

# JOINT INDEPENDENT AUDIT COMMITTEE

MONDAY 17 JULY 2023, 14:00 – 16:00

ARMSTRONG MEETING ROOM, MIDDLE ENGINE LANE

## AGENDA

### OPEN SESSION

1. **INTRODUCTION**
2. **DECLARATION OF INTEREST**
3. **MINUTES OF THE OPEN SESSION OF THE JOINT INDEPENDENT AUDIT COMMITTEE 26 MAY 2023**  
*(Attached)*
4. **MATTERS ARISING**  
*(Action List attached)*
5. **SUMMARY OF RECENT EXTERNAL INSPECTION, INVESTIGATION AND AUDIT REPORTS**  
Head of Corporate Development  
*(Paper attached)*
6. **JOINT STRATEGIC RISK REPORT**  
Head of Corporate Development  
*(Paper attached)*
7. **EXTERNAL AUDIT PROGRESS**  
External Auditors  
*(Verbal update)*
8. **TREASURY MANAGEMENT ANNUAL REPORT**  
Finance Lead (Corporate Governance and Finance)  
*(Paper attached)*
9. **JIAC ANNUAL REPORT**  
JIAC Chair  
*(Paper attached)*
10. **DATE AND TIME OF NEXT MEETING**  
Monday 25<sup>th</sup> September, 2pm, Collingwood Room, Middle Engine Lane



**NORTHUMBRIA  
POLICE**

## 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.

<b>Agenda item number</b>	<b>Paragraph of Schedule 12A to the Local Government Act 1972</b>
12	7
13	7
14	7
15	7



**NORTHUMBRIA POLICE MINUTES**

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<b>Title</b> Extraordinary Joint Independent Audit Committee (JIAC)	<b>Meeting number</b> 02/23
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<b>Date</b> 26 May 2023	<b>Location</b> Executive Team Meeting Room, Middle Engine Lane / Teams	<b>Duration</b> 13:30 – 14:55
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**Present:**

<b>Committee Members:</b>	C Young (CY) K Amlani (KA) J Guy (JG) P Wood (PW)	Chair
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<b>Officers:</b>	R Durham  D Ford K Laing J Lawson	Office of Police and Crime Commissioner (OPCC) Chief of Staff and Monitoring Officer Deputy Chief Constable (DCC) Joint Chief Finance Officer (CFO) Assistant Chief Officer (ACO) Corporate Services
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<b>Invitees:</b>	V Jardine R Bowmaker P Godden L Griffiths G Thompson  D Heslegrave	Chief Constable Internal Audit, Gateshead Council Head of Corporate Development External Audit, Grant Thornton Finance Lead, Corporate Finance and Governance Governance and Planning Adviser ( <i>Secretary</i> )
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<b>Apologies</b>	A Gouldman	External Audit, Grant Thornton
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**OPEN SESSION****1. INTRODUCTION**

C Young (CY) welcomed the Chief Constable and a brief introduction by external members was given for their benefit.

CY updated that Rebecca Doughney is no longer a member of JIAC.

**2. DECLARATION OF INTEREST**

No declarations of interest made.

**3. MINUTES OF THE OPEN SESSION OF THE JOINT INDEPENDENT AUDIT COMMITTEE 27 FEBRUARY 2023**

Amendment agreed to action regarding Assistant Chief Officer Action.

**To be amended from** “Action: ACO, Corporate Services to provide a copy of the Workforce Plan to Chair for distribution to members requesting a copy.”

**To be amended to** “ACO, Corporate Services to provide a copy of the Workforce Plan to members who request sight of it”

DCC updated that CONNECT contract has been terminated and an alternative provider being sought.

Agreed as a true and accurate record.

#### **4. ANNUAL GOVERNANCE STATEMENT 2022/23**

CFO highlighted in late February/early March, Department for Communities and Local Government issued an update regarding closure of accounts deadline. A meeting was organised to allow closure of accounts. 2021/22 accounts still to be signed off.

CFO updated there remains a delay on the Tyne and Wear Pension Fund (TWPF) pension position being updated.

Finance Lead updated there is no issue regarding the triannual valuation. Employer contribution rate has been set and there is a reduction in cost of employer contribution. No risk of rates being changed due to ongoing work and no change in provision. Movement of £16.3m is a reduction to liability.

JG queried if this is likely to happen again in future years and whether admin costs would increase as a result.

CFO stated this review only happens every three years and as there is a wider issue nationally, there will be no fines for late accounts.

Chair advised of market volatility currently with changes in funding levels.

##### **a) Senior Managers Assurance Statement**

Robert Bowmaker (RB) highlighted the purpose of the reports is to inform JIAC members of the assurances the force and Police and Crime Commissioner (PCC) have placed on the control systems.

DCC highlighted that while aware there is 100% compliance would like to seek assurances regarding risks and what 100% compliance means. Accurate controls capture issues and processes to allow them to be reviewed appropriately.

**Action: RB to amend wording within the Senior Manager’s Assurance Statement paper to avoid misunderstandings regarding 100% compliance.**

##### **b) Review of the Effectiveness of the Internal Audit**

RB advised of the 27 audits within the audit plan, final reports have been issued for 22. PV queried whether the outstanding audits will be completed in sufficient time so there are no further delays moving into the 2023/24 audit period. RB provided assurance the final

reports for the remaining five audits are underway and anticipated to be completed by the July meeting.

**Action: Progress on remaining outstanding audits to be provided at JIAC on 17 July 2023.**

### **c) Internal Audit Annual Report**

Internal Auditor highlighted the purpose of the report is to inform JIAC members of work undertaken by the internal audit service during 2022/23 and provide an independent opinion on the effectiveness of both the PCC and Chief Constable's internal control systems, risk management and governance arrangements, which informs the annual governance statement. Discussion regarding internal control systems resulted in a brief update from external auditors that, external auditors do not place reliance on internal audit but take a risk assessment approach. More substantive testing is undertaken to ensure a full audit.

**Update noted.**

### **d) Annual Governance – Primary and Thematic Assurance Review 2022/23**

CFO highlighted there are eight thematic areas considered by the Joint Governance Group which inform the Annual Governance Statement.

#### **i. Governance Arrangements**

Head of Corporate Development highlighted there are a number of meetings to support governance arrangements which all have Terms of Reference and an agreed membership. Governance arrangements were recently audited by internal audit and controls are found to be operating well.

#### **ii. An assessment of the role of CFO in accordance with best practice.**

CFO highlighted the Chartered Institute of Public Finance and Accountancy (CIPFA), has set out explicitly the role of the CFO and provides a checklist which CFO's must adhere to.

JG raised the issue of Joint CFO as not best practice. At the time the position was initiated 10 years ago, the PCC also had concerns. There are difficult conversations to be undertaken between Police and PCC and a Joint CFO would be a conflict of interest.

CFO advised there are times where difficult discussions have taken place however, there are robust practices in place to always resolve any issues.

KA raised the issue of development reviews and whether this is a formal process.

CFO explained the Performance and Development Review (P&DR) Process, CIPFA rules and regular meetings are conducted with Assistant Chief Officer. CFO also attends CPD events and undertakes ongoing development.

#### **iii. External Audit Assurance**

Finance Lead highlighted there were no issues within AGS since the update presented to JIAC in February 2023.

It is expected that the outcome of the work under the pensions issue, the LGPF valuation and the impact on the pension liability to be noted in the final draft.

**Update noted**

**iv. HMICFRS and Other External Inspections**

Head of Corporate Development presented. An update is provided quarterly to JIAC noting papers circulated provide a summary of the position over the last 12 months and an outline of the governance both in force and in response to progress with the OPCC.

