire with the completion of the 2017/18 audits for local government bodies, and the completion of the 2016/17 audits for NHS bodies and smaller bodies.

The expiry of contracts will also mark the end of the current mandatory regime for auditor appointments. Thereafter, local bodies will exercise choice about whether they opt in to the authorised national scheme, or whether they make other arrangements to appoint their own auditors.

PSAA has been selected to be the trusted operator of the national scheme, formally specified to undertake this important role by the Secretary of State. The company is staffed by a team with significant experience in appointing auditors, managing contracts with audit firms and setting and determining audit fees. We intend to put in place an advisory group, drawn from the sector, to give us ready access to your views on the design and operation of the scheme. We are confident that we can create a scheme which delivers quality-assured audit services to every participating local body at a price which represents outstanding value for money.



“Many district councils will be very aware of the resource implications of making their own appointment. Joining a well-designed national scheme has significant attractions.”

– Norma Atlay, President,
Society of District Council Treasurers

“Police bodies have expressed very strong interest in a national scheme led by PSAA. Appointing the same auditor to both the PCC and the Chief Constable in any area must be the best way to maximise efficiency.”

– Sean Nolan, President,
Police and Crime Commissioners
Treasurers’ Society (PACCTS)

The national scheme can work for you

We believe that the national scheme can be an excellent option for all local bodies. Early indications are that many bodies agree - in a recent LGA survey more than 200 have expressed an interest in joining the scheme.

We plan to run the scheme in a way that will save time and resources for local bodies - time and resources which can be deployed to address other pressing priorities. Bodies can avoid the necessity to establish an auditor panel (required by the Local Audit & Accountability Act, 2014) and the need to manage their own auditor procurement. The scheme will take away those headaches and, assuming a high level of participation, be able to attract the best audit suppliers and command highly competitive prices.

The scope of public audit is wider than for private sector organisations. For example, it involves forming a conclusion on the body's arrangements for securing value for money, dealing with electors' enquiries and objections, and in some circumstances issuing public interest reports. PSAA will ensure that the auditors which it appoints are the most competent to carry out these functions.

Auditors must be independent of the bodies they audit, to enable them to them to carry out their work with objectivity and credibility, and in a way that commands public confidence. PSAA plans to take great care to ensure that every auditor appointment passes this test. It will also monitor any significant proposals, above an agreed threshold, for auditors to carry out consultancy or other non-audit work to ensure that these do not undermine independence and public confidence.

The scheme will also endeavour to appoint the same auditors to bodies which are involved in formal collaboration/joint working initiatives or within combined authority areas, if the parties consider that a common auditor will enhance efficiency and value for money.

PSAA will ensure high quality audits

We will only contract with firms which have a proven track record in undertaking public audit work. In accordance with the 2014 Act, firms must be registered with one of the chartered accountancy institutes acting in the capacity of a Recognised Supervisory Body (RSB). The quality of their work will be subject to scrutiny by both the RSB and the Financial Reporting Council (FRC). Current indications are that fewer than ten large firms will register meaning that small local firms will not be eligible to be appointed to local public audit roles.

PSAA will ensure that firms maintain the appropriate registration and will liaise closely with RSBs and the FRC to ensure that any concerns are detected at an early stage and addressed effectively in the new regime. The company will take a close interest in feedback from audited bodies and in the rigour and effectiveness of firms' own quality assurance arrangements, recognising that these represent some of the earliest and most important safety nets for identifying and remedying any problems arising. We will liaise with the National Audit Office (NAO) to help ensure that guidance to auditors is updated when necessary.

We will include obligations in relation to maintaining and continuously improving quality in our contract terms and quality criteria in our tender evaluation method.

PSAA will secure highly competitive prices

A top priority must be to seek to obtain the best possible prices for local audit services. PSAA's objective will be to make independent auditor appointments at the most competitive aggregate rate achievable.

Our current thinking is that the best prices will be obtained by letting three year contracts, with an option to extend to five years, to a relatively small number of appropriately registered firms in two or three large contract areas nationally. The value of each contract will depend on the prices bid, with the firms offering the best prices being awarded larger amounts of work. By having contracts with a number of firms we will be able to ensure independence and avoid dominance of the market by one or two firms.

Correspondingly, at this stage our thinking is to invite bodies to opt into the scheme for an initial term of three to five years.

The procurement strategy will need to prioritise the importance of demonstrably independent appointments, in terms of both the audit firm appointed to each audited body and the procurement and appointment processes used. This will require specific safeguards in the design of the procurement and appointment arrangements.

“Early audit planning is a vital element of a timely audit. We need the auditors to be available and ready to go right away at the critical points in the final accounts process.”

– Steven Mair, City Treasurer,
Westminster City Council

“In forming a view on VFM arrangements it is essential that auditors have an awareness of the significant challenges and changes which the service is grappling with.”

– Charles Kerr, Chair,
Fire Finance Network

PSAA will establish a fair scale of fees

Audit fees must ultimately be met by individual audited bodies. PSAA will ensure that fee levels are carefully managed by securing competitive prices from firms and by minimising PSAA's own costs. The changes to our role and functions will enable us to run the new scheme with a smaller team of staff. PSAA is a not-for-profit company and any surplus funds will be returned to scheme members.

PSAA will pool scheme costs and charge fees to audited bodies in accordance with a fair scale of fees which has regard to size, complexity and audit risk. Pooling means that everyone within the scheme will benefit from the most competitive prices. Current scale fees are set on this basis. Responses from audited bodies to recent fee consultations have been positive.

PSAA will continue to consult bodies in connection with any proposals to establish or vary the scale of fees. However, we will not be able to consult on our proposed scale of fees until the initial major procurement has been completed and contracts with audit firms have been let. Fees will also reflect the number of scheme participants - the greater the level of participation, the better the value represented by our scale of fees. We will be looking for principal bodies to give firm commitments to join the scheme during Autumn 2016.

The scheme offers multiple benefits for participating bodies

We believe that PSAA can deliver a national scheme which offers multiple benefits to the bodies which take up the opportunity to collaborate across the sector by opting into scheme membership.

Benefits include:

- assured appointment of a qualified, registered, independent auditor
- appointment, if possible, of the same auditors to bodies involved in significant collaboration/joint working initiatives or combined authorities, if the parties believe that it will enhance efficiency and value for money
- on-going management of independence issues
- securing highly competitive prices from audit firms
- minimising scheme overhead costs
- savings from one major procurement as opposed to a multiplicity of small procurements
- distribution of surpluses to participating bodies
- a scale of fees which reflects size, complexity and audit risk
- a strong focus on audit quality to help develop and maintain the market for the sector
- avoiding the necessity for individual bodies to establish an auditor panel and to undertake an auditor procurement
- enabling time and resources to be deployed on other pressing priorities
- setting the benchmark standard for audit arrangements for the whole of the sector

We understand the balance required between ensuring independence and being responsive, and will continually engage with stakeholders to ensure we achieve it.

How can you help?

We are keen to receive feedback from local bodies concerning our plans for the future. Please let us have your views and let us know if a national scheme operated by PSAA would be right for your organisation.

In particular we would welcome your views on the following questions:

1. Is PSAA right to place emphasis on both quality and price as the essential pre-requisites for successful auditor appointments?
2. Is three to five years an appropriate term for initial contracts and for bodies to sign up to scheme membership?
3. Are PSAA's plans for a scale of fees which pools scheme costs and reflects size, complexity and audit risk appropriate? Are there any alternative approaches which would be likely to command the support of the sector?
4. Are the benefits of joining the national scheme, as outlined here, sufficiently attractive? Which specific benefits are most valuable to local bodies? Are there others you would like included?
5. What are the key issues which will influence your decisions about scheme membership?
6. What is the best way of us continuing our engagement with you on these issues?

Please reply to: generalenquiries@psaa.co.uk

The following bodies will be eligible to join the proposed national scheme for appointment of auditors to local bodies:

- county councils in England
- district councils
- London borough councils
- combined authorities
- passenger transport executives
- police and crime commissioners for a police area in England
- chief constables for an area in England
- national park authorities for a national park in England
- conservation boards
- fire and rescue authorities in England
- waste authorities
- the Greater London Authority and its functional bodies.

BOARD MEMBERS

Steve Freer (Chairman), former Chief Executive CIPFA

Caroline Gardner, Auditor General Scotland

Clive Grace, former Deputy Auditor General Wales


Stephen Sellers, Solicitor, Gowling WLG (UK) LLP

CHIEF OFFICER

Jon Hayes, former Audit Commission Associate Controller

“Maintaining audit quality is critically important. We need experienced audit teams who really understand our issues.”

– Andrew Burns, Director of
Finance and Resources,
Staffordshire County Council



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London SW1P 3HZ

www.psaa.co.uk



Public Sector
Audit Appointments



17 August 2016

Dear Mr Thompson

PSAA has been specified by DCLG as the appointing person for auditor appointments at principal local government bodies

I am writing to you with updated information on the position on local auditor appointment requirements, following recent developments.

Local auditor appointments

Last month, the Secretary of State for Communities and Local Government confirmed that Public Sector Audit Appointments Limited (PSAA) has been specified as an appointing person under the provisions of the Local Audit and Accountability Act 2014 (the 2014 Act) and the Local Audit (Appointing Person) Regulations 2015. This means that PSAA will make auditor appointments to relevant principal local government bodies that choose to opt into the national appointment arrangements we are developing, for audits of the accounts from 2018/19.

Current auditor appointments are made under the audit contracts previously let by the Audit Commission and now managed by PSAA under transitional arrangements. These audit contracts will end with the completion of the 2017/18 audits for principal local government bodies including police and fire bodies, and the completion of the 2016/17 audits for NHS bodies.

A top priority for PSAA in developing the new scheme will be to ensure we are able to make independent auditor appointments at the best possible prices. We will also endeavour to appoint the same auditors to bodies which are involved in formal collaboration or joint working initiatives.

We are currently working on the details of the scheme, including a timetable, and will provide further information as soon as possible.

Timetable

Over the next few months all principal authorities will need to decide how their auditors will be appointed under the new requirements. They may make their auditor appointment themselves, or in conjunction with other bodies. Or principal local government bodies can take advantage of the national collective scheme that PSAA is developing, which should pay dividends in terms of quality, cost, responsiveness and convenience.

New appointments, for the 2018/19 accounts for principal local government bodies, must be made under the provisions of the 2014 Act and confirmed by 31 December 2017.

The date by which principal local government bodies will need to opt into the appointing person arrangement is not yet finalised. The aim is to award contracts to audit firms by June 2017, giving six months to consult on appointments with authorities before the 31 December 2017 deadline. We anticipate that invitations to opt in will be issued before December 2016.

The Local Audit (Appointing Person) Regulations 2015 require that a principal authority may only make the decision to opt into the appointing person arrangement by the members of the authority meeting as a whole, except where the authority is a corporation sole, in which case the decision may be made by the holder of the office.

More information

We will provide further updates as soon as we can.

Information is available on our website on the [specified appointing person arrangements](#) and on the [transition to local auditor appointment](#) more generally. A [prospectus for the new scheme](#) is also available on the website.

If you have a specific enquiry please contact us at generalenquiries@psaa.co.uk.

Yours sincerely

Jon Hayes
Chief Officer

PSAA is an independent, not-for-profit company limited by guarantee and established by the Local Government Association. The Secretary of State for Communities and Local Government has delegated statutory functions (from the Audit Commission Act 1998) on a transitional basis. Accountability Act 2014. Under these transitional arrangements, the company is responsible for appointing auditors to local public bodies and for setting audit fees.



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Office of the Police & Crime Commissioner for Northamptonshire and
Northamptonshire Police

Internal Audit Progress Report 2016/17

December 2016

Presented to the Joint Independent Audit Committee meeting of: 5th December 2016

Contents

- 01 Introduction
- 02 Summary and conclusions from Internal Audit work to date
- 03 Performance

Appendices

- A1 Summary of Reports 2016/17
- A2 Internal Audit Plan 2016/17
- A3 Definition of Assurances and Priorities
- A4 Contact Details
- A5 Statement of Responsibility

01 Introduction

- 1.1 The purpose of this report is to update the Joint Independent Audit Committee (JIAC) as to the progress in respect of the 2016/17 Internal Audit Plan that was considered and approved by the JIAC at its meeting on 7th March 2016.
- 1.2 The Police and Crime Commissioner and Chief Constable are responsible for ensuring that the organisations have proper internal control and management systems in place. In order to do this, they must obtain assurance on the effectiveness of those systems throughout the year, and are required to make a statement on the effectiveness of internal control within their annual report and financial statements.
- 1.3 Internal audit provides the Police and Crime Commissioner and Chief Constable with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the organisation's agreed objectives. Internal audit also has an independent and objective advisory role to help line managers improve governance, risk management and internal control. The work of internal audit, culminating in our annual opinion, forms a part of the OPCC and Force's overall assurance framework and assists in preparing an informed statement on internal control.
- 1.4 Responsibility for a sound system of internal control rests with the Police and Crime Commissioner and Chief Constable and work performed by internal audit should not be relied upon to identify all weaknesses which exist or all improvements which may be made. Effective implementation of our recommendations makes an important contribution to the maintenance of reliable systems of internal control and governance.
- 1.5 Internal audit should not be relied upon to identify fraud or irregularity, although our procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control will not necessarily be an effective safeguard against collusive fraud.
- 1.6 Our work is delivered in accordance with the Public Sector Internal Audit Standards (PSIAS).

02 Summary of internal audit work to date

- 2.1 We have issued five final reports in respect of the 2016/17 plan since the last progress report to the JIAC, these being in respect of Firearms Licensing, Code of Corporate Governance, Procurement, Financial Planning and Core Financial Systems. Further details are provided in Appendix 1.

Northamptonshire 2016/17 Audits	Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
Victims Code of Practice	Final	Limited	-	7	3	10
Complaints Management	Final	Satisfactory	-	2	2	4
Code of Corporate Governance	Final	Satisfactory	-	4	3	7
Firearms Licensing	Final	Satisfactory	-	2	1	3
Procurement	Final	EMSCU - Limited Local – Satisfactory	2	3	1	6
Core Financial Systems	Final	Satisfactory	1	7	3	11
Financial Planning / Savings Programme	Final	Satisfactory	-	3	1	4
Total			3	28	14	45

- 2.2 In addition to the above, Internal Audit were also asked to undertake an additional audit in respect of related party transactions and the award of grants. The draft report has been issued and we await management's response.
- 2.3 Work is currently in progress with regards an Information Technology Review, whilst the audit of Business Continuity is due to start in December. We are also in the process of agreeing the scope of the audits of Risk Management and Capital Expenditure, both of which will be carried out in quarter four. Further details are provided within Appendix A2.

2.4 As reported in our previous progress report, five specific areas have been identified in terms of the collaborative audits for 2016/17. In each case a lead officer (OPCC CFO) has been identified as a single point of contact. The initial reviews will look at the business plan and S22 agreement in terms of whether it is being delivered and is fit for purpose going forward; the scope will also include value for money considerations and arrangements for managing risk. We have recently finalised one audit (Legal Services), with further details provided in Appendix 1. Work is now in progress with regards two more, with remainder due to be completed in quarter 4.

Collaboration Audits 2016/17	Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
EMCHRS Transactional Services	In progress					
EM Legal Services	Final	Limited	1	3	2	6
EMOpSS	Q4					
EMS Commercial Unit	In progress					
EMSOU	Q4					
Total			1	3	2	6

03 Performance

- 3.1 The following table details the Internal Audit Service performance for the year to date measured against the key performance indicators that were set out within Audit Charter. This list will be developed over time, with some indicators either only applicable at year end or have yet to be evidenced.

No	Indicator	Criteria	Performance
1	Annual report provided to the JIAC	As agreed with the Client Officer	N/A
2	Annual Operational and Strategic Plans to the JIAC	As agreed with the Client Officer	Achieved
3	Progress report to the JIAC	7 working days prior to meeting.	Achieved
4	Issue of draft report	Within 10 working days of completion of final exit meeting.	100% (9/9)
5	Issue of final report	Within 5 working days of agreement of responses.	100% (7/7)
6	Follow-up of priority one recommendations	90% within four months. 100% within six months.	N/A
7	Follow-up of other recommendations	100% within 12 months of date of final report.	N/A
8	Audit Brief to auditee	At least 10 working days prior to commencement of fieldwork.	100% (10/10)
9	Customer satisfaction (measured by survey)	85% average satisfactory or above	100% (2/2)

Appendix A1 – Summary of Reports 2016/17

Below we provide brief outlines of the work carried out, a summary of our key findings raised and the assurance opinions given in respect of the final reports issued since the last progress report:

Firearms Licensing

Assurance Opinion	Satisfactory
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Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	2
Priority 3 (Housekeeping)	1

Our audit considered the following risks relating to the area under review:

- Clearly defined policies and/or procedures are in place and are available to both the Force and to potential applicants. The policies and procedures are reviewed and updated on a regular basis.
- All applications and renewals are suitably vetted as part of the approval process.
- Applications and renewals are authorised in accordance with the approved firearms licensing process.
- Payments are received in accordance with the agreed rates and are properly accounted for.
- There are effective controls in place to monitor when renewals are due and which prompt the reapplication process.
- There are effective controls in place to flag up, and act upon, changes of circumstances with regards a licence holder.
- Comprehensive and up to date records are maintained of licence holders which are available to officers during the course of their duties.
- There are clear procedures in place in respect of the revoking of licences.
- There is an agreed process for home / security inspections with regards the holding of firearms.
- Performance information is available and is reviewed with regards the effective administration of the firearms licensing process.

In reviewing the above risks, our audit considered the following areas:

- Policies and Procedures;
- Applications;
- Renewals and Changes;
- Payments;
- Revocations;
- Security Inspections; and,
- Performance Information.

We raised two priority 2 recommendations where we believe there is scope for improvement within the control environment. These are set out below:

- The Force should conduct police security checks on the named referees detailed within the application form for grants and renewals of both Firearms and Shotgun licenses. The Quality of Service review of all completed applications should be used to identify instances where referees have not been added to the system for the completion of a PNC check.
- The procedure document outlining the process to follow for revoking licenses should be updated to reflect current practices. Revocation letters should be sent to license holders in line with the up to date procedure.

We also raised one housekeeping issue with regards the completion of vetting paperwork.

Management confirmed that all actions have either been implemented and will have been implemented by the end of September.

Code of Corporate Governance

Assurance Opinion	Satisfactory
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Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	4
Priority 3 (Housekeeping)	3

Our audit considered the following risks relating to the area under review:

- A Code of Corporate Governance is in place between the Commissioner and Chief Constable that complies with relevant legislation and guidance.
- Appropriate Annual Governance Statements are produced on behalf of the Commissioner and Chief Constable that provide assurance that the governance framework is effective.
- The process used for the regular review of the governance framework is proportionate and sufficiently robust and that the implementation of previously identified improvement actions has been effectively monitored.
- The corporate governance framework is supported by policies and procedures, such as a decision making framework and scheme of delegation, and these are appropriately communicated and monitored for compliance.
- The roles and responsibilities of senior officers and staff within the Force and OPCC are clearly defined, particularly regarding their decision making responsibilities.
- Decisions are made in accordance with the governance framework in a clear and transparent manner, supported by appropriate levels of relevant and timely information.
- Decisions made are clearly recorded, communicated and published where relevant.

In reviewing the above risks, our audit considered the following areas:

- Governance Framework
- Policies and Procedures
- Roles and Responsibilities
- Decision Making

We raised four priority 2 recommendations where we believe there is scope for improvement within the control environment. These are set out below:

- There should be appropriate communication between the OPCC and Force regarding the intention to produce individual Codes of Corporate Governance as corporation sole. The Force, in consultation with the OPCC, should produce a Corporate Governance Framework and Scheme of Governance.
Consideration should be given to the inclusion of the improvements to the Corporate Governance Framework in line with CIPFA/SOLACE guidance. Upon finalisation, the governance documentation should be appropriately communicated to OPCC staff and the Force Chief Constable.
- Responsibilities for the monitoring and review of the governance frameworks across the Force and the OPCC should be formally defined.
- Responsibilities for the monitoring and review of the governance frameworks across the Force and the OPCC should be formally defined.
- The OPCC should identify whether any Force expenditure/savings over £300,000 should be authorised by the PCC and subsequently published as an executive order on the OPCC website as a decision of significant public interest. Further consideration should be given to clarifying what other types of decisions taken by the Force should be referred to the PCC for an executive order as a decision of significant public interest.

We also raised three housekeeping issue with regards input to the Annual Governance Statement, policies and procedures, and decision records.

Management confirmed that all actions will be implemented by April 2017.

Procurement Follow-up

Assurance Opinion	Limited
	Satisfactory

Recommendation Priorities	
Priority 1 (Fundamental)	2
Priority 2 (Significant)	3
Priority 3 (Housekeeping)	1

Our audit considered the following risks relating to the area under review:

- Policies, procedures and guidance are in place to ensure officers and staff are aware of the process for purchasing goods and services.
- Purchasing authority levels are clearly defined and adhered to.

- All purchases over £25,000 are managed by the East Midlands Strategic Commercial Unit (EMSCU).
- Purchases are supported by sufficiently detailed and authorised business cases where appropriate.
- All procurement below £25,000 is authorised locally, with purchase orders raised and with quotations and tenders sought where appropriate.
- Purchases below the £25,000 threshold are monitored to ensure compliance with local financial and procurement regulations and that best value is being achieved.
- National frameworks are used where it is appropriate to do so and best value is considered when making this decision.
- Value for money is considered and decisions regarding this are documented during the procurement process.

We raised two priority 1 recommendations of a fundamental nature that require addressing. These are set out below:

<p>Recommendation 1</p>	<p>EMSCU should set a clear protocol in place to ensure key documentation is consistently stored in the Crystal system. The documents available should include the signed versions of:</p> <ul style="list-style-type: none"> •Statement of Requirement; •Business Case and/or •Single Tender Award; •Signed Contract <p>Once implemented, regular dip samples on new contracts awarded should be carried out to ensure all supporting documentation is in place and correct authorisation has been given.</p>
<p>Finding</p>	<p>EMSCU are responsible for retaining the key documentation that is required for the procurement process of contracts over £25k, including Statement of Requirements, Business Cases, Single Tender Award forms and the signed contract. These documents show the authorisation for the contract, the reasons why it is needed and why it demonstrates value for money.</p> <p>The Crystal system is used by EMSCU to record contracts that are in place and enables key documentation to be attached against each contract in place.</p> <p>Audit testing found the following:</p> <ul style="list-style-type: none"> •4/10 had no Statement of Requirement; •4/10 no signed business case or single tender award so approval could not be evidenced; and •2/10 no signed contract could be located. <p>Audit testing found that the use of attachments in the Crystal system was inconsistent, with some contracts having missing information. In some cases information was found but was stored in other locations but took staff time to retrieve these.</p> <p>If the key documents were available on Crystal this would allow a more efficient use of users time when searching for key documents and give additional assurance to EMSCU that the correct process had been followed with the documentation as evidence.</p>
<p>Response</p>	<p>Agreed, there is a document storage policy that covers electronic storing methodology but does not consider the Crystal contracts management system. This policy is now</p>

	under review and will be updated to cover what will be on Crystal. Once the review is complete staff training and future monitoring plan will be undertaken.
Timescale	Ronnie Adams, EMSCU Commercial Director January 2017

Recommendation 2	Staff should be reminded of the approval limits and the need to ensure the correct approval is obtained for the value of contract being authorised. Dip sampling should take place to ensure that all contract authorisations are done so in line with Force scheme of delegation.
Finding	When contracts are awarded the Tender Award Report or Business Case is signed off as the approval to proceed with contract award. This should be signed in line with the Force Scheme of Delegation. Audit testing found: <ul style="list-style-type: none"> • 5/10 approvals could not be seen due to lack of supporting documentation; • 1/5 approvals were not in line with Force authority levels. Contract CN1001357 was for over £100k and was signed by the Head of EMSCU but should have been signed by Assistant Commissioner or the Head of Finance & Asset Management or the Chief Accountant.
Response	Agreed. EMSCU will have greater scrutiny over the approvals and ensure they are in line with authority levels. This is part of a process review which will be followed up with dip sampling.
Timescale	Ronnie Adams, EMSCU Commercial Director January 2017

We raised three priority 2 recommendations where we believe there is scope for improvement within the control environment. These are set out below:

- A communication should be issued to remind all staff who raise and approve requisitions that the supporting documentation should be clearly attached in the Oracle system. This should include the appropriate quotes or details of related contracts. Then dip sampling should be carried out to monitor compliance. (Local Responsibility)
- The EMSCU Policies and Strategies should be reviewed and updated regularly to ensure the document reflects current practices and should be published on the Force intranet so it is available for staff. (Local & EMSCU Responsibility)
- Finance and the Procurement Officer should set up a regular reporting protocol that allows the procurement officer to review expenditure under £25k on a regular basis so the information can be used to aggregate spend and identify contract opportunities. (Local & EMSCU Responsibility)

We also raised one housekeeping issue with regards the use of retrospective purchase orders.

Management confirmed that all actions will be implemented by March 2017.

Financial Planning & Savings Programme

Assurance Opinion	Satisfactory
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Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	3
Priority 3 (Housekeeping)	1

Our audit considered the following risks relating to the area under review:

Development and sign-off of financial plans

- An effective and informed medium term financial plan (MTFP) is in place to ensure that a comprehensive review of the OPCC and Force's financial position for the current and future years is undertaken and reviewed on a regular basis.
- The MTFP and financial planning process is aligned with key strategies and priorities of the OPCC and Force.
- Responsibility for creation, review and sign off of MTFP is defined and controls are in place to ensure these responsibilities are discharged effectively.
- Appropriate assumptions are made as part of the planning process.

Delivery of Efficiency Savings

- Efficiency Savings are incorporated into the MTFP and these savings are monitored on a regular basis.
- Procedures and guidance are available to support the effective delivery of the savings programme, including the methodology / rationale for calculating and justifying the proposed savings.
- Responsibilities for the delivery of individual savings targets are agreed and understood.
- There is a rigorous process for challenging the proposed savings targets, including their subsequent approval.
- Processes exist to enable management to highlight potential failure to deliver efficiency savings and action taken accordingly.

Budget Management and Monitoring

- MTFP is regularly monitored to ensure financial performance is aligned with ongoing budget management and monitoring procedures.

Budget Shortfall/ variances to budget projections

- Budget shortfalls/ variances to budget projections are recognised as part of the MTFP process.
- Shortfalls and variances are monitored and the MTFP updated accordingly as these occur through the financial year with future impact on deliver of the overall plan assessed.

Management Information

- Regular monitoring is undertaken to enable timely management information to be produced to assess performance and accuracy of the MTFP.

We raised three priority 2 recommendations where we believe there is scope for improvement within the control environment. These are set out below:

- All savings plans should be presented, scrutinised and formally approved by the Force Executive Group (which is due to become the Chief Officer Team meeting in 2017/18). The plans should then be forwarded to the OPCC Section 151 Officer for further scrutiny. This process should be documented in meeting minutes.
- Monthly monitoring of actual savings realised compared against savings targets should be undertaken on a monthly basis and documented in a consistent and clear manner. The data from such monitoring should also be included within the monthly report produced by the Acting Head of Finance which is presented to the Assistant Chief Officer for Finance and Deputy Chief Constable to provide oversight of the progress towards achieving the efficiency plan. This report should be forwarded to the OPCC Section 151 Officer.
- The finance team should improve the timeliness that budget monitoring reports are provided to the Assistant Chief Officer for Finance, Deputy Chief Constable and Acting OPCC Chief Finance Officer.

We also raised one housekeeping issue with regards price assumptions as part of the financial planning process.

Management confirmed that all actions will be implemented by March 2017.

Core Financial Systems

Overall Assurance Opinion	Satisfactory
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Individual Area Assurance Opiniojns	
General Ledger	Satisfactory
Cash, Bank & Treasury Management	Satisfactory
Payments & Creditors	Satisfactory
Income & Debtors	Satisfactory
Payroll	Limited

Recommendation Priorities	
Priority 1 (Fundamental)	1
Priority 2 (Significant)	7
Priority 3 (Housekeeping)	3

Our audit considered the following risks relating to the area under review:

- Clearly defined policies and/or procedures are not in place resulting in ineffective and inefficient working practices.
- Systems and data entry restrictions are not in place which could lead to inappropriate access to the systems and data.
- There are errors in accounting transactions posted on the General Ledger resulting in inaccurate financial information.
- Inaccurate cash flow information regarding investments and borrowings is produced which could result in inappropriate levels of cash held within the Force.
- The purchasing process is not complied with by staff which could lead to fraudulent transactions that may go undetected.
- An ineffective debt management process is in place which could lead to irrecoverable income and inappropriate write off of debt.
- Payments to staff are inaccurate resulting in financial losses for the Force, administrative burdens and where the employee loses out, loss of reputation.

In reviewing the above risks, our audit considered the following areas:

- General Ledger
- Cash, Bank and Treasury Management
- Payments and Creditors
- Income and Debtors
- Payroll

We raised one priority 1 recommendation of a fundamental nature that require addressing. This is set out below:

Recommendation 1	<p>Upon full operation of the payroll module on the Oracle system, a daily check of changes to payroll data, including employee data, should be completed to confirm accuracy and appropriateness and to identify instances where a service request has not been raised for the Payroll Team to conduct a secondary check.</p> <p>The appropriateness of assigning the HR Employment Services Team access to make amendments to live payroll data on Oracle without approval of the changes by the Payroll Team should be assessed and a formal decision made as to whether this is deemed acceptable practice by the Force.</p>
Finding	<p>To ensure that only appropriate and accurate changes are made to payroll data, and to confirm agreed working practices are followed, a daily audit report of changes to payroll data should be extracted from Oracle and the changes should be checked by the Payroll Team. In order for staff only to have appropriate access rights on the Oracle Payroll module, a review of the HR team access should be completed.</p> <p>The move from the ePayfact system to the Payroll Module on the Oracle system was discussed with both the Payroll Team Leader (MFSS) and the HR Employment Services Team Leader (MFSS). It was confirmed that the process for variations/adjustments to payroll data will be for HR to make the changes on the Payroll Module as a result of a raised service request. The service request will include a task for the Payroll Team to check the changes made.</p> <p>However, as the HR Employment Services Team at MFSS will have access to make changes to live payroll data, this could occur without a service request being raised. If the change does not result in a variation on pay of more than 20% on the previous month, payroll would not be</p>

	<p>aware of this change as it would not be picked up within the variations report produced each month.</p> <p>Where there is not a secondary check of variations/adjustments to payroll data there is a risk that inappropriate changes may occur which could result in inappropriate payments being processed.</p>
Response	<p>The Force has arranged monthly meetings with the payroll manager to review that all changes have been authorised and the basis of the changes that are appropriate.</p> <p>As this recommendation has been made across both Northants and Notts, Paul Dawkins has liaised with Sarah Copley Hirst (Head of MFSS) to review the controls and segregation of duties. Once this review has been completed, we will collectively agree the controls to mitigate risks as appropriate.</p>
Timescale	Force Head of Finance and MFSS, March 2017

We raised seven priority 2 recommendations where we believe there is scope for improvement within the control environment. These are set out below:

- The entries held within the net pay account should be reviewed and MFSS should appropriately action the reallocation of funds that are currently held within the account. [MFSS]
- Staff should be reminded that all investments and borrowings should be accurately recorded on the tracker in line with the agreed deal. Staff should also be reminded that the transactions taking place at the commencement of the deal and the maturity should be accurately entered into the cash flow diary upon agreement of the deal. The Force dealing ticket should include the requirement for sign off upon entering the deal in to the tracker and cash flow diary. [Force]
- A report should be produced and added to the reporting suite which extracts invoices that have been initiated on the Oracle system and which provides details on who these initiated invoices are currently sat with for approval. Upon production of this report, this should be run on a weekly basis to identify initiated invoices which have not been assigned an approver and to identify aged invoices which have not been approved in a timely manner. [MFSS]
- MFSS should detail the fraud checks that have been completed when setting up a new supplier or amending an existing supplier on the Oracle System. This narrative should include the date of the check and the initials of the officer completing the check. [MFSS]
- An up to date policy for debt recovery should be produced by the Force and communicated to all relevant staff within the Force and at MFSS. [MFSS and Force]
- MFSS should ensure that clear and concise notes are retained on Oracle when issuing a credit note on account. These notes should include the invoice number which is being credited, the reason for the credit, and the subsequent action being taken (e.g. to be re-invoiced) with the new invoice number. The Force should introduce authorisation limits for providing approval for the raising of and authorisation of credit notes. [MFSS and Force]
- The Force should communicate to Officers and Staff that there should be sufficient narrative description of the reasoning for all expense claims. This should highlight the legitimacy and appropriateness of the expense claim being submitted in line with the Force Expense Policy. Where the expense narrative does not provide sufficient information to confirm compliance with policy, the payroll officer should complete a narrative of what check has been completed to confirm the claim is appropriate and in line with policy. There should be at least one entry of sufficient detail for the expense claim as audit trail to confirm expenses are appropriately and correctly submitted. [MFSS and Force]

We also raised three housekeeping issues with regards urgent payment checks, secondary checks of BACS payments and desk instructions for payroll checks.

Management confirmed that all actions will be implemented by March 2017.

Collaboration – East Midlands Police Legal Services

Overall Assurance Opinion	Limited
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Recommendation Priorities	
Priority 1 (Fundamental)	1
Priority 2 (Significant)	3
Priority 3 (Housekeeping)	2

Our audit considered the following risks relating to the area under review:

- A Section 22 agreement is in place that clearly sets out the decision making and governance framework that is in place;
- A clearly defined Business Plan is in place that sets out the statutory duties, objectives and the key performance indicators for the services to be provided;
- The Business Plan is set in line with the Section 22 agreement and it is regularly reviewed to ensure it remains 'fit for purpose';
- There are effective reporting processes in place to provide assurances to the Forces on the performance of the unit;
- Value for money considerations are regularly reviewed and reported to the Forces; and
- The unit has procedures in place to ensure that risks are identified, assessed recorded and managed appropriately.

We raised one priority 1 recommendation of a fundamental nature that require addressing. This is set out below:

Recommendation 1	<p>The Management Board for EMPLS should be reinstated to provide oversight and assurance with regards the unit's performance and delivery of its objectives.</p> <p>The Management Board members should ensure they have a timetable in place to attend meetings and carry out their responsibilities in line with the Section 22 agreement that is in place.</p>
Finding	<p>The Section 22 agreement sets out the governance structure for the collaboration and refers to a Management Board comprised of the Deputy Chief Constables of each Force. The responsibilities of this Board are clearly defined and the key features are:</p> <ul style="list-style-type: none"> • Board should meet at periodic intervals and in default of agreement at EMPLS place of business every three months; • Provide oversight of EMPLS operational performance; • Support the continued development of the collaboration; • Propose and monitor the annual aims and objectives of EMPLS; and • Provide a three year business plan to ensure the maintenance and development of the collaboration in line with regional strategic aims. <p>A review of Management Board meeting minutes shows that the EMPLS Management Board last met in March 2015. Explanation provided to audit was that each Force was</p>

	happy with the service that EMPLS was providing and, as a consequence, there was no need for the meetings to take place.
Response	It is acknowledged that the Management Board have not met for some time and Derbyshire will lead on re-establishment of this Board.
Timescale	David Peet, Chief Executive January 2017

We raised three priority 2 recommendations where we believe there is scope for improvement within the control environment. These are set out below:

- EMPLS should review the current KPI's that are in place and should prepare updated KPI's that can be presented to the Management Board for scrutiny and approval.
- In accordance with Recommendation 4.1, once the Management Board meetings have been established they should include a review of performance and this should be noted or actions put in place to address areas of concern.
- The risk register should be updated to include a RAG rating between the target risk score and the current risk score to clearly identify the priorities for risk mitigation actions. The risk actions should be separated into ongoing actions and specific actions that will be taken on a set date, with the planned effect on the risk score clearly stated.
Review of the risk register should be a standard agenda item at EMPLS Silver Meetings and should be included in the reporting to the Management Board.

We also raised two housekeeping issues with regards business planning and performance reporting.

Management confirmed that all actions will be implemented by March 2017.

Appendix A2 Internal Audit Plan 2016/17

Auditable Area	Planned Fieldwork Date	Actual Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
Core Assurance						
Risk Management	Feb 2017				March 2017	
Governance	May 2016	July 2016	Aug 2016	Nov 2016	Sept 2016	Final report issued.
Procurement	Nov 2016	Oct 2016	Nov 2016	Nov 2016	March 2017	Final report issued.
Core Financial Systems						
Payroll	Oct 2016	Oct 2016	Nov 2016	Nov 2016	Dec 2016	Final report issued.
Cash, Bank & Treasury	Oct 2016	Oct 2016	Nov 2016	Nov 2016	Dec 2016	Final report issued.
General Ledger	Oct 2016	Oct 2016	Nov 2016	Nov 2016	Dec 2016	Final report issued.
Income & Debtors	Oct 2016	Oct 2016	Nov 2016	Nov 2016	Dec 2016	Final report issued.
Payment & Creditors	Oct 2016	Oct 2016	Nov 2016	Nov 2016	Dec 2016	Final report issued.

Auditable Area	Planned Fieldwork Date	Actual Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
Strategic & Operational Risk						
Information Technology	Dec 2016	Nov 2016			March 2017	Work in progress.
Financial Planning / Savings Programme	Sept 2016	Oct 2016	Oct 2016	Nov 2016	Dec 2016	Final report issued.
Firearms Licensing	May 2016	Aug 2016	Aug 2016	Sept 2016	Dec 2016	Delayed to Aug 2016 on client request. Final report issued.
Business Continuity	Dec 2016				March 2017	Planned to start 12 th December.
Complaints Management	June 2016	May 2016	May 2016	June 2016	Sept 2016	Final report issued
Victims Code of Practice	May 2016	April 2016	May 2016	June 2016	June 2016	Final report issued
Capital Expenditure	Jan 2017				March 2017	
Collaboration						
EMCHRS Transactional Services	Sept 2016 – Jan 2017	Dec 2016			March 2017	Work in progress.
EM Legal Services	Sept 2016 – Jan 2017	Nov 2016	Nov 2016	Nov 2017	Dec 2016	Final report issued.
EMOpSS	Sept 2016 – Jan 2017				March 2017	Q4 date to be agreed.
EMS Commercial Unit	Sept 2016 – Jan 2017	Nov 2016			March 2017	Work in progress.
EMSOU	Sept 2016 – Jan 2017				March 2017	Q4 date to be agreed.

Auditable Area	Planned Fieldwork Date	Actual Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
Other						
Core Financials Follow-up	-	June 2016	July 2016	July 2016	Sept 2016	
Walgrave Wellbeing Centre	-	Sept 2016	Oct 2016			Addition request from PCC.

Appendix A3 – Definition of Assurances and Priorities

Definitions of Assurance Levels		
Assurance Level	Adequacy of system design	Effectiveness of operating controls
Significant Assurance:	There is a sound system of internal control designed to achieve the Organisation's objectives.	The control processes tested are being consistently applied.
Satisfactory Assurance:	While there is a basically sound system of internal control, there are weaknesses, which put some of the Organisation's objectives at risk.	There is evidence that the level of non-compliance with some of the control processes may put some of the Organisation's objectives at risk.
Limited Assurance:	Weaknesses in the system of internal controls are such as to put the Organisation's objectives at risk.	The level of non-compliance puts the Organisation's objectives at risk.
No Assurance	Control processes are generally weak leaving the processes/systems open to significant error or abuse.	Significant non-compliance with basic control processes leaves the processes/systems open to error or abuse.

Definitions of Recommendations	
Priority	Description
Priority 1 (Fundamental)	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.
Priority 2 (Significant)	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
Priority 3 (Housekeeping)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

Appendix A4 - Contact Details

Contact Details

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A5 Statement of Responsibility

Status of our reports

The responsibility for maintaining internal control rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy of the internal control arrangements implemented by management and perform testing on those controls to ensure that they are operating for the period under review. We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone are not a guarantee that fraud, where existing, will be discovered.

The contents of this report are confidential and not for distribution to anyone other than the Office of the Police and Crime Commissioner for Northamptonshire and Northamptonshire Police. Disclosure to third parties cannot be made without the prior written consent of Mazars LLP.

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INTERNAL AUDIT RECOMMENDATIONS DASHBOARD

Summary of Audit Progress and Outcomes

2014/15

Audits are graded as Red, Amber, Amber/Green or Green. Some thematic audits are advisory only and not graded. Recommendations are prioritised as High, Medium or Low to reflect the assessment of risk associated with the control weaknesses.

AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			High	Medium	Low
Operational Areas – Stock Management – 1.14/15	02 July 2014	Green	0	0	0
Firearms Licensing – 2.14/15	18 August 2014	Green	0	0	2
Medium Term Financial Planning and Budget Setting - 3.14/15	20 November 2014	Green	0	0	1
Risk Management – 4.14/15	02 September 2014	Amber/Green	0	2	6
Estates Strategy / Management 5.14/15	24 November 2014	Amber/Green	0	1	0
Force Control Room Business Continuity 6.14/15	10 December 2014	Amber	0	3	3
Key Financial Controls 7.14/15	05 February 2015	Green	0	1	0
Commissioning – 8.14/15	26 May 2015	Amber	0	2	1
Follow up – 9.14/15 - Draft	12 May 2015	Not graded			
Governance – 10.14/15	20 March 2015	Green	0	1	2
Human Resources – Workforce Strategy – 11.14/15	27 May 2015	Amber/Green	0	3	2
IT Licenses					
Volunteers – Strategy, recruitment and training					
Collaboration – Efficiency Savings Plans					

2015/16

Audits are graded as No Assurance, Limited Assurance, Satisfactory Assurance or Significant Assurance. Some thematic audits are advisory only and not graded. Recommendations are prioritised as Priority 1 (Fundamental), Priority 2 (Significant) or Priority 3 (Housekeeping) to reflect the assessment of risk associated with the control weaknesses.

AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			Priority 1	Priority 2	Priority 3
Risk Management	September 2015	Limited Assurance	2	3	6
Procurement – EMSCU Level Purchases (above £25000)	February 2016	Limited Assurance	2	6	1

AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			Priority 1	Priority 2	Priority 3
Procurement – Local Level Purchases (below £25000)	February 2016	Satisfactory Assurance			
Detained Cash	February 2016	Limited Assurance	1	5	2
Specials Governance	February 2016	Satisfactory Assurance	0	2	0
Core Financials	March 2016	Limited Assurance	3	5	3
Change Management	May 2016	Not Graded	7 ungraded		


2016/17


Audits are graded as No Assurance, Limited Assurance, Satisfactory Assurance or Significant Assurance. Some thematic audits are advisory only and not graded. Recommendations are prioritised as Priority 1 (Fundamental), Priority 2 (Significant) or Priority 3 (Housekeeping) to reflect the assessment of risk associated with the control weaknesses.


AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			Priority 1	Priority 2	Priority 3
OPCC Victims Code	01 June 2016	Limited Assurance		7	3
Complaints Management	June 2016	Satisfactory Assurance		2	2
Firearms Licensing	September 2016	Satisfactory Assurance	0	2	1

OUTSTANDING RECOMMENDATIONS

Key to Status



 Action complete

 Action ongoing

 Action outstanding and past its agreed implementation date

2014/15

Force Control Room Business Continuity – 6.14/15

REF	RECOMMENDATION	CATEGORY	ACCEPT Y/N	ORIGINAL IMPLEMENTATION DATE	MANAGEMENT COMMENT	REVISED IMPLEMENTATION DATE	MANAGER RESPONSIBLE	STATUS
3.2	<p>A business impact analysis should be undertaken to determine recovery priorities and required resources and timeframes to recover business operations following a disruption.</p> <p>The BCP and backup arrangements should be reviewed upon completion of the business impact analysis to ensure recovery arrangements meet business objectives.</p>	Medium	Y	28 February 2015	<p>When the plan is finalised I will liaise with Richard Baldwin and discuss it to ensure compliance and compatibility with other force contingency. I will discuss business impact analysis with him.</p> <p>Update – The BIA analysis is scheduled to be complete by the end of w/c 31 Aug 15. BCP's will be reviewed once the BIA analysis is complete</p> <p>Update – The FCR Business Continuity Plan has been updated and is due to be published in June 2016. The BIA is due to be re-assessed in June 2016.</p> <p>Update – The updated BCP has been published. Work on the BIA is ongoing.</p>	Ongoing	Steve Herbert	
3.5	<p>Upon completion of the Business Impact analysis exercise:</p> <p>The Force Control Room Business Continuity Plan should be reviewed for compatibility and alignment with the IT Disaster Recovery Plan.</p>	Medium	Y	28 February 2015	<p>Compatibility and alignment with the IT disaster Recovery Plan will be considered prior to acceptance.</p> <p>Update – This is dependent on completion of the BIA analysis</p>	Ongoing	Steve Herbert	

Key Financial Controls – 7.14/15

REF	RECOMMENDATION	CATEGORY	ACCEPT Y/N	ORIGINAL IMPLEMENTATION DATE	MANAGEMENT COMMENT	REVISED IMPLEMENTATION DATE	MANAGER RESPONSIBLE	STATUS
5.1	<p>Restated recommendation 2013/14</p> <p>Reconciliation should be undertaken on a periodic basis between the IT items on the Fixed Asset register back to local inventory records to ensure that it represents an accurate view of the assets held. Periodic verifications should be undertaken against the items held in the LANDesk system to ensure the accuracy of records is maintained. This could be done on a sample basis to identify the highest value items.</p>	Medium	Yes accept a process is required	2016/17	<p>Unlikely to be implemented in the next 12 months.</p> <p>Update – unlikely to be completed until the implementation of the Grant Thornton review in 2018/19</p>		Nick Alexander	

Follow Up – 9.14/15

2.2 Business Continuity [4.13/14]								
REF	RECOMMENDATION	CATEGORY	ACCEPT Y/N	ORIGINAL IMPLEMENTATION DATE	MANAGEMENT COMMENT	REVISED IMPLEMENTATION DATE	MANAGER RESPONSIBLE	STATUS
3.3	<p>Original Recommendation</p> <p>A communication programme should be designed to ensure that all employees understand the Business Continuity Management Policy, business continuity priorities and what their individual responsibilities are in respect of business continuity management.</p> <p>Update</p> <p>We were informed by the Force Risk and Business Continuity Advisor, that no further progress had been made regarding this recommendation, pending</p>	Medium	Y	TBC	<p>Original Comment</p> <p>As the report states an NCALT training package for all employees is being developed as part of the national BC strategy and is expected to be delivered in 2014. Once this has been delivered we can review the content to see if any further material is needed. Update – The training package being developed as part of the national strategy is still being outstanding. A national lead has been appointed to drive this forward.</p> <p>Update – Work by the national BC Forum to deliver a training package is ongoing.</p>	Ongoing	Richard Baldwin	

roll out of the NCALT training package. This recommendation had not been implemented and has been carried forwards for further review.				Update – A draft training package has been produced and circulated for feedback.			
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2015/16

Risk Management – September 2015

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.1	<p>Service Level Risk Registers <i>Observation:</i> In order for risks to be effectively managed across departments within the force, service level risk registers should be in place that include all key risks to the departments.</p> <p>A sample of six service areas within the Force were selected and it was confirmed that in two instances (Northampton Local Policing and Cyber Crime Unit) the service area did not have a risk register in place.</p> <p>Further to this, in one instance (Human Resources) only two risks for the department had been identified and, therefore, these may not be sufficient for an appropriate risk register for the service.</p> <p>Risk: Where service specific risk registers are not in place, risks at an operational level may not be effectively managed and escalated for further action to be taken.</p>	Service level risk registers should be in place across all services at the Force and should include comprehensive details of all key risks to the departments. (Force)	1	<p>Agreed. The Risk and Business Continuity Advisor will meet with departmental heads to ensure that they are correctly identifying and recording risks and that they maintain risk registers</p> <p>Update – Risk Advisors have been identified for a number of the areas where risk registers were not in use and training has been provided as required.</p> <p>Further work will need to be undertaken to align the risk following implementation of the Service Delivery Model.</p>	Risk & Business Continuity Advisor 31/12/2015	

Procurement – February 2016

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.3	<p>Framework Record Update In order for Officers to be aware of all frameworks that are currently in place, the</p>	The record of frameworks in place should be updated and reviewed on a regular basis to	2	<p>Accepted</p> <p>Action:- EMSCU to update framework list on an active basis.</p>	David Bailey 31st March 2016	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p>frameworks list should be up to date and maintained on a regular basis as new suppliers are added or removed.</p> <p>Audit confirmed with the EMSCU that at the time of the audit the frameworks list required an update to include all current frameworks in place and that this was not being regularly reviewed.</p> <p>Risk: Where staff and Officers are unaware of all frameworks in place there is a risk that value for money is not obtained.</p>	<p>include all current frameworks.</p> <p>(EMSCU responsibility)</p>		<p>This to be circulated to all stakeholders via the Engagement Partners</p> <p>Update - Reviews and updating of information is on-going, as this is an active database, this review will continue and will continue as a Business as Usual practise.</p> <p>Update – EMSCU are currently working with ISD to upload this and it is expected that this will be completed before the end of January 2017</p>		
4.4	<p>Value for Money Across Forces</p> <p>Audit confirmed that the Northamptonshire Police Finance Department conduct local monitoring of purchases on the MFSS Oracle system to identify any inappropriate purchases. However, it was noted that currently no cross-force monitoring of purchases below £25,000 takes place.</p> <p>Monitoring of purchases below £25,000 across the shared service forces could identify further efficiencies. Reviewing the accumulated spend across the Forces in specific areas would identify where multiple contracts could be amalgamated to deliver greater economies of scale and further savings.</p> <p>Risk: Where duplicate purchases and/or high value purchases with suppliers across East Midlands Forces are not identified there is a risk that value for money is not obtained.</p>	<p>Consideration should be given to monitoring purchases below £25,000 across the shared service forces.</p> <p>(Local responsibility)</p>	2	<p>We have employed a Procurement Officer on an 18 month Fixed term Contract to deliver, Force-wide scrutiny of similar catalogue spend (& escalated to EMSCU if appropriate), alignment to on-going EMSCU contract negotiations, improved procurement processes/ efficiency and better contractual terms and ability to hold those suppliers for the services provided.</p> <p>Update - The position has been filled and work is ongoing with EMSCU and the IT team to implement a robust new system to streamline reviews of expenditure prior to commitment.</p> <p>Update – No PO, no pay has been implemented therefore reviews of expenditure are occurring before purchase and Ronnie Adams, Head of EMSCU, is currently reviewing the requirements to lower the £25k threshold to £5k across both Northants and Notts in order to obtain better value for money.</p>	<p>As part of the business planning, this will have a no PO no pay by the end of the financial year & the purchasing review will be completed before June 2016 (Strategic Alliance).</p> <p>Nick Alexander</p> <p>June 2017</p>	
4.5	<p>Purchases Supported by Business Cases</p> <p>To ensure that all purchases for a value greater than £25,000 are appropriate, these should be supported by an appropriate business case. The business case should be in the form of a detailed statement of requirement, single tender award or individual business case where appropriate.</p> <p>Audit could not confirm in two out of 15 contracts tested (CN1000799 and CN1000959) that an appropriate business</p>	<p>Purchases for a value greater than £25,000 should be supported by a business case.</p> <p>(Local responsibility)</p>	2	<p>In conjunction with Internal Audit we are currently looking at how senior teams with the responsibility to spend above £25k ensure that decisions are taken with full knowledge of the current situation regarding Strategic Alliance, Regional ISD, Niche, Transformation portfolio and Corporate Services/ Business plans & where appropriate those decision take note of the inherent risk of each of those and then in conjunction with the EMSCU Business Partner the terms of that contract can then be considered there in.</p> <p>Update – No PO, no pay has been implemented and there is</p>	<p>The no PO no pay & internal audit plan for 2015/16 will conclude by 31st March, therefore the Force where possible (ie there will be some</p>	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	case had been provided for the purchases. Risk: Where purchases greater than £25,000 are not appropriate there is a risk of a substantial financial loss to the Force.			a requirement for all new expenditure above £25k to be supported by a statement of requirements and is signed off in accordance with the financial regulations. However all current contracted, legal or statutory expenditure will not require a new business statement.	expenditure such as legal cases that will not be made via PO) will ensure that expenditure above £25k is supported by a business statement/ justification. Nick Alexander	
4.9	Procedure Update To ensure that all staff follow the correct procedures for procurement, all procedure documents should be reviewed and updated on an annual basis with appropriate approval. Audit confirmed that there are sufficient procedures in place for the procurement process. It was identified that these are available to staff via the forces internal website that all staff have access to. The available documentation are divided into a number of areas on the EMSCU Policies and Procedures page on the intranet. Audit reviewed the guidance available to staff and it was identified that a number of the documents were not up date i.e. these had not been reviewed/updated within the last 12 months. Risk: Where staff do not follow the correct procedures there is a risk of inefficient, ineffective and out dated working practices.	Procedure notes should be reviewed and updated where necessary on at least an annual basis. (Local responsibility)	3	The force with EMSCU will review these documents at least annually (a review was completed with the previous EMSCU business Partner, however, I do not believe that this has been recorded. The head of Finance with the Procurement officer and EMSCU will review the documents again before the close of the third quarter of the financial year. Update - All processes are currently being reviewed & updated & as part of the MFSS optimisation group processes are being improved where possible or plans put in place to improve their output over time. This includes both self service, retained process & MFSS resource implications, as service & processes are reliant on all aspects of staff across the bodies. Update – As with 4.3 the forces new intranet site is being refreshed for purchasing advice, procedures and contracts. This work is ongoing and should be complete by Jan 2017.	29th February 2016 Nick Alexander	

Detained Cash – February 2016

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.4	Segregation of Duties for Fingerprints To ensure that there is appropriate overview	A segregation of duties should occur in the process of	2	Following the full implementation of the E-Services project, we will request a new online functionality is created to record	Nick Alexander 31.03.17	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p>of the fingerprints process, and in order for there to be more than one officer involved in the entire fingerprints process, a segregation of duties should be present.</p> <p>It was confirmed that one Officer conducts the fingerprints process at Corby Police Station. Appointments are made for the fingerprints and the member of the public will pay on the day their fingerprints are taken. The Officer conducting the process maintains a manual fingerprints register. Receipts are issued to the payee via the use of the receipt book in which the Force retains a copy. Cash is banked as soon as possible by the Officer and where this is required to be stored it will be securely kept in the Corby cash safe. The fingerprints register details are sent to MFSS on a monthly basis to support the income account reconciliation process.</p> <p>However, it was noted this Officer may be the only one involved in the process. For example, the Officer could arrange the appointment, take the fingerprints, take the payment and bank the cash, with no other officer or record being involved in the process. This could therefore lead to the risk that a payment may not be recorded and a receipt may not be present which could cause fraudulent activity to go unidentified.</p> <p>Risk: Where there is only one officer involved in the entire fingerprints process there is a risk of errors or fraudulent activity going undetected.</p>	<p>providing the public with fingerprints.</p>		<p>bookings of finger prints rather than phone call records, with a process to allow for cancellations to be emailed back to the end user, which will mean an ability to reconcile between cash in vs appointments.</p> <p>Update - The E-Services project is aware of this requirement, but it is being managed on a prioritisation basis and will be delivered as part of the online package expected on full implementation across the next 12 months.</p> <p>Currently we rely on the Trust & Professional Integrity of our officers & will continue to do so until a practical electronic process is available.</p> <p>Update – Based on the current prioritisation of e-services projects this is unlikely to be completed before mid-2017</p>		

Core Financials – March 2016

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.3	<p>Scheme of delegation <i>Observation:</i> The current Scheme of Delegation has not been reviewed / updated to reflect the current purchasing arrangements embedded through the MFSS processes. The Force scheme allows only authorised officers and staff to place an order for up to £20,000 (prior to application of further procurement rules), however in practice all staff can 'self-serve' up to £250 then a further hierarchy exists within the Oracle system up to £1,000 and then stages up to £25,000. It is noted that management within the Force are due to review the Scheme of Delegation and Financial Regulations and action updates to ensure consistency between required process and practice. <i>Risk:</i> The current purchasing hierarchy and activity is not in line with the Force Scheme of Delegation and therefore there is a risk that spending is not authorised and controlled in line with Financial Regulations.</p>	<p>Northamptonshire Police Scheme of Delegation should be reviewed and updated to ensure that authorised spending limits (if considered appropriate) embedded within the Oracle system are reflected in the Force Financial Regulations and Scheme of Delegation. The updated documents should then be reissued across the Force and OPCC to ensure current regulations are available to all staff.</p>	1	<p>The financial regulations are currently being updated to the appropriate levels ie £25k & to include the explicit line regarding £1,000 self-approval.</p> <p>Update - We have issued a revised Scheme of delegation from the OPCC and the Force's policy is currently being completed for 30.10.16</p> <p>Update – The force's financial regulations are with the IT team to upload to the Intranet site. This is expected to be completed before the end of November 2016. The OPCC's regulations are currently being reviewed and will be published following sign-off. If there are any consequential actions from that review the force will issue a revised set of regulations.</p>	Debbie Clark 31.03.16	
4.4	<p>Payroll Manual Input Process <i>Observation:</i> Due to the lack of interface between the Oracle and epayfact Payroll system, all starters, leavers and variations have to be manually input to Payroll based on service desk requests or extracts from the Oracle system. It is the intention to introduce an interface and project work was on going at the time of the audit. From testing undertaken on five starters, it was identified that one had been manually input as working 7 hours a week rather than 37. The officer had subsequently received an incorrect salary and an emergency payment had to be actioned. Although staff stated that secondary checks</p>	<p>The implementation of the interface for the Payroll system should be progressed. In the interim, and for the purpose of actioning starters, leavers and variations, Payroll should introduce 'checklists' to identify and confirm that all key details (including staff and officer grade, contracted hours and personal details) have been correctly input to the system prior to the payroll run.</p>	2	<p>Checklist will be introduced – Payroll Team Leader is currently working on this. The implementation of the new Oracle Payment and the development of extracts from HR for upload into ePayfact has been accelerated and the team have been reminded in the interim of the care that needs to be taken when carrying out secondary checks.</p> <p>Update - The payroll system implementation is on-going and will remove all but necessary (ie emergency adjustments, death etc) significant proportion of manual entry.</p> <p>Update – The system goes live in November 2016 and all actions should be complete then.</p>	Pam Rourke, MFSS Process 31.03.16 System implementation 31.07.16	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p>are carried out on Payroll input, and a signature did exist on paperwork to indicate this, it was unclear whether all key details were being checked given that this error had not been identified through the secondary check process.</p> <p><i>Risk:</i> Operation of a manual input system and weaknesses in the secondary checking process leading to increased risk of errors effecting staff and officer remuneration. This can cause both financial and reputation risk to the Force and inconvenience members of staff. In addition, the use of this manual system is deemed an inefficient use of resource.</p>					
4.9	<p>MFSS Process Maps/ Desk Instructions</p> <p><i>Observation:</i> MFSS operate a large number of procedural guidance notes and 'desk instructions' for staff reference to support their transactional processes. Audit reviewed these processes and identified that some had not been updated since 2012. In addition, version control did not exist on all documentation and therefore it could not be confirmed these were subject to regular review and update.</p> <p><i>Risk:</i> Failure to regularly review, update and maintain key procedural guidance can lead to working practices becoming inconsistent and outdated. Furthermore, if guidance for new staff is not current, this may lead to incorrect processes being applied and reputational damage for MFSS.</p>	<p>MFSS process maps and desk instructions should be subject to review and update where necessary, following which they should be subject to this process at least annually. Any revisions to instructions should be communicated to all relevant staff.</p>	2	<p>Agreed that we need to update the documents for the inclusion of Nottingham. Although the processes themselves have not changed we will review the documents annually. However, a wholesale review of processes is underway to update as appropriate.</p> <p>Update - All processes are currently being reviewed & updated & as part of the MFSS optimisation group processes are being improved where possible or plans put in place to improve their output over time. This includes both self service, retained process & MFSS resource implications, as service & processes are reliant on all aspects of staff across the bodies.</p> <p>Update - The optimisation board and the retained functions are currently reviewing all processes, guides and service level agreements. It is expected that this will be completed by the end of the financial year.</p>	<p>Nick Alexander & Pam Rourke, MFSS 31.07.16</p>	

2016/17

OPCC Victims Code – June 2016

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.1	<p>Written Acknowledgement <i>Observation:</i> VCOP entitles all victims to receive written acknowledgement that they have reported a crime, including basic details of the offence. Northamptonshire Police Officers should issue the personalised Information for Victims booklet to each victim, with relevant details completed, and this should be recorded on the Niche system. (For the legacy system cases, an automatic letter or email to acknowledge the crime was generated and issued to the victim). Sample testing on twenty cases identified: •Five out of twelve cases which related to FIS did not evidence generation / issue of the standard letter. Out of the remaining eight cases created in Niche (post 8th March 2016): •Four cases evidenced that the 'booklet issued' field had been left blank; •Two cases noted that the booklet had not been issued due to this being dealt with by telephone resolution; •One case noted that the booklet had not been issued but the reason to support this was not recorded; and •For the remaining case the officer had noted that the booklet had been issued to the victim. Therefore, from our sample of twenty cases, the written acknowledgement could only be confirmed in eight instances. <i>Risk:</i> Failure to acknowledge the victim has reported a crime and to provide basic details of the offence as confirmation, alongside officer contact details and crime reference number, may result in the victim's entitlements not being met under VCOP.</p>	<p>Officers should be reminded that all victims should be issued with written acknowledgement that they have reported a crime in line with their VCOP entitlements. This should include their crime reference number and the basic details of the offence. In addition, the Force should establish how these requirements can be met for telephone resolutions and explore the possibility of letters or email in these cases, with evidence maintained on the Niche system to support this acknowledgement has been provided.</p>	2	<p>Further development of the booklet is required to meet diverse needs of service users and improve accessibility. There is a potential training requirement but the Niche Programme Team will support the business as necessary with reminder communications regarding minimum requirements for both officer deployed and FCR support to non-deployed scenarios. This will help ensure the written (email/text/post) update can be provided as required. A further comms campaign for the use of Track my Crime where appropriate will automatically track updates in Niche each time there is an update to the victim. The recording of the issuing of the booklet in Niche is a Yes or No field in the VCOP module. If No is selected, there isn't yet anything that confirms how this is going to be provided. This will be referred to the regional Niche Design Authority to consider how this can be improved.</p>	<p>Rachel Swann/Paul Bullen – December 16</p>	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.2	<p>Opt In Field</p> <p><i>Observation:</i> As part of the crime recording process, officers are required to ask the victim whether they require victim support and this is now required to be recorded within the new VCOP module in Niche on an 'accept' or 'decline' basis.</p> <p>It was noted that although officers are instructed to complete this field, it is not mandatory in terms of system functionality which is also the case in the VCOP module. Where this field is not completed by an officer the acceptance is 'unknown' however the victim is still referred to Voice.</p> <p>No exception reporting is currently undertaken to highlight where this field has not been completed.</p> <p>From sample testing on twenty cases we found that:</p> <ul style="list-style-type: none"> •Six did not have accept/ decline completed (four related to Niche and two to FIS); and •Two further cases were marked as 'not applicable' as the victim was recorded as a business (rather than the business owner for example). <p>The Victims Code of Practice states that: 'All businesses or enterprises (such as charities) that have had criminal offences committed against them are entitled to receive services in accordance with Chapter 2 of the Code provided they give a named point of contact for all communication between the business and service provider.'</p> <p><i>Risk:</i> Where the relevant fields are not completed, Victim's may not be automatically referred for the support that they have requested, leading to the risk of repeat victimisation and VCOP entitlements not being met.</p>	<p>Officers should be reminded to complete the Accept/ Decline options in Niche to ensure that only those victims who agree to support are referred to Voice.</p> <p>Clarification on treatment of business/ organisations as victims should also be provided to ensure a named point of contact is established, where applicable, to accommodate their referral for support.</p> <p>Performance reporting in respect of the completion of the Accept and Decline (Opt In / Opt Out) field within Niche should be introduced. This should highlight where this field has not been completed and minimise the risk of referrals/ data sharing being actioned where there is no consent to do so.</p> <p>As an alternative, the implementation of a mandatory field to support the Opt In model should be revisited with the other forces to establish whether there is any support to request a system change. This should consider the cost of making this field mandatory against the resource that would be utilised in the compensating controls.</p>	2	<p>VCOP states that "The police will explain to you [the victim] that they will automatically pass your details to victim support services within 2 working days of reporting the crime. You are entitled to ask the police not to pass on your details to victim support services."</p> <p>Voice was commissioned to provide an 'opt out' service where unless otherwise stated, the victim's details were automatically passed to Voice, who would then independently of the police seek to make contact with the victims and offer support services.</p> <p>The development plan for the Niche web form includes system improvements that mandate the use of the 'opt in' or 'opt out' referral options. The development timescales are still to be confirmed but it is likely that work will commence after Derbyshire's Niche go-live at the end of June 2016. In the interim, Northants have agreed that any null returns will create an automatic referral to Voice, thereby ensuring we do still have a position where victim's details are passed unless otherwise specifically stated as endorsed by the OPCC and Voice.</p> <p>The OPCC has requested and is awaiting data and analysis of the 'take up' of the VCOP module and particularly the number of null returns.</p> <p>The Corporate Performance Team have produced performance reports monitoring completion of the VCoP module in Niche but these do not yet drill down to whether the accept or decline selection is made.</p> <p>There is a wider training consideration for the business regarding raising awareness of the VCoP requirement for business / organisations.</p> <p>Although there may not have been a named individual from the above organisation samples who requested a written update, and the 'not applicable' selection was correct, the regional Niche Design Authority should be asked to consider business rules for how such information will be captured in Niche.</p>	Rachel Swann – December 16	
4.3	<p>Preferred method of contact/ Track my Crime</p> <p><i>Observation:</i> VCOP entitles witnesses to verify</p>	Officers should ensure that relevant details are recorded to enable contact to be made	3	The preferred method of contact information should be provided to Voice to inform how they approach/contact the victim to offer support services.	Rachel Swann – October 16	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p>their preferred method and frequency of contact to ensure they are updated throughout any case/ investigation. From testing undertaken on twenty crimes we found that in four cases email had been identified as a preferred method of contact but the officer recording the details had not documented an email address. Northamptonshire Police are promoting the use of 'Track my Crime' functionality and therefore encourage officers to inform victims of this availability, especially where email is the preferred method of contact. Track my Crime was not selected as a preferred method on any of the cases identified. In addition, testing carried out on a sample of six victim support cases with 'Voice' identified that in one case a ten day delay had been incurred as the officer had not recorded a telephone number of the victim within Niche. <i>Risk:</i> Failure to provide victim updates through preferred communication methods, resulting in dissatisfaction and reputational risk of the Force. In addition, failure to utilise more efficient use of resources through email or track my crime updates.</p>	<p>with victims in line with their preference. The availability of Track my Crime should continue to be communicated to victims to encourage take up and enable the functionality to be utilised.</p>		<p>The extract from Niche to Voice includes the preferred means of contact and the detail where this is available. Monitoring has shown that the email/phone number is being populated in a significant majority of cases but there is currently no mandatory system requirement in Niche and development will be more complex than with the web form. This should be considered as part of the wider training requirement analysis.</p>		
4.4	<p>Training <i>Observation:</i> Officer awareness of victim requirements and associated processes to evidence these requirements have been met is fundamental to a consistent approach and compliance across the Force. There has not been any dedicated VCOP training in recent years. Niche VCOP training was issued in 'How to' guidance via Chief Orders due to the timing of the initial system training and roll out of the dedicated module. <i>Risk:</i> Lack of awareness of officers resulting in lack of compliance with VCOP and evidencing that associated entitlements have been met.</p>	<p>Dedicated VCOP training should be rolled out to all officers to ensure they are fully aware of victim's entitlements and Northamptonshire processes for ensuring these entitlements are met. Findings and recommendations as a result of the internal audit review should be considered in designing the training.</p>	2	<p>Senior members of the Force and OPCC are attending a West Midlands Training Event on 16 June 2015 on a training package covering the Victims' Code, with particular emphasis on the use of special measures and identifying and managing vulnerable victims – as well as how to record and monitor compliance with the Code. The Voice Family has undertaken awareness training about victim service provision to a new intake of call handlers within the FCR. A large scale Public Awareness Campaign is also planned commencing in September 2016. An interactive Victim and Witness Journey App is currently in development that will provide information about the criminal justice system, what they should expect of the criminal justice system (linking with expectations of criminal justice and other agencies within VCOP).</p>	Paul Bullen/Rachel Swann – December 16	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
				A VCoP/Voice related training requirement should be considered and this could include a short input from Niche as to exactly how they record this correctly (which can be supported with an online captive video demonstrating the correct process. Senior Niche Programme representatives will also be in attendance at the training event on 16 June to ensure the system developments can support the strategy and training plans.		
4.5	<p>Complaints Process</p> <p><i>Observation:</i> Victims of crime have the entitlement to make a complaint should they be dissatisfied with the service they receive. Although Northamptonshire operate a standalone complaints process, there is no link on the victims information leaflet/ victim support web page to sign post them to this process. This could cause lack of clarity in respect of where complaints should be directed dependent on where they are in their victims' journey. For example, if the victim will have interaction with the Force, Voice or other specialist support agencies.</p> <p><i>Risk:</i> Increase in victim dissatisfaction and ongoing failure in operational practices and / or VCOP compliance to be identified and addressed.</p>	<p>Victims of crime should be signposted to the Force complaints procedure to enable them to make a complaint should they be dissatisfied with the service they receive or if they feel their associated entitlements are not being met.</p> <p>This should define the appropriate route of complaint dependent on the progress of their journey (for example, Force, Voice and CPS).</p> <p>It is suggested that this be incorporated into the Information for Victims that should be provided to each victim of crime and, in addition, on the dedicated victims Northamptonshire Police web page.</p>	3	<p>The Voice website has detailed information at: http://www.voicenorthants.org/contact-us/complaints-anddissatisfaction/ to enable a formal complaint or an expression of dissatisfaction about the service received to be made.</p> <p>This Voice complaints procedure links to both the policies and procedures of Northamptonshire Police and Victim Support as the provider of Voice.</p> <p>The website also provides information on the complaints procedures for other services, notably CPS, HMCTS and Local Authority.</p>	Paul Bullen – October 16	
4.6	<p>Right to Review</p> <p><i>Observation:</i> Following a police or CPS decision not to prosecute, victims are entitled to be notified of the reasons why this decision was made, how they can access further information about the decision and also to seek a review of the decision if they are dissatisfied. This process is termed Victims' Right to Review.</p> <p>There is no dedicated scheme in place currently for Northamptonshire to outline or</p>	<p>A dedicated Right to Review policy should be documented for Northamptonshire to provide an open and transparent process which enables a victim of crime to have a decision not to prosecute their case reviewed.</p> <p>This will ensure that appropriate decisions are made with regard to case</p>	2	Supportive of this recommendation.	Rachel Swann – October 16	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	confirm they are complying with this entitlement or to outline the associated roles, responsibilities and procedures to follow for right to review. Risk: Failure to adhere with Right to Review legislation, lack of compliance with VCOP, lack of transparency and increased victim dissatisfaction.	outcomes and will seek to improve victim satisfaction and public confidence in the service. The review process should accord with the policing principles of openness, fairness and accountability, as set out in the Code of Ethics.				
4.7	<p>Performance Reporting</p> <p><i>Observation:</i> Performance reporting is an effective tool to highlight areas of non-compliance and to direct resource for continuous improvement. A report is generated in Niche by the Implementation Team to highlight where the Victim & Witness report has not been created, however this does not cover completion of individual fields, frequency of contact, etc. In addition, the performance reports currently provided to the OPCC in respect of the Voice contract do not include any dedicated performance targets around VCOP compliance. <i>Risk:</i> Non-compliance going unidentified and therefore improvement action not being taken. This can lead to victim entitlements not being met and increased reputational risk.</p>	<p>Performance reporting should be developed to highlight areas of noncompliance with Victims Code of Practice, with oversight provided to the Victim & Witness Service Improvement Board. This should consider the following areas:</p> <ul style="list-style-type: none"> •Compliance with VCOP in terms of completion of individual fields (current reports on overall creation of the Victim & Witness report but no confirmation of completion of individual fields within Niche to evidence entitlements have been met); and •Performance of Voice in terms of VCOP compliance and KPIs. 	3	<p>A performance framework and dashboard has been developed and agreed. KPIs, including targets, relating to VCOP and Witness Charter compliance have been agreed between the Commissioner and Provider of Voice services – to be signed off at the next Contract Management meeting on 25 May 2015. Work to develop the performance mechanism and methodology is being developed by the Provider for OPCC sign off (see 4.9). Compliance with VCOP and other performance KPIs will be managed through effective contract management arrangements rather than through a Board arrangement. This recommendation has been shared with the Corporate Performance Team to consider what developments can be made to improve the existing report and this can then be reviewed as part of the Victim and Witness Service Improvement Board going forward.</p>	Rachel Swann/Paul Bullen – October 16	
4.8	<p>Referral Mechanisms</p> <p><i>Observation:</i> Adequate processes should be in place to ensure all records are transferred from Niche to Voice and then to ensure information is complete and facilitate contact with the victim to be made timely and initial support conversations to be informed. Niche data is transferred to Victim Support, the provider for Voice, on an overnight download. Currently however there is no</p>	<p>A process should be introduced whereby the number of records transferred from the Niche system and subsequently created in the Victim Support CMS (and ADT) systems are reconciled to ensure referrals do not 'drop out' as part of the data transfer process.</p>	2	<p>Data requirements, processes and Data Processing Agreements are being developed to ensure data quality and that the data transfer is undertaken in a safe and secure manner. Technical representatives of the Niche Programmes will work with Voice to ensure data is appropriately reconciled.</p>	Rachel Swann/Paul Bullen October 16	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p>reconciliation process to ensure the number of records in Niche have been received/ created in the Victim Support systems.</p> <p>In addition, it was noted that that fields on the transfer of data (e.g. required information) have not been refined for Victim Support or ASSIST Trauma Care (who provided the victim and witness support service for children and young people). This has resulted in not all the information required to action timely support being received by the service providers. The required data fields had not been established as part of the commissioning process.</p> <p><i>Risk:</i> If all required information is not made available there is a risk that untimely or inappropriate support may be provided. Increased reputational risk and victim dissatisfaction.</p>	<p>Victim Support and ASSIST Trauma Care should refine what information they require to be included on the initial referral data and this be communicated to the Niche Team (via the OPCC Head of Commissioning) to ensure complete information is received going forward to enable timely and appropriate support to be given to victims. This should include consideration of priority crime types which are not currently received by victim support.</p>				
4.9	<p>Voice Dip Sampling Process</p> <p><i>Observation:</i> Dip sampling is an effective means to confirming that key requirements of the process are being met and to address any areas of poor performance. This also drives consistency across the organisation and quality of service.</p> <p>Staffing and resource issues have affected VCOP compliance within the Voice processes over the last twelve months, however a new team has been established and processes are being revised to ensure that requirements are being met and support is in line with victim needs and entitlements. As part of these improvements the team are rolling out a dip sampling procedure which will seek to review ongoing cases to ensure support is effective, timely and adequate processes are in place to ensure VCOP compliance.</p> <p>This process however is not supported by a documented methodology and the draft monitoring sheets do not incorporate specific key entitlements of VCOP.</p>	<p>The dip sampling process being embedded by Voice should be enhanced to ensure the key entitlements of VCOP have been met (please refer to Appendix A1 provided in this report).</p> <p>In addition, the process should be supported by a documented methodology to include - frequency, required approach, sample selection/ size, evidence of checks and action to be taken where issues have been identified.</p> <p>Enhancements recommended in this report should be actioned by Voice following communication with the OPCC Head of Commissioning.</p>	2	<p>The Provider is developing dip sampling methodology for the Case Management and Courts teams against VCOP and Witness Charter compliance. KPIs, including targets, have been agreed between the Commissioner and Provider including VCOP and Witness Charter compliance.</p> <p>The OPCC will sign off the methodology once it has been presented and compliance will thereafter be managed through internal service performance management and by the OPCC as part of its Contract Management regime.</p>	Paul Bullen – September 16	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<i>Risk:</i> Inadequate quality assurance process, ineffective use of resources and failure to address non-compliance with VCOP in the victim support process.					
4.10	<p>Voice Contract Monitoring Targets (Timeliness of Support)</p> <p><i>Observation:</i> Victims should be allocated for support on a timely basis to ensure they receive the support at the earliest opportunity, to prevent any further victimisation and to ensure that their entitlements under VCOP are met. From testing undertaken on six cases referred to Voice, we found two had not been allocated for support within the 'informal' target of two weeks. In these cases a support worker had not been allocated for approximately four weeks. No formal target or associated performance monitoring is in place.</p> <p><i>Risk:</i> Delays in provision of victim support going unidentified and increased risk of repeat victimisation, victim entitlements not being met and increased reputational risk.</p>	Formal targets should be introduced to ensure that victims are referred to a support worker on a timely basis and to enable monitoring of this process to highlight where victims remain unsupported for a period of time outside of this target. Performance in this area should be included in the reporting mechanisms back to the OPCC.	2	<p>As part of a contract review and variation, the Provider has committed to more than doubling the number of volunteers, who provide out-reach support to victims, within the lifetime of the contract.</p> <p>Following a needs assessment, where required, the victim is supported by a Support Worker within the Case Management Team whilst the case is allocated to the most appropriate volunteer, or by the Support Worker themselves.</p> <p>The Voice operating model provides flexibility to meet changing demands, with members of the Introductions Team providing additional Case Management capacity and supporting victims.</p> <p>Although no current target has been set for the allocation from to Case Management and then to Volunteer/Case Worker in the community, it will be monitored as part of the Voice Performance Framework. KPI and target setting will be reviewed with the Provider in light of this audit.</p>	Paul Bullen – September 16	

Firearms Licensing – September 2016

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.1	<p>Police Security Checks on Referees</p> <p><i>Observation:</i> The Home Office guidance states that "the police should be satisfied that the referee is honest and reliable, and can be trusted to offer a fair and sensible view of the applicant." To help to ensure that the named referees are suitable to give an honest, fair and sensible view of the applicant, police security checks should be conducted on those detailed as referees for the applicant. It was confirmed that the current process of referee checks involves the Firearms Enquiry</p>	<p>The Force should conduct police security checks on the named referees detailed within the application form for grants and renewals of both Firearms and Shotgun licenses.</p> <p>The Quality of Service review of all completed applications should be used to identify instances where referees have not been added to the system for the completion of a PNC</p>	2	<p>Enquiry pack has been updated – admin staff complete tick-box to show that referee is on NFLMS and has been PNC checked. This will ensure shotgun referees are checked as they do not require adding to NFLMS.</p> <p>Firearm referees do require adding to NFLMS, FLM signs all firearms and, when signing certificates, dip samples renewals to check referees are on the system and have been PNC checked.</p>	<p>Completed Bridget Hodgson FLM</p> <p>Ongoing from 01 September 2016 Bridget Hodgson FLM</p>	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p>Officers contacting the referees to confirm that they support the applicant and to identify any medical, mental health, alcohol/drugs or domestic issues related to the applicant. This contact may be completed by telephone or email. In the case of Firearms applicants, the referees are added to NFLMS and a PNC check is conducted. Where referees are added to the system, the certificate cannot be granted without the PNC check on them.</p> <p>However, testing of a sample of 20 grants and 20 renewals, of which 22 were coterminous or firearms, there was three instances where the referees had not been added to the system and therefore it could not be confirmed that a PNC check had been completed.</p> <p>In addition, where the application is for a shotgun license only, the referee is not added to NFLMS and therefore a PNC check is not completed on the referee.</p> <p><i>Risk:</i> Where the named referee is not suitable there is a risk that a dishonest view supporting the applicant could be given to the Force which could result in an inappropriate decision being taken on the applicant.</p>	check.				
4.2	<p>Revocation of Licenses</p> <p><i>Observation:</i> To ensure that staff follow the correct procedure for revoking licenses, the procedure document should be updated so that it is in line with current working practices. There is a procedure document for the process to follow in revoking a firearms and/or shotgun license. Only the Firearms Licensing Manager has the delegated authority to approve the revocation of a firearms and/or shotgun license.</p> <p>It was additionally confirmed that there is a clearly defined policy on drink driving whereby if the offender is over two times the legal limit, and they are a license holder, then there license will be revoked without further investigation. If the offender is less than two</p>	<p>The procedure document outlining the process to follow for revoking licenses should be updated to reflect current practices.</p> <p>Revocation letters should be sent to license holders in line with the up to date procedure.</p>	2	<p>All refusal and revocation letters were personally handed to holders by a Firearms Enquiry Officer. Due to high workload at present, where no firearms are held and there is no requirement for further visit, the letters are now sent out by post in line with other FL units in the region. The letter states that applicant should acknowledge letter and when that is received the refund of fee will be arranged. This ensures that persons do confirm receipt.</p> <p>As this was a short-term policy whilst we are in our peak renewal period, the process map had not been updated. This has now been rectified.</p> <p>The cases where a revocation letter had not been sent are where it would impact on safety of another person; or because mental health issues mean it would not be understood. In mental health cases the letter would be handed to a family member if possible.</p>	<p>Completed Bridget Hodgson FLM</p> <p>No set procedures as done on a case by case basis</p>	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p>times the legal limit but still over the limit, this will be further assessed to determine whether the license should be revoked. However, it was identified that the process outlined within the procedure document is not the current process followed by the Force. The current process is to either post the revocation letter, give the revocation letter to the license holder through personal service or not send the revocation letter depending on the situation.</p> <p>However, this is not detailed within the procedure document.</p> <p>In addition, testing of a sample of nine revocations identified two instances where a revocation letter had not been sent to the license holder. In one of these two instances a diary note had not been added to the system as a reminder to receive information and therefore a letter had not been sent. In the other instance the reason as to why a letter had not been sent was not known and, as a result of the audit, a letter has been produced by the Firearms Licensing Manager.</p> <p><i>Risk:</i> Where staff do not follow the correct procedure for revoking licenses there is a risk that licenses are inappropriately revoked or license holders are not informed of the revocation which could result in reputational damage to the Force where disputes are raised.</p>			<p>In cases (ie domestics) where revocation could increase risk to spouse it is managed on a case by case basis together with DAU, etc., there is no set procedure.</p> <p>Not issuing letter does not mean certificate could be inappropriately revoked as reasons for revocation are clearly outlined on the files. Where there is no incapacity or risk, holders are always informed of revocation. It is only in exceptional cases that a letter would not be sent to holder and any disputes that may arise would be dealt with by a personal visit/meeting with FLM and holder with any other staff that might be deemed suitable (FMA, DAU staff)</p>		
4.3	<p>Completion of Vetting Paperwork</p> <p><i>Observation:</i> To ensure that a full audit trail of the vetting process for firearms and shotguns licenses is retained, staff should ensure that all aspects of applicant files are fully completed and evidence retained.</p> <p>Testing of a sample of 20 grant applications and 20 renewals identified in three instances that a second visit was required by the FEO to confirm the security arrangements. The FEO</p>	<p>Staff should be reminded that all firearms/shotgun applicant files are required to be fully completed prior to closing off the application for scanning. The Quality of Service review should ensure that all forms have been fully completed as appropriate</p>	3	<p>Due to volume of paperwork there are instances where FEOs do not fully complete enquiry pack. These are usually picked up by either FLM or SFA when certificates being signed. FEOs have previously been advised to check through their completed enquiries to ensure all relevant parts have been completed – at next unit meeting this will be reiterated. It will also be put on PDR as generic objective.</p> <p>Risk managed by fact that evidence was available – in this case SFA could evidence that certificate had been signed due to requirement to complete spreadsheet. FLM adds note to</p>	<p>FL meeting on 13 September Bridget Hodgson FLM</p>	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p>enquiry packs for these instances had not been completed following the second visit to confirm the security arrangements. A review of NFLMS did, however, confirm that the security arrangements had been updated on the system and therefore this is a housekeeping issue.</p> <p>In addition, there was one instance identified where the application had not been signed as approved by one of the two Officers with delegated authority to approve applications. Audit therefore could not confirm from the renewal application file that this had been reviewed and approved by an Officer with delegated authority. A spreadsheet, however, is maintained by the Senior Firearms Administrator of all files that they have reviewed and approved and audit confirmed that for this renewal it had been reviewed and approved by the Senior Firearms Administrator. If this spreadsheet was not available however (this is an optional spreadsheet, not mandatory as part of the procedure) then the approval of the license would not have been able to be confirmed.</p> <p><i>Risk:</i> Where there is not a full audit trail of the vetting process for licenses there is a risk that the required evidence may not available to the Force in the event of a dispute or incident occurring</p>			<p>NFLMS where certificates signed therefore evidence available in all cases. There are therefore secondary checks that can evidence certificates have been signed. However, all staff have been reminded to ensure all required elements of process are completed</p>		

JOINT INDEPENDENT AUDIT COMMITTEE
14th September 2016
OPCC - OUTSTANDING AUDIT RECOMMENDATIONS

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
Change Management May 2016					
<p>4.6 In our meetings with OPCC and Force representatives we discussed the established 'Three Lines of Defence' or 'Three Sources of Assurance' model. At high level and with examples in the context of programme assurance, the 1st line = programme management controls (i.e. controls executed by the SRO and programme team); the 2nd line = corporate controls (e.g. programme assurance provided by a source outside the programme team, reporting to the SRO and Programme Board); and the 3rd line is more external / independent (e.g. internal audit, reporting to top level governance layers). There appears to be an opportunity to <i>plug the gap at the 2nd line of defence</i> – in our</p>	JN	June 2016		Agreed – OPCC to consider this as part of functional roles of the office post May	Ongoing

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
meetings we discussed the use of a structured PM Scorecard for this. Internal Audit and others can then choose to place reliance on such if deemed appropriate.					
<p>4.7 In our meetings we discussed a number of examples of reprioritisation to respond to the changing external environment, in particular Police/Fire Integration and the Strategic Alliance. As stated under Governance above, it will be important going forward to clarify how the Boards and SROs work in practice for key decisions about transformation programmes, and how these will be documented / evidenced. This will include upfront and continued <i>business justification plus re prioritisation</i> in response to changing internal and external factors.</p>	JN	June 2016		Agreed – OPCC to consider this as part of functional roles of the office post May	Ongoing
<p>Victims Code of Practice June 2016</p>					
<p>4.1 Officers should be reminded that all victims should be issued with written acknowledgement that they have reported a crime in line with their VCOP entitlements. This should</p>	RS/PB	Dec 2016	2	Further development of the booklet is required to meet diverse needs of service users and improve accessibility. There is a potential training requirement but the Niche Programme Team will support the	Ongoing

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
<p>include their crime reference number and the basic details of the offence. In addition, the Force should establish how these requirements can be met for telephone resolutions and explore the possibility of letters or email in these cases, with evidence maintained on the Niche system to support this acknowledgement has been provided.</p>				<p>business as necessary with reminder communications regarding minimum requirements for both officer deployed and FCR support to non-deployed scenarios. This will help ensure the written (email/text/post) update can be provided as required.</p> <p>A further comms campaign for the use of Track my Crime where appropriate will automatically track updates in Niche each time there is an update to the victim. The recording of the issuing of the booklet in Niche is a Yes or No field in the VCOP module. If No is selected, there isn't yet anything that confirms how this is going to be provided. This will be referred to the regional Niche Design Authority to consider how this can be improved.</p>	
<p>4.4 Dedicated VCOP training should be rolled out to all officers to ensure they are fully aware of victim's entitlements and Northamptonshire processes for ensuring these entitlements are met. Findings and recommendations as a result of the internal audit review should be considered in designing the training.</p>	PB/RS	Dec 2016	2	<p>Senior members of the Force and OPCC are attending a West Midlands Training Event on 16 June 2016 on a training package covering the Victims' Code, with particular emphasis on the use of special measures and identifying and managing vulnerable victims – as well as how to record and monitor compliance with the Code.</p> <p>The Voice Family has undertaken</p>	Complete

