**OFFICE OF THE NORTHAMPTONSHIRE POLICE AND CRIME COMMISSIONER
&
NORTHAMPTONSHIRE POLICE
&
NORTHAMPTONSHIRE COMMISSIONER FIRE AND RESCUE AUTHORITY**

JOINT INDEPENDENT AUDIT COMMITTEE

30 September 2019 at 10.00am to 1.00pm

**Cowley-Spence Rooms
Northern Area Accommodation Building (NAB)
Cherry Hall Rd, Kettering NN14 1UE**

**If you should have any queries in respect of this agenda,
please contact Paul Bullen 03000 111 222**

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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				Time
**Public Meeting of the Joint Independent Audit Committee**				
1	Welcome and Apologies for non- attendance -	CHAIR		10.00
2	Declarations of Interests	Members		10.00
3	Meeting Log and Actions – 26 July 2019	CHAIR	Attached	10.05
4a 4b	Statement of Accounts & ISA260 PFCC & CC NCFRA	EY/CFO EY/CFO	Verbal Verbal	10.15
5a 5b	Internal Audit Progress report PFCC & CC NCFRA	Mazars LGSS	Attached Attached	10.45
6	Implementation of audit recommendations PFCC & CC	DCC	Attached	10.55
7a 7b	Budget and MTFP update & timetable PFCC & CC NCFRA	VA NA	Attached Attached	11.05
8a 8b	Treasury Management outturn 2018/19 & update PFCC NCFRA	VA NA	Received	11.15
9a 9b 9c	Business Continuity and Disaster Recovery PFCC CC NCFRA	PF DCC ACFO	Attached Attached Attached	11.25
10	Update on: MFSS	DCC/CFO	Attached	11.45
11	Update on Key Roles OPFCC, CC and NCFRA	DCC/ACFO/CFO	Attached	11.55
12	Agenda Plan	CFO	Attached	12.05
13	AOB	CHAIR	Verbal	12.15
14a	Proposed dates and venue of future JIAC meetings: All at Greenwell Room, Wootton Hall, NN40QJ 10:00-13:00 unless otherwise stated **2019:** 11 Dec 2019 **2020 Proposed Dates:** 11 March 2020 (10:00-12:30), Campbell Room, NAB, NN14 1UE 29 July 2020 7 October 2020 16 December 2020, Room TBC		Verbal	12.25

14b	Proposed dates and venue of future JIAC workshops (not public meetings): **27 November 2019 (10.00-12.00, OPFCC Hatton)** • Seized and Found Property Update • Enabling Services **February 2020 (date TBC)** • FP20 **3 June 2020 (10:00-12:00 Greenwell Room)** • Statement of Accounts Scrutiny: PFCC, CC & NCFRA **November 2020 (date TBC)** • Subject TBC			12.35
15	Confidential items – any	CHAIR		12.45
16	Resolution to exclude the public			
	Items for which the public be excluded from the meeting: 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: *"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".*			
16a 16b	Restricted Strategic Risk Register Update: CC NCFRA		DCC ACFO	

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:

Paul Bullen
Office of the Police, Fire and Crime Commissioner
East House
Police HQ
Wootton Hall
NORTHAMPTON NN4 0JQ

or by email to:
paul.bullen@northantspfcc.pnn.police.uk

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.

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 Chair and Members of the Committee are:**

Mr J Beckerleg (Chair of the Committee)

Mrs A Battom

Mr J Holman

Mr A Knivett

Ms G Scoular

Mrs E Watson

Paul Bullen

DEPUTY MONITORING OFFICER

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Joint Independent Audit Committee (JIAC) MEETING AND ACTION LOG – 25 JULY 2019

Attendees: Members: John Beckerleg (JB), Gill Scoular (GS), Ann Battom (AB),

Helen King (HK), Neil Harris, EY (NH), Brian Welch, Mazars (BW), Jacinta Fru, LGSS IA (JF), Simon Nickless (SN), Rob Porter (RP), Paul Bullen (PB)

Agenda	Issue	Action	Responsible	Comments
	Annual Meeting of Auditors with the JIAC	There will be a private meeting of the committee members with the auditors without officers or the public present before the start of the formal public meeting.	Chair	• The annual meeting of external and internal auditors without officers with JIAC members took place
1	Welcome and Apologies for non- attendance		Chair	• Tony Knivett (TK) • Paul Dawkins, ACO (F&R), • Vaughan Ashcroft (Head of Finance), • Jelena Motte (OPFCC and NCFRA Accountant) • Duncan Wilkinson LGSS Internal Audit • Jon Lee, LGSS, Martin Savage, LGSS
2	Declarations of Interests	**ACTION:** HK to send out declaration of interests forms to JIAC members for completion. Update: Declaration Forms circulated for members to complete	Chair	• JB has submitted his Declaration of Interests • HK will send out to remaining members in line with new member recruitment.
3	Meeting Log and Actions – 20th March 2018	**ACTION:** Members Pictures and Bio's to be forwarded to HK to publish on the website.	Chair	• Meeting log and actions from March 2018 were reviewed. • JB queried whether force management statements could be shared with members. • SN advised potentially redacted elements could be considered.

		Update: In progress - two members pictures and Bios received to date **ACTION:** SN to consider whether any redacted elements of the Force Management Statement could be shared with Members. SN to advise in due course. Update: Under consideration		• SN advised that the Force had received good feedback on the statement and that the statements will be useful in identifying gaps to address in Strategic planning moving forwards
4	JIAC Annual Report and Terms of Reference Review		Chair	• Chair presented JIAC Annua Report which had been circulated prior to the meeting. • JB highlighted the updates on the actions in 2018/19 and outlined the agreed priority actions for 2019/20. • HK advised this is already on the forward plan in September/October Police, Fire and Crime Panel for the Chair to attend and present. • The annual report and Terms of Reference were approved.
5	Internal Audit Annual Report 2018/19 PFCC & CC	**ACTION**: HK to include on the forward Agenda Plan to include an update by auditors on external assessment arrangements in place. Update: Completed - Agenda Plan updated	Mazars	• BW presented the annual report • HK advised all audits achieved within a timely manner to enable inclusion in the Governance Statement. • JB queried what system was in place to identify how Internal and external audit services were externally reviewed. • BW updated on Mazars arrangements, EY updated on their arrangements and LGSS advised how they are externally reviewed. • Members felt this should be a future agenda item.
	Statement of Accounts - Update	**ACTION:** HK to thank staff involved in producing the Statement of Accounts for their		• Members considered all Statement of Accounts Papers together.

6a	PFCC & CC	hard work in meeting the deadlines. Update: Email sent to all staff - Completed	CFO OPFCC	• HK introduced the update and confirmed that all staff had worked hard to deliver the two sets of accounts in a timely, and better formatted position for 2018/19. • Members expressed their appreciation to all staff involved in the process for PFCC, CC and NCFRA and asked for this to be shared with staff. • HK advised PD and HK are that working closely with NH to confirm audit dates.
6b	Statement of Accounts - Update NCFRA	**Action:** NH to update HK and PD as soon as possible after the EY meeting on the 1/8/19. Update: NH provided regular updates to PD and HK. Auditors arrived onsite 9/9/19. Action Completed - Audits underway and regular updates scheduled.	CFO NCFRA	• NH has kept HK and PD updated throughout and HK has been grateful for this contact and regular updates. • Nevertheless, with the lack of confirmed audit dates, and informed by the views of the Police, Fire and Crime Panel, HK advised that the PFCC has indicated that he intends to write and lodge his concerns with EY and PSAA.
7a	External Audit Update PFCC & CC		EY	• NH updated the JIAC on the unprecedented situation faced by EY in delivering their audits in 2018/19 and acknowledged the impact on NCFRA, PFCC and CC. • NH explained that the situation was a result of resourcing issues previously discussed, overruns on other major local audits, the delay on the Northamptonshire NCC and Pension Fund accounts and challenging technical issues which have required restatement in accounts such as McCloud and Sargent Disclosures.
7b	External Audit Update NCFRA		EY	• NH wished to place on the record that this was not a situation created by PFCC, CC or NCFRA as they had met the required deadlines. • NH explained that he was trying to get confirmation for the organisations and recognised the timing and cost imperatives of MFSS 18/19 information. • Significant discussion took place where members strongly questioned and challenged NH on the situation faced on external audit timescales for 2018/19. • Members acknowledged the importance of ensuring a high quality audit took place, however, GS

				highlighted that timing was also an important factor in the quality delivery of an audit. NH advised he had an update meeting on 1/8/19 and would update HK and PD as soon as possible after this meeting.
				• Whilst members were appreciative of the way NH had kept officers and the JIAC informed, however, they were extremely disappointed that senior EY representatives had not attended to update and provide reassurance on the position.
				• Whilst members felt NH had provided updates and explanations, they felt there was no assurance when the audits would be carried out and recognised the disproportionate impact on small organisations such as NCFRA, PFCC and CC by these delays.
				• Members gave full support to the PFCC to write to EY and PSAA regarding the delays and lack of clarity on the NCFRA, CC and PFCC audits for 2018/19.
8	Internal Audit Plan 2019/20 NCFRA		HK	• JF and HK advised that the NCFRA audit Plan had been agreed between meetings and members ratified the Audit Plan.
9a	Internal Audit Progress report PFCC & CC	**ACTION:** BW to raise the need to finalise the regional underspend collaboration report at the EM CFO and FD meeting in early August 2019. Update: Completed – report finalised and on agenda.	Mazars	• BW updated on the good progress achieved with the audit plan in 2019/20. • BW highlighted the lack of progress in finalising the regional underspend collaboration report and this had been raised at all regional JIACS. BW was attending the regional CFO and FD meeting and would raise this at the meeting to seek finalisation of the report.
9b	Internal Audit Progress report NCFRA		LGSS, IA	• JF advised that planning was in progress for the NCFRA audits and process.

10	Implementation of recommendations PFCC & CC		DCC	- SN updated on the Internal Audit Recommendations - JB and GS sought further assurances on progress of the risk actions. - SN updated the JIAC on the implementation of the new Risk System and Management of Risks, and how and where risks are reviewed.
11	HMICFRS NCFRA Report		Rob Porter	- RP updated on the published HMICFRS report for Northamptonshire Fire. - The Inspection was undertaken whilst under the governance of NCC and a follow up visit took place in early 2019. - Members noted the "requires improvement" assessment and the action plans in place to address the findings. - Members were pleased to note the letter post follow up visit - RB advised that the detailed action plan needs to be with HMICFRS 56 days after publication, this would be the 15/8/19. - RB advised an action plan was scheduled for ratification on the 1/8/19. - RB advised the next inspection was anticipated in spring 2020. - JB queried whether NCFRA felt the inspection findings were a fair assessment of the position. RB advised that whilst the service did challenge some of the findings, they did recognise the issues identified within it and were working to review. - JB queried the Police HMICFRS Inspection and was advised this will be released in the Autumn 19.
12	Update on: MFSS		Simon Nickless	- SN advised that MFSS Fusion was implemented by 1/4/19. - However, post implementation, there are some significant areas of concern post go live including problems experienced with the Duty Management

				- System, payroll, MFSS capacity and system reporting.. - SN outlined that the DMS situation was of significant concern and partners were working together with MFSS to try and seek resolution, which may include upgrading the Oracle Software. This would not be charged for DMS but other elements of the system would be chargeable. - Members were concerned that the position on MFSS did not seem to be improving. - PB and SN highlighted that a Development Board had been set up following consideration of the externally commissioned report. - In a response to a query from GS, HK advised that over the last 18 months, partners have worked together to try and improve MFSS through the partnership arrangements, seeking improvements to governance and information. - However, despite these extensive efforts, the arrangements were still of concern and the PFCC and CC, together with NCFRA were actively reviewing all local options, and alongside trying to ensure MFSS arrangements and services were working as effectively as possible. - Members and officers felt this remained an area of concern and MFSS is a standing item on the JIAC agenda.
13a	External Audit Proposed Fee Scales 2019/20 PFCC & CC		EY	- Members noted the proposed fee scales for 2019/20 and would table the discussion again following completion of the Statement of Accounts for 2018/19 for PFCC, CC and NCFRA - JB queried the rate for NCFRA in 2019/20 which he felt was high. NH advised that this would be considered post 2018/19 Statement of Accounts when more information on the requirements would be available.
13b	External Audit Proposed Fee Scales 2019/20 NCFRA	**ACTION:** EY to consider the level of 2019/20 audit fee relative to the fees for other OPFCC	EY	

		organisations and those in in Northamptonshire. Update: Ongoing		
14	Member Updates	**ACTION**: HK to find out when the next CIPFA annual audit conference is and advise JB Update: Completed – JB has actioned – booking underway		• JB and AB updated on the recent EY workshop which they have found very useful • NH advised that he is in contact with the Chair of the Leicestershire JARAP to consider a regional Police based workshop. • JB queried when the CIPFA annual Audit Conference was as members found this very useful.
15	Agenda Plan	**ACTION:** Agenda Plan to be updated (HK). Update: Agenda Plan Item on Agenda Updated for Consideration **ACTION:** Chair to meet with HK and consider potential approaches for a JIAC self-assessment. Update: Meeting to be scheduled	CFO OPFCC & NCFRA	• Members considered the draft plan and made the following considerations: • Add FP20 to a future workshop – potentially Feb 2020 • Add HMICFRS update in December 2019 (on agenda0 • JB to consider approaches for undertaking a JIAC self-assessment- scheduled for autumn 2019.
16	AOB		Chair	• The Chair updated on the JIAC recruitment • The Chair updated on the recent EY circulars
17	Date and venue of future JIAC meetings Wootton Hall, Northampton NN4 0JQ		Chair	• HK advised that it is hoped that ISA260, letters of Management Representation and Statement of Accounts for NCFRA, OPFCC and CC can be considered at the next meeting or alternative methods of approval may need to be sought.

	30 Sep 2019 (10:00 to 13:00) 11 Dec 2019 (10:00 to 13:00) 2020 Dates to Be Confirmed			
18	**Date and venue of future JIAC workshops (not public meetings)** November 2019 (date TBC) Proposed Subjects: Seized and Found Property Update Enabling Services			
19	Confidential items – any			

MAZARS

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

Internal Audit Progress Report 2019/20

September 2019

Presented to the Joint Independent Audit Committee meeting of: 30th September 2019

Contents

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 Operational Plan for the year ended 31st March 2020 which was considered and approved by the JIAC at its meeting on 20th March 2019.

1.2   The Police, Fire 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, Fire 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 OPFCC 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, Fire 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 is accordance with the Public Sector Internal Audit Standards (PSIAS).

02 Summary of internal audit work to date

2.1 Since the last meeting of the JIAC we have issued two final reports in respect of the 2019/20 audit plan, these being in respect of Project Benefit Realisation and Absence Management. Further details are provided in Appendix A1.

Northamptonshire 2019/20 Audits	Report Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
Business Continuity	Final	Satisfactory		1		1
Complaints Management	Final	Satisfactory		1	2	3
Project Benefit Realisation	Final	Satisfactory		2		2
Absence Management	Final	Satisfactory		4		4
Total				8	2	10

2.2 In addition to the reports referred to in 2.1 above, we have now issued the final 2018/19 collaboration report, this being an additional piece of work to that in the original plan relating to Projected Underspends. Further details are provided in Appendix A1

2.3 Scheduled audits in quarter three include Force Management of MFSS Arrangements, Core Financial Systems, GDPR and IT Security. Further details are provided in Appendix A2.

2.4 As reported in the previous progress report, with regards the collaboration audits that form part of the internal audit plans for 2019/20, it was agreed at the Joint Chief Finance Officers meeting that a similar approach to 2018/19 will be taken whereby a number of 'themed' audits will be carried out across a sample of units. The proposed 'themed' audits are Performance Management, Business Continuity and Health & Safety and will be carried out between October 2019 and January 2020.

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.

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% (4/4)
5	Issue of final report	Within 5 working days of agreement of responses.	100% (4/4)
6	Follow-up of priority one recommendations	90% within four months. 100% within six months.	Achieved
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% (6/6)
9	Customer satisfaction (measured by survey)	85% average satisfactory or above	100% (2/2)

Appendix A1 – Summary of Reports

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.

Collaboration: Projected Underspends

Assurance Opinion	Limited

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

An audit was undertaken earlier in the year in respect of Strategic Financial Planning. That audit covered the development of financial plans, delivery of efficiency savings, budget management and monitoring, and budget shortfalls. This audit specifically focused on Projected Underspends across a sample of collaboration units agreed by the CFO's and should be read in conjunction with the earlier report. The selected units were East Midlands Operational Support Services (EMOpSS), East Midlands Criminal Justice Service (EMCJS) and East Midlands Special Operations Unit Major Crime Unit (EMSOU MC).

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

- Roles and responsibilities for budget monitoring and financial reporting within the unit are clearly stated.

- Clear timetables are in place for the production of financial performance reports.

- There are effective and robust budget management and monitoring procedures, including the forecasting of budget shortfalls.

- Variances to budget projections are recognised as part of the reporting process and adequate information is provided to explain underspends / overspends during the year.

- Amendments to collaboration budgets have appropriate and robust governance arrangements in place.

- The completion of budget monitoring reports are undertaken consistently with accurate forecasting to enable future positions to be considered.

- Reports on financial performance are submitted in a timely manner to the PCC's Board, including the relevant regional forces.

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

Recommendation 1	A clearly defined virement process should be agreed for all in year amendments of collaboration budgets.
Finding	The base budgets for the collaboration units have a defined process in place, with approval given at the PCC Board on an annual basis.
	During 2018/19 the EMCJS Management Board agreed to carry out a budget virement to reallocate some central staffing costs back to the Forces, therefore reducing the

	overall budget by £127k and therefore this reduced the projected underspend during the 2018/19 financial year.

As collaboration budgets are made up of contributions from the Forces that are part of the collaboration, a virement approval process should include authorisation from each Force so that there is a clear rationale behind the in-year adjustment and the impacts of the virement are clearly understood. |
| Response | Agreed |
| Timescale | Jon Peatling / 31 December 2019 |

We raised one significant (priority 2) recommendation where felt that the control environment could be improved. This related to the following:

- The timing of PCC Board meetings should be considered in regard to period end financial reporting.

  The actual figures reported to the PCC Board should be clear on which period they relate to.

  It should be ensured that a finance report is presented for the PCC Board each quarter.

We also raised one priority 3 recommendation of a more housekeeping nature relating to the provision of quarterly finance reports to the PCC Board.

Management have confirmed that agreed actions will be completed by the end of December 2019.

Project Benefit Realisation

Assurance Opinion	Satisfactory

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

Our audit considered the risks relating to the following control objectives:

Governance Arrangements

Governance arrangements are adequate to ensure that clearly defined roles and responsibilities, decision making processes, risk management and performance management arrangements exist in respect of Benefits Realisation.

There is effective oversight and reporting arrangements with relevant governance forum.

Performance Management

Benefits realisation objectives are clearly defined, with effective targets/ performance measures quantified in line with required outcomes.

An effective and consistent approach to performance management is undertaken across all projects.

Project Modelling

There is a transparent and consistent approach to project modelling and this demonstrates effective links to the overarching Benefits Realisation objectives.

Guidance and training is available to address any inconsistencies in this area alongside regular support for Project Officers/ Business Leads.

Communication and Reporting Processes

Regular communication takes place with all stakeholders across the change programme to ensure that requirements are communicated, any issues are highlighted at an early stage and links to dependencies are identified.

We raised two significant (priority 2) recommendations where felt that the control environment could be improved. These related to the following:

- The project risk register should be made a standing item on the agenda of all project board meetings. This requirement should be detailed within the Terms of Reference of the group / project board.

- The Force should put in place an effective and consistent approach to post-project reviews in order to determine whether the original aims / benefits of the project have been realised. This should be included within the Terms of Reference for each project board.

Management have confirmed that actions have either been implemented or will be addressed by September 2019.

Absence Management

Assurance Opinion	Satisfactory

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

An audit of Absence Management & Wellbeing was carried out in June 2018 as part of the 2018/19 Internal Audit Plan. The resultant report provided an overall limited assurance opinion with regards to the control environment and a number of issues were raised where it was believed that internal controls were required to be strengthened.

This audit followed up on the issues raised in last year's report. Our audit considered the risks relating to the following control objectives:

Absence Management

The Force have appropriate Policies and Procedures with regards to absence management which provide clear direction as to the processes to be followed to allow effective management of staff absence.