During the course of the year there will be some AFIs and recommendations that can be closed by the Chief Constable they will also be reviewed through inspection. Other items will not be closed on the portal until HMICFRS have reviewed them.

**Update noted.**

**v. Legal and Regulatory Assurance**

OPCC Chief of Staff and Monitoring Officer presented. Assurance from Head of Legal Services there were no legal issues arising during 2022/23. Regular meetings are held with Head of Legal Services for legal advice and assurance.

**Update noted.**

**vi. Risk Management Arrangements**

Head of Corporate Development outlined the risk management process noting no change in position. There are five areas of high risk which have been identified, Digital Policing, Finance, Information and Data Management, information and Data Quality and Workforce. The assessment of risk remains unchanged.

**Update noted.**

**vii. Performance Management and Data Quality**

Head of Corporate Development presented highlighting performance management and performance management framework.

PW queried references within the paper regarding the Transformation 2025 programme. Head of Corporate Development highlighted the challenges around CONNECT which has delayed this aspect of the transformation programme.

DCC stated there has been a delay due to the cancellation of the CONNECT contract and extensive work was undertaken once the issue with CONNECT had been raised so an informed decision could be made. Currently there are around 30 projects in the pipeline which cover organisational, operational and technology. The Force are reviewing the current records management system to identify performance challenges and conducting a full reassessment of systems. The objective is still to reach an outstanding position by 2025.

**Update noted.**

**viii. CIPFA Financial Management Code Self-Assessment**

Finance Lead advised a full review has been undertaken and is satisfied with regard to compliance. One action remains outstanding relating to carrying out the Financial Management model review. This will be implemented later this year.

JG queried the partnership element and felt the assurance was brief. Concerns were raised regarding non-reference to issues around COVID-19 and the changes this created.

JG also queried the CONNECT contract ending/ Digital Policing.

RB addressed the partnership element and agreed the main significant partnership is NEROCU which is audited regularly.

DCC highlighted CONNECT is different to Digital Policing and previous issues have been addressed. There are no issues with digital policing.

**Update noted.**

**Matters Arising**

Meeting	Agenda Item/Title/Context	Open/Closed	Note/Decision/Action	Detail	Assigned to	Update
JIAC 26/5/2023	4a) Senior Managers Assurance Statement	OPEN	ACTION	To amend wording within the Senior Manager's Assurance Statement paper to avoid misunderstandings regarding 100% compliance.	Robert Bowmaker	
JIAC 26/5/2023	4b) Review of the Effectiveness of the Internal Audit	OPEN	ACTION	Progress on remaining outstanding audits to be provided at JIAC on 17 July 2023.	Robert Bowmaker	



<b>Joint Independent Audit Committee</b>	<b>17 July 2023</b>
<b>Summary of Recent External Inspection, Investigation and Audit Reports</b>	
<b>Report of:</b> Head of Corporate Development	
<b>Author:</b> Corporate Governance Manager	

## **I. PURPOSE**

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

## **2. BACKGROUND**

- 2.1. All His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) reports and other external inspection, investigation and audit reports are considered by the Chief Officer Team. A lead is appointed to consider the findings and identify actions in response to any recommendations and areas for improvement (AFIs). The Force position is reported to the Police and Crime Commissioner at the Business Meeting to inform the statutory response required under section 55 of the Police Act 1996 where required.
- 2.2. All activity is regularly reviewed by the respective owners. Delivery is overseen by Chief Officers through the Force's governance and decision-making structure and progress is reported to the Scrutiny Meeting of the Office of the Police and Crime Commissioner.
- 2.3. Corporate Development Department acts as the central liaison point for all HMICFRS related matters.
- 2.4. Previously, HMICFRS would independently assess the recommendations and AFIs either through further inspection or by undertaking reality testing. The new process implemented on 26 January 2023 enables HM Inspectors to decide one of four levels of follow up activity that the inspectorate will take on allocated recommendations or AFIs:
- **Level 1: No force self-certification, no follow-up activity required**  
HMICFRS does not require any recorded follow up activity for recommendations or AFIs and does not require the force to tell them when action to address the recommendation or AFI is completed. The force can choose to submit evidence of progress or completion, but this will not be routinely reviewed by HMICFRS.
  - **Level 2: Force self-certifies that the recommendation or AFI is complete, no follow up activity conducted by HMICFRS**  
HMICFRS requires the Force to inform them when they are satisfied that work to address the recommendation or AFI is complete. The Force will submit evidence to support this. HMICFRS does not expect to verify the evidence to close the recommendation or AFI.
  - **Level 3: Force self-certifies that the recommendation or AFI is complete, HMICFRS follow-up via the next relevant planned inspection**

HMICFRS requires the Force to submit evidence that the recommendation or AFI has been completed. HMICFRS will verify the evidence submitted at the next appropriate inspection activity. This could include a rolling inspection programme or continuous assessment via Police Effectiveness, Efficiency and Legitimacy inspections.

▪ **Level 4: No force self-certification, HMICFRS follow-up via further bespoke fieldwork**

HMICFRS will carry out bespoke fieldwork or take supportive action to satisfy itself that the recommendation has been completed. This approach is taken where the problems identified by HMICFRS are so severe that they cannot wait for the next relevant inspection to assure themselves they have been addressed, or that there is no suitable inspection activity planned by which they could satisfy themselves that the recommendation has been completed.

- 2.5. The Monitoring Portal has been updated to include follow-up levels on existing open recommendations and AFIs. All future recommendations or AFIs will be assigned levels at the point they are made; these will be shared with the Force through the Monitoring Portal.
- 2.6. As previously reported, the Force considered 24 recommendations and three AFIs complete. All were allocated to Level 2 where no specific follow up activity is conducted by HMICFRS and the force self-certifies completion. These have now been closed 'Completed (self-certified)'.
- 2.7. The table below outlines the current position for Northumbria Police regarding open recommendations and AFIs alongside the follow up levels allocated (at 19 June 2023):

	Open on the Monitoring Portal	
	Recommendations	AFIs
Level 1	0	0
Level 2	33	5
Level 3	29	10
Level 4	0	0
<b>Total</b>	<b>62</b>	<b>15</b>

- 2.8. Appendix A provides an overview of all outstanding recommendations and AFIs assigned to Northumbria Police by HMICFRS on the monitoring portal which are subject to ongoing activity and includes the number of recommendations assessed as complete by the Force. A summary of progress, together with an expected delivery date and RAG status is also included.
- 2.9. Since the last Joint Independent Audit Committee (JIAC), 14 Level 2 recommendations have been added to the portal:
- 'An inspection of how well the police and National Crime Agency tackle the online sexual abuse and exploitation of children' (11 recommendations);
  - 'Values and culture in fire and rescue services' (one recommendation); and