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
				<p>awareness training about victim service provision to a new intake of call handlers within the FCR. A large scale Public Awareness Campaign is also planned commencing in September 2016.</p> <p>An interactive Victim and Witness Journey App is currently in development that will provide information about the criminal justice system, what they should expect of the criminal justice system (linking with expectations of criminal justice and other agencies within VCOP).</p> <p>A VCoP/Voice related training requirement should be considered and this could include a short input from Niche as to exactly how they record this correctly (which can be supported with an online captive video demonstrating the correct process. Senior Niche Programme representatives will also be in attendance at the training event on 16 June to ensure the system developments can support the strategy and training plans.</p>	
<p>4.5 Victims of crime should be signposted to</p>	PB	Oct 2016	3	The Voice website has detailed information at:	Complete

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
<p>the Force complaints procedure to enable them to make a complaint should they be dis-satisfied with the service they receive or if they feel their associated entitlements are not being met.</p> <p>This should define the appropriate route of complaint dependent on the progress of their journey (for example, Force, Voice and CPS).</p> <p>It is suggested that this be incorporated into the Information for Victims that should be provided to each victim of crime and, in addition, on the dedicated victims Northamptonshire Police web page.</p>				<p>http://www.voicenorthants.org/contact-us/complaints-anddissatisfaction/ to enable a formal complaint or an expression of dissatisfaction about the service received to be made.</p> <p>This Voice complaints procedure links to both the policies and procedures of Northamptonshire Police and Victim Support as the provider of Voice.</p> <p>The website also provides information on the complaints procedures for other services, notably CPS, HMCTS and Local Authority.</p>	
<p>4.7</p> <p>Performance reporting should be developed to highlight areas of noncompliance with Victims Code of Practice, with oversight provided to the Victim & Witness Service Improvement Board.</p> <p>This should consider the following areas:</p> <ul style="list-style-type: none"> • Compliance with VCOP in terms of completion of individual fields (current reports on overall creation of the Victim 	RS/PB	Oct 2016	3	<p>A performance framework and dashboard has been developed and agreed.</p> <p>KPIs, including targets, relating to VCOP and Witness Charter compliance have been agreed between the Commissioner and Provider of Voice services – to be signed off at the next Contract Management meeting on 25 May 2016. Work to develop the performance mechanism and methodology is being developed by the Provider for OPCC sign</p>	Complete

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
<p>& Witness report but no confirmation of completion of individual fields within Niche to evidence entitlements have been met); and</p> <ul style="list-style-type: none"> Performance of Voice in terms of VCOP compliance and KPIs. 				<p>off (see 4.9).</p> <p>Compliance with VCOP and other performance KPIs will be managed through effective contract management arrangements rather than through a Board arrangement.</p> <p>This recommendation has been shared with the Corporate Performance Team to consider what developments can be made to improve the existing report and this can then be reviewed as part of the Victim and Witness Service Improvement Board going forward.</p>	
<p>4.8 A process should be introduced whereby the number of records transferred from the Niche system and subsequently created in the Victim Support CMS (and ADT) systems are reconciled to ensure referrals do not 'drop out' as part of the data transfer process. Victim Support and ASSIST Trauma Care should refine what information they require to be included on the initial referral data and this be communicated to the Niche Team (via</p>	RS/PB	Oct 2016	2	<p>Data requirements, processes and Data Processing Agreements are being developed to ensure data quality and that the data transfer is undertaken in a safe and secure manner.</p> <p>Technical representatives of the Niche Programmes will work with Voice to ensure data is appropriately reconciled.</p>	Complete

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
<p>the OPCC Head of Commissioning) to ensure complete information is received going forward to enable timely and appropriate support to be given to victims. This should include consideration of priority crime types which are not currently received by victim support.</p>					
<p>4.9 The dip sampling process being embedded by Voice should be enhanced to ensure the key entitlements of VCOP have been met In addition, the process should be supported by a documented methodology to include - frequency, required approach, sample selection/ size, evidence of checks and action to be taken where issues have been identified.</p>	PB	Sept 2016	2	<p>The Provider is developing dip sampling methodology for the Case Management and Courts teams against VCOP and Witness Charter compliance.</p> <p>KPIs, including targets, have been agreed between the Commissioner and Provider including VCOP and Witness Charter compliance.</p> <p>The OPCC will sign off the methodology once it has been presented and compliance will thereafter be managed through internal service performance management and by the OPCC as part of its Contract Management regime.</p> <p>This has taken longer to achieve than envisaged due to changes at the OPCC</p>	Ongoing

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
<p>4.10 Formal targets should be introduced to ensure that victims are referred to a support worker on a timely basis and to enable monitoring of this process to highlight where victims remain unsupported for a period of time outside of this target. Performance in this area should be included in the reporting mechanisms back to the OPCC.</p>	PB	Sept 2016	2	<p>As part of a contract review and variation, the Provider has committed to more than doubling the number of volunteers, who provide out-reach support to victims, within the lifetime of the contract.</p> <p>Following a needs assessment, where required, the victim is supported by a Support Worker within the Case Management Team whilst the case is allocated to the most appropriate volunteer, or by the Support Worker themselves.</p> <p>The Voice operating model provides flexibility to meet changing demands, with members of the Introductions Team providing additional Case Management capacity and supporting victims.</p> <p>Although no current target has been set for the allocation from to Case Management and then to Volunteer/Case Worker in the community, it will be monitored as part of the Voice Performance Framework. KPI and target setting will be reviewed with the Provider in light of this audit.</p>	Complete

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
Police & Crime Commissioners Board Governance August 2016					
4.1 A Governance Framework should be produced to support the operation of the PCC Board. This should define and consider, as a minimum,: <ul style="list-style-type: none"> • Objective, role and purpose of the Board; • Strategic oversight arrangements; • Reporting requirements (operational and financial); • Clear accountability and delegations for collaboration activity; • Compliance management procedures • Decision making processes; and • Risk management processes. 	Chief Execs (JN)	Dec 2016	2	Agreed	Ongoing
4.2 A Strategic Plan should be produced to provide oversight of the current collaboration arrangements, associated activity and future direction or creation of new collaborations.	Chief Execs (JN)	April 2017	2	Agreed	Ongoing

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
<p>It would be beneficial for the strategic plan to illustrate a high level overview of each existing collaboration alongside, for example, key targets and milestones, financial budgets/ associated costings, any required efficiency savings and any significant change or transformation considerations.</p> <p>There is also an opportunity for the plan to be supported by a Strategic Risk Register developed as part of the Controls Assurance Statement work being progressed with RSM.</p> <p>The plan and risk register should be updated on a quarterly basis and presented to the PCC Board to enable oversight of all collaborative activity in a consistent and regular format.</p>					
<p>4.3 The East Midlands Police and Crime Commissioners Board TOR should be reviewed to ensure it adequately reflects the purpose, remit and responsibilities of the current operation. The review, as a minimum, should consider:</p> <ul style="list-style-type: none"> • frequency and structure of 	Chief Execs (JN)	Dec 2016	3	Agreed	Ongoing

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
<p>meetings (are quarterly meetings and a separate business meeting still required);</p> <ul style="list-style-type: none"> • the requirement to separate the duty of chairmanship and secretariat support; • standardisation of documentation and critical paths for decisions (in terms of current format and availability); and • requirements to review governance arrangements 					
<p>4.4 An annual Board Work Programme should be documented and approved to include:</p> <ul style="list-style-type: none"> • Any standing items which are required/considered under the remit of the Board; • Timetables for submission of key discussion documents, including collaboration budgets and any decisions in terms of approving new collaborations and controls assurance statement submission and scrutiny; • Performance and financial information requirements of the 	Chief Execs (JN)	Dec 2016	3	Agreed	Ongoing

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
<p>Board.</p> <p>The programme should be used to shape meeting agendas accordingly.</p>					
<p>4.5</p> <p>Critical paths for decision making by the Commissioners should be documented to outline the required route of key decisions, including approval for amendments to collaboration agreements, budget approvals, operational changes to the way collaborative services are delivered and transformation projects.</p> <p>This path should be readily available to all collaborations to ensure officers and staff are aware of the requirements for any proposals for decisions and that a consistent approach is applied and monitored.</p>	<p>Chief Execs (JN)</p>	<p>Dec 2016</p>	<p>3</p>	<p>Agreed</p>	<p>Ongoing</p>
<p>4.6</p> <p>The current performance reports should be reviewed by the Board to establish:</p> <ul style="list-style-type: none"> • High level aims and objectives of each collaboration; • Quantifiable targets to support these aims and objectives; 	<p>Chief Execs (JN)</p>	<p>April 2017</p>	<p>2</p>	<p>Agreed</p>	<p>Ongoing</p>

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
<ul style="list-style-type: none"> • Reporting of targets against aims and objectives; and • Value for money assessments. <p>Where collaborations are operating as business as usual, a high level performance reporting template should be used to evidence that operations are meeting their aims and objectives.</p>					
<p>4.7 Value for money assessments should be introduced to demonstrate to the PCC Board on a regularly basis that investment in collaborations are providing VFM and operating efficiently and effectively in line with their overarching section 22 agreements.</p> <p>Dedicated value for money/ best value key performance indicators should be considered for each collaboration to bring together elements of their initial aims and objectives against the cost of delivering their services.</p> <p>Further support for value for money assessment can be made available by</p>	Chief Execs (JN)	April 2017	3	Agreed	Ongoing

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
internal audit on request.					
Code of Corporate Governance November 2016					
4.1 There should be appropriate communication between the OPCC and Force regarding the intention to produce individual Codes of Corporate Governance as corporation sole,	JN	Jan 2017	2	OPCC The Force was involved at the outset of the update when a joint meeting was held regarding Financial Regulations. Furthermore the Force was represented at a Joint Independent Audit Committee in May 2016 where the draft updates were discussed in detail. However the documentation is now out to consultation with both the Force and Joint Independent Audit Committee. <i>Since this Audit report was published it has been agreed with the Forces that both updates of governance framework will become effective from 1st April 2017. Applies to 4.1, 4.2 and 4.3</i>	Ongoing
The Force, in consultation with the OPCC, should produce a Corporate Governance Framework and Scheme of Governance.	PD	Mar 2017		The Force has been involved with the drafting of aligned Financial Regulations, however, there are slight differences between the two documents including the	Ongoing

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
				<p>changes to delegated limits, which could cause confusion in working practises and agreements. The Force's Financial Regulations have been published and assurances received regarding how the OPCC's new regulations will not override those assumptions.</p> <p>The Force is currently reviewing whether the other corporate governance documents will be required as an individual corporation sole and if so how that will interact with the OPCC's overarching documents</p>	
<p>4.2 Consideration should be given to the inclusion of the improvements to the Corporate Governance Framework in line with CIPFA/SOLACE guidance.</p> <p>Upon finalisation, the governance documentation should be appropriately communicated to OPCC staff and the Force Chief Constable.</p>	JN	Jan 2017	2	<p>Agreed</p> <p>The 6 Principles outlined in the Observation have now been replaced by 7 Principles as detailed in the CIPFA/SOLACE Delivering Good Governance 2016. Details as to how the OPCC Code of Corporate Governance complies with these are contained in Appendix 1 of the draft Corporate Governance Framework.</p> <p>As part of the consultation process currently underway these recommendations will be considered for inclusion.</p>	Ongoing

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
	PD	Mar 2017		In alignment with 4.1, when new Corporate Governance documents are created for the Force, these will be completed in alignment to the CIPFA/ SOLACE guidance and be released under an internal and external communication plan.	Ongoing
<p>4.3 Responsibilities for the monitoring and review of the governance frameworks across the Force and the OPCC should be formally defined.</p>	JN/PD	Jan 2017	2	Agreed	Ongoing
<p>4.4 The OPCC should identify whether any Force expenditure/savings over £300,000 should be authorised by the PCC and subsequently published as an executive order on the OPCC website as a decision of significant public interest. Further consideration should be given to clarifying what other types of decisions taken by the Force should be referred to the PCC for an executive order as a decision of significant public interest.</p>	PD	Mar 2017	2	<p>Agreed and the revised Financial Regulations for the force should enforce this.</p> <p>The Financial Regulations specify that;</p> <ul style="list-style-type: none"> • New expenditure over £300,000 will be referred to the OPCC; • Items that already have PCC approval* or are statutory payments are exempted from this on the basis that approval has previously been received or that legally the bodies cannot avoid timely payment** <p>*This covers items previously approved</p>	Ongoing

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
				<p>by the OPCC, such as regional budget commitments and purchase orders raised on the financial system covered by executive orders or Business Cases.</p> <p>**This covers items such as HMRC payments, Police Pension commutations or property rates, where payment is generally required by law.</p> <p>Savings Plans for 2017/18 forward, will be formally approved by COT as part of the budget setting process. If it is required to create additional savings requirements above £300,000 within 2017/18, these will be approved through a paper to COT and then taken to the PCC for approval.</p>	
<p>4.6 Policies and procedures supporting the governance framework should be reviewed on at least an annual basis and updated where necessary to provide accurate and up to date information.</p>	JN	Yearly	3	Agreed and accepted	Implemented & Closed
<p>4.7 All decisions should be accompanied by the appropriate documentation, including the completed Officer's report for the decision and any</p>	JN	Jan 2017	3	Agreed and accepted	Implemented & Closed

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
supporting information. All decision documentation should be retained for future reference on reasoning for taking decisions.					

KEY:

Audit Assurance

None	Limited	Satisfactory	Significant	Not Scored
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Priority

1. Fundamental	2. Significant	3. Housekeeping
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Owner

JN John Neilson
 PB Paul Bullen
 RS Rachel Swann
 PD Paul Dawkins

Author:

Steve Dainty

END



COMMUNITY JUSTICE SECURITY

CORPORATE GOVERNANCE FRAMEWORK

Draft – December 2016

Introduction

The purpose of this framework is to set out how the Police and Crime Commissioner (the PCC) as a corporation sole will govern ensuring business is conducted in the right way, for the right reason at the right time.

The principal elements of the statutory framework within which the PCC operates are:

- Police Reform and Social Responsibility Act 2011,
- Policing Protocol Order 2011,
- Financial Management Code of Practice – issued by the Home Office October 2013,
- The Accounts and Audit (England) Regulations 2011,
- The Police and Crime Commissioner Elections (Declaration of Acceptance of Office) Order 2012.

There are also a range of broader legislation within which the Commissioner operates including employment law, human rights law and environmental law.

Over and above statutory requirements, the PCC and OPCC will act in accordance with best practice principles and ensure its actions and behaviours are conducted to the highest ethical standards. These principles and standards are summarised below.

Principles

The seven core principles will be those established in the Chartered Institute of Public Finance and Accountancy (CIPFA) Delivering Good Governance: Guidance notes for Policing bodies in England and Wales 2016 edition. This builds on the CIPFA Delivering Good Governance in Local Government: Framework published in association with the Society of Local Authority Chief Executives (SOLACE) Good Governance Framework in 2007. This is the standard against which all local government bodies, including the PCC, should assess themselves. These principles are:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
- Ensuring openness and comprehensive stakeholder engagement;
- Defining outcomes in terms of sustainable economic, social and environmental benefits;
- Determining the interventions necessary to optimise the achievement of the intended outcomes;
- Developing the entity's capacity, including the capability of its leadership and the individuals within it;

- Managing risks and performance through robust internal control and strong public financial management;
- Implementing good practices in transparency, reporting and audit to deliver effective accountability.

Further detail on how the Commissioner meets these principles is available in Appendix 1.

Operating Ethically

The PCC and OPCC are committed to ensuring that, across all the functions of the PCC, ethical standards and behaviours are paramount. For this reason the PCC and OPCC has adopted the Seven Principles of Public Life (commonly referred to as the Nolan Principles – Appendix 2) and the SOLACE Local Public Services Senior Managers: Code of Ethics (Appendix 3) which builds on the Seven Principles further.

The Corporate Governance Framework

The Corporate Governance Framework comprises:

- The Code of Governance (this document)
- Scheme of Governance

These are shown schematically below



Code of Corporate Governance for Northamptonshire Police and Crime Commissioner

Introduction

This Code of Corporate Governance sets out how the Northamptonshire Police and Crime Commissioner (the Commissioner) will govern their organisation in accordance with the Corporate Governance Framework. It does this by highlighting the key enablers for ensuring good governance.

Context

This code sets out how the organisation will govern, using the seven good governance core principles¹ as the structure for setting out the statutory framework and local arrangements.

The Code

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

The Policing Protocol 2011 requires the Commissioner to abide by the seven Nolan Principles and these will be central to the conduct and behaviour of all. It also highlights the expectation that the relationship between the Commissioner and the Chief Constable will be based upon the principles of goodwill, professionalism, openness and trust.

The Financial Management Code of Practice requires the Commissioner to ensure that good governance principles are embedded within the way the OPCC operates.

The Police and Crime Commissioner Elections (Declaration of Acceptance of Office) Order 2012 specifies the form of declaration of acceptance of office as an oath of impartiality.

The Nolan principles form a key part of the governance of the OPCC. Within the Annual Governance Statement, the OPCC will self-assess against these principles every year.

The OPCC will produce a People Strategy that will outline the behaviours expected of staff, as well as the support and development available to staff to meet the standards required. Standards of behaviour and conduct will form part of the recruitment process for any role in the OPCC.

B. Ensuring openness and comprehensive stakeholder engagement

¹ Delivering Good Governance CIPFA/SOLACE, 2016

The Policing Protocol highlights that the Commissioner is accountable to local people and that he draws on this mandate to set and shape the strategic objectives for the police force area in consultation with the Chief Constable.

The Police and Crime Plan will clearly set out what the strategic direction and priorities are to be and how they will be delivered.

The PCC's Annual Report will outline performance against the objectives of the Police and Crime Plan.

To complement this, the staff of the Commissioner will ensure a plan is set out to involve local people and key stakeholders to ensure they inform decision making and future direction. This will be achieved through engaging as part of the yearly planning arrangements and becoming involved in issues of interest to local people as they emerge.

The Office of the Police and Crime Commissioner will produce an Annual Governance Statement on which it will consult with the Independent Audit Committee and a final version will be published on the OPCC website.

The Office of the Police and Crime Commissioner is subject to the Freedom of Information Act. Details of how to submit requests under this Act to the OPCC are provided on the OPCC website.

The Office of the Police and Crime Commissioner maintains an up to date website with a range of publicly available information.

Consultation will take place in a planned way with the public on a range of matters including the Police and Crime Plan and the budget.

C. Defining outcomes in terms of sustainable economic, social and environmental benefits

The Act requires the Commissioner to issue a Police and Crime Plan. It will outline the police and crime objectives (outcomes) and the strategic direction for policing.

Northamptonshire Police must have regard to the Plan and the PCC must have regard to the priorities of the responsible authorities during its development.

On an annual basis, the PCC will develop a business plan for the following year (which will effectively be the commissioning intentions of the organisation) which will set out what activity and interventions that will be put in place during that year to deliver the longer term Police and Crime Plan.

A Commissioning Framework will be developed by the PCC, which will set out how activity to deliver the agreed outcomes in the Police and Crime Plan will be commissioned, including the quality of service to be delivered. The Commissioning Framework will set out how the PCC operates with all organisations, including the Force.

The Medium Term Financial Plan will be aligned to the Police and Crime Plan and the Commissioning Framework.

The PCC will develop and implement Financial Regulations which will set out how effective financial management will be delivered. How the PCC ensures value for money is included within the Financial Regulations

An Annual Report will be published on a timely basis to communicate the PCC's activities and achievements, and financial position and performance.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

The Police and Crime Plan sets the overarching objectives for the area. The OPCC will ensure that annual business plans will develop the more detailed interventions that will be necessary to achieve the outcomes of the Plan.

The OPCC annual business plan and Commissioning Framework will ensure that appropriate performance measures are in place to ensure delivery against the Police and Crime Plan.

The OPCC will have a risk management policy that is kept under regular review.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

The Act clearly sets out the functions of the Commissioner and Chief Constable, and the Policing Protocol Order sets out how these functions will be undertaken to achieve the outcomes of the Police and Crime Plan.

The PCC will set personal performance objectives for the Chief Constable on an annual basis.

The Commissioner may appoint a deputy who will be a member of his staff as set out in the Act. The role description approved by the Commissioner will incorporate functions delegated within the Commissioner's Scheme of Consents and Delegations.

The Act requires the Commissioner to have a Chief Executive and a Chief Finance Officer. The Chief Executive will be the Head of Paid Service and undertake the responsibilities of Monitoring Officer .

The Financial Management Code of Practice and the Statement on the Role of the Chief Finance Officer set out the responsibilities of Chief Finance Officers for the Commissioner.

The Commissioner's Scheme of Governance highlights the parameters for key roles including delegations or consents from the Commissioner, financial regulations and contract standing orders.

Staff of the Office of the Police and Crime Commissioner will operate within:

- The policies and procedures of the organisation,
- The Corporate Governance Framework,
- Discipline Regulations and Codes of Conduct.

The PCC will develop, implement and maintain effective risk management.

An Independent Audit Committee will operate in line with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) and the requirements of the Financial Management Code of Practice . The Committee will also ensure that the risk controls are effective.

The statutory requirements and relevant guidance for police collaboration will inform work on collaboration with other police forces and PCCs.

The Commissioning Framework outlines how the PCC will work with others, including partners and this governs the relationships that the PCC will have with other organisations to assist in delivering the Police and Crime Plan.

The Office of the Police and Crime Commissioner will ensure that staff are developed and supported to perform their duties. This will include developing individuals' capability to undertake effective scrutiny, change management, performance appraisal and career development.

As part of the OPCC People Strategy, a skills audit will be undertaken to ensure that the skills required for the functions of the PCC are understood and development plans put in place to develop staff. The People Strategy will also outline the indication and other developmental opportunities available to staff. Developing leadership will also form part of this strategy.

F. Managing risks and performance through robust internal control and strong public financial management

The OPCC will produce and ensure adherence to a risk management policy. A risk register will ensure that corporate risks are kept under regular review.

The OPCC will ensure the appropriate measures and resources are in place to secure strong financial management

G. Implementing good practices in transparency, reporting and audit to deliver effective accountability

The Decision Making Framework sets out the principles drive decisions taken by the Commissioner and the standards to be adopted throughout the decision making process.

It requires a forward plan of decisions. This will ensure proper governance by bringing together the right information at the right time e.g. needs assessments, costs and budgets.

The Commissioner's Scheme of Delegations and Consents highlights the parameters for decision making, including the delegations, consents, financial limits for specific matters and standing orders relating to contracts.

The Decision Making Framework will ensure that information relating to decisions will be made readily to local people, with those of greatest public interest receiving the highest level of transparency, consistent with and subject to any relevant operational and legal constraints.

A Whistle-Blowing policy will be established to which all staff and those contracting with the PCC will have access.

Policies on complaints against the PCC or against staff are produced and published on the OPCC website.

THE SEVEN PRINCIPLES OF PUBLIC LIFE

SELFLESSNESS

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

INTEGRITY

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

OBJECTIVITY

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

ACCOUNTABILITY

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

OPENNESS

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

HONESTY

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

LEADERSHIP

Holders of public office should promote and support these principles by leadership and example.

SOLACE LOCAL PUBLIC SERVICE SENIOR MANAGERS: CODE OF ETHICS

SELFLESSNESS

Senior managers should act solely in terms of the public interest.

- Put the people you serve first
- Advise wisely and implement faithfully
- Ensure the need to speak truthfully to those in power, challenge impropriety or investigate wrongdoing comes before your own popularity or career prospects
- Carry out your obligations and duties to the best of your ability and seek additional training or support where necessary
- Support your colleagues in their work
- Demonstrate an efficient and effective use of public resources
- Consider the changing needs and expectations of local communities, and do what is necessary and proportionate to address them
- Be faithful to your organisation's purpose

INTEGRITY

Senior managers should avoid placing themselves under any obligation to people or organisations that might try to influence them inappropriately in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family or their friends. They should declare and resolve any interests and relationships.

- Show courage in doing what you believe is right
- Ensure decisions and actions are not influenced by improper considerations or personal gain
- Neither solicit nor accept the offer of any gift, gratitude or hospitality that could, or could be seen to, compromise your impartiality
- Do not use your position to inappropriately coerce any person or settle personal grievances
- Remain composed and respectful, even in the face of provocation
- Ensure that any relationship at work does not create an actual or apparent conflict of interest
- Take a personal responsibility to assess whether we have performed appropriately

OBJECTIVITY

Senior managers should act and take decisions impartially, fairly and on merit, using the best available evidence and without discrimination or bias.

- Proactively seek evidence in advance of making decisions
- Promote evidence-led decision making

- Keep an open mind and do not prejudge situations or individuals
- Be aware of the influence that unconscious biases can have on your actions and decisions
- Use all information, training, equipment and management support you are provided with and take personal responsibility for your continuous professional development and keeping yourself up to date on your role and responsibilities
- Actively seek or use opportunities to promote equalities and diversity and uphold the law regarding human rights and equalities
- Ensure frameworks for decision making are robust, legal and sound
- Ensure political decision makers have access to balanced, accurate and well-informed advice, even when it is counter to the prevailing orthodoxy or when they do not want to receive it

ACCOUNTABILITY

Senior managers are accountable for their decisions and actions and should submit themselves to the scrutiny necessary to ensure this.

- Take full responsibility for, and be prepared to explain and justify, your actions and decisions and those made within your span of responsibility to the public
- Encourage challenge and review of decision making to ensure that good practice is identified and lessons are learned
- Ensure the appropriate accurate records of your decisions and actions are kept
- Safeguard confidential information and ensure the protection of personal data to comply with both FOI and Data Protection legislation

OPENNESS

Senior managers should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for doing so.

- Share information with colleagues, partners and the public when required for legitimate purposes and in a way that respects democratic decision making
- Ensure briefings are made available to all political groups and not just those in positions of power
- Seek to create cultures that embrace learning, scrutiny and continuous improvements
- Model a presumption of transparency
- Share information in a manner that promotes accessibility

HONESTY

Senior managers should act with sincerity and respect the need for truthfulness.

- Do not knowingly make false, misleading or inaccurate oral or written statements
- Ensure all communications seek to actively engage and inform the audience
- Be mindful of wilful blindness and ensuring that appropriate checks and balances are in place which guard individuals and organisations
- Be prepared to challenge and be challenged
- Promote a culture that supports and encourages whistleblowing

LEADERSHIP

Senior managers should exhibit in their own behaviour the 'principles of Public Life' published by the Committee on Standards in Public Life. They should actively promote and robustly support the principles and be willing to challenge poor behaviour, including by all those employed to deliver local public services and elected representatives wherever it occurs.

- Step forward, take control and be proactive when required by the circumstances
- Never ignore unethical or unprofessional behaviour by a colleague or elected member, irrespective of the person's role
- Proactively question the conduct of colleagues or elected members that you believe falls below the expected standards and, if necessary, challenge, report or take action against such conduct
- Ensure your behaviour is not, and could not reasonably be perceived to be abusive, oppressive, harassing, bullying, victimising or offensive by the public or your colleagues
- Use your authority only in ways that are proportionate, lawful, respectful, accountable, necessary and ethical
- Seek feedback on your behaviour and management style in order to actively pursue continuous professional development

DEMOCRACY

Senior managers should uphold the principles of a representative government and ensure the effective working of the democratic process.

- Uphold the democratic process
- Do not engage in party political promotion and ensure you do not place yourself in a position where your political impartiality may be reasonably questioned
- Use your right and responsibility to voice your opinion on public issues but advocate for issues of personal interest only when doing so does not conflict with the performance of your professional duties



COMMUNITY JUSTICE SECURITY

SCHEME OF GOVERNANCE

Draft: December 2016

Contents

- 1. Introduction**
- 2. Legislative Background**
- 3. Key Role of the Police and Crime Commissioner**
- 4. Key Role of the Chief Constable**
- 5. Delegations and Consents**
- 6. Matters that will not be delegated by the PCC**
- 7. Functions consented or delegated to the Chief Constable**
- 8. Functions delegated to the Chief Executive of the Office of the PCC**
- 9. Functions delegated to the Chief Finance Officer of the Office of the PCC**
- 10. Financial Regulations**
- 11. Contract Standing Orders**
- 12. Commissioning Framework**
- 13. Decision Making Framework**
- 14. Accountability Framework**

Appendix 1 – Financial Regulations

Appendix 2 – Contract Standing Orders

Appendix 3 – Commissioning Framework

Appendix 4 – Officer Report Template to Support Decision Making

Appendix 5 – Accountability Framework

1. Introduction

1.1 The Financial Management Code of Practice for the Police Forces of England and Wales published by the Home Office in October 2013 provides that a Scheme of Governance should be prepared by the Police and Crime Commissioner (PCC). In doing so the PCC should be advised by the Chief Finance Officer of the PCC in consultation with the Chief Executive, the Chief Constable and the Police Force Chief Finance Officer.

1.2 The Scheme should identify those powers which may be exercised by either the PCC or the Chief Constable (as applicable) but which, for the benefit of good practice, may be exercised by their staff. It should also set out any constraints on those powers, including requirements to report back or advise the PCC or the Chief Constable, and should address circumstances which will require consultation between the staff of the PCC and the Chief Constable. Key elements of a Scheme of Governance will be comprised of:

- Scheme of Consent
- Financial Regulations
- Standing Orders relating to Contracts
- Scheme of Delegation

1.3 The purpose of this Scheme is to set out the extent of, and any conditions attaching to, the PCC's consent to the Chief Constable's exercise of the powers to enter into contracts and acquire or dispose of property.

1.4 This Scheme of Governance comprises:

- Delegations and Consents – Sections 5 to 9
- Financial Regulations – Section 10
- Contract Standing Orders – Section 11
- Decision Making Framework – Section 12
- Accountability Framework – Section 13
- Commissioning Framework – Section 14

The latter three parts (Decision Making Framework, Accountability Framework, Commissioning Framework) are not explicitly set out in the Code of Practice but the Code does envisage OPCC's setting out further detail on how the relationship between the PCC and Chief Constable works in practice. This is the reason for the inclusion of these parts in this document.

1.5 The Scheme will be kept under regular review (at least annual) and amended in consultation with and on the advice of those officers identified in paragraph 1.1

2 Legislative Background

2.1 The Police Reform and Social Responsibility Act 2011 established the role of the PCC, creating both the PCC and the Chief Constable as a corporation sole.

2.2 The Act has conferred wide powers upon the PCC. A PCC may do anything that is calculated to facilitate or is conducive or incidental to, the exercise of the functions of a PCC. This includes entering into contracts and other agreements, acquiring and disposing of property (including land) and borrowing money.

2.3 The Chief Constable has similar powers within the functions of the Chief Constable including entering into contracts and agreements and to acquire or dispose of property (apart from land) provided the PCC provides this consent to the Chief Constable. The Chief Constable has the power to enter in contracts of employment for police staff.

2.4 In addition to this legislation, this Scheme also requires all other statutory and regulatory requirements and relevant professional guidance to be adhered to including:

- Policing Protocol Order 2011
- Home Office Financial Management Code of Practice
- CIPFA Statement on the role of the Chief Finance Officer of the PCC
- The broader PCC Corporate Governance Framework
- Employment legislation, policy and procedures
- The Data Protection Act 1998 and the Freedom of Information Act 2000
- Health and safety at work legislation and codes
- Equality Act 2010 and related equality and diversity regulations and guidance

2.5 This Scheme also sets out how:

- The PCC expects the funds provided to the Chief Constable for policing to be applied – Section 10 Financial Regulations
- The PCC will hold the Chief Constable to account for the day to day management of those funds – Section 14 Accountability Framework

- The Chief Constable will carry out their duty to assist in the exercise of the PCC's functions – Section 4 Key Role of the Chief Constable and Section 7 Functions delegated or consented to the Chief Constable
- The Chief Constable will exercise their power to do anything calculated to facilitate the exercise of their own functions – Section 4 Key Role of the Chief Constable
- The PCC will exercise their power to delegate the exercise of their functions to their own staff – Section 8 Functions delegated to the Chief Executive and Section 9 Functions delegated to the Chief Finance Officer.
- The terms on which the PCC will exercise any functions they retain to aid the delivery of efficient and effective policing – Section 6 Matters that will not be delegated by the PCC

2.6 The PCC may require specific reporting arrangements to be put in place regarding any delegated powers.

2.7 All delegated powers should be exercised in line with the law and all requirements set out in the Corporate Governance Framework.

3 Key Role of the Police and Crime Commissioner

3.1 The legal powers and duties of the PCC are established by legislation and summarised within the Policing Protocol Order 2011. This Scheme does not seek to list all statutory duties of the PCC.

3.2 The key roles of the PCC are:

- To hold the Chief Constable to account on behalf of the public for the performance of the Force
- To be the recipient of all funding related to policing
- Set the strategic direction and objectives of the Force through the Police and Crime Plan, having regard to the Strategic Policing Requirement
- Secure the maintenance of an efficient and effective police force for Northamptonshire
- Set the budget, determine the level of precept and allocate funds and assets (including the allocation of such assets and funds to particular functions) to the Chief Constable
- Ensure that the Chief Constable puts the appropriate measures and resources in place to secure strong financial management.
- Appoint, suspend and if necessary remove the Chief Constable
- Enter into collaboration agreements that improve the efficiency and effectiveness of policing for one or more police force, in consultation with the Chief Constable (where it relates to the functions of the police force, then it must be with the agreement of the Chief Constable)
- Enter into collaborations, partnerships and contracts with other parties other than police forces
- Hear the voice of the public
- Publish information specified by the Secretary of State and any information the PCC considers necessary to enable the people of the force area to assess performance
- Produce an annual report to the Police and Crime Panel on delivery against the Police and Crime Plan
- Monitor all complaints made against officers and staff, having responsibility for complaints against the Chief Constable
- Make Crime and Disorder Reduction Grants
- Ensure the delivery of services for victims within their area
- Have oversight of the delivery of community safety and crime reduction in the area
- Have responsibility for the enhancement of the delivery of the criminal justice system in their area

- Appoint a Chief Executive and Chief Finance Officer to ensure the appropriate management of staff and budgets on behalf of the PCC

3.3 The PCC will require access to information and officers and staff of the Chief Constable within their Force area. Such access to any information must not be unreasonably withheld or obstructed by the Chief Constable and/or fetter the Chief Constable's discretion and control of the Force

3.4 To deliver these functions, the PCC will where necessary or appropriate:

- Commission services to be provided by the Force for the public, specifying clearly what functions the Force will be required to provide as part of the allocation of assets and funds to the Chief Constable
- Commission other providers to provide any function required to deliver services to the public to discharge the PCC's statutory duties

How this operates in practice is set out in the OPCC Commissioning Framework (Section 14).

4 Key Role of the Chief Constable

4.1 The Chief Constable is responsible for maintaining the Queen's Peace and has direction and control over the Force's officers and staff. The Chief Constable holds office under the Crown but is appointed by the PCC.

4.2 The Chief Constable is accountable to the law for the exercise of police powers and to the PCC for the delivery of an efficient and effective police force, including for the management of resources and expenditure by the Force. At all times the Chief Constable, their constables and staff, remain operationally independent in the service of the communities they serve.

4.3 The key statutory roles, as defined by the Police Reform and Social Responsibility Act 2011 and Policing Protocol Order 2012 of the Chief Constable are:

- To lead the Force in a way that is consistent with the attestation made by all constables on appointment and ensuring that it acts impartially
- To appoint the Force's officers and staff (after consultation with the PCC in the case of officers above the rank of Chief Superintendent and police staff equivalents)
- To support the PCC in the delivery of the strategy and objectives set out in the Police and Crime Plan
- To provide the PCC with access to information, officers and staff as required
- To have regard to the Strategic Policing Requirement when exercising and planning their policing functions in respect of the Force's national and international policing responsibilities
- Notifying and briefing the PCC of any matter or investigation which they may need to provide public assurance either alone or with the PCC
- To be the operational voice of policing in the Force area, and to regularly explain to the public the operational actions of officers and staff under their command
- To enter into collaboration agreements with other Chief Constables, other policing bodies and partners that improve the efficiency and effectiveness of policing, subject to the agreement of the PCC
- To remain politically independent of the PCC
- To manage all complaints against the Force, its officers and staff, except in relation to the Chief Constable, and to ensure that the PCC is kept informed to enable them to discharge their statutory obligations in relation to complaints in a regular, meaningful and timely fashion.

Serious complaints and conduct matters must be passed to the Independent Police Complaints Commission (IPCC)

- To exercise the power of direction and control in such a way as is reasonable to enable the PCC to have access to all necessary information and staff within the Force
- To oversee and be accountable for the financial management of the Force within the framework of the agreed budget allocation and levels of authorisation issued by the PCC

5 Scheme of Delegations and Consents

- 5.1 Delegations are those matters that the PCC allows others to undertake but in the PCC's name. Consents are those matters that the PCC allows the Chief Constable to undertake in their own name and as a separate legal entity.
- 5.2 This Scheme of Delegations and Consents is a record of the formal consents and delegations as required by the Home Office Financial Management Code of Practice (2013). With the exception of those matters listed in paragraph 6.3 below, the Scheme allows any person, with appropriate authority, to delegate that power further. Any such sub-delegation does not relieve the person who has sub-delegated a power from due responsibility for any decision taken by a person they have authorised to act on their behalf.
- 5.3 The PCC has the discretion to limit and/or withdraw the powers consented or delegated by them at any time, provided that the reasons for doing so are documented in writing.
- 5.4 The PCC may ask that a specific matter is referred to them for a decision and not dealt with under powers of delegation.
- 5.5 The PCC must be advised of any policing and crime matter which may have a significant impact, as defined within the decision making framework in Section 13 within this Scheme, on the people of Northamptonshire
- 5.6 The Scheme does not prevent an individual from referring a matter to the PCC for a decision if the individual thinks this is appropriate. For example, this may be because it is of a sensitive nature.
- 5.7 The PCC expects anyone exercising consented or delegated powers under this Scheme to draw their attention to any issue which is likely to be regarded by them as novel, contentious or repercussive before exercising such powers. This includes any potential financial liability.
- 5.8 In this document, all references to specific roles include those authorised by them to act on their behalf.
- 5.9 The Chief Executive (who is the Monitoring Officer and Head of Paid Service) and the Chief Finance Officer of the PCC have statutory powers and duties relating to their positions, and therefore do not rely on matters being delegated to them to discharge those responsibilities.

- 5.10 Individuals are responsible for making sure that members of staff they supervise are aware of and understand provisions and obligations of this Scheme
- 5.11 This Scheme provides an officer with the legal power to carry out duties of the PCC. In carrying out these duties, the officer must comply with all other statutory and regulatory requirements and relevant professional guidance, including those listed at paragraph 2.4.
- 5.12 When carrying out any duties, the PCC and any officers named in this Scheme must have regard to:
- The Police and Crime Plan
 - Any report or recommendations made by the Police and Crime Panel on the annual report for the previous financial year
- 5.13 The following sections set out further detail on delegations and consents including those matters not to be delegated, those matters delegated or consented to the Chief Constable, to the OPCC Chief Executive and to the OPCC Chief Finance Officer.

6 Matters that will not be delegated by the PCC

6.1 The Police Reform and Social Responsibility Act 2011 makes provisions for the PCC to appoint a deputy to undertake any functions of the PCC with the exception of:

- Approving and issuing the Police and Crime Plan
- Appointing, suspending and removing the Chief Constable
- Approving the budget requirement for the purpose of issuing a precept

6.2 There is no deputy PCC at the date of this Scheme and therefore there are no delegations included within this Scheme.

6.3 The Police Reform and Social Responsibility Act 2011 makes provision for the PCC to appoint other staff to carry out their functions. In addition to those functions listed at 6.1 which cannot be delegated to staff, the following are also defined in the Act as being matters that cannot be delegated:

- Determining the police and crime objectives in the Police and Crime Plan
- Attendance at the Police and Crime Panel for specified duties
- Approving the annual report to the Police and Crime Panel

6.4 In addition, the PCC, except in exceptional and urgent circumstances, will not delegate decisions of Significant Public Interest. A full definition of decisions of Significant Public Interest is included in the Decision Making Framework in Section 13 of this Scheme.

6.5 Should the PCC be unable to act for any reason, the Police Reform and Social Responsibility Act 2011 makes provisions for the Police and Crime Panel to appoint an Acting PCC and subsequently, should the PCC be unable to return to their duties a by-election would be triggered.

6.6 Should any decision be required of the PCC whilst unable to act and prior to the Police and Crime Panel meeting to appoint an Acting PCC, the delegated powers to the Chief Executive and Chief Finance Officer within this Scheme (at 8.2.24 and 9.4 respectively) are enacted.

7 Functions consented or delegated to the Chief Constable

7.1 In addition to the statutory duties of the Chief Constable (as outlined in the Police Reform and Social Responsibility Act 2011 and Policing Protocol Order 2011), the PCC can give consent to functions being undertaken by the Chief Constable in their own name and as a separate legal entity.

7.2 Consents

7.2.1 The PCC consents that the Chief Constable may enter into contracts for supplies or services for any matter required to facilitate the running of the Police Force and provided such contracts falls within the overall cash limit of Chief Constable, with the exceptions of:

- Buildings over £100,000 which must be entered into by the PCC
- Collaboration Agreements which must be agreed by both the Chief Constable and the PCC

7.2.2 To provide financial assistance to police officers, staff or volunteers (including special constables) in legal proceedings taken by or against them as a result of performing their duties. This action must be taken in line with Home Office advice.

7.2.3 To undertake the day to day management of the facilities and asset management function subject to any provisions in the Financial Regulations.

7.2.4 To approve the retirement, in the interests of the efficiency of the service, of employees and to report to the PCC on this issue each year

7.2.5 To bring national agreements on salaries, wages and conditions into effect on the clear understanding that any issues which are sensitive or have major financial implications will be referred to the PCC for a decision

7.2.6 To negotiate with, and reach agreements with, recognised trade unions and staff associations on any matters that can be decided locally. Any significant agreements must be reported to the PCC.

7.3 Delegations

7.3.1 To provide the functions detailed by the PCC as part of the annual budget settlement for the Force, delivering them within cash limits and meeting any conditions of the funding imposed by the PCC.

7.3.2 The numbers and locations of officers and staff to deliver the requirements set out by the PCC in the Police and Crime Plan and specific objectives for the Force, subject to any conditions attached to the cash limit set for the Force by the PCC.

7.3.3 Detailed financial management delegations are set out in Financial Regulations within this Scheme in Section 10.

8 Functions delegated to the Chief Executive of the Office of the PCC

8.1 The Chief Executive is the most senior officer of the OPCC and is the Head of Paid Service. This statutory appointment is made under Schedule 1 to the Police Reform and Social Responsibility Act 2011. For the purposes of section 5(1) of the Local Government and Housing Act 1989 (as amended by Reform and Social Responsibility Act 2011) the Chief Executive is designated as the body's monitoring officer with responsibility for ensuring the legality of the actions of the policing body and its officers.

8.2 The formal delegations are as follows:

8.2.1 Take day to day action to ensure the efficient and effective management of the Office of the PCC, including the appointment or dismissal of all staff and volunteers with the exception of the Deputy PCC

8.2.2 Ensure the discharge of the PCC's functions, with the exception of those matters within Section 6 of this Scheme, giving effect to the decisions and direction of the PCC

8.2.3 Prepare the Police and Crime Plan, consulting with the Chief Constable, for submission to the PCC

8.2.4 Prepare an Annual Report for submission to the Commissioner for the Commissioner to fulfil his statutory duty to report annually on progress against the Police and Crime Plan to the Police and Crime Panel.

8.2.5 Provide information to the Police and Crime Panel as lawfully and reasonably required to enable the Panel to carry out its functions

8.2.6 To approve arrangements for the signing of all contracts on behalf of the PCC taking into account any requirements specified in the Contract Standing Orders within this Scheme.

8.2.7 To affix the common seal of the Northamptonshire Police and Crime Commissioner to all contracts, were any of the following applies:

- Agreements or transactions in respect of which there is no consideration
- That relate to the provision of goods and services by the PCC to another body and which are £300,000 or above in value over the life of the contract

- That are £300,000 or above in value over the life of the contract
- Which grant or convey an interest in land
- Which are grants that are £100,000 or above
- When it is determined by the PCC that there is a particular need for the seal to be attached
- Where any of the contracting parties require it

8.2.8 To consider, in consultation with the Chief Finance Officer, whether to provide indemnity to the PCC and to deal with or make provision to deal with other matters arising from any proceedings relating to them.

