

JOINT INDEPENDENT AUDIT COMMITTEE

MONDAY, 18 NOVEMBER 2019, 14:00

**MEETING TO BE HELD IN TRAINING ROOM 2
NEWCASTLE CITY CENTRE POLICE STATION
FORTH BANKS**

AGENDA

OPEN SESSION UNDER THE FREEDOM OF INFORMATION ACT 2000

- 1. INTRODUCTION**
- 2. DECLARATION OF INTEREST**
- 3. MINUTES OF JOINT INDEPENDENT AUDIT COMMITTEE 22 JULY 2019**
(Paper attached)
- 4. MATTERS ARISING**
(Action list attached)
- 5. ANNUAL AUDIT LETTER (CC & PCC)**
Report of External Auditor
(Paper attached)
- 6. SUMMARY OF RECENT EXTERNAL INSPECTION REPORTS**
Head of Corporate Development
(Paper attached)
- 7. JOINT STRATEGIC RISK REPORT**
Head of Corporate Development
(Paper attached)
- 8. TREASURY MANAGEMENT MID-YEAR REPORT 2019/20**
Reports of Head of Finance
(Paper attached)
- 9. EMERGENT INTERNAL AUDIT PLAN 2020/21 – 2022/23**
Report of Internal Audit Manager
(Paper attached)
- 10. JIAC FORWARD PLAN**
Report of Head of Finance
(Paper attached)

CLOSED SESSION UNDER THE FREEDOM OF INFORMATION ACT 2000

II. EXCLUSION OF THE PRESS AND PUBLIC – EXEMPT BUSINESS

The Committee is asked to pass a resolution to exclude the press and public from the meeting during consideration of the following items on the grounds indicated.

Agenda item number	Paragraph of Schedule 12A to the Local Government Act 1972
12	7
13	7

NORTHUMBRIA POLICE MINUTES

Title Joint Independent Audit Committee (JIAC)	Meeting Number 03/2019
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Date 22 July 2019	Location Meeting Room 2 Forth Banks	Duration 14:00-16:05
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Present:

Committee	N Mundy	Chair
	K Amlani	
Members:	P Angier	
	J Guy	
	P Wood	
Officers:	D Ford	Deputy Chief Constable
	M Tait	Joint Chief Finance Officer
	P Godden	Head of Corporate Development Department
	K Laing	Head of Finance Department
Invitees:	R Bowmaker	Internal Audit, Gateshead Council
	J Dafter	Senior Manager, Mazars
	C Waddell	Partner, Mazars
	R Rooney	Governance and Planning Coordinator (Secretary)
Apologies:	R Durham	OPCC Chief of Staff and Monitoring Officer

1. INTRODUCTION

The Chair opened the meeting, and provided apologies for absentees. Congratulations were provided to the newly appointed Police and Crime Commissioner (PCC). N Mundy advised he had offered to meet the PCC who would also be welcome to attend a future JIAC meeting.

The Chair and Committee members welcomed the newly appointed Deputy Chief Constable, D Ford and looked forward to working with her in delivering the work of the JIAC.

2. DECLARATION OF INTEREST

M Tait circulated a declaration of interest pro-forma to committee members.

Update *noted*.

3. MINUTES OF PREVIOUS MEETING HELD ON 25 FEBRUARY 2019

Agreed as a true and accurate record.

4. MATTERS ARISING

5b. Review of the Effectiveness of Internal Audit

M Tait confirmed a copy of the Public Sector Internal Audit Standard (PSIAS) external assessment report would be provided to the JIAC once available in 2020.

Action list updated.

5. JIAC ANNUAL REPORT

N Mundy presented the JIAC Annual Report, thanking all present for their work to ensure a favourable outcome as set out in the report. Additionally, N Mundy gave thanks to former Chair J Cooke for his work in creating a solid foundation for the work of the committee.

Update *noted*.

6. ANNUAL GOVERNANCE STATEMENTS (AGS) 2018/19 (PCC & CC)

K Laing presented both PCC and CC AGS', noting revisions had been made as per discussion at the May JIAC meeting. He confirmed such revisions did not have a negative impact on assurance. Following agreement at JIAC, both AGS' will be signed off by the PCC.

Agreed: The PCC and CC AGS'.

7. STATEMENTS OF ACCOUNTS

K Laing presented an overview of the process involved in compiling and auditing the statements of accounts. He highlighted a judicial review regarding pensions as a key change since presentation of the draft statements. K Laing noted there is no bottom line impact; further guidance is awaited from the Home Office.

N Mundy queried the overall impact of the judicial review. K Laing advised as a result, the additional pension liabilities equate to a significant amount. He noted there will be a larger pension liability moving forward, and a potential increase in annual pension contributions.

D Ford highlighted the impact such changes will have on employees. N Mundy corroborated this, advising appropriate communications are necessary.

Update *noted*.

8. EXTERNAL AUDIT – MAZARS AUDIT COMPLETION REPORTS (PCC & CC)

C Waddell noted final versions of the completion reports are available; apologies were provided for circulating an older version. C Waddell confirmed key messages within the final reports are fundamentally unchanged from those contained within the circulated versions.

Chief Constable (CC) Audit Completion Report:

C Waddell presented the CC audit completion report. He noted the quality of accounts is good, and a proactive approach to audit is taken by Northumbria Police. Of note, C Waddell stated an unqualified opinion on financial statements is anticipated.

C Waddell discussed the risk rating allocated to pensions audit area. Work is ongoing concerning pension valuations; as such, a higher risk rating was allocated. N Mundy queried if contingency plans exist regards the previously noted additional pension liabilities; C Waddell explained a statutory override will be put in place.

P Wood queried the impact of profit and loss (PNL) annually as per result of pension issues. C Waddell advised a number of factors impact on PNL, however asset values are higher than previously thought.

Update *noted*.

Police and Crime Commissioner (PCC) Audit Completion Report:

C Waddell presented the PCC audit completion report, noting its similarity to the CC report, particularly regarding risks associated with pension valuations.

J Guy and N Mundy highlighted the number of disclosure amendments contained within the report, querying if any are of note. C Waddell stated the amendments are indicative of reduced capacity and increased pressure.

C Waddell thanked M Tait and K Laing for their work in assisting to produce two good audits. K Laing reflected thanks back to Mazars, noting the Force had been cognisant to ensure there was sufficient time to produce the audit report in light of the significant pension issues.

N Mundy noted the positive result of the audits, and thanked all involved in this most important and demanding process.

Update *noted*.

9. SUMMARY OF RECENT EXTERNAL INSPECTION REPORTS

P Godden presented the report, noting a PEEL Spotlight Report has been published by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) since the previous JIAC; Northumbria Police was not featured within this initial report which prompted queries from committee members regards internal assessment. P Godden explained a Force Management Statement (FMS) is in production, which aims to articulate understanding of current demand and projections for the future. Further assurances were provided that there are dedicated forums across Force which discuss how to best meet demand.

J Guy queried the length of time between the date reports are published, and the date by which recommendations are to be completed. D Ford explained the Force governance structure through which management of the plans take place, and assured she is comfortable with the process and speed of action. N Mundy queried how fundamental to business the incomplete recommendations are, to which P Godden assured a number of actions are in place, but require a period of monitoring; recommendations remain outstanding to allow the Force to be fully satisfied they have been implemented prior to close down.

D Ford confirmed ownership of action plans previously allocated to D Best.

Update *noted*.

10. JOINT STRATEGIC RISK REGISTER (JSRR) REPORT JULY 2019

P Godden presented the JSRR, noting there are minimal changes since its previous presentation. N Mundy noted it would be preferable for hard copy versions of the JSRR to be provided to committee members in A3 for improved readability.

Action: R Rooney to ensure an A3 version of the JSRR is circulated to committee members in future.

J Guy queried national risks, enquiring whether Northumbria Police is confident it is doing as much as possible to mitigate the effects of said risks. D Ford advised national meetings are attended by Force representatives where issues are discussed fully; she confirmed further detail will be provided regards national risks at a future meeting.

Action: D Ford to provide additional assurances surrounding national risks and Northumbria Police's management of these risks at the November JIAC.

P Angier sought assurance regards technological risks, specifically in relation to the Eurofins cyber-attack and forensic analysis, querying how the Force can be resilient against such risks when certain services are outsourced. D Ford explained a growth in in-house solutions could pose internal risks if officers and staff are required to absorb a sudden increase of information to utilise new systems. N Mundy commented it would be beneficial for committee members to have a greater understanding of ICT used within Force.

Action: M Tait to facilitate ICT session with committee members.

N Mundy queried how the organisational learning process can be improved in order to reduce its overall risk status. D Ford advised she is keen to drive this area of business further, noting a slicker process to share learning will be of great benefit. P Wood asked if organisational learning includes liaison with external services, which D Ford confirmed. N Mundy suggested that in reviewing the risk, an update on progress made in improving the learning process might be provided to a future meeting.

N Mundy thanked P Godden for production of the report.

Update **noted**.

11. TREASURY MANAGEMENT ANNUAL REPORT 2018/19

K Laing presented the Treasury Management annual report. He highlighted borrowing costs are under estimate, and prudential indicators are all within boundaries.

J Guy noted risks associated with temporary short term borrowing as at Appendix A, Point 23; she queried if these risks are mitigated by savings made following under budget borrowing. K Laing explained short term borrowing takes places where a long term debt profile is available to ensure there is not a spike in interest rates. P Angier congratulated the Force for its work in-house; this was echoed by N Mundy.

Agreed: The Treasury Management Annual Report.

12. EXCLUSION OF THE PRESS AND PUBLIC – EXEMPT BUSINESS

The press and public were excluded from the meeting.

AGENDA ITEM 4

SOURCE Meeting / date / minute ref.	ACTION	ASSIGNED TO	UPDATE Cleared or update
03/2019 Minute 10	<u>Joint Strategic Risk Register Report July 2019</u> To facilitate an ICT session with committee members.	M Tait	An ICT session will be delivered to members ahead of the February JIAC meeting.
	To provide additional assurances surrounding national risks and Northumbria Police's management of these risks at the November JIAC.	D Ford	Verbal update will be provided by DCC Ford.

DRAFT

Annual Audit Letter

Chief Constable for Northumbria

Year ending 31 March 2019



**NORTHUMBRIA
POLICE**
Proud to Protect





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Our reports are prepared in the context of the 'Statement of responsibilities of auditors and audited bodies' issued by Public Sector Audit Appointments Ltd. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the Chief Constable for Northumbria and we take no responsibility to any member or officer in their individual capacity or to any third party.

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1. EXECUTIVE SUMMARY

Purpose of the Annual Audit Letter

Our Annual Audit Letter summarises the work we have undertaken as the auditor for the Chief Constable for Northumbria (the Chief Constable) for the year ended 31 March 2019. Although this letter is addressed to the Chief Constable, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (the NAO). The detailed sections of this letter provide details on those responsibilities, the work we have done to discharge them, and the key findings arising from our work. These are summarised below.

Area of responsibility	Summary
Audit of the financial statements	<p>Our auditor's report issued on 25 July 2019 included our opinion that the financial statements:</p> <ul style="list-style-type: none">• give a true and fair view of the Chief Constable's financial position as at 31 March 2019 and of its expenditure and income for the year then ended; and• have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.
Other information published alongside the audited financial statements	<p>Our auditor's report issued on 25 July 2019 included our opinion that:</p> <ul style="list-style-type: none">• The other information in the Statement of Accounts is consistent with the audited financial statements.
Value for Money conclusion	<p>Our auditor's report concluded that we are satisfied that in all significant respects, the Chief Constable has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.</p>
Statutory reporting	<p>Our auditor's report confirmed that we did not use our powers under s24 of the 2014 Act to issue a report in the public interest or to make written recommendations to the Chief Constable.</p>

2. AUDIT OF THE FINANCIAL STATEMENTS

Opinion on the financial statements

Unqualified

The scope of our audit and the results of our work

The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Chief Constable and whether they give a true and fair view of the Chief Constable's financial position as at 31 March 2019 and of its financial performance for the year then ended.

Our audit was conducted in accordance with the requirements of the Code of Audit Practice issued by the NAO, and International Standards on Auditing (ISAs). These require us to consider whether:

- the accounting policies are appropriate to the Chief Constable's circumstances and have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management in the preparation of the financial statements are reasonable; and
- the overall presentation of the financial statements provides a true and fair view.

Our auditor's report, issued to the Chief Constable on 25 July 2019, stated that, in our view, the financial statements give a true and fair view of the Chief Constable's financial position as at 31 March 2019 and of its financial performance for the year then ended.

Our approach to materiality

We apply the concept of materiality when planning and performing our audit, and when evaluating the effect of misstatements identified as part of our work. We consider the concept of materiality at numerous stages throughout the audit process, in particular when determining the nature, timing and extent of our audit procedures, and when evaluating the effect of uncorrected misstatements. An item is considered material if its misstatement or omission could reasonably be expected to influence the economic decisions of users of the financial statements.

Judgements about materiality are made in the light of surrounding circumstances and are affected by both qualitative and quantitative factors. As a result we have set materiality for the financial statements as a whole (financial statement materiality) and a lower level of materiality for specific items of account (specific materiality) due to the nature of these items or because they attract public interest. We also set a threshold for reporting identified misstatements to both the Chief Constable and the Joint Independent Audit Committee. We call this our trivial threshold.

The table below provides details of the materiality levels applied in the audit of the financial statements for the year ended 31 March 2019:

Financial statement materiality	Our financial statement materiality is based on 2% of Gross Revenue Expenditure.	£8.506 million
Trivial threshold	Our trivial threshold is based on 3% of financial statement materiality.	£0.255 million
Specific materiality	We have applied a lower level of materiality to the following areas of the accounts: - Senior Officer Remuneration - Exit Packages	£1k £1k

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2. AUDIT OF THE FINANCIAL STATEMENTS

Our response to significant risks

As part of our continuous planning procedures we considered whether there were risks of material misstatement in the Chief Constable's financial statements that required special audit consideration. We reported significant risks identified at the planning stage to the Joint Independent Audit Committee within the audit Strategy Memorandum and provided details of how we responded to those risks in our Audit Completion Report. The table below outlines the identified significant risks, the work we carried out on those risks and our conclusions.

Identified significant risk	Our response	Our findings and conclusions
<p>Management override of controls</p> <p>Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.</p>	<p>We addressed this risk through performing audit work over:</p> <ul style="list-style-type: none"> Accounting estimates impacting on amounts included in the financial statements; Consideration of identified significant transactions outside the normal course of business; and Journals recorded in the general ledger and other adjustments made in preparation of the financial statements. 	<p>Our work has provided the assurance we sought and has not highlighted any material issues to bring to your attention.</p>
<p>Defined benefit liability valuation</p> <p>The financial statements contain material pension entries in respect of retirement benefits. The calculation of these pension figures, both assets and liabilities, can be subject to significant volatility and includes estimates based upon a complex interaction of actuarial assumptions. This results in an increased risk of material misstatement.</p>	<p>We discussed with key contacts significant changes to the pensions estimates prior to the preparation of the final accounts. In addition to our standard programme of work in this area, we:</p> <ul style="list-style-type: none"> evaluated the management controls you had in place to assess the reasonableness of the figures provided by the actuaries; and considered the reasonableness of the actuaries outputs, referring to an expert's report on all actuaries nationally which is commissioned annually by the National Audit Office. 	<p>The material amendments relating to the impact of national legal cases on the pension liabilities have been amended. Our audit work has not identified any further material issues to report.</p>

2. AUDIT OF THE FINANCIAL STATEMENTS

Our response to areas of management judgement

Identified area of management judgement	Our response	Our findings and conclusions
<p>Year end leave Accrual</p> <p>Accounting standards required that an estimate be made of the value of accumulated absences awarded but not taken as at 31 March 2019. We expect that, as in previous years, this will be a material estimate.</p> <p>As this is an area of significant management judgement we were required to regard this as an enhanced risk.</p>	<p>We evaluated the arrangements you had in place to produce the year end leave accrual estimate.</p>	<p>Our work has provided the assurance we sought and has not highlighted any material issues to bring to your attention.</p>



2. AUDIT OF THE FINANCIAL STATEMENTS

Internal control recommendations

As part of our audit we considered the internal controls in place that are relevant to the preparation of the financial statements. We did this to design audit procedures that allow us to express our opinion on the financial statements, but this did not extend to us expressing an opinion on the effectiveness of internal controls.

Our findings and recommendations are set out below.

We have not identified any significant deficiencies as a result of our work this year.

Follow up of previous internal control points.

We did not raise any internal control points in 2017/18.

3. VALUE FOR MONEY CONCLUSION

Value for Money conclusion

Unqualified

Our approach to Value for Money

We are required to consider whether the Chief Constable has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our conclusion, and sets out the criterion and sub-criteria that we are required to consider.