- 'An inspection of how well the police tackle serious youth violence' (two recommendations).
- 2.10. In addition, two Level 3 AFIs have been added from 'An inspection of the north-east regional response to serious and organised crime'.
- 2.11. A further four Level 2 recommendations are considered complete since last reporting to JIAC; these are being progressed for closure on the portal. The Force is satisfied with the progress being made as reported through the internal governance structure and Scrutiny Meeting.
- 2.12. Several recommendations were dependent upon the implementation of NEC Connect and/or guidance from national bodies. The Force has now withdrawn from the existing contract with NEC to implement Connect and an alternative Records Management System to replace the Northumbria Police Integrated Computer and Communications System (NPICCS) is being sourced. In response to the delay, NPICCS will be updated for prioritised areas. Accordingly, those areas impacted have been assessed as amber; this reflects delay in delivery rather than an increased risk to Northumbria Police.
- 2.13. The following inspection and investigation reports have been published by HMICFRS or other relevant inspection bodies since the last JIAC:
- [An inspection of how well the police tackle serious youth violence](#) (published 08/03/2023)
- 2.14. In January and February 2022, HMICFRS undertook an inspection looking at:
- how the police work with Violence Reduction Units (VRUs) and partner organisations to reduce serious youth violence (SYV);
  - how well the police use their powers to reduce SYV, and whether they understand racial disproportionality; and
  - how well the police work with partner organisations and take a public health approach to SYV.
- 2.15. Twelve police forces were inspected, including Northumbria Police, ten with a VRU and two without.
- 2.16. Two recommendations have been directed to police chief constables regarding the training of officers in an outcome which involves the suspect being diverted to a programme intended to reform them and prevent future offending (outcome 22) and to ensure that through data collection and analysis, the levels of racial disproportionality in SYV are understood in their force areas.
- [Joint targeted area inspection of the multi-agency response to children and families who need help in Sunderland](#) (published 16/03/2023)
- 2.17. The joint targeted area inspection of Sunderland examined the multi-agency response to children and families in Sunderland who need help. Fieldwork took place from 23 to 27 January 2023 and was carried out by inspectors from Ofsted, the Care Quality Commission and HMICFRS.

- 2.18. The report was largely positive with Sunderland Safeguarding Children Partnership arrangements being cited as well established and effective.
- 2.19. Five areas for improvement were outlined. 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. Northumbria Police has contributed to the resultant action plan where required.

[Values and culture in fire and rescue services](#) (published 30/03/2023)

- 2.20. The Force was notified of a recommendation made to Chief Constables in the publication, which relates to information sharing under common law police disclosure provisions to allow forces to proactively provide personal data or sensitive personal data to a third party using common law powers.
- 2.21. The recommendation states that by 1 September 2023, Chief Constables should make sure they are appropriately using their Common Law Police Disclosure powers in circumstances involving employees of fire and rescue services. Northumbria was already compliant with the National Police Chiefs' Council (NPCC) guidance.

[An inspection of how well the police and National Crime Agency tackle the online sexual abuse and exploitation of children](#) (published 05/04/2023)

- 2.22. This inspection took place between February and August 2022 and set out to identify how effective police forces, the National Crime Agency (NCA) and regional organised crime units (ROCU) are at identifying and safeguarding children affected by online sexual abuse and exploitation and assessed how effectively these organisations prevented and investigated this type of crime.
- 2.23. It focused on the effectiveness of the police approaches to:
- identifying and safeguarding children at risk, and working with partner organisations to protect children at risk or suffering trauma from online sexual abuse and exploitation;
  - investigating and managing crimes, including use of technology and digital forensics;
  - how children are supported through the criminal justice system, including those children who have committed sexual offences; and
  - preventing online sexual abuse and exploitation.

- 2.24. HMICFRS inspected six police forces (not Northumbria), two ROCUs and the NCA and had discussions with charity and voluntary sectors. It also examined data, policies and strategies from the police and Government.

- 2.25. The report makes seventeen recommendations, eleven for police forces.

[Responses to the super-complaint from the Tees Valley Inclusion Project](#) (published 21/04/2023)

- 2.26. HMICFRS published the responses to the super-complaint report on the Tees Valley Inclusion Project: How the police respond to victims of sexual abuse when the victim is from an ethnic minority background and may be at risk of honour-based abuse.

[Vetting, misconduct and misogyny in the police service: review of progress](#) (published 11/05/2023)

- 2.27. Following the publication of the HMICFRS report into vetting, misconduct and misogyny in the police service, the Home Secretary asked HMICFRS to provide an urgent update on the progress police forces in England and Wales have made.
- 2.28. On 11 May 2023, Matt Parr, His Majesty's Inspector of Constabulary, wrote to the Home Secretary and addressed the police service's progress against the 43 recommendations and five areas for improvement HMICFRS made in the report.
- 2.29. HMICFRS examined the self-assessments forces provided to the NPCC and considered whether they accurately reflected the grading each force had given itself. In general, HMICFRS was assured that the recommendations are being acted upon; however, some responses lacked detail and some forces appeared to have downplayed or overstated their progress in some areas.
- 2.30. In Northumbria, HMICFRS downgraded five of the force self-assessments and upgraded three. It is important to note that the information for the review was based on updates to February 2023 and further improvements had been made since.

[State of Policing: The Annual Assessment of Policing in England and Wales 2022](#) (published 09/06/2023)

- 2.31. The Police Act 1996 requires His Majesty's Chief Inspector of Constabulary (HMCIC) to produce an annual assessment of the effectiveness and efficiency of policing in England and Wales. This report is based on the inspections carried out by HMICFRS between December 2021 and March 2023.
- 2.32. This was the first report of Andy Cooke who was appointed as HMCIC in April 2022 following the end of Sir Thomas Winsor's term of 10 years.
- 2.33. Three recommendations have been made, one to the NPCC lead on stop and search regarding the commissioning of research on the deterrent value of stop and search and the causes of disproportionality in its use; and two to the Home Secretary to review the present limitations in the legislation concerning the Inspectors of Constabulary and to re-establish the involvement of the Inspectors of Constabulary in the selection and appointment of police chief officers.

### **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 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 progress continues to be made against all recommendations and AFIs and that there are currently no matters of exception to report in response to previous inspections.