The requirements, roles and responsibilities of staff and management in relation to sickness absence management are documented and clearly communicated.

The requirement and responsibilities that are agreed and documented are consistently adhered to

Absences are accurately and consistently recorded in line with the Force Absence procedures and a process is in place for the monitoring of absence levels.

The Forces' sickness absence performance reports are produced and sent out to the appropriate forum for review on a regular basis; and

Actions to address areas of weakness are set, monitored and reviewed to confirm the weaknesses have been addressed.

Wellbeing

There is an appropriate governance arrangements in place to oversee the management and delivery of Wellbeing across the Force

An appropriate Strategy for Wellbeing is in place and is aligned to the OPCC Strategic aims.

There are robust mechanisms in place to monitor Wellbeing across the Force and this is collated and reported at appropriate management forums.

Clear action plans are put in place to address areas of weakness highlighted and these are assigned to responsible individuals and are monitored to confirm they have achieved the desired outcomes.

Follow up

The agreed recommendations in the 2018/19 internal audit report have been completed and are embedded within the control system.

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

- HR should review the data available to confirm that individuals are recording sickness correctly in line with the stated procedure and return to work interviews are being conducted.

  The process for recording line manager communications with staff who are off sick should be re-communicated to line managers and then reviewed to monitor compliance.

  Line Managers should be reminded of the need to upload Fit Notes for sickness absence longer than 7 days.

  Line Managers should be reminded of the need to complete Return to Work Interviews in all instances of sickness.

  Line Mangers should be reminded of the need to complete a formal review for individuals having more than three periods of sickness in a six month period.

  All members of staff should be reminded, in cases of sickness absence, they should either call in prior to their shift starts or to contact their line manager at the earliest opportunity.

- There should be a formally documented agreed monitoring process within the Wellbeing Governance structure to demonstrate the delivery of all strands of the Wellbeing Strategy at a strategic and operational level.

  There should be a formally documented action plan for the wellbeing plan to monitor progress and achievements of the future progress of the plan.

- Staff and line managers should be reminded of the process for applying and approving special leave.

- The use of dip sampling should be continued by HR and used to highlight areas for improvement.

Management confirmed that agreed actions will be addressed by September 2019.

Appendix A2 Internal Audit Plan 2019/20

Auditable Area	Plan Days	Planned Fieldwork Date	Actual Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
Core Assurance							
Core Financial Systems	18	Dec 2019				Apr 2020	Fieldwork starts 2nd Dec.
Governance	10	Feb 2020				Apr 2020	Deferred to Q4 on request.
Strategic & Operational Risk							
IT Security	10	Nov 2019				Apr 2020	
Business Continuity	10	May 2019	May 2019	May 2019	May 2019	July 2019	Final report issued.
Force Management of MFSS Arrangements	7	Oct 2019				Dec 2019	
Project / Benefit Realisation	12	Aug 2019	Aug 2019	Aug 2019	Aug 2019	Sept 2019	Final report issued.
Property Management	10	Mar 2020				Apr 2020	
General Data Protection Regulations (GDPR)	7	Nov 2019				Apr 2020	
Health & Safety	10	Jan 2020				Apr 2020	
Absence Management	8	July 2019	July 2019	July 2019	July 2019	Sept 2019	Final report issued.
Complaints Management	8	May 2019	May 2019	May 2019	June 2019	July 2019	Final report issued.

Auditable Area	Plan Days	Planned Fieldwork Date	Actual Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
Collaboration							
Performance Management	12	Oct 2019				Dec 2019	
Business Continuity	12	Nov 2019				Apr 2020	
Health & Safety	12	Jan 2020				Apr 2020	

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

David Hoose

07552 007708

David.Hoose@Mazars.co.uk

Brian Welch

07780 970200

Brian.Welch@Mazars.co.uk

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.*
>
> *Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales to carry out company audit work.*

LGSS Internal Audit & Risk Management

**Northamptonshire
Commissioner Fire and Rescue Authority (NCFRA)**

Audit and Fraud Progress Update-Q2

DUNCAN WILKINSON, CHIEF INTERNAL AUDITOR   30th September 2019

1   INTRODUCTION

1.1   This progress report provides stakeholders, including the Joint Internal Audit Committee, with a summary of the Fire Authority Internal Audit and Counter Fraud activity for the period June 2019 to August 2019.

1.2   **Annex A** (page 3) provides the background and context for how Governance is tested and evaluated.

1.3   Given NCFRA commenced as a separate legal entity on 1st Jan 2019 there is an additional audit requirement to verify governance processes as a new organisation established effectively as at 1st Jan (or shortly thereafter). A 'single' audit plan that covers 1st Jan 2019 to 31st Mar 2020, providing an annual opinion as at April 2020 for that period is proposed. This approach :
- Documents and evaluates systems of control and governance between Jan and Mar 2019, providing NCFRA the opportunity to improve/revise controls in its early period of operation
- Tests the effectiveness of controls during Q3 and Q4 of 19/20 (ie Oct 19 to Mar 20)

2   KEY ACTIVITIES:

2.1   **Annex B** (page 5) shows the full plan and agreed start periods for each of the audits within the plan.

2.2   During Quarter 2, four audits were in progress with testing/field work at an advance stage and three further audits were at the initial audit planning stage.

2.3   There have been some delays due to delays agreeing the Terms of Reference for the audits and annual leave commitments during August.

2.4   A meeting was scheduled with OPFCC/NCFRA on 11 September to discuss the governance arrangements for NCFRA and how a Police, Fire and Crime Commissioner Governed Fire Model operates. Meeting attendees included Chief Finance Officer, Monitoring Officer (Fire) and Director for Delivery and Senior Auditor, LGSS.

3   PROGRESS AGAINST 2019-20 AUDIT PLAN

3.1 The key target facing the Internal Audit Service is to complete its plan by the 31st March 2020.

3.2 As at the end of August 2019, 40% of the 2019/20 plan are at final testing/field work stage and a further 30% of audits have commenced and are in the initial planning stage of the first tranche of audits. See **Annex B** (page 5). The plan is therefore on target for completion as agreed.

3.3 The table below details all of the audits started during quarter two 2019-20.

Assignment	Status	Objectives and Risk
Organisational Governance	Open – Final fieldwork being completed	**Objective(s)** To provide assurance that the Strategic and Senior governance of NCFRA is effective and it allows statutory obligations to be fulfilled. **Risk(s)** Reputational and fraud risks
Scheme of Delegation	Open – Final fieldwork being completed	**Objective(s)** To provide assurance that NCFRAs Scheme of Delegation if formally defined and operating effectively **Risk(s)** Reputational and fraud risks
Policies and Procedures	Open – Final fieldwork being completed	**Objective(s)** To provide assurance that Key Policies and Procedures for NCFRA are established and operating effectively. **Risk(s)** Reputational and fraud risks
Accounts Receivable	Open – planning	**Objective(s)** To provide assurance that the process ensures suppliers are paid the right amount at the right time **Risk(s)** Inappropriate payments made
Accounts Payable	Open - Planning	**Objective(s)** To provide assurance that the process ensures that debtors are promptly charged and that there are systems in place to recover debt owed **Risk(s)** Money due to NCFRA is not collected
Payroll	Open - Planning	**Objective(s)** To ensure all employees of NCFRA are bona fide and are paid the right amount at the right time **Risk(s)** Inappropriate payments made
ICT Systems Security	Open – Final fieldwork being completed	**Objective(s)** To review the ICT control systems environment for NCFRA **Risks(s)** Inability to withstand a targeted attack or deliver an ICT service in the event of a major incident

Internal Audit Context and Background
How Controls are Audited and Evaluated

There are three elements to each internal audit review. Firstly, the CONTROL ENVIRONMENT is documented and assessed to determine how the governance is designed to deliver the service's objectives.

IA then needs to test whether COMPLIANCE is evident in practice.

Finally, IA undertakes further substantive testing and/or evaluation to determine the ORGANISATIONAL IMPACT of weaknesses found.

The tables below outline the criteria for assessing the above definitions:

Control Environment Assurance	
Assessed Level	**Definitions**
Substantial	Substantial governance measures are in place and give confidence that the control environment operates effectively.
Good	Governance measures are in place with only minor control weaknesses that present low risk to the control environment.
Satisfactory	Systems operate to a moderate level with some control weaknesses that present a medium risk to the control environment.
Limited	There are significant control weaknesses that present a high risk to the control environment.
No Assurance	There are fundamental control weaknesses that present an unacceptable level of risk to the control environment.

Compliance Assurance	
Assessed Level	**Definitions**
Substantial	Testing has proven that the control environment has operated as intended without exception.
Good	Testing has identified good compliance. Although some errors have been detected these were exceptional and acceptable.
Satisfactory	The control environment has mainly operated as intended although errors have been detected that should have been prevented / mitigated.
Limited	The control environment has not operated as intended. Significant errors have been detected and/or compliance levels unacceptable.
No Assurance	The control environment has fundamentally broken down and is open to significant error or abuse. The system of control is essentially absent.

Organisational Impact	
Level	Definitions
Major	The weaknesses identified during the review have left NCFRA open to significant risk. If the risk materialises it would have a major impact upon the organisation as a whole.
Moderate	The weaknesses identified during the review have left NCFRA open to medium risk. If the risk materialises it would have a moderate impact upon the organisation as a whole.
Minor	The weaknesses identified during the review have left NCFRA open to low risk. This could have a minor impact on the organisation as a whole.

2019-20 Audit Plan for NCFRA

AUDIT TITLE	STATUS	PROGRESS	Quarter Work Allocated	Assurance Rating
1 January to 30 September 2019				
Organisational Governance	Open	Fieldwork	Q2	
Scheme of Delegation	Open	Fieldwork	Q2	
Policies and Procedures	Open	Fieldwork	Q2	
Accounts Payable	Open	Planning	Q2	
Accounts Receivable	Open	Planning	Q2	
Payroll	Open	Planning	Q2	
ICT Systems	Open	Fieldwork	Q2	
Risk Management	Open		Q2	
1 October 2019 to 31 March 2020				
Target Operating Module			Q3	
Medium Term Financial Planning			Q3	
Organisational Governance			Q4	
Scheme of Delegation			Q4	
Policies and Procedures			Q4	
Accounts Payable			Q4	
Accounts Receivable			Q4	
Payroll			Q4	
ICT Systems			Q4	
Risk Management			Q4	

NORTHAMPTONSHIRE POLICE, FIRE AND CRIME COMMISSIONER, NORTHAMPTONSHIRE POLICE and NORTHAMPTONSHIRE FIRE AND RESCUE SERVICE

JOINT INDEPENDENT AUDIT COMMITTEE
26 SEPTEMBER 2019

REPORT BY	Richard Baldwin
SUBJECT	Internal Audit Recommendations Summary Report
RECOMMENDATION	To consider report

1   PURPOSE OF THE REPORT

1.1   This report provides the Joint Independent Audit Committee (JIAC) with an update on the status of actions arising from recommendations made in internal audit reports.

1.2   The report contains actions arising from audits of both Northamptonshire Police and the Office of Northamptonshire Police and Crime Commissioner

2 OVERALL STATUS

- The report shows 40 actions that were open following the last JIAC meeting or have subsequently been added.
- 3 actions have been completed.
- 1 action has been superceded and is no longer applicable.
- 20 actions not yet reached their implementation date and remain ongoing.
- 16 actions have passed their implementation date and are overdue.

3 OVERVIEW

3.1   **2016/17 Audits**

- 11 audits were completed making 60 recommendations.
- 1 action remained open following the July JIAC meeting.
- 1 action has passed its implementation date and is overdue.

3.2   **2017/18 Audits**

- 11 audits were completed making 93 recommendations.
- 15 actions remained open following the July JIAC.
- 2 actions have subsequently been completed and are closed.

- 5 have not yet reached their implementation date and remain ongoing.
- 8 have passed their implementation date and are overdue.

3.3 **2018/19 Audits**

- 9 audits were completed making 39 recommendations.
- 17 actions remained open following the July JIAC.
- 1 action has been superceded and is no longer applicable.
- 9 have not yet reached their implementation date and remain ongoing.
- 7 actions have passed their implementation dates and are overdue.

3.4 **2019/20 Audits**

- 2 audits had been completed prior to the July JIAC making 4 recommendations.
- 1 action remained open following the July JIAC.
- A further 2 audits have been completed since the July JIAC making 6 recommendations.
- 1 action has subsequently been completed and is closed.
- 6 have not yet reached their implementation date and remain ongoing.

3.5 The attached Summary of Internal Audit Recommendations Report shows details and the current status of all open audit actions.

3.6 The Force Assurance Board has oversight of all outstanding audit actions and directs the activities required to complete any actions that have passed their targeted implementation date.

EQUALITY, DIVERSITY AND HUMAN RIGHTS IMPLICATIONS
None

HUMAN RESOURCES IMPLICATIONS
None

RISK MANAGEMENT IMPLICATIONS
None.

ENVIRONMENTAL IMPLICATIONS
None

Author:	Richard Baldwin, Strategic Development, Risk and Business Continuity Advisor
Chief Officer Portfolio Holder:	Simon Nickless, Deputy Chief Constable
Background Papers:	Summary of Internal Audit Recommendations for JIAC September 2019

INTERNAL AUDIT RECOMMENDATIONS DASHBOARD   **Appendix: 6i**

Summary of Audit Outcomes

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.

2016/17

AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			Priority 1	Priority 2	Priority 3
OPCC Victims Code	June 2016	Limited Assurance	0	7	3
Complaints Management	June 2016	Satisfactory Assurance	0	2	2
Firearms Licensing	September 2016	Satisfactory Assurance	0	2	1
Financial Planning & Savings Programme	November 2016	Satisfactory Assurance	0	3	1
Code of Corporate Governance	November 2016	Satisfactory Assurance	0	4	3
Procurement Follow Up – EMSCU level purchases > £25k	November 2016	Limited Assurance	2	3	1
Procurement Follow Up – Local level purchases < £25k		Satisfactory Assurance			
Business Continuity	December 2016	Satisfactory Assurance	0	2	3
ICT Review	January 2017	Satisfactory Assurance	0	3	1
Walgrave Wellbeing Centre	January 2017	Limited Assurance	2	4	0
Risk Management	February 2017	Satisfactory Assurance	0	5	0
Capital Expenditure	April 2017	Limited Assurance	3	2	1

2017/18

AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			Priority 1	Priority 2	Priority 3
Audit Committee Effectiveness	June 2017	Not Rated	0	7	4
Seized Property	July 2017	Limited Assurance	4	4	0
Victims Code of Practice	July 2017	Not Rated	0	5	1
Fleet Management	August 2017	Satisfactory Assurance	0	4	0

AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			Priority 1	Priority 2	Priority 3
Procurement Follow-up	November 2017	Satisfactory Assurance	0	4	0
Core Financial Systems	December 2017	Satisfactory Assurance	0	7	3
Data Quality	January 2018	Satisfactory Assurance	0	3	3
Financial Planning	February 2018	Satisfactory Assurance	0	2	4
Estates Management	March 2018	Limited Assurance	1	4	1
Crime Management	May 2018	Substantial Assurance	0	0	4
Counter Fraud Review	May 2018	Not Rated	3	14	11

2018/19

AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			Priority 1	Priority 2	Priority 3
Absence Management & Wellbeing	July 2018	Limited Assurance	1	2	2
Northants Police – IT Strategy	August 2018	Satisfactory Assurance	0	1	1
Victims Voice	October 2018	Satisfactory Assurance	0	2	2
Seized Property	November 2018	Limited Assurance	2	4	0
MFSS Contract Management	December 2018	Limited Assurance	2	2	0
GDPR	February 2019	Limited Assurance	4	0	4
Service Delivery Model	February 2019	Satisfactory Assurance	0	4	0
Risk Management	April 2019	Satisfactory Assurance	0	3	2
Performance, Skills & Talent Management	14 May 2019	Satisfactory Assurance	0	1	0

2019/20

AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			Priority 1	Priority 2	Priority 3
Business Continuity	31 May 2019	Satisfactory Assurance	0	1	0
Complaints Management	04 June 2019	Satisfactory Assurance	0	1	2
Project / Benefits Realisation	22 August 2019	Satisfactory Assurance	0	2	0

Summary of Audit Recommendations Progress

This table shows a summary of the progress made on new audit recommendations raised at each JIAC during the current year and annual totals for previous years where audit recommendations are still active.

Position as at 15 July 2019

Previous Years Audits	Totals for 2016/17	Totals for 2017/18	Totals for 2018/19		2019/20 Audits	Reported to JIAC 26 Jul 19					Totals for 2019/20
Recommendations Raised	60	93	39		Recommendations Raised	4					4
Complete	59	78	22		Complete	3					3
Ongoing	0	7	11		Ongoing	1					1
Overdue	1	8	6		Overdue	0					0

Position as at 10 September 2019

Previous Years Audits	Totals for 2016/17	Totals for 2017/18	Totals for 2018/19		2019/20 Audits	Reported to JIAC 26 Jul 19	Reported to JIAC 30 Sep 19				Totals for 2018/19
Recommendations Raised	60	93	39		Recommendations Raised	4	6				10
Complete	59	80	23		Complete	3	1				4
Ongoing	0	5	9		Ongoing	1	5				6
Overdue	1	8	7		Overdue	0	0				0

OUTSTANDING RECOMMENDATIONS

Key to Status		Action completed since last report		Action ongoing		Action outstanding and past its agreed implementation date		Action no longer applicable or superceded by later audit action

2016/17

Risk Management – February 2017

	Observation/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
4.5	**Training for OPCC Staff** *Observation:* In order to ensure that staff have the appropriate skills to identify, report and assess risks to their service areas, they should be provided with adequate and appropriate risk management and/or awareness training. Discussion with the Director of Delivery and Director of Resources and Governance confirmed that the risk management processes within the OPCC are currently under review and a new working methodology for risk management is to be implemented. This includes the use of the IPSO Risk Management software. The Director of Delivery has been trained on IPSO as he will be the officer who updates the system and it is not expected that any other members of staff will require access. However, other members of staff within the OPCC will require training on the new risk management processes, including their roles/responsibilities. Training was not provided on the previous methodology and will be required once the new risk management working practices have been finalised. At the time of the audit no training had been provided. *Risk:* If staff do not have adequate risk management skills, key risks may not be identified and managed effectively across the OPCC.	Key staff within the OPCC should receive appropriate risk management training, whilst wider risk awareness should be developed across the OPCC including training on the new risk management processes implemented. A recommendation regarding training for OPCC staff was raised within the 2015/16 internal audit report of risk management. (OPCC)	2	The risk lead in the OPCC recognises this issue. The OPCC lead is currently reviewing and refreshing the OPCC risk policy. Once completed this will be shared with all staff and will be the subject of a whole team briefing to aid understanding. Training and awareness briefings will be arranged and delivered to all staff on the identification of, adoption of and management of risks. The lead officer is seeking to source more formalised training for himself. All of this will be documented for next audit. Update – The OPCC and Force are currently exploring joint training to be undertaken by an external provider in spring/summer 2018. Update: May 2018: The OPCC are seeking to procure new Risk management software with the Force and training will be undertaken after it is in place. This remains ongoing. Update August 2018 – New risk management training for the OPCC and Force is being developed in conjunction with Gallagher Bassett. Draft training material has been produced and is being evaluated prior to roll out of the training later in the year. Update Jan 2019 – The new risk management system is anticipated to be implemented in March 2019. The risks training will then be scheduled to be delivered.	Paul Fell, Director for Delivery October 2017	

		■	Update May 2019 – Training on the new system is scheduled for the beginning of July 2019. General risk management training will then be developed to be rolled out for all managers. Update – Training in the 4Risk system has been provided to key staff from the OPFCC and Force. General risk management training is being developed alongside Gallagher Bassett and this will be provided to all key staff.	■

2017/18

Data Quality – January 2018

	Observation/Risk	**Recommendation**	**Priority**	**Management response**	**Timescale/ responsibility**	**Status**
4.1	**Niche Governance** *Observations:* When the Force adopted the Niche system a Niche Governance Board was set up to monitor any issues that the Force were facing in regard to the new system. Audit were informed that the Board meet on a quarterly basis and discuss wide ranging issues, from local governance to more operational issues such as data quality. Audit confirmed this through the Action Log that is maintained for this group. Whilst the Board does have a documented Terms of Reference in place it has not been reviewed or updated since its creation in 2014. In addition to the Niche Governance Board, a quarterly Data Quality Working Group meeting is held with leads of departments attending, including the Crime Management and Intelligence department, to discuss the operational issues. Whilst an action log is maintained to track the work this group is undertaking, there is no Terms of Reference in place that clearly sets out the role and responsibility that this group has. Moreover, there are two further groups who have a role in managing data quality in respect of Niche – the Regional Data Quality Team and the Local Data	The Force should put in place clear terms of reference for the Niche Data Quality Working Group. The Terms of Reference should include but not be limited to: • Purpose • Scope • Membership • Decision making authority • Reporting Requirements • Frequency of meetings • Review period for terms of reference Moreover, the roles and responsibilities for data quality of the system should be clearly stated within the Terms of Reference of all Governance Groups for the Niche System, including the Regional & Local Data Quality Teams.	**2**	Agreed. It would be best practice to update the Terms of Reference for the Niche Governance Board and review the remit of the Niche Working Group to ensure no duplication of responsibilities. Update - The terms of reference will be for review and update/resign off when the next governance board happens. Update - The Niche team, and interested parties, are working together to decide on ownership, format and frequency of ongoing meetings, and what that will look like is yet to be determined. There have been no further Niche governance boards to revisit or agree terms of reference, and the Business user group, which is looking to become a core part of the ownership of the strategy is also currently looking at how it will be run, governed etc. in the future with a new chair. The Data Quality strategy will not be updated to dictate what has been done so	Niche Operational Lead Jim Campbell 30th April 2018 Revised date 30 June 2018 Advised June 2019 that Mark Manning is now the lead for this.	■

Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
Quality Team. However, it is unclear on the remit and role of each team in dealing with data quality issues relating to Niche. *Risk:* There is a lack of clear governance underpinning the management and maintenance of Niche.			far, but will be based on the new models once agreed. There is also national strategic prioritisation regarding data quality emerging which may also influence Northants next steps. Update Jan 19 - Due to significant capacity challenges, our limited size team has focused on priorities agreed through the Change Board to improve transparency and solutions to data quality issues: • Pronto – delivery of this middleware solution provides the opportunity to define and mandate inputting to agreed business rules, resulting in the greatest likelihood of improving data quality. • Qlik (proof of concept, business case and implementation of an enterprise solution) – this Visual Analytics platform provides self-serve access to near real time visualisations that allow better resource management, improved performance, a reduction in harm, mitigation of risk and a potential future reduction in more manual data mining work and associated software licences. There will be much greater transparency of data quality issues, empowering individuals and supervisors to take more ownership in addressing these and avoiding common mistakes. Update – The Regional Data Quality Team have produced a document outlining their roles and responsibilities. Det Supt Vernon has arranged to meet with key staff to review and formalise the internal governance arrangements. Update – A new Niche Governance Board is being established with relevant individuals informed and a first meeting to be arranged.		