The overall criterion is that, 'in all significant respects, the Chief Constable had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.' To assist auditors in reaching a conclusion on this overall criterion, the following sub-criteria are set out by the NAO:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

Our auditor's report, issued to the Chief Constable on 25 July 2019, stated that, in all significant respects, the Chief Constable put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31st March 2019

Sub-criteria	Commentary	Arrangements in place?
Informed decision making	<ul style="list-style-type: none"> • A refreshed Governance Framework, covering both the Chief Constable and PCC was approved in October 2018 and is available via the respective websites. • The Police and Crime Panel (hosted by Gateshead Council and independent of both the Chief Constable and PCC) meet 6 times per year and hold the PCC to account. • The Police and Crime Plan covering the period 2017 to 2021 is in place. The purpose, vision, values, priorities and strategic objectives of the PCC were developed in consultation with the Chief Constable. In turn, the Chief Constable produces the Policing Plan from the Police and Crime Plan, for which he is responsible, • An updated Medium Term Financial Strategy (MTFS), covering the period 2019/20 to 2022/23, and including the 2019/20 budget was approved in February 2019. The MTFS is clearly linked to the Police and Crime Plan. • Alongside the annual budget and MTFS is the comprehensive workforce strategy that includes the recruitment, training and development of officers and police staff whilst continuing to manage necessary change through the prudent use of reserves. • An experienced Chief Constable and PCC management team was in place for the whole of the financial year. 	Yes

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3. VALUE FOR MONEY CONCLUSION

Value for Money conclusion

Unqualified

Sub-criteria	Commentary	Arrangements in place?
Sustainable resource deployment	<ul style="list-style-type: none"> Both the Chief Constable and PCC have a history of meeting financial targets with no previous budget deficits. An updated Medium Term Financial Strategy (MTFS), covering the period 2019/20 to 2022/23, and including the 2019/20 budget was approved in February 2019. The MTFS is clearly linked to the Police and Crime Plan. The level of general fund balances is approved annually as part of the approval of the MTFS. The Capital Programme, included in the 2019/20 to 2022/23 approved MTFS, sets out the Police's investment priorities. Capital schemes are appraised and prioritised to ensure they reflect key investment requirements. A Workforce Strategy is in place that includes recruitment, training and development of officers and police staff. 	Yes
Working with partners and other third parties	<ul style="list-style-type: none"> The Force has written procedures for procuring products and services, which are within its Code of Corporate Governance. Both the Chief Constable and PCC are aware of the importance of collaboration. This is evidenced in the Collaboration and Partnership Strategy, updated May 2016. Collaboration agreements to which the Chief Constable and PCC are parties to are published on the PCC's website. Areas of collaboration with other police forces and public organisations include: <ul style="list-style-type: none"> Co-locating with partners wherever possible, including fire and rescue services, councils and local community groups; Continuation of the 7 force Section 22A collaboration agreement. The agreement provides an overarching framework for areas of collaboration in the region; and A collaborative working agreement between the legal teams of Northumbria Police and North Tyneside Council in order to provide advice, support and resilience to one another. The North East Regional Special Operations Unit (NERSOU) collaboration between Northumbria, Durham and Cleveland forces. 	Yes

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3. VALUE FOR MONEY CONCLUSION

Significant Value for Money risks

The NAO's guidance requires us to carry out work to identify whether or not a risk to the Value for Money conclusion exists. Risk, in the context of our Value for Money work, is the risk that we come to an incorrect conclusion rather than the risk of the arrangements in place at the Chief Constable being inadequate. In our Audit Completion Report, we reported that we had not identified any significant Value for Money risks.

4. OTHER REPORTING RESPONSIBILITIES

Exercise of statutory reporting powers	No matters to report
Other information published alongside the audited financial statements	Consistent

The NAO's Code of Audit Practice and the 2014 Act place wider reporting responsibilities on us, as the Chief Constable's external auditor. We set out below, the context of these reporting responsibilities and our findings for each.

Matters on which we report by exception

The 2014 Act provides us with specific powers where matters come to our attention that, in our judgement, require reporting action to be taken. We have the power to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these statutory reporting powers.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. We did not receive any such objections or questions.

Other information published alongside the financial statements

The Code of Audit Practice requires us to consider whether information published alongside the financial statements is consistent with those statements and our knowledge and understanding of the Chief Constable. In our opinion, the other information in the Statement of Accounts is consistent with the audited financial statements.

5. OUR FEES

Fees for work as the Chief Constable's auditor

We reported our proposed fees for the delivery of our work in the Audit Strategy Memorandum, presented to the audit panel in January 2019.

Having completed our work for the 2018/19 financial year, we can confirm that our final fees are as follows:

Area of work	2018/19 proposed fee	2018/19 final fee
Delivery of audit work under the NAO Code of Audit Practice *	£14,438	£14,438
Delivery of audit work under the NAO Code of Audit Practice - Police and Crime Commissioner for Northumbria and Group *	£28,529	TBC

* We are awaiting approval from PSAA for the variation to the scale fee

Our final fee will be higher than the scale fee set by PSAA due to the need to audit the Whole of Government Accounts Assurance Statement as the Chief Constable's and Group's expenditure exceeded the threshold of £500 million. This was due to additional expenditure incurred relating to the impact of national legal cases on pension liabilities. Discussions have been held with PSAA and we are awaiting approval of our variation request.

Fees for other work

We confirm that we have not undertaken any non-audit services for the Chief Constable in the year.

6. FORWARD LOOK

Audit Developments

Code of Audit Practice

The Code of Audit Practice sets out what local auditors of relevant local public bodies are required to do to fulfil their statutory responsibilities under the Local Audit and Accountability Act 2014. We have responded to the National Audit Office's consultation on the content of the Code (<https://www.nao.org.uk/code-audit-practice/about-code/>)

A new Code will be laid in Parliament in time for it to come in to force no later than 1 April 2020

Financial outlook

As outlined in our Value for Money Conclusion section, the Chief Constable continues to make good progress in addressing the financial challenges from public sector austerity and has a proven track record of strong budget management and delivering planned budget reductions.

A balanced budget has been set in 2019/20 without requiring the use of any reserves. Whilst the financial climate remains challenging, the Chief Constable is well placed to deal with this.

Financial Reporting

UK Local Government Annual Accounts

The CIPFA/LASAAC Local Authority Code Board specifies the financial reporting requirements for UK local government. A consultation is underway to inform the direction and strategy for local government annual accounts. We will be submitting our response and suggest practitioners also voice their opinion.

Operational challenges

The PCC's key challenges, strategic priorities, direction and vision are set out in the Commissioner's Police and Crime Plan 2017-2021 and Strategy 2025. The Plan sets out the priorities set for the Chief Constable against which he will be held to account for their delivery. Delivery of the Strategy 2025 priorities requires organisational capacity, and strong governance, risk and project management arrangements.

Next year's audit and how we will work with the Chief Constable

We will focus our work on the risks that your challenges present to your financial statements and your ability to maintain proper arrangements for securing value for money.

In the coming year we will continue to support the Chief Constable by:

- continued liaison with the Chief Constable's Internal Auditors to minimise duplication of work;
- attending Joint Independent Audit Committee meetings and presenting an Audit Progress Report including updates on regional and national developments; and
- hosting events for staff, such as our Local Government Accounts workshop.

We will meet with the officers to identify any learning from the 2018/19 audit and will continue to share our insights from across local government and relevant knowledge from the wider public and private sector.

In terms of the technical challenges that officers face around the production of the statement of accounts, we will continue to work with them to share our knowledge of new accounting developments and we will be on hand to discuss any issues as and when they arise.

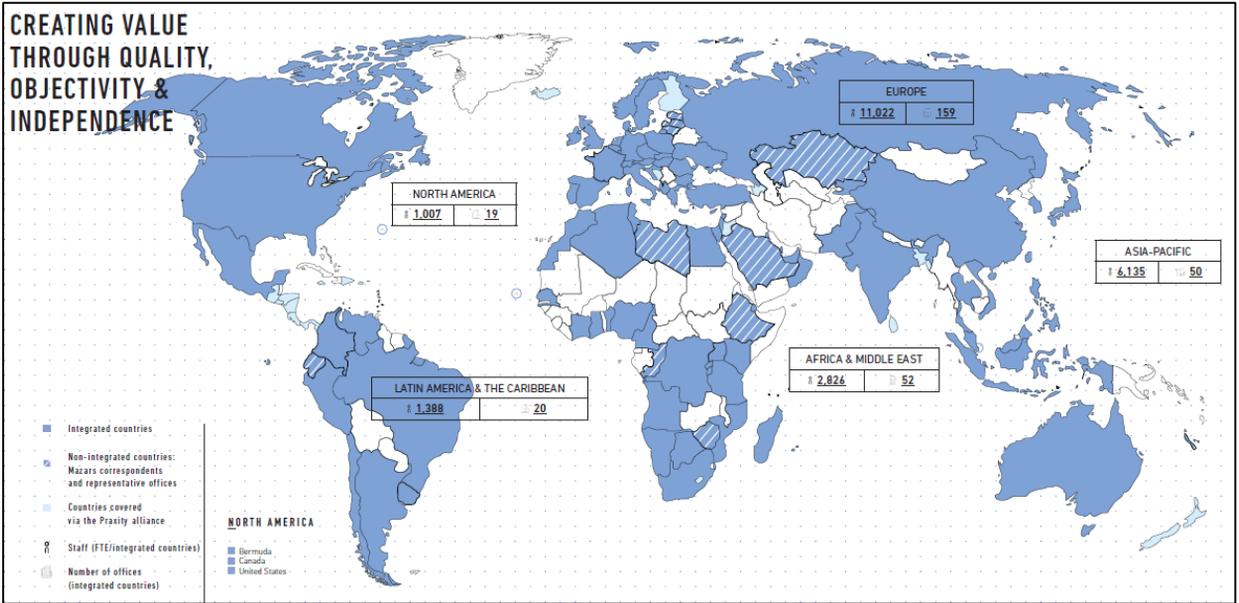
The Chief Constable has taken a positive and constructive approach to our audit and we wish to thank members and officers for their support and co-operation during our audit.

MAZARS AT A GLANCE

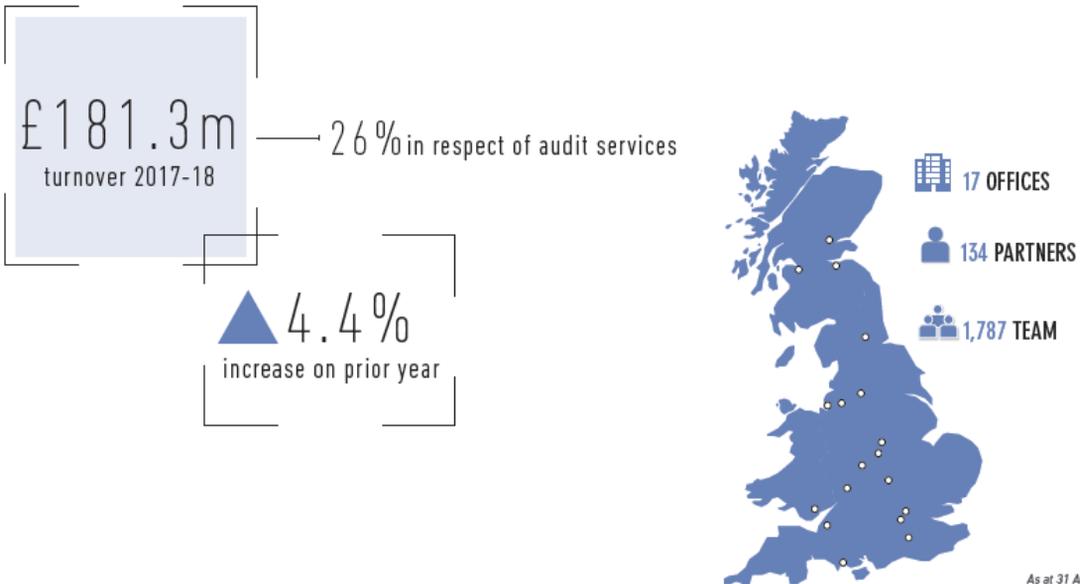
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Mazars Internationally



Mazars in the UK



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Annual Audit Letter

Police and Crime Commissioner for Northumbria

Year ending 31 March 2019



**NORTHUMBRIA
POLICE AND CRIME
COMMISSIONER**





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1. EXECUTIVE SUMMARY

Purpose of the Annual Audit Letter

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Area of responsibility	Summary
Audit of the financial statements	<p>Our auditor's report issued on 30 July 2019 included our opinion that the financial statements:</p> <ul style="list-style-type: none">• give a true and fair view of the PCC's financial position as at 31 March 2019 and of its expenditure and income for the year then ended; and• have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.
Other information published alongside the audited financial statements	<p>Our auditor's report issued on 30 July 2019 included our opinion that:</p> <ul style="list-style-type: none">• The other information in the Statement of Accounts is consistent with the audited financial statements.
Value for Money conclusion	<p>Our auditor's report concluded that we are satisfied that in all significant respects, the PCC has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.</p>
Reporting to the group auditor	<p>In line with group audit instructions issued by the NAO, on 19 August 2019 we reported to the group auditor in line with the requirements applicable to the PCC's WGA return.</p>
Statutory reporting	<p>Our auditor's report confirmed that we did not use our powers under s24 of the 2014 Act to issue a report in the public interest or to make written recommendations to the PCC.</p>

2. AUDIT OF THE FINANCIAL STATEMENTS

Opinion on the financial statements

Unqualified

The scope of our audit and the results of our work

The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the PCC and whether they give a true and fair view of the PCC's financial position as at 31 March 2019 and of its financial performance for the year then ended.

Our audit was conducted in accordance with the requirements of the Code of Audit Practice issued by the NAO, and International Standards on Auditing (ISAs). These require us to consider whether:

- the accounting policies are appropriate to the PCC's circumstances and have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management in the preparation of the financial statements are reasonable; and
- the overall presentation of the financial statements provides a true and fair view.

Our auditor's report, issued to the PCC on 30 July 2019, stated that, in our view, the financial statements give a true and fair view of the PCC's financial position as at 31 March 2019 and of its financial performance for the year then ended.

Our approach to materiality

We apply the concept of materiality when planning and performing our audit, and when evaluating the effect of misstatements identified as part of our work. We consider the concept of materiality at numerous stages throughout the audit process, in particular when determining the nature, timing and extent of our audit procedures, and when evaluating the effect of uncorrected misstatements. An item is considered material if its misstatement or omission could reasonably be expected to influence the economic decisions of users of the financial statements.

Judgements about materiality are made in the light of surrounding circumstances and are affected by both qualitative and quantitative factors. As a result we have set materiality for the financial statements as a whole (financial statement materiality) and a lower level of materiality for specific items of account (specific materiality) due to the nature of these items or because they attract public interest. We also set a threshold for reporting identified misstatements to the We call this our trivial threshold.

The table below provides details of the materiality levels applied in the audit of the financial statements for the year ended 31 March 2019:

Financial statement materiality	Our financial statement materiality is based on 2% of Gross Operating Expenditure.	PCC - £5.831 million Group - £8.639 million
Trivial threshold	Our trivial threshold is based on 3% of financial statement materiality.	PCC - £0.176 million Group - £0.259million
Specific materiality	We have applied a lower level of materiality to the following areas of the accounts: - Senior Officer Remuneration - Exit Packages	£1k (PCC and Group) £1k (PCC and Group)

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2. AUDIT OF THE FINANCIAL STATEMENTS

Our response to significant risks

As part of our continuous planning procedures we considered whether there were risks of material misstatement in the PCC's financial statements that required special audit consideration. We reported significant risks identified at the planning stage to the Joint Independent Audit Committee within the audit Strategy Memorandum and provided details of how we responded to those risks in our Audit Completion Report. The table below outlines the identified significant risks, the work we carried out on those risks and our conclusions.