Report Title	Business Lead	Executive Lead	Recommendation/ Area for Improvement (AFI)	Number of Recommendations/AFIs (and number considered complete on the HMICFRS Monitoring Portal)	Of those outstanding, number considered complete by the Force	HMICFRS Level for follow-up activity	Context	Anticipated completion date	Progress on delivery	RAG	Reported to Scrutiny Meeting	PCC response	Next report to Scrutiny Meeting
<p>Policing in the pandemic - The police response to the coronavirus pandemic during 2020</p> <p>Published 20th April 2021 CC response to PCC: 03/06/2021 PCC Section 55 response: June 2021 Reported to JJAC: 19/07/2021</p>	Multiple	DCC	Recommendations	5 (4)	0	2	<p><b>Issue</b></p> <p>The report highlighted five national recommendations regarding ensuring that officers understand and correctly implement the guidance for managing registered sex offenders during the pandemic; that they can manage their responses to changes in coronavirus-related legislation; that a policy is in place to make sure that the guidance and self-isolation directions when members of the workforce come into contact with someone with coronavirus symptoms are followed; that custody records are updated with information about how/when/if detainees are informed of the temporary changes to how they can exercise their rights to legal advice and representation; and to assess the sustainability of any temporary measures introduced during the pandemic that change the way they work.</p>	This is dependent upon a new custody recording system (date to be determined)	<p>Three of the five recommendations were reported as complete at the Scrutiny Meeting in September 2021. These relate to officers understanding of guidance regarding managing registered sex offenders and coronavirus legislation and also policy regarding test track and trace.</p> <p>A new ways of working (NWOW) project was established to determine future working practices. The NWOW project has achieved its initial objectives and lessons learned from the project will be identified to understand the successes and achievements and to reflect on learning to take forward. This recommendation was reported as complete at the Scrutiny Meeting in February 2022.</p> <p>Custody staff have been provided guidance to ensure that custody records are updated with information about how/when/if detainees are informed of the temporary changes to how they can exercise their rights to legal advice and representation. The Electronic Custody Recording system cannot mandate this information but quality assurance checks are being undertaken to mitigate any potential risk. The new custody system will improve monitoring in the future.</p> <p><b>Update: June 2023</b> The remaining recommendation is dependent upon the release of a new custody system to more effectively capture this type of information in the future. This recommendation will be progressed for closure on the basis that the requirement to capture information around covid is no longer needed and previous requirements have been captured for consideration in the development of the new custody system.</p>		19/01/2023	The position remains as previously reported.	03/08/2023
<p>Custody services in a COVID-19 environment</p> <p>Published 20th April 2021 CC response to PCC: 03/06/2021 PCC Section 55 response: June 2021 Reported to JJAC: 19/07/2021</p>	Head of Custody	ACC (Force Coordination)	Recommendation	1 (0)	0	2	<p><b>Issue</b></p> <p>This was a supplemental report to 'Policing in the Pandemic' with a further national recommendation providing detail of the custody information that HMICFRS recommends forces should collect and use.</p>	This is dependent upon a new custody recording system (date to be determined)	<p>Limitations with the current digital systems do not allow the collation of some of the suggested data and some can only currently be obtained by manual checks of custody records. A new custody recording system will allow for the wider scrutiny of data and information.</p> <p><b>Update: June 2023</b> The recommendation is dependent upon the release of a new custody system to more effectively capture appropriate data alongside monitoring mechanisms which are currently outside the capability of the Electronic Custody Record. This recommendation will be progressed for closure on the basis that the requirement to capture information around covid is longer needed and previous requirements have been captured for consideration in the development of the new custody system.</p>		22/02/2023	The position remains as previously reported.	28/09/2023
<p>A joint thematic inspection of the police and Crown Prosecution Service's response to rape – Phase one: From report to police or CPS decision to take no further action</p> <p>Published 16th July 2021 CC response to PCC: 23/09/2021 PCC Section 55 response: September 2021 Reported to JJAC: 27/09/2021</p>	Head of Safeguarding	ACC (Crime and Safeguarding)	Recommendations	8 (4)	2	2	<p><b>Issue</b></p> <p>The inspection found that the criminal justice system's response to rape offences fails to put victims at the heart of building strong cases despite the national focus by the Government, policing and the Crown Prosecution Service (CPS) on improving outcomes for rape. Recommendations have been made to police regarding capturing the protected characteristics of rape victims; establishing reasons why victims withdraw from cases; working better with local support services to better understand their role; improving the effectiveness of case strategies and action plans with the CPS; improving relationships with the CPS to build a cohesive and seamless approach; reviewing the current process for communicating to victims the fact that a decision to take no further action has been made; ensuring investigators understand that victims are entitled to have police decisions not to charge reviewed under the Victims' Right to Review scheme; and the publication of annual SSAIDP attendance figures, and information on the number of current qualified RASSO investigators.</p>	Delivery of one of the recommendations is dependent on the implementation of a new records management system (date to be determined)	<p>A Joint National Action Plan was adopted locally; this addresses key performance areas for improvement. All recommendations are included within a RaSSO improvement plan and are monitored regularly.</p> <p><b>Update June 2023</b> Four recommendations have now been closed on the Monitoring Portal.</p> <p>The requirement for the recording of protected characteristics of rape victims is being considered as part of the NPICCS replacement programme and NPICCS development work. A protected characteristics data standard has been agreed at Chief Constables' Council in May 2023 which will be taken forward by the NPCC Diversity, Equality and Inclusion Coordination Committee.</p> <p>Early Advice and Post Charge Conferences between lawyer and police have been implemented to improve effectiveness of case strategies and action plans. Police and CPS are seeking to implement a case tracker system with target dates and escalation of cases implemented. Once this case tracker is operational this recommendation will be considered complete.</p> <p>Two further recommendations are considered complete.</p> <p>Good engagement is in place between the Independent Sexual Violence Adviser (ISVA) service /CPS (police and all are regularly cooperating and sharing practice to improve services for victims. Other support services also work closely with Police including Safer Communities (charity) who operate from the Sexual Assault Referral Centre (SARC), support victims and assist with referrals, and the Sunderland Counselling Service who operate from the SARC one day per week. This allows for closer working together and better understanding of roles.</p> <p>The police and CPS have effective challenge/escalation processes through the local tactical and strategic working groups. Relationships ensure that there is no barrier to communication and challenge in such circumstances.</p> <p>Analysis has been conducted to understand the reasons why a victim may withdraw support for a prosecution and data collection has been implemented as part of the performance management framework.</p>		20/04/2023	The PCC felt that intelligence should be gathered regardless of the outcome or intention of the victim to ensure the appropriate response and support was given.	02/11/2023
<p>Police response to violence against women and girls - Final inspection report</p> <p>Published 17th September 2021 CC response to PCC: 16/11/2021 PCC Section 55 response: November 2021 Reported to JJAC: 22/11/2021</p>	Head of Safeguarding	ACC (Crime and Safeguarding)	Recommendations	3 (1)	0	2	<p><b>Issue</b></p> <p>The recommendations in the final report relate to increasing the prioritisation of VAWG offences in policing. Forces are required to ensure information on protected characteristics of victims is accurately and consistently recorded; that an action plan is established that specifies in detail what steps the force will take to improve and standardise its approach to responding to VAWG offences, with the aim of ensuring policies, processes and practices are effective, actively monitored and managed, and meeting national standards; and that there should be consistent and robust monitoring of outcomes 15 and 16 in VAWG cases with the National Police Chief Constables' Council (NPCC) VAWG National Delivery Lead tasked with developing a new process for forces.</p>	Delivery of one of the recommendations is dependent on the implementation of a new records management system (date to be determined)	<p>Northumbria presently records information on victim age, gender and ethnicity. It is recognised that while Northumbria can provide overall victim data in terms of volumes, data relating to all nine protected characteristics is not available. Recent work has been conducted via the Northumbria Local Criminal Justice Board.</p> <p><b>Update May 2023</b> One recommendation has been closed on the monitoring portal regarding the provision of the delivery framework and supporting VAWG strategy to the national VAWG task force by the required deadline.</p> <p>The requirement for the recording of protected characteristics of victims is being considered as part of the NPICCS replacement programme and NPICCS development work. A protected characteristics data standard has been agreed at Chief Constables' Council in May 2023 which will be taken forward by the NPCC Diversity, Equality and Inclusion Coordination Committee.</p> <p>The force routinely monitors use of outcomes 15 and 16. Changes have been proposed to the Home Office Crime Recording Rules regarding the application of these outcomes, however, queries have been raised nationally and the Force is awaiting the final outcome of this for implementation.</p>		08/06/2023	No issues raised.	02/11/2023
<p>A joint thematic inspection of the criminal justice journey for individuals with mental health needs and disorders</p> <p>Published 17th November 2021 CC response to PCC: 18/01/2022 PCC Section 55 response: January 2022 Reported to JJAC: 28/02/2022</p>	Head of Safeguarding	ACC (Crime and Safeguarding)	Recommendations	4 (0)	0	2	<p><b>Issue</b></p> <p>Four national recommendations regarding: the need for dedicated investigative staff to receive training on vulnerability with inputs on responding to the needs of vulnerable suspects (as well as victims); assessment of outcome code 10 and 12 cases to assess the standard and consistency of decision making; a review of the availability, prevalence, and sophistication of mental health flagging; and the identification of risks and vulnerabilities during risk assessment processes, particularly for voluntary attendees.</p>	Delivery of one recommendation regarding mental health flagging is dependent on direction from the NPCC on the agreed definition for mental health markers and the implementation of a new records management system (date to be determined)	<p>Delivery of "Vulnerability Matters" training commenced in March 2022 to all public facing officers and staff. This covers all officers in detective roles. This training programme will assist officers to recognise vulnerability in suspects they are dealing with and give them the tools to support in signposting Mental Health suspects.</p> <p>A crime review of mental health crimes was undertaken in January 2022 to assess outcome codes 10 and 12 and identify learning.</p> <p>Mental health markers are being considered as part of the migration to the new Force system. Clarity is also being sought around the definition of mental health for the markers/flags. The NPCC report that there is some discrepancy between justice, health and social care agencies about the definition of Mental Health.</p> <p><b>Update: June 2023</b> During 2022, a wide range of Professionalising Investigations Programme (PIP), Investigative Supervisor and Manager Programme (ISMP) and Senior Investigating Officer courses were part of the force 12-month training plan. A similar training plan has been agreed for 2023 and the Mental Health package continues to be delivered. The package is also used during the newly promoted course for Sergeants and Inspectors in other key roles. This recommendation is now considered complete and is progressing through governance for closure.</p> <p>No guidance has been provided by the NPCC on an agreed definition for mental health flagging. It has been suggested that this be defined within the Right Care Right Person data toolkit but its inclusion has not been confirmed.</p> <p>The custody review is considering opportunities for improvement regarding mental health in the criminal justice process, linked to custody. It is anticipated that a further two recommendations will progress to closure in September 2023 following this review.</p> <p>The Criminal Justice and Custody Board is monitoring work regarding voluntary attendees (VA) and this includes release risk assessments. The Bail/VA/Under Investigation Annual Data Return is generating additional resource and leadership oversight so this will be afforded greater scrutiny.</p>		19/01/2023	No issues raised.	03/08/2023