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.2	**Niche Data Quality Strategy** *Observations*: A Data Quality Strategy for the Niche system was been completed and signed off by the Deputy Chief Constable in February 2017. The aims of the Strategy is "to ensure that Northamptonshire has a system that can best protect people from harm, with consistently applied standards that deliver accurate statistics that are trusted by the public and puts the needs of victims at its core". The strategy sets out a number of tasks that it would like to achieve and the next steps that should be taken to deliver these. However, it was found that there is currently no monitoring of these next steps to ensure the aims of the strategy are being achieved. *Risk:* Failure to achieve the aims of the Data Quality Strategy.	The Data Quality Strategy for the Niche system should be owned by the Niche Governance Board and it should be reviewed at each meeting to ensure that the achievements and next steps set out in the strategy are being delivered.	2	Agreed. The performance monitoring on the strategy had yet to be completed although this has been identified and will be carried out. Update – EH is updating the strategy ahead of handover as business as usual. Update – as per 4.1	Niche Operational Lead Jim Campbell 30th April 2018 Revised date 30 June 2018 Advised June 2019 that Mark Manning is now the lead for this.	
4.6	**Performance Reporting of Data Quality** *Observation:* The Force have developed a number of monitoring tools for data quality, including an application that reviews data quality issues within Niche, as well as a dashboard for individuals to see data quality issues. The data quality application allows an oversight of the data quality issues by volume, however there is no regular reporting of this performance data. Audit were informed that a Business Objectives reporting tool can summarise the data but is unable to track it over time to show the trend of issues being reported. Moreover, as the version of Niche used by the Force is the same as the regional partners, there is an opportunity for being able to benchmark the Force's data quality performance against other Forces to provide a contrast in data quality performance. *Risk:* The data quality performance of the Force is unknown by key decision makers.	The Force should develop the reporting functionality of the data quality application to allow for effective performance reports on data quality issues to be utilised by those charged with governance of the system.	3	The performance team at the Force are already developing the reporting functionality across the Force systems. Liaison will be done with the Performance Team to ensure appropriate reports can be utilised in the management of data quality within Niche. The business intelligence tool we are looking to implement shortly will help increase the visibility of data quality issues. A project team is being established to progress a proof of concept and we have a good case study from another force to develop from. Update Jan 19 - The Data Quality App developed in ISD as a temporary measure to monitor key data quality issues is not the forces long term solution. Development resources are being recruited to support the rollout of more advanced functionality within Qlik, learning lessons from the Qlik	Niche Operational Lead Jim Campbell 30th June 2018 Advised June 2019 that Mark Manning is now the lead for this.	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/responsibility	Status
				Data Quality App and Dashboards developed in Avon & Somerset. In the interim, The Regional Niche Data Quality Team manage key data quality issues on a daily basis, resolving duplicates and providing feedback in force. Summary statistics are then made available to assess ongoing trends. The Performance Team will also highlight and escalate Data Quality issues on a regular basis through to the Force Strategy Board.		

Crime Management – May 2018

	Observation/Risk	Recommendation	Priority	Management response	Timescale/responsibility	Status
4.1	**Clear Roles & Responsibilities** *Observation*: The Service Delivery Model was implemented by the Force in October 2017 and included changes to the way that the Force manages the incidents and crimes that are reported. The changes were designed to deliver efficiencies and ensure compliance with the National Incidents and National Crime Recording Standards throughout the process. Whilst the teams included as part of the process remain the same – Force Control Room and Crime Management Unit – their roles have changed slightly as to when a crime or incident is recorded, including the introduction of a new Managed Appointments Unit. The intranet provides the Force with details about each department and the Force Control Room and the Crime Management Unit have a page on the intranet. However, it was noted that the intranet pages have not been updated post the Service Delivery Model going live and therefore they are not in line with the current processes followed. *Risk:* Lack of clarity within crime recording and crime management leading to failure to comply with relevant standards and regulations.	The roles and responsibilities stated on the intranet, for the departments involved in crime management and crime recording, should be updated to reflect the changes since the Service Delivery Model went live.	3	There are a number of changes in the next month with the crime allocation policy being finalised and Sgts being able to file crimes directly. The page will be refreshed/updated over the next month in line with these changes, this is an ongoing piece of work. Update – 06/08/18 - The Crime Allocation Policy is still awaiting agreement by Chief Officers. In addition there is now an ongoing review, Op Stereo, around demand management and resources. As soon as the policy is agreed the intranet will be updated. Update – 29/10/18 - The Crime Allocation policy has not yet been approved by Senior management. This may not be approved quite yet due to another structural crime review taking place. Update Jan 2019 – The new policy has been drafted in line with the further review of the Force structure and is currently being reviewed by the Head of Crime.	DI Tania Ash Head of Crime Management Unit 31 July 2018	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
				Update – As part of the FP20 review a new Desktop Investigation team (static investigations) is being created from 1st July and there is a matrix detailing allocation of volume crime. The Crime Allocation Policy is still in draft form, it is awaiting further review and analytical work to see what the volume looks like. Update – The Interim Crime Allocation Policy was approved by the Force Executive Meeting on 02 August and subsequently published.	Expected to be completed by end of September 2019	

Counter Fraud Review– May 2018

	Recommendation	Rationale	Priority	Management response	Timescale/ responsibility	Status
	EMSCU - Data Handling in the Procurement Process					
1	OPCCN and Northamptonshire Police should consider moving the definitions sections to the start of the process.	Staff should ensure they have a clear understanding of the terms referred to within the policy prior to reading it.	3	Noted. EMSCU is a regional unit so this is not necessarily a matter for the Force. To be remitted to the EMSCU lead Update - The Policy is a regional Unit Policy and was reviewed last in Oct 2018 by the lead force and agreed; further variations will be reviewed in Oct 2019 to be agreed at the EMSCU board.	Head of EMSCU	
3	OPCCN and Northamptonshire Police should update the third bullet point within section 4 policy statement to refer to the Information Security Policy.	It currently refers to the Security Policy, however we assume this is a typo.	3	Noted Update – The Force Information Security Manager has confirmed the process should refer to the Information Security Policy. This action is being reallocated to the Head of EMSCU. Update - The Policy is a regional Unit Policy and was reviewed last in Oct 2018 by the	Head of EMSCU 30/09/18	

	Recommendation	Rationale	Priority	Management response	Timescale/ responsibility	Status
				lead force and agreed; further variations will be reviewed in Oct 2019 to be agreed at the EMSCU board.		
4	OPCCN and Northamptonshire Police should ensure that where decisions are made at the pre-tender stage, these decisions are documented and stored on file.	Page 3 includes the decision made by the IAO as to which category of the data handling schedule should be included. OPCCN and Northamptonshire Police should ensure that all procurement decisions are documented on file.	2	Noted. EMSCU is a regional unit so this is not necessarily a matter for the Force. To be remitted to the EMSCU lead Update - Pre Procurement decisions are captured via the SOR/STA process and these are stored on the Crystal system.	Head of EMSCU	
	EMSCU - Policy SME Friendly Procurement					
1	OPCCN and Northamptonshire Police should remind staff that although some of the rules with regards to SME tender exercises differ from normal exercises, staff must still comply with rules set out in the Business Interests and Additional Employment Procedure.	Staff may become complacent when dealing with smaller suppliers. It should be made clear that declarations of interest are still vitally important and if any conflicts of interest arise, staff should remove themselves from the tender process.	2	Noted. EMSCU is a regional unit so this is not necessarily a matter for the Force. To be remitted to the EMSCU lead. Update - EMSCU run procurements for the force for any spend over £25k; all procurement rules are adhered to and staff are advised throughout the process of the rules.	Head of EMSCU	
	Information Security Policy					
1	OPCCN and Northamptonshire Police should make clear what they are referring to by the acronym 'ACC' within section 4.1.	It is currently unclear as to who OPCCN and Northamptonshire Police is referring to. The policy needs to be as easy to understand as possible.	3	Noted Update - The policy review will be finalised by end of Sep 2018, at which point it will be considered whether a full re-write of the policy is needed. If full re-write is required this will be post appropriate accreditation for the author.

Update Feb 2019 – The IS policies have not yet been updated. The Information Security Strategy was given priority, and the policies will be reviewed/rewritten in line with the new strategy. | Force Information security manager 30/09/18 | |

	Recommendation	Rationale	Priority	Management response	Timescale/ responsibility	Status
2	OPCCN and Northamptonshire Police should update section 4.5.1 'All Staff' to include the following: 'Staff should advise line managers and the Information Security Officer, as appropriate, of any potential weaknesses in information security or associated procedures'.	This is proactive and should reduce future breaches or issues related to information security.	2	Noted Update - This will be reflected as part of the review at point 1	Force Information security manager 30/09/18	
3	OPCCN and Northamptonshire Police should update section 6 'All Staff' to include the following: 'Where staff are unclear on any matters relating to the implementation and application of this policy, they should seek clarification from the Information Security Officer or the Senior Information Risk Officer'.	This area of information security can often be complicated. This demonstrates a clear line of communication if staff are not clear on the policy.	3	Noted Update - This will be reflected as part of the review at point 1	Force Information security manager 30/09/18	
4	OPCCN and Northamptonshire Police should update Section 6 to include related documents. Some examples are: • Computer Misuse Act 1990; • Copyright, Designs and Patents Act 1988; • Civil Contingencies Act 2004; • Freedom of Information Act 2000; • General Data Protection Regulation 2016 (as of 25 May 2018); • Human Rights Act 1998; and • Official Secrets Acts 1911, 1920 and 1989.	It is important that staff are aware of relevant legislation and documentation.	3	Noted Update - This will be reflected as part of the review at point 1	Force Information security manager 30/09/18	
	Scheme of Governance					
2	OPCCN and Northamptonshire Police should make reference to the Intellectual Property Act (2014) within Appendix 1.	Appendix 1, Section C6 currently refers to intellectual property. However, it does not mention the act by which it is governed.	3	Noted. EMSCU is a regional unit so this is not necessarily a matter for the Force. To be remitted to the EMSCU lead Update - The Scheme of Governance is an OPFCC document, not an EMSCU one. The Corporate Governance Framework issued in April 2018 included comments and input from all key partners and is a Joint Governance Framework for the Force and	Head of EMSCU OPFCC Oct 2019	Head of EMSCU OPFCC Oct 2019

	Recommendation	Rationale	Priority	Management response	Timescale/ responsibility	Status
				OPFCC. The recommendation will be considered and if appropriate, wording updated in the review which is scheduled to take place in the Summer of 2019. Revised completion date is October 2019.		
3	With regards to the use of procurement cards, OPCCN and Northamptonshire Police should consider a 'key control' concerning a review of the actual purchases.	Appendix 1, Section D9 currently details a review of who the cards are issued to and the limits on each card. However, it does not refer to the type of spend permitted on these cards. It is important that staff do not purchase items for personal use or items that could bring OPCCN and Northamptonshire Police into disrepute.	1	Noted. EMSCU is a regional unit so this is not necessarily a matter for the Force. To be remitted to the EMSCU lead Update - The Scheme of Governance is an OPFCC document, not an EMSCU one. The Corporate Governance Framework reflects the separate policies and financial instructions in place for Procurement Cards which will include how and when they are to be used. The Corporate Governance Framework issued in April 2018 included comments and input from all key partners and is a Joint Governance Framework for the Force and OPFCC. The recommendation will be considered alongside the separate policies and financial instructions and if appropriate, wording updated in the review which is scheduled to take place in the Summer of 2019. Revised completion date is October 2019.	Head of EMSCU OPFCC Oct 2019	Head of EMSCU OPFCC Oct 2019
4	OPCCN and Northamptonshire Police should update the EU Procurement Thresholds. Supplies and services are now £181,302 (€221,000) and works are now £4,551,413 (€5,548,000).	Appendix 2, Appendix C details the old thresholds. The thresholds have been updated and are effective from 1 January 2018.	2	Noted. EMSCU is a regional unit so this is not necessarily a matter for the Force. To be remitted to the EMSCU lead Update - The Scheme of Governance is an OPFCC document, not an EMSCU one. The Corporate Governance Framework	Head of EMSCU OPFCC Oct 2019	Head of EMSCU OPFCC Oct 2019

	Recommendation	Rationale	Priority	Management response	Timescale/ responsibility	Status
				issued in April 2018 included comments and input from all key partners and is a Joint Governance Framework for the Force and OPFCC. The recommendation will be considered and appropriate wording used to reflect that thresholds do change (and it is too big a document to update for every such change – this happens annually) and included in the review which is scheduled to take place in the Summer of 2019. Revised completion date is October 2019.		

2018/19

Seized Property – November 2018

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.1	**Property Recording** *Observation:* Audit carried out visits to two temporary stores to carry out testing to confirm that property records matched actual items in store. Audit testing found: • 323 items were recorded in the property management system but only 135 could be located • 26 items were physically in the property stores but were not recorded as being in that location on the property management system. There were similar findings in last years audit. Since last year a number of communications have been issued across the Force to remind officers and staff of the correct procedures to be followed when handling seized property. *Risk:* Where items are not tracked there is a risk of property going missing. This questions the integrity of the underlying records held on the NICHE system and could lead to reputational damage should key evidence or individuals' property be unable to be located.	There are a number of recommendations to address the root causes of these errors including – training and store audits (see 4.3 & 4.4 below). The Force should continue with regular communications to help raise awareness of the issues. The Detained Property Team should review the items that audit could not locate and carry out inquiries to ensure they are located.	1	A business case was agreed for growth within the department, which will enable us to effect audits more frequently. The increased staffing will enable the investigation of anomalies and the development of officer training for the appropriate management of property. We have changed the rota, to include the investigation of anomalies. Update - Recruitment progressed, interviews completed. Predominately external appointments which will be subject the vetting delays, hence anticipated starting Sept 19. Proposed start date for implementing new responsibilities i.e. training & coaching officers - Oct 19. Communications will continue to be sent i.e. update circulated last week regarding electronic exhibits. See also 4.3 & 4.4 for further staff engagement activities. Update - Comms ongoing – i.e. shortly be circulating a new cash seizure protocol which will address the Insurance issues around cash holdings. There are issues with the data extracts from Niche, in that incorrect data is returned due to limitations of the system. A business objects universe has been developed, and staff from Property, are working with corporate development to develop accurate reports to be used in place of the existing Niche reports. Testing/quality assurance will take place	Detained Property Senior Manager Sep 2019 - team growth (extended timeframe to include recruitment, training and implementation) Coms Ongoing Dec 2018 Reporting development has commenced following a delayed start. Report testing and implementation should be complete by Mar 2019.	

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
				and should be finalised by the end of December 2018. Update - Testing/quality assurance should be finalised by the end of March 2019. Update – The Performance Team have to resource assistance to work with Michael Wrighton to produce and test the required reports which will be in place before the next audit		
4.2	**NICHE Reports** *Observation:* When audit carried out the testing to reconcile items recorded on the system to the physical location, a report from the Niche system provided the current items held within the store. The shelves within the temporary stores are numbered 1 – 31 and the date they are booked into the store should be the corresponding shelf number where they are stored. Therefore a report run on a set date should detail all items held on that particular shelf. However, it was identified by the Property Officers that when they ran reports on a set date, the reports included other items that had been actioned on these dates as well as those booked in on those days. Therefore the reports may not detail the exact location of the item when running this report type. The reporting capabilities of the Niche system are limited, however the Force are able to use Business Objects software to extract data from the Niche system. More accurate reporting would assist in quickly identifying the location of property held within the temporary stores. *Risk:* The Force are unaware of the full picture in regards to detained property as reports are unable to be produced to demonstrate key statistics.	The detained property team should explore any reporting capabilities that will assist them in the management of detained property.	2	Further to the comments in 4.1 re Niche reporting, the volume of property occurrences and associated property items causes difficulties with business object reports. Further work is required to assess how this can be improved, i.e. increasing the levels of accountability e.g. additional property locations, meaning reports are run for smaller volumes. Update - Property holding locations have been increased to support reporting functionality. We are also reviewing the management of temporary stores (shelves/collections etc). This includes comparisons to regional partner's processes such as the introduction of a red/amber/green method as opposed to the use of dated shelves, to see if there are any improvements and efficiencies that can be made. Update - Review completed & no benefits identified. Reporting improvements & changes in staff responsibilities will support reporting requirements & outcomes	Detained Property Senior Manager Mar 2019 May 2019 (review & implementation)	
4.3	**Property Audits** *Observation:* During the previous audit visit it was recommended that periodic audits of the temporary stores should be carried out to identify any missing	The property audit process should be developed to ensure a summary of findings is appropriately reported to senior	2	The CJU senior management team circulate comms to the force via Force media avenues and via senior officers (chief superintendents & Inspectors). CJU Senior	Detained Property Senior Manager Ongoing	

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	items or incorrectly recorded items on the system so that remedial action can be taken. The Detained Property Team are now carrying out periodic audits of the temporary stores on a rotational basis in line with their collections. Where errors are found during the audits, officers responsible for the items are emailed and chased to locate the item or correctly record them in the system where applicable. However, an overall summary of the audits is not reported which increases the risk that senior officers are unaware of the current status of detained property around the region. *Risk:* Actions are not taken to address issues that the property stores audits are highlighting.	officers so that action can be taken to address the issues found in a timely manner. The Property Team should consider rolling out further audits of high risk areas such as Cash Valuables, Freezer, Firearms and Ammunition stores on a periodic basis to confirm items are correctly recorded.		management attend Force area SMT's where possible, to discuss ongoing issues. The approved business case and subsequent growth will enable us to affect audits more frequently, including the Cash Valuables, Freezer, Firearms and Ammunition stores. The increased staffing will facilitate the production of detailed reports for senior officers to understand and address issues in a timely manner. Update - See also 4.1 & 4.2 above. A cash seizure protocol will address control issues, whereby facilities will support officers counting cash. The protocol also supports an exercise to be commenced in July, to count and bank all cash holdings. The increased staffing will facilitate the production of detailed reports for senior officers to understand and address issues in a timely manner and support the ongoing audits, including that of high value items	Further to 4.1 .2- Sep 2019 (extended timeframe to include recruitment, training and implementation) Protocol & cash counting to be implemented once stakeholder agreement confirmed, expected Aug 19.	
4.4	<u>**Training**</u> *Observation:* During the previous audit a recommendation was raised in regards to providing Officers with training to ensure that the correct processes were being followed when managing detained property. This was raised following audit findings that highlighted a number of cases where property was not recorded correctly. Due to lack of staffing resources there has been no roll out of detailed training as yet. Discussions with the Head of Detained Property confirmed that communications have been sent since the last audit however, due to staff shortages they have been unable to roll out detailed training as they had hoped to do. The Staff within the Detained Property Team have a training skills matrix to ensure the staff are fully competent in their duties. This was introduced three years ago and the staff who have been their longer than this have not completed the matrix as they are	The Force should proceed with plans to roll out further training with officers to ensure that property is correctly recorded. The Detained Property Team should consider updating their staff skills matrix to include the collection and transportation of detained property.	**2**	As per 4.3, discussions are held at a senior level to highlight areas of concern. As part of core training, new officers receive an input on property; however there is no mechanism for ongoing training. The approved business case will mean an increase in team leader posts, with additional resource to drive and facilitate a training program. Update - The new agreed structure includes coaching & training as referred above. The CJU senior manager is progressing a Niche 'request for change – RFC', which will change the way officers manage their property, streamlining processes. This will	Detained Property Senior Manager Sep 2019 (extended timeframe to include recruitment, training and implementation) RFC timescales are Minerva (external company) dependant, but hopefully by Dec 2019.	