8.2.9 To consider and approve, in consultation with the Chief Finance Officer, provision of indemnity and/or insurance to individual staff of the PCC in accordance with the Local Authorities (Indemnities for Members and Officers) Order 2004.

8.2.10 To make financial and contractual decisions as outlined in the Financial Regulations and Contract Standing Orders.

8.2.11 To oversee the way that complaints against officers and staff within Northamptonshire Police are managed so this is efficient and effective and to advise the PCC on this basis.

8.2.12 To manage the PCC's budget in accordance with Financial Regulations.

8.2.13 To fix fees for copies of documents and extracts of documents requested under the Freedom of information Act 2000, or the Data Protection Act 1998, or otherwise

8.2.14 To make recommendations to the PCC with regard to staff terms and conditions of service in respect of the PCC's staff in consultation with the Chief Finance Officer.

8.2.15 To administer the Independent Custody Visitors (ICV) Scheme and any other volunteer schemes including the appointment, suspension and removal of custody visitors and other volunteers.

8.2.16 To obtain legal or other expert advice.

8.2.17 To commence, defend, withdraw or settle any claim or legal proceedings where required, on the PCC's behalf in consultation with the Chief Finance Officer.

- 8.2.18 To facilitate the management of appeals made by police officers against the Chief Constable's decision to require retirement due to ill health and to implement the subsequent awards made, in line with the provisions of the Police and Pensions Regulations.
- 8.2.19 To consider, with the PCC, any complaint made against the Chief Constable, and where appropriate, to make arrangements for appointing an officer to investigate the complaint.
- 8.2.20 To respond to consultations on proposals affecting the PCC.
- 8.2.21 To ensure that appropriate arrangements are in place to gather community's views on policing and crime in Northamptonshire.
- 8.2.22 To ensure compliance with the requirements for publication of all aspects of the Local Policing Bodies (Specified Information Order 2011).
- 8.2.23 To decide on whether any information to support a decision taken by the PCC and published by Executive Order should be exempt from being published under the exemptions contained within the Local Government Act 1972 – Schedule 12A.
- 8.2.24 In the event of the PCC being unable to act for any reason, and before the Police and Crime Panel are able to meet to appoint an Acting PCC, to take urgent decisions of significant public interest, other than those precluded under paragraph 6.3 of this Scheme. Where decisions are taken under this provision, the Chief Executive will inform the PCC at the earliest opportunity. See also paragraphs 13.5.1 and 13.5.2
- 8.2.25 To ensure compliance with the responsibilities of the PCC as the Pension Supervising Authority for the Chief Constable Pension

9 Functions delegated to the Chief Finance Officer of the PCC

9.1 The Chief Finance Officer is the financial advisor to the PCC and has statutory responsibilities as set out in Section 151 of the Local Government Act 1972, sections 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2011.

9.2 The Financial Regulations at Section 10 in this Scheme set out the responsibilities of the Chief Finance Officer.

9.3 The Chief Finance Officer must:

- Be a key member of the PCC's Leadership Team, working closely with the Chief Executive
- Be actively involved in and able to bring influence to bear on, all strategic business decisions of the PCC
- Lead the promotion and delivery by the PCC of good financial management so that public money is safeguarded at all times and used appropriately
- Ensure that the finance function is fit for purpose

9.4 In the event of the PCC being unable to act for any reason, and before the Police and Crime Panel are able to meet to appoint an Acting PCC to take urgent decisions of significant public interest, other than those precluded under paragraph 6.3 of this Scheme. This will be undertaken normally following consultation with the Chief Executive. Where decisions are taken under this provision, the Chief Finance Officer will inform the PCC at the earliest opportunity.

10 Financial Regulations

10.1 The Financial Regulations govern the relationship between the PCC, OPCC and Force in relation to financial matters. The Financial Regulations are part of this Scheme and included at Appendix 1.

11 Contract Standing Orders

11.1 Contract Standing Orders relate to how the PCC enters in to contracts. The Contract Standing Orders are part of this Scheme and included at Appendix 2.

12 Commissioning Framework

12.1 The Commissioning Framework explains how the PCC determines the provision of services. The Commissioning Framework is included in Appendix 3.

13 Decision Making Framework

13.1 The statutory framework for decision making is outlined in Section 2 of this Scheme.

13.2 Approach to Decision Making

13.2.1 Decisions taken by the PCC will arise from the discharge of their statutory functions. The PCC will demonstrate probity and regularity in their decision making and will therefore take decisions in accordance with the Good Governance Standards for Public Service (the Nolan Principles).

13.2.2 The PCC and the Office of the PCC will apply good governance principles to all decisions regardless of significance and impact.

13.3 Principles of Decision Making

13.3.1 Decision-making will be transparent and well informed.

- The PCC will give proper consideration to all relevant parties. Arrangements will be made for obtaining the views of people in the local area about matters related to policing, community safety and criminal justice. These views will be used to inform all decisions.
- The principle means of public consultation will be on the Police and Crime Plan. This is a statutory requirement as defined in the Police Reform and Social Responsibility Act 2011. The Plan will seek to include all key policy initiatives that the PCC will seek to execute.
- The OPCC will also consider specific consultation where the Police and Crime Plan is insufficient consultation on specific decisions. The OPCC Chief Executive will be responsible for deciding when additional consultation is required on a decision.
- Consultation will take a variety of forms to ensure the most appropriate method and audience (e.g. the public, the Chief Constable or other stakeholders including the Police and Crime Panel) is sought for each decision.
- A Forward Plan of Significant Public Decisions will be maintained and published on the OPCC website to enable public awareness of likely dates for decision making.

- At times, some information will not be appropriate to be published due to confidentiality reasons. The potential reasons (as described in Local Government Act 1972 – Schedule 12A) are:
 - Information relating to any individual
 - Information which is likely to reveal the identity of an individual
 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)
 - Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the PCC or a Minister of the Crown and employees of, or office holders under, the authority
 - Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings
 - Information which reveals that the authority proposes
 - a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; b) to make an order or direction under any enactment
 - Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime

13.3.2 Decisions will make use of good quality information, advice and support.

- Decisions will be taken based on quality information and clear advice in order to reduce the risk of taking decisions that fail to achieve the PCC's objectives or have unintended consequences.
- Advice will include that taken from the Chief Constable as well as statutory and other officers of the PCC.
- Any decisions taken will be accompanied by an officer report detailing material information relied upon in making the decision. The report will be provided in the format specified at Appendix 4 of this Scheme. Such reports will be published in conjunction with the final decision.

13.3.3 Decisions will make use of risk management information.

- Risk registers of the PCC will be regularly reviewed by the officers and the Audit Committee to inform decision making.
- Risks specific to the decision will be identified, together with any mitigation that is in place.

13.3.4 Decisions will be lawful, reasonable, fair and proportionate.

- The PCC will make use of their professional advisers in decision making and will take into consideration the impact of any decisions of all those who live and work in Northamptonshire.
- The PCC will take decisions with a view to achieving value for money.
- The PCC will consider equality and human rights issues when taking decisions, as required by the Equality Act 2010. Decisions of significant public interest will be accompanied by an Equality Impact Assessment which will be used to inform the decision making.

13.3.5 Decisions will be recorded and published.

- The PCC has a statutory duty under the Police Reform and Social Responsibility Act 2011 to publish decisions of 'significant public interest'. These will be published as Executive Orders on the PCC website.
- The PCC will inform the Host Authority (Northamptonshire County Council) of the Police and Crime Panel once each Executive Order is agreed and published. Upon receiving this, the Host Authority will disseminate the Executive Order to all members of the Police and Crime Panel. Should the Host Authority receive any questions or requests for further information from members of the Panel, they will liaise with the PCC to ensure such enquiries are responded to as appropriate.
- The PCC will provide each meeting of the Police and Crime Panel with a summary of the decisions that have been taken and published in the period since the previous meeting.
- Other decisions taken by the PCC or by statutory officers under the delegations outlined in this Scheme will also be recorded on a decision record that will be available for inspection as required.

13.4 Decisions of Significant Public Interest

13.4.1 The following will be considered Decisions of Significant Public Interest:

- Decisions that result in expenditure or savings of £300,000 or more
- Any decision to issue or vary the Police and Crime Plan
- Any decision to consult the public on specific matters
- Any decision to appoint, remove or suspend a Chief Constable
- Any decision to appoint a Deputy Police and Crime Commissioner, Chief Executive or Chief Finance Officer
- Any decision to approve or amend the Corporate Governance Framework of the OPCC

13.4.2 All decisions of Significant Public Interest will require the PCC to sign an Executive Order, which will be published on the PCC website within 5 working days of the decision. Alongside the publication of the Executive Order all material information used to make the decisions will be published, including an officer report to the PCC in the format specified in Appendix 4 of this Scheme

13.4.3 The PCC will take other decisions that are not classed as being of significant public interest. These will typically be decisions that have been referred by the Chief Executive on grounds that further decisions that would be of significant public interest will be required or where the delegated officer considers it to be sufficiently novel, contentious or repercussive to require the PCC to decide. These decisions will be taken following written advice from officers and a decision record will be recorded and held for inspection if required.

13.5 Decisions of an Urgent Nature

13.5.1 Should the PCC be unable to act and an urgent decision is required, the Chief Executive and/or the Chief Finance Officer is able to take decisions on the PCC's behalf. In these circumstances it would be normally the case that the two statutory officers would confer and agree on the action proposed. Such decisions would only be taken in circumstances where paragraph 6.5 had been invoked as noted in paragraph 6.6.

13.5.2 Where either statutory officer takes an urgent decision that would otherwise require the approval from the PCC, the reason for the decision, including the reasons precluding the PCC taking the decision, and the decision itself should be recorded and the PCC informed of the decision at the earliest opportunity. If an Executive Order would normally have been required, the PCC will be asked to retrospectively agree an appropriate Executive Order to ensure that all significant public decisions are published as required.

14 Accountability Framework

14.1 The PCC has a statutory duty to hold the Chief Constable to account for the performance of Northamptonshire Police on behalf of the public.

14.2 Principles for Accountability

14.2.1 A focus on where we are going rather than where we have come from. This is not to say that understanding reasons for current and previous performance is not important. Understanding reasons for the current and previous performance is vital to help make strategic decisions. However performance success is not about 'distance travelled' but is about 'distance to target'. The emphasis is placed therefore on looking forward to improve performance rather than looking backwards.

14.2.2 Reflecting victims' and the wider community's priorities and concerns. The PCC's chief role is to be the 'voice of the public' within conversations on performance. This should usually be reflected in the outcomes of the Police and Crime Plan.

14.2.3 Adopting a long term strategic perspective. The focus is not on month to month or even year to year comparisons. The focus is on long term trends to improve performance systematically rather than superficially. Long term sustainable improvements are required rather than achieving short term targets by any means necessary.

14.2.4 Being 'intrusive' when it needs to be and 'light touch' when it does not. The focus will be on areas of risks to performance, and where there are risks it is right that the PCC is challenging and sets high expectations for improvement. This must be balanced with avoiding placing an unnecessary burden on the Force that distracts from delivery.

14.2.5 Open, honest and transparent. Poor performance should not be hidden. There should be discussion on issues to enable solutions to be sought in an environment without fear of being seen as a failure.

14.3 Process for Holding the Chief Constable to Account

14.3.1 The current process employed by the PCC to hold the Chief Constable to account is included in Appendix 5.

14.4 Holding the PCC to Account

14.4.1 The Police Reform and Social Responsibility Act 2011 includes provisions for a Police and Crime Panel to scrutinise the PCC.

14.4.2 The Police and Crime Panel (PCP) holds the Police and Crime Commissioner to account. The Police and Crime Panel is a body made up of local elected councillors and independent members with the responsibility to scrutinise and support the work of the Police and Crime Commissioner. The PCP is not a local government committee however it is obliged to meet in public, to publish agendas and minutes, and to fulfil the following responsibilities:

- To consider the Police and Crime Commissioner's Police and Crime Plan – a document setting out the PCC's priorities for a five year period and how those priorities will be delivered.
- To consider the draft policing budget and draft policing precept. The precept is the amount of money that the PCC proposes to levy on council taxpayers for the local force. The budget will set out how both the money raised from the precept will be spent, and also how other funds will be spent for which the PCC has overall responsibility.
- To consider the PCC's annual report, setting out their activities in the previous year.
- To carry out hearings when the PCC proposes to appoint a new chief constable, a deputy PCC, a chief of staff, chief executive or a chief finance officer.
- To work to resolve (but not investigate) non-criminal complaints made about the PCC.

14.4.3 The panel is made up of councillors drawn from each of the local authorities in Northamptonshire according to a set allocation of places, and three independent co-opted members drawn from the local community.

14.4.4 The agenda papers for meetings are published five working days in advance and are available to download from the Northamptonshire County Council website. The panel meetings are normally held in public and members of the public can attend. and address the Police and Crime Panel or ask a question on any item on the agenda for a particular meeting.

Appendix 1 – Financial Regulations



OFFICE OF NORTHAMPTONSHIRE POLICE AND CRIME COMMISSIONER

FINANCIAL REGULATIONS

Issued: April 2017

CONTENTS

	PAGE
Introduction	
Overview	3
Status	4
Content and Delegated Limits	5
Definitions within the Regulations	6
Section A - Financial Management Framework	
A1 Introduction	8
A2 The Role of the Police and Crime Commissioner (PCC)	8
A3 The Role of the Chief Constable (CC)	10
A4 The Role of the Joint Independent Audit Committee	11
A5 The Role of Statutory Officers	12
A6 Financial Management Standards	15
A7 Accounting Records and Returns	16
A8 The Annual Statement of Accounts	18
Section B – Financial Planning and Control	
B1 Financial Planning	20
B2 Budgetary Control	23
B3 Capital Programme	29
B4 Maintenance of Balances and Reserves	32
Section C – Management of Risk and Resources	
C1 Risk Management	33
C2 Internal Controls	35
C3 Audit Requirements	38
C4 Preventing Fraud and Corruption	42
C5 Money Laundering and Proceeds of Crime	44
C6 Assets	45
C7 Treasury Management and Banking Arrangements	50
C8 Staffing	52
C9 Custody of Unofficial Funds and Private Property	53
Section D – Systems and Procedures	
D1 General	56
D2 Income	58
D3 Ordering of Goods and Services	60
D4 Payments for Goods and Services	61
D5 Payments to Officers, Employees and Members	63
D6 Taxation	65
D7 Ex Gratia Payments	66
D8 Pensions	66
D9 Government Procurement Cards	67

		PAGE
Section E - External Arrangements		
E1	Partnerships	69
E2	External Funding	72
E3	Work for Third Parties	73
E4	Collaborated Activities and Consortium Arrangements	74
E5	Commissioning	75
Section F – Delegated Financial Limits		77-81

INTRODUCTION

OVERVIEW

1. Public sector accounting is covered by a range of government legislation and accounting standards that are designed to ensure proper accountability for public funds, including:
 - The Local Government Act 1972
 - The Local Government Finance Act 1988
 - The Accounts and Audit Regulations 2003, 2006 and 2011

In addition, the Home Office has issued a Financial Management Code of Practice (FMCOP) under section 17 of the Police Reform and Social Responsibility Act 2011 and section 39 of the Police Act 1996 which permit the Secretary of State to issue codes of practice to all Police and Crime Commissioners (Commissioner) and Chief Constables.

2. The Police Reform and Social Responsibility Act 2011 defined arrangements for separate corporations sole for the Police and Crime Commissioner (PCC) and Chief Constable (CC), each of which is required to appoint a Chief Finance Officer (CFO). The FMCOP deals specifically with the financial management of the corporations sole of the PCC and CC. The professional responsibilities of the PCC and CC CFOs are defined in the FMCOP and in a CIPFA Statement issued in September 2012, "Responsibilities of the CFO to the PCC and the CFO to the CC".
3. As separate corporations sole, both are enabled by law to employ staff and hold funds in their official capacity. Chief Constables are charged with the impartial direction and control of all constables and staff within the police force that they lead. The staff of the Commissioner are accountable to the directly elected holder of that office.
4. The public accountability for the delivery and performance of the police service is placed into the hands of the Commissioner on behalf of their electorate. The Commissioner draws on their mandate to set and shape the strategic objectives of their force area in consultation with the Chief Constable. The Commissioner is accountable to the electorate; the Chief Constable is accountable to their Commissioner. The Police and Crime Panel is empowered to maintain a regular check on the performance of the Commissioner in that context.
5. The Commissioner within each force area has a statutory duty and electoral mandate to hold the police to account on behalf of the public.

6. The Commissioner may appoint a Deputy Police & Crime Commissioner who may exercise some of the functions of the Commissioner as determined by the Scheme of Governance.
7. The Commissioner is the recipient of all funding, including the government grant and precept and other sources of funding, related to policing and crime reduction and all funding for a force must come via the Commissioner. How this money is allocated is a matter for the Commissioner in consultation with the Chief Constable, or in accordance with any grant terms. The Chief Constable will provide professional advice and recommendations.
8. To conduct its business effectively, any organisation needs to ensure that sound financial management policies are in place and that they are strictly adhered to. Part of this process is to adopt and implement Financial Regulations. These Regulations have been drawn up in such a way as to ensure that the financial matters are conducted properly and in compliance with necessary requirements.
9. The Regulations are designed to establish overarching financial responsibilities, to confer duties, rights and powers upon the Commissioner and those for whom they are responsible and to provide clarity about the financial accountabilities of groups or individuals. They apply to every member and officer of the service and anyone acting on their behalf.
10. A modern organisation should also be committed to innovation, within the regulatory framework, providing that the necessary risk assessment and approval safeguards are in place.

STATUS

11. These Financial Regulations should not be seen in isolation, but rather as part of the overall regulatory and governance framework that includes the policing protocol, codes of governance, codes of conduct, scheme of consent, scheme of delegation and Contract Standing Orders
12. The Commissioner and all employees have a general duty to take reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value.

13. Financial Regulations explain the working financial relationship between the Commissioner and the Chief Constable and their respective Chief Financial Officers, having regard also to the role played by the Commissioner's Chief Executive.
14. These regulations include responsibilities for Statutory Officers and it is the responsibility for each of the Statutory Officers to fulfil these requirements individually and by working together.
15. The Commissioner is responsible for approving or amending Financial Regulations for the Commission. The CFO to the Commissioner is responsible for maintaining a review of Financial Regulations and submitting any additions or amendments to the Commissioner, after consulting with the Chief Constable, the Force CFO and the Chief Executive.
16. Senior Officers are responsible for ensuring that all employees, contractors and agents are aware of the existence and content of these Financial Regulations and that they are complied with. An adequate number of copies must be available for reference.
17. Any case of potential non-compliance with these regulations or Standing Orders should be reported immediately and directly to the CFO to the Commissioner. Breaches of Financial Regulations of a serious nature may result in disciplinary proceedings and, potentially, criminal action.
18. The Commissioner 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.

CONTENT AND DELEGATED LIMITS

19. The Financial Regulations are divided into a number of sections, each with detailed requirements relating to the section heading. References are made throughout the individual sections to delegated limits of authority. These are also summarised in Section F in order to avoid reviewing the whole set of Financial Regulations when changes to delegated limits are made. Section F contains the appropriate cross-reference to the regulation in question
 - Section A - Financial management framework
 - Section B - Financial planning and Control

- Section C - Management of risk and resources
- Section D - Systems and procedures
- Section E - External arrangements
- Section F - Summary of delegated limits

DEFINITIONS WITHIN THE REGULATIONS

20. The 'Office of the Police and Crime Commissioner for Northamptonshire (OPCCN) when used as a generic term shall refer to the PCC, the PCC CFO, and staff under the PCC direction.
21. The 'Force' shall refer to the CC, CC CFO, police officers, the special constabulary, and police staff under his/her direction.
22. Within these Regulations, references have been made to the responsibilities of the CC since the responsibility for day to day financial management of the funds the PCC delegates to the Force is delegated to the CC and is vested with the CC post of Force's Chief Finance Officer (S.151) who is the CC CFO acting on behalf of the CC. Where responsibility for day to day financial management has not been delegated to the CC and is vested with the PCC or PCC CFO (the Director for Resources, Governance and Transformation), the duties, rights and powers as detailed for the CC shall apply equally to the PCC CFO.
23. The terms CC, CC CFO, PCC, PCC Monitoring Officer and PCC CFO include any member of staff, contractors or agents to whom particular responsibilities may be delegated. However, the level of such delegated responsibility must be evidenced clearly, made to an appropriate level, and the member of staff given sufficient authority, training and resources to undertake the duty in hand.
24. The Statutory Officers referred to relate to the Chief Constable, the Chief Executive and the two Chief Financial Officers.
25. The Chief Executive also fulfils the monitoring officer role of the OPCC.
26. "Senior officers" is a generic term relating to all officers with managerial responsibility for resources and their use.
27. 'Employees' when referred to as a generic term shall refer to police officers, police staff and other members of the wider police family.

28. The expression 'authorised officer' refers to employees authorised by a chief officer.
29. The expression 'contract' refers to any commitment (including purchase orders, memoranda of understanding, leases and service level agreements) to acquire, purchase or sell goods, services or building works made on behalf of the Commissioner, the Force or their affiliated bodies.
30. The expression 'best value for money' shall mean the most economic, efficient and effective means of meeting the need and takes account of whole life costs.
31. The expression 'he' shall refer to both male and female.
32. A virement is a planned and approved reallocation of resources between budgets or heads of expenditure

SECTION A

FINANCIAL MANAGEMENT FRAMEWORK

A1 INTRODUCTION

- 1.1 The Home Office advises on the roles and responsibilities of the PCC, the Force and statutory officers. The PCC CFO and the CC CFO have certain statutory obligations and the PCC Monitoring Officer a specific monitoring role.
- 1.2 As far as possible financial management should be delegated to the PCC CFO and the CC CFO acting on behalf of the Commissioner and the CC respectively. The CC should actively encourage devolution of financial budgets within the Force, provided that the financial information used to support this devolution is reliable, accurate, timely and complete.
- 1.3 Devolved budget monitoring responsibilities will ensure greater accountability within the Force.
- 1.4 The PCC has responsibility for the Police Fund with the specific responsibilities of the PCC and CC being defined in the Home Office FMCOP. The professional responsibilities of the PCC CFO and CC CFO are defined in the FMCOP and in a CIPFA Statement.

A2 THE ROLE OF THE PCC

- 2.1 The role and responsibilities of the PCC include to:
 - Ensure an efficient and effective Police Service and to hold the Police to account on behalf of the public. The Commissioner is the recipient of funding relating to policing and crime reduction, including government grant, council tax precept and other sources of income. How this money is allocated is a matter for the Commissioner in consultation with the Chief Constable, or in accordance with any grant terms. The statutory officers of the Chief Constable and the Commissioner will provide professional advice and recommendations.
 - Prepare revise and update a Police and Crime Plan
 - Appoint a Chief Financial Officer to be responsible for the proper administration of the Commissioner's financial affairs. The Commissioner shall provide his Chief Finance Officer with such staff, accommodation and

other resources that are sufficient to allow the duties under this section to be performed. He shall also appoint a Chief Executive who will act as the Commissioner's monitoring officer.

- Agree a budget requirement and capital programme and set the precept following advice from the PCC CFO in liaison with the CC CFO and in consultation with the Police and Crime Panel (PCP).
- Rigorously scrutinise, challenge and monitor aspects of financial performance and, if required, agree action taken to contain spending within approved plans. The Commissioner is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework.
- Identify and agree the medium term financial strategy of the PCC and any long term spending commitments.
- Agree the Treasury Management Strategy and policies, including the annual investment strategy
- Participate in inspections and audits of the Force and the PCC.
- Comply with all relevant codes of conduct and maintain the highest standards of conduct and ethics.
- Approve Financial Regulations and any amendments to them, as drawn up between the PCC Monitoring Officer, the CC, the PCC CFO and the CC CFO.
- Ensure that the internal control environment meets proper requirements including a Risk Management Strategy and recommendations from internal and external audit are actioned.
- Be responsible for the ownership of property including the Asset Management Strategy
- Delegate financial management of the Force budget to the CC and CC CFO so that the CC CFO has as much day to day responsibility for financial management of the Force as possible within the framework of the agreed budget and rules of virement.
- Be responsible for approving procedures for recording and reporting decisions taken and for monitoring compliance with agreed policy and related executive decisions.

- Where appropriate draw up financial procedures (subject to these Financial Regulations) to apply specifically to the Office of the Police and Crime Commissioner.
- The Commissioner may appoint a Deputy Police & Crime Commissioner who may exercise some of the functions of the Commissioner as determined by the Scheme of Governance.

A3 THE ROLE OF THE CC

3.1 The role and responsibilities of the CC in relation to financial management include to:

- The Chief Constable shall appoint a Chief Finance Officer to be responsible for the proper administration of the Chief Constable's financial affairs.
- Ensure overall financial management of the Force and report financial management issues and implications to the PCC.
- The CC shall prepare Financial Regulations for the Force, in consultation with CC CFO (in liaison with the PCC CFO). The CC shall ensure that all employees are made aware of the existence of these Regulations and are given access to them. Where appropriate, training shall be provided to ensure that the Regulations can be complied with.
- Comply with financial policies and procedures for use by the Force including the Scheme of Delegation, ensuring that officers and staff comply with them and with the Force's own Financial Regulations.
- Draw up financial policies and financial instructions in consultation with the CC CFO (in liaison with the PCC CFO), who must be satisfied that they provide for effective managerial control and review.
- Exercise delegated financial responsibilities and assume, with his staff, as much day-to-day responsibility for financial management of the Force as possible within the framework of the agreed budget and rules of virement.
- Seek approval from the Commissioner when he intends to make significant change of policy or seeks to move significant sums, in accordance with agreed virement rules, of their budget
- Ensure the provision of professional advice to the PCC.

- Ensure proper financial management of resources allocated to him/her through the budget or arising from income generated by activities within the operational area, including control of officers, staff, security, custody and the management and safeguarding of assets. Ensure all resources are used efficiently and effectively.
- Where delegated by the PCC administer property and contracts.
- Advise the PCC on financial propriety for areas under his/her control.

A4 THE ROLE OF THE AUDIT COMMITTEE

- 4.1. The Home Office Financial Management Code of Practice states that the Commissioner and Chief Constable should establish an independent audit committee. The code recommends this be a combined body which will consider the internal and external audit reports of both the Commissioner and the Chief Constable. This committee will advise the Commissioner and the Chief Constable according to good governance principles and will embrace appropriate risk management arrangements in accordance with proper practices. In establishing the Audit Panel the Commissioner and Chief Constable shall have regard to CIPFA Guidance on Audit Committees.
- 4.2. The Audit Committee shall comprise of no fewer than three and no more than five members who are independent of the Commissioner and the Force.
- 4.3. The Audit Committee shall establish formal terms of reference, covering its core functions, which shall be formally adopted and reviewed on an annual basis
- 4.4. The Commissioner and Chief Constable shall be represented at all meetings of the Audit Committee.
- 4.5. The terms of reference for the Audit Committee cover requirements in relation to Internal and External Audit appointments, plans and reports, HMIC reports, risk management, VFM, governance, annual accounts and related reports.

A5 THE ROLE OF STATUTORY OFFICERS

PCC CFO

5.1. The PCC CFO has responsibility for proper financial administration and stewardship, which includes a personal fiduciary responsibility to the local council taxpayers.

5.2. These roles have statutory responsibilities specified by:

- Paragraph 6 of Schedule 1 to the Police Reform and Social Responsibility Act 2011. (PCC CFO)
- Paragraph 4 of Schedule 2 and paragraph 1 of Schedule 4 to the Police Reform and Social Responsibility Act 2011 (CC CFO)
- Section 151 of the Local Government Act 1972 which requires arrangements to be made for the proper administration of the PCC's and CC's financial affairs.
- Section 114 of the Local Government Finance Act 1988 which requires the Statutory Finance Officer to report to the PCC and the CC if the PCC or the CC or one of their staff:
 - has made, or is about to make, a decision which involves incurring unlawful expenditure,
 - has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency,
 - is about to make an unlawful entry in the PCC or CC's accounts.
- The Accounts and Audit Regulations 2015.

5.3. The PCC CFO is the principal professional adviser on financial matters to the PCC. To enable him/her to fulfil these duties and to ensure the PCC is provided with adequate financial advice the PCC CFO:

- Must be a key member of the respective organisation's Leadership Team, (working closely with the Chief Executive), helping the team to develop and implement strategy and to resource and deliver the Commissioner's strategic objectives sustainably and in the public interest;
- Must be actively involved in, and able to bring influence to bear on, all strategic business decisions, of the PCC, to ensure that the financial aspects of immediate and longer term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategies;
- Must lead the promotion and delivery by the PCC of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively; and
- Must ensure that the finance function is resourced to be fit for purpose.

5.4. It must be recognised that Financial Regulations cannot foresee every eventuality. The PCC CFO shall be responsible for interpreting these regulations so as to ensure the efficient and effective operation of services.

5.5. The role and responsibilities of the PCC CFO, which are undertaken in consultation with the PCC Monitoring Officer, are to:

- Ensure that the financial affairs of the PCC are properly administered and that financial regulations are observed and kept up to date and accounting standards applied consistently.
- Ensure regularity, propriety and Value for Money (VfM) in the use of public funds.
- Ensure that the funding required to finance agreed programmes is available from Central Government funding, precept, other contributions and recharges.
- Report to the PCC, the PCP and to the external auditor:
 - Any unlawful, or potentially unlawful, expenditure by the PCC or staff of the PCC.
 - When it appears that expenditure is likely to exceed the resources available to meet that expenditure.
- Advise the PCC on a budget requirement and capital programme and the robustness of the budget and adequacy of financial reserves.
- Advise the PCC in respect of the Treasury Management Strategy and policies prepared by the CC CFO
- Ensure production of the statements of accounts of the PCC.
- Ensure receipt and scrutiny of the statements of accounts of the Chief Constable and ensuring production of the group accounts.
- Liaise with the external auditor.
- Advise the PCC on the application of Value for Money principles by the Force to support the PCC in holding the Chief Constable to account for efficient and effective financial management.
- Advise, in consultation with the PCC Monitoring Officer, on the safeguarding of assets, including risk management and insurance.
- Ensure that accurate, complete and timely financial management information is provided to the PCC.
- Arrange for the determination, issue and payment of the precept.
- Assist the PCC to monitor the revenue and capital budgets.
- Secure, in liaison with the CC CFO, the provision of an effective internal audit service. Ensure there is a safe and efficient financial arrangements including a system of effective internal control.
- Be responsible for all banking arrangements and authorise the creation and closure of any account

The PCC CFO has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the Commissioner on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the Commissioner's accounts, including group accounts incorporating the accounts of the CC..

In the absence of the PCC CFO his roles and responsibilities may be fully exercised by the Deputy PCC CFO (the Strategic Resources Officer), except for certain statutory duties which cannot be delegated.

5.6. The PCC CFO, in consultation with the PCC Monitoring Officer, shall be given powers to institute any proceedings or take any action necessary to safeguard the finances of the OPCCN .

PCC MONITORING OFFICER

5.7. The Chief Executive is also the Commissioner's designated monitoring officer, appointed under the Police Reform and Social Responsibility Act 2011, and is responsible for the leadership and general administration of the Commissioner's office.

5.8. The role and responsibilities of the PCC Monitoring Officer in relation to financial management are to;

- Enable the PCC to fulfil his/her statutory responsibilities.
- Ensure the legality of the actions of the PCC and his officers.
- Ensure that procedures for recording and reporting PCC decisions are operating effectively.
- Advise the PCC and CC about who has authority to take a particular decision.
- Advise the PCC and CC about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework.
- Ensure the provision of information and reports required by the PCP.
- Ensure the PCC meets his obligations in relation to statutory publications including the Police and Crime Plan, Annual Report and Council Tax Leaflet.
- Develop a strong partnership with the PCC and CC ensuring the provision of effective and efficient policing is fulfilled.
- Undertake the role of designated Monitoring Officer to detect and report any illegality or maladministration.
- Advising the Commissioner on matters relating to standards of conduct.

A6 FINANCIAL MANAGEMENT STANDARDS

Overview & Control

- 6.1. The PCC and all staff 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 by ensuring that everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.
- 6.2. The PCC shall receive updates on the financial performance by way of ongoing budget monitoring and outturn reports, reports by Internal Audit, HMIC and External Audit.

Key Controls

- 6.3. The key controls and objectives for financial management standards are:
- Their promotion throughout the organisation. The PCC shall ensure that all officers and staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.
 - A monitoring system to review compliance with financial standards, and regular comparisons of performance indicators with benchmark standards that are reported to the Audit Committee.
 - All staff are to be properly managed, developed, trained and have adequate support to carry out their financial duties effectively. The PCC shall ensure that specific duties and responsibilities in financial matters are made clear to individual members of staff and that these are properly recorded.
 - Systems of internal control are in place that ensures financial transactions are lawful.
 - Suitable accounting policies are selected and applied.
 - Proper accounting records are maintained.
 - Financial statements are prepared, which present fairly the financial position of the PCC, including expenditure and income.

Responsibilities of the Statutory Officers

- 6.4. The responsibilities of Statutory Officers for financial management are:

- To ensure the proper administration of the financial affairs of both legal entities.
- To ensure that proper practices are adhered to.
- To ensure financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.
- To advise on the key strategic controls necessary to secure sound financial management.
- To ensure that all staff are aware of, and comply with, proper financial management standards including these Financial Regulations.
- To ensure that all staff are properly managed, developed, trained and have adequate support to carry out their financial duties effectively.
- To report any actual or potential breaches of the law or maladministration to the PCC CFO or the Monitoring Officer.

A7 ACCOUNTING RECORDS AND RETURNS

Overview and Control

7.1. Maintaining proper accounting records is one of the ways in which the Commissioner will discharge his/her responsibilities for stewardship of public resources. The Commissioner has a responsibility to prepare annual accounts that present fairly its operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of resources.

7.2. The PCC CFO in liaison with the CC CFO is responsible for determining the accounting policies of the PCC and CC, in accordance with recognised accounting practices, and for approving strategic accounting systems and procedures. All officers and staff are to operate within the required accounting policies and published timetables.

7.3. Financial systems are used to record the financial transactions of the PCC and CC. With possible minor exceptions, these are electronic systems.

Key Controls

7.4. The key controls for accounting records and returns are:

- Finance staff and those authorised to make expenditure operate within the required accounting standards and timetables.
- All of the organisation's transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis.
- Procedures are in place to enable accounting records to be reconstituted in the event of systems failure.
- Reconciliation procedures are carried out to ensure transactions are correctly recorded.
- Prime documents are retained in accordance with legislative and other requirements.
- Proper system of internal control such that:
 - staff with the duty of examining or checking the accounts of cash transactions must not themselves be originators or approvers of these transactions
 - the duties of providing information about sums due to or from the PCC and calculating, checking and recording these sums, are to be separated from the duties of collecting or disbursing them

Responsibilities of the Statutory Officers

7.5. The PCC CFO shall:

- To determine the accounting procedures and records, in accordance with recognised accounting practices, and approve the strategic accounting systems and procedures in place.
- Ensure that there is agreement with the CC CFO before making any fundamental changes to accounting records and procedures or accounting systems.
- Ensure that all employees operate within the required accounting policies and timetables.
- Make proper arrangements for the audit of the Commissioner's and Force's accounts in accordance with the Accounts and Audit Regulations 2015.
- Ensure that all claims for funds, including grants are made by the due date.
- Prepare and publish the audited accounts in accordance with the statutory timetable.
- Ensure that all transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis.

- Maintain adequate records to provide a management trail leading from the source of income and expenditure through to the accounting statements.
- Ensure that reconciliation procedures are carried out on recognised control accounts on an agreed timetable to ensure transactions are correctly recorded.
- Ensure that Financial Instructions provide details of retention periods. The format of such documents shall satisfy the requirements of internal and external audit, and appropriate staff are provided with a detailed schedule of requirements.

A8 THE ANNUAL STATEMENT OF ACCOUNTS

Overview and Control

8.1. The PCC and CC have a statutory responsibility to prepare accounts to present fairly their operations during the year. The PCC CFO and CC CFO are responsible for the preparation of the accounts in accordance with proper practices as set out in *the Code of Practice on Local Authority Accounting in the United Kingdom: (The CODE)* and with the Accounts and Audit Regulations 2003, 2006, 2011 and 2015.

The Commissioner has a statutory responsibility to prepare the accounts relating to the Office of the Police & Crime Commissioner and also the Group Accounts for both entities. These must present fairly the financial position of organisation's and be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom.

The Commissioner is responsible for approving these annual accounts.

Key Controls

8.2. The accounts are subject to detailed independent review by the external auditor. This audit provides assurance that the accounts are prepared correctly and that proper accounting practices have been followed.

8.3. The PCC is required to make arrangements for the proper administration of its financial affairs.

8.4. The PCC statement of accounts must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom.

Responsibilities of the Statutory Officers

8.5. The PCC CFO and CC CFO shall:

- Ensure that there is a timetable for final accounts preparation, in consultation with the PCC, CC, JIAC and external auditor.
- Select suitable accounting policies within the overall agreed approach and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Comply with the Code.
- Prepare, sign and date the statement of accounts, stating that it presents truthfully and fairly the financial position at the accounting date and its income and expenditure.
- Publish the approved and audited accounts each year, in accordance with the statutory timetable and to produce summary accounts for publication on the website.

8.6. The PCC and CC shall consider for approval the annual accounts in accordance with the statutory timetable.

SECTION B

FINANCIAL PLANNING AND CONTROL

B1 FINANCIAL PLANNING

Overview and Control

- 1.1. The PCC is a complex organisation. Systems are needed to enable scarce resources to be allocated in accordance with carefully judged priorities. Proper financial planning is essential if the PCC is to function effectively.
- 1.2. The financial planning process will be directed by the approved policy framework, a business planning process and a need to meet key objectives.
- 1.3. The planning process will be continuous and the planning period will cover at least four years. The process should include a more detailed annual budget, covering the forthcoming financial year. This allows the PCC to plan, monitor and manage the way funds are allocated and spent. This should be used to support the Police and Crime Plan and the alignment of business and financial planning.
- 1.4. The format of the annual budget determines the level of detail to which financial control and management will be exercised and shapes how the rules around virement operate.

Medium Term Financial Planning

Responsibilities of the Statutory Officers

- 1.5. The PCC CFO and the CC CFO are responsible for ensuring that a medium term financial plan for at least four years ahead is prepared. The Plan should be submitted to the PCC and be subject to review during the Financial Year. The Plan should be informed by:
 - The Police and Crime Plan
 - policy requirements approved by the PCC as part of the policy framework
 - the risk management policy ensuring that risk appraisals are embedded throughout the forecast

The Plan should set out:

- the forecast
- unavoidable future commitments, including legislative requirements

- initiatives already underway
- spending patterns and pressures revealed through the budget monitoring process
- efficiency and savings requirements
- proposed service developments and plans
- revenue consequences of capital spending proposals
- taxation or other constraints
- public and partner consultation

- 1.6. The PCC shall prepare at least a four year forecast of potential resources, including options for transfers to and from general balances and earmarked reserves and use of provisions, based upon an interpretation of government funding assumptions and all other available information. This will include potential implications for local taxation.
- 1.7. A gap may be identified between available resources and required resources. Requirements should be prioritised carefully by the PCC and CC to enable best informed judgements as to future funding levels and planning the use of resources.
- 1.8. The PCC and CC shall integrate financial and budget plans into service planning so that such plans can be supported by financial and non-financial performance measures.
- 1.9. The PCC is responsible for agreeing, in consultation with the CC, Section 22/23 agreements and other collaborative operational arrangements between Forces and to keep under consideration the ways in which the collaboration functions could be exercised by the policing body and by one or more other persons to improve:
- (a) The efficiency or effectiveness of:
 - (i) that policing body,
 - (ii) the police force which that policing body is responsible for maintaining, or
 - (iii) that body and that force, and
 - (b) The efficiency or effectiveness of one or more other policing bodies and police forces

Both the PCC and CC will sign these agreements

Annual Revenue Budget Preparation

Overview and Control

- 1.10. The revenue budget provides an estimate of the annual income and expenditure requirements for the police service and sets out the financial implications of the Commissioner's strategic policies.
- 1.11. The budget estimates shall identify all proposed individual major revenue projects. A major revenue project shall be defined in accordance with the limits detailed in Section F.
- 1.12. The format of the budget determines the level of detail to which financial control and management will be exercised. The format shapes how the rules around virement operate (see para's 2.18 to 2.25 and section F2), the operation of cash limits and sets the level at which funds may be reallocated within budgets.
- 1.13. The Commissioner will consult with the Chief Constable and other relevant partners and stakeholders in planning the overall annual budget, which will include a separate force budget. This will also take into consideration funding from government and other sources, and balance the expenditure needs of the policing service against the level of local taxation. This should meet the statutory requirement to achieve a balanced budget (Police Reform and Social Responsibility Act 2011) and which is completed in accordance with the statutory timeframe. The PCC will set out each year how he/she expects the funds provided to the CC for policing will be applied

Key Controls

- 1.14. The key controls for the budget are:
- The format complies with all legal requirements.
 - The format complies with CIPFA's Code of Practice.
 - The format reflects the accountabilities of service delivery.

Responsibilities of the Statutory Officers

- 1.15. The Commissioner should agree the budget planning timetable with the Chief Constable.

- 1.16. To obtain the views of the local community on proposed expenditure (including capital expenditure) in the financial year ahead of the financial year to which the proposed expenditure relates (Police Reform and Social Responsibility Act 2011).
- 1.17. To present the proposed council tax implications and precept requirement with the budget to the Police and Crime Panel at their meeting in early February
- 1.18. The impact of the annual budget on the priorities and funding of future years as set out in the Police and Crime Plan and the medium term financial plan should be clearly identified.
- 1.19. The format of the budget is to comply with all legal requirements and with the latest guidance issued by CIPFA and approved by the PCC CFO
- 1.20. The PCC CFO to ensure timely and accurate information is to be obtained from billing authorities on the council tax base and the latest surplus/deficit position on collection funds to inform budget deliberations.
- 1.21. The PCC CFO is to advise the Commissioner on the appropriate level of general balances, earmarked reserves and provisions to be held.
- 1.22. The PCC CFO to the Commissioner is to submit a report to the Commissioner on:
 - The robustness of the estimates in the proposed Budget and the adequacy of the proposed reserves.
 - The prudential and treasury management indicators for the next three years.
- 1.23. Upon approval of the annual budget, the PCC CFO is to submit the council tax requirement form to central government and precept notifications to appropriate bodies in accordance with legal requirements.
- 1.24. The PCC CFO to produce, in accordance with statutory requirements, the council tax information leaflet.
- 1.25. Prior to the final budget being agreed, the CC CFO is to prepare detailed budget estimates for the forthcoming financial year in accordance with the timetable agreed with the PCC CFO.

B2 BUDGETARY CONTROL

Overview and Control

- 2.1. Budget management ensures that once the PCC has approved the overall budget, resources allocated are used for their intended purpose, subject to virement rules, and are properly accounted for. Budgetary control is a continuous process, enabling the PCC to review and adjust budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.

Key Controls

- 2.2. There is a nominated budget manager for each cost centre or account code heading who is accountable for the budgets under his direct control.
- 2.3. Budget Managers shall accept accountability for the budgets under their management and the level of service to be delivered and understand their financial responsibility.
- 2.4. Management of budgets must not be seen in isolation. It should be undertaken in conjunction with service outcomes and performance measures.
- 2.5. For strategic monitoring and management purposes, the budget shall identify operational policing, other policing costs, PCC costs, financing items and transfers to and from general balances and earmarked reserves.

Revenue Budget and Capital Programme Monitoring

Overview and Control

- 2.6. By continuously identifying and explaining variances against budgetary targets changes in trends and resource requirements can be identified at the earliest opportunity.
- 2.7. To ensure that the PCC in total does not overspend, each Budget Manager is required to manage expenditure within their budget allocation. All budget

officers responsible for committing expenditure must comply with relevant guidance and Financial Regulations.