Report Title	Business Lead	Executive Lead	Recommendation/ Area for Improvement (AFI)	Number of Recommendations/AFIs (and number considered complete on the HMICFRS Monitoring Portal)		HMICFRS Level for follow-up activity	Context	Anticipated completion date	Progress on delivery	RAG	Reported to Scrutiny Meeting	PCC response	Next report to Scrutiny Meeting
<p>Twenty years on, is MAPPA achieving its objectives?</p> <p>Published 14th July 2022 CC response to PCC: 05/09/2022 PCC Section 55 response: September 2022 Reported to JIAC: 26/09/2022</p>	Head of Safeguarding	ACC (Crime and Safeguarding)	Recommendations	4(2)	0	2	<p><b>Issue</b> The inspection highlighted the requirement for improvements to ensure that: Category 3 referrals are made to manage individuals who present a high risk of domestic abuse where formal multi-agency management and oversight through MAPPA would add value to the risk management plan; there is a comprehensive training strategy for all staff involved in the MAPPA process; all MAPPA nominals managed at Levels 2 and 3 are allocated to a suitably trained police officer manager; and where workloads of staff managing sexual offenders are found to be excessive, that steps are taken for mitigation.</p>	Apr-23	<p>The Force considered it was already compliant with two recommendations regarding the allocation of all MAPPA nominals managed at Levels 2 and 3 to a suitably trained police officer manager and the review of workloads for staff managing sexual offenders against national expectations.</p> <p>Northumbria is working to raise the profile of domestic abuse cases and ensure that all practitioners consider domestic abuse cases for MAPPA management, this includes training, identification of domestic abuse cases in the MAPPA screening process and Strategic Management Board audits for domestic abuse cases.</p> <p>MAPPA training has been delivered to all staff working in MOSOVO and is covered on other courses held locally.</p> <p><b>Update: June 2023</b> Training has now been delivered to over 400 staff and partner agencies and the training process is now embedded as business as usual for student officers and new supervisors. Training has contributed to an increase in domestic abuse referrals to MAPPA.</p> <p>Both remaining recommendations are considered complete but are subject to assurance and internal governance prior to closure.</p>		19/01/2023	No issues raised.	02/11/2023
<p>The police response to burglary, robbery and other acquisitive crime</p> <p>Published 11th August 2022 CC response to PCC: 03/10/2022 PCC Section 55 response: October 2022 Reported to JIAC: 26/09/2022</p>	Head of Crime	ACC (Crime and Safeguarding)	Recommendations	2(0)	0	2	<p><b>Issue</b> The report recommended that by March 2023, forces should make sure their crime scene management practices adhere to the authorised professional practice (APP) on managing investigations for serious acquisitive crime or provide a rationale for deviating from it and also to ensure that investigations are subject to effective supervision and direction.</p>	Mar-23	<p>The Force will document processes that adhere to general crime scene preservation and management; and forensic assessment flowcharts have been refreshed for all contact handlers. A forensic performance framework is being developed to better understand the effectiveness of the triage process and the contribution towards positive outcomes.</p> <p>Audits are conducted with regards to outcome codes and Victims' Code of Practice compliance and performance is regularly monitored.</p> <p>The Force adheres to national best practice for scene management. Oversight of forensics and investigative standards is provided via the Investigation and Effective Justice Group, chaired by ACC Crime &amp; Safeguarding.</p> <p><b>Update: June 2023</b> The Force applies THRIVE risk assessments and has provided additional training to call takers regarding forensic advice to victims of crime.</p> <p>A Serious Acquisitive Crime (SAC) Suppression Group focuses on performance in this area and drives learning from national best practice. Across all three categories of SAC, the Northumbria crime rate is below the national average per 1,000 population and in each category the resolved rate is higher than the national average.</p> <p>Raising Investigative Standards is a key component in tackling SAC. Significant improvements have been made in file quality with the introduction of accreditation for supervisors. Key stakeholders throughout the organisation are prioritising investigative skills training and continuous professional development.</p> <p>A crime audit is currently taking place which will review investigative standards including the areas covered by these recommendations; this will provide an indication of progress.</p>		08/06/2023	Future reporting on progress will be included in current arrangements for scrutiny in this area of business.	02/11/2023
<p>PEEL 2021/22 – An inspection of Northumbria Police</p> <p>Published 22nd September 2022 CC response to PCC: 03/10/2022 PCC Section 55 response: October 2022 Reported to JIAC: 21/11/2022</p>	Multiple	DCC	AFIs	8(0)	0	3	<p><b>Issue</b> The inspection outlined the requirement for the Force to ensure that it improves: the accuracy when recording crimes and incidents of rape; the recording of crime when ASB is reported; the recording of equality data; the time it takes to answer emergency calls and reduce the number of non-emergency calls that are abandoned; the advice given by call takers on the preservation of evidence and crime prevention; attendance in response to calls for service in line with its published attendance times and ensures that when delays do occur, victims are fully updated; the recording of an auditable record of the decisions made when a victim withdraws their support for a prosecution; and takes steps to reduce delays in intelligence development for paedophile online investigation packages.</p>	Dec-23 (excluding some elements of delivery dependent upon the new Force records management system)	<p>An improvement plan is in place regarding the recording of offences within anti-social behaviour (ASB) incidents and also sexual offences (including rape and NI00s).</p> <p>Call handling and response rates continue to be closely monitored. A performance management framework is in place and improvements are being facilitated by increased capacity and capability within the Communications Department, training and new technology such as Callback Assist. Call handling performance continues to improve with improved 999 and 101 answer times and a reduction in abandonment rates.</p> <p><b>Update: June 2023</b> The mandatory training package for rape and NI00 has been completed by 75% of the target audience (as at 23 May 2023).</p> <p>Training has been undertaken with Communications staff regarding the identification of crime within ASB incidents.</p> <p>The requirement for the recording of protected characteristics is being considered as part of the NPICCS replacement programme and NPICCS development work. A protected characteristics data standard has been agreed at Chief Constables' Council in May 2023 which will be taken forward by the NPCC Diversity, Equality and Inclusion Coordination Committee.</p> <p>The prompts and risk assessment processes in the Communications Department facilitate early forensic identification to ensure that forensic potential at the point of contact is being identified appropriately.</p> <p>Activity continues to facilitate improvements in response times to incidents. The implementation of Communication Performance Managers aims to impact upon deployment alongside work to create capacity through demand reduction. Seasonal plans continue with priority areas reviewed for the summer.</p> <p>A crime file audit will be undertaken in June 2023; part of this will examine the recording of rationale when a victim withdraws their support for a prosecution.</p> <p>The backlog in intelligence development for paedophile online investigation packages has now been addressed with business as usual levels in intelligence now achieved.</p>		20/04/2023	The PCC felt that the updates showed positive outcomes. A request was made for wider initiatives to be reported upon in more detail regarding responding to the public.	03/08/2023
<p>An inspection of vetting, misconduct, and misogyny in the police service</p> <p>Published 2nd November 2022 CC response to PCC: 22/11/2022 PCC Section 55 response: December 2022 Reported to JIAC: 21/11/2022</p>	Head of Professional Standards Department	DCC	Recs	29 (0)	0	3	<p><b>Issue</b> HMICFRS determined that police vetting standards are not high enough and it is too easy for the wrong people to both join and stay in the police. It was also determined that a culture of misogyny, sexism and predatory behaviour towards female police officers and staff and members of the public still exists.</p>	Jan-24	<p><b>Update: April 2023</b> Regular self-assessments have been provided to the NPCC and HMICFRS regarding the Force position against the recommendations and AFIs arising from the report and the likelihood of completion by the deadlines within them.</p> <p>The Force will be compliant with the majority of the HMICFRS recommendations by the target dates. One recommendation cannot be addressed until the College of Policing update guidance in relation to pre-employment checks (expected 31 October 2023); and one recommendation was not implemented by the deadline in relation to change of circumstances; however, relevant procedures are in place and a plan is in place to address the backlog.</p> <p>Two recommendations currently have risks associated with the digital capabilities within the force; these are being addressed by Digital Policing.</p>		20/04/2023	The PCC was satisfied with the progress being made across the force.	14/12/2023
<p>An inspection into how well the police and other agencies use digital forensics in their investigations</p> <p>Published 1st December 2022 CC response to PCC: 19/01/2023 PCC Section 55 response: January 2023 Reported to JIAC: 27/02/2023</p>	Head of Forensic Services	ACC (Crime and Safeguarding)	Recs	3 (0)	1	2	<p><b>Issue</b> HMICFRS concluded that police forces are unable to keep pace with technology when it comes to digital forensics – and there is a significant backlog of devices waiting to be examined. Delays, lack of resources and lack of adequate training means some victims are being let down and officers are missing their chance to bring offenders to justice.</p> <p>Three recommendations were aligned to the police regarding governance and oversight to better understand the local demand for digital services; the inclusion of management of digital forensic kiosks in governance and oversight frameworks; and the integration of digital forensic services under existing forensic science structures.</p>	Dec-23	<p><b>Update: June 2023</b> Continuing progress is being made with the Digital Forensic Unit (DFU) and Digital Evidence Suite (DES) improvement plans to increase efficiency and effectively manage digital demand. Governance and oversight are provided by Forensic Services and reported through the Investigations and Effective Justice Group chaired by ACC (Crime &amp; Safeguarding). A new Performance Management Framework for Forensic Services is being developed.</p> <p>A pilot to evidence the service and quality benefits of DFU control of kiosks has concluded and a revised arrangement has been agreed to enable the efficient management and effective standardised processing of frontline digital forensic activity in compliance with digital forensic quality standards.</p> <p>An ongoing programme of work is being led by the Forensic Services Senior Management Team to identify and respond to demand, growth, and efficiencies within service delivery.</p> <p>The Force's DFU is part of the Forensic Services Department and is governed alongside traditional forensic services. This recommendation was reported to Scrutiny Meeting as complete in June 2023.</p>		08/06/2023	No issues raised.	02/11/2023