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	considered competent, It was noted that the Transport of Property between the temporary stores and central stores was missing from the current skills matrix. *Risk:* Staff do not record the location and movements of detained property leading to lost items that could affect criminal prosecutions.			require a program of training which the new team leader posts will support. In respect of the training skills matrix, this has been adjusted to include the audit recommendation regarding transport	Cleared	
4.5	**Disposals** *Observations:* It was noted during the previous audit that the Detained Property Team had a backlog of items that were approved for disposal but, due to a lack of resources within the team, they had been unable to action the items awaiting disposal. Audit were informed that whilst additional resources have been added to the team, these took some time to put in place and therefore the team have only been able to deal with the current daily workloads from May 2018 onwards. As a consequence, there has not been a concentrated effort to reduce the back log. At the time of audit visit it was confirmed that there are 8,125 items that are awaiting disposal. Audit were informed that Process Evolution undertook an independent review of the resourcing required to address the backlog. Their findings are due to be presented at the Change Board with associated options that could be taken to address this issue moving forward. *Risk:* Inefficient use of detained property resources by retaining items beyond their required retained date. Potential breaches of legislation by holding items that are required to be disposed of.	Actions to address the backlog of items for disposal should be agreed upon and implemented.	2	The approved business case included finances to recruit a team dedicated to clearing the backlogs in 1 year, from an agreed date when the recruited staff can be appointed. As an interim measure, a change in rotas and responsibilities has meant we have managed to chip away and clear some of the backlogs, such as sealed sacks and return to owner shelves. Work will continue to tackle the backlogs and this has been factored to provide a revised FTE requirement for the backlog team to complete the remaining backlogs when appointed. Update - Backlog team all now appointed and working through, investigating and disposing of property holdings. Niche tasks reduced from 12000 to less than 1000.	Detained Property Senior Manager 1 year from team appointment. Initially the management post will be recruited, then the backlog team. All posts will need to be established via finance and human resources, and then recruited. Vetting currently has delays of a minimum of 12 weeks. Estimated timeframe for the completion of all backlog work outstanding will therefore be Mar 2020.	
4.6	**Cash Handling** *Observations:* When cash is detained by officers it is required to be counted with two officers present in a	Appropriate procedures should be developed so that cash held	1	The business case covered the risks in this area. Security has been significantly	Detained Property	

Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
secure location. When this is not available, cash is bagged uncounted to be counted at a later time when this procedure can be complied with. Audit were informed that the central store does not have a 'sterile' room facility where cash can be safely and securely counted and therefore cash can remain uncounted for some time. It was noted that the Head of Detained Property has been working with the Financial Investigation Unit to develop appropriate procedures so that cash can be counted safely, securely and in a timely manner moving forward. However, this is still in development and it was noted that 157 items of uncounted cash were held within the Central Stores Safe at the time of audit visit. *Risk:* Where cash is not counted the Force are not insured for the amount held, also the amount held may be in breach of the insurance limits. When cash may be returned to the owner, the integrity of a police officer may be questioned if the amount seized has not been stated on seizure.	within the Central Property Safe is counted for insurance and safeguarding purposes.		increased at the central detained property store. DP staff do not currently have a sterile room that meets the requirements for cash to be counted, and this is not part of their role. The Financial Crime team are kindly supporting DP, and a plan is in development for ongoing support in the short and medium term. Once the new Manager is appointed as part of the business case, they will need to review the roles of the team and include the development of the appropriate facilities and responsibility for this function. Update - Further to 4.3 above. A new cash seizure protocol is to shortly be introduced and will require officers to count cash which will be banked at the earliest opportunity, reducing Northants Police liability. The protocol also supports an exercise to be commenced in July, to count and bank all existing cash holdings. In addition, a Cash & Income generation officer has been appointed and due to commence on the 15th July, and will oversee and address any cash related issues and set up an income generation scheme. Update – July 2019 – The new Cash Seizure Protocol has been drafted and circulated for comment by 12 August 2019. The Force are also procuring two devices to count, photograph and capture the serial numbers of detained cash.	Senior Manager Mar 2019 Aug 2019 Ongoing	

MFSS Contract Management – December 2018

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.2	**Performance Management** *Observation:* It has been acknowledged by the Force that the current service level agreement and associated key performance indicators between the Force and MFSS are being reviewed and updated. Audit were informed work is ongoing to finalise these and put them in place. In the meantime it was noted that some interim KPI's are being delivered at the Service Review Meeting between the Force and MFSS. These are currently focused on Finance and HR specifically and no overall review of total services is able to be effectively carried out. Audit found that the performance information that was provided to the Joint Oversight Committee was the same as the performance information provided at the Management Board. These groups have a different focus (strategic versus operational) and therefore would require differing information to allow for effective oversight and scrutiny of MFSS performance across the totality of services provided. From the performance information that was provided to the Force, there was a lack of analytical information that would allow context and root causes to be identified. One omission from the performance data was the number of errors that had occurred throughout the different service levels. MFSS have a complaints process that should be followed when individuals are not happy with the level of service received. They will investigate and resolve the matter within a set time frame. However, it was noted that the number of complaints received, investigated and resolved are currently not reviewed or reported as part of the performance information provided at any of the governance forums. *Risk:* Poor performance by the shared service is not timely identified so appropriate actions can be put in place to address. The shared service fails to deliver the expected service to the Force	The Force should ensure that the updated SLA with MFSS is put in place as soon as possible to ensure effective performance indicators can be established. The Force should review the performance information that would be most relevant at each of the governance forums then work with MFSS to ensure they receive this information. The number of individual complaints raised and managed by MFSS should be centrally co-ordinated by the Force and form part of the service review meeting. Any unsatisfactory responses to complaints by MFSS should be escalated through the governance structure accordingly to ensure effective performance management.	**1**	Agreed The performance information is considered at the management Board and these papers will be made available to Force staff to review. Update Aug 2019 MFSS have appointed a Customer Relations Manager who will manage this area of business. A new SLA has not yet been produced but progress is being made via the Management Board with regards to a 'recovery plan'. KPIs are being produced and monitored at both the Management Board and Service Review meetings.	Force MFSS Leads 31 March 2019 MFSS 31 March 2019	
4.3	**Quality Control**					

Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
Observation: The terms of reference for the Optimisation Board states that they will provide direction to the individual Business Process Transformation groups to drive improvements in the service processes and maintained an improvement plan. There are seven BPTs: - Purchase to Pay / Accounts & Payables (Finance) - Recruit to Retire (HR) - Record to Report - Duty Planning - Logistics - Technology - Estates & Facilities As previously mentioned in Recommendation 4.1, not all the groups have been meeting to carry out this review, with Duty Planning, Logistics and Estates & Facilities having not met regularly to carry out their roles. However, the Optimisation Board does maintain an Improvement Plan that lists specific activities that are to be completed across the service lines. Audit reviewed the latest version of the plan and found that there are 38 open activities made up of 14 'not started', 22 'work in progress' and 2 'on hold'. For each activity it includes the area of service, the relevant BPT, an activity owner and an activity lead, although one key omission is a target / expected date of completion. Whilst not all start dates or date activity agreed was included on the plan, where dates were noted these dated back as far as 2014 in some cases. The improvement plan did include a prioritisation matrix of effort versus benefit for each activity listed to help the Board ensure they focus efforts in the right areas. However, due to the lack of target dates for completion, a large number of improvement activities are still outstanding. The Force were able to provide audit with a number of examples when the data they received from MFSS was not in line with their expectations. Whilst this included the process to 'pause' service requests when MFSS return queries to the Force, the number of paused SR's are not part of any monitoring or performance	The Improvement Plan should be updated to include target completion dates for activities to ensure MFSS and Partners are held to account for non-delivery of activities, the Force should raise this at the Optimisation Board. The Force should co-ordinate its data quality issues internally across the totality of services and ensure this is fed back to the MFSS Business Relationship Manager.	2	Agreed Update Aug 2019 The Optimisation Board was deemed ineffective and subsequently discontinued. There is now a new more rigorous governance structure which includes the Service Review Sub-Committee (SISC) which meets monthly to review and task areas for improvement and to track progress. The BPTs have been replaced with Workstream Meetings that address more detailed issues and feed into the other boards so there is clear accountability and visibility. Proposed to close this action.	Force MFSS Leads 31 March 2019	

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	review at present. Internally the Force does not co-ordinate the data quality issues across the totality of services. *Risk:* Failure of the partners and MFSS to complete improvement activities leading to a poor quality service. Failure of the Board to hold individuals to account for nondelivery. Failure to evaluate the quality of data being used to scrutinise MFSS					
4.4	**Governance, Communication & Co-ordination** *Observation:* The Shared Service Joint Oversight Committee and Management Board terms of reference are set out in the Collaboration Agreement and the creation of the Optimisation Board, Business Process Transformation groups & a Service Review Group has been developed. Audit reviewed the governance system in place and found that there are a number of ongoing reviews within the current governance structure: - The Collaboration Agreement itself is currently under review; - Optimisation Boards terms of reference has been re-drafted and is being re-named Service Improvement Sub- Committee; - A review of the BPT's role in the governance system is being undertaken. Moreover, it was clear that the seven Business Process Teams, that were set up to review specific MFSS services, have not all been taking place as intended. Audit found that internally at the Force the attendees at the various governance meetings were not communicating or coordinating appropriate information to allow a clear and consistent message to be delivered. *Risk:* Problems/issues are not escalated through the governance structure by the Force. MFSS are not held to account at the correct governance forum. The Force does not get the service it requires through lack of individual service line improvements.	The Force should put in place appropriate co-ordination between the attendees of MFSS governance forums to ensure the key information is shared. The Force should seek clarity from MFSS and partners to confirm the roles of each governance forum as well as ensuring the BPT's are operating as intended.	2	Agreed The PCC has taken over as the Chair of the SSJOC and as such coordination within Northamptonshire has already improved as information from these forums is disseminated. The CEO is also part of the weekly MFSS senior team meeting. This will be further reviewed to see if all key individuals are updated. New terms of reference were already developed as part of the Task force work and the S22 is under review. Update Aug 2019 The governance structure, terms of reference and attendance requirements are now clear and have been agreed by all partners.	Monitoring Officer/Project Director 31 March 2019 MFSS 31 March 2019	

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	The Force fails to manage the total service that it currently receives from MFSS.		🟧			🟥

GDPR – February 2019

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.3	**Resources** *Observation:* The organisation has two Full Time Equivalent (FTE) staff involved in disclosure requests. This includes not only Subject Access Requests (1 FTE) but also Freedom of Information (1 FTE). Other resources can support the process but this is additional activity to their own business as usual role. This ranks the force 5th out of the 5 East Midlands forces in available resource but 3rd out of 5 in total number of disclosure requests where we have reviewed GDPR processes. We also note the organisation has a significant back log of subject access requests beyond the 30 day response time, the largest of the five forces reviewed. This backlog, for the period between May and October 2018 was 69 subject access requests. This suggests the organisation has insufficient resources to manage its current work load, as well as move forward with areas such as action plan management and policy development. As such we would recommend that the organisation consider if more resource should be in place. The levels of formal training both to the Information Unit and wider organisation has been limited and should be improved. We do understand that the structure is currently under review and proposals have been made but these are currently on hold awaiting further information. *Risk:* The organisation has insufficient resources to manage the demand for disclosures and may be at risk of not achieving the statutory time limit.	The organisation should consider its resourcing levels in this area and in particular look to reduce its backlog of requests. The level of training provided to date to both the team and the wider organisation has been insufficient and further formal training should be considered which can then be cascaded to others internally.	1	Training needs analysis for Information Assurance, Information Security, Information Management, GDPR should be undertaken commissioned by IAB with a request for support from EMCHRS via the learning and development panel. This should be discussed at initial IAB meeting. Requires an overarching force wide plan, which considers teams and individual requirements. Forcenet messages should be formulated for more immediate issues. Update – Additional resources have been taken on until July 2020 which provides a temporary solution to the resourcing issues. A longer term solution will be discussed through IAB. Initial meetings have been held with EMCHRS about training.	2 months for initial meeting to be held and discussed. 6 months for more extensive delivery plan to be formed and added to training needs and execution to begin. This should continue for the foreseeable future with no end date. IAB and EMCHRS August 2019	🟧
4.5	**Information Asset Register** *Observation:* We were unable to evidence that an up to date Information Asset Register (IAR) has been completed, although there may be some	The organisation should review existing documentation with a view to establishing a current and	1	Ownership and tracking should sit with IAB.	From start date for Auditor.	🟧

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	documentation in both IT and in Information Security areas that would support its completion. The establishment of an IAR is important to establish how all data sources are identified, obtained managed, used and deleted by an organisation as well as responsible personnel, consent, and its location and is key under GDPR guidance and to manage the associated data risks. *Risk:* The organisation may not fully understand what data it holds, where it is located and how it is obtained and managed in contravention of GDPR legislation.	effective IAR that defines data which is collected and currently stored, and this has been utilised to identify potential risks to compliance with GDPR.		This had been completed but with gaps, largely due to individuals taking up position but unaware of their responsibility regarding it. This will form part of the induction project for the new Information Auditor. Update – The refresh of the Information Asset Register has started. This is being undertaken by the new Information Auditor. The work is ongoing with Asset owners given a deadline of 21 June to respond with any changes to the register. Update – The Register is mostly completed. A small number of exceptions are being managed via IAB. The Register will be forever changing so management of it will be BAU.		
4.6	**Information Security Breach Guidance** *Observation:* Whilst the general information security breach process is established internally and operating effectively there is a lack of guidance on the force's website to outside users which may lead to a lack of awareness in reporting potential breaches by members of the public. We understand that a review is currently ongoing to address policy guidance. *Risk:* Members of the public are not able to report information security breaches effectively.	Information security/data breach guidance should be included on the externally facing website regarding how to make complaint. This is currently in the process of being updated by the Information security officer.	**3**	To be tracked by IAB, ISO will liaise with SOH team to establish the mechanism and location, however this will be covered to some degree by the addition of the up to date Privacy Notice	Information Security Manager March 2019 SOH dependant.	
4.7	**Data Protection Policy** *Observation:* A Data Protection policy is in place, but we noted that there are two policies publicly available via the force's website dated November 2017 and May 2018. These relate more to the previous Data Protection Act rather than the current GDPR influenced changes. We noted that a review is currently ongoing to address policy guidance.	Data Protection policy documentation on the force's website needs to be updated to reflect current guidance and in particular GDPR.	**3**	To be tracked by IAB, DPO will liaise with SOH team to establish the mechanism and location, however this will be covered to some degree by the addition of the up to date Privacy Notice.	Information Security Manager March 2019 SOH dependant.	

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	Risk: Members of the public may not be properly informed of the Force's policy.		 			

Service Delivery Model – February 2019

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.1	**Governance** *Observation:* The Force have created a new Force Strategy Board that is made up of five sub-boards: • Risk • Transformation • Leadership, Wellbeing & Culture • Corporate Planning & Resources • Service Improvement Audit reviewed the terms of reference for each forum to confirm that the Service Delivery Model has appropriate oversight and scrutiny within this governance structure. A Service Delivery Model representative was a member of all but one of the above meetings. It was noted that the Corporate Planning & Resources terms of reference did not include them. Through discussion with staff it was confirmed this was an oversight and the membership of the five meetings should have been consistent. The Change Board is the governance forum that has oversees the delivery of the Service Delivery Model programme. It is noted that the new Transformation Board has similar aims and objectives to the Change Board in regards to oversight of SDM and thus this increases the risk of duplication of work and / or items 'falling between the gaps' if each board believes issues are being dealt with by the other. *Risk:* Oversight of the SDM programme is not incorporated within the Force Governance structure.	The Corporate Planning & Resource terms of reference should be updated to ensure its membership aligns with the other Force Strategy Board sub boards and includes Service Delivery Model representation. The Force should review the roles of the Change Board and Transformation Board to ensure there is clarity in the roles of board to allow effective oversight and scrutiny to take place.	**2**	The FSB Terms of Reference were originally produced in draft and are being updated with this work being overseen by the DCC and Head of Corporate Services as part of a wider force governance review that is also considering the role of the Change Board. Update – SDM has effectively been replaced by the Future of Policing 2020 (FP20) programme. Reporting is now in place with FP20 governed through the Service Improvement Board with oversight through FEM/FSB	March 2019 / DCC Nickless	

Risk Management - April 2019

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.4	**OPCC Risk Management Processes** *Observation:* Organisations should have agreed and robust procedures in place to manage risk and to provide stakeholders with assurance that risks are being effectively managed. The size of the respective organisations, and the level of resource available to oversee the risk management process, is acknowledged. Whilst the Force has a Risk & Business Continuity Advisor in place, the role of risk management oversight for the OPCC is subsumed within the wider responsibilities of the Director of Delivery. With the forthcoming introduction of 4risk, audit understands that it is the intention to introduce two further members of the OPCC team to the process, thereby mitigating the current risk of reliance being placed on the one person. In addition to reporting on risk referred to above, Directors Meetings are held on a weekly basis within the OPCC, with the attendees being made up of the risk owners for each risk on the OPCC risk register. Whilst this gives the opportunity for risk to be discussed, and audit were provided with evidence that this had happened, it was acknowledged that consideration could be given to ensuring risk is a standing agenda item. The introduction of 4risk, together with other staff to support the oversight of risk within the OPCC, is an ideal opportunity to review and strengthen risk management arrangements. *Risk:* The opportunity to strengthen risk management arrangements is missed.	As part of the review of risk management policies and procedures within the OPCC, consideration should be given to the following: • Establishing the respective roles of the Risk Owners, Director of Delivery and two support staff in the risk management process. • The above should include each person's access to 4risk and the expectations placed on them following the introduction of the new system. Developing a Forward Plan for the Directors Meeting where standard agenda items, such as risk management, are considered.	3	**OPFCC Response -** Agreed	Paul Fell 1st July 2019	
4.5	**4Risk** *Observation:* Both the Force and OPCC have utilised the IPSO software package for the recording and managing of risk for a number of years. As the system is now no longer supported, and is felt to no longer be fit for purpose, a procurement exercise was carried out and 4risk, a risk management solution provided by RSM, was selected as the proffered to new system.	A post-implementation review of 4risk should be carried out to measure whether the perceived benefits of the new system are being realised and an action plan be established where appropriate.	2	A post implementation review of the effectiveness of 4Risk will take place within 6 months of implementation.	November 2019	

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	The benefits of using 4risk, as set out on the RSM website, include: • *"enables reporting on profiling, categorisation and prioritisation of enterprise-wide risks;* • *provides visibility of the enterprise controls environment;* • *allows for enterprise wide assurance mapping and production of a board assurance framework;* • *tracks progress of actions through to implementation and outcome;* • *reduces risk management administration costs."* At the time of the audit, 4risk was still going through user testing and, as such, IPSO was still being used to manage risk. It was envisaged that 4risk would be in place early in the new financial year. From discussions with the Risk & Business Continuity Advisor, it was envisaged that 4risk would address many, if not all, the issues currently being encountered with IPSO, a number of which are highlighted in this report. As such, a fundamental action that will be need to be addressed once 4risk has been in place for a defined time will be a post-implementation review of the system. This would aim to measure whether the perceived benefits of the new system are being realised and, if not, what further action is required. *Risk:* The 4risk system does not deliver the anticipated benefits, leading to risks to the Force and OPCC not being effectively managed.					