Key Controls

2.8. The key controls for managing and controlling the revenue budget are:

- Budget managers should be responsible only for income and expenditure that they can influence.
- Budget managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities.
- Budget managers follow an approved certification process for all expenditure.
- Income and expenditure are properly recorded and accounted for.
- Performance levels are monitored in conjunction with the budget and necessary action is taken to align outputs and budget.

Responsibilities of the Statutory Officers

2.9. To provide appropriate financial information in a form determined by the PCC CFO, to enable budgets to be monitored and reported effectively.

2.10. To ensure that each element of income or expenditure has a nominated budget holder to take responsibility for that part of the budget. Budget responsibility should be aligned as closely as possible to the decision making process that commits the expenditure – usually at cost centre level. The CC shall ensure also that a nominated officer is responsible for monitoring income and expenditure against the pensions account.

2.11. It is the responsibility of budget holders to manage income and expenditure within their area and to monitor performance, taking account of financial information provided. Detailed budget monitoring is to be undertaken by Budget Managers at least monthly and reported to the PCC CFO, including any variances within their own areas. Budget Managers will also take any action necessary to avoid exceeding their budget allocation and alert the PCC CFO to any problems.

2.12. The PCC CFO shall ensure that budget holders receive sufficient financial support to enable them to undertake the budgetary control responsibilities.

2.13. The CC shall ensure as far as possible that total spending for operational policing remains within the allocation of resources and takes, where possible, corrective action where significant variations from the approved budget are

forecast. Where total projected expenditure is likely to exceed the allocation of resources, the PCC CFO shall be alerted immediately and proposals for remedy should be put forward as part of the regular reporting process. The same responsibilities apply to the Chief Executive and PCC CFO for their budgets.

2.14. The CC CFO shall submit a budget monitoring report monthly to the PCC containing the most recently available financial information. The monitoring reports shall compare projected income and expenditure with the latest approved budget allocations.. The reports shall be in a format agreed by the PCC CFO.

2.15. The PCC CFO to co-ordinate a budget monitoring report for presentation to the Police & Crime Panel, as necessary, containing the most recently available financial information.

Resource Allocation

Overview and Control

2.16. Available financial resources are inevitably limited. It is therefore imperative that spending is rigorously prioritised and that resources are fairly allocated, in order to fulfil all legal responsibilities. Resources may include staff, money, equipment, goods and materials.

Key Controls

2.17. The key controls for resource allocation are;

- Resources are acquired in accordance with the law and using an approved authorisation process
- Resources are used only for the purpose intended, to achieve the approved policies and objectives, and are properly accounted for.
- Resources are securely held for use when required.
- Resources are used with the minimum level of waste, inefficiency or loss for other reasons

Virement

Overview and Control

2.18. A virement is a planned and approved reallocation of resources between budgets or heads of expenditure. A budget head is considered to be a line in

the approved budget report. For clarity these are defined as the budget lines immediately below the Force and OPCC headings which are reported on in both the Budget and monitoring reports. The scheme of virement is intended to enable senior officers to manage their budgets with a degree of flexibility within the overall policy framework determined by the PCC and, therefore, to provide the opportunity to optimise the use of resources to emerging needs.

2.19. The overall budget is agreed by the PCC and budget managers are expected to incur expenditure in accordance with the estimates that make up their budget, subject to agreed virement rules, and within the limit of total resources allocated. Virement should not be allowed to create additional overall budget liability. Senior officers are expected to exercise discretion in managing budgets responsibly and prudently. Virements are not to be used as a tool to create future commitments. Therefore, it is vital that virement decisions do not lead to additional future spending without the prior approval of the PCC CFO.

2.20. Overall, the rules on virement are designed to allow the CC greater flexibility to meet operational requirements and to facilitate the decision making process. The CC shall still be held to account by the PCC for decisions made and the way in which resources are deployed. The virement rules allow greater freedom but require reports on significant changes.

2.21. The PCC can withdraw the ability for virement in any year should he/she feel it is prudent to do so.

Key Controls

2.22. The key controls for the scheme of virement are:

- The PCC is responsible for any transfers to and from PCC balances.
- It is administered by senior officers within delegated powers given by the Commissioner. Any variation from this scheme requires approval of the Commissioner.
- The overall budget is agreed by the Commissioner. Budget managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget
- Virement does not create additional overall budget liability.
- By definition all virement is a net nil
- Each senior officer shall ensure that virement is undertaken to maintain the accuracy of budget monitoring.

Responsibilities of the Statutory Officers

- 2.23. Subject to 2.20 it is a requirement that the PCC CFO approves all virement requirements of the CC
- 2.24. Each budget monitoring report reported to the PCC shall contain details where revised budgets or forecast income and expenditure varies to a significant degree from the original approved budget. However any virement over £100,000 that is identified between reports should be reported to the PCC CFO immediately. Each budget monitoring report should include any virement requests for approval by the PCC CFO or PCC as necessary
- 2.25. The approval of the Commissioner shall be required:
- As part of updating the budget through the budget monitoring process
 - If an approved change of policy results in a virement requirement.
 - If the virement results in a significant addition to commitments in future years

Treatment of Year End Balances

Overview and Control

- 2.26. A year end balance is the amount by which actual income and expenditure including capital costs varies from the final budget, normally identified at devolved budget holder level. Arrangements may be necessary for the transfer of resources between accounting years, i.e. a carry forward. This may increase or decrease the resources available to budget holders in the following financial year. All carry forwards are to be approved by the PCC at year end for each financial year
- 2.27. As part of the monitoring and control process, reporting of potential variations from budget and proposals for reallocation of resources shall be made as early as possible in the financial year. All reasonable endeavours shall be taken to provide a service that matches the approved budget.
- 2.28. There may be occasions when an overall overspend position occurs, particularly where exceptional events occur so close to the end of the financial year that a balanced outturn position is not possible. In this event, the overspend will be funded initially from General Balances.

Key Controls

- 2.29. Devolved budget holders who overspend their budget in any financial year may have their devolved budget reduced for the following financial year up to the amount of overspend, subject to the determination of the PCC.

2.30. As a default position, any underspends against budgets will be taken to reserves. For the Force any exception to this policy must be proposed by the CC in consultation with the CC CFO and determined by the PCC in consultation with the PCC CFO. For the PCC any exception to this policy must be proposed by the PCC CFO and determined by the PCC

B3 CAPITAL PROGRAMME

Overview and Control

- 3.1. Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the PCC, such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and may create financial commitments for the future in the form of financing costs and revenue running costs.
- 3.2. The PCC is able to undertake capital investment providing the spending plans are affordable, prudent and sustainable. Capital expenditure and financing should be managed in accordance with the Local Government Act 2003 and the CIPFA Prudential Code for Capital Finance in Local Authorities.
- 3.3. The capital programme should be linked to capital strategies including the Estates Strategy, the ICT strategy and the Transport Strategy.
- 3.4. A report should be addressed to the PCC annually to formally report the performance against prudential indicators in accordance with the Local Government Act 2003 and the Prudential Code for Capital Finance. Assurance should be provided during the year as part of budget monitoring reports on compliance with the prudential indicators.

Key Controls

- 3.5. Capital expenditure on land and buildings should be in accordance with the requirements of the approved capital strategies.

- 3.6. The PCC CFO shall ensure that a business case is prepared for each project and that proposals undergo an option appraisal that demonstrates the costs and benefits of the project to the service.
- 3.7. The results of the appraisal shall provide evidence for the scheme's viability and inclusion in the proposed capital programme, including a recommended solution resulting from consideration of the business case / option appraisal.
- 3.8. Schemes proposed after the annual budget meeting for inclusion in the capital programme during the current financial year shall be submitted to the PCC in accordance with the limits shown in Section F.
- 3.9. Each individual scheme will have a nominated budget manager who will be accountable for that project. The budget manager's responsibilities include the monitoring of progress in conjunction with expenditure and comparison with approved budget

Responsibilities of the Statutory Officers

- 3.10. The PCC CFO in liaison with the CC CFO shall prepare at least a four year rolling programme of proposed capital expenditure for submission to the PCC and the PCP. This shall cover the forthcoming financial year and the following three years. Each scheme shall identify the total capital cost of the project, any additional revenue commitments and a named budget manager who is responsible for the project and will report on progress. The PCC will determine the Capital Programme and will also determine the overall monitoring arrangements of the delivery of the Capital Programme.
- 3.11. The PCC CFO shall identify funding for the capital programme, including the identification of potential capital receipts. Amendments to the programme increasing its overall cost must demonstrate how such changes are to be funded.
- 3.12. A gap may be identified between available resources and required resources. In these instances requirements of the Force should be prioritised carefully by the CC CFO to enable the PCC to make the best informed judgements as to future funding levels and planning the use of resources.
- 3.13. No capital expenditure shall be incurred unless the scheme is included in the capital programme approved by the PCC or as subsequently modified. In this respect, the vehicle replacement programme, equipment replacement

programme and ICT replacement programme shall each be regarded as one scheme.

- 3.14. Schemes within the Capital Programme will be required to pass through the Stage Gate process before any final approval to commit expenditure is given. The Stage Gate process is:
- Stage Gate 1 – Agreement to strategic shaping and prioritisation by Transformation Board.
 - Stage Gate 2 – Transformation Board agreement to the Programme Brief (or Project Initiation Document in the case of a project) and, at least, Initial Equality Impact Assessments
 - Stage Gate 3 – Transformation Board agreement to detailed design work (Detailed delivery plan, operating model and/or Business case)
- 3.15. Detailed estimates for each scheme in the approved capital programme shall be prepared as part of the option appraisal before tenders are sought or commitments made. Schemes need not be referred back to the PCC for further approval unless, when negotiating contract details, amendments to the nature of the scheme are sought or the cost of the scheme exceeds the limits shown in Section F (3.2).
- 3.16. Arrangements covering variations in contract conditions and prices are covered to be managed in accordance with the scheme of consent.
- 3.17. Finance and operating leases and any other credit arrangements shall not be entered into without the prior approval of the PCC and sufficient revenue resources must be available to meet the repayments.
- 3.18. The CC shall submit capital monitoring reports to the PCC monthly containing the most recently available financial information. The monitoring reports will show spending to date and compare projected income and expenditure with the approved programme.. The reports shall be in a format agreed by the PCC CFO in liaison with the CC CFO. It is the responsibility of budget holders to manage capital expenditure estimates, taking account of financial information provided by the CC CFO. Detailed budget monitoring is to be undertaken by Budget Managers at least monthly and reported to the PCC including any variances within their own areas. Budget Managers should also take any action necessary to avoid exceeding their budget allocation and alert the PCC to any problems.
- 3.19. The CC CFO shall report to the PCC projections of spending on individual capital projects and reasons for significant changes to the Programme including spending slipping between financial years.

- 3.20. The CC CFO shall report capital expenditure for the year and cumulative expenditure on individual schemes to the PCC as part of the closure of accounts arrangements.
- 3.21. The CC CFO shall take steps to ensure that any external funding that is subject to a specific timescale is, wherever possible, fully utilised within that timescale.
- 3.22. Where there is a requirement such as the adherence to the Accounting Standards (AS) that requires budget or expenditure to be interchanged between capital and revenue, the CC CFO or their delegate can affect such accounting adjustments.

B4 MAINTENANCE OF BALANCES AND RESERVES

Overview and Control

- 4.1. General fund balances are maintained as a matter of prudence. They enable the PCC to provide for cash flow fluctuations and unexpected costly events and thereby help protect it from overspending the annual budget, should such events occur. They provide mitigation against adverse financial implications. Earmarked reserves for specific purposes may also be maintained where it is likely that a liability will arise in the future.

The Commissioner will approve the policy on reserves and balances and their planned use as part of the annual budget setting process.

Key Controls

- 4.2. The key controls for maintaining reserves are:
- To maintain reserves in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A statement of Recommended Practice (CIPFA) and agreed accounting policies.
 - For each reserve established, the purpose, usage and basis of transactions should be clearly identified.
 - Authorisation and expenditure from reserves by the PCC CFO.

Responsibilities of the Statutory Officers

- 4.3. The PCC CFO shall advise the PCC on reasonable levels of general fund balances and earmarked reserves and take account of professional best practice.
- 4.4. When the annual budget and capital programme are submitted to the PCC for approval and for consultation with the PCP, the PCC CFO is required to advise on the adequacy of the PCC's balances and reserves.
- 4.5. The PCC shall approve the creation and transfers to and from general balances and reserves. The purpose, usage and basis of transactions should be clearly identified for each reserve established.

SECTION C

MANAGEMENT OF RISK AND RESOURCES

C1 RISK MANAGEMENT

Overview and Control

- 1.1. It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all potential significant corporate and operational risks to the PCC. This should include the proactive participation of all those associated with planning and delivering services.
- 1.2. All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the threat or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk cannot be eliminated altogether. However, risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the organisation and to ensure the continued corporate and financial wellbeing of the organisation. In essence it is, therefore, an integral part of good business practice.
- 1.3. Procedures should be in place to identify, assess, prevent or contain material known risks, with a monitoring process in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be formalised and conducted on a continuing basis.

Key Controls

- 1.4. The key controls for risk management are:
 - A Risk Management Policy is in place and has been promoted throughout the organisation.
 - The Policy identifies the Risk Appetite of the organisation.
 - Procedures are in place to identify, assess, prevent or contain material known risks, and these procedures are operating effectively throughout the organisation.
 - A monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis.

- Managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives.
- Provision is made for losses that might result from the risks that remain.
- Procedures are in place to investigate insurance claims within required timescales.
- Acceptable levels of risk are determined and insured against where appropriate.
- The organisation has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources.

Responsibilities of the Statutory Officers

- 1.5. The PCC is responsible for ensuring a Risk Management Policy is prepared within the Commission. He is responsible for promoting a culture of risk management awareness, reviewing risk management as an ongoing process and reporting on a half yearly basis, a corporate risk register.

To implement procedures to identify, assess, prevent or contain material known risks, with a monitoring process in place to review regularly the effectiveness of the risk reduction strategies and the operation of these controls. The risk management process should be formalised and conducted on a continuing basis.

- 1.6. To ensure that appropriate business continuity plans are developed, implemented and tested on a regular basis.
- 1.7. The PCC is responsible for approving the risk management policy statement and strategy, including determining the strategy for insurance, and for reviewing the effectiveness of risk management.
- 1.8. The CC CFO, in liaison with the PCC CFO, is responsible for advising the PCC on appropriate arrangements for insurance. Acceptable levels of risk should be determined and insured against where appropriate. Activities leading to levels of risk assessed as unacceptable should not be undertaken.
- 1.9. The CC CFO shall;
- ensure that insurance cover is provided within the terms of the approved strategy and take account of all new risks as appropriate

- ensure that claims made by the CC against insurance policies are made promptly
- negotiate all claims in consultation with other officers where necessary
- notify the PCC promptly of all new risks that require insurance and of any alterations affecting existing insurance
- make all appropriate staff aware of their responsibilities for managing relevant risks and provide information on risk management initiatives be responsible for risk management.
- ensure there are regular reviews of risk across the service.
- ensure that staff, or anyone covered by the PCC's insurance, are instructed not to admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.
- ensure all appropriate staff are aware of their responsibilities to notify the CC immediately of any loss, liability or damage that may lead to a claim against the PCC together with the information required
- approve, before any contract for works is made, the insurance cover to be furnished by the contractor in respect of any act or default unless the PCC chooses to provide insurance cover itself.

1.10. The CC CFO shall be authorised to settle insurance liability claims up to the value shown in Section F. Beyond this value, claims must be referred to the PCC for approval.

1.11. The CC CFO shall be authorised to settle claims subject to decision by Employment Tribunal up to the value shown in Section F. Beyond this value, claims must be referred to the PCC for approval.

1.12. The CC CFO shall present an annual written claims report to the PCC summarising activity for the year.

1.13. The PCC Chief Executive shall evaluate and authorise any terms of indemnity that the PCC is requested to give by external parties.

C2 INTERNAL CONTROLS

Overview and Control

2.1. Internal control refers to the systems of control devised by management to help ensure PCC objectives are achieved in a manner that promotes economical,

efficient and effective use of resources and that assets and interests are safeguarded.

- 2.2. The PCC requires internal controls to manage and monitor progress towards strategic objectives. The PCC also has statutory obligations and, therefore, require internal controls to identify, meet and monitor compliance with these obligations.
- 2.3. The PCC faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage these risks. The system of internal controls is established in order to provide measurable achievement of:
- Efficient and effective operations.
 - Reliable financial information and reporting.
 - Compliance with laws and regulations.
 - Risk management.

Key Controls

- 2.4. The key controls for internal control systems are:
- Managerial, including defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities.
 - Financial and operational procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems.
 - An effective internal audit function, which operates in accordance with CIPFA's Code of Practice for Internal Audit and with any other relevant statutory obligations and regulations.

Key controls should be reviewed on a regular basis and the PCC should make formal statements annually to the effect that they are satisfied that the system of internal control operates effectively.

Responsibilities of the Statutory Officers

- 2.5. The PCC is responsible for implementing effective systems of internal control and the PCC CFO, for advising on such. These arrangements shall ensure

compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public resources are properly safeguarded and used economically, efficiently and effectively.

- 2.6. The PCC shall ensure that internal controls exist for managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance information and taking appropriate anticipatory and remedial action where necessary. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities.
- 2.7. The PCC shall ensure that internal controls exist for financial and operational systems and procedures. This includes physical safeguards for assets, segregation of duties, authorisation and approval procedures and robust information systems.
- 2.8. The PCC shall agree and sign an Annual Governance Statement following a review of systems of internal control. This statement will be included in the Group Accounts. The statement should be signed by the Commissioner, and the Chief Executive. The Accounts and Audit Regulations 2003, 2006 and 2011 require the PCC to review Internal Control arrangements at least annually.
- 2.9. The PCC shall have an Audit Committee (section A4 refers) which has a responsibility for the continual oversight of corporate governance, internal control and risk management. The terms of reference of the Committee should include the following key requirements:
 - to provide proactive and effective leadership on audit and governance issues and champion both audit and the embedding of risk management by all PCC staff and all CC officers and staff;
 - to be assured as to the adequacy of financial and other controls, corporate governance (including an anti-fraud and corruption strategy), financial regulations, VFM, contract standing orders and risk management arrangements, and ensure that they are reviewed and revised;
 - to examine and consider a draft Annual Governance Statement, and to make any recommendations to the PCC in this respect.
- 2.10. Public Sector Audit Appointments Ltd is responsible for appointing external auditors to the PCC and CC. The duties of the external auditor are governed by Section 15 of the Local Government Finance Act 1982, as amended by Section 5 of the Audit Commission Act 1998.

2.11. The PCC may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs, who have statutory rights of access.

C3 AUDIT REQUIREMENTS

Internal Audit

Overview and Control

- 3.1. The requirement for an internal audit function is implied by section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. The Accounts and Audit Regulations 2011 more specifically require that a relevant body shall maintain an adequate and effective system of internal audit of their accounting records and control systems. The guidance accompanying the legislation states that proper internal control practices for internal audit are those contained in the CIPFA Code of Practice. Both the PCC and CC corporations sole are auditable bodies.
- 3.2. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 3.3. Internal audit is required to comply with the Auditing Practices Board’s guidelines “Guidance for Internal Auditors”, as interpreted by CIPFA’s Code of Practice for Internal Audit in Local Government in the United Kingdom, along with any other statutory obligations and regulations.
- 3.4. The work of the Internal Audit function provides overall assurances to:
- The PCC, the CC and JIAC that effective internal control systems are in place.
 - External Audit on financial systems and internal control are effective and external auditors may use the work of internal audit when carrying out their functions.

Key Controls

- 3.5. The key controls for internal audit are:
- That it is independent in its planning and operation.

- That Internal audit has direct access to the PCC, the PCC Chief Executive, PCC CFO, CC, CC CFO and all levels of management.
- The internal auditors comply with the Code of Practice for Internal Audit issued by CIPFA.

Responsibilities of the Statutory Officers

3.6. The PCC CFO, shall ensure the provision of an effective internal audit service.

3.7. The PCC and CC shall ensure that internal auditors have the authority to;

- Access premises at all reasonable times.
- Access all assets, records, documents, correspondence, control systems and appropriate personnel.
- Receive any information and explanation considered necessary concerning any matter under consideration.
- Require any staff to account for cash, stores or any other asset under their control.
- Access records belonging to third parties, such as contractors, when required. This shall be achieved by including an appropriate clause in all contracts.

3.8. Any instances where the CC considers it inappropriate for internal audit to have the access detailed above, such as items considered to be of a sensitive operational nature, are to be confirmed with the PCC Chief Executive and PCC CFO.

3.9. The PCC CFO and the CC CFO, taking advice from internal audit and after consulting with the PCC and CC and external auditor, are responsible for ensuring an annual audit plan is prepared. The plan is to take account of the characteristics and relative risks of the activities involved.

3.10. The PCC CFO and the CC CFO shall submit the annual internal audit plan to the Audit Committee for consideration prior to the start of the forthcoming financial year.

3.11. The PCC and CC CFO shall consider and respond promptly to recommendations in audit reports and ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient manner.

3.12. The PCC and CC CFO shall ensure that new systems for maintaining financial records or records of assets, or significant changes to existing systems, are discussed with and agreed by the PCC CFO and internal audit prior to implementation.

3.13. Internal audit shall provide an annual report to the Audit Committee summarising activities and findings for the year. This shall include an opinion on the effectiveness of the systems of internal control to support the Annual Governance Statement.

3.14. The PCC CFO shall be notified immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of property or resources. Pending investigation and reporting, PCC CFO, CC CFO, senior managers should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration. Investigation of internal financial irregularities shall be conducted as detailed below:

- PCC
PCC CFO shall agree any further investigative process. This may include disciplinary, criminal proceedings and/or dismissal.

- FORCE
Investigations will normally be carried out by the Professional Standards Department, who shall consult with the Internal Audit Manager as appropriate and keep him informed of progress. The operation of this Regulation shall be in accordance with the agreed protocol between the Professional Standards Department and Internal Audit and authorised by the PCC CFO and the CC CFO.

The PCC CFO will keep the chair of the JIAC informed of the suspected fraud.

At the conclusion of the investigation the Internal Audit Manager shall review the case to identify any internal control weaknesses that allowed the financial irregularity to happen and shall make recommendations to ensure that the risk of recurrence is minimised

3.15. Internal audit shall provide an undertaking to respect the confidential nature of the service and to employ suitable staff only.

External Audit

Overview and Control

3.16. Public Sector Audit Appointments Ltd is responsible for appointing external auditors to the PCC and CC up to 2017-18 Accounts. From 2018-19 both the PCC and CC can appoint their own external auditors. The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, and the Local Government Act 1999. The code of audit practice issued in April 2005 sets out the auditor's objectives to review and report upon:

- The audited body's financial statements and its statement on internal control, including the Annual Governance Statements.
- Aspects of the audited body's corporate governance arrangements
- Whether the audited body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- Aspects of the audited body's arrangements to manage performance.

3.17. In auditing the accounts the external auditor must be satisfied that:

- The accounts are prepared in accordance with the relevant regulations.
- They comply with the requirements of all other statutory provisions applicable to the accounts.
- They "present fairly" the financial position of the organisation.
- Proper practices have been observed in the compilation of the accounts.
- The body whose accounts are being audited has made proper arrangements for securing economy, efficiency and effectiveness.

Key Controls

3.18. The key controls for external auditors are

- External auditors are appointed by Public Sector Audit Appointments Ltd, which prepares a code of audit practice, which external auditors follow when carrying out their duties.
- External auditors are independent in their operation.

Responsibilities of the Statutory Officers

3.19. The PCC CFO and the CC CFO shall liaise with the external auditor and advise the PCC and CC on their responsibilities in relation to external audit and ensure there is effective liaison between external and internal audit.

To ensure that for the purposes of their work the external auditors are given the access to which they are statutorily entitled in relation to premises, assets, records, documents, correspondence, control systems and personnel, subject to appropriate security clearance.

3.20. To provide the Audit Committee with :

- The external audit Annual Governance Report for consideration.
- The external audit annual work plan and fee are reported for approval.
- The Annual Audit Letter.

C4 PREVENTING FRAUD AND CORRUPTION

Overview and Control

- 4.1. The PCC will not tolerate fraud or corruption in the administration of their responsibilities, whether from inside or outside.
- 4.2. The PCC's expectation of propriety and accountability is that officers, staff, volunteers and members at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- 4.3. The PCC also expects that individuals and organisations (e.g. suppliers, contractors, and service providers) with whom they come into contact will act towards the PCC with integrity and without thought or actions involving fraud or corruption.

Key Controls

- 4.4. The key controls regarding the prevention of financial irregularities are that:
 - There is an effective system of internal control.
 - The organisation has an effective anti-fraud and corruption policy and maintains a culture that will not tolerate fraud or corruption.
 - All officers, staff, volunteers and members will act with integrity and lead by example.

- Senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the organisation or who are corrupt.
- High standards of conduct are promoted amongst officers, staff, volunteers and members through adherence to codes of conduct.
- There is an approved Gifts, Gratuities and Hospitality Policy and procedure that must be followed. This includes the maintenance of a register of interests in which any hospitality or gifts accepted must be recorded.
- Whistle blowing policy and procedures are in place and operate effectively.
- Legislation including the Public Interest Disclosure Act 1998 and the Bribery Act 2010 is adhered to.

Responsibilities of the Statutory Officers

- 4.5. To ensure all staff act with integrity and lead by example.
- 4.6. The PCC is responsible for preparing an effective anti-fraud and anti-corruption policy and maintaining a culture that will not tolerate fraud or corruption and ensuring that internal controls are such that fraud or corruption will be prevented where possible.
- 4.7. The PCC shall prepare a policy for the registering of interests and the receipt of hospitality and gifts covering officers and staff. A register of interests and a register of hospitality and gifts shall be maintained for staff in a manner to be determined by the PCC.
- 4.8. The PCC shall prepare a whistle blowing policy to provide a facility that enables staff, the general public and contractors to make allegations of fraud, misuse and corruption in confidence, and without recrimination, to an independent contact. Procedures shall ensure that allegations are investigated robustly as to their validity that they are not malicious and that appropriate action is taken to address any concerns identified. The PCC shall ensure that all staff are aware of any approved whistle blowing policy.
- 4.9. To implement and maintain an adequate and effective internal financial framework clearly setting out the approved financial systems to be followed.
- 4.10. The PCC and the CC shall notify the PCC CFO and the CC CFO immediately if a preliminary investigation gives rise to any suspected fraud, theft, irregularity, improper use or misappropriation of property or resources. This reporting fulfils the requirements of Section 17 of the Crime and Disorder Act 1998. In such instances, the PCC, the CC, the PCC CFO and the CC CFO shall agree any

further investigative process. Pending investigation and reporting, the PCC and CC shall take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.

4.11. The PCC and CC may instigate disciplinary procedures where the outcome of an investigation indicates improper behaviour.

C5 MONEY LAUNDERING AND PROCEEDS OF CRIME

Overview and Control

5.1. The PCC has adopted an anti-money laundering policy and procedures intended to prevent the use of proceeds from crime. This policy has been developed with regard to the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007.

5.2. The PCC and CC have nominated the CC CFO and PCC CFO to jointly perform the role of Money Laundering Reporting Officer (MLRO) whose principal role is to receive, consider and respond to any reports received of known or suspected money laundering.

5.3. The PCC and CC are responsible for ensuring that:

- All officers and staff most likely to be exposed to or suspicious of money laundering situations are made aware of the requirements and obligations placed on the OPCCN and Constabulary and themselves by the legislation.
- Those officers and staff considered most likely to encounter money laundering will be given appropriate training. The appropriate managers within the section will periodically identify and deliver training to all appropriate staff.
- Procedures are established to help forestall and prevent money laundering including making arrangements for reporting concerns about money laundering to the MLRO.
- Periodic and regular assessments are undertaken of the risks of money laundering.

C6 ASSETS

Overview and Control

6.1. The PCC holds assets in the form of land, property, vehicles, equipment, and other items. It is important that assets are safeguarded and used efficiently in service delivery, that there are arrangements for the security of both assets and information required for service operations and that proper arrangements exist for the disposal of assets. An up-to-date asset register/inventory is a prerequisite for proper fixed asset accounting and sound asset management. The function of the asset register alongside an asset management plan is to provide the PCC with information about fixed assets so that they are:

- Safeguarded.
- Used efficiently and effectively.
- Adequately maintained.
- Valued in accordance with statutory and management requirements.

6.2. Intellectual property is a generic term that includes inventions and writing. If these are created by officers and staff during the course of employment, then, as a general rule, they belong to the PCC, not the officer or member of staff. Various Acts of Parliament cover different types of intellectual property. Certain activities undertaken within the PCC or the CC may give rise to items that could be patented, for example, software development. These items are collectively known as intellectual property. In the event that the PCC decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with an approved intellectual property policy.

6.3. The PCC will own and fund all assets regardless of whether they are used by the PCC, by the force or by both bodies. However, with consent from the PCC, the CC through the delegation to the CC CFO can acquire property (other than land or buildings) as set out in the scheme of delegation and the standing orders for land & property.

6.4. The CC is responsible for the direction and control of the force and should therefore have day-to-day management of all assets used by the force.

6.5. The PCC should consult the CC in planning the budget and developing a medium term financial strategy. Both these processes should involve a full assessment of the assets required to meet operational requirements, including in terms of human resources, infrastructure, land, property and equipment.

Key Controls

6.6. The key controls for the security of resources and assets are:

- Resources are used only for approved purposes and properly accounted for.
- Resources are available for use when required.
- Resources no longer required are disposed of in accordance with the law and regulations so as to maximise benefits.
- An asset register is maintained for the organisation. Assets are recorded when they are acquired and this record is updated as changes occur with respect to the location and condition of the asset.
- All staff are aware of their responsibilities with regard to safeguarding the organisations assets and information, including the requirements of the Data Protection Act and software copyright legislation.
- All staff are aware of their responsibilities with regard to safeguarding the security of the organisations computer systems, including maintaining restricted access to the information held on them and compliance with the organisations computer and internet security policies.

Security

Responsibilities of the Statutory Officers

6.7. To ensure that an asset register is maintained to provide information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued in accordance with statutory management requirements.

6.8. The CC CFO shall ensure that assets and records of assets are properly maintained and securely held and that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

6.9. To ensure that title deeds to property are held securely.

6.10. To ensure that no asset is subject to personal use by an employee without proper authority.

- 6.11. Attractive and portable items such as computers, cameras and recording devices should be identified with appropriate security markings.
- 6.12. To ensure that all staff are aware of their responsibilities with regard to safeguarding the PCC's assets, information and IT systems, including the requirements of the Data Protection Act, software copyright legislation and compliance with the information and security policies.
- 6.13. The CC shall ensure that title deeds to the PCC's property are held securely.
- 6.14. Lessees and other prospective occupiers of PCC land are not allowed to take possession of the land until a lease or agreement in a form approved by the CC is in place.
- 6.15. To ensure that assets no longer required are disposed of in accordance with the law and the regulations of the PCC.

Valuation

Responsibilities of the Statutory Officers

- 6.16. To maintain an asset register for all fixed assets in accordance with the Accounting Policies shown in the annual Statement of Accounts, in a form approved by the PCC CFO. Assets are to be recorded when they are acquired by the PCC and this record updated as changes occur with respect to location, condition and ownership. Assets are to be valued:
- in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: (The Code)
 - for insurance purposes
- 6.17. Assets may also be valued at market rates for asset management planning purposes where this is different from other valuations.
- 6.18. To arrange for the valuation of assets for accounting purposes.

Inventories

Responsibilities of the Statutory Officers

- 6.19. To maintain inventories that record an adequate description of portable and desirable items such as computers, monitors, printers, facsimile machines, mobile phones and photographic equipment above the value shown in Section F.
- 6.20. There shall be at least an annual check of all items on the inventory in order to verify location, review, and condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. The annual check is to be undertaken by the responsible budget holder, who shall ensure that another member of staff is responsible for maintaining the inventory.
- 6.21. To make sure that property is only used in the course of the business, unless specific approval has been given.

Stocks and Stores

Responsibilities of the Statutory Officers

- 6.22. To make arrangements for the care, custody and control of stocks and stores and maintain detailed stores accounts in a form approved by the PCC CFO. Stocks are to be maintained at reasonable levels so as to balance the need for availability and the risk of obsolescence.
- 6.23. A complete stock check is to be undertaken at least once per year either by means of continuous or annual stock take. The stock take shall be undertaken and certified by an authorised member of staff who is independent of the stock keeping function. This procedure will be followed and a complete stock check undertaken whenever stock keeping duties change.
- 6.24. Where significant, values of stocks and stores at 31 March each year are to be certified and included in the annual accounts.
- 6.25. Discrepancies between the actual level of stock and the book value of stock for the Force may be written off by the CC CFO up to the level shown in Section F. Amounts for write off by the CC CFO above this value must be referred to the PCC for approval, supported by a written report explaining the reasons for the write off and any investigation undertaken.
- 6.26. Obsolete stock for the Force may be written off by the CC CFO up to the level shown in Section F. Amounts for write off above this value must be referred to the PCC for approval, supported by a written report explaining the reasons for the write off and any investigation undertaken.

Intellectual Property

Responsibilities of the Statutory and Key Officers

6.27. The PCC and CC jointly are responsible for preparing guidance on intellectual property procedures and ensuring that staff are aware of these procedures.

6.28. The PCC is responsible for approving an intellectual property policy.

Asset Disposal

Responsibilities of the Statutory Officers

6.29. Assets shall be disposed of provided they meet the following criteria:

- Have been declared surplus to requirements
- When in the best interests of the PCC,
- In accordance with the Police and Crime Plan
- In accordance with the approved Estate Strategy.
- At the most advantageous price.

The CC may dispose of surplus land and buildings, vehicles and items of equipment up to the estimated value shown in Section F (5.4). Where this is not the highest offer, the PCC shall prepare a report for the PCC outlining the reasons. Disposals above this value are to be reported to the PCC for prior approval.

6.30. The CC may dispose of surplus land and buildings, vehicles and items of equipment up to the estimated value shown in Section F (5.4). Where this is not the highest offer, the PCC CFO shall prepare a report for the PCC outlining the reasons.

6.31. Disposals above the value detailed in Section F (5.4) are to be reported to the PCC for prior approval and will generally be disposed of by public auction or sealed bids after advertisement, unless it can be shown that an alternative method of disposal would provide better value for the PCC.

- 6.32. All asset disposals shall be recorded in the asset register or inventory as appropriate.
- 6.33. The CC CFO shall inform the PCC CFO of any disposals that may have a significant impact upon the balance sheet.
- 6.34. To ensure that appropriate accounting entries are made to remove the value of the disposed assets from the Commissioner's records.

C7 TREASURY MANAGEMENT AND BANKING ARRANGEMENTS

Overview and Control

- 7.1. The PCC and CC are large organisations. It is important that PCC and CC money is managed properly, in a way that balances risk with return, but with the prime consideration being given to the security of all monies. All treasury management activities should be undertaken in accordance with the CIPFA Treasury Management Code.

Key Controls

- 7.2. The key controls for treasury management are:
- That the PCC borrowings and investments comply with the CIPFA Code of Practice on Treasury Management and the Prudential Indicators and with the PCC treasury management strategy statement.
 - Suitable Treasury Management Practices (TMP) setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

Responsibilities of the Statutory Officers and Committees

- 7.3. To adopt the key recommendations of *CIPFA's Treasury Management in the Public Services: Code of Practice (the Code)*, as described in Section 4 of that Code.
- 7.4. Accordingly to ensure the adoption, the PCC shall create and maintain, as the cornerstone for effective treasury management, a Treasury Management Strategy statement, stating the policies and objectives of its treasury management activities suitable treasury management practices, setting out the manner in which the organisation will seek to achieve those policies and

objectives, and prescribing how it will manage and control those activities. The content of the policy statement and TMPs will follow the recommendations contained in Section 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the PCC. Such amendments will not result in the PCC deviating materially from the Code's key recommendations.

- 7.5. The PCC shall receive reports on his treasury management strategies, practices and activities, including as a minimum, an annual strategy and plan in advance of this year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs. During the financial year, reports on action undertaken shall be submitted to the PCC, by the CC CFO, as part of the financial monitoring information and included within Budget monitoring reports..
- 7.6. The PCC is responsible for the implementation of its treasury management strategies and practices and delegates responsibility for the execution and administration of treasury management decisions to the PCC CFO, in liaison with the CC CFO, who will act in accordance with the organisation's policy statement and TMPs and, CIPFA's *Statement of Professional Practice on Treasury Management*.
- 7.7. The Audit Committee is responsible for ensuring effective scrutiny of the treasury management strategy and policies.
- 7.8. The PCC shall adopt the following Treasury Management Strategy Statement.
The PCC:
 - Defines its treasury management activities as "the management of the PCC's cash flows, its banking, money market and capital market transactions; the effective management of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
 - Regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the PCC.
 - Acknowledges that effective treasury management will provide support towards the achievement of its business and services objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employ suitable performance measurement techniques, within the context of effective risk management.

- 7.9. All investments shall be in the name of the PCC.
- 7.10. The PCC CFO may delegate aspects of the treasury management function to the CC CFO where this is deemed more appropriate.
- 7.11. The PCC CFO shall have overall responsibility for banking arrangements. The PCC CFO, in liaison with the CC CFO, shall determine a policy for the secure operation of bank accounts. All bank accounts shall be in the name of the PCC unless authorised by the PCC CFO and PCC Chief Executive. The CC has authority to open or close covert accounts to aid operations. The opening and closing of other bank accounts requires the authorisation of the PCC CFO.
- 7.12. The PCC CFO shall provide appropriate staff with cash or bank imprests to meet minor expenditure. The PCC CFO shall determine reasonable petty cash limits and maintain a record of all transactions and petty cash advances made, and periodically review the arrangements for the safe custody and control of these advances.
- 7.13. The PCC CFO shall prepare detailed Financial Instructions for dealing with petty cash, and these shall be issued to all appropriate staff.
- 7.14. The use of purchase cards shall be allowed for undertaking OPCC business. The PCC CFO, in consultation with the CC CFO, shall determine a policy for the secure operation of such purchase cards.
- 7.15. All imprest cheques shall be signed at an appropriate level in accordance with an approved list of signatories and up to the level shown in Section F. All other cheques shall be signed at an appropriate level in accordance with an approved bank mandate.
- 7.16. To comply with the requirements of the Money Laundering Regulations 2003.

C8 STAFFING

Overview and Control

- 8.1. Staffing costs form a significant element of the annual revenue budget. In order to provide the highest level of service and ensure effective use of resources, it is crucial to recruit and retain high calibre, knowledgeable officers and staff, qualified to an appropriate level.

Key Controls

8.2. The key controls for staffing are

- An appropriate staffing strategy and policy exists, in which staffing requirements and budget allocations are matched.
- Procedures are in place for forecasting staffing requirements and cost.
- Controls are implemented that ensure staff time is used efficiently and to the benefit of the organisation.
- Checks are undertaken prior to employing new staff to ensure that they are appropriately qualified, experienced and trustworthy.

Responsibilities of the Statutory Officers

8.3. To ensure that employees are appointed and dismissed in accordance with relevant statutory regulations, national agreements and personnel policies, budgets and strategies agreed by the PCC.

8.4. To advise the PCC on the budget necessary in any given year to cover estimated staffing levels.

8.5. To adjust the staffing numbers to meet the approved budget provision, and varying the provision as necessary within policy constraints to meet changing operational needs.

8.6. To have systems in place to record all matters affecting payments to staff, including appointments, resignations, dismissals, secondments, suspensions, transfers and all absences from work.

8.7. To approve, in consultation with the PCC CFO, policy arrangements for premature retirements on grounds of ill-health or efficiency for all staff and redundancy arrangements for support staff.

C9 CUSTODY OF UNOFFICIAL FUNDS AND PRIVATE PROPERTY

Trust Funds and other Voluntary Unofficial Funds

Overview and Control

9.1. These are deemed to be funds, other than those of the PCC or CC, which are controlled wholly or partly by staff by reason of their employment e.g. Benevolent Fund.

9.2. Trust Funds have a formal legal status governed by a Deed of Trust. Employees and police officers acting as trustees must ensure that they are conversant with the requirements of the Trust Deed and the law and comply fully with them.

9.3. These funds should be kept separate from all PCC and CC transactions and bank accounts and those responsible must ensure that appropriate insurance arrangements are in place.

Key Controls

9.4. The key controls for Trust Funds and other Voluntary Unofficial Funds are:

- No employee shall open a trust fund without the specific approval of the PCC Chief Executive and PCC CFO
- These financial regulations should be seen as best practice which need to be followed whenever possible

Responsibilities of the Statutory Officers

9.5. Staff controlling such funds shall ensure that a suitably experienced independent person audits the fund in accordance with procedures required by the PCC, and arrange for the annual audited accounts to be received by the appropriate management body.

9.6. The PCC shall be informed of the existence, purpose and nature of all voluntary unofficial funds and receive minutes from the management bodies confirming the adoption of the audited accounts.

9.7. The PCC shall issue Financial Instructions detailing how unofficial funds are to be managed and controlled.

Custody of Private Property

Overview and Control

9.8. The CC is required to exercise a duty of care and safeguard found or seized property pending decisions on its ownership, or private property of an individual e.g. a suspect in custody.

Key Controls

9.9. The key controls for private property are

- Secure environment for storage of property/monies
- Audit trail of booking in and returning property to owners
- Audit trail for the disposal of property where appropriate and any income received
- Policy for specific items (e.g. bicycles) for returning these for community benefit
- Policy for the use of Property Act monies as approved by the PCC
- Policy for the use of the Proceeds of Crime Act monies as approved by the PCC

Responsibilities of the Statutory Officers

9.10. The CC is responsible for the safekeeping of the private property of a person, other than a member of staff, under his/her guardianship or supervision, and shall determine procedures for such. These procedures shall be made available to all appropriate staff.

9.11. The CC is responsible for the safekeeping of found or seized property and shall determine procedures for such. These procedures shall be made available to all appropriate staff.

9.12. The CC shall be informed without delay in the case of loss or diminution in value of such private property.

9.13. The CC shall issue separate financial instructions for dealing with cash, including seized cash under the Proceeds of Crime Act. These procedures shall be approved by the PCC and the PCC CFO.

9.14. The CC shall comply with the requirements of the Proceeds of Crime Act 2002

SECTION D

SYSTEMS AND PROCEDURES

D1 GENERAL

Overview and Control

1.1. There are many systems and procedures relating to the control of the PCC's assets, including purchasing, costing and management systems. The PCC is reliant on electronic systems for financial management information. This information must be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.

The PCC CFO and the CC CFO both have a statutory and professional responsibility to ensure that the organisations' financial systems are sound and should therefore be notified of any new developments or changes.

1.2. It is imperative that operating systems and procedures are secure and that basic data exists to enable the PCC objectives, targets, budgets and plans to be formulated and measured. Performance measures need to be communicated to appropriate personnel on an accurate, complete and timely basis.

Key Controls

1.3. The key controls for systems and procedures are:

- Basic data exists to enable the organisation's objectives, targets, budgets and plans to be formulated.
- Performance is communicated to the appropriate managers on an accurate, complete and timely basis.
- Early warning is provided of deviations from target, plans and budgets that require management attention.
- Operating systems and procedures are secure and up-to-date.

Responsibilities of the Statutory Officers

- 1.4. The PCC CFO, in liaison with the CC CFO, is responsible for determining the overall accounting systems and procedures including to.
- Issue advice, guidance and procedures for officers and others acting on behalf of the organisation

- Determine the accounting systems, form of accounts and supporting financial records
- Establish arrangements for the audit of the organisation's financial affairs
- Approve any new system to be introduced
- Approve any changes to existing financial systems
- Approve any changes to service delivery in relation to the finance function

1.5. To ensure, in respect of systems and processes, that

- Systems are secure, adequate internal controls exist and accounting records are properly maintained and held securely. This is to include an appropriate segregation of duties to minimise the risk of error, fraud or other malpractice.
- Appropriate controls exist to ensure that all systems input, processing and output is genuine, complete, accurate, timely and not processed previously
- A complete audit trail is to be maintained, allowing financial transactions to be traced from the accounting records to the original document and vice versa.
- Systems are documented and staff trained in operations.