Identified significant risk	Our response	Our findings and conclusions
<p>Management override of controls (relevant to single entity and group accounts)</p> <p>Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.</p>	<p>We addressed this risk through performing audit work over:</p> <ul style="list-style-type: none"> Accounting estimates impacting on amounts included in the financial statements; Consideration of identified significant transactions outside the normal course of business; and Journals recorded in the general ledger and other adjustments made in preparation of the financial statements. 	<p>Our work has provided the assurance we sought and has not highlighted any material issues to bring to your attention.</p>
<p>Defined benefit liability valuation (relevant to group accounts only)</p> <p>The financial statements contain material pension entries in respect of retirement benefits. The calculation of these pension figures, both assets and liabilities, can be subject to significant volatility and includes estimates based upon a complex interaction of actuarial assumptions. This results in an increased risk of material misstatement.</p>	<p>We discussed with key contacts significant changes to the pensions estimates prior to the preparation of the final accounts. In addition to our standard programme of work in this area, we:</p> <ul style="list-style-type: none"> evaluated the management controls you had in place to assess the reasonableness of the figures provided by the actuaries; and considered the reasonableness of the actuaries outputs, referring to an expert's report on all actuaries nationally which is commissioned annually by the National Audit Office. 	<p>The material amendments relating to the impact of national legal cases on the pension liabilities have been amended. Our audit work has not identified any further material issues to report.</p>
<p>Valuations of buildings (relevant to single entity and group accounts)</p> <p>The financial statements contained material entries on the Balance Sheet as well as material disclosure notes in relation to the PCC's holding of buildings.</p> <p>Although the PCC employs an internal valuation expert to provide information on valuations, there remains a high degree of estimation uncertainty associated with the revaluation of buildings due to the significant judgements and number of variables involved in providing revaluations. We therefore identified the revaluation of buildings to be an area of increased risk of material misstatement.</p>	<p>We considered the PCC's arrangements for ensuring that buildings values were reasonable and engaged our own expert to provide data to enable us to assess the reasonableness of the valuations provided by the PCC's valuer. We also assessed the competence, skills and experience of the valuer.</p> <p>Where necessary we performed further audit procedures on individual assets to ensure that the basis and level of valuation is appropriate.</p>	<p>Our work has provided the assurance we sought and has not highlighted any material issues to bring to your attention</p>

2. AUDIT OF THE FINANCIAL STATEMENTS

Our response to areas of management judgement

Identified area of management judgement	Our response	Our findings and conclusions
Year end leave Accrual (relevant to group accounts only) Accounting standards required that an estimate be made of the value of accumulated absences awarded but not taken as at 31 March 2019. We expect that, as in previous years, this will be a material estimate. As this is an area of significant management judgement we were required to regard this as an enhanced risk.	We evaluated the arrangements you had in place to produce the year end leave accrual estimate.	Our work has provided the assurance we sought and has not highlighted any material issues to bring to your attention.



2. AUDIT OF THE FINANCIAL STATEMENTS

Internal control recommendations

As part of our audit we considered the internal controls in place that are relevant to the preparation of the financial statements. We did this to design audit procedures that allow us to express our opinion on the financial statements, but this did not extend to us expressing an opinion on the effectiveness of internal controls.

Our findings and recommendations are set out below.

We have not identified any significant deficiencies as a result of our work this year.

Follow up of previous internal control points.

We did not raise any internal control points in 2017/18.

3. VALUE FOR MONEY CONCLUSION

Value for Money conclusion

Unqualified

Our approach to Value for Money

We are required to consider whether the PCC has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our conclusion, and sets out the criterion and sub-criteria that we are required to consider.

The overall criterion is that, 'in all significant respects, the PCC had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.' To assist auditors in reaching a conclusion on this overall criterion, the following sub-criteria are set out by the NAO:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

Our auditor's report, issued to the PCC on 30 July 2019, stated that, in all significant respects, the PCC put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31st March 2019

Sub-criteria	Commentary	Arrangements in place?
Informed decision making	<ul style="list-style-type: none"> • A refreshed Governance Framework, covering both the PCC and Chief Constable was approved in October 2018 and is available via the respective websites. • The Police and Crime Panel (hosted by Gateshead Council and independent of both the PCC and Chief Constable) meet 6 times per year and hold the PCC to account. • The Police and Crime Plan covering the period 2017 to 2021 is in place. The purpose, vision, values, priorities and strategic objectives of the PCC were developed in consultation with the Chief Constable. In turn, the Chief Constable produces the Policing Plan from the Police and Crime Plan, for which he is responsible, • An updated Medium Term Financial Strategy (MTFS), covering the period 2019/20 to 2022/23, and including the 2019/20 budget was approved in February 2019. The MTFS is clearly linked to the Police and Crime Plan. • Alongside the annual budget and MTFS is the comprehensive workforce strategy that includes the recruitment, training and development of officers and police staff whilst continuing to manage necessary change through the prudent use of reserves. • An experienced PCC and Chief Constable management team was in place for the whole of the financial year. 	Yes

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3. VALUE FOR MONEY CONCLUSION

Value for Money conclusion

Unqualified

Sub-criteria	Commentary	Arrangements in place?
Sustainable resource deployment	<ul style="list-style-type: none"> Both the PCC and Chief Constable have a history of meeting financial targets with no previous budget deficits. An updated Medium Term Financial Strategy (MTFS), covering the period 2019/20 to 2022/23, and including the 2019/20 budget was approved in February 2019. The MTFS is clearly linked to the Police and Crime Plan. The level of general fund balances is approved annually as part of the approval of the MTFS. The Capital Programme, included in the 2019/20 to 2022/23 approved MTFS, sets out the Police's investment priorities. Capital schemes are appraised and prioritised to ensure they reflect key investment requirements. A Workforce Strategy is in place that includes recruitment, training and development of officers and police staff. 	Yes
Working with partners and other third parties	<ul style="list-style-type: none"> The Force has written procedures for procuring products and services, which are within its Code of Corporate Governance. Both the PCC and Chief Constable are aware of the importance of collaboration. This is evidenced in the Collaboration and Partnership Strategy, updated May 2016. Collaboration agreements to which the PCC and Chief Constable are parties to are published on the PCC's website. Areas of collaboration with other police forces and public organisations include: <ul style="list-style-type: none"> Co-locating with partners wherever possible, including fire and rescue services, councils and local community groups; Continuation of the 7 force Section 22A collaboration agreement. The agreement provides an overarching framework for areas of collaboration in the region; and A collaborative working agreement between the legal teams of Northumbria Police and North Tyneside Council in order to provide advice, support and resilience to one another. The North East Regional Special Operations Unit (NERSOU) collaboration between Northumbria, Durham and Cleveland forces. 	Yes

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3. VALUE FOR MONEY CONCLUSION

Significant Value for Money risks

The NAO's guidance requires us to carry out work to identify whether or not a risk to the Value for Money conclusion exists. Risk, in the context of our Value for Money work, is the risk that we come to an incorrect conclusion rather than the risk of the arrangements in place at the PCC being inadequate. In our Audit Completion Report, we reported that we had not identified any significant Value for Money risks.

4. OTHER REPORTING RESPONSIBILITIES

Exercise of statutory reporting powers	No matters to report
Completion of group audit reporting requirements	Consistent
Other information published alongside the audited financial statements	Consistent

The NAO's Code of Audit Practice and the 2014 Act place wider reporting responsibilities on us, as the PCC's external auditor. We set out below, the context of these reporting responsibilities and our findings for each.

Matters on which we report by exception

The 2014 Act provides us with specific powers where matters come to our attention that, in our judgement, require reporting action to be taken. We have the power to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these statutory reporting powers.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. We did not receive any such objections or questions.

Reporting to the NAO in respect of Whole of Government Accounts consolidation data

The NAO, as group auditor, requires us to complete the WGA Assurance Statement in respect of its consolidation data, and to carry out certain tests on the data. We submitted this information to the NAO on 19 August 2019.

Other information published alongside the financial statements

The Code of Audit Practice requires us to consider whether information published alongside the financial statements is consistent with those statements and our knowledge and understanding of the PCC. In our opinion, the other information in the Statement of Accounts is consistent with the audited financial statements.

5. OUR FEES

Fees for work as the PCC's auditor

We reported our proposed fees for the delivery of our work in the Audit Strategy Memorandum, presented to the audit panel in January 2019.

Having completed our work for the 2018/19 financial year, we can confirm that our final fees are as follows:

Area of work	2018/19 proposed fee	2018/19 final fee
Delivery of audit work under the NAO Code of Audit Practice - Police and Crime Commissioner for Northumbria and Group *	£28,529	TBC
Delivery of audit work under the NAO Code of Audit Practice - Chief Constable for Northumbria *	£14,438	£14,438

* We are awaiting approval from PSAA for the variation to the scale fee

Our final fee will be higher than the scale fee set by PSAA due to the need to audit the Whole of Government Accounts Assurance Statement as the Chief Constable's and Group's expenditure exceeded the threshold of £500 million. This was due to additional expenditure incurred relating to the impact of national legal cases on pension liabilities. Discussions have been held with PSAA and we are awaiting approval of our variation request.

Fees for other work

We confirm that we have not undertaken any non-audit services for the PCC in the year.

6. FORWARD LOOK

Audit Developments

Code of Audit Practice

The Code of Audit Practice sets out what local auditors of relevant local public bodies are required to do to fulfil their statutory responsibilities under the Local Audit and Accountability Act 2014. We have responded to the National Audit Office's consultation on the content of the Code (<https://www.nao.org.uk/code-audit-practice/about-code/>)

A new Code will be laid in Parliament in time for it to come in to force no later than 1 April 2020

Financial outlook

As outlined in our Value for Money Conclusion section, the PCC continues to make good progress in addressing the financial challenges from public sector austerity and has a proven track record of strong budget management and delivering planned budget reductions.

A balanced budget has been set in 2019/20 without requiring the use of any reserves. Whilst the financial climate remains challenging, the PCC is well placed to deal with this.

Financial Reporting

UK Local Government Annual Accounts

The CIPFA/LASAAC Local Authority Code Board specifies the financial reporting requirements for UK local government. A consultation is underway to inform the direction and strategy for local government annual accounts. We will be submitting our response and suggest practitioners also voice their opinion.

Operational challenges

The PCC's key challenges, strategic priorities, direction and vision are set out in the Commissioner's Police and Crime Plan 2017-2021. The Plan sets out the priorities set for the Chief Constable against which he will be held to account for their delivery. The Chief Constable has established a Strategy 2025 to deliver policing services in-line with the PCC's Plan, delivery of the Strategy 2025 priorities requires organisational capacity, and strong governance, risk and project management arrangements.

Next year's audit and how we will work with the PCC

We will focus our work on the risks that your challenges present to your financial statements and your ability to maintain proper arrangements for securing value for money.

In the coming year we will continue to support the PCC by:

- continued liaison with the PCC's Internal Auditors to minimise duplication of work;
- attending Joint Independent Audit Committee meetings and presenting an Audit Progress Report including updates on regional and national developments; and
- hosting events for staff, such as our Local Government Accounts workshop.

We will meet with the officers to identify any learning from the 2018/19 audit and will continue to share our insights from across local government and relevant knowledge from the wider public and private sector.

In terms of the technical challenges that officers face around the production of the statement of accounts, we will continue to work with them to share our knowledge of new accounting developments and we will be on hand to discuss any issues as and when they arise.

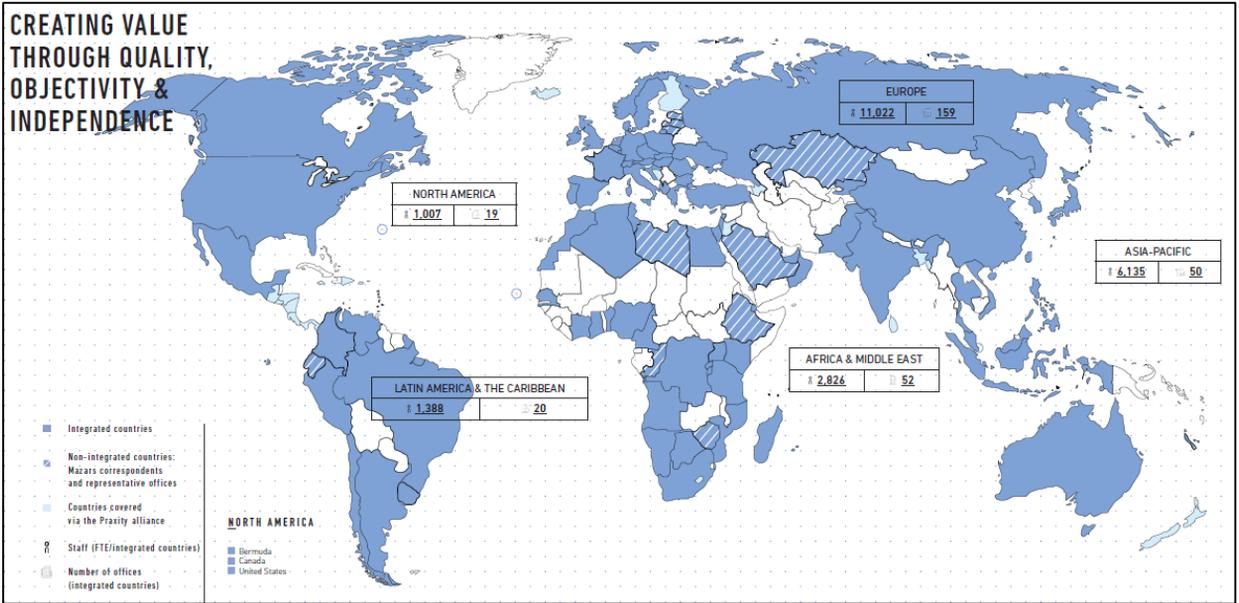
The PCC has taken a positive and constructive approach to our audit and we wish to thank members and officers for their support and co-operation during our audit.

MAZARS AT A GLANCE

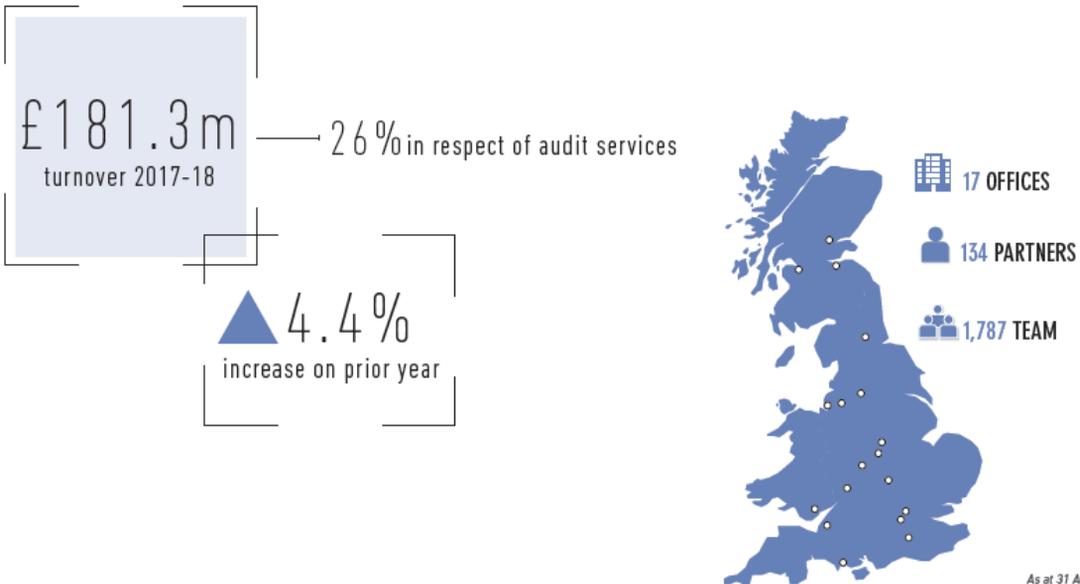
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Short Report for Information

Joint Independent Audit Committee	18 November 2019
Summary of Recent External Inspection Reports	
Paul Godden, Head of Corporate Development Department	

I. PURPOSE

- 1.1. To provide details of recent external inspection reports and an overview of the process in place to manage the Force's response to inspection recommendations and findings.

2. BACKGROUND

- 2.1. The following inspection reports have been published by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) since the last Joint Independent Audit Committee:

[State of Policing: The annual assessment of policing in England & Wales 2018](#)

[The poor relation: The police and Crown Prosecution Service's response to crimes against older people](#)

[Joint targeted area inspection of the multi-agency response to child exploitation in Northumberland](#)

[Leading Lights: An inspection of the police service's arrangements for the selection and development of chief officers](#)

[PEEL: Police effectiveness, efficiency and legitimacy 2018/19 – Northumbria Police](#)

[Shining a light on betrayal: Abuse of position for a sexual purpose](#)

[PEEL spotlight report: Emerging themes from the second group of 2018/19 PEEL inspections](#)

[Cyber: Keep the light on - An inspection of the police response to cyber-dependent crime](#)

- 2.2. Corporate Development Department acts as the central liaison point for all HMICFRS related matters.
- 2.3. All HMICFRS inspection reports and other external inspection reports are considered by the Executive Team. A lead is appointed to consider inspection findings and identify actions in response to any recommendations and areas for improvement. The Force position is reported to the Police and Crime Commissioner to inform a statutory response to the reports within 56 days.
- 2.4. All activity is regularly reviewed by the respective owners. Delivery is overseen at Executive Team level and reported to the Scrutiny Meeting of the Office of the Police and Crime Commissioner.
- 2.5. The HMICFRS Monitoring Portal is an updated version of the former Recommendations Register. It is a live database which includes causes of concern and recommendations made to police forces by HMICFRS since January 2013. To facilitate the tracking of progress, it now also includes areas for improvement (AFIs) published by HMICFRS.