Performance, Skills & Talent Management

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.1	**Quality Assurance of Performance Development Reviews (PDR)** *Observation:* The PDR Policy provides line managers with guidance on what the PDRs should include such as setting objectives and appropriate recording of	The retained HR function should carry out dip sampling on	2	Whilst I am not adverse to dip sampling or moderation, I am not sure this is where Hr should focus their time, however in the	End August 2019	

Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
evidence. The completed PDRs are currently submitted to the retained HR team who are able to demonstrate completion rates for the mandatory PDR. It was noted that there is currently no dip sampling to check that the contents of the PDR's are compliant with the PDR Policy. Moreover, there is no process in place for moderation of scores awarded for performance within the PDR process. *Risk:* PDRs are completed but are inappropriate or ineffective for managing performance. Lack of consistency in PDR scoring.	completed PDRs to ensure they are compliant with Force Policy. The Force should consider an appropriate moderation process to ensure fairness and consistency within the performance management process.		new structure that is being currently implemented, the business partner's role will be with the business to link in and ensure that moderation is undertaken. Add to this a level of dip sample via the Leadership administrators this will improve the outputs which should then be reported to the People Board Update Aug 19 – A PDR Implementation Plan has been put in place to support and manage the PDR process. Dip sampling could not take place in June as planned due to a system access issue. This is being actioned with MFSS and should allow us to dip sample PDRs in September as planned. PDR Moderation is scheduled for Feb and Mar 2020 with Ali Roberts (HR Business Partner).	Head of HR /HRBP/ Leadership Team	

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2019/20

Complaints Management

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.2	**Acknowledgement of Complaints** *Observation:* Statutory Guidance details the requirement for complaints to be acknowledged within two days of receipt. Testing of a sample of 20 complaints closed by the Force and all three complaints recorded against the Chief Constable (therefore handled by the OPFCC) in the year to date identified two cases where the acknowledgement had not been sent within two working days, both within Force PSD. Further discussions with the Business Manager (Professional Standards) confirmed reporting on performance may be difficult because the acknowledgements are not recorded within the Centurion system, therefore a review of processes may need to be performed. *Risk:* Complainants may be unaware if their complaint has been received and is being dealt with, potentially leading to more complaints and increasing the administrative duties required by the Force/OPFCC, which may result in increased workloads making compliance within statutory timeframes more difficult	The Force/OPFCC should seek assurances that complaints are being acknowledged within the statutory timeframes (two working days). Implementation of a Key Performance Indicator (KPI) should be considered or a review of processes to ensure acknowledgements are sent.	**2**	The auditor quite rightly pointed out that we could not demonstrate for each file he reviewed, that the IOPC Statutory Guidance of acknowledging receipt of complaints within 2 working days had been done on all cases. At the debrief meeting we discussed a KPI process to monitor this. However it was explained that in order to monitor this, we would have to build a new system/process in, to be able to report on it. There is not a mechanism within Centurion to document the acknowledgement letters, we are not required to report on this specific performance to the IOPC, HMIC or Home Office. We are monitored on our performance when recording complaints (within 10 working day) and this is reported on regularly, both internally and externally. We discussed this and could see little value in creating a new KPI process, especially when the complaint legislation will change within the next 12 months or so. However, we did discuss the value of reviewing the acknowledgement process within PSD as a whole, and to make sure that, a.) we are complying with the guidance, and b.) in future, if the OPFCC dip sample process were to include the 2 days acknowledgement process, we could demonstrate, when asked, that it had been done. We will be conducting a review of this process in due course.	Business Manager - PSD September 2019	

Project / Benefits Realisation

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.1	**Project Risk Registers** *Observation*: The project risk register should be a standing item on the Project Board agenda and discussed and updated at each meeting. Examination of project board minutes (4 for Qlik, 9 for SOH, and 10 for Pronto) identified seven cases where there was no evidence that the risk register had been discussed. *Risk*: Risks to the project are not properly managed, potentially resulting in them materialising and impacting on the delivery of the project and the benefits expected.	The project risk register should be made a standing item on the agenda of all project board meetings. This requirement should be detailed within the Terms of Reference of the group / project board.	2	There have been occasions at project boards when the Risk Register was placed at the end of the agenda and because of the volume of business there was no time to discuss it, or it was a very brief update which meant it wasn't recorded in the minutes. I will ensure that each change programme or project Terms of Reference includes an item to stipulate that the Risk Register must be discussed at each project board.	Implemented / Business Change Manager	
4.2	**Post-Project Benefits Realisation Monitoring** *Observation*: A formal process should be in place to monitor and report upon the actual benefits that our realised from a project upon its conclusion. Discussions with the Business Change Manager confirmed that there is no set process in place for monitoring and reporting the realisation of benefits after a project has been implemented, and that historically this has been up to the individual project teams to manage. *Risk*: The organisation is not able to determine whether the original aims (benefits) of the project have actually been realised.	The Force should put in place an effective and consistent approach to post-project reviews in order to determine whether the original aims / benefits of the project have been realised. This should be included within the Terms of Reference for each project board.	2	This requirement has already been included in the Benefits Management guidance (copy attached). This guidance is available to the Managing Organisational Transformation team in Corporate Services as general advice on managing benefits realisation and is one of a number of papers or templates recently compiled to formalise our management of change projects. Each ToR will also include this recommendation. I will prepare a template ToR so that these items are always included.	September 2019 / Business Change Manager	

Absence Management & Wellbeing

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.1	**Sickness Absence Management** *Observation:* The Force have an Attendance Management Policy that sets out the expectations of staff and line managers. It refers to the use of a self-service approach to recording sickness absence and	HR should review the data available to confirm that individuals are recording sickness correctly in line with the stated	2	This is accessible via direct system information on Qlik and line mangers should ensure they regularly check and update this.	All line managers	

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	the availability of HR to provide advice and guidance where needed. These expectations include: • Staff to report sickness within 1 hour of their shift and report the expected number of sick days; • Line managers to contact staff and maintain a record of communications on DMS; • After 7 days of absence it is the staff members' responsibility to ensure that the "Statement of Fitness" is provided to their manager within 3 working days of its issue where the statement advised that they are unfit for work and line managers must record this on DMS; • Managers must carry out a Return to Work Interview when an individual returns to work following each period of sickness absence and this must be recorded on DMS. • A formal review to take place with individuals who have had more than three periods of sickness in a six month time periods. Audit carried out testing on a sample of 10 cases of sickness recorded over the previous six months and testing found: • In four cases there was no record on DMS to support the correct sickness reporting procedure had been followed i.e. within 1 hour, expected number of days and the line manager communication had taken place; • Six of the ten cases reviewed were for periods of sickness longer than seven days and required a Statement of Fitness. However, in 2/6 Statements were not evident on the system; • Nine of the ten cases had returned to work after the sickness absences, however in 7/9 cases there was no record of a return to work interview; • In two cases, the planning team had updated the individuals' sickness record. Audit carried out testing on a sample of five cases where a formal review should have taken place and found:	procedure and return to work interviews are being conducted. The process for recording line manager communications with staff who are off sick should be re-communicated to line managers and then reviewed to monitor compliance. Line Managers should be reminded of the need to upload Fit Notes for sickness absence longer than 7 days. Line Managers should be reminded of the need to complete Return to Work Interviews in all instances of sickness. Line Mangers should be reminded of the need to complete a formal review for individuals having more than three periods of sickness in a six month period. All members of staff should be reminded, in cases of sickness absence, they should either call in prior to their shift starts or to contact their line manager at the earliest opportunity.		The introduction of additional staff in HR will also support this as an overview ad "secondary" dip sample. Within the HR hub on Forcenet there is a wide variety of tools and information all designed to assist managers and supervisors with attendance matters, and this has been well publicised and remains visible for them to take personal responsibility to review and use in their roles. To assist with this HR have appointed to a number of roles for a limited period of two years to help embed the correct management culture around attendance management. We advised the auditor around the Attendance Support Officer role whose role it will be to go out into the business and support around casework, correct procedures and contact with individuals, including signposting to the relevant support service outside and also two additional administration roles which, amongst other tasks to support managers, , will review DMS and follow up with managers and supervisors where they have not completed the return to work forms or updated the individuals records with a fit note, absence dates etc.	Head of HR Recruitment in progress Head HR On-going Head of HR All Line managers On-going	

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	• In one instance from a review of DMS there was no evidence of a formal review having taken place. Issues were raised during the 2018/19 audit in respect of compliance with absence management procedures. Whilst testing confirmed that some improvements had been made, audit continued to find instances where evidence of following procedures was not always available. *Risk:* Staff are not complying with the sickness absences procedures, leading the Force open to abuse of the system and unauthorised sickness absences not being addressed. Lack of oversight of compliance with the system leading to the Force being unaware of levels of compliance.					
4.2	**Wellbeing Strategy & Monitoring.** *Observation:* The Wellbeing Strategy was refreshed in November 2018 and includes aims, goals, principles and strategic objectives. The Force have a Wellbeing Plan in place that supports the delivery of the Strategy. The Wellbeing Plan documents four facets of wellbeing identified by the College of Policing and, under each facet, it is outlined how they will be achieved. Additionally, the Force Strategy Board has identified five actions within the plan that would be taken forward as a priority. Whilst audit noted that verbal reporting of progress against delivery of the Wellbeing Plan to the relevant forums, including the FSB, is conducted, it is not reported formally by way of a documented report outline progress against target. *Risk:* Lack of appropriate monitoring leading the Force to fail to achieve its strategic aims. Failure to monitor the delivery of the action plans leading the Force to fail to achieve the desired outcomes.	There should be a formally documented agreed monitoring process within the Wellbeing Governance structure to demonstrate the delivery of all strands of the Wellbeing Strategy at a strategic and operational level. There should be a formally documented action plan for the wellbeing plan to monitor progress and achievements of the future progress of the plan.	2	The wellbeing strategy is being re-vamped and re-launched in November with timescales and outcomes will be measured via the people board.	Head of HR Autumn 2019	
4.3	**Special Leave** *Observation:* The Force have a Special Leave policy that provides guidance to line managers on the approach to take when granting special leave for staff.	Staff and line managers should be reminded of the process for	2	The updated special leave policy has been in place since January and this audit found one example of a manager who had	Head HR Plan rolled out when the new	

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	It covers instances such as Compassionate Leave, Care Leave and Time Off for dependents. Following a recommendation raised during the 2018/19 audit, the special leave policy was updated to provide clarity to managers. As per the updated policy, managers are allowed to approve a maximum of five days. Requests for additional paid days will need to be referred to the head of department by the line manager for their consideration and authorisation. The head of directorate/department should email the HR Policy and Service Team to advice of their decision and the absence recorded on DMS. Audit carried out testing on a sample of five cases where special leave was granted and found: • In one case nine days of special leave was granted by the line manager and had not been referred to the head of department for approval. *Risk:* Special leave is applied incorrectly / inconsistently.	applying and approving special leave.		disregarded the process and authorised an extended period of paid leave for their member of staff without going to the Head of Department. HR were made aware that the correct process was not followed in this case and provided strong advice to the Head of Department around the procedure that should have been followed. There is a plan in place to provide guidance and training to the planning team to assist them in advising managers around correct levels. Additionally, we have produced an electronic form which formally record decisions made by Heads of Department where they have authorised days over and above the 5 days. This will be publicised to update the force around the new form and the procedure that must be followed.	role starts, anticipated by Sept 2019 Head HR End August 2019	
4.4	**Dip sampling** *Observation:* Following the previous audit of Absence Management and Wellbeing in 2018/19, a recommendation was raised to consider the use of dip sampling to confirm levels of compliance with the Absence Management policies and procedures. Audit noted that dip sampling was subsequently introduced and was conducted between July 2018 and January 2019. However, no further sampling has taken place at the time of the audit. *Risk:* Lack of oversight of compliance with the system leading to the Force being unaware of levels of compliance.	The use of dip sampling should be continued by HR and used to highlight areas for improvement.	**2**	The rationale for the lapse in dip sampling was due to the crossover of data between Oracle systems and DMS which would have made the information inaccurate therefore it was decided that this this needed to wait until Oracle Fusion was in place. In addition, with the introduction of Qlik managers can view information easily and are advised to do so, accountability for this is questioned at FSB in terms of compliance.	Head HR End August 2019	

**NORTHAMPTONSHIRE POLICE, FIRE AND CRIME COMMISSIONER,
NORTHAMPTONSHIRE POLICE and
NORTHAMPTONSHIRE FIRE AND RESCUE SERVICE
JOINT INDEPENDENT AUDIT COMMITTEE
26 SEPTEMBER 2019**

REPORT BY	Vaughan Ashcroft
SUBJECT	Budget and MTFP Process and Plan 2020/21 – Update and Timetable
RECOMMENDATION	To consider the report

1. **Purpose of the Report**

1.1. To update JIAC on the Medium Term Financial Plan (MTFP) and budgeting process.

2. **Background**

2.1 The MTFP is updated throughout the year to reflect new pressures and savings.

2.2 The full Budget Build Guidance paper has been produced to give context to the 2020/21 budget round, to provide guidance for the finance team and to give assurance to those charged with governance. The document is broadly similar to the paper introduced last year, which proved a useful tool and was well received by all.

2.3 The key principles of the 2020/21 paper are summarised below.

3 **Budgeting Principles**

3.1 The 'Plan on a Page' has been developed and is due to be established across the organisation imminently. This will underpin the budget-setting process. All budgetary decisions need to be tested against it and should support delivery of its key objectives.

3.2   The budget needs to be prepared in support of the priorities identified in the Police and Crime Plan.

3.3   The budget will be set and presented to align with the new organisational structure identified as part of FP20 work.

3.4   The budget will be benchmarked against the indicative MTFP figures included in the 2019/20 Police and Crime Panel budget report.

3.5   Variations to the approved MTFP will be documented and presented to the Chief Finance Officer for consideration.

3.6   Statutory and other unavoidable costs will be budgeted as required and variations to previous assumptions presented to the Chief Finance Officer for consideration.

3.7   Devolved Budget Holders will be fully consulted and given opportunity to provide operational context throughout the budget build process. Those departments included in the Outcome-Based Budgeting exercise will have the deepest involvement in the process. Others will contribute by way of one-to-one budgeting conversations with Finance Advisors.

3.8   Where practicable, budget proposals will be calculated using a zero-based approach.

3.9   Detailed workings will be recorded for all budgets over £10k or of a politically sensitive nature.

3.10   The 2020/21 budget will be presented in such a way to clearly show department level and the subjective breakdown of Force budgets, in particular to identify the cost of enabling services vs. operational policing.

4   Assumptions

4.1   The MTFP that was built and approved as part of the 2019/20 budgeting process was based on 'flat cash' grant assumptions going forward. The results of this funding assumption can be seen in Appendix A and will be updated when further details from the Spending Review in September 2019 are available.

4.2   The approved MTFP was prepared with assumed precept increases of 1.99% every year. A second version (Appendix B) has also been prepared to identify the impact of 2.99% precept increases and the effect on future funding gaps.

4.3   The pay award assumption for both officers and staff was originally included at 2.0% per year, but following the 2019/20 agreement this has been revised to 2.5% going forward, causing a pressure of approx. £0.5m per year.

4.4   There have been no further adjustments made to the other general MTFP assumptions at this stage.

5   Pressures and Savings

5.1   The approved budget included £619k of savings that needed to be achieved by the Force in order to balance the 2019/20 budget. Whilst some progress has been made, to date, there are still savings to be achieved to meet this target.

5.2   The budgets relating to regional collaborations were not agreed until after the 2019/20 round was completed. Thus, the changes of officers in kind and other regional pressures have been added to the revised MTFP after budget approval. The total impact is approx. £0.2m per year.

5.3   The impact of the departure of Avon and Somerset from the MFSS collaboration is still uncertain and remains a risk to annual and one off costs.

5.4   There are a number of other smaller pressures that have been identified since the budget was originally approved relating to IT systems and training staff.

5.5   Savings include £136k for capital financing in relation to 2018/19 capital spending. It is expected that there will be further savings on capital financing in 2020/21 and possibly beyond.

5.6   Following the precept increase in 2019/20, the PFCC approved an establishment increase in Police Officers, utilising reserves to maintain this level for as long as prudent. These forecasts will be updated in conjunction with information on the national police uplift, when it is available.

6   Timelines

6.1   A detailed timetable has been produced to ensure key milestones are met (Appendix A). The budget timetable is a live document and will be updated when the provisional and final settlement dates are available. This allows sufficient time to provide papers in good time for key meetings and includes:

- **24th October 2019** – Force Strategic Board Consider Priorities to inform the Budget Proposals
- **27th November 2019** – EM PCC and CC's review Regional budget considerations.
- **10th December 2019** – Accountability Board consider Budget proposals and funding allocations.
- **12th December 2019** – Police, Fire and Crime Panel consider PFCC's potential precept considerations.
- **7th January 2020** – Accountability Board to agree proposed budget.
- **4th February 2020** – Police, Fire and Crime Panel to consider proposed budget and precept, together with Capital Programme and draft associated strategies.
- **March 2020** (date TBC) – Associated strategies shared with JIAC.

7   Conclusion

7.1   Work continues on the budget and the budget and MTFP will continue to be updated when information is available.

7.2   The 2019/20 deficit from Force and Capital financing is currently expected to be £0.6m. However, it is anticipated that savings may still transpire and reserves may be utilised to meet some of the pressures and these, together with the anticipated underspend on PFCC budgets (currently estimated at £0.5m), are likely to provide a balanced budget for the Group overall. The funding gap for 2020/21 is £2.4m (at 1.99% precept) and £1.8m (at 2.99% precept, but an increase to grants will reduce this.

The deficit in 2022/23 is expected to be between £4.1m and £6.1m (Appendix C). The PFCC has advised that he would be supportive of smoothing the impact on the Force budget by using reserves to sustain police officer and staffing levels as long as possible and prudent to do so.