1.6. The CC shall register compliance with the Data Protection Act 1988 ensuring that data processing (manual or electronic) involving personal information is registered.

1.7. The CC shall ensure compliance with copyright legislation around software being used.

1.8. To ensure that there is a documented and tested business continuity plan to allow system processing to resume quickly in the event of an interruption. Effective contingency arrangements, including back up procedures, are to be in place in the event of a failure in computer systems.

1.9. To establish a Scheme of Governance and Consents, identifying officers and staff authorised to act upon the PCC's behalf in respect of income collection, placing orders, making payments and employing staff. A schedule of officers and staff, their specimen signatures and the delegated limits of their authority shall be maintained.

D2 INCOME

Overview and Control

- 2.1. Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly.
- 2.2. The PCC should keep in mind that the purpose of charging for special services is to ensure that, wherever appropriate, those using the services pay for them.

Key Controls

- 2.3. The key controls for income are:
 - All income due is identified and charged correctly, in accordance with an approved charging policy, which is regularly reviewed.
 - All income is collected from the correct person, at the right time, using the correct procedures and the appropriate stationery.
 - All money received by an employee on behalf of the PCC is paid without delay to the Commissioner's bank and properly recorded. The responsibility for cash collection should be separated from that:
 - For identifying the amount due
 - For reconciling the amount due to the amount received
 - Effective action is taken to pursue non-payment within defined timescales.
 - Formal approval for debt write-off is obtained.
 - Appropriate accounting adjustments are made following write-off action.
 - All appropriate income documents are retained and stored for the defined period in accordance with the document retention schedule.
 - Money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process.

Responsibilities of the Statutory Officers

- 2.4. The PCC advised by the CC shall determine and review annually a policy for all fees and charges.
- 2.5. To make arrangements for the collection of all income due including the appropriate and correct charging of VAT.

- 2.6. To review scales of fees and charges at least annually. All charges should be at full cost recovery except where regulations require otherwise or with the express approval of the PCC.
- 2.7. The CC CFO shall order and supply to appropriate officers and staff all receipt forms, books or tickets and similar items and be satisfied as to the arrangements for their control. Official receipts or other suitable documentation shall be issued for all income received.
- 2.8. Income is to be paid fully and promptly in the form in which it is received. Appropriate details should be recorded on to paying-in slips to provide an audit trail. Money collected and deposited must be reconciled to the bank account on a monthly basis. Income must not be used to cash personal cheques or other payments.
- 2.9. Sponsorship Income shall be entered into a Sponsorship Register in accordance with the approved policy. The total value of gifts and sponsorship in any financial year should not exceed 1% of the PCC net revenue budget. Where the monetary value of a sponsorship proposal is over the limits shown in section F or is perceived to be of a sensitive or controversial nature, this must be approved by the PCC before acceptance.
- 2.10. The CC CFO shall establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid in accordance with the PCC terms and conditions.
- 2.11. Income due shall not be written off until the PCC is satisfied that all reasonable steps have been taken for its recovery. Individual amounts may be written off by the CC CFO up to the level shown in Section F. Amounts for write off above this value must be referred to the PCC for approval, supported by a written report explaining the reasons for the write off. A record must be kept of all sums written off up to the approved limit.
- 2.12. The CC CFO shall prepare detailed Financial Instructions for dealing with income, to be agreed with the PCC CFO, and these shall be issued to all appropriate officers and staff.

D3 ORDERING OF GOODS AND SERVICES

Overview and Control

3.1. Public money should be spent with demonstrable probity and in accordance with PCC policies. The statutory officers have a statutory duty to achieve best value, in part through economy and efficiency. Procedures should ensure that services obtain value for money from their purchasing arrangements. These procedures should be read in conjunction with the Contract Standing Orders.

Key Controls

- 3.2. The key controls for ordering work goods and services are:
- All goods and services are ordered only by appropriate persons and are correctly recorded.
 - All goods and services shall be ordered in accordance with the PCC's standing orders.
 - A computer-generated order should always be issued and authorised. This control should only be set-aside in exceptional circumstances.
 - All orders should be raised at the time of placing the order and not on receipt of the goods/services or invoice.
 - Goods and services received are checked to ensure that they are in accordance with the order. The person who placed the order should not receive goods.

Responsibilities of the Statutory Officers

3.3. The PCC is responsible for approving the Contract Standing Orders

3.4. To ensure all officers and staff are made aware of the responsibility they have to declare any links or personal interests that they may have with purchasers, suppliers and contractors if they are engaged in contractual or purchasing decisions.

3.5. All orders issued shall be in accordance with the approved procurement policy or Financial Instructions. Purchase orders must be issued for all work, goods or services to be supplied, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions approved by the PCC CFO. All purchase orders must be generated by Oracle unless expressly authorised by PCC CFO. The PCC operates a "No P.O. – No Pay" policy

- 3.6. To ensure that purchase orders are issued for all work, goods or services except for supplies of utilities, periodic payments such as rent or rates, purchasing card purchases, imprest purchases or other exceptions specified by the PCC CFO.
- 3.7. To ensure authorisation of requisitions / orders are in accordance with the limits shown in section F. Only authorised officers and staff can raise requisitions / orders and therefore an authorised signatory list will be maintained. Purchasing Cards may be used in compliance with the requirements and guidance.
- 3.8. Purchase orders must not be raised for any personal or private purchases, nor must personal or private use be made of PCC contracts.
- 3.9. Goods and services ordered must be appropriate and needed, there must be adequate budgetary provision and quotations or tenders must be obtained where necessary.
- 3.10. Tenders and quotations shall be obtained in accordance with Contract Standing Orders within the limits shown in Section F.
- 3.11. Commitments incurred by placing orders are to be shown against the appropriate budget allocation and incorporated within budget monitoring reports.
- 3.12. Where possible, a different person should authorise the payment from the person who signed the requisition / order.

D4 PAYMENTS OF GOODS AND SERVICES

Overview and Control

- 4.1. Apart from petty cash the normal method of payment from the PCC shall be by BACs payment, cheque or other instrument or approved method, drawn on the PCC bank account. The use of direct debit shall require the prior agreement of the PCC CFO.

Key Controls

4.2. The key controls for paying for work goods and services are:

- Goods and services received are checked to ensure that they are in accordance with the order. The person who placed the order should not receive goods.
- Payments are not made unless goods have been received and to the correct price, quantity and quality standards.
- All payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method.
- All appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with the document retention schedule.
- All expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected.
- In addition, the effect of e-business/e-commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically

Responsibilities of the Statutory Officers

4.3. All payments are to be made in accordance with the approved procurement procedures or Financial Instructions.

4.4. Payments are not to be made unless goods and services have been received at the correct price, quantity and quality in accordance with any official order. Goods should not be received by the person who placed the initial requisition, unless this is impracticable.

4.5. Segregation will exist between the person ordering and the person approving the order. The receipting of goods confirms the invoice is suitable for payment. In the case of a manual invoice the 2 members of staff need to be involved in the ordering/receipting/authorising process

4.6. Authorisation of invoices shall be in accordance with the limits shown in section F.

4.7. Procedures should be in place to ensure that all payments are to be made to the correct person, for the correct amount and be recorded properly, regardless of the method of payment. Systems should ensure the invoice has not been processed for payment before and that full advantage has been taken of any discounts offered.

- 4.8. Where VAT is charged, payment is not to be made unless a proper VAT invoice has been received.
- 4.9. All payments should be processed promptly to comply with the Late Payment of Commercial Debt (Interest) Act 1988.

D5 PAYMENTS TO EMPLOYEES AND MEMBERS

Overview and Control

- 5.1. Employee costs are the largest item of expenditure for most organisations. Therefore, it is important that payments are accurate, timely, made only where they are due and that payments accord with individuals' conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for.
- 5.2. All overtime claims and other claims for remuneration, travel and expenses should be submitted at least monthly. This is to ensure that monitoring of expenditure is more accurate and that authorisation of claims can be certified properly.

Key Controls

5.3. The key controls for payments to employees and members are:

- Proper authorisation procedures are in place and that there is adherence to corporate timetables in relation to:
 - Starters
 - Leavers
 - Variations
 - Enhancements

and that claims for payment are made on the approved and appropriate documentation.

- Regular reconciliation of the HR system to the Payroll system.
- Frequent reconciliation of payroll expenditure against approved budget and bank account.
- All appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule.
- The HM Revenue & Customs regulations are complied with.
- Recovery of overpayment
- Responsibility of adhering to time lines

Responsibilities of the Statutory Officers

- 5.4. To ensure appointments are made in accordance with approved establishments, grades and scale of pay and adequate budget provision should be available. Payroll staff must be notified of all appointments, terminations or variations in the correct format and to the timescales required.
- 5.5. The CC shall make arrangements for the secure and reliable payment of salaries, wages, pensions, compensation and other emoluments to existing and former officers and staff. Adequate and effective systems are to be in place and procedures operated so that payments are only authorised to bona fide officers, staff and pensioners payments are only made where there is a valid entitlement conditions and contracts of employment are applied correctly officer and staff names listed on the payroll are checked at regular intervals to verify accuracy and completeness.
- 5.6. The PCC Chief Executive shall make arrangements for the payment of all PCC travel and expenses claims. Such claims should be in the prescribed form, duly completed and certified. Certification is taken to mean that journeys were authorised and expenses incurred properly and necessarily and that allowances are payable properly, ensuring that cost effective use of travel arrangements is achieved. Due consideration should be given to tax implications. Payments shall be made to the value of presented receipts up to the prescribed limits, in accordance with Financial Instructions.
- 5.7. Payroll transactions are to be processed only through the payroll system. Payments to individuals engaged on a self-employed consultant or subcontract basis shall only be made in accordance with HM Revenue and Customs requirements. The HM Revenue and Customs applies a tight definition of employment status, and in cases of doubt, advice should be sought.
- 5.8. To ensure that full records are maintained of benefits in kind and that they are properly accounted for in any returns to the HM Revenue and Customs.
- 5.9. To ensure compliance with all HM Revenue and Customs regulations and record and make arrangements for the accurate and timely payment of income tax and national insurance. To ensure compliance with regulations regarding the pay over of pension deductions and other statutory or voluntary deductions from pay. Payroll staff should be notified of all employee benefits in kind to enable full and complete reporting within the income tax self-assessment system.

D6 TAXATION

Overview and Control

- 6.1. Like all organisations, the PCC is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are often severe.
- 6.2. It is important that all relevant officers and staff are kept up to date on tax issues and instructed on required record keeping.

Key Controls

- 6.3. The key controls for taxation are:
 - Relevant staff are provided with relevant information and kept up to date on tax issues.
 - Accurate record keeping.
 - All taxable transactions are identified, properly carried out and accounted for within stipulated timescales.
 - Records are maintained in accordance with instructions.
 - Returns are made to the appropriate authorities within the stipulated timescale.

Responsibilities of the Statutory Officers

- 6.4. To ensure the completion of all HM Revenue and Customs requirements regarding PAYE and that due payments are made in accordance with statutory requirements.
- 6.5. To ensure that the correct VAT liability is attached to all income due and that all VAT reclaimed on purchases complies with HM Revenue and Customs regulations. The CC CFO shall ensure the completion of VAT claims for receipts and payments are made in accordance with statutory requirements.
- 6.6. Where construction and maintenance works are undertaken, the contractor shall fulfil the necessary construction industry tax deduction requirements. The CC CFO shall provide details to the HM Revenue and Customs regarding the construction industry tax deduction scheme.
- 6.7. To ensure up to date guidance is given to officers and staff on organisational taxation issues (e.g. VAT and CIS).

D7 EX GRATIA PAYMENTS

Overview and Control

7.1. An ex gratia payment is a payment made where no legal obligation exists. An example may be to recompense staff for damage to personal property in the execution of duty.

Responsibilities of the Statutory Officers

7.2. The PCC may make ex gratia payments to members of the public up to the level shown in section F in any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of the PCC. The PCC CFO shall maintain details of such payments in a register.

7.3. The PCC may make ex gratia payments up the level shown in section F in any individual instance, for damage or loss of property or for personal injury to staff in the execution of duty or to staff in relation to employment errors. The PCC shall maintain details of such payments in a register.

D8 PENSIONS

Overview and Control

8.1. As a responsible public body the PCC will ensure that the Pension Schemes are made easily available to all eligible staff and police officers. The recent changes which have introduced auto enrolment enforce this concept. Due to the changes in relation to PCC and CC being new legal entities the requirement to comply with auto enrolment has been deferred until 2017.

Key Controls

8.2. The key controls relating to pensions are:

- Relevant staff are provided with relevant information and kept up to date on pension issues.
- Accurate record keeping
- Good communication with the County Council Pension Administrator
- Compliance with acts and regulations
- Records are maintained in accordance with instructions.

Responsibilities of the Statutory Officers

- 8.3. To ensure that there are adequate arrangements for administering police pension and Local Government Pension Scheme (LGPS) matters on a day-to-day basis.
- 8.4. To record and make arrangements for the accurate and timely payment of pensions and police pensions to the scheme administrators
- 8.5. The appointment of a Pension Administrator to administer the LGPS and police pensions on behalf of the PCC.
- 8.6. The Home Office are responsible for the Police Pension schemes and the organisation acts as a “holding account” although the transactions are shown in the PCC statement of accounts.
- 8.7. To ensure Pension Boards are established to administer the schemes in accordance with current legislation and regulations.
- 8.8. To ensure that timely and accurate information is supplied to the Home Office for the Top Up arrangements.
- 8.9. To ensure that timely information is supplied to the actuaries.
- 8.10. To refer internal disputes relating to pensions to the Pension Administrator in the first stage, with second stage disputes being referred to the PCC CFO
- 8.11. The PCC CFO is responsible for the governance arrangements.

D9 GOVERNMENT PROCUREMENT CARDS

Overview and Control

- 9.1. Government Procurement Cards provide an effective method for payment for designated officers who, in the course of their official business, have an immediate requirement for expenditure which is relevant to the discharge of their duties. They provide an alternative method of buying and paying for relatively low value goods, which generate a high volume of invoices. This should generate an efficiency saving from lower transaction costs (i.e. fewer invoices processed and paid for through the integrated accounts payable system), as well as reducing the number of petty cash transactions.

Key Controls

- 9.2. The key controls for Government Procurement Cards are
- Detailed instructions to all authorised card holders and users
 - A procedure which controls the issue of cards and limits on each card.

Responsibilities of the Statutory Officers

- 9.3. That the CC CFO and the PCC CFO undertake periodic reviews of the register of individuals and limits assigned to each card.
- 9.4. To ensure that all card holders are aware of the financial instructions relating to the use of cards.
- 9.5. To ensure that all purchases are checked to ensure compliance with approved policies (e.g. Gifts, Gratuities and Hospitality, Catering).
- 9.6. To ensure that the process requires receipted details of payments, particularly VAT receipts and all requirements of the providers electronic receipting and payments processes are adhered to.

SECTION E

EXTERNAL ARRANGEMENTS

E1 PARTNERSHIPS

Overview and Control

1.1. Partnerships with other organisations can play a key role in delivering community strategies and in helping to promote and improve the wellbeing of the area. A partner may be defined as:

- an organisation joining to undertake, part fund or participate as a beneficiary in a joint project, or
- a body whose nature or status give it a right or obligation to support a joint project

Partnerships typically fall into three main categories:

- **Statutory based** - These are partnerships that are governed by statute. They include, for example, Crime and Disorder Reduction Partnerships (CDRPs) and Local Strategic Partnerships (LSPs).
- **Strategic** - These are partnerships set up to deliver core policing objectives. They can either be force-wide or local.
- **Ad Hoc** - These are typically locally based informal arrangements agreed by the PCC

1.2. The main reasons for entering into a partnership with others are:

- to provide new and better ways of delivering services
- to comply with statutory requirements
- the ability to access new resources
- the desire to find new ways to share risk
- to forge new relationships
- mitigate costs when looking to achieve shared goals

1.3. Partners undertaking a joint venture have common responsibilities:

- to act in good faith at all times and in the best interests of the partnership's aims and objectives
- to be willing to take on a role in the broader programme, appropriate to the skills and resources of the contributing organisation
- to be open about any conflicts that might arise

- to encourage joint working and promote the sharing of information, resources and skills
 - to keep secure any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature
 - to promote the project
- 1.4. The PCC and CC should welcome the opportunity for forming partnerships with other local organisations to address local needs. As set out in section 10 of the Police Reform and Social Responsibility Act 2011, the Commissioner, in exercising his functions, must have regard to the relevant priorities of each responsible authority. Subject to the constraints that may be placed on individual funding streams, Commissioners are free to pool funding as they and their local partners see fit. Commissioners can enter into any local contract for services, individually or collectively with other local partners, including non-police bodies.
- 1.5. When the PCC acts as a commissioner of services, he will need to agree the shared priorities and outcomes expected to be delivered through the contract or grant agreement with each provider. The Commissioner is able to make crime and disorder grants in support of local priorities.. The power to make crime and disorder grants with conditions is contained in section 9 of the Police Reform and Social Responsibility Act 2011. The power to contract for services is set out in paragraph 14 of Schedule 1 and paragraph 7 of Schedule 3 to the Police Reform and Social Responsibility Act 2011.
- 1.6. The PCC may also make grants under Community Empowerment in support of new or local priorities. Such grants will not exceed the limit detailed in Section F.

Key Controls

- 1.7. The key controls for partnerships are:
- If appropriate, to be aware of their responsibilities under the PCC financial regulations.
 - To ensure that risk management processes are in place to identify and assess all known risks.
 - To ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise.

- To agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences.
- Information sharing agreements should be incorporated for compliance with Management Of Police Information and Data Protection Act.
- To communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.
- Exit strategies should be included from the start.

Responsibilities of the Statutory Officers

- 1.8. The PCC Chief Executive is responsible for preparing a policy statement on partnership arrangements. The PCC is responsible for approving the policy.
- 1.9. The PCC shall ensure there is adequate budget provision for partnerships as part of the annual budget setting process.
- 1.10. The PCC and CC are responsible for undertaking the partnership funding arrangements, in accordance with the agreed policy. The PCC and CC shall consider the overall governance arrangements and legal issues when arranging contracts with external bodies.
- 1.11. The PCC and CC shall ensure that the roles and responsibilities of each of the partners involved are agreed and accepted formally before the partnership commences.
- 1.12. The PCC CFO and CC CFO should ensure that the accounting and reporting arrangements relating to partnerships are satisfactory.
- 1.13. The PCC and CC, upon taking appropriate advice, shall ensure that:
- before entering into the agreement, a risk management appraisal has been prepared
 - such agreements do not impact adversely upon the services provided by the PCC and CC
 - project appraisal is in place to assess the viability of the project in terms of resources, staffing and expertise
 - all arrangements are properly documented
 - regular communication is held with other partners throughout the project in order to achieve the most successful outcome
 - audit, security and control requirements are satisfied

- accounting arrangements are in place and satisfactory, including resourcing, taxation procedures and carry-forward arrangements

1.14. The PCC Chief Executive shall maintain a register of all partnership arrangements.

1.15. The PCC and CC shall ensure that all officers and staff involved in partnership arrangements have access to Financial Regulations and Contract Standing Orders. On occasion, the possibility of non-compliance with these Regulations may arise from entering into partnership arrangements. In such cases, prior approval of the PCC following the agreement of the PCC CFO, in liaison with CC CFO should be sought.

E2 EXTERNAL FUNDING

Overview and Control

2.1. External funding is a very important source of income. The main source of such funding is government grants, but consideration should be given to ensuring that the potential for all income sources is maximised. The PCC should agree a fees and charges policy and review this on a regular basis.

2.2. Any match funding requirements should be given due consideration prior to entering into agreements and resources identified for future commitments.

Key Controls

2.3. The key controls for external funding are:

- To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood.
- To ensure that funds are acquired only to meet the priorities approved in the Police and Crime Plan.
- To ensure that any match-funding requirements are given due consideration prior to entering into long term agreements and that future revenue budgets reflect these requirements.

Responsibilities of the Statutory Officers

- 2.4. To ensure that any conditions in relation to external funding are in accordance with the approved policies of the PCC. In such cases, shall ensure compliance with the key conditions determined by the funding body and any statutory requirements. If there is a conflict, this needs to be taken to the PCC for resolution.
- 2.5. To ensure that the match-funding requirements and exit strategies are considered prior to entering into the agreements and that future medium term financial forecasts reflect these requirements.
- 2.6. To pursue actively any opportunities for additional funding where this is considered to be in the interests of the PCC.
- 2.7. All bids for external funding and the proper recording of grant income shall be coordinated through the CC and subject to the approval of the PCC.
- 2.8. To ensure that all funding notified by external bodies is received and properly recorded in the accounts, that all claims for funds are made by the due date and that audit requirements are met.

E3 WORK FOR THIRD PARTIES

Overview and Control

- 3.1. Current legislation enables the Commissioner to provide services to other bodies. Such work may enable economies of scale and existing expertise to be maintained.. Arrangements should be in place to ensure that any risks associated with this work are minimised and that such work is not ultra vires.

Key Controls

- 3.2. The key controls for working for third parties are:
 - To ensure that proposals are costed properly in accordance with guidance provided by the Home Office, or the PCC.
 - To ensure that contracts are drawn up using guidance provided by the Home Office, or the PCC.

- To issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

Responsibilities of the Statutory Officers

3.3. To ensure that :

- proposals for assistance are costed,
- that contracts are drawn up where appropriate,
- that no contract is subsidised by the organisation
- that contracts do not impact adversely on the services provided.
- that charges are made in accordance with the PCC policy
- that, where possible, payment is received in advance of the delivery of the service
- that the PCC is not put at risk from any bad debts.

3.4. The CC shall ensure that appropriate insurance arrangements are in place.

E4 COLLABORATED ACTIVITIES AND CONSORTIUM ARRANGEMENTS

Overview and Control

- 4.1. Providing services under collaborated arrangements can achieve efficiencies, savings and improve service reliance requirements. All collaboration activities involving functions under the direction of the CC shall be financially appraised by the CC CFO and discussed with the PCC CFO. Final approval of all s22/s23 collaborative arrangements rests with the PCC.
- 4.2. The PCC and CC may enter into Consortium (Shared Services) arrangements. Such an arrangement is a long term joint working arrangement with other PCCs/Forces operating within a formal legal structure approved by the PCC. Prior to entering into any consortium arrangement the proposal shall be financially appraised by the CC CFO and the PCC CFO. The PCC Chief Executive will sign the Memorandum of understanding (setting out the governance arrangements of the project) on behalf of the PCC/Force.

Responsibilities of the Statutory Officers

- 4.3. To ensure that each activity covered by collaborated arrangements is subject to the financial regulations of one of the PCC's involved. The particular PCC's financial regulations should be selected having regard to the staffing, activity and location of the collaborated activity.
- 4.4. To contact the PCC Chief Executive before entering into a formal consortium agreement, to establish the correct legal framework.
- 4.5. To consult, as early as possible, the PCC CFO and the CC CFO to ensure the correct treatment of taxation and other accounting arrangements.
- 4.6. To produce a business case to show the full economic benefits to be obtained from participation in the collaboration/consortium.
- 4.7. To produce a Memorandum of Understanding (MOU) setting out the appropriate governance arrangements.

E5 COMMISSIONING

Overview and Control

- 5.1. Under Section 10 of the Police Reform and Social Responsibility Act 2011, the PCC is given the responsibility for co-operative working. This allows, within the constraints of the relevant funding streams, the PCC to pool funding as they and their local partners deem appropriate. In accordance with the Commissioning Framework the PCC can commission services or award grants to organisations or bodies that they consider will support their community safety priorities in accordance with their Police and Crime Plan. They may do this individually or collectively with other local partners including non-policing bodies. The PCC must have regard to the relevant priorities of each responsible authority.
- 5.2. It is important to ensure that risk management and project appraisals are in place to assess the viability – both on initiation and on an on-going basis – of all external arrangements and an exit strategy is prepared.

Key Controls

5.3. The key controls for commissioning are:

- Agreements with clear priorities and outcomes
- Grant conditions and outcomes

Responsibilities of the Statutory Officers

5.4. To have regard to relevant priorities of local partners when considering and setting the Police and Crime Plan.

5.5. To work effectively with other local leaders who can also provide significant resources, to influence how all parties prioritise and bring together their resources to tackle local problems and priorities.

5.6. To consult with victims and witnesses of crime about policing and the proposed Police and Crime Plan. To commission the victim and witnesses support services in Northamptonshire.

5.7. To make appropriate robust arrangements to commission services from the Force or external providers.

5.8. To award crime and disorder grants as approved by the PCC.

5.9. Authorisation of grants shall be in accordance with the limits shown in section F.

5.10. To develop a commissioning framework that will support the objectives as set out in the Police and Crime Plan. The framework should encourage a mixed economy of provider options and where necessary .

5.11. To develop financial framework as part of the wider Commissioning framework with approved authorisation levels.

5.12. To keep under review the performance and outcomes of any investments agreed by the Commissioner in respect of partnership activity.

5.13. Ensure financial expenditure does not exceed the budgeted level to achieve the objectives set out in the Police and Crime Plan

SECTION F

DELEGATED LIMITS

The section references below refer to the main body of text within sections A to E of these Financial Regulations. All financial limits are contained within this section in order to minimise the need for change when values are updated.

F1 Financial Planning

Annual Revenue Budget Preparation

1.1. The budget estimates shall identify all proposed individual major revenue projects. A major revenue project shall be defined as one in excess of the estimated value shown below.

£250,000

F2 Budgetary Control

Virement is defined to be the transfer of budget between budget heads within a financial year and will always be a net nil, whereas a budget adjustment is defined as a budget movement at the time budgets are prepared for the forthcoming financial year.

2.1. Virement/Budgetary Movement Limits

It is the responsibility of the Budget Manager to request approval to virement and budgetary movement subject to the following limits

Force Budget

- **Up to £100,000 CC CFO**
- **Between £100,000 to £1,000,000 PCC CFO**
- **Over £1,000,000 PCC**

PCC's own budget

- **Up to £300,000 PCC CFO**
- **Over £300,000 PCC**

2.2. Treatment of Year End Balances

As a default position, any underspends against budgets will be taken to PCC reserves. In exceptional circumstances, budget holders who underspend their budget in any financial year may have their devolved budget increased for the

following financial year, , based on known future service requirements and with the approval of the PCC.

F3 Capital Programme

3.1. The PCC shall approve any in-year variations to the Capital Programme.

3.2. Only variations which are either:

- a) £25,000 or more; or
- b) In excess of 10% of the approved scheme cost

Will require a report to be submitted to the PCC for approval, detailing the reasons for the variation

F4 Risk Management and Insurance

4.1. The CC shall be authorised to settle insurance liability claims up to the value shown below. Beyond this value, claims must be referred to the PCC, for approval.

£50,000

4.2. The CC shall be authorised to settle claims subject to decision by Employment Tribunal up to the value shown below. Beyond this value, claims must be referred to the PCC, for approval.

£50,000

F5 Assets

Inventories

5.1. The Statutory Officers shall ensure inventories are maintained that record an adequate description of portable and desirable items such as computers, monitors, printers, facsimile machines, mobile phones and photographic equipment above the value shown below.

£1000

Stocks and Stores

- 5.2. Discrepancies between the actual level of stock and the book value of stock may be written off by the CC CFO up to the level shown below. Amounts for write off above this value must be referred to the PCC for approval.

Individual items £10,000

Cumulative for financial year £25,000

- 5.3. Obsolete stock may be written off by the CC CFO up to the level shown below. Amounts for write off above this value must be referred to the PCC for approval.

Individual items £10,000

Cumulative for financial year £25,000

Asset Disposal

- 5.4. The CC may dispose of surplus land and buildings, vehicles, leases and items of equipment up to the estimated value shown below. Disposals above this value are to be reported to the PCC for prior approval.

Land & Buildings £100,000

Equipment £15,000

Individual vehicles £25,000.

- 5.5. Items above the estimated value shown below shall be disposed of by public auction or sealed bids after advertisement, unless it can be shown that an alternative method of disposal would provide better value.

Land & Buildings £50,000

Equipment £15,000

F6 Banking Arrangements

- 6.1. All imprest cheques shall be signed at an appropriate level in accordance with an approved list and up to the level shown below

Up to £1,000 One signatory

Over £1,000 Two signatories

F7 Income

7.1. Where the monetary value of a sponsorship proposal is over the limit shown below or is perceived to be of a sensitive and controversial nature, this must be approved:

Up to £30,000 PCC CFO

Over £30,000 PCC

7.2. Individual debtor amounts may be written off by the CC CFO up to the level shown below. Amounts for write off above this value must be referred to the PCC for approval.

£20,000

F8 Ordering of Goods and Services

8.1. Authorisation of orders shall be in accordance with the limits shown below:

Total Value of Contract (includes any extension options)	Method of Completion	Level of Authorisation
£0 to £24,999	Signature / Purchase Order	Budget Holder/ Director
£25,000 to £49,999	Signature / Purchase Order	Budget Holder/ Director
£50,000 to £99,999	Signature / Purchase Order if a Framework call-off or Written Contract	Budget Holder/ Director in consultation with Procurement Advisor
£100,000 to £299,999	Signature / Purchase Order if a Framework call-off or Written Contract	Director/Chief Executive/PCC CFO

Above £300,000	Signature / Purchase Order if a Framework call-off or Written Contract	Chief Executive/PCC CFO
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8.2. Written quotations shall be obtained in accordance with Contract Standing Orders as detailed below:

Supplier identified as providing best value up to £25,000

At least 3 written quotations (unless exemption granted by the Procurement Advisor) £25,000 to £50,000

Over £50,000 formal tender process undertaken in conjunction with the Procurement Advisor and complying with the special conditions for tenders over EU threshold

Note: Any contract in excess of £25,000 can only be awarded following consultation with the Procurement Advisor.

F9 Payments for Goods and Services

9.1. Authorisation of statutory (e.g. HMRC tax liabilities) invoices where prior approval has not already been received from an appropriate person under the scheme of delegation may be approved in accordance with the limits shown below:

Up to £20,000 Nominated authorised signatory

£20,001 - £100,000 Authorised Budget Manager

Over £100,000 Countersigned by PCC CFO

F10 Ex Gratia Payments

10.1. The CC may make ex gratia payments to members of the public up to the level shown below in any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of the CC. Amounts greater than those specified must be referred to the PCC for approval.

£20,000

10.2. The CC may make ex gratia payments up to the level shown below in any individual instance, for damage or loss of property or for personal injury to personnel in the execution of duty or to a member of the public assisting the police. Amounts greater than those specified must be referred to the PCC for approval.

£10,000

F11 Community Fund Grants

11.1 The PCC may make Community Fund Grants up to the level specified below

Total in any one year £100,000 cumulative

F12 Grants

12.1 Authorisation of grants should be made in accordance with the limits detailed below:

Up to £100,000 Budget Holder/PCC CFO

Over £100,000 PCC

April 2017

Appendix 2 – Contract Standing Orders



Contract Procedure Rules and Standing Orders

April 2017

Contents

Clause

- 1. Introduction**
- 2. Business Code of Conduct**
 - 2.1 Purpose
 - 2.2 Application
 - 2.3 Conduct
- 3. NOPCC Policy and Procedures**
 - 3.1 Introduction
 - 3.2 Responsibilities
 - 3.3 Scope
- 4. Procurement Policy**
- 5. Procurement Procedures**
 - 5.1 Introduction
 - 5.2 Procedures
- 6. Procurement Routes**
 - 6.1 Introduction
 - 6.2 Procurement Procedure Flowchart
 - 6.3 Procuring through Existing Contracts and Frameworks
 - 6.4 Competitive Procurement
 - 6.5 Procurement under £25,000
 - 6.6 Procurement over £25,000 and under £50,000
 - 6.7 Procurement over £50,000 and under EU Threshold
 - 6.8 Procurement above EU Threshold
- 7. Procurement Process**
 - 7.1 Introduction
 - 7.2 Steps Prior to Purchase
 - 7.3 Pre-Tender Market Research and Consultation
 - 7.4 Statement of Requirement
 - 7.5 Exceptions to normal procedures/single tender action
 - 7.6 Advertising and Assessing Potential Applicants
 - 7.7 Framework Agreements
 - 7.8 Approved or Select Tender Lists
 - 7.9 Collaborative Contracts
 - 7.10 Invitations to Tender/Quotation
 - 7.11 Receipt, custody and opening of Tenders
 - 7.12 Late Tenders
 - 7.13 Alteration to Tenders

- 7.14 Evaluation of Tenders and quotations
- 7.15 Discussions and Post Tender Negotiations
- 7.16 Award of Contract and Debriefing Tenderers
- 7.17 Cancellations, variations, extensions or termination of contracts
- 7.18 Document retention and record keeping
- 7.19 Freedom of Information

8. Contract Standing Orders

- 8.1 Introduction and Purpose
- 8.2 Responsibilities
- 8.3 Responsibilities of the Chief Executive and Commercial Director
- 8.4 Relevant Contracts
- 8.5 Purchasing – Competition Requirements
- 8.6 Assets for Disposal
- 8.7 Collaborative and Partnership Arrangements
- 8.8 The Appointment of Consultants to Provide Services
- 8.9 Contract Documents
- 8.10 Contract Authorisation Levels
- 8.11 Bond and Parent Company Guarantees
- 8.12 Prevention of Fraud and Corruption
- 8.13 Declarations of Interests

Appendix A – Terms and Definitions

Appendix B - List of relevant legislation

Appendix C – EU Procurement Thresholds

Appendix D – Blank

Appendix E - Single Tender Approval Request

1. Introduction

- 1.1 These Contract Procedure Rules and Standing Orders for the Northamptonshire Office of the Police and Crime Commissioner (NOPCC) are intended as a guide for our suppliers and staff to help those engaged in buying or providing goods and services.

Public procurement is a complex process governed by rules and regulations. They aim to ensure the freedom of opportunity to trade with us as an organisation and that we are open and transparent in the way we do business. This also helps to ensure we achieve value for money, the right balance between quality, performance and price, when we buy goods and services. In doing so we ensure we make the best use of scarce public resources.

It is important to note that wherever there is a relationship between the NOPCC and another organisation that can be defined as “a binding agreement for performing, or refraining from performing, some specified act(s) in exchange for lawful consideration”, this constitutes a Contract. Even if the arrangement has historically been called something else, (excluding grants), it is actually a Contract, and is therefore subject to these Contract Procedure Rules and Standing Orders. These rules ensure that a competitive procurement exercise, resulting in value for money, is undertaken, or that in exceptional cases appropriate approvals, based on sound reasoning, are gained for not competing the Contract opportunity.

These Contract Procedure Rules and Standing Orders relate to NOPCC, and Northamptonshire Police (NP) must determine their own procedures. The PCC has given a range of formal delegations to the Chief Constable (CC) and similarly delegation to undertake the associated procurement activity on behalf of the Force and to authorise the CC to accept any tenders and sign contracts in accordance with their own Contract Procedure Rules and Standing Orders which relate to NP.

2. Business Code of Conduct

2.1 Purpose

This is the Business Code of Conduct for the NOPCC. The purpose of this section is to advise the minimum standards expected of all staff and agents employed by the NOPCC and also to ensure fairness and consistency of approach in line with sound commercial practice.

2.2 Application

All staff and agents employed by the Police and Crime Commissioner (PCC) must abide by this code in the conduct of the business of the office. In addition, the CC must define his/her own Contract Procedure Rules and Standing Orders and staff and Police Officers of Northamptonshire Police employed by the CC must abide by the standards within the NP code as part of the conditions of funding that exist between the PCC and/or the CC.

Staff should regard the code as the basis of best conduct. Staff should raise any matter of concern of an ethical nature with their line manager, the PCC Chief Finance Officer (PCC CFO) or the Chief Executive, irrespective of whether it is addressed in this Code. Staff should also ensure that they comply with the Anti-Fraud and Corruption requirements in respect of gifts, gratuities and hospitality as set out within the financial regulations. Any matters arising which are outside the bounds of this Code should be referred immediately to line management.

2.3 Conduct

2.3.1 Staff shall always seek to uphold and enhance the reputation of the organisation and always act professionally by:

- (i) maintaining the highest possible standard of probity in all commercial relationships, inside and outside the organisation;
- (ii) rejecting and reporting any business practice which might reasonably be deemed illegal or improper and never using authority for personal gain;
- (iii) enhancing the proficiency and stature of the organisation by acquiring and maintaining current technical knowledge and the highest standards of ethical behaviour;
- (iv) ensuring the highest possible standards of professional competence including technical and commercial knowledge
- (v) optimising the use of resources to provide the maximum benefit to the organisation

Complying both with the letter and the spirit of:

- (i) the law and all legislation governing their procurement activity;

- (ii) this code, procurement policy and procedure, contract standing orders and financial regulations;
- (iii) guidance on professional advice; and
- (iv) contractual obligations

2.3.2 Staff must never allow themselves to be deflected from this code of conduct. Failure to do so may result in disciplinary action. In abiding by this code, the rules set out below must be followed:

2.3.2.1 Declaration of Interest

Any personal interest which may affect or be seen by others to affect your impartiality in any matter relevant to your duties must be declared.

2.3.2.2 Confidentiality and Accuracy of Information

The confidentiality of information received in the course of duty must be respected and must never be used for personal gain. Information given in the course of duty should be honest and clear.

2.3.2.3 Competition

The nature and length of contracts and business relationships with suppliers can vary according to circumstances. These should always be constructed to ensure deliverables and benefits. Arrangements which might in the long term prevent the effective operation of fair competition should be avoided.

2.3.2.4 Business gifts

Gifts from suppliers other than items of very small or no intrinsic value, such as business diaries or calendars, should not be accepted but should be declined courteously.

2.3.2.5 Hospitality

The recipient should not allow themselves to be influenced, or be perceived by others to have been influenced, in making a business decision as a consequence of hospitality. The frequency and scale of hospitality accepted should be recorded and managed openly with care. It should not be greater than that which the organisation would reciprocate and which would be acceptable to the public as a good use of public funds.

3. NOPCC Policy and Procedures

3.1. Introduction

Procurement policy and procedures are determined and owned by the NOPCC and the procurement policies and procedures aim to ensure that the supply of goods, services and works are procured in accordance with relevant legislation and in the most cost effective manner. They also aim to ensure that procurement activity is undertaken in a fair, transparent and consistent manner, ensuring the highest standards of probity and accountability. Procedures define the minimum processes expected of staff engaged in the procurement of goods, services and works on behalf of the NOPCC.

3.2. Responsibilities

Our Procurement Advisor is responsible to the PCC CFO for ensuring that procurement policy, procedures and contract standing orders are maintained. The day to day activity of procuring goods, services and works is undertaken by Authorised Officers, based on the value, and must be conducted in accordance with the principles and rules of this document and the NOPCC financial regulations and the scheme of delegation.

3.3. Scope

All staff employed by the Police and Crime Commissioner (PCC) must abide by procurement policy and procedure in the conduct of the business of the office. Failure to comply may result in disciplinary action.

4 Procurement Policy

4.1 The procurement policy of the NOPCC is that:

- i. All procurement activity will be undertaken in a transparent, fair and consistent, manner, ensuring the highest standards of probity and accountability.
- ii. All staff will adhere to the Procurement Policy and procurement procedures of the NOPCC and seek to ensure acceptance and operation of it among colleagues and stakeholders.
- iii. All procurement will be compliant with good commercial practice and open to continuous improvement and development to ensure value for money.
- iv. All staff involved in procurement activities will familiarise themselves with the Business Code of Conduct and consideration will be given to circumstances where members of staff would need to be excluded where their position may be compromised.
- v. All procurement activity shall comply with statutory requirements including, but not limited to, UK legislation, Directives of the European Community and relevant Government guidance.
- vi. All procurement activity will also comply with Contract Procedure Rules and Standing Orders; Financial Regulations, and Scheme of Delegation.
- vii. All procurement activity will be ethically, environmentally and socially responsible with due consideration being given to any economic benefits and regeneration opportunities.

5 Procurement Procedures

5.1. Introduction

Procurement procedures provide information on how to procure goods, services and works on behalf of the Northamptonshire Office of the Police and Crime Commissioner (NOPCC). They also define the minimum processes expected of staff engaged in a procurement process and when and where to get further professional advice. Before undertaking any procurement staff are required to read through these procedures and the associated business code of conduct and procurement policy.

5.2. Procedures

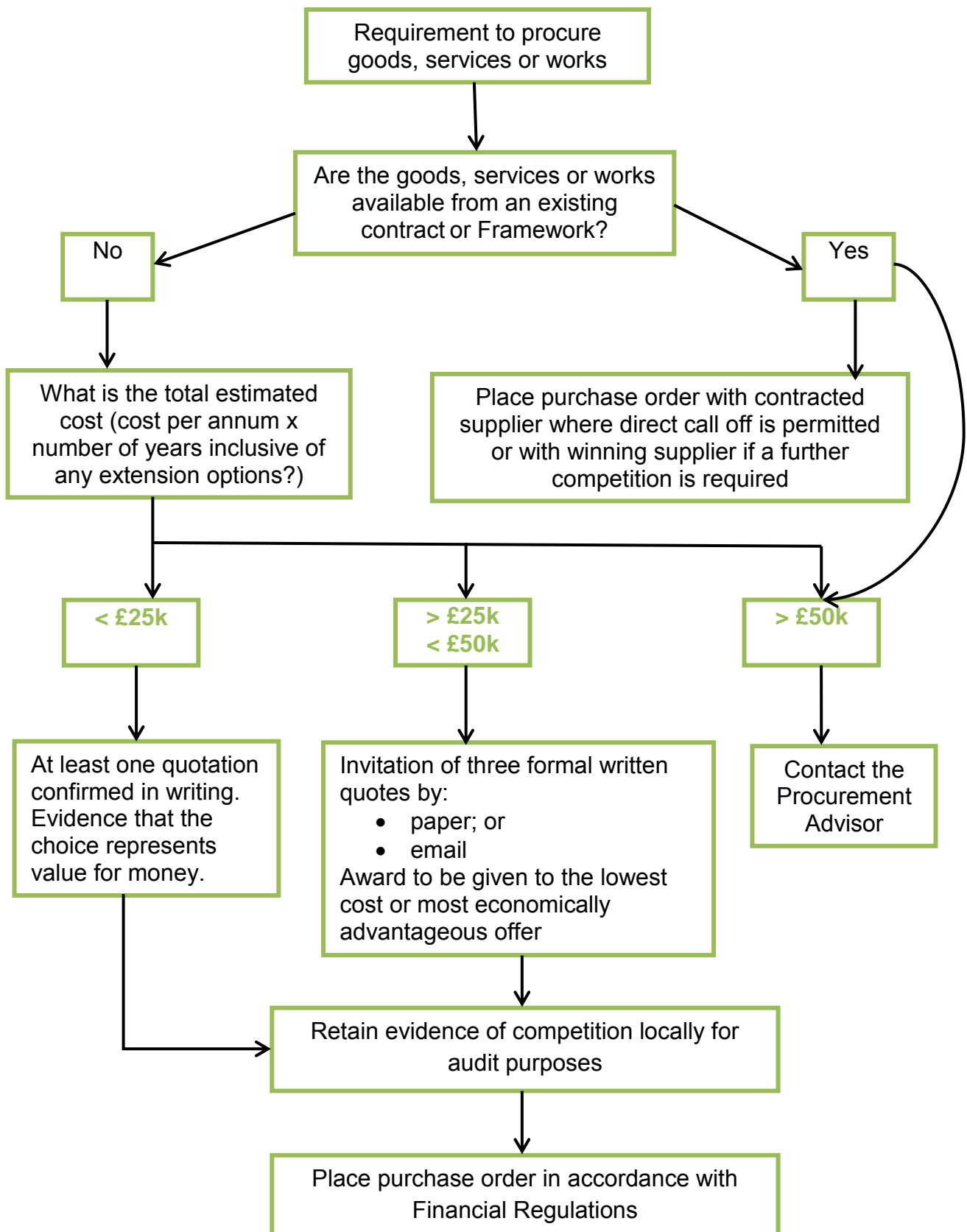
- 5.2.1 There are a number of routes through which goods, services and works can be procured. These include using existing contracts that have already been negotiated locally and running a new competitive procurement, for which the process is dependent on the value of spend. Procurement can also be carried out through framework agreements. These are National, Regional or local that can be used to buy directly from a supplier or by conducting a further competition exercise where there is more than one supplier.
- 5.2.2 These procedures cover all of these procurement routes and set out the rules that apply and the staff that have to be involved in the process. They also cover how to deal with exceptions. This is when the rules may not apply.
- 5.2.3 Once procurement has begun, these procedures will also set out rules for how to manage the process including dealing with late Tenders, evaluation of Tenders, variations to contracts and the documents and records that need to be maintained.
- 5.2.4 Should these procedures not appear to provide the appropriate mechanisms at any stage of the procurement process, advice must be sought from line management or the Procurement Advisor before proceeding further. Information contained within the procedures refers to both procurement activity involving a Tender process and to NOPCC contracts regardless of how they were entered into.
- 5.2.5 Further advice on these procedures and any aspects of the procurement process can also be provided from the Procurement Advisor and the PCC CFO.