Short Report for Information

- 2.6. Appendix A provides an overview of the outstanding recommendations and AFIs assigned to Northumbria Police through local or national reviews and an indication of the number assessed as complete.
- 2.7. HMICFRS independently assesses the recommendations and AFIs either through further inspection or by undertaking reality testing. Some recommendations may require a specialist inspection team to formally assess them and as such may remain open much longer than the completion date assessed by the Force.
- 2.8. Since the last update to Joint Independent Audit Committee a number of recommendations have been closed as complete by HMICFRS. In total, 86% of the recommendations within the portal are either assessed as complete or on hold pending the undercover policing inquiry; 5% are new since the last report; and the remainder are either being progressed or are assessed as complete by the Force, but are awaiting assessment by HMICFRS.
- 2.9. The following is an overview of HMICFRS reports published since the last meeting:

State of Policing: The annual assessment of policing in England & Wales 2018 (published 4 July 2019)

- 2.10. The Police Act 1996 requires Her Majesty's Chief Inspector of Constabulary (HMCIC) to produce an annual assessment of the effectiveness and efficiency of policing in England and Wales. It covers the full breadth of inspections conducted by HMICFRS between April 2018 and May 2019.
- 2.11. The assessment highlights four principal points: most forces are performing well despite facing significant challenges; the wider criminal justice system is letting children and vulnerable adults down with insufficient emphasis on prevention and early intervention; there is a mismatch between police funding and public expectations; and the need for reform of national, regional and local arrangements.

The poor relation: The police and Crown Prosecution Service's response to crimes against older people (published 17 July 2019)

- 2.12. HMICFRS and Her Majesty's Crown Prosecution Service Inspectorate (HMCPSI) published a joint inspection report into the police and CPS response to crimes against older people. For the purpose of the report, HMICFRS and HMCPSI defined older people as being 60 years of age and over.
- 2.13. The report concludes that adult safeguarding is the 'poor relation' of safeguarding arrangements, with concerns raised that safeguarding of vulnerable adults is not prioritised in the same way as for children. Forces lack understanding of their duties under the Care Act 2014, and have a superficial understanding of the nature and extent of crimes against older people, including links to disability hate crime and domestic abuse.
- 2.14. Despite an increasingly ageing population, it was identified that police and CPS lack any joint cohesive and focused strategy to deal with older victims of crime, with emphasis placed on improving joint working.
- 2.15. Northumbria Police and the OPCC, together with other criminal justice partners, have already invested significant effort into developing services for victims and witnesses. Areas for development are overseen by the Local Criminal Justice Board Victim and Witnesses sub-group.

Joint targeted area inspection of the multi-agency response to child exploitation in Northumberland (published 2 August 2019)

Short Report for Information

- 2.16. Between 17th and 21st June 2019, Ofsted, the CQC, HMICFRS, and HMI Probation carried out a joint inspection of the multi-agency response to children experiencing, or at risk of, child sexual exploitation, and those experiencing, or at risk of, child criminal exploitation in Northumberland.
- 2.17. The inspection recognised that safeguarding agencies in Northumberland demonstrated a strong commitment to working together to safeguard children and have made changes in response to findings from previous inspections.
- 2.18. The Director of Children's Services is to coordinate a multi-agency response in the form of a written statement, setting out the actions for the partnership and, where appropriate, individual agencies in response to the areas for improvement identified.

Leading Lights: An inspection of the police service's arrangements for the selection and development of chief officers (published 3 September 2019)

- 2.19. HMICFRS and HMIC in Scotland published findings from a joint inspection carried out to determine how effectively police forces select and train candidates for chief officer roles.
- 2.20. The inspection found that police forces do not always identify the best candidates for senior leadership positions because of questionable selection procedures and current training does not equip chief officers with the knowledge and skills they need to perform at their best.
- 2.21. A variety of factors contributed to these problems, including: different forces applying selection and assessment guidelines in different ways, leading to large-scale regional variations and inconsistencies; the Strategic Command Course containing modules which may not be relevant to all forces; and too often there is a shortage of applicants for chief officer roles, and officers do not move between forces readily enough.
- 2.22. There are no force specific recommendations.

PEEL: Police effectiveness, efficiency and legitimacy 2018/19 – Northumbria Police (published 27 September 2019)

- 2.23. HMICFRS combined the three pillars of PEEL into a single inspection and applied a risk-based approach. Northumbria Police was subject of a fieldwork visit for two weeks in February 2019 and was inspected on eight of the ten areas. This resulted in three causes of concern leading to four recommendations and eighteen AFIs.
- 2.24. The HM Inspector's overall assessment is that Northumbria Police's performance has declined since the last inspection. The Force considers the findings and overall grading disappointing; however, significant work has continued to be undertaken since the fieldwork visit, which supports improvement in the areas identified by HMICFRS.

Shining a light on betrayal: Abuse of position for a sexual purpose (published 27 September 2019)

- 2.25. HMICFRS inspected how forces were tackling abuse of position for a sexual purpose in 2015, 2016 and 2017 and found that forces were slow to root out this type of corruption. This more recent inspection has identified encouraging progress and an improved understanding of the problem; however, this improvement has not been seen in all forces.
- 2.26. Northumbria Police was assessed as 'Good' for ethical and lawful workforce behaviour within the Legitimacy pillar of the recent PEEL 2018/19 inspection.

Short Report for Information

PEEL spotlight report: Emerging themes from the second group of 2018/19 PEEL inspections (published 27 September 2019)

- 2.27. HMICFRS published the emerging themes from the second group of 2018/19 PEEL inspections. Overall, most forces are performing well. They are keeping people safe and reducing crime, using their resources efficiently and treating their workforces and the communities they serve fairly and with respect.
- 2.28. The second group of inspections identified more forces requiring improvement in more areas. From the first group of inspections, HMICFRS highlighted a system under pressure and this has been reinforced following inspections of the second group where it is increasingly evident that this pressure is affecting the workforce.

Cyber: Keep the light on - An inspection of the police response to cyber-dependent crime (published 24th October 2019)

- 2.29. The Home Secretary commissioned HMICFRS to carry out a thematic inspection of the police response to cyber-dependent crime.
- 2.30. Ten police forces in England and Wales (including Northumbria), all nine regional organised crime units, the National Crime Agency, Action Fraud, and the National Fraud Intelligence Bureau were inspected.
- 2.31. Police forces and the National Crime Agency were found to be generally effective at tackling cyber-dependent crime. However, too many local variations were found in the response to a national threat.

3. FINANCIAL CONSIDERATIONS

- 3.1 There are no additional financial considerations arising from this report.

4. LEGAL CONSIDERATIONS

- 4.1 There are no legal considerations arising from the content of this report.

5. EQUALITY CONSIDERATIONS

- 5.1 There are no equality implications arising from the content of this report.

6. RISK MANAGEMENT

- 6.1 Activity in response to HMICFRS findings is monitored through the Northumbria Police governance structure and by the Office of the Police and Crime Commissioner.
- 6.2 HMICFRS expects that progress is made in response to the recommendations and uses progress against previous recommendations to assess risk when considering future inspection activity.

7. RECOMMENDATIONS

- 7.1 To note the recent external inspection reports and that there are no matters of exception to report in response to previous inspections.

AGENDA ITEM 6
APPENDIX A - Response to HMICFRS reports

Monitoring Portal	Open	Closed	Total
Recommendations	47	172	219
AFIs	19	0	19

Of the 47 open recommendations:

- 17 relate to an inspection of undercover policing in England & Wales and are awaiting the outcome of the independent Undercover Policing Inquiry.
- 3 relate to the Crime Data Integrity Inspection 2016 and whilst deemed complete by the force are awaiting review by the specialist HMICFRS team.

Report title	Published	Reported to JIAC	Business Lead	Executive Lead	Position reported to Joint Business Meeting	No. of recommendations/AFIs & number completed		HMICFRS Monitoring Portal position
Living in fear - the police and CPS response to harassment and stalking	05/07/2017	18/09/2017	Head of Safeguarding	ACC Bacon	27/07/2017	Recommendations	4 (4)	Assessed as complete by HMICFRS since the last meeting.
Stolen freedom: the policing response to modern slavery and human trafficking	24/10/2017	04/12/2017	Head of Safeguarding	ACC Bacon	30/11/2017	Recommendations	7 (6)	The Force had assessed all recommendations as complete; HMICFRS has left one open pending a dip sample by the HMICFRS Force Liaison Lead prior to closure.
PEEL: Police legitimacy 2017 - Northumbria Police	12/12/2017	19/02/2018	Multiple	DCC Ford	22/01/2018	Recommendations	1 (0)	The recommendation was previously assessed as complete by the Force. HMICFRS acknowledged that the Force had complied with most of this recommendation; however, the recent PEEL inspection could not evidence sufficient understanding of unconscious bias and analysis of find rates for drug supply and possession, therefore this has not yet been closed. Unconscious bias has been raised as an AFI within the 2018/19 PEEL inspection below.
PEEL: Effectiveness 2017	22/03/2018	14/05/2018	Multiple	DCC Ford	19/04/2018	Recommendations	4 (2)	Recommendations were previously assessed as complete by the Force. HMICFRS has kept two recommendations open in relation to the shortage of investigators and the neighbourhood policing model. HMICFRS acknowledged increases in investigative capacity and good plans but this remained open as the capacity gap has not yet been filled. The Force has reviewed its neighbourhood policing model; however, has not yet fully implemented the changes.
Northumbria – National child protection inspection	28/06/2018	23/07/2018	Head of Safeguarding	ACC Bacon	26/07/2018	Recommendations	7(3)	The post inspection revisit resulted in three of the recommendations being closed by HMICFRS.
Understanding the difference: the initial police response to hate crime	19/07/2018	19/11/2018	Superintendent Central AC	DCC Ford	JBM 10/01/2019 New action plan presented to Scrutiny in April 2019	Recommendations	6 (0)	All recommendations are assessed as complete by the Force. Awaiting review by the HMICFRS Force Liaison Lead.
Policing and Mental Health: Picking up the Pieces	27/11/2018	25/02/2019	Head of Safeguarding	ACC Bacon	21/02/2019	Recommendations	4 (4)	Assessed as complete by HMICFRS since the last meeting.
Fraud: Time to choose	02/04/2019	13/05/2019	Head of Crime	T/ACC Felton	16/05/2019	Recommendations	2 (0)	
The poor relation: the police and Crown Prosecution Service's response to crimes against older people	17/07/2019	18/11/2019	Head of Safeguarding & Head of Prosecution & Victim Services	ACC Bacon	22/08/2019	Recommendations	4 (0)	
PEEL: Police effectiveness, efficiency and legitimacy 2018/19 - Northumbria Police	27/09/2019	18/11/2019	Multiple	DCC Ford	14/11/2019	Recommendations	4 (0)	
						AFIs	18 (0)	
Shining a light on betrayal: Abuse of position for a sexual purpose	27/09/2019	18/11/2019	Head of Professional Standards Department	DCC Ford	14/11/2019	Recommendations	3 (0)	
Cyber: Keep the light on - An inspection of the police response to cyber-dependent crime	24/10/2019	18/11/2019	Head of Crime	T/ACC Felton	12/12/2019	AFI	1(0)	

Short Report for Information

Joint Independent Audit Committee	18 November 2019
Joint Strategic Risk Register	
Report of Deputy Chief Constable Debbie Ford	
Author: Tanya Reade, Corporate Governance Manager, Corporate Development Department	

1. PURPOSE

- 1.1 To present the current Joint Strategic Risk Register.

2. BACKGROUND

- 2.1 The Office of Police and Crime Commissioner (OPCC) and Northumbria Police share a Joint Strategic Risk Register. Each strategic risk is assigned a Chief Officer/ Director and an OPCC owner, who has responsibility for the management of controls and the implementation of new controls where necessary.

Governance of Risk Register

- 2.2 The risk register (Appendix A) identifies each risk and the consequences if it were to happen. It also provides a summary of existing controls and rates risks on the likelihood of the risk occurring and the impact it would have. All risks are regularly reviewed by the respective owners and additional controls identified or changed, where necessary.
- 2.3 Area Commanders, Department Heads and the OPCC are responsible for the identification of emerging risks which cannot be controlled locally, and have the potential to prevent the Force and PCC from achieving objectives. These risks are escalated to the PCC and Executive Team via the relevant Boards in line with the governance and decision making structures, and recorded on the Joint Strategic Risk Register.
- 2.4 The register is presented to the Joint Business Meeting between the PCC and the Chief Constable on a quarterly basis. The Joint PCC/ Chief Constable Governance Group and Joint Independent Audit Committee provide additional scrutiny and governance on a quarterly basis.
- 2.5 The key changes/ updates to the risk register are outlined below. Appendix B provides an overview of the RAG status of the risks.
- 2.6 Five existing risks remain assessed as high risk:
- Risk 2 – Failure to effectively identify and respond to organisational learning.
 - Risk 5 – Failure to deliver the Emergency Services Network (ESN) required functionality and coverage.
 - Risk 20 – Significant increase in the cost of Employers' Pension Contributions.
 - Risk 21 – Failure to deliver the National Emergency Services Network (ESN) to Northumbria Police on time and to budget.
 - Risk 24 – Limitations of current ICT systems and the impact on service delivery.
- 2.7 Appropriate controls are in place; however, the majority of these risks are longer term in nature. Assessment of likelihood and impact is unchanged.

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- 2.8 The organisational learning framework, aligned to the governance and decision-making structure, has been reviewed and work is ongoing to improve processes to respond to and share learning more widely. This includes learning identified from formal debriefs such as domestic homicide reviews, coroners' regulation 28 reports, commissioners' reports e.g. the Biometrics Commissioner, significant learning shared by other forces and learning following local operations and incidents.
- 2.9 A re-assessment of the status of the risk will be undertaken when new ways of working are embedded and effective identification and response to organisational learning can be demonstrated.
- 2.10 Risk 8 – Significant delays in the provision of forensic analysis following temporary suspension of all law enforcement submissions to Eurofins following a cyber-attack, was previously assessed as high risk.
- 2.11 Eurofins has been reconnected with all UK Forces following national reassurances received regarding their IT system and associated vulnerabilities. Forensic submissions are taking place and the Gold Group has been disbanded. There is a Force backlog, which is being monitored by Criminal Justice and Scientific Support reporting directly to T/ACC Crime and Communications. The likelihood of the risk has been reduced from very high (5) to low (2); impact remains high (4).

Existing Risks

Operational

- 2.12 **Risk 3 – Failure to provide an effective police response to a critical incident and/or deliver continuity of service**

The potential consequences have been updated to reflect the ability to meet the mobilisation commitment following implementation of the new force operating model.

There is a planned review of the Force mobilisation plan and testing post implementation.

Likelihood low (2) and impact medium (3) remain unchanged.

- 2.13 **Risk 7 – Failure to achieve Digital Forensic Unit (DFU) Service Level Agreements**

Controls in this business area have been bolstered in response to performance challenges. These include changes in governance arrangements, outsourcing of mobile phone examinations, staffing updates, the permanent establishment of a Paedophile On-Line Investigation Team (POLIT) triage service and improvements in the use of Digital Forensic Strategies.

An assessment of the risk has been undertaken and is unchanged; likelihood low (2) and impact high (4).

Workforce

- 2.14 **Risk 9 – Insufficient resources, in terms of capacity and capability, to meet current or future policing demands**

The potential consequences have been updated to include increased pressure on staff and reduced wellbeing.

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The risk has been reviewed in light of the recent announcement regarding the anticipated uplift in officers from the September 2019 Spending Review and the Government stating an end to Austerity. Planning for the uplift has started.

Likelihood low (2) and impact medium (4) remain unchanged.

Infrastructure and Assets

2.15 Risk 22 – Disruption to estates and facilities to deliver effective policing services

The summary of controls has been updated to reflect the agreed Digital Strategy and enabler functions working more closely to minimise the impact on the business from the proposed Estate and Infrastructure changes.

Likelihood low (2) and impact medium (3) remain unchanged.

Risk Removal

Operational

2.16 Recovery of service failures with the previous regional contract for the provision of Interpreting Services

All relevant cases have been reviewed and resolved, with the exception of one deemed a minor risk, which is due at court in 2020. The Gold Group has also been closed.

2.17 Failure to maximise investigative opportunities from historic biometrics, DNA and fingerprints from Voluntary Attenders

Following the creation of a strategic lead, a strategic review of the process, and monthly updates and oversight provided to the Investigations Board, management of the risk is considered sufficient to enable it to be removed from the strategic risk register.

3. CONSIDERATIONS

Government Security Classification	Official
Report Exemption	Non-exempt
Consultation	Yes
Resources	No
There are no additional financial considerations arising from this report.	
Code of Ethics	No
There are no ethical implications arising from the content of this report.	
Equality	No
There are no equality implications arising from the content of this report.	
Legal	No
There are no legal considerations arising from the content of this report.	
Risk	No
There are no additional risk management implications directly arising from this report.	
Communication	No
Evaluation	No

Strategic Risk Register Guidance

Corporate risk management focuses on identifying current potential risks that could affect the delivery of the Police and Crime Plan and Northumbria Police's strategic objectives.

Northumbria Police faces a wide and diverse range of strategic, financial and operational risks, both internally and externally, which may threaten its ability to deliver the Police and Crime Plan and strategic objectives of the force.