7.3   The MTFP will continue to be revised as new information becomes available.

8   Appendix A – Timetable

Force Deadlines	Key Meetings

Activity	Timescale	Lead
Team Briefing on Budget Build	12/09/19	VA
2020/21 Budget Process to Be Drafted	12/09/19	VA
Force budget templates distributed for completion	13/09/19	VA
Deadline for JIAC Papers	13/09/19	ALL
Joint CC/PCC Board – strategic update on SR announcement and EMSOU review	26/09/19	EMPCCB
Estates Working Group – Estates Capital Programme considerations	26/09/19	DC/PB
Vehicles & Other Capital Programme finalised	26/09/19	VA/DC/TC
ICT Strategy – Capital Programme reviewed & finalised	26/09/19	VA/DC/JC
Police Staff reconciled and updated on Excel template	30/09/19	SC
JIAC Consider: Update on MFSS MTFP & 2020/21 Budget Process Force Risk Register Treasury Management 18/19	30/09/19	HK/VA/SN HK/VA DCC HK/VA
Advise and agree OPFCC and NCFRA funded posts/activities in the Force budget	07/10/19	HK
Accountability Board Update on 2019-20 CC budget letter Q1 budget monitoring Treasury Management update MTFP	08/10/19	SN/VA VA HK/VA VA (from JIAC)
Joint CFO/FD Board – Regional 19/20 monitoring (Apr-Aug) + 20/21 base budget requirements	09/10/19	EM CFO/FD
Budget bids completed by Finance Advisors	11/10/19	SC/DC
First level of scrutiny by Finance supervisors	14/10/19-21/10/19	VA/SC
Force Strategic Board – to discuss Force priorities	24/10/19	VA/HK
Consolidation of devolved budgets and summaries drafted	22/10/19-25/10/19	VA/SC
Estates Board Finalise & Agree Estates Capital Programme	31/10/19	PB
Draft Capital Programme Shared with OPFCC	31/10/19	VA/DC
Draft Treasury Management Strategy shared with OPFCC	31/10/19	VA/DC
Force Draft Budget discussed with S151/D151	31/10/19	VA/HK
Final Draft OPFCC Budgets discussed with S151/D151	31/10/19	VA/HK
2019 Spending Review	TBC Oct/Nov?	HOC
DCC Board – draft 20/21 budget requirement for each collaboration	11/11/19	SN
Updated draft MTFP to be shared with OPFCC	12/11/19	VA
Accountability Board	12/11/19	
EMSOU Strategic Board – EMSOU (SOC/MC/FS) 2020/21 budgets for sign off	21/11/19	EMSOU
Deadline for JIAC papers	22/11/19	ALL
EMCHRS Board – EMCHRS (OHU/L&D) 2020/21 budgets for sign off	26/11/19	EMCHRS
Deadline for Police, Fire and Crime Panel Papers	26/11/19	HK
EMPFCCB Agree Regional Budgets	27/11/19	PFCCs/CCs
Joint CC/PCC Board – submission of the Collaborative budgets and PCC fund requests	27/11/19	EMPCCB
Finalise draft budget proposals	01/11/19-30/11/19	VA (Force) HK (OPFCC)
Provisional Police Settlement Announced	TBC	HOME OFFICE

Joint CFO/FD Board – 2019/20 monitoring (Apr-Oct)	03/12/19	EM CFO/FD
DCC Board – review of 20/21 budgets if not previously agreed	09/12/19	SN
Accountability Board – Consider: Force budget proposals (pending final settlement)	10/12/19	VA
Police, Fire and Crime Panel – Budget Monitoring and budget Update (as at Q2) and PFCC's precept intentions	12/12/19	HK
Finalise budget work	18/12-10/01/20	HK/VA
Accountability Board – Agree: Force budget 2020/21 Capital Programme Treasury Management Strategy Reserves Strategy Capital Strategy	07/01/20	VA/HK VA/HK VA/HK VA/HK VA/HK
Draw the Line on Council Tax Changes/Taxbase to finalise total budget and requirement	18/01/20	HK/VA
Police, Fire and Crime Panel Papers finalised	22/01/20	HK/ALL
Joint CC/PCC Board – review of 2020/21 budgets if not previously agreed	23/01/20	EMPCCB
Statutory Date for CT Surplus and Taxbase Confirmations	31/01/20	LA's
Police, Fire and Crime Panel consider proposed budget and precept, Capital Programme and associated strategies	04/02/20	HK/PFCP
Accountability Board	11/02/20	ALL
Police and Crime Panel Response to Budget	11/02/20	PFCP
Joint CFO/FD Board – 19-20 monitoring (Apr-Dec)	12/02/20	EM CFO/FD
PFCC Issues Precept	21/02/20	HK
Advise of Grant and Council Tax Settlement Dates and Amounts	21/02/20	HK
Budgets uploaded to Oracle and reconciled to Panel papers	28/02/20	VA/SC
DCC Board – review of 2019/20 projected outturn for collaborative units	02/03/20	EM DCC
Accountability Board	10/03/20	
Joint CC/PCC Board – review of 19/20 projected outturn for treatment of over/under spends	25/03/20	EMPCCB
Issue Budgets to Budget Holders	**31/03/20**	**HK/VA**

Appendix B – Revenue Budgeting Workflow

2020/21 BUDGET BUILD - FORCE REVENUE

By 30th September
- New posts / deleted posts
- Grades and Scale points
- Post holders, job titles & cost centre
- Reconciling to HR (inc. vacancies)
- Templates updated and compared to 2019/20 baseline.

9th September
- Budget templates made available

By 11th October
- Zero-basing all budgets
- Focusing on budgets over £10k
- Detailed working papers required
- Capture and evidence savings and growth
- Use virements to realign budgets as necessary

By 21st October
- Budgets strutinised by SC/VA

By 25th October
- Budgets consolidated
- Summary reports produced with reconciliation & cross-cast

31st October
- Draft budget reviewed in detail by VA and HK

11th December
JIAC

7th January
Accountability Board

4th February
Police & Crime Panel

31st March
- Fusion updated with approved budget.
- Devolved budgets issued to budget holders

Finance Team Timeline

SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
Police Staff Reconciliation	Scrutiny & Consolidation	Further scrutiny, challenge by PFCC & refining Medium Term Financial Plan		Budget Papers Finalised		Budgets uploaded & Distributed
Devolved Budgets - Non-Pay		Budget Holders appraised & consulted to identify late changes				

Milestones & Key Dates

SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
Templates available	Funding settlement	Reviewed by CFO	JIAC	Accountability Board	Police, Fire & Crime Panel: Precept approved	

9 Appendix C – MTFP (1.99% Precept Assumptions)

NORTHAMPTONSHIRE POLICE				Updated	06 September 2019

Medium Term Financial Plan Summary - 2019/20

Estimated Funding	2019/20 £m		2020/21 £m		2021/22 £m		2022/23 £m		2023/24 £m	
Home Office Grants										
Formula Grant	67.9		67.9		67.9		67.9		67.9	
Pension Grant	1.3		1.3		1.3		1.3		1.3	
Council Tax Legacy Grants	6.6		6.6		6.6		6.6		6.6	
	75.8	55.2%	75.8	54.6%	75.8	53.6%	75.8	52.7%	75.8	51.8%
Precept										
Council Tax	60.1		62.4		64.8		67.2		69.7	
Council Tax Collection Fund Surplus	1.4		0.7		0.7		0.7		0.7	
	61.5	44.8%	63.1	45.4%	65.5	46.4%	67.9	47.3%	70.4	48.2%
Total Funding	**137.3**	100.0%	**138.9**	100.0%	**141.3**	100.0%	**143.7**	100.0%	**146.2**	100.0%

Approved Budgets	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
OPCC - Office	1.6	1.6	1.6	1.6	1.6
OPCC - Commissioning & Delivery	3.8	4.1	4.1	4.4	4.4
Force - Operational	108.7	109.6	112.6	115.0	118.3
Force - Savings Target	(0.6)	0.0	0.0	0.0	0.0
Force - Enabling Services	19.0	19.4	20.7	20.5	21.1
Force - Investment	3.1	3.1	3.1	3.1	3.1
Capital Financing	1.6	2.6	3.7	4.3	4.8
Contributions to/(from) Reserves	0.1	0.1	0.1	0.1	0.1
Total Budget	**137.3**	**140.5**	**145.9**	**149.0**	**153.4**

Savings Requirement	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Savings requirement built into approved budget	0.6	0.0	0.0	0.0	0.0
Regional pressures	0.2	0.3	0.3	0.3	0.3
Pay Award (Additional 0.5%)	0.3	0.5	0.5	0.5	0.5
Other misc pressures / (one-off underspends)	(0.1)	0.4	0.4	0.4	0.4
Revised funding shortfall	**1.0**	**1.2**	**1.2**	**1.2**	**1.2**
MTFP Deficit not yet addressed		1.6	4.6	5.3	7.2
Savings achieved so far this year	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Remaining funding shortfall	*0.6*	*2.4*	*5.4*	*6.1*	*8.0*

Investment	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Investment built into MTFP above	3.1	3.1	3.1	3.1	3.1
Projected investment expenditure	2.0	3.5	3.5	3.6	3.7
Underspend (transferred to reserve)	1.1				
Transfer underspend from reserve		(0.4)	(0.4)	(0.3)	
Shortfall on investment	**0.0**	**0.0**	**(0.0)**	**0.2**	**0.6**
Shortfall Total (MTFP + Investment)	**0.6**	**2.4**	**5.4**	**6.3**	**8.6**

Key Assumptions	2019/20	2020/21	2021/22	2022/23	2023/24
Grant Settlement reductions		0.00%	0.00%	0.00%	0.00%
Precept increases		1.99%	1.99%	1.99%	1.99%
Tax Base increases		1.75%	1.75%	1.75%	1.75%
Police Pay Award		2.00%	2.00%	2.00%	2.00%
Police Staff Pay Award		2.00%	2.00%	2.00%	2.00%
Gas inflation		3.00%	3.00%	3.00%	3.00%
Other inflation		2.00%	2.00%	2.00%	2.00%

10   Appendix D – MTFP (2.99% Precept Assumptions)

NORTHAMPTONSHIRE POLICE									**Updated**		**06 September 2019**
Medium Term Financial Plan Summary - 2019/20											

Estimated Funding	2019/20 £m		2020/21 £m		2021/22 £m		2022/23 £m		2023/24 £m	
Home Office Grants										
Formula Grant	67.9		67.9		67.9		67.9		67.9	
Pension Grant	1.3		1.3		1.3		1.3		1.3	
Council Tax Legacy Grants	6.6		6.6		6.6		6.6		6.6	
	75.8	55.2%	75.8	54.3%	75.8	53.2%	75.8	52.0%	75.8	50.9%
Precept										
Council Tax	60.1		63.0		66.0		69.2		72.5	
Council Tax Collection Fund Surplus	1.4		0.7		0.7		0.7		0.7	
	61.5	44.8%	63.7	45.7%	66.7	46.8%	69.9	48.0%	73.2	49.1%
Total Funding	**137.3**	100.0%	**139.5**	100.0%	**142.5**	100.0%	**145.7**	100.0%	**149.0**	100.0%

Approved Budgets	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
OPCC - Office	1.6	1.6	1.6	1.6	1.6
OPCC - Commissioning & Delivery	3.8	4.1	4.1	4.4	4.4
Force - Operational	108.7	109.6	112.6	115.0	118.3
Force - Savings Target	(0.6)	0.0	0.0	0.0	0.0
Force - Enabling Services	19.0	19.4	20.7	20.5	21.1
Force - Investment	3.1	3.1	3.1	3.1	3.1
Capital Financing	1.6	2.6	3.7	4.3	4.8
Contributions to/(from) Reserves	0.1	0.1	0.1	0.1	0.1
Total Budget	**137.3**	**140.5**	**145.9**	**149.0**	**153.4**

Savings Requirement	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Savings requirement built into approved budget	0.6	0.0	0.0	0.0	0.0
Regional pressures	0.2	0.3	0.3	0.3	0.3
Pay Award (Additional 0.5%)	0.3	0.5	0.5	0.5	0.5
Other misc pressures / (one-off underspends)	(0.1)	0.4	0.4	0.4	0.4
Revised funding shortfall	**1.0**	**1.2**	**1.2**	**1.2**	**1.2**
MTFP Deficit not yet addressed		1.0	3.4	3.3	4.4
Savings achieved so far this year	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Remaining funding shortfall	*0.6*	*1.8*	*4.2*	*4.1*	*5.2*

Investment	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Investment built into MTFP above	3.1	3.1	3.1	3.1	3.1
Projected investment expenditure	2.0	3.5	3.5	4.4	5.5
Underspend (transferred to reserve)	1.1				
Transfer underspend from reserve		(0.4)	(0.4)	(0.3)	
Shortfall on investment	**0.0**	**0.0**	**(0.0)**	**1.0**	**2.4**
Shortfall Total (MTFP + Investment)	**0.6**	**1.8**	**4.2**	**5.1**	**7.6**

Key Assumptions	2019/20	2020/21	2021/22	2022/23	2023/24
Grant Settlement reductions		0.00%	0.00%	0.00%	0.00%
Precept increases		2.99%	2.99%	2.99%	2.99%
Tax Base increases		1.75%	1.75%	1.75%	1.75%
Police Pay Award		2.00%	2.00%	2.00%	2.00%
Police Staff Pay Award		2.00%	2.00%	2.00%	2.00%
Gas inflation		3.00%	3.00%	3.00%	3.00%
Other inflation		2.00%	2.00%	2.00%	2.00%

NORTHAMPTONSHIRE POLICE, FIRE AND CRIME COMMISSIONER, NORTHAMPTONSHIRE POLICE and NORTHAMPTONSHIRE FIRE AND RESCUE SERVICE JOINT INDEPENDENT AUDIT COMMITTEE 26 SEPTEMBER 2019

REPORT BY	Helen King, Nick Alexander
SUBJECT	Budget and MTFP Process and Plan 2020/21 – Update and Timetable - NCFRA
RECOMMENDATION	To consider the report

1. **Purpose of the Report**

2.1 To update JIAC on the Medium Term Financial Plan (MTFP) and budgeting process.

2. **Background**

2.2 The MTFP was prepared as part of the governance transfer, updated as part of the budget process and is currently under review alongside the Budget preparation for 2020/21.

2.3 The existing budget and MTFP was prepared with the best information available at the time of the budget transfer and detailed monitoring has assisted in validating and/or refining and updating this information to date.

2.4 The 2020/21 budget and MTFP will be the first one prepared with knowledge gained during governance and from providing financial support to NCFRA. This provides an opportunity to rebalance and refine the previously centrally held NCC budgets when they were transferred over. Moving forwards the budget and MTFP model has been developed to ensure it is updated throughout the year to reflect new pressures and savings.

2.5   The full Budget Build Guidance paper has been produced to give context to the 2020/21 budget round, to provide guidance for the finance team and to give assurance to those charged with governance. The document is the first one for NCFRA and is broadly similar to the one for the PFCC and CC, ensuring a consistent approach.

2.6   The key principles of the 2020/21 paper are summarised below.

3   Budgeting Principles

3.1   The Fire and Rescue Plan and the Integrated Risk Management Plan were published after consultation in 2019. These, together with HMIC recommendations and priorities, underpin the budget-setting process. All budgetary decisions need to be tested against them and should support delivery of its key objectives.

3.2   The budget will be set and presented to align to the agreed recruitment profile which is currently being finalised by the Chief Fire Officer and PFCC.

3.3   The budget will be prepared initially (and then updated when more detailed information is available in November) to reflect the strategies for some capital areas agreed or agreed in principle by the PFCC.

3.4   The budget will be benchmarked against the initial MTFP figures included in the 2019/20 Police, Fire and Crime Panel budget report.

3.5   Variations to the approved MTFP will be documented and presented to the Chief Finance Officer for consideration.

3.6   Statutory and other unavoidable costs will be budgeted as required and variations to previous assumptions presented to the Chief Finance Officer for consideration.

3.7   Devolved Budget Holders will be fully consulted and given opportunity to provide operational context throughout the budget build process.

3.8   Where practicable, budget proposals will be calculated using a zero-based approach.

3.9   Detailed workings will be recorded for all budgets over £10k or of a politically sensitive nature.

3.10   The 2020/21 budget will be presented in such a way to clearly show department level and the subjective breakdown of NCFRA budgets, in particular to identify the cost of enabling services.

4   Assumptions

4.1   The MTFP that was built and approved as part of the 2019/20 budgeting process was based on reducing central funding assumptions going forward, and scenario tested across a number of assumptions.

4.2   The first Fire MTFP had identified the deficit of £693K in 20/21 and £903K in 2021/22. However, most of the shortfall arose from financing the provisional high level capital programme. However, the Capital programme being updated has a different financial profile to that previously estimated and some grants and S106 funding is available to offset these costs.

	2018/19 (notional) £m	2019/20 £m	2020/21 £m	2021/22 £m
Fire Cash Limit	**21.882**	**23.943**	**24.314**	**24.780**
Capital Financing Charges	-	0.075	0.359	0.728
OPFCC	-	0.400	0.400	0.400
	21.882	**24.418**	**25.073**	**25.908**
Transfers to Reserves	0.700	0.200	0.200	0.200
Draft Budget	**22.582**	**24.618**	**25.273**	**26.108**
Funding		**24.618**	**24.580**	**25.205**
Forecast Shortfall			**0.693**	**0.903**

4.3   The approved MTFP was prepared with assumed precept increases of 2.99% in 2019/20 and 1.99% thereafter.

4.4   The pay award assumption for both firefighters and staff was originally estimated at 2.0% per year and for 2019/20 was settled at that level.

4.4   Updated forecasts on local business rates will be sought from the local authorities as part of the budget preparation.

4.5   There have been no further adjustments made to the other general MTFP assumptions at this stage.

5 **Pressures and Savings**

5.1 A number of pressures, particularly in the area of premises transferred from NCC have impacted on the NCFRA budget for 2019/20. In year these have been more than offset by additional funding estimated from local business rates and the June monitoring for 2019/20 identifies a forecast underspend of £288K.Updated estimates will be reflected in the budget build for 2020/21.

5.2 A lot of the areas highlighted for investment relate to ICT and Estates, some of which need to be classed as revenue rather than capital. These will be identified as part of the budget build and provision built in the revenue budget where possible.

5.3 The PFCC and Chief Fire Officer are currently discussing recruitment plans for Wholetime firefighters and a trial of changes to bank arrangements. To assist in future planning and scheduling of recruitment, the Assistant Chief Fire Officer has implemented a quarterly establishment meeting where plans will be discussed. Finance will attend the meeting to ensure that plans are reflected in the budget and that information is available to inform decisions.

5.4 As the Fire Governance took place without the formal transfer of reserves, the Minister agreed to a three year plan to build reserves to at least a minimum level. Whilst the level of reserves as at 31/3/19 were in excess of those planned, they remain insufficient and the three year plans remain. However, the better than anticipated position as at 31/3/19, has provided some extra financial resilience available to meet unexpected challenges or eventualities.

6 **Timelines**

6.1 A detailed timetable has been produced to ensure key milestones are met (Appendix A). The budget timetable will be updated when the provisional and final settlement dates are available. This allows sufficient time to provide papers in good time for key meetings and includes:

- **31st August 2019** – Budget Holders prepare initial considerations for their budgets with OPFCC and Fire Accountant
- **10th December 2019** – Accountability Board consider Budget proposals and funding allocations.

- **12th December 2019** – Police, Fire and Crime Panel consider PFCC's potential precept considerations.
- **7th January 2020** – Accountability Board to agree proposed budget.
- **4th February 2020** – Police, Fire and Crime Panel to consider proposed budget and precept, together with Capital Programme and draft associated strategies.
- **March 2020** (date TBC) – Associated strategies shared with JIAC.

7 Conclusion

7.1 Work continues on the budget and the budget and MTFP will be updated and a five year MTFP prepared as information is available.