6. Procurement Routes

6.1 Introduction

There are a number of different routes through which procurement may take place. This section of the procedures provides instruction on how to identify the most appropriate procurement route. A procurement procedure flow chart is set out below. This has been developed to identify which procurement route should be followed based on the framework agreements/collaborative contracts available and accessible, together with the estimated total contract value. Once the most appropriate procurement route has been identified, the relevant section of this document will explain the detailed procurement procedure.

6.2 Procurement Procedure Flowchart



6.3 Procuring through Existing Contracts and Frameworks

- 6.3.1. If the goods, services or works are available under an existing contract and represents value for money, that contract must be used. An existing contract includes those contracts where NOPCC are not the lead organisation but where we have committed to use the contract. This can include Regional and National Framework arrangements. For some goods, works and services national arrangements are mandated by Central Government.
- 6.3.2. The Procuring Officer must consult with the Procurement Advisor to ascertain whether an existing contract or framework should be used.
- 6.3.3. Existing contracts offer many benefits. The contract will already be compliant with EU legislation and Contract Standing Orders and there is no requirement to run a further procurement process. Through the whole organisation using the same contract we minimise the administrative costs associated with the use of multiple suppliers and achieve better value for money by being able to offer suppliers more business. In using existing contracts we also have assurance that the supplier has met numerous rigorous standards including financial stability, health & safety, insurance, ethical and environmental standards etc. and robust contract terms will be in place.
- 6.3.4. When purchasing through an existing contract the only requirement is to place a purchase order with the contracted supplier, referencing the contract number, which is then approved by the Authorising Officer in accordance with these Contract Procedure Rules and Standing Orders. The Procurement Advisor can provide advice on whether a contract exists.

6.4 Competitive Procurement

Where there is no existing contract available it will be necessary to go through a new procurement process. The rules to follow depend on the amount of money that is likely to be spent and this must be based on the Total Estimated Value of the contract for the whole duration of the contract, including any extension options.

6.5 Procurement under £25,000

A minimum of one written quotation must be obtained either by e-mail or from a catalogue or price list. A quotation may be initially requested by telephone but the supplier must then be asked to follow this up in writing by either of the above methods prior to a purchase order being authorised and issued. Should

the minimum of one quotation be used particular care should be given to ensure compliance with Procurement Policy and the Business Code of Conduct. The issue of an official purchase order to the supplier ensures the purchase is made against the Commissioners Standard Terms and Conditions of Order.

6.6 Procurement over £25,000 and under £50,000

- 6.6.1. The Procuring Officer must seek a minimum of three formal written quotations in writing either on paper or by email. The number of organisations invited to submit quotes or otherwise offer to supply must be sufficient to demonstrate that genuine market forces are employed to maximise value for money. This should either be on the basis of lowest cost or the most economically advantageous Tender, after taking in to account any quality criteria.
- 6.6.2. Care must be taken to ensure all potential suppliers are treated fairly and each supplier is assessed using a pre-determined evaluation model. The evaluation should assess the quality and whole life cost of the offer if possible against the specification. An official NOPCC purchase order number must be issued to the supplier to authorise the purchase and ensure the procurement is in accordance with the NOPCC Standard Terms and Conditions of Order. If in doubt, contact your Procurement Advisor.
- 6.6.3. The quotations should be retained locally for audit purposes together with a record of the details of the quotation exercise, in accordance with the NOPCC requirements. The details recorded should include the number and details of quotations received together with a summary of the evaluation and award decision made.
- 6.6.4. The PBP can offer advice and guidance on specifying your requirements, invitation to quote documents, evaluation models, award procedures and protocol involved in debriefing suppliers.

6.7 Procurement over £50,000 and under EU Threshold

- 6.7.1. Where the total value of contract is estimated to exceed £50,000 over the whole duration the procurement process must be managed by the Procurement Advisor on behalf of the NOPCC. Tenders may be invited in a number of ways including using a single stage or two stage procedure, select list, using a framework arrangement for a direct call-off or conducting a further competition and exploiting any existing contractual arrangements. Whichever process is used, the Procurement Advisor in consultation with the Procurement Officer will formulate a Procurement Strategy for the procurement which will be based on a Statement of Requirement (SOR)

obtained from the originator or budget holder. The evaluation models, matrices and other tools used to assess and compare the Tenders will be determined and agreed with stakeholders or project members as part of the Procurement Strategy, prior to receipt of Tenders and quotes.

- 6.7.2. Where a **Single Stage Invitation to Tender** is being used an Advertisement will be placed by the Procuring Officer in accordance with Clause 7.6.1 and expressions of interest invited from organisations who wish to receive Tender documents. All organisations expressing an interest are sent an Invitation to Tender within the time scales set out. Such Tenders shall include elements to assess their ability to meet financial requirements in addition to specific areas of technical ability relevant to the contract.
- 6.7.3. **Two Stage Tenders** require that **expressions of interest** are invited from the market through advertisement in accordance with Clause 7.6.1. On receipt of expressions of interest a **Pre-Qualification Questionnaire** will be forwarded to the interested organisations and these, when completed, shall be assessed to determine the most appropriate organisations from whom Tenders shall be invited. Tenders will be invited from those organisations who meet the minimum selection criteria. The selection process shall always be predetermined.
- 6.7.4. Select Tender lists may be drawn up where it can be satisfactorily demonstrated that the number of competitive Tenders that could be received is limited. Such lists will be formulated and maintained by the Head of Procurement Services and reviewed on an ongoing basis. However, there is a mandate to comply with the spirit of EU Legislation and Contract Standing Orders regarding open competition which must be duly regarded.
- 6.7.5. Having identified the organisations from whom Tenders would be considered, the organisations shall be invited to express their desire to receive a Tender by requiring them to respond to an appropriate brief.
- 6.7.6. The use of further competition exercises will be adopted where pre-tendered Framework arrangements exist, such as National or Regional Frameworks, for example Government Procurement Service (GPS) or other consortia frameworks e.g. ESPO/Pro5. This involves identifying organisations that are able to meet the requirement from those who have been pre-tendered and pre-qualified. The further competition exercise is a leaner process due to the supplier already having gone through a Tender process to be awarded a place on the framework, and the evaluation criteria is dictated by the framework call off mechanism which concentrate on the price and service delivery elements of the requirement.
- 6.7.7. The Procurement Advisor will maintain a database of all available frameworks which will include an on - going assessment of the overall value for money of each framework. The Procurement Advisor will utilise a suitable framework if it is considered to offer value for money, prior to undertaking an independent procurement exercise.

6.8 Procurement above EU Threshold

- 6.8.1. In accordance with clauses 6.7.6 and 6.7.7 a Framework will be utilised in the first instance, if considered to be commercially suitable, ahead of undertaking any other EU procurement procedure.
- 6.8.2. When letting contracts above the EU threshold, the Public Contracts Regulations 2006 must be followed and adhered to by the Procurement Advisor. When undertaking a procurement in accordance with EU Procurement Directives there are different types of procurement procedures that can be selected such as the Open Procedure and Restricted Procedures. In addition it is open to undertake a Negotiated Procedure or Competitive Dialogue. Competitive Dialogue may be used and is permitted under EU Legislation within strict guidelines. Negotiated Procedure or Competitive Dialogue are suitable in exceptionally complex procurements, e.g. Private Finance Initiative (PFI) and are only to be undertaken after approvals have been granted based on tests being satisfied. Whichever, of these routes is utilised will depend on the type and complexity of the procurement and will be agreed between the Procurement Officer and the Procurement Advisor as part of the strategy for that particular project.
- 6.8.3. Concerning all EU procurement the EU Directives require that consideration is given to “aggregation of demand” and that this is calculated as the total estimated annual expenditure multiplied by the total number of years for which a contract would be in place, including any extension options. If the value derived is over the EU threshold for the goods, service or works, then an EU Tender must be conducted. The EU Directives are clear that deliberate attempts to reduce, avoid or misrepresent the total value of the contract are a breach of the legislation.
- 6.8.4. The timescales for tendering under the EU Directives are prescriptive and may generally be longer than a non EU Tender. Failure to leave sufficient time to complete the tendering process is legislatively not an acceptable reason for avoidance of the regulations.
- 6.8.5. A project team will be assembled to undertake the project and will involve all the relevant stakeholders for that type of procurement. This will usually include the Chief Executive and/or Procurement Officer, PCC CFO, Procurement Advisor and other relevant representatives.

7. Procurement Process

7.1. Introduction

This section of the procedures sets out the different processes involved in undertaking procurement once the procurement route has been determined. It also sets out how to manage the process when procedures have not been followed, for example dealing with late Tenders or missing information.

7.2. Steps Prior to Purchase

7.2.1. No contract for the execution of works or for the supply of goods or services shall be made unless budgetary provision has been made in annual revenue or capital estimates approved by the NOPCC or unless an estimate is reported to and approved by the PCC CFO.

7.2.2. The Procuring Officer must assess the requirement, in a manner commensurate with its complexity and value, by:

- i. appraising the need for the expenditure and its priority
- ii. defining the objectives of the purchase
- iii. confirming that there is delegated approval for the expenditure and the purchase accords with the approved policy framework and scheme of delegation.
- iv. if the total value of the proposed expenditure is estimated to be below £50,000 then action the procurement in accordance with the Procurement Routes stipulated in Clause 6.6 in the Procurement Procedures Section of this document
- v. assess the types of risks associated with the purchase and how to manage them

if the total value of the proposed expenditure is estimated to exceed £50,000 then contact the Procurement Advisor to enable a SOR to be completed And forwarded for action

7.3. Pre-Tender Market Research and Consultation

- 7.3.1. The Procuring Officer responsible for the purchase:
- i. may consult potential suppliers prior to the issue of the Invitation to Tender in general terms about the nature, level and standard of the supply, indicative prices, contract packaging and other relevant matters, provided this does not prejudice any potential Applicant/Tenderer.
 - ii. may seek or accept advice on the preparation of an Invitation to Tender or Quotation from anyone, but not if the advice given may prejudice the equal treatment of all potential suppliers or distort competition, and
 - iii. should seek advice from the Supplier Services Team

7.4 Statement of Requirement

- 7.4.1. Specifications and standards are used to describe the requirement – goods, services and/or works – for which the procurement process is being conducted. They are included within the documents inviting suppliers to Tender. This information will be obtained when an SOR is agreed between the Procurement Advisor and the Procurement Officer.
- 7.4.2. The Procurement Advisor will provide as much assistance as possible to Procurement Officers to enable them to identify and express their requirements so that the market can respond appropriately.
- 7.4.3. Although the Procurement Officer is responsible for identifying and owning the specification, the Procurement Advisor will utilise their skills, knowledge of the market and experience in assisting compiling the specification to aid identification and expression of the requirement.
- 7.4.4. Standards adopted to identify minimum, maximum or equivalent shall be in accordance with all current legislation and will ensure equal and fair treatment for all prospective suppliers.

7.5 Exceptions to normal procedures/single tender action

- 7.5.1. ALL exceptions that exceed £25,000 in value must be authorised prior to the procurement of goods, services or works. For such contracts the Procurement Officer or Chief Executive must complete a Single Tender Approval Request form as detailed at Appendix E and submit it for agreement to the Procurement Advisor.
- 7.5.2. Any proposed extension to a contract, where there is no extension option provided for in the terms of the current contract, must be treated as an

exception to normal procedures, requiring the completion of a Exception to Contract Procedure Rules / Single Tender Approval Request form (Appendix E). The value of such an extension is the total value of the proposed contract and consists of the total value of the current contract plus the value of the proposed extension.

7.5.3. Any value so negotiated after the Single Tender Approval Request has been approved shall be agreed and authorised in accordance with the Award of Contract thresholds detailed in the Contract Authorisation limits within the Standing Orders of this document (Clause 8.10.1).

7.5.4. Exceptions made for the reasons outlined below, but without prior single tender approval may expose the NOPCC to commercial and legal risk and will be treated as breaches of Contract Standing Orders, and may be subject to disciplinary action. Requests for exceptions to normal procedures will only be considered under the following circumstances:

- i. urgency reasons - the contract is required as a matter of extreme urgency and this is due to circumstances outside the control of the NOPCC. This does not include circumstances brought about by the lack of internal planning.
- ii. product reasons – where there are strong compatibility issues relating to the goods or the service that the NOPCC already uses and it would be uneconomic to consider alternative solutions.
- iii. limited supplier – where there is only one supplier of a particular product or service. This may arise, for example, if ownership of the relevant Intellectual Property Rights excludes all other potential suppliers.

7.5.5. A report of all exceptions approved is provided for the PCC CFO to scrutinise on a quarterly basis.

7.6 Advertising and Assessing Potential Applicants

7.6.1. Procuring Officers shall ensure that proposed contracts with an estimated value that exceed £50,000 are advertised to the widest possible audience of proposed Applicants. The method of advertising will depend on the type of procurement and the procurement strategy and contracts will be advertised using at least one or more of the following examples:

- i. The NOPCC website
- ii. Bluelight

- iii. Portal websites specifically created for contract advertisements e.g Source East Midlands
- iv. Contracts Finder (Business Link)
- v. National official journals, trade magazines as appropriate or
- vi. The Official Journal of the European Union (OJEU)/ Tenders Electronic Daily (TED) (if the procurement is subject to EU Procurement Directives).

7.6.2. Procuring Officers are responsible for ensuring that all Applicants for a Contract are suitably evaluated. For contracts above £50,000, where a formal process undertaken by Procurement Advisor shall take place and following the contract being advertised as 7.6.1, the assessment process shall establish that the potential Applicants adequately meet selection criteria in the following areas :

- i. The Legal capacity to contract
- ii. The required level of financial standing
- iii. The technical ability and capacity to fulfil the requirements of the NOPCC

7.6.3. Tenders/Quotations will also be obtained in respect of proposed contracts that are expected to exceed £50,000 by selecting organisations using the following Procurement routes, where the suppliers have already been satisfactorily evaluated against selection criteria using a formal procurement process :

- i. National or Regional Framework with single or multiple suppliers
- ii. Approved Lists of providers, maintained by the Procurement Advisor on behalf of NOPCC, and compiled following responses to a public advertisement and after undergoing a formal procurement process. A suitable Framework should be used in preference to an Approved or Select Tender List.

7.6.4. Where an Applicant is a subsidiary within a group, the soundness of the group will be considered together with the appropriateness of obtaining a bond or a 'guarantee' from the parent company.

7.6.5. Where a contract is advertised or a select Tender list is used then invitations to Tender will be sent to not less than four of the Applicants who meet the selection criteria or if less than four Applicants meet the selection criteria, then the Tender will be sent to all the Applicants who do meet the selection criteria.

7.7. Framework Agreements

- 7.7.1. The Procurement Advisor will maintain a database of Framework Agreements that are available to utilise. Each Framework Agreement will be assessed for the value for money it offers and suitability in terms of service delivery.
- 7.7.2. The Procurement Advisor will utilise a Framework in the first instance, if judged to be suitable, prior to conducting any Tender process for a contract that exceeds a value of £50,000
- 7.7.3. For procurements of less than £50,000, budget holders should seek advice from the Procurement Advisor prior to utilising a Framework Agreement.
- 7.7.4. Contracts based on Framework Agreements may be awarded directly if the terms laid down in the Framework Agreement permit direct call-off. Where the terms stipulate a further competition should be held then these will be conducted in accordance with the following procedure:
- i. inviting all the organisations within the Framework Agreement that are capable of executing the subject of the contract to submit written offers
 - ii. fixing a time limit which is sufficiently long to allow offers for each specific contract to be submitted, taking into account factors such as the complexity of the subject of the contract
 - iii. awarding each contract to the supplier who has submitted the best offer on the basis of the Award Criteria set out in the terms and conditions of the Framework Agreement
- 7.7.5. Under the Police Act 1996 (Equipment) Regulations 2010, the use of specific framework agreements is mandated. See Appendix D.

7.8. Approved or Select Tender Lists

- 7.8.1. Approved Lists cannot be used where the EU Procedure applies. The Procurement Advisor may draw up, manage and maintain:
- i. Approved Lists of suppliers able to perform contracts for the provision of services or supply of goods
 - ii. Apply set criteria for selecting from the lists

- 7.8.2. No supplier may be entered on an Approved List until there has been an adequate investigation into legal, financial and technical ability to perform the contract, unless such matters are to be investigated each time Tenders are invited from that list.
- 7.8.3. Approved Lists must be drawn up following the opportunity being advertised as per Clause 7.6.1. Suppliers may be entered on a list between the initial advertisement and re-advertisement provided they meet the criteria above.
- 7.8.4. Suppliers on the list will be reviewed at least annually against the criteria and the list re-advertised at least every three years. Review means:
- i. The reassessment of the legal, financial and technical ability and performance of those persons on the list, unless such matters are to be investigated each time Tenders are invited from suppliers on that list.
 - ii. The deletion of those suppliers who no longer meet the criteria
- 7.8.5. All Approved Lists shall be maintained in an open, fair and transparent manner and be open to public inspection.

7.9. Collaborative contracts

Where Tenders are invited by any Police and Crime Commissioner other than Nottinghamshire, Derbyshire and Northamptonshire, or by any other Public Authority, the invitation, submission, opening and acceptance of those Tenders shall comply with the provisions of the Contract Standing Orders of that Commissioner or Authority unless these provisions are considerably inconsistent with the method by which Tenders are dealt with by the Northamptonshire Office of the Police and Crime Commissioner.

7.5.6.

7.10 Invitations to Tender / Quotation

7.10.1. The Invitation to Tender shall state that no Tender will be considered unless it is received by the date and time stipulated in the Invitation to Tender. No Tender delivered in contravention of this clause shall be considered other than in accordance with the rules for submission of Tenders.

7.10.2. All Invitations to Tender shall include the following:

- a) a specification that describes the NOPCC requirements in sufficient detail to enable the submission of competitive offers.
- b) a price schedule with the facility for the Tenderer to submit prices and/or variant Tenders for consideration if appropriate.
- c) a requirement for Tenderers to declare that the Tender content including price has not been disclosed by the Tenderer to any other party (except where such a disclosure is made in confidence for a necessary purpose, for example a Tender submitted by a Consortium).
- d) a requirement for Tenderers to complete fully and sign all Tender documents including a Form of Tender and certificates relating to canvassing and non-collusion
- e) notification that Tenders are submitted to the NOPCC on the basis that they are compiled at the Tenderer's expense.
- f) a definition of the Selection and Award Criteria being applied that details all weightings for criteria.
- g) notification that no Tender will be considered unless it is in accordance with the "Instructions to Tenderer".
- h) a stipulation that any Tender submitted must be made electronically using the approved electronic Tender system and no other means will be considered, unless they comply with the rules on Tender submission.
- i) the method by which any areas requiring clarification in the submitted Tenders are to be dealt with, as defined in Clause 7.15.
- j) the Terms and Conditions that will apply to any subsequent contract

- k) a stipulation that the NOPCC is not bound to accept any Tender
- l) a statement stating that all Applicants invited to Tender or quote will be issued with the same information at the same time and subject to the same conditions. Any supplementary information will be given on the same basis.

7.11 Receipt, custody and opening of Tenders

- 7.11.1. Tenderers must be given an adequate period in which to prepare and submit their Quotation or Tender, consistent with the complexity of the contract requirement. This should normally be no less than 15 days. For contracts valued above the EU threshold and being conducted using an EU Tender procedure, specific minimum time periods for the receipt of Tenders must be adhered to.
- 7.11.2. Tenders shall be submitted electronically using the National Police approved electronic Tender portal called Bluelight or any subsequent e-tendering system utilised by the Procurement Advisor. Tenderers shall be notified accordingly. No Tender will be considered unless it is submitted electronically by the requested route, unless a failure of the system prohibits its use.
- 7.11.3. The Procurement Advisor shall be responsible for the safekeeping of Tenders which will be held in the electronic tender system, until the appointed time of opening. The electronic tendering system as part of its functionality will :
 - i. suitably record and verify the date and precise time it was received
 - ii. adequately protect immediately on receipt and guard against amendment of its contents
- 7.11.4. The electronic tendering system does not permit the Tenders to be viewed or amended until they have been opened and verified electronically by a nominated Officer from Procurement Advisor. Verification cannot take place until after the closing date and time.

7.12 Late Tenders

7.12.1. Tenders that have been received following the closing time and date may only be considered under the following circumstances; where it can be proven beyond any reasonable doubt that, if received:

- i. electronically, the Tender was uploaded before the closing date and time and that due to technical difficulties was unavailable; or
- ii. there is evidence that the Tenderer has made appropriate arrangements for the electronic delivery of the Tender before the closing date and time and had a justifiable technical reason for not submitting their response electronically before the deadline.

7.12.2. Any late Tender received that satisfies the conditions above will be treated as a 'late Tender' and shall be accepted and opened in accordance with 7.12.3

7.12.3. The electronic tender system will mark the Tender as technically late but its lateness must be recorded by the Procurement Advisor. The decision to accept or reject a late Tender will be taken by the Procurement Advisor.

7.13 Alteration to Tenders

7.13.1. No alteration to Tenders may be made after the closing deadline unless in accordance with this Clause or Clause 7.15

7.13.2. Where it is suspected that there has been an error in a Tender and following the closing date for receipt of Tenders but before acceptance of any Tender, discussions may take place with Tenderers in order to :

- i. ensure that the Tender is constructed correctly; or
- ii. ensure that the Tenderer has fully understood the specification; or
- iii. seek clarification from Tenderers of cost, quality and performance indicators

7.13.3. A written note of the discussions must be made to record the suspected error, date, time, detail of the discussion and any agreement reached.

7.13.4. Any changes which alter the final costs must be supported by documentation confirming the change from the organisation who submitted the Tender.

7.14 Evaluation of Tenders and quotations

- 7.14.1. The Procuring Officer must ascertain what are the relevant British, European or international standards which apply to the subject matter of the contract. If applicable the Officer must include those standards or equivalent which are necessary to define the required quality, allowing for equivalent standards.
- 7.14.2. For contracts below £50,000 in value, the Procuring Officer must define award methodology and evaluation criteria that are appropriate to the purchase to secure an outcome giving Value for Money for the NOPCC. The basic criteria shall be:
 - i. 'lowest price' where payment is to be made by the NOPCC
 - ii. 'higher price' if payment is to be received, or
 - iii. 'most economically advantageous', where criteria other than price also apply for example quality
- 7.14.3. For contracts that exceed £50,000 in value, the Procurement Advisor will define the award methodology and evaluation criteria as part of the procurement strategy. These will be stipulated in the Invitation to Tender document issued to suppliers and will include all relevant weightings that will apply.
- 7.14.4. Where criteria other than price apply, all relevant evaluation criteria will be set to achieve the Most Economically Advantageous Tender (MEAT) whilst satisfying the requirement and will be a combination of price and service delivery factors. All offers received will be evaluated against the defined Award Criteria
- 7.14.5. MEAT evaluation criteria considers a range of whole life factors and will be defined and some examples of factors are:
 - i. price;
 - ii. delivery time;
 - iii. training;
 - iv. service delivery considerations;
 - v. support and maintenance;
 - vi. methodology, experience;
 - vii. skill;
 - viii. sustainability
 - ix. implementation

7.14.6. The Tender evaluation team will have an appropriate governance structure with chair and be convened from members of the project team to encompass appropriate stakeholders with skills to consider Tenders meaningfully. Evaluation teams will generally consist of at least the following representatives:

- i. procurement;
- ii. technical; and/or
- iii. specialist(s) e.g. Commissioning Manager

7.14.7. All members of the evaluation panel should participate in all evaluation activity except where an expert adviser is only required to evaluate a particular part of the Tenders. Panel members should familiarise themselves with the Code of Conduct for procurers of Goods and Services, in particular declarations of interest.

7.15 Discussions and Post Tender Negotiations

7.15.1. In the case where the Estimated Contract Value is below the EU Threshold, and following the closing date for receipt of Tenders but before acceptance of any Tender, the Procuring Officer may carry out Post Tender Negotiations in an attempt to secure improvements in the price or economic advantage in one or more of the following circumstances:

- i. where the most competitive Tender (according to the pre-determined award methodology and evaluation criteria) submitted exceeds the Estimated Value;
- ii. where it is considered that the price of the most competitive Tender submitted does not represent the best value for money that can reasonably be obtained;
- iii. where Tenders have been invited only on the basis of unit prices or a schedule of rates and the lowest in aggregate is not the lowest on all items;
- iv. where the most competitive Tender contains conditions, trading terms, guarantees, or provisions relating to performance or service delivery less favourable than in other Tenders, or than stipulated for and this

defect appears capable of being remedied by Post Tender Negotiations.

7.15.2. When conducting Post Tender Negotiations, as part of a Procurement Exercise where the Estimated Contract Value is £50,000 or more (but below the EU Threshold), only the Tenderer submitting the most competitive Tender in accordance with the award methodology and evaluation criteria (Clause 7.14) may be invited to participate in Post Tender Negotiations.

7.15.3. When conducting Post Tender Negotiations, the following additional rules shall apply:

- i. At no time during the negotiations must a Tenderer be informed of the detail of any other Tender submitted or as to whether or not the Tender they submitted was the lowest.
- ii. During negotiations in person there must always be present at least one Officer of the Procurement Advisor.
- iii. A note of the negotiations will be made by one of the Procuring Officers present recording those present, the time and location of the negotiations, detail of the discussion and any agreement reached.
- iv. Post Tender Negotiation shall not enable any material departure from the published specification. The Procurement Advisor shall determine whether any proposed change to the specification constitutes a material departure and whether as a consequence other Tenderers shall be permitted to participate in Post Tender Negotiations and/or whether new Tenders should be invited, to avoid any potential allegations of competition being distorted.

7.15.4. Post Tender Negotiations are not allowed in the case of contracts with an Estimated Contract Value exceeding the relevant EU Threshold. However, clarifications of errors or discrepancies in Tenders may take place in accordance with Clause 7.13.

7.16 Award of Contract and Debriefing Tenderers

7.16.1. The confidentiality of Quotations, Tenders and the identity of Tenderers must be preserved at all times and information about one Tenderers response must not be given to another Tenderer.

- 7.16.2. Tenders must be evaluated and Contracts awarded in accordance with the Selection and Award Criteria. The arithmetic in compliant Tenders must be checked. If arithmetical errors are found they should be notified to the Tenderer, who should be requested to confirm or withdraw their Tender.
- 7.16.3. Procuring Officers may accept Quotations and Tenders received in respect of proposed contracts, provided they have been sought and evaluated fully in accordance with these contract procedure rules.
- 7.16.4. Where provision has been made within the annual budget or formally approved capital programme, a Tender may be accepted if it is within the estimate. Where a Tender exceeds the estimated amount then the PCC CFO must be consulted.
- 7.16.5. Where the Total Value exceeds £50,000 the Procurement Advisor will notify and debrief all Tenderers simultaneously and as soon as possible of the intention to award the contract to the successful Tenderer. For Two Stage Tenders all Applicants will be notified and debriefed simultaneously following completion of the pre-qualifying stage.
- 7.16.6. For all contracts subject to EU Procurement Regulations, the Procurement Advisor will ensure compliance with enhanced notice requirements under Alcatel standstill rules. Failure to comply with the EU procedures can result in various penalties including those defined in the Remedies Directive.
- 7.16.7. There is now a requirement to issue an “Award Decision Notice” to all unsuccessful Applicants. This has to be done as soon as possible after making the decision and by the most rapid means possible. The notice must contain:
- i. the score of the recipient against the Award Criteria used
 - ii. the name of the winner and their score
 - iii. reasons for the decision, including the characteristics and relative advantages of the successful Tender
 - iv. if the Tender was not held to be compliant with any technical specification, the reasons for that decision
 - v. a precise statement of when the standstill period starts and ends, including how it may be affected by any “contingencies” e.g. clarification requests from Tenderers or formal legal challenges
 - vi. the date after which the contract may be entered into.
- 7.16.8. If the decision is formally challenged by an unsuccessful Tenderer then the Procuring Officer shall not award the contract and shall immediately seek the advice of the Procurement Advisor and Legal Services.

- 7.16.9. For all contracts where the total value exceeds £50,000 a formal Tender Award Report shall be prepared for the attention of the Authorising Officer. The report should detail the scoring methodology used, the Tender scores, identify the winning Tenderer, and the justification for the winning Tender (lowest price or most economically advantageous Tender).
- 7.16.10. No formal award will be made to the successful Tenderer until written authorisation has been obtained for the total value of the contract in accordance with the Contract Authorisation Limits stipulated in the Standing Orders
- 7.16.11. Under no circumstances, must a letter of intent be communicated to any Tenderer prior to the formal award of contract.
- 7.16.12. For NP tenders the PCC gives formal delegation to the CC to award all tenders for which the Force are responsible

7.17 Cancellations, variations, extensions or termination of contracts

- 7.17.1. Other than at the expiry of an agreed term, no contracts shall be terminated or cancelled without considering as to whether such action is in accordance with contractual terms and conditions. Any cancellation or termination must be made formally in writing and any requirement for a period of notice must be observed and acted on.
- 7.17.2. Where there is a wish to cancel or terminate contracts prior to their “natural” expiry or to utilise a contract term which allows for early termination other than by way of breach, advice must be taken from the Procurement Advisor who may in turn take appropriate legal advice depending on the reason for the request. Under no circumstances should employees verbally instruct suppliers or others engaged on behalf of contracted suppliers that their services or goods are no longer required. Inappropriate cancellation or termination of contracts may result in legal action and subsequent costs being borne by the NOPCC. All cancellations or terminations shall be made by the Procurement Advisor in writing.
- 7.17.3. If a request is made for a variation to contract, the value of the variation must be considered in line with the total contract value specified in the Advertisement (especially any OJEU notice) and/or if a material change,

whether this changes the scope specified in the Advertisement. If the aggregated value exceeds the authority level of the original contract signatory, then appropriate authorisation should be sought prior to issue of the variation to contract. All variations to contract must be made formally in writing by the Procurement Advisor and written agreement received from the supplier.

- 7.17.4. The Procurement Advisor will conduct a formal review with the budget holder at an appropriate time prior to the expiry of any contract. If there are options within the terms to extend the contract, then subject to satisfactory performance by the supplier and agreement from the budget holder, the contract will be extended with the supplier by the Procurement Advisor after exploring any cost reduction opportunities. Where there are no further extension options available then the contract may be terminated by Procurement Advisor and any subsequent contract will be let in accordance with these Contract Procedure Rules and Standing Orders, unless extended as per Clause 7.17.5.
- 7.17.5. Where an extension to a contract is beyond the extension period allowed in the contract, the exceptions to normal procedures (clause 7.5) must be followed. However, this is not permitted if the contract was advertised in OJEU. The total value of the contract must be considered which is the total current contract value plus the value of the proposed extension.

7.18 Document retention and record keeping

- 7.18.1. All documentation relating to contracts should be retained in accordance with the NOPCC requirements.
- 7.18.2. All amounts quoted throughout this document are exclusive of VAT. Where the Contract Value is less than £25,000 it is advisable to keep basic records. As a minimum, records must be maintained of any quotations received and the award made.
- 7.18.3. Where the Total Value is between £25,000 and £50,000, the following records must be kept in accordance with Clause 7.18.5:
- i. invitation to quote and quotations from the successful and unsuccessful Applicants
 - ii. any exceptions and the reason for them
 - iii. the evaluation criteria and methodology applied to the award decision.

- iv. Written records of communications with the successful supplier or an electronic record if a written record of the transaction would normally not be produced.
- 7.18.4. Where the Contract Value exceeds £50,000 the Procurement Advisor will manage and conduct the full procurement process on behalf of the NOPCC and will take responsibility for formally recording and retaining all documents relating to the process in accordance with NOPCC requirements
- 7.18.5. Records must be kept for six years after the end of the contract and for contracts signed under seal, records must be kept for twelve years after the end of the contract. Pre-Qualification Questionnaires and Invitation to Tender documents which relate to unsuccessful Applicants will be retained for 12 months from the commencement date of contract.
- 7.18.6. The Procurement Advisor shall maintain a register of all contracts, let on behalf of the NOPCC and will provide reports for the NOPCC as appropriate.
- 7.18.7. The content and frequency of the reports referenced in clause 7.18.6 will be agreed with the OPCC Chief Executive.

7.19 Freedom of Information

- 7.19.1. Information may be requested at any time on any process managed by the Procurement Advisor. Where information, for example, Tender responses must be retained, they should be kept in a manner that ensures they are secure and accessible at a later date.
- 7.19.2. Generally almost all of the content of a Tender will be considered commercially sensitive by a prospective supplier. This does not ensure that all the information the supplier would rather have kept in confidence, is not ultimately released.
- 7.19.3. Appropriate steps will be taken to enquire with prospective suppliers, as to the information they feel should be exempt from release and the FOI legislation allows for certain exemptions, although the decision as to potential release rests with the NOPCC and the FOI team.
- 7.19.4. If in doubt as to whether information should be released, the Officer should seek advice from their line manager.

8. Contract Standing Orders

8.1. Introduction and Purpose

These Contract Standing Orders set out the rules by which the NOPCC spends money on supplies, services and works in order to deliver its services. They apply to any contracts that result in a payment being made by, or to, the NOPCC. Contract standing orders aim to ensure that we:

- i. achieve Value for Money for public money spent
- ii. be consistent with the highest standards of integrity
- iii. ensure fairness in allocating public contracts
- iv. comply with all legal requirements, particularly in relation to the Public Contract Regulations
- v. support the corporate aims and policies of the NOPCC
- vi. comply with Procurement policy and procedures of the NOPCC

8.2. Responsibilities

8.2.1. All staff employed by the PCC must abide by contract standing orders in the conduct of the business of the office unless an exception is granted by the PCC CFO. Failure to comply may result in disciplinary action. All those engaged in procurement and contracting activity must also ensure that any Agents, Consultants and contractual partners acting on their behalf also comply.

8.2.2. Prior to undertaking a procurement exercise, Procuring Officers must:

- i. check with the Procurement Partner whether a suitable Corporate Contract or Framework exists before seeking to let another contract. Where a suitable Corporate Contract exists, this must be used unless there is an auditable reason not to

- ii. keep the records required under these rules as per Clause 7.18.
- iii. ensure that the Transfer of Undertaking (Protection of Employment) (TUPE) issues are considered and obtain legal advice before proceeding with inviting Tenders when an employee of the NOPCC, or of a service provider may be affected by any transfer arrangement
- iv. take proportionate account of all relevant risks, particularly relating to the Public Contracts Regulations*

*Note: Any public sector or utilities contract awarded in breach of certain fundamental Public Contract Regulations can be declared “ineffective” by the Courts. Depending on the circumstances of the breach, the Courts may order the setting aside of the decision concerned; order the contracting authority to amend any document; make an award of damages to an economic operator, and order the contracting body to pay a fine.

8.3. Responsibilities of the Chief Executive and Procurement Partner

8.3.1. The responsibilities of the Chief Executive are to :

- i. Ensure that their respective staff comply with these orders

8.3.2. The responsibilities of the Procurement Partner are to :

- i. act on behalf of the Chief Executive where referenced within these contract standing orders and comply with the requirements of the scheme of delegation ensuring the necessary authorisations are given.
- ii. keep a register of contracts and arrange their safekeeping
- iii. keep a register of contract exceptions

8.4. Relevant Contracts

8.4.1. All Relevant Contracts must comply with these Contract Standing Orders. A Relevant Contract is any arrangement made by, or on behalf of, the NOPCC for the carrying out of works or for the supply of goods, materials or services. These include arrangements for:

- i. the supply or disposal of goods
- ii. the hire, rental or lease of goods or equipment
- iii. the execution of works
- iv. the provision of services

8.4.2. Relevant Contracts do not include:

- i. Contracts of employment which make an individual a direct employee of the NOPCC
- ii. Instruction of counsel and external legal advisors
- iii. Partnership Agreements.

8.5. Purchasing – Competition Requirements

8.5.1. Where the Total Contract Value for a purchase is within the values in the first column of the table below, the Procurement Process in the second column must be followed.

Total Contract Value	Procurement Process	Procurement Lead
Up to £25,000	One oral Quotation confirmed in writing	Officer
Over £25,000 and below £50,000	At least three written Quotations	Officer
Above £50,000 and below EU Threshold See Appendix C	Use of Framework or Invitation to Tender.	Procurement Partner
Above EU Threshold See Appendix C	Apply EU Procurement Directive	Procurement Partner

8.5.2. A Procuring Officer must not disaggregate a requirement nor select a method of calculating the Total Contract Value in order to minimize the robustness of the procurement process.

8.6. Assets for Disposal

Assets for disposal must be sent to public auction except where better Value for Money is likely to be obtained by inviting Quotations and Tenders. These may be invited by advertising on the NOPCC internet site, the UK Police Property Disposal Site or in an appropriate journal. In the case of the latter, the method of disposal of surplus or obsolete stocks / stores or assets other than land must be formally agreed by the PCC CFO in accordance with the NOPCC Scheme of Delegation. The basis upon which obsolete stocks / stores are declared surplus to requirements shall be in accordance with the NOPCC Financial Regulations.

8.7. Collaborative and Partnership Arrangements

Collaborative arrangements are subject to UK and EU procurement legislation and case law. They must follow these Contract Procedure Rules. In the case of private finance initiatives (PFI) and other public/private sector partnerships, such contracts must be approved and authorised in accordance with the scheme of delegation. If in doubt, Officers must first seek the advice of the Chief Executive.

8.8. The Appointment of Consultants to Provide Services

Consultant architects, engineers, surveyors and other professional Consultants shall be selected and commissions awarded in accordance with these Contract Procedure Rules.

8.9. Contract Documents

8.9.1. A NOPCC Purchase Order must be used wherever possible and include :

- a description of what is to be supplied (i.e. the product, materials, works, services)

- the provisions for payment (i.e. the price to be paid and when, including any milestones)
- the time, or times, within which the contract is to be performed
- the Standard Terms and Conditions of Order or the terms and conditions of the Framework being used.

8.9.2. All Relevant Contracts that exceed £50,000, and excluding direct call-offs using Purchase Orders against Frameworks, shall be in writing and will clearly specify :

- Contract Title
- Contract Duration
- The Invitation to Tender
- Full details of the specification agreed between both parties
- Pricing Details
- Insurance levels of the supplier
- Contract Terms and Conditions including any Special Conditions
- The Data Handling Schedule that will apply
- Performance Schedules
- Change Control mechanism and a record of any Changes agreed

8.9.3. All written contracts that exceed £200,000 as per clause 8.10.2 are to be signed under seal

8.10 Contract Authorisation Levels

8.10.1. The following Contract Authorisation Limits shall apply:

Total Value of Contract (includes any extension options)	Method of Completion	Level of Authorisation
£0 to £24,999	Signature / Purchase Order	Budget Holder/ Director
£25,000 to £49,999	Signature / Purchase Order	Budget Holder/ Director
£50,000 to £99,999	Signature / Purchase Order if a Framework call-off or Written Contract	Budget Holder/ Director in consultation with Procurement Advisor
£100,000 to £299,999	Signature / Purchase	Director/Chief

	Order if a Framework call-off or Written Contract	Executive/PCC CFO
Above £300,000	Signature / Purchase Order if a Framework call-off or Written Contract	Chief Executive/PCC CFO

8.10.2. All contracts must be concluded formally in writing before the supply, service or construction work begins, except in exceptional circumstances, and then only with the written authorisation as per the above authorisation levels. An award letter is insufficient. The Procuring Officer responsible for securing signature of the contract must ensure that the person signing for the other contracting party has authority to bind it.

8.11 Bond and Parent Company Guarantees

The Procuring Officer must consult the PCC CFO about whether a Parent Company Guarantee is necessary when an Applicant is a subsidiary of a larger group/company and:

- i. the Total Value exceeds £250,000, or
- ii. award is based on evaluation of the parent company, or
- iii. there is some concern about the stability of the Applicant.

8.12 Prevention of Fraud and Corruption

8.12.1. The Officer must comply with the NOPCC Business Code of Conduct and Anti-Fraud and Corruption Policy and must not invite or accept any gift or reward in respect of the award or performance of any contract. It will be for the Officer to prove that anything received was not received corruptly. High standards of conduct are obligatory. Corrupt behaviour will lead to dismissal and is a crime.

8.12.2. The following clause must be included in every written NOPCC contract:

“The NOPCC may terminate this contract and recover all its loss if the Supplier, its employees or anyone acting on the Supplier’s behalf do any of the following:

- a) offer, give or agree to give to anyone any inducement or reward in respect of this or any other NOPCC contract (even if the Supplier does not know what has been done), or
- b) commit an offence under the Bribery Act 2010 or Section 117(2) of the Local Government Act 1972, or
- c) commit any fraud in connection with this or any other NOPCC contract whether alone or in conjunction with NOPCC members, suppliers or employees.

8.12.3. The NOPCC could be liable where someone who performs services for it, such as an employee or agent, pays a bribe specifically to gain business, keep business, or gain a business advantage for a particular organisation. The Officer should perform a risk assessment regarding the bribery risks that the organisation might face, and exercise due diligence before engaging others to represent the NOPCC in business dealings. Written contracts shall also refer to and highlight whistle blowing arrangements as set out in the Anti-Fraud and Corruption policy documents.

8.13 Declaration of Interests

8.13.1. If it comes to the knowledge of an Officer or an employee of the NOPCC or anyone acting on behalf of the NOPCC that a contract in which he or she has a pecuniary interest has been or is proposed to be entered into by the NOPCC, he or she shall immediately give written notice to the Chief Executive. The Chief Executive shall report such declarations to the PCC.

8.13.2. Such written notice is required irrespective of whether the pecuniary interest is direct or indirect. An indirect pecuniary interest is distinct from a direct pecuniary interest in as much as it is not a contract to which the member or employee is directly a party.

8.13.3. The Chief Executive as the monitoring Officer shall maintain a record of all declarations of interests notified to him by any Officer.

Terms and Definitions

“Advertisement” is the means by which a Procurement Exercise is advertised, and includes (where appropriate) the ‘Contract Notice’ as defined in the Public contract Regulations 2006.

“Applicant” means an organisation that applies to be a supplier of goods and/or services to the NOPCC, usually by responding to an advertisement issued by the PCC for a specific contract requirement

“Authorised Officer” means any member of staff authorised to undertake procurement activity on behalf of the PCC.

“Award Criteria” means the evaluation criteria applied to select the successful tenderer in a single stage process, or for two stage tenders, the evaluation criteria applied to the second stage of the process to evaluate offers from Tenderers. In a two stage process, Award Criteria is specific to the delivery of the contract and can be solely based on the proposed cost of the contract or used to select the most economically advantageous Tender which evaluates the proposed cost and all the service delivery factors of the contract.