Following the Risk Management procedure supports the Force in ensuring that this uncertainty is identified, captured and managed effectively by:

- evaluating the likelihood of each risk issue;
- evaluating the impact of each risk issue; and
- ensuring that appropriate controls and mechanisms manage the key exposures effectively.

Risk Management procedure	
Theme	At a strategic level, ten thematic risk areas have been identified: Strategy; Operational; Workforce; Public Confidence; Regulation and Standards; Financial; Infrastructure and Assets; Information Technology; Collaboration and Partnership; and Information and Evidence.
Governance and Oversight	Each risk will be overseen at one of the boards within the Force's Governance and Decision-Making Structure. New risks or risks for removal may also be identified at these meetings. These will be considered at Executive Board, where the strategic risk register will also be presented on a quarterly basis. As this is a joint Strategic Risk Register with the PCC, this will also be monitored at Joint Business Meeting (JBM). Oversight and governance will be provided by the joint Chief Constable/ PCC Governance meeting and Joint Independent Audit Committee on a quarterly basis.

Impact x Likelihood = Risk Rating (RAG)					
Impact - Consider the impact of the risk in terms of time, cost, quality, the benefits to be gained and the people involved.					
Likelihood - Is it likely to happen? How soon is it likely to happen?	1. VERY LOW	2. LOW	3. MEDIUM	4. HIGH	5. VERY HIGH
1. VERY LOW	1	2	3	4	5
2. LOW	2	4	6	8	10
3. MEDIUM	3	6	9	12	15
4. HIGH	4	8	12	16	20
5. VERY HIGH	5	10	15	20	25

No.	Theme	Governance and Oversight	Strategic Risk	Rationale	Potential Consequence	Summary of Controls	RAG	Likelihood (1-5) Impact (1-5)	Owner Executive Team	Owner OPCC
1	Strategy	Scrutiny	Failure to deliver against objectives set out in the Police and Crime Plan.	Ongoing Risk	Loss of public confidence. Reduction in satisfaction levels. A decline in quality and service delivery, leading to a reduction in satisfaction levels. Adverse external inspection reports, leading to recommendations and wider escalation.	Robust Force Performance Management Framework. Oversight and management of performance using Force Governance and Decision-making Structure (Strategic Management Board, and other boards such as Confidence and Standards Board). OPCC Scrutiny Meeting. Police and Crime Panel.	8	Likelihood 2 Impact 4	Chief Constable	Police and Crime Commissioner
2	Strategy	Confidence and Standards Board	Failure to effectively identify and respond to organisational learning.	Limitations to IT systems impacts on the ability to effectively share organisational learning April 2019	Loss of public confidence. Successes not being identified and shared to embed sustainable good practice. Potential negative impact to continuous improvement. Possible reduction in problem solving opportunities if learning is not identified in a timely manner.	Organisational learning is a mandatory agenda item at all Boards with a responsibility to identify lessons learned and good practice, and to record on the organisational learning log and action local learning solutions. Quarterly update on identified organisational learning, actions and outcomes reported to Confidence and Standards Board. Review the Organisational Learning Framework which describes local and formal responsibility, considering the establishment of a separate group/board to review the organisational learning log, and consider and action formal organisational learning. Development of a digital platform (Knowledge Hub) to share organisational learning.	12	Likelihood 3 Impact 4	Deputy Chief Constable	Police and Crime Commissioner
3	Operational	Local Policing Board	Failure to provide an effective police response to a critical incident and / or deliver continuity of service.	Societal Risks Diseases Natural Hazards Major Accidents Malicious Attacks Ongoing Risk	Reduced staffing and service provision across some or all business areas. Inability to deliver services as a result of reduced staffing and service provision across some or all business areas. Accurate resources data and the ability to project resourcing to meet future demand. Inability to contact and recall staff to duty. Ability to meet mobilisation commitment post the new operating model.	Health & Well-Being Programme. Fleet services and fuel reserves are maintained. Business Continuity Plans and testing are in place including a bespoke plan for Brexit. Continuous process to test and exercise plans with multi agency partners, ensuring relevance of content for developing threat and to retain capacity and capability of relevant staff. Understanding, embedding and testing across the tri-service partners to meet the requirements of the national guidance in relation to Marauding Terrorist attack (Operation Plato and Joint Operating Principles (JOPSS)). Policies and processes agreed for multi-agency response to major incidents have been tested and function. Ongoing support with Local Resilience Forum (LRF). Force Co-ordination Centre based at Ponteland to manage the resourcing data on a daily basis, data projections and having resourcing functionality available. Monthly Counter Terrorism Preparedness meetings. Ability to implement a Casualty Advice Bureau for victims, using trained officers, in the event of a local or foreign force incident. Disaster Victim Identification (DVI) process in place using trained officers. Trained family liaison officers in place across the force who work with partners i.e. Homicide Service, Victims First Northumbria to provide welfare support and advice to affected persons. signposting victims to relevant support agencies as required. Review Force mobilisation plan post implementation and testing.	6	Likelihood 2 Impact 3	ACC Territorial Policing and Operations	Police and Crime Commissioner and Chief of Staff and Monitoring Officer
4	Operational	Investigations Board	An ineffective Criminal Justice System within the region.	Significant impact on the delivery of the Police and Crime Plan and public confidence. Ongoing Risk	Uncoordinated criminal justice activity. Inability to work effectively in partnership with other criminal justice agencies to provide services to victims and witnesses. Cases not being progressed or offenders prosecuted in time limits.	Alignment with the national and local protocol for LCJB. Terms of reference and appropriate membership of the LCJB. Bi-monthly LCJB meetings. LCJB Business Plan. Effective sub group and reporting process. Effective performance management framework. Contingency plan within the custody framework to accommodate remand prisoners from court in the event of disruption within the prison service. Victims First Northumbria support the victim journey and witnesses throughout the criminal justice system. Third party sector support for victims and witnesses. Contingency plans with Crown Prosecution Service, HM Courts and Tribunals Service and Probation regarding breakup of services and in line with Brexit plans. Brexit contingency plans are in place with key stakeholders and form part of a national structure.	6	Likelihood 2 Impact 3	ACC Citizen Focus	Police and Crime Commissioner

5	Operational (also reflected in Financial risk 21)	Strategic Management Board	Failure to deliver the Emergency Services Network (ESN) required functionality and coverage.	The national programme have reviewed and made changes to the delivery of the Emergency Services Network. April 2019	<p>The force may no longer be aligned with the Three Emergency Services National Programme and not be in a position to transition to ESN service when required.</p> <p>ESN solution fails to supply adequate coverage or capacity to support operational policing in Northumbria Police.</p> <p>The force may be asked to transition to the ESN service prior to full ESN coverage being delivered.</p>	<p>Operational Communications in Policing (OCIP) have set up a Gold, Silver and Bronze structure to manage the ESN programme. Northumbria Police are represented at Gold level by a regional Senior Responsible Officer (SRO) and force SROs are in place. Northumbria Police are represented at Silver level by the Regional ESN Project Manager and subject matter experts represent the force at bronze level meetings.</p> <p>Oversight of the ESN programme is carried out by the National Chief Constables' Reference Group. Final approval to transition to ESN sits with the Executive Team.</p> <p>A National Risk Register is maintained by OCIP to monitor the risks associated with the delivery of ESN.</p> <p>Coverage testing and assurance will be undertaken to identify the actual coverage delivered to Northumbria Police & bordering force areas, as soon as devices and coverage are available.</p> <p>Challenge the ESN programme where coverage has not been delivered as per the contract.</p> <p>To reduce the impact to operational policing, the force is currently investigating alternative solutions such as vehicle gateways to provide additional coverage.</p> <p>The force has identified a number of critical locations where coverage is required before the force would transition to the ESN service. There is also an agreed national acceptance criteria which must be met before forces will transition to the ESN service.</p> <p>The current understanding from initial predictions is there are no critical areas of no vehicle coverage within the force. As testing takes place, Chief Officers will be kept informed and the Programme will also be pushed to resolve areas of no coverage to reduce the risk impact to the force. Further hand held and in building coverage will also be tested.</p>	16	Likelihood 4 Impact 4	ACC Citizen Focus	Police and Crime Commissioner and Chief of Staff
6	Operational	Executive Board / Joint Business Meeting	Financial and operational risks affecting policing as a result of exit from the European Union	Continued financial and operational uncertainty as a result of exit from the European Union. April 2019	<p>Loss of the key European law enforcement statutory instruments.</p> <p>Movement / volatility in interest rates causing an increase in borrowing costs or a reduction in investment income.</p> <p>Credit: uncertainty to UK banks – fewer counterparties to invest with, if ratings fall below the limits approved in the Commissioners TM Policy and Strategy Statement.</p> <p>CSR impact if grant funding reduced if UK economy underperforms.</p> <p>Performance / yield impacted by lower bond rates, increasing pension fund deficit and required contribution rates.</p> <p>Inflation: weaker Pound, higher import costs, tariff / export charges.</p> <p>Demand pressures as a result of impact on external stakeholders / partner agencies – loss of direct EU funding, reduction in government funding or business rates income, supply chain issues, workforce or contract issues.</p> <p>Supply chain: change to procurement law restricting the supply market, delays within the supply chain (e.g. uniform).</p>	<p>International Crime Co-ordination Centre (ICCC) in place to manages risks associated with the loss of EU policing tools, supported by a national media campaign.</p> <p>Force, regional and national communication and meeting structure to discuss the loss of EU tools, wider implications of Brexit, share best practice and learning and offer peer support.</p> <p>Additional resources appointed to support the Northern forces and identified to provide advice to frontline and senior officers on international policing topics and policy change.</p> <p>A review of all records held on Europol systems (Schengen) with a view to conversion to alternative systems.</p> <p>Review significant policies relevant to the management of these risks (e.g. investment policy) to ensure they are fit for purpose in the new environment.</p> <p>An IPCC 24/7 helpline will be available post Brexit to offer support to forces.</p> <p>Superintendent Operations is deputy for force LRF to maintain effective operational and communication link with partners, key stakeholders and / or contractors to understand how Brexit affects their risks and any shared risks.</p> <p>Assess the impact of the risk assessment on the assumptions used to generate the Medium Term Financial Strategy.</p> <p>Treasury Management Policy and Strategy Statement reviewed and updated for 2019/20.</p> <p>Reporting to the Joint Independent Audit Committee and OPCC Business Meeting.</p> <p>Strategic and operational plans are updated as decisions are made.</p> <p>An impact assessment has been carried out on all key contracts and work is ongoing with suppliers to mitigate risks.</p> <p>Fair, transparent and competitive procurement processes to continue to deliver value for money.</p> <p>Procurement will continue to assess the supply market and advise appropriate stakeholders if risk increases.</p> <p>Supplier lead times are built into stock holding strategies.</p> <p>Procurement will work with Suppliers and include alternative supply contingency plans into contract agreements to cover extended deliveries.</p>	9	Likelihood 3 Impact 3	ACC Territorial Policing and Operations	Police and Crime Commissioner and Chief of Staff and Monitoring Officer
7	Operational	Investigations Board	Failure to achieve DFU Service Level Agreements	Risks associated with devices awaiting examination April 2019	<p>Risk to the force's effectiveness to safeguard vulnerable victims and conduct investigations.</p> <p>Failure to bring offenders to justice in a timely manner will increase risk to vulnerable victims</p> <p>Negative impact on investigations, victim care and safeguarding.</p> <p>Negative impact on criminal justice system and outcomes.</p> <p>Risks associated with devices currently awaiting examination are not assessed or understood.</p> <p>Lack of reputation and credibility.</p> <p>Public confidence.</p> <p>Negative impact on the workforce welfare due to demand outweighing capacity.</p>	<p>Implementation of monthly Gold Group meetings (chaired by T/ACC Protective Services) in addition to Silver Group meetings and monthly governance and oversight.</p> <p>DFU investment opportunities.</p> <p>Outsourcing of mobile phone examinations to reduce work loads.</p> <p>Fixed Term resources in place to deal with short term demands.</p> <p>Increase in DFU resources to meet demands of ISO and maintain accreditation. Effective resource management to ensure DFU resources are not abstracted to meet ISO or other additional demands.</p> <p>Magnet Automate software is being utilised on live cases after a period of testing and configuration; evaluation to take place once sufficient data.</p> <p>POLIT triage service established to reduce demand submitted to the laboratory.</p> <p>Robust review of all backlog cases to ensure only appropriate submissions exist with appropriate strategies to reduce unnecessary demand on the laboratory.</p> <p>Improvements being made in relation to the use of Digital Forensic strategies to increase officer awareness and reduce demand, utilising new Digital Media Advisors (DMA's) across the force.</p> <p>Challenge made to a UKAS finding in relation to the DFU backlog and this has resulted in a decision that it will not have an adverse impact upon our accreditation.</p> <p>Increasing the use of Digital Evidence Suites enabling kiosk examination of mobile phones to decrease low level demand.</p>	8	Likelihood 2 Impact 4	ACC Protective Services	N/A

8	Operational	Investigations Board	Significant delays in the provision of forensic analysis following temporary suspension of all law enforcement submissions to Eurofins following a cyber-attack	Significant impact on: investigations in the Criminal Justice System, any new forensic submissions; and Information Security resulting in reduction in public confidence June 2019	Shortage of capacity for forensic analysis. Reduction in service for victims. Potential of increases in dangerous offenders released from prison due to custody time limits. Reputational impact on confidence in Northumbria Police. Reduction in performance. Increase in dissatisfaction and complaints.	National contingency plans in place, which will see urgent submissions and priority work diverted to alternative suppliers. National Gold structure implemented across the three areas (Forensic Market Place, Criminal Justice and Information Security). Regional lead (Temp ACC WYP) appointed. Force Silver Group created to reconcile and consolidate present cases in partnership with the Crown Prosecution Service to reduce the impact on the wider criminal justice system. Force Gold group structure implemented to support and coordinate communication and support to the force and officers	8	Likelihood 2 Impact 4	T/ACC Crime and Communications	Police and Crime Commissioner
9	Workforce	Strategic Resourcing Board	Insufficient resources, in terms of capacity and capability, to meet current or future policing demands.	Ongoing Risk	Reduction in service quality/ delivery leading to reduced public trust and confidence. Increased pressure on staff and reduced wellbeing.	A comprehensive recruitment plan is in place to meet forecasted resourcing and talent requirements whilst ensuring affordability against the Medium Term Financial Strategy (MTFS) Alternative routes into policing are utilised to enrich the workforce mix and maximise benefit of national schemes (e.g. apprenticeships, Police Now, use of volunteers / students) Regular review of Training Profiles, monitoring and ensuring compliance with training programmes (SRB). Prioritised Force Training Plan produced in consultation FRU and agreed via Area Commanders and Confidence and Standards Development and implementation of Police Staff Investigators role with key areas of the force e.g. Crime, PSD and Safeguarding Workforce wellbeing programme / Health and Safety Management System in place to maximise use of available resource, and reduce loss through accident, injury and ill-health.	8	Likelihood 2 Impact 4	Director of People and Development	Police and Crime Commissioner
10	Public Confidence	Confidence and Standards Board	Litigation, legal action and/or prosecution of the Force and/or individuals by former officers or staff members.	Ongoing Risk	Litigation, legal action and/ or prosecution of the Force and / or individual staff. Reputational consequences, in addition to associated costs of dealing with litigation. Negative impact on the workforce.	Health and Safety Management system utilising 'Plan, Do, Check, Act' model to ensure compliance with legislation. Access to competent Health and Safety advice. Health and Safety training profile applied and in place to support supervision in effectively managing risk. Health and Safety investigations and the review of critical incidents ensures lessons learned are identified and embedded (Confidence and Standards Board). 8 point plan in place for investigative approach (assaults against staff) agreed by Chief Constable and Northumbria Police Federation. A clear reporting mechanism is now in place for use of powers (use of force, stop and search). Risk management approach in place whereby review of all civil claims received (DCC and PCC). Adverse trends and lessons learned reported (Confidence and Standards Board). Effective internal and external engagement.	8	Likelihood 2 Impact 4	Deputy Chief Constable	Police and Crime Commissioner and Chief of Staff and Monitoring Officer