7.2 The MTFP will be revised as the budget and capital programme work progresses and new information becomes available.

8   Appendix A – Timetable

NCFRA Deadlines	Key Meetings

Activity	Timescale	Lead
Team Briefing on Budget Build	31/07/19	HK/JM
Initial budget Information due from Budget Holders	31/08/19	ALL
Deadline for JIAC Papers	13/09/19	ALL
Estates Working Group – Estates Capital Programme considerations	26/09/19	DC/PB
All Staff reconciled and updated on Excel template	15/10/19	JM
JIAC Consider: MTFP & 2020/21 Budget Process NCFRA Risk Register Treasury Management 18/19	30/09/19	 HK/NA ACFO HK/NA
Advise and agree OPFCC and Force funded posts/activities in the NCFRA budget	07/10/19	HK/VA/NA
Accountability Board P5 budget monitoring Treasury Management update MTFP	08/10/19	 JM HK/NA NA (from JIAC)
Discuss Initial draft budget considerations	15/10/19	NA/JM/HK/DD
Fire Executive Group	24/10/19	NA/HK
Estates Board Finalise & Agree Estates Capital Programme	31/10/19	PB
Draft Capital Programme Shared with OPFCC	31/10/19	NA/HK
Draft Treasury Management Strategy shared with OPFCC	31/10/19	NA/HK
Draft Budget and MTFP discussed with S151/D151	31/10/19	VA/HK/NA
2019 Spending Review	TBC Oct/Nov?	HOC
Fire Executive Group (FEG)	08/11/19	NA/HK
Deadline for JIAC papers	22/11/19	ALL
Deadline for Police, Fire and Crime Panel Papers	26/11/19	HK
Finalise draft budget proposals	01/11/19-30/11/19	NA/JM/HK
Vehicles & Other Capital Programme finalised	30/11/19	NA/MS
ICT Strategy – Capital Programme reviewed & finalised	30/11/19	NA/MS
Provisional Fire Settlement Announced	TBC	HOME OFFICE
Fire Executive Group (FEG)	03/12/19	NA/HK
Accountability Board – Consider: budget proposals (pending final settlement)	10/12/19	 VA
Police, Fire and Crime Panel – Budget Monitoring and budget Update (as at Q2) and PFCC's precept intentions	12/12/19	HK
Finalise budget work	18/12-10/01/20	HK/VA
Accountability Board – Agree: NCFRA budget 2020/21 Capital Programme Treasury Management Strategy Reserves Strategy Capital Strategy	07/01/20	 VA/HK VA/HK VA/HK VA/HK VA/HK
Draw the Line on Council Tax Changes/Taxbase to finalise total budget and requirement	18/01/20	HK/VA
Police, Fire and Crime Panel Papers finalised	22/01/20	HK/ALL
Statutory Date for CT Surplus and Taxbase Confirmations	31/01/20	LA's
Police, Fire and Crime Panel consider proposed budget and precept, Capital Programme and associated strategies	04/02/20	HK/PFCP
Accountability Board	11/02/20	ALL
Police, Fire and Crime Panel Response to Budget	11/02/20	PFCP
NCFRA Issues Precept	21/02/20	HK

Advise of Grant and Council Tax Settlement Dates and Amounts	21/02/20	Home Office/MCHLG
Budgets uploaded to Aggresso and reconciled to Panel papers	28/02/20	NA/JM/DS
Accountability Board	10/03/20	
Issue Budgets to Budget Holders	**31/03/20**	**NA/JA/DS**

**NORTHAMPTONSHIRE POLICE, FIRE AND CRIME COMMISSIONER,
NORTHAMPTONSHIRE POLICE and
NORTHAMPTONSHIRE FIRE AND RESCUE SERVICE
JOINT INDEPENDENT AUDIT COMMITTEE
26 SEPTEMBER 2019**

REPORT BY	Chief Finance Officer/Head of Finance
SUBJECT	TREASURY MANAGEMENT OUTTURN 2018/19 - POLICING
RECOMMENDATION	To consider the report

Purpose of Report

1.   To inform the Joint Internal Audit Committee (JIAC) of the borrowing, capital financing, lending and cash management activities during the period 1st April 2018 to 31st March 2019.

Recommendation

2.   The JIAC is requested to consider the contents of the report.

Background

3.   The 'Code of Treasury Management' published by the Chartered Institute of Public Finance and Accountancy (CIPFA), and recommended by the Home Office, has been adopted by the Office of the PCC for Northamptonshire ("the OPFCC").

4.   Comments on specific activities are as follows:-

i) Capital Financing/Long Term Borrowing

No new loans were taken from the Public Works Loans Board (PWLB) during the year ended 31st March 2019 and nil internal borrowing was utilised to finance the capital programme.

External debt at 31st March 2019 with PWLB was £1.3m with an average interest rate of 4.82%.

ii) Lending of Surplus Funds

Funds that are temporarily surplus are invested. Funds invested in overnight accounts earned 0.15% during the period covered by the report and on longer term deposits earnings ranged from 0.16% up to 0.92%. The interest earned is dependent on both the size and duration of each investment.

In 2018/19, the OPFCC generated £39k of investment income against a budget of £59k, resulting in a deficit of £20k. The OPFCC has continued to invest with permitted institutions (Natwest/RBS, Barclays, Lloyds and Santander) during the

year. However, the lower investment returns are attributable to the reduction in interest rates being offered by the various financial institutions for 9 months of the year and the decision to borrow internally for capital purposes thereby reducing the overall level of cash available for investment.

At each month-end and up to and including 31st March 2019, the following investment balances were outstanding according to the OPFCC's Treasury Management Policy:

End of Month	Outstanding 'Money Market' Investments	Outstanding Call Account Balances
Apr-18	£0.0m	£6.2m
May-18	£0.0m	£2.9m
Jun-18	£0.0m	£0.0m
Jul-18	£0.0m	£8.0m
Aug-18	£0.0m	£13.0m
Sep-18	£0.0m	£10.0m
Oct-18	£0.0m	£12.5m
Nov-18	£0.0m	£15.8m
Dec-18	£0.0m	£15.3m
Jan-19	£0.0m	£11.1m
Feb-19	£0.0m	£9.7m
Mar-19	£0.0m	£9.2m

The monies invested on our behalf by Investec were recalled following consultation with and approval by the OPFCC in the first quarter 2018/19. This was completed following a review of the funds' performance, the short to medium term cashflow needs and the updated capital investment plans.

The following graph demonstrates interest earned (cumulative) during the period against the profiled budget:
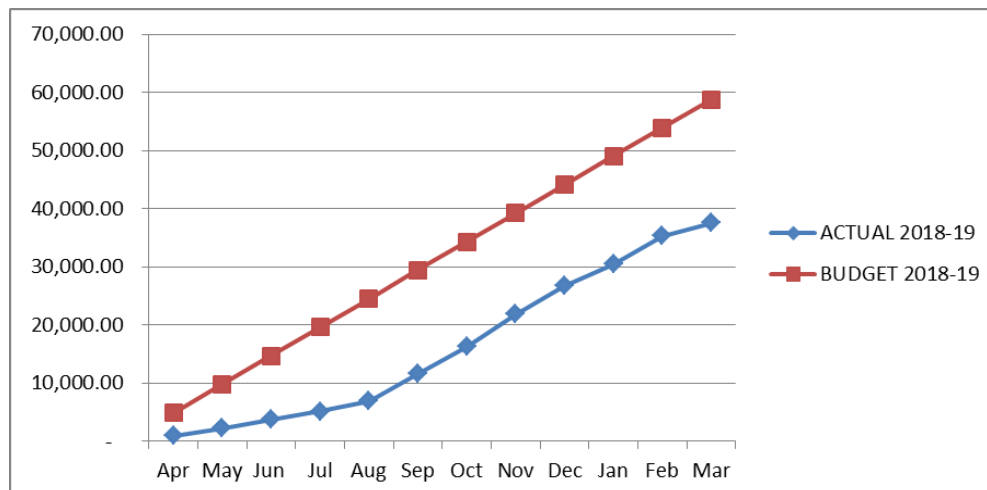
The 2018/19 Home Office Police Pension Fund grant totalling £18.2m was received in early July 2018 which is the reason for the significant increase. Investment levels generally fall towards the end of the financial year because the OPFCC has received the majority of its grant funding for the year.

Credit Ratings of Permitted Institutions

5.   The credit ratings for institutions permitted by the Treasury Management Policy have been provided by Link Asset Services and reviewed to assess the security of the OPFCC's cash reserves.

The ratings for each institution (as assessed by Fitch, Standard & Poor's and Moody's respectively) currently used by the OPFCC are as follows (correct at 31st March 2019):

Bank / Building Society	Ratings at 31st December 2018	Ratings at 31st March 2019
Royal Bank of Scotland PLC	F2 / A-2 / P-1	F1 / A-2 / P-1
Santander UK PLC	F1 / A-1 / P-1	F1 / A-1 / P-1
Barclays Bank plc	F1 / A-1 / P-1	F1 / A-1 / P-1
Lloyds Bank plc	F1 / A-2 / P-1	F1 / A-1 / P-1

The highest potential ratings awarded by each agency over the term used by the OPFCC ("short-term" – i.e. less than 365 days) are F1+ / A-1+ and P-1 respectively. The ratings seen above are, whilst not the top rating, typical of the level awarded to other UK banks.

Overall, the level of risk presented by investing with the above-mentioned institutions is proportionate and does not contravene the overriding principle of protecting the OPFCC's resources (in this case the cash reserves).

External Debt – Authorised Limits

6.   The OPFCC's debt is monitored against the 'authorised limit' and 'operational boundary' on a monthly basis. The authorised limit for 2018/19 is £12.4m 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 £10.4m which is the maximum level of projected external debt.
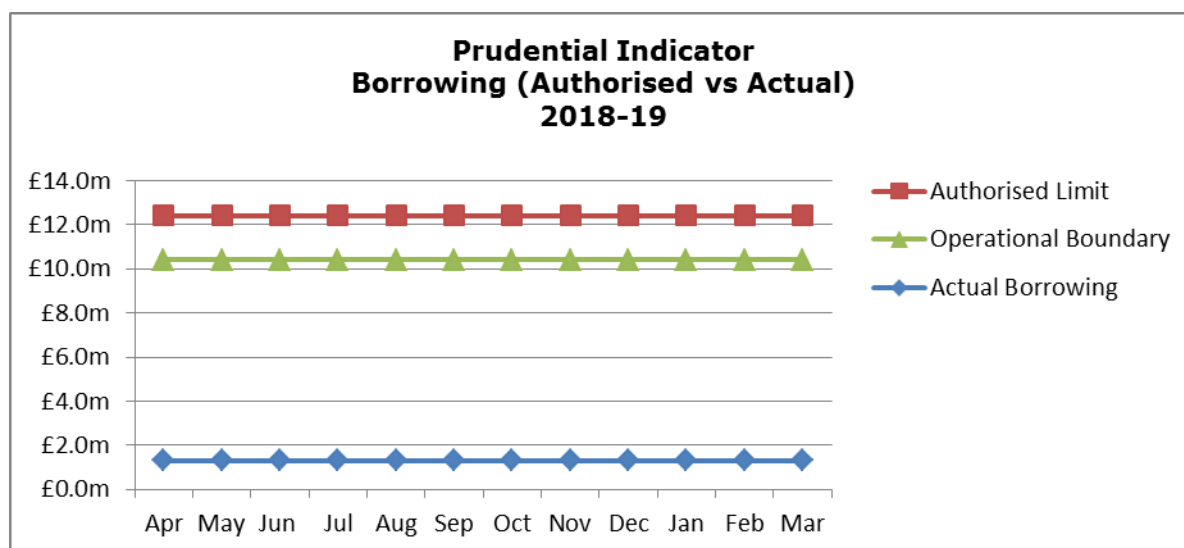
Maturity Structure of Debt

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

	Upper Limit	Lower Limit	Actual
Under 12 months	33%	0%	0%
12 months and within 24 months	33%	0%	0%
24 months and within 5 years	33%	0%	0%
5 years and within 10 years	66%	0%	54%
10 years and above	100%	0%	46%

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

Investment of Principal Sums

9. In line with the Treasury Management policy no sums have been invested for more than 364 days.

Implications

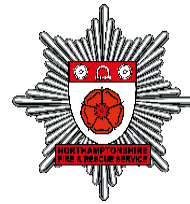Financial: As described in the report.

Legal: None.

Equality Impact Assessment: None identified

Risks and Impact: As described in the report.

Link to Police and Crime Plan: 18/19 Approved budget

Background Papers

Treasury Management File

Contact Names

Mrs H King, Chief Finance Officer
Mr V Ashcroft, Head of Finance (OCC)

AGENDA ITEM: 8b

NORTHAMPTONSHIRE POLICE, FIRE AND CRIME COMMISSIONER,

NORTHAMPTONSHIRE POLICE and

NORTHAMPTONSHIRE FIRE AND RESCUE SERVICE

JOINT INDEPENDENT AUDIT COMMITTEE

26 SEPTEMBER 2019

REPORT BY	Carl Oliver, LGSS, Nick Alexander, NCFRA Head of Finance
SUBJECT	Treasury Management outturn 2018/19 & Update- NCFRA
RECOMMENDATION	To consider report

1   PURPOSE OF THE REPORT

1.1   This report provides the Joint Independent Audit Committee (JIAC) with an update on Treasury Management Activities for the newly established NCFRA for the 3 month outturn 2018/19 and Q1 2019/20.

2.   BACKGROUND

2.1   Treasury Management is governed by the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (the Code). The Code has been developed to meet the needs of Local Authorities and its recommendations provide a basis to form clear treasury management objectives and to structure and maintain sound treasury management policies and practices.

2.2   The Code was adopted via the Treasury Management Strategy Statement (TMSS), which was approved for the 2019-20 financial year in March 2019. It requires the Authority to produce an annual treasury report and a half yearly report.

2.3   The Treasury Management Strategy included an assessment of the potential Capital Programme for NCFRA. Whilst a number of elements in the programme are being progressed, it is very likely that there will be significant slippage in the programme, reducing the need for borrowing in the short term.

2.4   At this stage in the year, there are no proposed changes to the authorised limit and operational boundary.

3   BORROWING

3.1   In 2018/19 no borrowing took place. In 2019/20 to date, the Authority does not currently have any borrowing.

3.2   The Authority can raise loan finance in order to primarily fund its Capital spending plans but also for short term cashflow purposes.

3.3   The actual amount of new borrowing required each year is determined by capital expenditure plans, capital funding available, the actual Capital Financing Requirement (CFR), forecast reserves, cashflow analysis, and current and projected economic conditions.
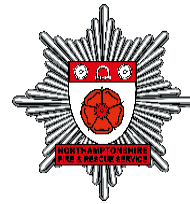
4   INVESTMENTS

4.1   In 2018/19 there were no investments. In 2019/20 to date, the Authority does not currently hold any investments.

4.2   The Authority's general policy objective is to invest its surplus funds prudently. As such the Authority's investment priorities, in priority order, are:

- security of the invested capital;
- liquidity of the invested capital; and
- the yield received from the investment.

4.3   As a newly established Authority, it was important to first create a robust cashflow model to understand liquidity requirements before undertaking investment activity that may expose the Authority to risk.

4.4   Treasury Management expertise is provided by LGSS, and together with the knowledge of the first eight months of activity, a review of cashflow modelling will be undertaking shortly by the Chief Finance Officer a view to establishing some parameters for investment activity to begin.

4.5   Savings accounts have been established with the Authority's bankers in the first instance.

5   PRUDENTIAL AND TREASURY INDICATORS

5.1   There is a requirement under the Local Government Act 2003 for Authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators. The Prudential Code was recently updated in 2018.

5.2   The Prudential indicators and borrowing limits are shown in Appendix A.

Prudential Indicator	2019-20 Indicator	2019-20 Q2 Forecast
Authorised limit for external debt	----- £5.400m -----	
Operational boundary for external debt	----- £4.500m -----	
Capital Financing Requirement (CFR)	£2.965m	£2.965m
Upper limit of fixed interest rates based on net debt	100%	0%
Upper limit of variable interest rates based on net debt	50%	0%
Principal sums invested > 365 days	£0.000m	£0.000m
Maturity structure of borrowing limits:-		
Under 12 months	Max. 80% Min. 0%	0.0%
12 months to 2 years	Max. 50% Min. 0%	0.0%
2 years to 5 years	Max. 50% Min. 0%	0.0%
5 years to 10 years	Max. 50% Min. 0%	0.0%
10 years and above	Max. 100% Min. 0%	0.0%

NORTHAMPTONSHIRE POLICE, FIRE AND CRIME COMMISSIONER,

NORTHAMPTONSHIRE POLICE and

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JOINT INDEPENDENT AUDIT COMMITTEE

26 SEPTEMBER 2019

REPORT BY	Paul Fell, OPFCC
SUBJECT	Business Continuity
RECOMMENDATION	To consider and note report

1   PURPOSE OF THE REPORT

1.1   This report provides the Joint Independent Audit Committee (JIAC) with an update on the arrangements that are in place in the Office of the Police, Fire and Crime Commissioner for Northamptonshire, (OPFCC) relating to business continuity.

1.2   It seeks to provide a brief overview and an appropriate level of assurance to the Joint Independent Audit Committee on this matter.

2   BACKGROUND

2.1   The OPFCC recognises the importance of sound planning for business continuity in order to allow it to properly function and discharge it's responsibilities in the event of the loss of some key elements of functionality.

2.2   To this end the OPFCC has a documented business continuity plan that identifies the key enablers that allow it to function appropriately and properly discharge it's responsibilities. These are:

- People
- IT
- Premises
- Documentation

3   CURRENT POSITION

3.1   The OPFCC business continuity plan is subject to regular review and was last reviewed on 31st January 2019.

3.2   The plan contains a statement in relation to how the OPFCC would manage any form of business continuity incident that relates to the above mentioned four key enablers.

3.3   The plan was subject to independent internal audit by Mazars in April 2019. This audit reported on a satisfactory level of assurance, with no recommendations for the OPFCC.

3.4   The OPFCC, lead for business continuity has a plan to test the BCP imminently.

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JOINT INDEPENDENT AUDIT COMMITTEE

26 SEPTEMBER 2019

REPORT BY	Richard Baldwin
SUBJECT	Business Continuity Management Report - Policing
RECOMMENDATION	To consider report

1   PURPOSE OF THE REPORT

1.1   This report provides the Joint Independent Audit Committee with an update on the status of Business Continuity Management within Northamptonshire Police.

2   OVERVIEW

2.1   The Force has a statutory responsibility under the Civil Contingencies Act 2004 to *'maintain plans to ensure that they can continue to perform their functions in the event of an emergency so far as is reasonably practical'*.

2.2   The Force's approach to business continuity is based on British Standard BS22301:2012 which provides guidance and recommendations on developing and implementing a business continuity management programme.

2.3   The Force's approach to business continuity management is documented in the Business Continuity Policy and Procedures which are attached to this document. The Policy and Procedures are reviewed annually and approved by the Force Assurance Board.

3   BUSINESS CONTINUITY MANAGEMENT APPROACH

3.1   **Business Continuity Plans**

Business continuity plans (BCP's) have been developed for each department within the Force using a standard template and process as defined in the Business Continuity Procedures. There are currently 27 BCP's. A standard BCP template is used for this purpose.

The BCP lists each of the department's activities and assigns them a risk score determined against fixed criteria. The risk score defines the criticality of the activity and assigns a recovery time objective (RTO) within which the activity should be recovered in the event of a disruption.

The BCP's contain contingency arrangements that will assist a department to respond to, and recover from, any incident that has an impact on the ability to perform the critical activities of the department.

In order to ensure that BCP's remain up to date and fit for purpose they are reviewed at least annually or following any significant change to a department's structure or activities.

Corporate Development maintain an overview of all BCP's and issue reminders as needed when plans are due for review.

Business Continuity Plans will be reviewed and updated as necessary to ensure that they are aligned to the new policing model that comes into effect in October 2019.

3.2   **Exercising and Testing**

All BCP's will be exercised at least annually to ensure that they remain fit for purpose.

The annual exercises will be in the form of desktop, scenario based exercises that explore a range of different scenarios to ensure that the plans are effective in assisting the department to respond to any disruption.

In addition to the annual departmental exercises force-wide exercises will be undertaken when new major potentially disruptive events are identified e.g. pandemic flu, severe weather etc.

BCP's will be updated with any outcomes from the exercises.

3.3   **Reporting**

The Force Assurance Board (FAB), which meets bi-monthly, receives an update on the status of Business Continuity Management within the Force including any BCP's which have passed their review date.

FAB also receives a summary of any business continuity incidents that have occurred and any lessons learnt and any anticipated business continuity events that could have an impact on the Force.

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,
	Strategic Development, Risk and Business Continuity Advisor
Chief Officer Portfolio Holder:	Simon Nickless, Deputy Chief Constable
Background Papers:	Business Continuity Management Policy v4.0 May 2019
	Business Continuity Management Procedures v4.0 May 2019
	Force Business Continuity Plan Template v8.0 August 2018

NORTHAMPTONSHIRE POLICE, FIRE AND CRIME COMMISSIONER,

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JOINT INDEPENDENT AUDIT COMMITTEE

September 2019

REPORT BY	GM Barry Mullan.
SUBJECT	Business continuity.
RECOMMENDATION	Committee to note report

1   Purpose of report

1.1 To provide the Joint Independent Audit Committee with information of the business continuity arrangements in place for NFRS.

1.2 To inform JIAC of the current status of the Business continuity plans (BCP) arrangements and future plans for them.

2   Relevant Fire Plan/ IRMP strategic objective/ priority

2.1 This report contributes to the IRMP objectives of:

- Keeping our communities safe and well
- Keeping our staff safe and well
- Making the best use of resources

3   Background

3.1 NFRS are expected to comply with the guidance as directed by the National Framework document (2008-2011) and its obligations under the Civil Contingencies Act (2004) and regulations (2005). It is required to ensure its

resilience against a number of threats both locally and nationally. The Act requires that 'Category 1' responders (blue light services) prepare and maintain plans to ensure that they can continue to perform their functions in the event of an emergency, so far as is reasonably practicable.