“Best Value” means the duty of the NOPCC, and the Procurement Advisor to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

“CC” means the Chief Constable of Northamptonshire Police

“Chief Executive” – means the Chief Executive to the Northamptonshire Police and Crime Commissioner

“Contract” means a binding agreement between two or more parties for performing, or refraining from performing, some specified act(s) in exchange for lawful consideration.

“Contract Extension” means an extension to the duration of the contract, but not including any alteration to the scope of the contract.

“Contract Variation” means an alteration to the scope of the contract, but not the extension of the duration of the contract.

“Corporate Contract” means any Contract or Framework Agreement or other arrangement put in place by the Procurement Advisor itself, or any other Public Sector Organisation (including other Local Authorities) or Consortium in which the Procurement Advisor on behalf of the NOPCC is entitled to participate and which, where necessary, has been awarded in an EU compliant manner.

“Estimated Contract Value” or **“Estimated Value”** means the total estimated value of the contract. Where the contract period is fixed the Estimated Value shall be the total estimated maximum value of the supplies, services or works to be supplied over the period covered including any extensions to the contract. If the contract period is unknown, a nominal period of 48 months shall be applied to the calculation.

“EU Directives” as implemented in to the Public Contracts Regulations (see separate definition)

“EU Threshold” means the respective threshold for Supplies, Works or Part A services contracts referred to in the Public Contract Regulations 2006.

“FOI Team” means the team that receives and processes Freedom of Information requests on behalf of the NOPCC

“Framework Agreement” is a general term for agreements with suppliers which set out terms and conditions under which specific purchases (call-offs) can be made throughout the term of the agreement. The Framework Agreement may, itself, be a contract to which the EU procurement directives apply.

A **“Further Competition”** is undertaken where not all the terms of a proposed contract are laid down in a Framework Agreement. It involves re-opening competition between the organisations which are parties to the Framework Agreement and which are capable of performing the proposed contract, on the basis of the same or, if necessary, more precisely formulated terms, and where appropriate other terms referred to in the contract documents based on the Framework Agreement.

A public sector **“Grant”** involves the provision of subsidy (capital or revenue) funding, by the relevant public sector body, in support of a charitable, or other public benefit, service, which the public body wishes to support, as part of fulfilling its own public benefit remit. A grant is provided on conditions aimed at ensuring the proper application of the grant funds, but not in return for anything.

“Invitation to Tender” means the document(s) containing the specification, proposed terms and conditions and other appropriate information as issued to the Tenderers to solicit Formal Tenders.

“NOPCC” means the Northamptonshire Office of the Police and Crime Commissioner

“NP” means Northamptonshire Police

“Officer(s)” means any member of Staff employed by the PCC, other than named references to specific posts.

“OJEU” means Official Journal of the European Union

“PCC” means the Northamptonshire Police and Crime Commissioner

“PCC CFO” means the Chief Financial Officer of the Police and Crime Commissioner (or in his/her absence the nominated Deputy Chief Finance Officer of the PCC)

“Post Tender Negotiations” means the ability to negotiate with a Tenderer after a Tender has been opened and evaluated in accordance with the published evaluation criteria for the purposes of securing an improvement in the delivery of the contract including but not limited to improvements in price.

“Procurement Advisor” means the body appointed by the NOPCC to provide advice and support on all procurement matters

“Procurement Exercise” means any process by which goods, services and/or works are to be procured including but not limited to Request for Quotations and Formal Tender Processes.

“Procuring Officer” means any Officer, acting under the delegated powers of the PCC, who is responsible for the procurement of goods and services. **“Public Contracts Regulations 2006”** means the Public Contracts Regulations 2006 as amended, modified, consolidated, extended, re-enacted or replaced, including the Public Contracts (Amendment) Regulations 2009. These Regulations implement the EU Consolidated Directive on Public Procurement into UK law and reflect the principles of the EU Treaty of Rome.

A **“Quotation”** is an offer to sell works, goods and/or services at a stated price under specified conditions. A Quote or Quotation may or may not be written.

“Selection Criteria” means the evaluation criteria used to assess Applicants/Tenderers regarding their legal status, economic and financial standing and technical capacity and capability to deliver a specific contract for goods and/or services to the PCC. In a two stage process successful Applicants that pass the evaluation criteria progress to the tender stage of the process

“Standard Terms and Conditions of Order” means the standard contractual terms used by the NOPCC, including those attached to Purchase Orders or Purchase Orders generated by the Purchase Order System and those included in Request for Quotation templates.

“Tender” means the formal offer from a Tenderer, which is capable of acceptance by the PCC, which is a response to an Invitation to Tender. It shall include all documents comprising the submission including pricing, technical specification and method statements as well as information about the Tenderer. A written Quote or Quotation is also a Tender.

“Tenderer” or **“Tenderers”** means the organisations invited to participate in a Procurement Exercise.

“Variation” – see “Contract Variation”

List of relevant legislation

(to be continually updated)

- Police Reform and Social Responsibility Act 2011
- Police Act 1996 (Equipment) Regulations 2010 – in force from 04 March 2011
- Public Contracts Regulations 2006
- Public Contracts (Amendment) Regulations 2009
- Public Procurement (Miscellaneous Amendments) Regulations 2011 – in force from 01 October 2011
- The Bribery Act 2010 – in force from 01 July 2011
- Human Rights Act 1998
- Data Protection Act 1998
- Freedom of Information Act 2000
- Construction Act 2011 – in force from 01 October 2011
- Health and Safety at Work Act 1974
- Equality Act 2010
- Welsh Language Act 1993
- TUPE Regulations 1981 and 2006
- The Waste Electrical and Electronic Equipment Regulations 2006 (the WEEE Regulations”)
- Public Service (Social Value) Act 2012

APPENDIX C

EU Procurement Thresholds

Thresholds applicable from 1 January 2014 until further notice are given below.
Thresholds are exclusive of VAT.

PUBLIC CONTRACTS REGULATIONS 2006 – THRESHOLDS FROM 01 JANUARY
2014

	SUPPLIES	SERVICES	WORKS
Contract Notices	£172,514	£172,514	£4,322,012
	€207,000	€207,000	€5,186,000

APPENDIX E – EXCEPTION TO CONTRACT PROCEDURE RULES / SINGLE TENDER APPROVAL REQUEST (WAIVER) (Derbys / Notts / Northants)

The single tender form should be completed by individual Forces for contracts valued over £25,000 excluding VAT that are not supported by a competitive procurement process.

Section 1 - Originating Department Details	
Name of Originating Force	
Name of Originating Department	
Name of Originator	
Protective marking classification (if applicable)	
Date request submitted	

Section 2 - Contractor Details / Type of Award	
Name of Contractor	
Is this a direct award without competition?	<input type="checkbox"/> YES <input type="checkbox"/> NO
Is this an extension to an existing contract where no option is provided for in the contract?	<input type="checkbox"/> YES <input type="checkbox"/> NO

Section 3 - Approval is requested on the grounds of :		
Urgency reasons <input type="checkbox"/> YES <input type="checkbox"/> NO If it is a matter of extreme urgency and this is due to circumstances <i>outside</i> the control of the Police Force. This does <i>not</i> include circumstances brought about by lack of internal planning.	Product reasons <input type="checkbox"/> YES <input type="checkbox"/> NO If there are strong <i>compatibility</i> issues relating to good or services that the Force already uses and it would be uneconomic to replace.	Limited Supplier <input type="checkbox"/> YES <input type="checkbox"/> NO If there is only one supplier of a particular product or service. This may arise, for example, if ownership of the relevant Intellectual Property Rights excludes all other potential suppliers.
PLEASE ATTACH A BRIEF EXPLANATION OF THE RATIONALE BEHIND THE REASON SELECTED		

Section 4 – Requirement details	
Proposed contract start date	
Proposed contract end date	

Section 5 - Supporting information
<u>Background to requirement (please limit to 100 words)</u>
<u>Risks related to the requirement (please limit to 100 words)</u>

Section 6 - Total value of the contract			
Net		Vat	
		Gross	

Section 7 – Procurement Services			
Date Received :		Document Ref No:	
Procurement comments			
STA supported by Procurement		<input type="checkbox"/> YES <input type="checkbox"/> NO	
Signature		Date	

Section 8 – Head of Department / Budget Holder comments			
STA supported by Head of Department		<input type="checkbox"/> YES <input type="checkbox"/> NO	
Signature		Date	

Section 9 – Director of Finance Decision and comments (please consult current OPCC Financial Regulations for relevant Authorisation levels and Scheme of Delegation)			
STA supported by Director of Finance		<input type="checkbox"/> YES <input type="checkbox"/> NO	
Signature		Date	

Section 10 – The Police and Crime Commissioner and comments (please consult current OPCC Financial Regulations for relevant Authorisation levels and Scheme of Delegation)			
STA supported by Police and Crime Commissioner		<input type="checkbox"/> YES <input type="checkbox"/> NO	
Signature		Date	

Appendix 3 – Commissioning Framework



**The Northamptonshire Police and Crime
Commissioner's
Commissioning Framework**

September 2016

1. Purpose

- 1.1 The Police and Crime Commissioner (PCC) is a directly elected individual to ensure that the public services of policing, criminal justice and community safety are reflective of community needs and desires. This is articulated through the Police and Crime Plan.
- 1.2 The PCC is also statutorily bound to ensure that policing services are efficient and effective in Northamptonshire. The PCC is therefore able to use their resources to commission services from any organisation to ensure the best possible services are available for the public to satisfy the PCC's statutory responsibilities and to deliver the outcomes and priorities contained within the Police and Crime Plan.
- 1.3 This Commissioning Framework outlines the principles and approach which underpin the PCC's commissioning decisions which will be taken and delivered in a robust, consistent, transparent and fair way.

2 What is Commissioning?

- 2.1 Commissioning is, at its simplest, the process of planning, agreeing and monitoring services. It is more complex than simply just procuring services or goods. Commissioning is the process of understanding need, engaging with users and service providers, specifying requirements and then taking a decision on the best way to provide that service (e.g. internally, outsourced, procured etc). Quality assurance should take place throughout. Commissioning seeks to deliver the most efficient, effective and sustainable way to deliver required outcomes.
- 2.2 Procurement is in some circumstances a part of commissioning. Procurement is the acquisition of goods or services that usually includes a contract. Contract Standing Orders should be followed for any commissioning process that includes the need to procure a service. The most notable example of where commissioning does not require procurement is where the PCC commissions Northamptonshire Police to be the delivery agency for policing.
- 2.3 For Northamptonshire PCC, commissioning is fundamental to what the office does. The PCC is, fundamentally, a commissioning organisation. The OPCC will seek to commission services from Northamptonshire Police, the wider public sector, voluntary and community groups and the private sector to achieve, and be held to account for delivering, the outcomes of the Police and Crime Plan.
- 2.4 In practice, this means that the total budget of the PCC will be available for commissioning. Northamptonshire Police will not therefore be set a budget within which to deliver their services, but instead they will be commissioned to deliver functions and activities by the PCC.
- 2.5 The PCC has the power to commission services. In practice this is discharged by the OPCC. This document therefore makes reference to the OPCC discharging the powers of the PCC.

3 Principles

3.1 The OPCC will undertake all commissioning activity with a focus on these principles:

- **Outcome-based.**

The OPCC will primarily focus on what is achieved (the outcome) rather than resources put in (the inputs) or what is done (the outputs). This does not mean that at times inputs and outputs are not important to the OPCC and therefore will be specified as part of a commissioning process. But the main focus will always be on seeing the desired effects of the commissioning process happen for the benefit of the people of Northamptonshire. Measures of success will be put in place for every commissioning process.

- **Capacity building.**

The OPCC will seek to ensure that every commissioning activity focuses on long term, sustainable solutions to achieve the outcomes required. The aim will be to help organisations and ultimately the public to be more self-sustaining and therefore have greater capacity and resilience for future challenges.

- **Value for Money.**

The OPCC will always seek the most efficient and effective service to deliver the outcomes specified. This does not mean the cheapest solution is always the best as the benefits may be greater with more initial expense.

- **Participative.**

The OPCC is committed to consulting and engaging the right people at the right times. This will occur during the design of any commissioning specification to ensure that the specification best reflects need. There is a commitment to engage with users of any commissioned service during the life of the service to ensure that the service continues to meet the needs of the public.

- **Fairness and Transparency.**

The OPCC is committed to ensuring that all commissioning activity is conducted fairly, with no favours being shown to any organisation or individual. Information will be made available to those involved in the

commissioning process and clear information will be provided to the public in line with the Decision Making Framework of the OPCC outlined in the Scheme of Governance and Consents.

- **Clear process and governance.**

The OPCC will adopt clear processes for any commissioning activity. This Framework document helps to outline the processes that will be undertaken for commissioning. Where the commissioning process includes procurement, the OPCC will ensure that the OPCC Contract Standing Orders within the Scheme of Governance and Consents are complied with. All commissioned activity should have clear governance arrangements to manage the delivery of the commissioned activity. This usually will include a formally agreed contract.

- **Promote improvement and innovation.**

The OPCC will focus on evidence based practice and interventions from the outset. The OPCC though will not 'step away' once something is commissioned. Instead the OPCC will remain active commissioners and contract managers ensuring that improvement is sought throughout the life of the arrangement or contract. The focus on evidence will not prevent innovative solutions being trialled and evaluated to learn from. In that respect the OPCC will be risk aware rather than risk averse and therefore be prepared for some interventions to fail.

Commissioning Approach and Application

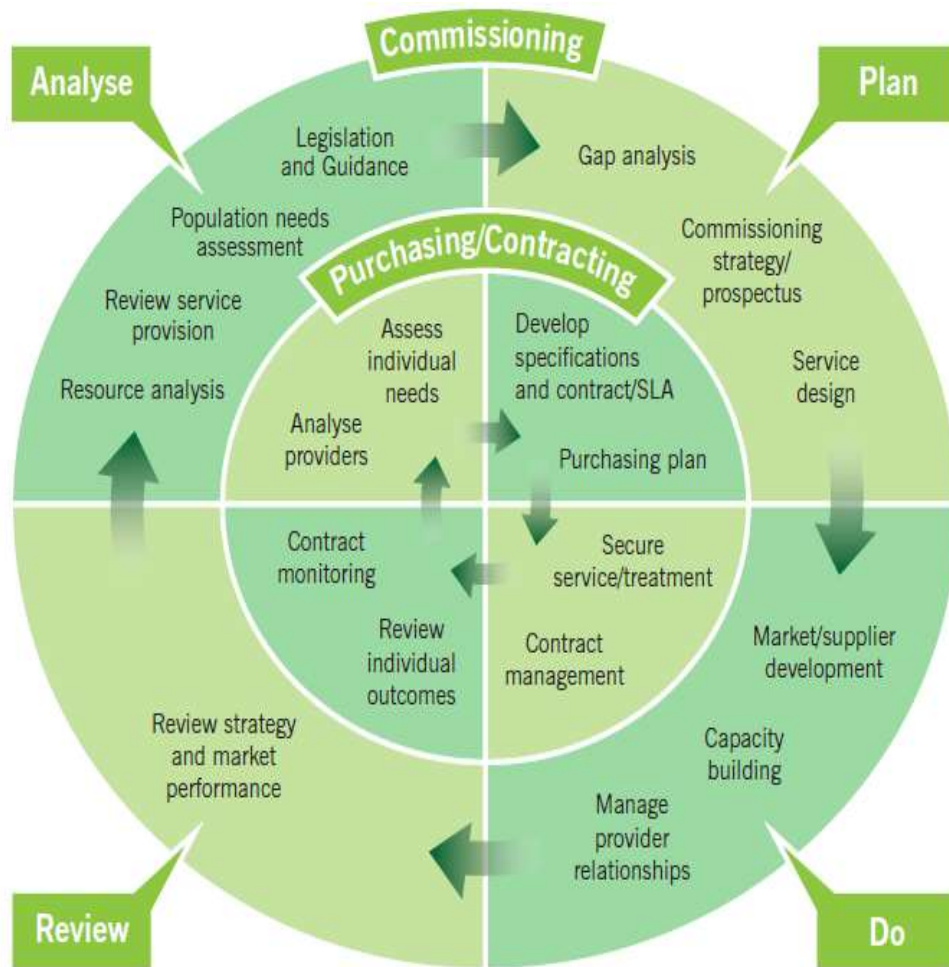
All activity the OPCC promotes should be considered commissioning, whether this change is then delivered 'in house' or not. Fundamentally the OPCC is a commissioning organisation. Therefore this Framework applies to all activity the OPCC does, whoever the 'provider' of the service is including Northamptonshire Police. The relationship between OPCC and Force is therefore one of 'commissioner' and 'provider'.

A wide variety of types of commissioning are available to the OPCC, both with funding and without funding and with partners or alone. The OPCC will seek to utilise the most appropriate method of commissioning depending on the outcomes that are to be achieved. This will include direct commissioning of the Police or others to deliver a particular service or initiative as well as jointly commissioning activity that meets the needs of the OPCC and other organisations, providing a greater benefit for the public money than if the OPCC commissioned alone.

For any activity the commissioning cycle over later pages of this Framework will be adopted and governance arrangements will be put in place for every commissioned activity.

The Commissioning Cycle

The following is the cycle for commissioning adopted for this framework.



The overarching strategic document for the Commissioner is the Police and Crime Plan. This informs the Commissioning Intentions and therefore the Commissioning Cycle for individual activity. It is for the OPCC to commission activity based on the Police and Crime Plan.

Analyse and Understand

Any outcomes-based commissioning is not starting with a blank page. There is always some activity, interventions or existing services that are in place. Therefore this phase of the cycle is about understanding the baseline position and understanding the evidence-base within which the newly commissioned initiative or service will be operating.

- The outcomes desired will be clarified in this phase in greater specificity than the Police and Crime Plan affords. This will focus attention on what the intended effect of the commissioning will be.
- Any existing service provision will be considered and understood. This will both consider who the service providers are and what service they provide, understanding both the scope and the nature of the services that are currently provided.
- A broader understanding of the local, national and international evidence base will be undertaken. This will identify what activities are proven to work and emerging trends that could be applied to Northamptonshire.
- A needs assessment will be undertaken in this phase, utilising both existing data and information and potentially specifically collected data. This will seek to understand the gaps in service provision from the baseline position. The needs assessment will include consultation and engagement activity, both that undertaken by the Police and Crime Commissioner more generally and specifically with potential service users for any commissioning arrangement. The focus of this will be on the quality rather than quantity of this information.
- Any legislation or other guidance will be reviewed within this phase.
- The OPCC will engage with any relevant partners at this stage to understand their commissioning and service provision intentions to ensure that public money is used efficiently and effectively.
- Resourcing will be considered at this stage at a high level to understand both affordability and cost effectiveness.
- The impact of any potential decisions should also be considered at this stage. An Equality Impact Assessment will be developed at this stage and kept under consistent review throughout the cycle. Impact Assessments should consider potential future impacts as well as immediate impacts.
- The OPCC will publish any relevant information from this stage to enable customers, users and providers to see the basis on which decisions are being taken.

Plan

Following a review of the need to understand the current situation for any commissioning process, the OPCC will begin the planning phase. This phase produces the plan, specification and service design for the commissioned activity.

- The OPCC will undertake a gap analysis between the desired outcome and the current baseline position. This will mean the size of the challenge is understood and the distance to travel is clear. This will shape the requirements for the commissioned activity.
- The OPCC will engage with service providers, including Northamptonshire Police, at this stage. This will be for them to help to shape the activities and possibilities to address the identified gap.
- The OPCC will also seek to engage with people who will use the service or those who the activity is seeking to benefit. Testing of draft specifications will occur at this stage.
- The OPCC, having received the feedback from the engagement activity, will produce a full and final specification for the commissioned activity. This specification will include the outcomes to be delivered, the performance indicators that will be measured, the expected outputs from the activity and a milestone plan for delivery. A standard template ensuring consistent information will be used by the OPCC.
- Specifications will be grounded in evidence but will allow for innovation and transformation. The analysis undertaken will ensure that services commissioned are new rather than duplicate services.
- At this stage the OPCC will also consider the most appropriate means of commissioning. This may be with a procurement process or without a procurement process and may be in conjunction with a partner for a co-commissioning approach or the OPCC may commission directly themselves.
- If a procurement process is being used, the process will be planned at this stage to be the most efficient and effective to deliver the required outcomes, ensuring compliance with Contract Standing Orders.

Do

The OPCC (working with partners where that commissioning strategy has been chosen) will seek to bring about the new service and then 'hold to account' and contract manage the provider of the services through this phase. A key part of this phase will be building capacity in whoever is being commissioned to deliver the best possible outcomes for the public.

- If procurement is being used, then a transparent and fair assessment of the potential providers at this stage will be undertaken to ensure that the best value for money is being achieved for the public of Northamptonshire. Any procurement will meet the requirements of Contract Standing Orders.
- In any scenario, the OPCC will agree with the providers (including if the provider is Northamptonshire Police) the detailed project plan for the delivery and implementation of the new commissioned service.
- The OPCC will support the provider through the mobilisation phase helping to ensure successful delivery. Ultimately though, the OPCC will also be holding the provider to account for meeting their obligations (whether under a formal contract or otherwise).
- Once implemented, the OPCC will be active 'contract managers' (whether there is a legal contract or not) to ensure that the intended outcomes and agreed delivery mechanism occurs. This will involve regular and robust monitoring of key performance indicators. The regularity of the review will depend on the size and risk of the commissioned service and contract. The Contract Manager (as defined later in this document) will be responsible for the monitoring process.
- The frequency of the contract management process will be determined by the size and length of contract that is being managed. The approach the OPCC will take will be one that seeks to deliver ever better and therefore one of service improvement, the aim being to ensure that service provision becomes sustainable, ultimately with reduced public funding. However there will also be consequences included within the contract arrangements for failure to deliver.
- The OPCC will ensure that those who were engaged during earlier phases are kept informed of progress during this phase.

Review

The OPCC will ensure that a constant review process will take place as the commissioned activity is taking place. This will help to inform any re- or de-commissioning decisions.

- Delivery will be judged against the original outcomes intended from the commissioned activity.
- Those who have been involved in earlier phases of the cycle will be engaged during this phase. This will include directly engaging service users of the commissioned activity. This will inform whether the intended outcomes are being seen and felt by the intended service users.
- Evidence will be gathered together and a formal review point will be decided and documented by the OPCC. This will be shared with the service provider. The document will also give an indication on future decisions for the OPCC to take on future commissioning intentions.
- Information gathered during the review phase will also be used to seek to drive performance improvement from the existing service provider.
- The OPCC will, wherever possible, seek to gain independent evaluation of the activity to understand whether the activity 'works' or not.
- The OPCC will also review the strategy that was set for commissioning in the 'plan' phase in light of what has been learned in the 'do' phase. This will ensure lessons are learned for future commissioning activity.

De-commissioning

De-commissioning can take place at any point within the commissioning cycle. The OPCC will de-commission based on evidence and based on the policy priorities of the Police and Crime Commissioner.

- The OPCC will ensure that de-commissioning process is triggered through an understanding of the evidence base and through developing a clear business case for change.
- The OPCC will seek to have open and transparent conversations with the provider at the earliest opportunity to discuss thinking in relation to de-commissioning.
- Where de-commissioning is occurring, the OPCC will ensure that best practice change management principles are employed to ensure that any change in service has the least impact on service users possible.
- Decisions will be made in keeping with the OPCC Decision Making framework within the Scheme of Governance and Consents. This will include the OPCC considering any wider impacts on the system that the decision may have.
- For any de-commissioning, the OPCC will ensure that there is a transition plan and exit strategy in place and delivered.
- A review will be undertaken as part of a de-commissioning process to ensure that learning is captured.

Resourcing Commissioning

Improving outcomes using this commissioning framework is not the responsibility of any one person with the OPCC. The stakeholders and partners collaborating on any particular commissioning activity will depend on the outcomes to be achieved. OPCC will ensure that any commissioning activity is adequately resourced, harnessing the skills and expertise that exist, trust their ability and input, and work together to make the difference and make Northamptonshire a safer place to live, work and visit. . The OPCC will seek to be clear on who is responsible for each aspect and stage of commissioning activity to ensure it is as effective as possible. The different roles of commissioning and procurement teams through the commissioning cycle can sometimes cause confusion, especially during a procurement exercise, and it is important that all stakeholders involved understand their roles.

Role in Commissioning	Definition
Political	The Police and Crime Commissioner defines the outcomes they require for the people of Northamptonshire set out in the Police and Crime Plan
Strategic	The Management Team balance the required outcomes with statutory obligations, practical and financial constraints, assessment of need and demand, to define the outputs they require from their provider partners, within the total resources available
Operational	<p>Senior staff and officers deliver the projects and services to achieve the required outputs and outcomes as directed. There are two specific functions (note: these can be carried out by more than one individual or both functions may be performed by the same individual):</p> <p><u>Lead Commissioner</u></p> <ul style="list-style-type: none">• This should be a service manager i.e. the person who leads on the process of commissioning. Typically they will have subject knowledge.• They should develop the detailed service specification and requirements and make recommendations to the OPCC.• Typically the lead commissioner is involved in the Analyse, Plan and Review parts of the Commissioning

Cycle.

Contract Manager

- This may or may not be the same person as the Lead Commissioner.
- They manage the relationship with service providers and implement communications and engagement plans.
- Ensure that performance information informs the commissioning cycle.
- Develops with providers business cases for change.
- Manages the operational de-commissioning process.

Typically the Contract Manager is involved in the Do and Review parts of the Commissioning Cycle.

The OPCC Involvement Team will provide capacity to assist in engaging and consulting with stakeholders

Finance, procurement and legal resource will also be required for particular commissioning activities.

Appendix 4 – Officer Report to Support Decision Making



Northamptonshire Police and Crime Commission

Supporting Report to the Police and Crime Commissioner

Date of Report	XXXX
Subject	XXXXXXX
Report Author	Name, Job Title

1. Purpose of Report

1.1 The purpose of this report is to

2. Decision(s) Recommended:

2.1 That the Police and Crime Commissioner for Northamptonshire formally agrees the decision to

3. Relevant background / Chronology of Key Events:

3.1 Include here any key background information to explain the nature of the decision and the development of the initiative.

4. Consultation:

4.1 List both internal and external consultation undertaken.

5. Compliance Issues:

5.1 Is this a decision of 'significant public interest?'

5.1.1 Does this meet the test outlined in the PCC Decision Making Policy?

5.2 Is the recommended decision consistent with the priorities set out in the Northamptonshire Police and Crime Plan 2014/17?

5.2.1 Provide the link back to the policy to explain why the PCC is involved and how this decision is consistent with the strategic direction in the Plan.

5.3 What are the financial and procurement implications of this decision?

5.3.1 How much will be required for this decision to be funded? Where will it be funded from?

5.3.2 Include why this is the best value for money?

5.3.3 Has a procurement process been undertaken? Does this meet the requirements of Contract Standing Orders?

5.4 Will further decisions be required?

5.4.1 Will future decisions be required as a result of this decision?

5.5 Legal Implications

5.5.1 What if any are there? Has advice been sought?

5.6 Risk Management

5.6.1 Are there risks in the corporate risk register that affect this decision?

5.6.2 Are there risks that are specific to this decision?

5.7 Has an Equality Impact Assessment been undertaken?

5.7.1 If so attach as an appendix

6. Evaluation of alternative option(s):

6.1 Briefly outline other options that were discarded.

7. List of background reports used to compile this report:

7.1 Nil

8. List of appendices accompanying this report (if any):

8.1 Procurement report

9. Approvals**Date**

Has this report been approved by the author's line manager?
Name Line Manager Here

Y/N

Has this report been approved by the s. 151 officer?
Steve Dainty

Y/N

Has this report been approved by the Chief Executive?
John Neilson

Y/N

Appendix 5 - Accountability Process

1. The Accountability Board

The PCC will formally hold a monthly Accountability Board to consider performance, transformation, resourcing with the aim of strengthening delivery. This will fulfil the statutory duty to hold the Chief Constable to account. The respective teams (the senior management teams of both OPCC and Force) will also be involved in the meeting, bringing a broader collective understanding.

The OPCC set the agenda, focusing on key issues in pursuit of stronger delivery and ultimately performance improvements that are seen and felt by the public.

A limited set of paperwork will be required for the meeting, focusing attention and discussions on issues that matter.

The focus of the meetings will be on always striving to deliver better. Successes will be acknowledged but a relentless pursuit of the end goal and ambition must be maintained by these meetings. Meetings will be minuted and published by the OPCC. The Terms of Reference are:

Purpose

The purpose of the Board is threefold: to support the PCC in exercising the statutory duties in holding the Chief Constable to account; to support the PCC in developing strategic financial plans; and in acting as the strategic authority for transformational programmes.

Terms of reference

The business of the Board will cover:

- A focus on areas of concern in performance and service delivery, at a strategic level;
- Agreement and 'sign off' in respect of proposals for the design of transformation programmes and activity, including issues of strategic financing and resourcing (the delivery and governance of those programmes will then pass to the Transformation Board chaired by the Deputy Chief Constable, once agreed);
- Overview and assurance at a strategic level in respect of the progression of transformation, and within that specifically on the delivery of agreed transformation programmes (this Board is not formally part of the governance

of the individual agreed programmes, the role of this Board will be to focus at a strategic level on issues where programmes are in exception in terms of delivery);

- Discussions between Force and OPCC in respect of strategic budget setting, medium term financial planning, and key strategic investment decisions;
- Overview and discussion of collaborative and partnering activity, providing assurance that such arrangements are adequately governed and are delivering;
- Discuss OPCC-led initiatives where they impact on the wider transformation of the Force;
- Strategic consideration of key identified corporate level risks (for Force and OPCC);
- Strategic consideration relating to PCC scrutiny activity.

Membership & meeting arrangements

- Police and Crime Commissioner (Chair);
 - OPCC: Chief Executive (Deputy Chair); Directors of the OPCC; Minute-taker;
 - Force: Chief Constable, Deputy Chief Constable, Assistant Chief Constable(s); Force Chief Finance Officer.
-
- The meetings will normally be held monthly;
 - Meetings will be called and arranged by the OPCC, and the OPCC will produce the agenda and minutes and be responsible for management of papers. Papers will normally be circulated 5 working days before the meeting

2. Public Information

The PCC may publish any information that they feel helps the public of Northamptonshire to understand performance of Northamptonshire Police. The PCC will, from time to time, publish information on the OPCC website to help facilitate the understanding of performance by the public.

3. Informal Briefings

A range of informal opportunities will be in place for the OPCC on behalf of the PCC to be informed of progress on key priorities, enabling a focusing of time and efforts by the PCC on areas that require attention.

Agenda item 21

AGENDA PLAN – PUBLIC AGENDA - NEXT FOUR MEETINGS

MARCH	JUNE	SEPTEMBER	DECEMBER
Apologies	Apologies	Apologies	Apologies
Declarations	Declarations	Declarations	Declarations
Minutes of previous meeting	Minutes of previous meeting	Minutes of previous meeting	Minutes of previous meeting
Matters arising action log	Matters arising action log	Matters arising action log	Matters arising action log
Implementation of Audit recommendations	Implementation of Audit recommendations	Implementation of Audit recommendations	Implementation of Audit recommendations
Draft Internal Audit Plan	Internal Audit – Annual report		
Internal Audit – progress report	Internal Audit – progress report	Internal Audit – progress report	Internal Audit – progress report
External Audit – progress report	External Audit – progress report	External Audit – progress report	External Audit – progress report
Finance Update 2016-17	Finance Update 2016-17	Finance Update 2017-18	Finance Update 2016-17
Transformation & Accountability	Transformation & Accountability	Transformation & Accountability	Transformation & Accountability
Force Strategic Risk Register	Force Strategic Risk Register	Force Strategic Risk Register	Force Strategic Risk Register
OPCC Strategic Risk Register	OPCC Strategic Risk Register	OPCC Strategic Risk Register	OPCC Strategic Risk Register
MTFP and Budget update	JIAC Terms of Reference review		MTFP and Budget update
HMIC reviews – update	HMIC reviews – update	HMIC reviews – update	HMIC reviews – update
	External Audit – Fee letter?		OPCC Risk Policy
Draft Treasury Management strategy	Treasury Management update and outturn report		Treasury Management update
	Draft Governance Statements		Tri Force Update
	Draft Statement of Accounts	Final accounts / AGS / ISA 260 etc.	Annual External Audit Letter
	Committee self- assessment		
	Committee Annual Report		
Items for escalation to the Commissioner and / or the Chief Constable	Items for escalation to the Commissioner and / or the Chief Constable	Items for escalation to the Commissioner and / or the Chief Constable	Items for escalation to the Commissioner and / or the Chief Constable
	Agenda plan for the next four meetings	Agenda plan for the next four meetings	Agenda plan for the next four meetings
	Date venue and time of next meeting		Date venue and time of next meeting
	Resolution to exclude the public		Resolution to exclude the public

Bold = non Standing items

AGENDA PLAN – PRIVATE AGENDA (only if required)

NEXT FOUR MEETINGS

MARCH	JUNE	SEPTEMBER	DECEMBER
HMIC reviews – update	HMIC reviews – update	HMIC reviews – update	HMIC reviews – update

Private meeting with Auditors	Private meeting with Auditors	Private meeting with Auditors	Private meeting with Auditors
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OFFICE OF THE POLICE AND CRIME COMMISSIONER


CORPORATE RISK REGISTER
At 21st November 2016


	Risk	Current	Previous	Direction	Assurance
1	PCCs are 'going concerns'	5		No change	Strong
2	Government agenda understood etc.	6		No change	Strong
3	Appropriateness of the OPCC priorities	12		No change	Strong
4	Confidence in delivery of priorities	16		No change	Strong
5	Understanding of roles and responsibilities	12		No change	Strong
6	Legal and governance requirements met	4		No change	Adequate
7	Stable and sustainable budget and MTFP	12		No change	Adequate
8	Confidence in OPCC	9		No change	Adequate
9	Hearts and Minds	9		No change	Adequate

NOTE

Changes to text in the Risk Register, below, compared to the previous version, are highlighted in RED; (other than changes in Risk score, RAG and Risk Direction)

RISKS ARISING FROM ASSUMPTIONS

RISK 1	Police Commissions are ‘going-concerns’
Risk Owner	Chief Executive
Risk Indicators	a. Government announcements b. Informed commentators suggest changes in prospect
Controls	PCC ‘intelligence’ through networks such as Chief Executives’ association, Home Office contacts etc.
Assurances / Source / Line	Staff supervisions and feedback / 1 st Briefings to PCC from Chief Executive / 2 nd Government policy / 3 rd
Assurance level	Strong
Risk Score	Probability Impact Risk Score Previous 1 5 5 5
RAG level	
Risk Direction	No change
Actions / Owner / Timescale	Monitor Government intentions / CE / ongoing
Comments	The government has recently published a Bill which if enacted would allow for an extension of PCC powers and responsibilities regarding the Fire Service
Contingency plan	Re-shape the Commission if appropriate when potential likely alternative models emerge

RISK 2	Government agenda understood and stable								
Risk Owner	Chief Executive								
Risk Indicators	Indications of significant policy shift								
Controls	PCC 'intelligence' through networks such as Chief Executives' association, Home Office contacts etc.								
Assurances / Source / Line	Staff supervisions and feedback / 1 st Regular briefings to Commissioner by Chief Executive / 2 nd Government policy / 3 rd								
Assurance level	Strong								
Risk Score	<table border="1"> <thead> <tr> <th>Probability</th> <th>Impact</th> <th>Risk Score</th> <th>Previous</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>3</td> <td>6</td> <td>6</td> </tr> </tbody> </table>	Probability	Impact	Risk Score	Previous	2	3	6	6
Probability	Impact	Risk Score	Previous						
2	3	6	6						
RAG level									
Risk Direction	No change								
Actions / Owner / Timescale	Closely monitor government intentions and revise plans as necessary at earliest opportunity / CE / ongoing								
Comments	Currently government policy position is well understood. Ongoing work on Specialist Capabilities may in due course lead to changes but this speculative at this stage.								
Contingency plan	Re-shape priorities appropriately								

RISK 3**Continuing appropriateness of the OPCC priorities**

Risk Owner

Chief Executive

Risk Indicators

Insight from public engagement indicates new demands or incompatibility with current priorities

Significant policy shift by government

Adverse media and / or stakeholder feedback

Any change in relevant local policy drivers

Changes in current performance

Controls

Public engagement and insight therefrom

PCC 'intelligence' is broadly based

Strategic planning processes

Performance management arrangements

Assurances / Source / Line

Latest engagement feedback reports / 1stPerformance reports; Delivery Unit / 2ndRefresh of Police and Crime Plan / Chief Executive / 2ndLatest national policy intelligence / 3rd

Assurance level

Strong

Risk Score

Probability	Impact	Risk Score	Previous
3	4	12	12

RAG level

Risk Direction

No change

Actions / Owner / Timescale

Further reports to Panel in next three months / CX

Comments

The new PCC took office on 12th May; he is currently undertaken extensive consultation on potential priorities for his first Police and Crime Plan; reports will be taken to the Police and Crime Panel meetings next month and is likely to be formally approved in February 2017.

Contingency plan

Officers are maintaining a close dialogue with the PCC during this transitional period.

RISKS ARISING FROM CAPABILITY

RISK 4	We are confident that the OPCC priorities will be delivered, on time.								
Risk Owner	Chief Executive								
Risk Indicators	Lack of plans Concerns over adequacy of plans Slippage in achieving milestones								
Controls	Performance management arrangements Change management governance arrangements								
Assurances / Source / Line	Performance reports – staff performance management / 1 st and 2 nd Service delivery performance / 2 nd Delivery Unit reports and Joint OPCC – Force senior manager group / 2 nd Accountability, Transformation and programme Boards / 2 nd External reports by non-Executive Directors / 3 rd Internal Audit / 3 rd								
Assurance outcome / level	Strong								
Risk Score	<table border="0"> <tr> <td>Probability</td> <td>Impact</td> <td>Risk Score</td> <td>Previous</td> </tr> <tr> <td>4</td> <td>4</td> <td>16</td> <td>16</td> </tr> </table>	Probability	Impact	Risk Score	Previous	4	4	16	16
Probability	Impact	Risk Score	Previous						
4	4	16	16						
RAG level									
Risk Direction	No change								
Actions / Owner / Timescale	No new specific actions								
Comments	As noted above the PCC is currently developing his Police and Crime Plan and associated delivery plans. As such this risk remains unchanged from the previous report. A number of key actions are however in train in anticipation of the formal approval of the PCP.								
Contingency plan	Understand any new direction and develop appropriate strategies.								

RISK 5	Roles and responsibilities of staff, and their priorities, are fully understood across the Commission			
Risk Owner	Chief Executive			
Risk Indicators	Informal feedback from staff Lack of or ambiguity on staff priorities Falling short of targets Evidence of overloading staff			
Controls	Supervision arrangements Staff Performance management arrangements Informal staff engagement by senior management			
Assurances / Source / Line	Supervision and staff appraisal reports / 1 st & 2 nd Anecdotal feedback to senior management / 2 nd Portfolio framework of staff responsibilities / 2 nd Internal Audit / 3 rd			
Assurance outcome / level	Strong			
Risk Score	Probability	Impact	Risk Score	Previous
	3	4	12	12
RAG level				
Risk Direction	No change			
Actions / Owner / Timescale	Develop ethos and direction of the new senior team / CX / to March 2017			
Comments	The new OPCC team will all be in post from December 2016; the new OPCC structure has been in place since early August 2016.			
Contingency plan	Ensure close support, management and supervision of staff in this period.			

RISK 6**The OPCC meets all legal and proper governance requirements**

Risk Owner

Chief Executive

Risk Indicators
ControlsStakeholder feedback
Supervision arrangements

Staff Performance management arrangements

Informal staff engagement by senior management

Assurances / Source / Line

Staff supervision and appraisal / 1stCorporate policies / Statutory officers oversight / 2ndAnnual Governance Statement / 2ndInternal Audit Annual Report / 3rdPolice and Crime Panel scrutiny & feedback / 3rdExternal independent review / 3rd

Assurance outcome / level

Adequate

Risk Score

Probability	Impact	Risk Score	Previous
1	4	4	4

RAG level

Risk Direction

No change

Actions / Owner / Timescale

The Scheme of Governance **is currently being consulted upon and a progress report will be made to the Audit Committee this month. It is intended the Commissioner will formally sign off the revised Scheme in early 2017.**

Comments

Contingency plan

Secure expert advice as and when necessary

Rectify breaches as quickly as reasonably possible

RISK 7**Stable and sustainable deliverable OPCC
Budget and MTFP**

Risk Owner

Director for Resources and Governance

Risk Indicators

Government announcements indicating material changes

Forecast deficits

Use of one off financing to balance budgets

Controls

Budget monitoring processes

Budget and Financial Planning processes

Broadly- based 'intelligence'

Assurances / Source / Line

Managerial budget monitoring / 1stProfessional networks / 3rdInternal audit and Inspectorate reports / 3rdProgress reports to Commissioner / 2ndExternal independent review / 3rd

Assurance outcome / level

Adequate

Risk Score

Probability	Impact	Risk Score	Previous
3	4	12	12

RAG level

Risk Direction

No change

Actions / Owner / Timescale

Early MTFP planning with Tri-Force Force underway / DRG / to December

Comments

Progress reports will be made to the Committee this month. Autumn statement on 22nd November. Provisional police grant announcement December.

RISK 8	The public have high and widespread confidence in the OPCC			
Risk Owner	Chief Executive Director for Delivery			
Risk Indicators	Feedback – adverse and favourable State of national debate and context re PCCs			
Controls	OPCC Communication Strategy and Plans			
Assurances / Source / Line	Management Information and review meetings / 1 st Oversight by Chief Executive / 2 nd Regulator reports / 3 rd			
Assurance outcome / level	Adequate			
Risk Score	Probability 3	Impact 3	Risk Score 9	Previous 9
RAG level				
Risk Direction	No change			
Actions / Owner / Timescale	Draft Police and Crime Plan in preparation / CX / Autumn 2016. New arrangements planned for OPCC communications function			
Comments				
Contingency plan	Flexible and rapid response to ‘events’			

RISK 9	The OPCC has won the ‘hearts and minds’ across the Force and Commission staff			
Risk Owner	Chief Executive			
Risk Indicators	Feedback – adverse and favourable			
	State of national debate and context re PCCs			
	Failure to deliver objectives on time, or to budget			
Controls	OPCC Communication Strategy and Plans			
	Staff management and briefings			
	Aspire Board and associated relationships OPCC – Force			
Assurances / Source / Line	Management Information and review meetings / 1 st			
	Oversight by Chief Executive / 2 nd			
	Aspire Board reports / 2 nd			
	Regulator reports / 3 rd			
Assurance outcome / level	Adequate			
Risk Score	Probability	Impact	Risk Score	Previous
	3	3	9	9
RAG level				
Risk Direction	No change			
Actions / Owner / Timescale	See risk 5 actions and comments.			
Comments				
Contingency plan	Flexible and rapid response to ‘events’			

**OPCC
Assurance Map**

Risk	Assurances			Level	Score
	First level	Second level	Third level		
1 PCCS are 'going concerns'	Staff supervisions and feedback	Chief Executive briefings	Government policy	Strong	5
2 Government agenda understood etc.	Staff supervisions and feedback	Chief Executive briefings	Government policy	Strong	6
3 Appropriateness of the priorities	Engagement feedback	Performance reports Delivery Unit reports Police and Crime Plan	National intelligence	Strong	12
4 Confidence in delivery	Performance reports Staff performance management	Performance reports Delivery Unit reports	Non-executive Director reports Internal Audit	Strong	16
5 Understanding of roles etc.	Staff performance management	Staff performance management	Internal Audit	Strong	12
6 Legal and governance compliance	Staff performance management	Staff management Corporate policies Statutory Officers' oversight	Internal Audit Annual report Police and Crime Panel scrutiny External reviews	Adequate	4
7 Stable Budget and MTFP	Budget holder oversight	CFO reports to Commissioner and Panel	Internal Audit Regulator reports	Adequate	12
8 Confidence in OPCC	Staff performance management	Oversight by Chief Executive	Stakeholder feedback Regulator reports	Adequate	9
9 Hearts and Minds	Staff performance management	Oversight by Chief Executive	Stakeholder feedback Regulator reports	Adequate	9

At 21st November 2016