11	Public Confidence	Confidence and Standards Board	Death in custody/death or serious injury following police contact.	Ongoing Risk	<p>Litigation, legal action and/or prosecution against the Force and/or individual officers.</p> <p>Negative impact on the workforce.</p> <p>Reputational impact on confidence in Northumbria Police.</p>	<p>Family liaison support provided by Custody or from within the force.</p> <p>Trauma Risk Management (TRIM) / Post Incident Manager (PIM) processes in place to support officers and staff.</p> <p>Effective internal and external engagement.</p> <p>Adoption of the 'Expectations of Police Custody' into all on-going Continuous Professional Development (CPD) training and within the Custody Action Plan.</p> <p>Inspector attachments to Professional Standards Department (PSD) on a rolling basis.</p> <p>Role specific training.</p> <p>Investigations Operational Board provides oversight for Custody related matters.</p> <p>Ongoing implementation of HMICFRS Custody Inspection recommendations.</p> <p>Analytical support to inform key trends/themes.</p> <p>Incident Review Process ensures lessons learned are identified and embedded.</p> <p>Lessons learned are shared via Custody Matters along with the dissemination of updates by functional leads and awareness development sessions.</p> <p>Health and Safety Management system.</p> <p>Electronic Custody records are in place.</p> <p>Continual Risk Assessments whilst in custody</p> <p>Pre-release risk assessment design with Newcastle University.</p> <p>Safety checks.</p> <p>Healthcare provision provided by an external organisation.</p> <p>Custody audit process.</p> <p>Digital wipe boards utilised in custody suites.</p>	8	Likelihood 2 Impact 4	Deputy Chief Constable	Police and Crime Commissioner
12	Public Confidence	Confidence and Standards Board	Other adverse or critical incident, as a result of police action or omission.	Ongoing Risk	<p>Litigation, legal action and/or prosecution against the Force and/or individual officers.</p> <p>Negative impact on the workforce.</p>	<p>Health and Safety Management system.</p> <p>Risk Assessments.</p> <p>National Decision Making model.</p> <p>Role specific training.</p> <p>Clear awareness and understanding of IOPC referral criteria.</p> <p>Critical Incident debrief process ensures lessons learned are identified and embedded through Boards.</p> <p>Risk management approach in place whereby review of all civil claims received (DCC and PCC).</p> <p>Adverse trends and lessons learned reported (Confidence and Standards Board).</p> <p>Investment in technology (increased access to and use of BWV).</p> <p>Supporting measures to proactively manage negative impact on staff. OHU & TRIM referral processes, instigation of PIM process, workforce liaison officers, staff association and Federation support network.</p>	9	Likelihood 3 Impact 3	Deputy Chief Constable	Police and Crime Commissioner and Chief of Staff and Monitoring Officer
13	Public Confidence	Confidence and Standards Board	Corrupt behaviour by an officer or police staff member.	Ongoing Risk	<p>Abuse of authority for financial or sexual purpose, fraud or theft.</p>	<p>Counter Corruption Strategic Assessment, Control Strategy, Intelligence Requirement and Intelligence Collection Plan.</p> <p>Abuse of Authority problem profile.</p> <p>Dedicated Counter Corruption Unit with capacity and capability to deliver full range of covert tactics. Resourced analytical hub to support delivery.</p> <p>Force Audit Tool (ATA).</p> <p>Range of internal communication methods including Corruption awareness inputs, ethical dilemma videos, PSD drop ins, Understanding the Boundaries campaign, Functional Lead meetings and dissemination of organisational learning.</p> <p>Vetting procedures at point of entry and in accordance with National Code of Practice.</p> <p>Integrity Health Check in place as part of the Professional Development System (PDS) process.</p> <p>Effective external engagement including creation of a virtual PSD Partnership Joint Engagement Group, redesign of the Northumbria internet site, increased awareness and understanding regarding how to make a complaint.</p> <p>Effective disciplinary process.</p> <p>Development of an internal and external confidential reporting line.</p>	6	Likelihood 2 Impact 3	Deputy Chief Constable	Police and Crime Commissioner and Chief of Staff and Monitoring Officer
14	Public Confidence	Confidence and Standards Board	Ineffective response to complaints or service recovery.	Ongoing Risk	<p>Reduced level of public confidence</p> <p>Inability to learn from lessons and improve service delivery</p>	<p>Complaints and service recovery monitored at the Confidence and Standards Board.</p> <p>OPCC Scrutiny Meeting.</p> <p>Monthly analysis of complaints, addressing any emerging issues with Area Commands/ Departments.</p> <p>Complaints Triage, based at the OPCC, ensuring all complaints are administered, monitored and managed by the appropriate staff and in a timely manner.</p> <p>Sub group of Confidence and Standards to successfully manage the new legislation.</p> <p>First point of contact and early intervention dealt with at the Customer Service Centre / Triage Team.</p> <p>Review of organisational learning / lessons learned in line with new legislation.</p>	4	Likelihood 1 Impact 4	Deputy Chief Constable	Police and Crime Commissioner and Chief of Staff and Monitoring Officer

15	Regulation and Standards	Confidence and Standards Board	Failure to achieve and maintain ISO/IEC 17025 accreditation in line with the Forensic Science Regulator Codes of Practice and Conduct.	Requirement to achieve ISO/IEM accreditation April 2019	Reputational impact on confidence and credibility in Northumbria Police. Potential service suspension. Potential to impact on victims. Inability to meet the requirements of vulnerable victims in terms of timeliness and quality.	Quality Management System to identify and mitigate risk to prevent suspension of the accreditation. ISO oversight Governance Meeting chaired by Head of Crime. Resource requirements for Quality Management have been reviewed. Achieved accreditation in digital forensics for a proportion of the work undertaken which will be built on to maintain and improve the scope to include the majority of work undertaken.	9	Likelihood 3 Impact 3	T/ACC Crime and Communications	N/A
16	Regulation and Standards	Confidence and Standards Board	Force/ OPCC or an associated individual acts in a discriminatory way.	Ongoing Risk	Litigation, legal action against the Force/ OPCC. Inequality of service delivery across discriminated groups. Loss of trust and confidence.	Agreement and delivery of Joint Equality Objectives (OPCC and Force). Governance Structure - Gold and Silver Groups. Monitoring and analysis of protected characteristic data (employee lifecycle). Equality Impact Assessments (EIA) in place. OPCC Advisory Group Meetings. Forcewide Training in diversity and inclusion. External organisational staff surveys (Stonewall Workplace Equality Index). Staff Survey. IOPC Discrimination Guidance in place, and has been rolled out to PSD staff, area command officers / staff and external partners (to assist in the effective handling of allegations of discrimination (based on race, sexual orientation, religious belief, age, or disability). Equality Action Plan.	6	Likelihood 2 Impact 3	Deputy Chief Constable	Police and Crime Commissioner and Chief of Staff and Monitoring Officer
17	Regulation and Standards	Operational Information Management Board	Ineffective management of information and poor data quality affecting business and operational decision-making.	Ongoing risk	Limited operational and poor business intelligence data to inform decision-making. Inaccurate data returns to the Home Office and other bodies, such as HMICFRS. Reduction in force performance and delivery. Findings made by the ICO are publicised, the Force would be subject to reputational damage and financial penalties if members of the community believed that they were not handling personal and sensitive personal data in accordance with the Regulations.	Information Management Board. Delivery of ICT Strategy. Crime validation and audit processes, as part of the Crime Data Integrity Audit Plan. Migration strategy as part of the Operational Platform Implementation Programme (OPIP) will greatly enhance data, quality, accuracy of data and compliance with GDPR. Force Data Protection Officer (DPO) in place. Data held across the organisation has been identified and information asset registers produced. Existing procedures in respect of Data Breaches ensure required actions set out in the Regulations are met.	8	Likelihood 2 Impact 4	Director of Finance and IT	Chief of Staff and Monitoring Officer
18	Financial	Joint Business Meeting	Further cuts to police funding.	Ongoing Risk	Reduction in available finances impacting on the ability to provide frontline services. Impact on service provision, with less flexibility to innovate. Public confidence. Reductions in National Funding or changes in the Funding Formula will reduce the resources available to the PCC for Policing.	Annual MTFS process to review and revise spending plans to match available resources. Flexibilities to increase precept are considered annually based on spending plans and demand. Reserves will be optimised to assist with the phasing of the delivery of savings, but not fall below as a minimum 3% of Net Revenue Expenditure. Actively participate in national discussions on Police Funding through PACCTS and NPCC. Wherever possible, lobby the Home Office and politicians on funding for Northumbria, including multi-year settlements to enable effective budget planning. Effective internal and external engagement and communication plan.	10	Likelihood 2 Impact 5	Director of Finance and IT	Chief of Staff and Monitoring Officer and Chief Finance Officer
19	Financial	Strategic Resourcing Board	Failure to manage annual budget.	Ongoing Risk	Impact on service provision, with less flexibility to innovate and provide front-line services.	Effective financial strategies, including: MTFS, Capital Strategy, Treasury Management, Value for Money profiles and Police Objective Analysis. Regular financial monitoring through Executive Board, OPCC Business Meeting and Joint Business Meeting. Internal Audit and OPCC scrutiny, plus part of External Audit annual Value for Money assessment.	4	Likelihood 1 Impact 4	Director of Finance and IT	Chief of Staff and Monitoring Officer and Chief Finance Officer
20	Financial	Joint Business Meeting	Significant increase in the cost of Employers' Pension Contributions.	Uncertainty re financial implications post 2019/20 and next CSR period. Uncertainty on the level of support / action to be taken by Treasury HO and HMT post 2019/20. Ongoing	Requirement to deliver a significant level of further budget savings if a permanent funding solution is not included within the next CSR and post 2019/20 funding settlements. Impact on Reserves resulting in reduced financial resilience. Impact on ability to deliver workforce plans, frontline services and Force Operating Model. Impact on service provision, with less flexibility to innovate. Public confidence.	National level focus and engagement with Home Office and HMT on behalf of policing by APCC and NPCC. Annual MTFS process to review and revise spending plans to match available resources. MTFS includes a 'Pensions Reserve' equal to the pension special grant received for 2019/20. Thereby providing a minimum of two years of investment certainly until confirmed announcements from the Home Office for future years allowing time to implement any resulting plans following on from the CSR announcement. Reserves will be optimised to help with the phasing of the delivery of savings. Effective internal and external engagement and communication plan.	20	Likelihood 4 Impact 5	Director of Finance and IT	Chief of Staff and Monitoring Officer and Chief Finance Officer

21	Financial (also reflected in Operational risk 5)	Executive Board	Failure to deliver the National Emergency Services Network (ESN) to Northumbria Police on time and to budget.	Further delays anticipated with delivery of national Emergency Services Network resulting in the national Airwave contract being extended to December 2022. December 2016	Late delivery of ESN critical voice system to support operational policing. Current Airwave service is kept running longer and may require more management & support. Current force overt and covert equipment, nearing end of life, may need to be replaced. Increase in forecast revenue budget as predicted savings will not be made when expected. Future funding details still to be provided by the Home Office as some payment and funding decisions are still to be finalised.	Any further extension to the national Airwave contract will be continually assessed by the Home Office and Operational Communications in Policing (OCiP) and communicated directly to the force. The force will retain teams to manage and support the Airwave service until transition to ESN. A contingency plan for the support of Airwave vehicle terminals is in place. The necessary budgetary provision to replace covert equipment and replace handheld equipment before the introduction of ESN service is closely monitored. A national framework for the purchase of Airwave devices and accessories has now been put in place by the Police ICT Company and can be used by the force. Close liaison with Home Office to receive early indication of further programme slippage. Ongoing discussions with the Home Office regarding allocation of funding for future years. Best estimates based on current plans have been included within the force MTFS. In addition, an ESN contingency reserve is being created as part of 2018/19 year-end accounts to provide mitigation against potential increases in cost and programme slippage.	15	Likelihood 5 Impact 3	ACC Citizen Focus	Police and Crime Commissioner and Chief of Staff and Monitoring Officer
22	Infrastructure and Assets	Strategic Resourcing Board	Disruption to estates and facilities to deliver effective policing services.	Ongoing Risk	Reduced services across some or all business areas. Injury to building users. Litigation and civil claims. Negative impact on the workforce. Closure of buildings leading to major disruption and business continuity issues.	Digital Strategy has been agreed, plans developed and funding put in place for future years to deliver the agreed levels of service across the Force. The Force Improvement Team are considering the future device requirements to support the Force Operating Model Enabler Functions are working closely together to minimise the impact of the business of proposed Estate and Infrastructure changes/refreshes. - 'Business Continuity Plans and Estates Strategies. - 'Uninterrupted Power Supply' is fitted at key sites to protect ICT equipment from damage. - All operational orders and business continuity plans are assessed and allocated a RAG status. This is an on-going process to ensure all plans are up-to-date. - Policies and procedures in place. - Fire risk assessments are in place for all properties occupied by OPCC. - OPCC commissioned an in-depth independent survey of fire risk. The risk rating for all properties has been assessed as either 'trivial' or 'tolerable'. Implementation of Action Plan recommendations will ensure the Chief Constable continues to meet obligations in respect of the Regulatory Reform Fire Safety Order 2005. - Regular maintenance of fire alarms and emergency lighting is undertaken in accordance with BS5839 and BS5266. - Regular evacuation tests and policing of 'housekeeping issues'. - Periodic inspection and test in accordance with Electricity at Work Act 1980 and BS7671 with remediation of priority 1, 2 and 3 defects. - Water Hygiene risk assessment in accordance with ACOP L8 with resultant hygiene maintenance. - Asbestos management survey undertaken which is updated annually by re-inspection. A risk assessed asbestos management plan is updated annually and any remedial works required to reduce risks are undertaken. - Regular maintenance of gas equipment in accordance with manufacturers instructions. - Health and Safety management.	6	Likelihood 2 Impact 3	ACC Territorial Policing and Operations and Director of Finance and IT	Police and Crime Commissioner and Chief of Staff and Monitoring Officer
23	Infrastructure and Assets	Operational Information Management Board	The loss or inappropriate disclosure of sensitive data or information.	Series of recent incidents of inappropriate disclosure or loss of sensitive information or data. Ongoing Risk	Breach of the Data Protection Act 2018. Breach of GDPR. Litigation, legal action against the Force/OPCC leading to prosecution and monetary penalty. Places individuals at risk, making them more vulnerable. Corruption or loss of Force systems. Public confidence. Failure to identify risk of vulnerability, officer, public safety.	Compliance with National Policing Code of Connection. Implementation of the Information Security Review recommendations. Post incident Senior Information Risk Officer (SIRO) review and response. Internal Audit programme. Staff training including internal training programme for all supervisors. Creation of new Information Management Unit and Information Management action plan and strategy Information Management Board Maintenance of an effective ICT Audit capability. A specific Information Security Risk Register is reviewed and maintained at monthly SIRO meetings and considered quarterly at Information Management Board. Effective internal and external engagement.	8	Likelihood 2 Impact 4	Deputy Chief Constable	Police and Crime Commissioner and Chief of Staff and Monitoring Officer
24	Information Technology	Strategic Resourcing Board	Limitations of current ICT systems and the impact on service delivery.	Current ICT system is unable to provide all of the functionality required April 2019	Ineffective IT system to support the entire business process. Inefficiency, relying on a poor process/tool. Impact on police effectiveness and delivery of the Police and Crime Plan.	Rigorous project level risk management process to identify and mitigate project risks. Effective internal and external engagement and communication plan. ICT system issues are considered through Boards and prioritised accordingly. Financial implications of changes are considered at the monthly ICT/Finance review meetings and as part of the MTFS process. ICT attendance at User Groups to understand the future roadmap of systems. Effective supplier management process to ensure suppliers are aware of issues impacting on the use of the system and the opportunities and costs to change the system. Opportunity to consider if current systems can be enhanced or changed prior to renewal time. Opportunity to review business processes to match the "out of box" system functionality. ICT ensure the latest versions of systems, with the additional security and functional changes are available to users. Plans are in place to implement new Operational Platform Implementation Programme (OPIP) systems, HR solution and a review of the duties management system.	16	Likelihood 4 Impact 4	Director of Finance and IT	Police and Crime Commissioner and Chief of Staff and Monitoring Officer