4 Overview

4.1 The NFRS transferred from Northants County Council to the PFCC on January 1st 2019. Previous business continuity arrangements were in compliance with the statements of required practice and governance framework for that fire authority.

4.2 The PFCC Governance framework is now the recognised principal document to be adhered to and all future changes and updates will comply with it.

4.3 The majority of all BCP documents have already been updated to reflect this change and those that have yet to be amended do not conflict with the purpose or expectations, as it relates to business continuity management, of the governance framework of the PFCC.

4.4 The purpose of the Service plans is to protect critical functions of the service. The critical strategic functions of Northamptonshire Fire and Rescue Service identified as:

- Handling '999' emergency calls.
- Mobilising and responding to emergencies to.
    - Save life.
    - Protect property
    - Protect the environment.
- Dealing with major emergencies (level 4 regional/national)
- Communicating with the public

Additionally, the Service are a key partner, as a category 1 responder, within the LRF which seeks to plan and prepare for the wider local and national risks, e.g. Brexit, severe weather, widespread flooding etc.
The service has access to all LRF plans via resilience direct and these are managed and trained for through the LRF coordinator role.

5 Policies and arrangements in place within NFRS.

5.1 NFRS have a policy and a number of arrangements that govern business continuity. Briefly these are

5.2 Policy.　　　　A 38 Business continuity management.
　　　　　　　　　Supported by:
　　　　　　　　　A43 Assurance framework
　　　　　　　　　A 30 Performance framework

5.3 Arrangements.　SORP 10 Organisational resilience.
　　　　　　　　　Organisational BCP (Being updated to align with PFCC).
　　　　　　　　　Departmental BCP's (x 11. Support the organisational BCP).
　　　　　　　　　Station BCP's　　　(site specific BCP's. locally owned).
　　　　　　　　　Operation Rookery (Industrial action arrangements).

The Service policy, A38 Business continuity management, and all departmental BCP's are reviewed and updated periodically, and are all in date.

All arrangements are available on the service intranet (SharePoint) and are backed up on resilience direct.

6 Testing and Outcomes.

6.1 The HMICFRS observed in their recent inspection report that business continuity plans are in place across the service but exercising of them could be improved.

6.2 The service acknowledges this observation and recognises the importance of adequate testing of BCP's, this will be reinforced in the updating of the policies and arrangements identified above.

6.3 The Service business continuity policy asks that each departmental BCP in exercised at least once a year. This standard has not been met for all plans. The focus has been on addressing live BCP events that have occurred and ensuring that working BCP's are updated and remain effective accordingly.

6.4 The service participates in the National Fire Chiefs Council (NFCC) BC exercises which occur annually as part of BC awareness week. The NFCC forum also service as a support network and information exchange of best practice and BCP documentation.

6.5 The service is contributing to the current Brexit preparations through the LRF.

6.6 The Service plan for industrial action (plan 'Rookery') is currently under review with a planning workshop scheduled for the end of September 2019.
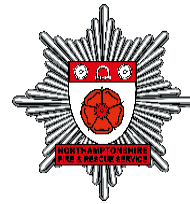
7 Improvements planned.

7.1 The Overarching organisational BCP is being updated in order to align itself with the governance arrangements of the PFCC. This activity coincides and compliments the work to review the assurance and performance frameworks, which will aim to address the HMICFRS comments regarding the exercising of Service BCP's. The work to update and introduce these new documents will likely run until the end of 2019 as there will be a period of consultation and embedding required.

8 Alternative Options Considered.

8.1 The Service has considered the improvements that could be made of moving to a newer ISO standard for BC management.

8.2 The current BCP's were drawn to align with BS 25999 as part of NCC. The latest standard is ISO 22301.

8.3 The need to move to the more current ISO standard is not a priority at this time and the conclusion not to progress it reflects the comments made by HMICFRS regarding service capacity. It will however remain a future consideration.

9 Financial Implications.

9.1 There are no anticipated financial implications for the transition and updating of BCP's to align with the PFCC governance framework.

9.2 Any future move to the newer ISO standard would need a further assessment of cost vs benefit.

NORTHAMPTONSHIRE POLICE, FIRE AND CRIME COMMISSIONER,

NORTHAMPTONSHIRE POLICE and

NORTHAMPTONSHIRE FIRE AND RESCUE SERVICE

JOINT INDEPENDENT AUDIT COMMITTEE

26 SEPTEMBER 2019

REPORT BY	Helen King, Chief Finance Officer, Simon Nickless, DCC
SUBJECT	Update on MFSS
RECOMMENDATION	To note

1   PURPOSE

1.1   The purpose of this report is to provide a further update to JIAC on the implementation of Oracle Fusion and the issues arising.

2   FUSION IMPLEMENTATION & KEY UPDATES

2.1   In July 2019, the JIAC were updated on the Fusion implementation and issues arising from the implementation.

2.2   The following key areas were highlighted as a concern following implementation:

   o   Duty Management System (DMS)
   o   Egress Information Security
   o   Payroll
   o   Reporting
   o   Transactional Services

2.3   Whilst some improvements have been made in the areas of payroll and transactional services, they have and continue to require significant time investment from local staff, to manage and oversee these improvements. Whilst progress has been made, a steady state of business as usual has not yet been established.

2.4 Whilst some technical changes have improved some DMS issues, significant discussion and evaluation has taken place and the Shared Service Joint Operating Committee (SSJOC) have approved a move to GEN2, the technical resolution offered by Cap Gemini and Oracle to address these issues.

2.5 The majority of costs of moving DMS to GEN2 (referred to as GEN2A) will not be met by partners, however, partners will meet some costs associated with moving the residual functions (referred to as GEN2B) and costs for egress security arrangements realigned from GEN1. The project plan ensures the following:

- The GEN2A plan will include health check considerations regarding the performance and load testing, to ensure a more informed go/no go decision can be made prior to implementation

- The overall project plan will ensure there is a performance checkpoint immediately following the implementation of GEN2A, prior to the delivery of GEN2B. This will provide the opportunity to review the performance of DMS in the live environment.

2.6 A number of Oracle Fusion organisations are already on or have moved to GEN2, and it is likely that Oracle support for GEN1 will start to be reduced. Whilst there will be cost implications for the move to GEN2B, partners are working together to mitigate the costs as far as possible. SSJOC have approved this course of action.

2.7 The Service Improvement Sub-Committee continues to meet and although in its infancy, it is hoped it will provide the impetus and drive to address performance and functionality issues, and strengthen the overall governance arrangements around systems changes. Items of concern, or those requiring further discussion, are escalated to the Management Board.

2.8 The Force is still in the process of recruiting an MFSS Contract Manager who will be the single point of contact in Force for all MFSS contract related issues e.g. performance etc. The Manager will brief to the DCC (Fusion SRO - Senior Responsible Officer).

2.9 The Chair of the Shared Service Joint Oversight Committee (SSJOC) rotates on an annual basis. At the September SSJOC meeting, Paddy Tipping, PCC for Nottinghamshire has replaced PFCC Stephen Mold as the Chair for 2019/20. In line with these changes, the Management Board Chair will move to Nottinghamshire DCC Rachel Barber.

2.10 Northamptonshire Force and OPFCC are engaged in all key meetings: Vaughan Ashcroft, the Head of Finance, together with key specialists from other departments, attends the Service Improvement Group. The Management Board is attended by DCC Simon Nickless, Paul Bullen, Deputy Monitoring Officer and Helen King, CFO. In addition, regular engagement takes place on key areas such as the SIROS and Payroll leads.

2.11 The June 2019/20 budget monitoring report considered at the Management Board and the SSJOC has highlighted an overspend in the year of £0.970m, of which Northamptonshire's share equates to £0.201m.

2.12 Of this amount, £0.5m relates to efficiency savings not realised and £0.3m not received for future partners' on boarding onto MFSS, both of these were impacted

by the inability to ensure a stable business as usual arrangement and the lack of agreement on the future direction by SSJOC.

2.13   Discussions continue, led by Cheshire to finalise the position following the withdrawal of Avon and Somerset in 2018.

3.   FUTURE CONSIDERATIONS

3.1   All partners are reviewing their position with regards to MFSS and a discussion on partner intentions took place at the September 2019 Shared Services Joint Operating Committee (SSJOC).

3.2   One partner has submitted a change request to consider taking payroll back in house. This will be evaluated and then considered by the Management Board initially.

3.3   As advised in July, Paul Bullen is coordinating a piece of work for Northamptonshire looking more closely at options, cognisant of other partners positions. This piece of work will shortly be finalised.

4.   SUMMARY

4.1   MFSS-Fusion remains one of the highest non-operational risks in the Force; recognising how it underpins much of the Force's enabling services functions. The MFSS Contract Manager will bring additional rigour around the optimisation of Fusion in Force and at MFSS in Cheshire. The DCC will continue to be the Fusion SRO.

4.2   The Force and OPFCC are cognisant of the costs associated with this project and it remains under close scrutiny by both.

4.3   The weekly working group set up by the Force, OPFCC and with Fire representation continues to meet and refine options with a view to provide clear recommendations on the future direction with regards the services provided by MFSS and where possible, LGSS.

Background Papers

MFSS Fusion Implementation – DCC Swann, 10th December 2018.
MFSS Fusion Update – ACO Paul Dawkins, 26th July 2019
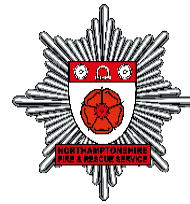
NORTHAMPTONSHIRE POLICE, FIRE AND CRIME COMMISSIONER,

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JOINT INDEPENDENT AUDIT COMMITTEE
26 SEPTEMBER 2019

REPORT BY	Helen King, Chief Finance Officer
SUBJECT	Update on Key Roles OPFCC, CC and NCFRA
RECOMMENDATION	To note

1   PURPOSE OF THE REPORT

1.1   This report provides the Joint Independent Audit Committee (JIAC) with an update on key roles in the three organisations of the OPFCC, CC and NCFRA.

2.   UPDATE ON KEY ROLES

2.1   Nicci Marzec commenced the rotation to undertake the responsibilities of Monitoring Officer in July 2019. It is anticipated that Paul Bullen will undertake the rotation at the end of December 2019. The director who is not performing the role at any point acts as the deputy.

2.2   Paul Dawkins, who previously undertook the role of CC S151 Officer for both Leicestershire and Northamptonshire Police has returned to Leicestershire at the end of August 2019. Helen King, the OPFCC and NCFRA S151 Officer will undertake the S151 responsibilities from 1 September 2019, for up to six months to enable the Chief Constable to put in place permanent arrangements. The Financial Management Code of Practice (update 2018), provides for this eventuality depending on local circumstances and ensuring potential conflicts of interest are identified.

2.3 A protocol has been prepared which identifies potential risks and conflicts of interest, together with mitigations and additional support put in place to ensure capacity and resilience during this time.

2.4 In July 2019, Ali Naylor retired as Assistant Chief Officer for HR and Learning for both Northamptonshire and Leicestershire Police and Carol Hever returned to Leicestershire (previously in a shared role between Northamptonshire and Leicestershire). Barbara Barrett commenced as Head of HR for Northamptonshire and is supported by an enhanced HR structure. Current challenges include delivering the significant increase in recruitment planed following the 2019/20 precept and the national recruitment initiative for an additional 20,000 officers.

2.5 Following a national recruitment process, Shaun Hallam and Rob Porter were appointed to the two Assistant Chief Fire Officer roles. Prior to the governance transfer, Shaun and Rob had held the roles temporarily. The permanent arrangements will support the Chief Fire Officer in taking forward the opportunities following the transfer of governance in January 2019.

2.6 Peter Meredith, Head of Support Services for NCFRA retired in July 2019. Martin Scoble, the Director of Enabling Services, has adopted Peter's responsibilities for Procurement, Fleet, ICT and Estates, and in discussion with the Chief Constable, has adopted management of similar responsibilities (including HR) in Policing.

2.7 Martin is now working across both Policing and Fire which facilitates taking forward opportunities which complement his role as Enabling Service lead. Moving forwards, it is anticipated that the Chief Constable and Chief Fire Officer will review resource requirements for support services in due course.

2.8 The oversight of strategic estates to support development for the three organisations is currently under discussion.

3. **SUMMARY**

3.1 The report updates JIAC on changes to key roles and statutory officers in the OPFCC, Northamptonshire Police and Northamptonshire Commissioner Fire and Rescue Authority (NCFRA).

REPORT BY	Chief Finance Officer
SUBJECT	Joint Independent Audit Committee (JIAC) - Agenda Plan – Updated Sept 2019
RECOMMENDATION	To discuss the agenda and note the report

Date of JIAC	20.03.19	6.6.19 FINAL ACCOUNTS WORKSHOP	26.7.19	30.9.19	27 November 2019 Workshop	11.12.19	February FP20 Workshop Date TBC	11 March 2019	3 June 2020 Accounts Workshop	29 July 2020	7 October 2020	November 2020 Workshop TBC	16 December 2020
Confirmed agenda to be circulated	22.02.19		28.06.19	02.09.19		22.11.19							
Deadline for papers to be submitted to OPCC (HK)	06.03.19		12.07.19	13.09.19		04.12.19							
Papers to be circulated	13.03.19	01.06.19	19.07.19	23.09.19		11.12.19			31 May 2020				

Proposed Changes, Discussion of Timing/Content

Date of JIAC	20.03.19	6.6.19 FINAL ACCOUNTS WORKSHOP	26.7.19	30.9.19	November 2019 TBC WORKSHOP	11.12.19	February FP20 Workshop Date TBC	11 March 2019	3 June 2020 Accounts Workshop	29 July 2020	7 October 2020	November 2020 Workshop TBC	16 December 2020
	Apologies		Apologies	Apologies		Apologies		Apologies		Apologies	Apologies		Apologies
	Declarations		Declarations	Declarations		Declarations		Declarations		Declarations	Declarations		Declarations
	Meetings log and actions		Meetings log and actions	Meetings log and actions		Meetings log and actions		Meetings log and actions		Meetings log and actions	Meetings log and actions		Meetings log and actions
			Meeting of members and Auditors without Officers Present							Meeting of members and Auditors without Officers Present			
Governance, Assurance and Strategies													
	Capital Prog 2019/20 PFCC & CC NCFRA			Budget & MTFP process and plan update & Timetable PFCC & CC NCFRA	Enabling Services Update	JIAC Self Assessment	FP20 Workshop	Capital Prog 2019/20 PFCC & CC NCFRA			Budget & MTFP process and plan update & Timetable PFCC & CC NCFRA		
	Treasury Mgmt Strategy 2019/20 PFCC & CC NCFRA	Statement of Accounts Review: PFCC & CC NCFRA	Statement of Accounts Update: PFCC & CC NCFRA	Statement of Accounts Update: PFCC & CC NCFRA	Seized and Found Property Update	Corporate Governance Framework Review PFCC & CC NCFRA	Results of the JIAC Self Assessment	Treasury Mgmt Strategy 2019/20 PFCC & CC NCFRA	Statement of Accounts Review: PFCC & CC NCFRA	Statement of Accounts Update: PFCC & CC NCFRA			
	Capital Strategy 2019/20 PFCC & CC NCFRA	JIAC annual report review	JIAC Annual Report and Terms of Reference Review	Treasury Management outturn 2018/19 & 2019/20 Update NCFRA PFCC				Capital Strategy 2019/20 PFCC & CC NCFRA	JIAC annual report review		Treasury Management outturn 2018/19 & 2019/20 Update NCFRA PFCC		
HMICFRS Reviews													
	HMIC VFM												
	HMIC reviews – update CC NCFRA					HMIC reviews – update CC NCFRA		HMIC reviews – update CC NCFRA			HMIC reviews – update CC NCFRA		

Proposed Changes, Discussion of Timing/Content

Date of JIAC	20.03.19	6.6.19 FINAL ACCOUNTS WORKSHOP	26.7.19	30.9.19	November 2019 TBC WORKSHOP	11.12.19	February FP20 Workshop Date TBC	11 March 2019	3 June 2020 Accounts Workshop	29 July 2020	7 October 2020	November 2020 Workshop TBC	16 December 2020
Updates:													
	Update on: MFSS		Update on: MFSS	Update on: MFSS		Update on: MFSS & LGSS		Update on: MFSS & LGSS		Update on: MFSS & LGSS	Update on: MFSS & LGSS		Update on: MFSS & LGSS
	Update on: Fire Governance			Update on: Business Continuity and Disaster Recovery PFCC CC NCFRA				Update on: ICT Governance, Behavioural Change and Finance Arrangements			Update on: Business Continuity and Disaster Recovery PFCC CC NCFRA		
	Update on : Fire Governance					Update on: Estates Strategy PFCC NCFRA							
				Dates of Meetings and Workshops 2019		Update on: Fraud & Corruption Controls and Processes PFCC & CC NCFRA					Dates of Meetings and Workshops 2019		
	Update on PFCC Monitoring Officer Arrangements			Update on Key Roles		Member Update on: CIPFA Training Day for Audit Committee Members (or other Training and Development)		Member Update on: CIPFA Training Day for Audit Committee Members (or other Training and Development)		Member Update on: CIPFA Training Day for Audit Committee Members (or other Training and Development)	Member Update on: CIPFA Training Day for Audit Committee Members (or other Training and Development)		Member Update on: CIPFA Training Day for Audit Committee Members (or other Training and Development)
Risk Management:													
	PFCC Risk Register			Force strategic risk register		PFCC Risk Register		Force strategic risk register		PFCC Risk Register	Force strategic risk register		PFCC Risk Register
	NCFRA Risk Register			NCFRA Risk Register				NCFRA Risk Register			NCFRA Risk Register		

Proposed Changes, Discussion of Timing/Content

Date of JIAC	20.03.19	6.6.19 FINAL ACCOUNTS WORKSHOP	26.7.19	30.9.19	November 2019 TBC WORKSHOP	11.12.19	February FP20 Workshop Date TBC	11 March 2019	3 June 2020 Accounts Workshop	29 July 2020	7 October 2020	November 2020 Workshop TBC	16 December 2020
Internal Audit													
	Internal Audit Plan 19/20 PFCC & CC		Internal Audit Plan 19/20 NCFRA					Internal Audit Plan 20/21 PFCC & CC NCFRA					
			Internal Audit Annual Report 18/19 PFCC & CC							Internal Audit Annual Report 19/20 PFCC & CC NCFRA			
	Progress report PFCC & CC		Progress report PFCC & CC NCFRA	Progress report PCC & CC NCFRA		Progress report PCC & CC NCFRA		Progress report PCC & CC NCFRA		Progress report PCC & CC NCFRA	Progress report PCC & CC NCFRA		Progress report PCC & CC NCFRA
	Implementation of recommendations PFCC & CC		Implementation of recommendations PFCC & CC	Implementation of recommendations PFCC & CC NCFRA		Implementation of recommendations PFCC & CC NCFRA		Implementation of recommendations PFCC & CC NCFRA		Implementation of recommendations PFCC & CC NCFRA	Implementation of recommendations PFCC & CC NCFRA		Implementation of recommendations PFCC & CC NCFRA
External Audit:													
	External Audit Plan 18/19 NCFRA	External Audit Update: PFCC & CC NCFRA	Update on External Audit ISA260: PFCC & CC NCFRA					External Audit Plan 19/20: PFCC & CC NCFRA		External Audit ISA260: PFCC & CC NCFRA	External Audit Annual Audit Letter		
	External Audit Verbal Update PFCC & CC NCFRA	External Audit proposed Fee Scales 2019/20 PFCC & CC NCFRA						External Audit proposed Fee Scales 2019/20 PFCC & CC NCFRA			External Audit Verbal Update PFCC & CC NCFRA		External Audit Verbal Update PFCC & CC NCFRA
Plan, Training and AOB:													
	Agenda plan		Agenda plan	Agenda plan		Agenda plan		Agenda plan		Agenda plan	Agenda plan		Agenda plan
						Members Training/Updates				Members Training/Updates	Members Training/Updates		Members Training/Updates
	AOB		AOB	AOB		AOB		AOB		AOB	AOB		AOB
	Next meeting		Next meeting	Next meeting		Next meeting		Next meeting		Next meeting	Next meeting		Next meeting

Proposed Changes, Discussion of Timing/Content