Report Title	Business Lead	Executive Lead	Recommendation/ Area for Improvement (AFI)	Number of Recommendations/AFIs (and number considered complete on the HMICFRS Monitoring Portal)		Of those outstanding, number considered complete by the Force	HMICFRS Level for follow-up activity	Context	Anticipated completion date	Progress on delivery	RAG	Reported to Scrutiny Meeting	PCC response	Next report to Scrutiny Meeting
An inspection of the north-east regional response to serious and organised crime Published 07/12/2022 CC response to PCC: 19/01/2023 PCC Section 55 response: xx Reported to JIAC: 27/02/2023	Head of Crime	ACC (Crime and Safeguarding)	AFIs	2 (0)	0		3	<b>Issue</b> HMICFRS was concerned to find that there were three teams struggling with workloads (the Paedophile Online Investigation Team, the Financial Investigations Unit and the Covert Authorities Bureau).  In addition, inspectors recommended that regional chief constables should appoint a single dedicated chief officer to lead the regional response to serious and organised crime.		<b>Update: June 2023</b> Improvement plans are in place and additional resources have been secured to increase capacity in specialist areas.  The regional governance of the North East Regional Organised Crime Unit (NEROCU) is being considered and an amended governance structure is being proposed.		08/06/2023	No issues raised.	02/11/2023
An inspection of how well the police tackle serious youth violence Published 08/03/2023 CC response to PCC: 10/04/2023 PCC Section 55 response: xx Reported to JIAC: 17/07/2023	Ch Supt Central Area Command	T/ACC (Communities)	Recs	2 (0)	0		2	<b>Issue</b> HMICFRS highlighted that chief constables should make sure their officers are trained in the use of Home Office crime outcome 22 (when diversionary, educational or intervention activity, resulting from the crime report, has been undertaken and it is not in the public interest to take any further action) and also that they should ensure that their forces, through data collection and analysis, understand the levels of racial disproportionality in serious youth violence in their force areas.	Mar-24	<b>Update: April 2023</b> The recommendations will be addressed through the Youth Serious Violence and Knife Crime Suppression Group and reported through the Prevention and Deterrence Group.  Current use of outcome 22 is low. The TREAD (Transformation/Resolution/Education and Adult Diversion) Team provides inputs to student officers, Criminal Investigation Department and Response Policing Teams during protected learning time to raise their knowledge and awareness of Outcome 22. There is also a training package on Kallidus LEARN which is referred to as 'Adult Divert From Charge'.  Outcomes related to youth serious violence as well as any disproportionate application or impact will be a key focus for the forcewide Youth Serious Violence and Knife Crime Suppression Group.		N/A	N/A	02/11/2023
Values and culture in fire and rescue services Published 30/03/2023 CC response to PCC: 03/08/2023 PCC Section 55 response: N/A Reported to JIAC: 17/07/2023	Head of Information Management Department	ACC (Force Coordination)	Rec	1 (0)	1		2	<b>Issue</b> This recommendation arose from a Fire Service inspection report where HMICFRS required confirmation that chief constables were appropriately using their Common Law Police Disclosure powers in circumstances involving employees of fire and rescue services.	Already compliant	<b>Update: June 2023</b> This recommendation has been reviewed by Information Management Department and it has been confirmed that National Police Chiefs' Council guidance is followed. This will be reported as complete to Scrutiny Meeting on 3rd August 2023.		N/A	N/A	03/08/2023
An inspection of how well the police and National Crime Agency tackle the online sexual abuse and exploitation of children Published 05/04/2023 CC response to PCC: 08/06/2023 PCC Section 55 response: xx Reported to JIAC: 17/07/2023	Head of Crime	ACC (Crime and Safeguarding)	Recs	11 (0)	0		2	<b>Issue</b> HMICFRS found that while officers are generally good at dealing with very high-risk cases, forces are often not properly responding to allegations or concerns about suspects, leading to unacceptable delays and missed opportunities. Many forces often wait too long before sharing information with partners, which means they can miss opportunities to refer children and families for support.	To be determined	<b>Update: June 2023</b> The Force context in relation to the report was provided to Business Meeting on 8 June 2023. The Force is well positioned against a number of the recommendations and Northumbria is one of only a few forces who have an intelligence team and analysts within the Paedophile Online Investigation Team (POLIT). Some recommendations require action by other bodies before they can be progressed by the Force. The recommendations have been reviewed and activity is being determined. They will be incorporated within the existing POLIT improvement plan.		N/A	N/A	02/11/2023