25	Information Technology	Strategic Resourcing Board	Loss of Critical ICT Services	<p>Significant impact on the ability to effectively deliver service and record and access information required to make effective operational decisions.</p> <p>March 2018</p>	<p>Inability to deliver specific services and operational priorities.</p> <p>Impact on police effectiveness.</p> <p>Loss of telephony or Airwave services will impact on the ability to communicate with the public and/or officers.</p> <p>Potential risk of harm to the public and staff.</p> <p>System availability may become more critical at different times - 999 service 24/7/365 and custody system critical at peak times.</p>	<p>Major Disaster Recovery Plan (MDRP) document that identifies roles and responsibilities to bring critical services back into place in the event of a significant loss of critical ICT services including:</p> <ul style="list-style-type: none"> - Uninterrupted Power Supply' is fitted at key sites to protect ICT equipment from damage - Availability of remote access devices. - Remote access to IT systems. - Dual control site to undertake all functionality and provide resilience. - The Force has three machine rooms, two of which can be used to deliver critical ICT services. - BT review of telephony service has been completed. - ICT server, hardware and software upgrades to improve system resilience. <p>Levels of resilience and data backup to ensure systems can be maintained in service and where loss of service is experienced the system can be reinstated quickly with no/little loss of data.</p> <p>A list of critical systems is included in the MDRP document and regularly reviewed to ensure all systems have been appropriately assessed and level of criticality agreed between operational and support teams.</p> <p>Contingency planning and testing of plans in partnership with key agencies. All operational orders and business continuity plans are assessed and allocated a RAG status.</p> <p>Estates Strategies includes the refresh of infrastructure critical to the delivery of ICT services.</p> <p>Support and maintenance contracts are in place along with callout rotas to provide 24/7 support for critical systems.</p> <p>Regular refresh activity is planned and the refresh schemes included in the MTFS plan for the next 5 years.</p> <p>User acceptance testing on a project basis to ensure new systems are fit for purpose prior to the Force being dependent upon them for service.</p> <p>Systems are patched and updated regularly to minimise the likelihood or impact of loss of system access due to a cyber attack.</p>	9	Likelihood 3 Impact 3	Director of Finance and IT	Police and Crime Commissioner and Chief of Staff and Monitoring Officer
26	Information Technology	Strategic Resourcing Board	Significant IT Transformation	<p>Significant changes to critical systems and business processes will potentially impact on the Force's ability to provide continuity of service.</p> <p>April 2019</p>	<p>If changes to ICT systems are incorrect, not fully considered, not explained in full to staff, delayed or poorly implemented, this may cause a significant loss of service or disruption to service.</p>	<p>Effective Procurement Process to ensure the purchase of robust and effective technical solutions.</p> <p>Appropriate business lead involvement through the delivery of technology change projects.</p> <p>Effective Supplier Management Process.</p> <p>Robust definition of the scope of the transformation and the purpose of the new/changed system.</p> <p>Rigorous User Acceptance Testing against the defined system requirements prior to system go live.</p> <p>Appropriate funding for ICT services included in the Capital Programme.</p> <p>Robust governance and project management processes to assure non-impactive technology change programmes.</p> <p>ICT Strategy includes a programme of technology refresh, updating and replacing older equipment.</p> <p>Robust project risk and issue management process is followed for all change projects.</p> <p>Liaison with users and key departments to ensure appropriate policy , procedure and user training is in place prior to system implementation.</p> <p>Management of IT change projects using professionally trained and force experienced ICT change Project Managers.</p>	8	Likelihood 2 Impact 4	ACC Territorial Policing and Operations	Police and Crime Commissioner and Chief of Staff
27	Information Technology	Operational Information Management Board	A malicious intent to compromise information systems or access information or data.	<p>Ongoing Risk</p>	<p>Corruption or loss of Force systems.</p> <p>Disclosure of sensitive information.</p> <p>Public confidence in Northumbria Police.</p>	<p>A number of technologies are in place to protect data from external attack (e.g. fire walls).</p> <p>Intrusion Detection Systems and Intrusion Protection Systems allow unusual activity directed towards the Force to be identified and logged for analysis.</p> <p>Penetration tests, undertaken each year, demonstrate the Force's capability to withstand attacks and safeguard its data and systems, with potential vulnerabilities identified and appropriate patches and fixes put in place to remove the threat.</p> <p>Patching processes have been updated to reflect the frequency of patches being issued by Microsoft and other critical system suppliers.</p> <p>Technology refresh programme in place to replace older and less secure equipment. Identification of key roles within the Force and the introduction of appropriate vetting processes.</p> <p>Effective media management and communication plan.</p>	8	Likelihood 2 Impact 4	Director of Finance and IT	N/A

28	Collaboration and Partnership	Executive Board	Failure of significant contracts and/ or collaborative agreements.	Potential impact of contract failures April 2019	<p>Inefficient / ineffective service provision and ability to meet service level agreements.</p> <p>Pressure on force to deliver services.</p> <p>Ineffective relationships with collaborative partners.</p> <p>Inability to deliver value for money services.</p>	<p>Section 22 Collaboration Agreements - Protected by Terms and Conditions of contracts.</p> <p>Effective contract monitoring and management within each interdisciplinary: - Deliverables and KPIs monitored within Business Intelligence; - Financial reporting within Finance; - Legal Agreements (such as Section 22a's) within Legal Department; - Procurement exercises within Procurement Department.</p> <p>Scheduled contract performance meetings with contractors and business users.</p> <p>Performance indicators are included in some major operational contracts which are discussed at contract performance meetings.</p> <p>Ability to terminate contract and seek alternative source of supply.</p> <p>Effective contract monitoring in place between Business Leads and providers for local contracts i.e. Fleet, ICT.</p> <p>Contract performance meeting held 6 monthly with Director of Finance and ICT, strategic risks to the force are escalated to Executive Team.</p> <p>Agreement of the newly formed Partnerships and Collaboration Force Improvement workstream to be absorbed into the Transformation Board.</p> <p>Large scale central contract coordination is based within Force Improvement.</p>	3	Likelihood 1 Impact 3	Director of Finance and IT /Deputy Chief Constable	Police and Crime Commissioner
29	Collaboration and Partnership	Transformation 2025 / Strategic Management Board	Future sustainability of force operating model and the efficiency of our future plans to operate including, the potential impact of a reduction in partnership services due to financial constraints and/or lack of integrated planning.	Ongoing risk	<p>Inability to deliver the Police and Crime Plan.</p> <p>Reduced ability to deliver strategic objectives.</p> <p>Reduction in opportunities to improve service quality and cost effectiveness.</p> <p>Failure to comply with legislation, namely; Police Reform and Social Responsibility Act 2011 & Policing and Crime Act 2017.</p>	<p>Effective management through the force Transformation 2025 Board.</p> <p>Effective partnership governance arrangements and joint partnership plans based on Threat, Harm and Risk, through Community Safety Partnerships (CSPs), Children & Adult Safeguarding Boards & Local Multi Agency Problem Solving (LMAPS) groups are in place, which include clear roles and responsibilities.</p> <p>Strategic understanding of the current position in respect of relationships and interdependencies, through annual Partnership and Collaboration benchmarking to map current and future gaps, to best meet demand</p> <p>Sharing best practice and problem solving knowledge through events with partners at a local level, regionally via the North East Transformation Innovation Collaboration (NETIC), and nationally via the National Police Chiefs Council (NPCC) and Police Reform and Transformation Board (PRTB).</p>	8	Likelihood 2 Impact 4	Deputy Chief Constable	Police and Crime Commissioner and Chief of Staff and Monitoring Officer

Overview of the RAG status of Strategic Risk

Likelihood	VERY HIGH (5)		21			
	HIGH (4)			5 24	20	
	MEDIUM (3)		6 12 15 25	2		
	LOW (2)		3 4 13 16 22	1 7 8 9 10	11 17 23 26 27	29 18
	VERY LOW (1)		28	14 19		
	VERY LOW (1)	LOW (2)	MEDIUM (3)	HIGH (4)	VERY HIGH (5)	

Impact

JOINT INDEPENDENT AUDIT COMMITTEE	18 NOVEMBER 2019
TREASURY MANAGEMENT MID-YEAR REPORT 2019/20	
REPORT OF THE JOINT CHIEF FINANCE OFFICER	

1. Purpose of the Report

- 1.1 The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that those charged with governance and scrutiny receive regular updates on Treasury Management activities. This report presents the performance up to and including 30 September 2019 for scrutiny.

2. Recommendation

- 2.1 The Committee is asked to review the Treasury Management Mid-Year Report and approve for presentation to the Police and Crime Commissioner (PCC).

3. Background

- 3.1 The mid-year performance of the Treasury Management service is reported in-line with CIPFA's Code of Practice on Treasury Management and the Treasury Policy Statement and Strategy.

4. Summary

- 4.1 The Treasury Management mid-year report is attached at Appendix A. The key highlights are as follows:
- Borrowing interest is forecast at £0.376m under budget. Primarily as a result of new long-term borrowing being taken later in the year than budgeted, and secured at lower interest rates. In addition, the base rate increase expected in 2019/20 at the time of setting the budget has not taken place; as a result the cost of temporary borrowing is lower than estimated.
 - Investment interest is forecast at £0.089m over the budget set for the year, reflecting an increase in average balances available to invest in the year to date. This is attributed to reserve balances being higher than expected at budget setting time, grant funding received earlier in the year than anticipated and the profile of capital spending.
 - Treasury Management activities have complied with financial regulations and all prudential indicators have been within the limits set for the year.

5. Considerations

5.1

Freedom of Information	<i>Non-exempt</i>
Consultation	Yes
Link Asset Services (Treasury Management Advisers)	
Resource	No
There are no additional financial considerations arising from this report.	
Equality	No
There are no equality implications arising from the content of this report.	
Legal	No
There are no legal considerations arising from the content of this report.	
Risk	No
There are no additional risk management implications directly arising from this report.	
Communication	Yes
To be reported to the PCC in line with The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (the Code).	
Evaluation	No

Treasury Management Performance to 30 September 2019

1 Purpose of the Report

- 1.1 The purpose of this report is to summarise Treasury Management performance for the six months to 30 September 2019.

2 Background

- 2.1 The mid-year performance of the Treasury Management service is reported in-line with CIPFA's Code of Practice on Treasury Management and the Treasury Policy Statement and Strategy 2019/20 to 2022/23.
- 2.2 The PCC operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the Treasury Management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.
- 2.3 The second main function of the Treasury Management service is the funding of the PCC's capital plans. These capital plans provide a guide to the borrowing requirements of the PCC, essentially the longer term cash flow planning to ensure the PCC can meet its capital spending operations.
- 2.4 Accordingly, Treasury Management is defined as:

“The management of the PCC's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

3 Borrowing

- 3.1 The total borrowing as at 30 September 2019 was £81.969m, which was within the operational borrowing limit of £150.000m. This borrowing is made up of £76.969m Public Works Loans Board (PWLB) long-term loans and a £5.000m long-term market loan. Loan details are shown in Appendix I.
- 3.2 During the first two quarters of the financial year the Commissioner entered into £37.000m short-term borrowing, which was fully repaid when the Pension top-up grant of £69.252m was received from the Home Office in July. Temporary borrowing of £16.000m carried over from 2018/19 has also been fully repaid.
- 3.3 On 27 September 2019 arrangements were made to take £5.000m of new PWLB long term borrowing, scheduled for receipt on 01 October 2019. This brings long-term borrowing in-line with the capital financing plans for the year and therefore there are no further plans for any new PWLB borrowing this financial year.
- 3.4 As at 30 September 2019 the Treasury Management budget for interest on borrowing is forecast to underspend by £0.376m. This relates mainly to PWLB borrowing taken later in the year and secured at lower interest rates than budgeted. In addition, the Bank Rate increase expected during quarter I of 2019/20, at the time of setting the budget, has not taken place and advice from Link Asset Services has pushed this back to December 2020. As a result, the cost of temporary borrowing

has remained low to date and is not expected to increase over the remainder of the year.

Increase in the cost of borrowing from the PWLB

- 3.5 On 9 October 2019, Her Majesty's Treasury (HMT) and the PWLB announced an increase in the margin over gilt yields of 100bps on top of the current margin of 80 bps which the PCC has paid prior to this date for new borrowing from the PWLB. This effectively adds a further 1% to all PWLB interest rates going forward. There was no prior warning that this would happen. PCC's and Local Authorities will have to reassess how to finance their external borrowing needs in the future, due to this unexpected increase in the cost of borrowing. National representations are being made to HMT suggesting that areas of capital expenditure that the Government are keen to see move forward e.g. housing, should not be subject to such a large increase in borrowing.
- 3.6 Whereas the PCC has previously relied on the PWLB as its main source of long term funding, consideration will need to be made taking account of other sources of borrowing going forward. At the current time this is a developmental area, as this was an unexpected event for the financial services industry. It is expected that various financial institutions will enter the market or make products available to PCCs and Local Authorities as an alternative to PWLB borrowing. The PCC will be updated by treasury advisers Link Asset Services as this area evolves.
- 3.7 This increase in PWLB rates will not impact on the PCC's cost of borrowing this financial year as all planned PWLB borrowing was completed prior to this change.

4 Investment Performance

- 4.1 The latest projection of investment income for 2019/20 is £0.244m. This represents additional income of £0.089m when compared to the budget of £0.155m. Average investment balances have been significantly higher than budgeted, generating additional investment returns. Additional funds available to invest have provided the opportunity to place funds for longer periods, achieving higher interest rates than the overnight rates in Money Market Funds. The increase in funds available is attributed to a number of reserve balances being higher than expected at budget setting time, grant funding received earlier in the year than anticipated and under spends on the capital programme, both within the 2018/19 outturn and forecast for 2019/20.
- 4.2 The budget for investment interest was based on Money Market Fund returns, aligned closely with the Link Asset Services Bank Rate forecast which factored in two rate rises across the 2019/20 financial year. The average budgeted rate for the year was 0.9295%. The average rate of return is monitored for each investment type that the Commissioner enters into and these are used to calculate an average rate of return for the year to date. The average rate of return achieved as at 30 September 2019 is 0.8155% which is 0.1140% lower than the budgeted rate, due to no increase in the Bank Rate.
- 4.3 The forecast investment income for the year exceeds the budget estimate as the impact of the lower rate of return is more than offset by increased returns from additional funds available to invest.

- 4.4 As a means of benchmarking, the average rate of return for the month and year to date is compared to the equivalent 7 day London Interbank Bid Rate (LIBID), which is the rate that banks are willing to borrow money from each other. The monthly return for September 2019 of 0.0697% exceeds the LIBID 7 day rate equivalent of 0.0466%. The Commissioner’s average rate of return of 0.8155% is in excess of the equivalent LIBID 7 day rate of 0.56775%.
- 4.5 Link Asset Services produces a quarterly Investment Benchmarking report that assesses both the rate of return and the risk of the counterparty to calculate a weighted average rate of return, which is used for comparison across other similar Authorities. In the most recent report that covers the position as at 30 September 2019, the Commissioner achieved a weighted average rate of return of 0.8700% on investments. This exceeds the risk adjusted expectations as defined in the benchmarking report of between 0.7600% and 0.8500%.
- 4.6 It continues to be a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in-line with the Bank Rate. Link Asset Services indicates in its forecast that there is no further expectation of a Bank Rate rise until December 2020. However the Link forecasts have been based on an assumption that there is some sort of muddle through to an agreed deal on Brexit. Given the current level of uncertainty, this is a huge assumption and so forecasts may need to be reassessed in the light of events over the next few months, particularly with regards budget setting for 2020/21.
- 4.7 Details of Link Asset Services latest interest rate forecast can be seen in Appendix 2.

5 Summary of Mid-year Performance

- 5.1 The projected net impact of investment and borrowing activity to the Commissioner in 2019/20 is an under spend of £0.465m against the budget.

	Estimate £m	Projected Outturn £m	Variance £m
Investments	(0.155)	(0.244)	(0.089)
Borrowing	3.270	2.894	(0.376)
Net Position	3.115	2.650	(0.465)

- 5.2 The borrowing underspend identified for the year is mainly due to PWLB borrowing taken later in the year than budgeted and secured at rates significantly lower than budgeted. The base rate increase expected in 2019/20 at the time of setting the budget has not taken place and advice from Link Asset Services has pushed this back to December 2020. As a result, the cost of temporary borrowing has remained low to date and is not expected to increase over the remainder of the year.
- 5.3 Investment interest is forecast at £0.089m over the budget set for the year. Average investment balances have been significantly higher than budgeted, generating additional investment returns. The average rate of return achieved to date is below budget due to Bank Rate remaining unchanged during the year, but only by 0.1140%. Additional funds available to invest have provided the opportunity to place funds for longer periods, achieving higher interest rates than the overnight rates in Money Market Funds.

- 5.4 Prudential indicators are set annually to ensure that borrowing is prudent, sustainable and affordable. Performance is monitored against these indicators throughout the year and reported in the quarterly capital monitoring reports. The review of performance against prudential indicators at 30 September 2019 confirms that all indicators were operating within agreed limits with no breaches throughout in the year to date. For completeness a copy of the prudential indicators is attached as Appendix 3.

Total Borrowing as at 30 September 2019

PWLB Loans

PWLB Ref.	Principal £	Start Date	Maturity Date	Rate %	Years to Maturity
479387	3,663,710.14	21/05/1997	21/05/2057	7.125	37.67
479687	3,663,710.14	17/07/1997	05/07/2057	7.000	37.79
479976	454,300.06	06/10/1997	05/09/2057	6.625	37.96
479977	696,104.92	06/10/1997	05/09/2057	6.625	37.96
480186	659,467.82	22/10/1997	05/09/2057	6.500	37.96
480880	1,831,855.07	23/04/1998	23/04/2058	5.625	38.59
496086	5,000,000.00	13/10/2009	05/09/2024	3.910	4.94
497288	5,000,000.00	25/05/2010	23/04/2060	4.290	40.59
499079	5,000,000.00	31/10/2011	31/10/2022	3.730	3.09
502361	5,000,000.00	02/05/2013	02/05/2023	2.520	3.59
503622	5,000,000.00	09/01/2015	09/01/2050	3.160	30.30
503623	5,000,000.00	09/01/2015	09/01/2030	2.790	10.28
505904	5,000,000.00	22/03/2017	22/03/2067	2.460	47.51
505920	5,000,000.00	27/03/2017	27/03/2066	2.370	46.52
506307	5,000,000.00	31/08/2017	31/08/2065	2.300	45.95
507097	5,000,000.00	22/03/2018	22/09/2064	2.330	45.01
507986	2,000,000.00	02/11/2018	02/05/2028	2.180	8.59
507987	2,000,000.00	02/11/2018	02/11/2068	2.550	49.13
508203	3,500,000.00	12/12/2018	12/06/2028	1.980	8.71
508204	3,500,000.00	12/12/2018	12/06/2063	2.430	43.73
508961	5,000,000.00	26/03/2019	26/03/2029	1.860	9.49
Total	76,969,148.15				

Market Loans

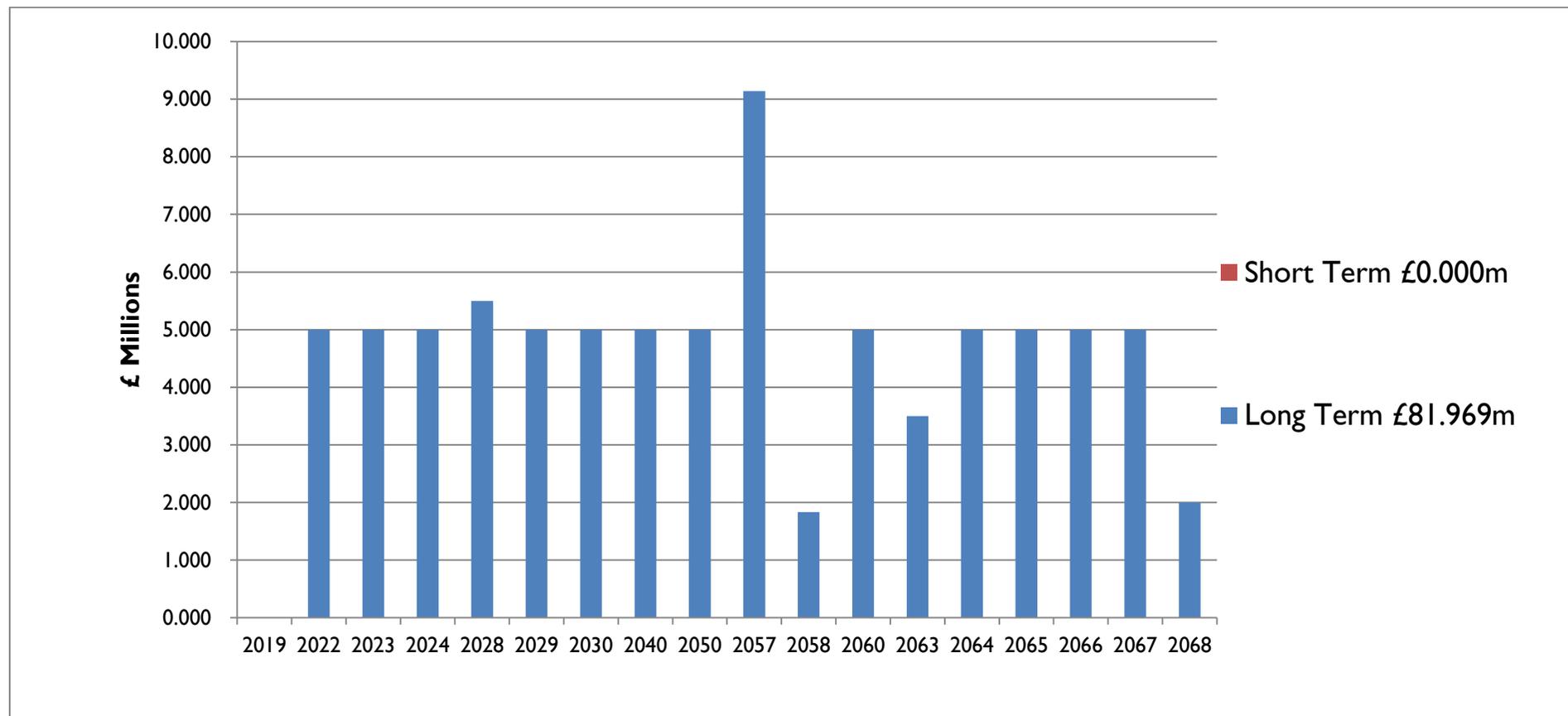
Lender	Principal £	Start Date	Maturity Date	Rate %	Years to Maturity
Barclays	5,000,000.00	01/06/2010	01/06/2040	3.520	20.68
Total	5,000,000.00				

Total Borrowing

Lender	Principal £
PWLB	76,969,148.15
Market	5,000,000.00
Total	81,969,148.15

Maturity Structure of Borrowing

The following chart shows how the Police and Crime Commissioner is managing exposure to interest rate risk by spreading the maturity of borrowing over future years.



Link Asset Services Interest Rate Forecast As at 14 October 2019

	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank rate	0.75%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.25%
5yr PWLB rate	1.20%	2.30%	2.50%	2.60%	2.70%	2.730%	2.80%	2.90%	3.00%	3.00%	3.10%
10yr PWLB rate	1.50%	2.60%	2.80%	2.90%	3.00%	3.00%	3.00%	3.20%	3.30%	3.30%	3.40%
25yr PWLB rate	2.10%	3.30%	3.40%	3.50%	3.60%	3.70%	3.70%	3.80%	3.90%	4.00%	4.00%
50yr PWLB rate	2.00%	3.2%	3.30%	3.40%	3.50%	3.50%	3.60%	3.70%	3.80%	3.90%	3.90%

The PWLB rates set out above are discounted by 0.20% for Northumbria Police and Crime Commissioner (PWLB Certainty Rate). The PWLB forecast rates also reflect that on 9 October 2019 HM Treasury increased the margin that applies to new loans from the PWLB by 100bps (one percentage point), on top of usual lending terms. The Government intends to monitor the impact of this change and keep its rates policy under review.

The above forecasts have been based on an assumption that there is some sort of muddle through to an agreed deal on Brexit. Given the current level of uncertainty, this is a huge assumption and so forecasts may need to be reassessed in the light of events over the next few weeks or months.

MP's have blocked leaving the EU on the 31 October and the EU has agreed an extension to 31 January 2020. In addition, a general election will take place on 12 December. The whole Brexit situation therefore remains uncertain and subject to change. Given these circumstances and the uncertainty about the result of the general election, any interest rate forecasts are subject to material change as the situation evolves.

It has been little surprise that the Monetary Policy Committee (MPC) has left Bank Rate unchanged at 0.75% so far in 2019 due to the ongoing uncertainty over Brexit. In its meeting on 1 August, the MPC became more dovish as it was more concerned about the outlook for both the global and domestic economies. That is shown in the policy statement, based on an assumption that there is an agreed deal on Brexit, where the suggestion that rates would need to rise at a "gradual pace and to a limited extent" is now also conditional on "some recovery in global growth". Brexit uncertainty has had a dampening effect on UK GDP growth in 2019, especially around mid-year. If there were a no deal Brexit, then it is likely that there will be a cut or cuts in Bank Rate to help support economic growth.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably to the downside due to the weight of all the uncertainties over Brexit, as well as a softening global economic picture.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates are currently a little below those to the downside.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- **Brexit** – if it were to cause significant economic disruption and a major downturn in the rate of growth.

- **The Bank of England** – takes action too quickly, or too far, over the next three years to raise Bank Rate and causes both UK economic growth and increases in inflation, to be weaker than we currently anticipate.
- **Weak capitalisation** – of some **European banks**, particularly Italian banks.
- **Minority EU governments** – Germany, Sweden, Spain, Portugal, Netherlands and Belgium all have vulnerable minority governments dependent on coalitions which could prove fragile.
- **Italy, Austria, the Czech Republic and Hungary** – now form a strongly anti-immigration bloc within the EU. There has also been rising anti-immigration sentiment in Germany and France.

Upside risks to current forecasts for UK gilt yields and PWLB rates:

- **Brexit** – if agreement was reached all round that removed all threats of economic and political disruption between the EU and the UK.
- **The Bank of England** – is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- **UK inflation** – whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields

Prudential Indicators

Authorised Limit for External Debt			
	2019/20 Reported Indicator £000	2019/20 Position at 30 Sep £000	2019/20 Max YTD £000
Borrowing	175,000	81,969	108,969
Other Long Term Liabilities	0	0	0
Total	175,000	81,969	108,969
No breach of the Authorised Limit			

Operational Boundary for External Debt			
	2018/19 Reported Indicator £000	2018/19 Position at 30 Sep £000	2018/19 Max YTD £000
Borrowing	150,000	81,969	108,969
Other Long Term Liabilities	0	0	0
Total	150,000	81,969	108,969
No breach of the Operational Boundary			

Upper / Lower Limits for Maturity Structure of Fixed Rate Borrowing				
Maturity	2019/20 Reported Indicator		2019/20 Position at 30 Sep 2019	
	Upper Limit	Lower Limit	Actual Percentage	Maximum YTD
< 1 year	60%	0%	0.00%	24.78%
1 - 2 years	40%	0%	0.00%	0.00%
2 - 5 years	40%	0%	18.30%	18.30%
5 - 10 years	40%	0%	12.81%	18.91%
> 10 years	80%	0%	68.89%	68.89%
All borrowing is within the limits set for the year				

Upper Limit on principal amounts invested beyond 365 days			
	2019/20 Reported Indicator £000	2019/20 Position at 31 Aug £000	2019/20 Maximum YTD £000
Investments	15,000	0	0

Gross Debt and CFR		
	2019/20 £000 Reported Indicator	2019/20 £000 Forecast Position
Forecast Borrowing as at 31 March	93,713	93,722
Capital Financing Requirement at 31 March	108,744	108,885
Amount of borrowing (over) / under CFR	15,031	15,163

The year-end borrowing position is forecast at £93.722m which is lower than the CFR by £15.163m which is in-line with the reported indicator for the year and satisfies the Code of Practice requirements.

NORTHUMBRIA POLICE

JOINT INDEPENDENT AUDIT COMMITTEE

18 NOVEMBER 2019

EMERGENT INTERNAL AUDIT PLAN 2020/21–2022/23

REPORT OF INTERNAL AUDIT MANAGER

1 Purpose of the Report

- 1.1 The purpose of this report is to present to Committee the emergent Internal Audit Plan 2020/21-2022/23 to allow sufficient time for consultation prior to the presentation of the proposed plan to Committee in February 2020.

2 Background

- 2.1 Public Sector Internal Audit Standards (PSIAS) outline that the Internal Audit Manager must establish a risk-based plan, consistent with the organisation's goals, taking into account the organisation's risk management framework, input from senior management and the Committee. The plan should remain flexible in both content and timing to respond to changes in the organisation's business, risks, operations, programs, systems and controls.
- 2.2 The risk-based plan must take into account the requirement to produce an annual audit opinion on the assurance framework. It must be linked to a strategic statement of how the internal audit service will be delivered and developed in accordance with the Internal Audit Charter and how it links to the organisation's objectives and priorities outlined in the Police and Crime Plan.

3 Approach

- 3.1 A three year rolling Internal Audit Plan was agreed by Committee on 25 February 2019. This forms the basis of the annual review with the Internal Audit Plan being rolled forward for an additional year and will be assessed against the following factors by the Internal Audit Manager:
- Objectives of the Police and Crime Plan
 - The risks documented in the strategic risk register
 - Findings and outcomes from audits carried out during 2019/20
 - The outcomes of external inspections and other combined assurance e.g. External Audit or Professional Standards
 - Any relevant changes in legislation or regulatory requirements
 - Time elapsed since previous audits

AGENDA ITEM 9

- 3.2 To support the annual review the Internal Audit Manager also consults with Chief Officers and the Committee to ensure all significant changes or risks to the organisation have been identified and included within the scope of the Audit Plan.
- 3.3 As with previous years, to strengthen the annual review of the Internal Audit Plan, the emergent plan is shared with the Committee prior to discussions taking place with senior managers.
- 3.4 The emergent Internal Audit Plan 2020/21-2022/23 is attached at Appendix A for review and comment.

4 Equal Opportunities implications

- 4.1 It is considered that there are no equal opportunities implications arising from the report.

5 Human Rights implications

- 5.1 It is considered that there are no human rights implications arising from the report.

6 Risk Management implications

- 6.1 There are no additional risk management implications arising directly from this report. The emergent audit plan supports the adequate and appropriate use of resources.

7 Financial implications

- 7.1 There are no financial implications directly arising from this report

8 Recommendations

- 8.1 The Committee is asked to review and comment on the emergent Internal Audit Plan 2020/21-2022/23.

Emergent Internal Audit Plan 2020/21 - 2022/23

Risk	Frequency	Audit Area	2020/21 Emergent	2021/22	2022/23
		Police & Crime Commissioner			
Medium	Annual	Grant Distribution	50	50	50
High	Annual	Treasury Management	80	80	80
		Chief Constable			
		ICT Audits			
High	Annual	ICT Security - Application & Data; Infrastructure; Cyber	60	60	60
High	Annual	Patch Management	40	60	40
Medium	Biennial	Configuration Management		40	
Medium	Biennial	Resilience		60	
Medium	Biennial	ICT Strategic Implementation & Reporting		60	
Medium	Biennial	Programme/Project Management	60		60
Medium	Biennial	Asset & Device Management	60		60
Medium	Biennial	Licence & Certificate Management	60		60
		Departmental Audits			
Medium	Biennial	Asset Management		100	
Medium	Biennial	Fleet Management	110		110
Medium	Biennial	People Services and Development		80	
Medium	Biennial	Legal & Insurance Arrangements		90	
Medium	Biennial	Firearms Licensing		80	
Low	Triennial	Police Operational Support Functions	80		
Low	Annual	Police Charities Fund	40	40	40
High	Annual	Procurement	100	100	100
Medium	Biennial	Counter Fraud and Corruption Arrangements	60		60
		Theme Based Audits			
High	Annual	Property	180	180	180
High	Annual	Cash & Miscellaneous Income	120	120	120
		Combined Areas			
		Financial Systems			
High	Annual	Creditors	100	100	100
Medium	Biennial	Debtors	70		70
High	Annual	Payroll & Pensions	130	130	130
High	Annual	Main Accounting System	70	70	70
High	Annual	Budgetary Control	40	40	40
High	Annual	Employee Claims	80	80	80
		Other Combined Areas			
Medium	Biennial	Risk Management and Business Continuity Arrangements		100	
Low	Triennial	Equality & Diversity			50
Medium	Biennial	Joint Working Arrangements		60	
High	Annual	Governance	50	50	50
Medium	Biennial	Health & Safety	60		60
High	Annual	Information Governance & Data Security	80	80	80
Medium	Biennial	Performance Management & Data Quality	60		60
Medium	Biennial	VAT		60	
Medium	Biennial	Complaints	100		100
High	Annual	Annual Governance Statement - Review of Managers' Assurance	100	100	100
		Other			
		Follow Up and Contingency	70	70	70
		General Advice, Consultancy and Systems Review	150	150	150
		Joint Independent Audit Committee - Preparation & Support	120	120	120
		Hours	2,380	2,410	2,350
		NERSOU	50	50	50
		Total Hours	2,430	2,460	2,400

Joint Independent Audit Committee (JIAC) Forward Plan 2020

Meeting	Report Title
<p>February 2020</p>	<p>External Audit Strategy Memorandum (PCC & CC) Treasury Management Policy Statement and Strategy Finalised Internal Audit Plan 2020/21 – 2022/23 Summary of Recent Inspection Reports from HMICFRS Joint Strategic Risk Report</p> <p>Closed: Update on Internal Audit Work and Progress against Annual Audit Plan Update on the Implementation of Internal Audit Recommendations</p>
<p>May 2020</p>	<p>Annual Governance Review - Assurance Reports (various) External Audit - Progress Report Summary of Recent Inspection Reports from HMICFRS Joint Strategic Risk Report</p> <p>Closed: Update on Internal Audit Work and Progress against Annual Audit Plan Update on the Implementation of Internal Audit Recommendations Draft Annual Governance Statements (PCC & CC)</p>
<p>July 2020</p>	<p>Final Annual Governance Statements 2019/20 (PCC & CC) Statements of Account Report 2019/20 Audit Completion Reports (PCC & CC) Summary of Recent Inspection Reports from HMICFRS Joint Strategic Risk Report Treasury Management Annual Report</p> <p>Closed: Update on Internal Audit Work and Progress against Annual Audit Plan Update on the Implementation of Internal Audit Recommendations</p>

November 2020	JIAC Annual Report 2019/20 (by Chair) Mid-year Treasury Management Report Internal Audit Charter Emergent Audit Plan 2021/22-2023/24 Summary of Recent Inspection Reports from HMICFRS Joint Strategic Risk Report Annual Audit Letter 2019/20 PCC & CC Closed: Update on Internal Audit Work and Progress against Annual Audit Plan Update on the Implementation of Internal Audit Recommendations
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