Level 1	No Force self-certification, no follow-up activity required
Level 2	Force self-certifies completion, no follow up activity conducted by HMICFRS
Level 3	Force self-certifies completion, HMICFRS follow-up via the next relevant planned inspection
Level 4	No Force self-certification, HMICFRS follow-up via further bespoke fieldwork

	On track - no concerns
	Progressing - additional action required to ensure delivery/delivery delayed
	Risk to completion



<b>Joint Independent Audit Committee</b>	<b>17 July 2023</b>
<b>Joint Strategic Risk Register</b>	
<b>Report of: Ruth Durham, Chief of Staff and Monitoring Officer (OPCC) &amp; Debbie Ford, Deputy Chief Constable (Northumbria Police)</b>	
<b>Author: Tanya Reade, Corporate Governance Manager, Corporate Development</b>	

## **I. PURPOSE**

- 1.1 To present the Joint Strategic Risk Register (JSRR); this incorporates the strategic risk(s) faced by the Force and OPCC within twelve thematic areas.

## **2. BACKGROUND**

- 2.1 The OPCC and Northumbria Police share a JSRR. Each strategic risk is assigned a Chief Officer or OPCC owner(s), who has responsibility for the management of controls and the implementation of new controls where necessary.

### **Governance of the Joint Strategic Risk Register**

- 2.2 The JSRR identifies each risk, provides context to the risk, and identifies current factors affecting thematic areas and captures 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 updated, where necessary.
- 2.3 Area Commanders, Department Heads, Senior Management Teams and the OPCC are responsible for the identification of emerging risks, some of which might not be controlled locally and have the potential to prevent the Force and PCC from achieving objectives. Risks are escalated in-line with the governance and decision-making structures and recorded on the JSRR. Recommendations and areas for improvement following external inspections are considered to ensure they are adequately reflected in current risks.
- 2.4 The JSRR 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 (JIAC) provide additional scrutiny and governance on a quarterly basis.
- 2.5 The JSRR captures risk(s) in twelve thematic areas: Digital Policing; Finance; Governance; Information and Data Management; Information and Data Quality; Infrastructure and Assets; Operational; Partnership and Collaboration; Public Confidence; Regulation and Standards; Strategy; and Workforce.
- 2.6 Appendix A provides an overview of the current RAG status of the strategic risks for Northumbria Police, alongside the Force Strategic Risk Register.

- 2.7 Appendix B provides an overview of the current RAG status of the risks for the OPCC, alongside the register.

**Key Updates to the Force Strategic Risk Register**

**I. Digital Policing - Inability of the Force to respond effectively to service demand due to loss or failure of mission and business critical technology solutions.**

- 2.8 Current factors have been updated to reflect the withdrawal from the existing contract with NEC to implement Connect and the subsequent procurement process to secure an alternative Records Management System replacement for NPICCS.
- 2.9 The summary of controls have also been updated to include:
- Approved funding to upgrade the current hardware and change/migrate the software; targeted completion December 2023.
  - Extension of existing Cobol resources.
  - A review by the NPICCS Replacement Team of the impact of call off from the NEC contract and remaining with existing systems.
- 2.10 Likelihood remains medium (3) and impact high (4).

**5. Information and Data Quality - Challenges in efficiently and effectively managing data through the technical and cultural implementation of control measures, storage and practice in support of existing and new operating platforms.**

- 2.11 Current factors have been updated to remove reference to the migration to Connect.
- 2.12 The removal of associated risks with implementation on data storage, audit and access capability have enabled re-assessment of the risk in conjunction with the Information Security & Assurance Manager.
- 2.13 Likelihood has reduced from medium (3) to low (2); impact remains high (4). This has reduced the assessment of risk in this thematic area from high to medium at this time.

**9. Public Confidence - The loss of public confidence in Northumbria Police due to the behaviour, conduct, actions or inaction of Northumbria Police as an organisation or individuals representing the Force.**

- 2.14 Ownership has transferred from ACC (Communities) to the Deputy Chief Constable.

**11. Strategy - Northumbria Police fails to deliver its strategic objectives and those of the Police and Crime Plan, due to ineffective business planning, including effective management of performance, risk, demand, transformation, workforce and finance.**

- 2.15 Current factors have been updated to remove reference to the implementation and impact of Northgate Connect.
- 2.16 Likelihood remains low (2) and impact high (4).
- 2.17 Four areas are assessed as high risk: Digital Policing, Finance, Information and Data Management and Workforce.
- 2.18 The annual review of the Force Strategic Risk Register is underway. As part of this, the Force is developing its Risk Appetite i.e. the amount of risk it is prepared to accept, tolerate, or be exposed to at any point in time for each of the thematic areas.

**Annual Review of the OPCC Strategic Risk Register**

- 2.19 The OPCC senior leadership team have carried out the annual review of the strategic risks facing the Police and Crime Commissioner's office and propose to make the following changes to ensure risks are fully captured and actions are in place to mitigate escalation.
- 2.20 The review identified no additional risks to be added to the OPCC Strategic Risk Register and no risks are proposed to be removed. Appendix B details the reviewed OPCC Strategic Risk Register and an overview is shown below.
- 2.21 The OPCC has assessed one area as high risk: Finance.

**OPCC Finance - Government reduces funding to PCCs/Police Forces which results in a reduced service ability. The need to contain expenditure within available resources and enable Northumbria Police to police effectively.**

- 2.22 The current factors have been updated to reflect the now shorter-term certainty around the scope of precept increases.
- 2.23 Likelihood remains high (4) and impact high (4).

**OPCC Governance - Existing arrangements for the PCC to carry out robust scrutiny and hold the Chief Constable to account for efficient and effective delivery of the Police and Crime Plan are ineffective or inconsistent.**

- 2.24 The current factors have been updated to reflect that the Chief Constable has been in post for three months and the ongoing professional relationship with the PCC is developing in line with the controls outlined for governance.
- 2.25 Likelihood remains very low (1) and impact low (2).

**OPCC Partnership & Collaboration – Reduction in or withdrawal of partnership working for the OPCC leading to a failure to identify, develop and retain collaborative arrangements that support communities with sustainable multi agency responses.**

- 2.26 The position remains much as outlined in the risk, with the overarching risk being the uncertainty of long-term sustained resourcing and the resource impact of short-term bidding and delivery models.
- 2.27 Likelihood remains low (2) and impact high (4).

**OPCC Public Confidence – Loss of public confidence in the PCC resulting from a lack of engagement and communication, leading to a failure to reflect public priorities in the Police and Crime Plan. Failure to hold the Chief Constable to account on behalf of the public for delivery of their priorities or deliver other statutory obligations.**

- 2.28 An additional control has been added that includes the newly introduced quarterly OPCC service confidence in policing report from the PCC to the Chief Constable. The report provides an overview of the public issues and concerns that have been raised via the OPCC and reflects on police complaints review outcomes.
- 2.29 Likelihood remains low (2) and impact high (4).

**3. CONSIDERATIONS**

<b>Government Security Classification</b>	Official
<b>Freedom of Information</b>	Non-Exempt
<b>Consultation</b>	Yes
<b>Resources</b>	No
<i>There are no additional financial considerations arising from this report.</i>	
<b>Code of Ethics</b>	No
<i>There are no ethical implications arising from the content of this report.</i>	
<b>Equality</b>	No
<i>There are no equality implications arising from the content of this report.</i>	
<b>Legal</b>	No
<i>There are no legal considerations arising from the content of this report.</i>	
<b>Risk</b>	No
<i>There are no additional risk management implications directly arising from this report.</i>	
<b>Communication</b>	No
<b>Evaluation</b>	No

**AGENDA ITEM 6 - APPENDIX A**

**Overview of the RAG status of Strategic Risk – Northumbria Police**

		IMPACT				
		Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
LIKELIHOOD	Very High (5)					
	High (4)				2 Finance	
	Medium (3)			10 Regulation and Standards	1 Digital Policing 4 Information and Data Management 12 Workforce	
	Low (2)			6 Infrastructure and Assets	5 Information and Data Quality 7 Operational 8 Partnership and Collaboration 9 Public Confidence 11 Strategy	
	Very Low (1)	3 Governance				

**Assessment of Risk**

Risks are rated on the basis of the likelihood of the risk materialising and the impact this would have. It is recognised rating risk is not an exact science and should be informed by evidence where possible.

Professional knowledge, judgement and active consideration are applied in assessing the likelihood and impact of a risk materialising; this is more important than the nominal rating itself.

The purpose of the rating of risk is to focus attention to ensure appropriate and proportionate mitigation plans and controls are in place.

L i k e l i h o o d	5. VERY HIGH	5	10	15	20	25
	4. HIGH	4	8	12	16	20
	3. MEDIUM	3	6	9	12	15
	2. LOW	2	4	6	8	10
	1. VERY LOW	1	2	3	4	5
		1. VERY LOW	2. LOW	3. MEDIUM	4. HIGH	5. VERY HIGH
	Impact					

The overall outcome of a risk rating assessment will identify the risk as being **very low/low (Green)**, **medium (Amber)** or **high/very high (Red)**. The residual risk rating is included on the Force Strategic Risk Register as a single overall score (identified by multiplying the impact by the likelihood rating) after controls/mitigations have been put in place.

**Key:**

**Green: Very Low/Low -** Unlikely to occur or the risk is fully manageable. Likely to lead to no or only tolerable delay in the achievement of priorities.

**Amber: Medium -** The Force is actively managing the risk as is practicable. The risk may lead to moderate impact on the achievement of priorities.

**Red: High/Very High -** The Force has only limited ability to influence in the short term; however, is actively managing. The risk may lead to considerable impact on the achievement of priorities.

<b>I</b>	<b>Strategic Risk Area – Digital Policing</b>
	<b>Risk – Inability of the Force to respond effectively to service demand due to loss or failure of mission and business critical technology solutions.</b>
Owner(s)	Chief Information Officer
Governance & Oversight	Transformation Board
Context	<ul style="list-style-type: none"> <li>▪ Limitations of current digital policing systems and the impact on service delivery.</li> <li>▪ Loss of critical digital policing services.</li> <li>▪ Significant information technology (IT) transformation programme.</li> <li>▪ A malicious intent to compromise or access information or data.</li> <li>▪ Failure of national projects to deliver on time and to specification.</li> </ul>
Current factors	<ul style="list-style-type: none"> <li>▪ New technology/new working practices being introduced.</li> <li>▪ Major IT Transformation now running (improve and remodel phase).</li> <li>▪ Withdrawal from the existing contract with NEC to implement Connect.</li> <li>▪ Subsequent procurement process to secure an alternative Records Management System replacement for NPICCS.</li> <li>▪ Delay in replacement of the People systems.</li> </ul>
Potential consequence	<ul style="list-style-type: none"> <li>▪ Ineffective IT system to support business processes.</li> <li>▪ Inability to effectively communicate with partners and the public.</li> <li>▪ Loss of information from systems as a result of a cyber-attack.</li> <li>▪ Loss of confidence in systems and the organisation from users, the public and partner organisations.</li> <li>▪ Loss of people data due to out of service life and unsupported core people systems internally and externally.</li> </ul>
Summary of Controls	<ul style="list-style-type: none"> <li>▪ Effective disaster recovery controls in place with appropriate management of core system recovery and associated business continuity plans.</li> <li>▪ Significant investment in place to provide core IT services.</li> <li>▪ Digital Strategy supported by key underlying strategies.</li> <li>▪ Digital Policing senior leadership team and robust governance via the local Digital Policing Board in place.</li> <li>▪ Centralised hardware security monitoring now fully operable via the National Management Centre provided by the National Enabling Programme.</li> <li>▪ Greater security enhancement via enhanced Firewalls and access controls.</li> <li>▪ Annual and ad-hoc penetration testing regime embedded.</li> <li>▪ Recruitment and retention arrangements being finalised over transition period.</li> <li>▪ Recruitment to structure on target and to plan to achieve required capacity and capability.</li> <li>▪ Improved attraction and retention activities being undertaken.</li> <li>▪ Dedicated Solution Delivery function focussed on project delivery of the transformation programme.</li> </ul>

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	<ul style="list-style-type: none"> <li>▪ NPICCS replacement Team review of the impact of call off from NEC contract and remain with existing systems.</li> <li>▪ Project approved, funded and initiated to upgrade the current NPICCS hardware to new equipment and change / migrate the NPICCS software. Targeted completion December 2023.</li> <li>▪ Existing Cobol resources extended and capacity increased.</li> <li>▪ Improved agile working capabilities for project delivery staff in place and effective.</li> <li>▪ Implementation of Smart Contact Command and Control solutions removing the threat of loss of 999 and 101 calls due to loss of NPICCS.</li> <li>▪ Automated and manual patching of key systems and operating systems completed across critical, high and medium high systems, now monitored through Digital Policing Board and Operational Information Management Board.</li> <li>▪ Increase in the frequency and types of backups of the people data and full system backups to minimise any loss.</li> <li>▪ Periodic restores and read tests in place to ensure backup is viable.</li> <li>▪ Introduction of infrastructure to refresh and improve WAN and LAN and WIFI network and improve remote access resilience.</li> </ul>	
Likelihood	3	
Impact	4	<b>12</b>

<b>2</b>	<b>Strategic Risk Area – Finance</b>
	<b>Risk – Reduction in funding and/or funding pressures which require changes to financial planning and/or a change to the resourcing of service delivery.</b>
<b>Owner(s)</b>	Chief Constable and Chief Finance Officer
<b>Governance &amp; Oversight</b>	Executive Board/Business Meeting
<b>Context</b>	<ul style="list-style-type: none"> <li>▪ A review of the funding formula used by government to distribute grant funding to police forces in England and Wales may lead to a reduction in the percentage of central government police funding allocated to Northumbria Police.</li> <li>▪ Reduction in central government funding as announced in the annual Home Office (HO) Police Funding Settlement.</li> <li>▪ The funding settlement currently provides certainty for only one financial year and carries continued long-term uncertainty over several funding strands, including Uplift and Pensions for the next two years.</li> <li>▪ Continued global cost pressures and cost of living increases are not funded with the grant settlement, leading to the necessity for efficiencies.</li> <li>▪ Other public sector funding reductions may reduce services provided, leading to increased service pressure on Northumbria Police and a need to look at potential collaboration opportunities.</li> <li>▪ In-year events or changes, outside of Northumbria Police's control, may lead to unbudgeted costs that cannot be met from within the annual budget.</li> </ul>
<b>Current factors</b>	<ul style="list-style-type: none"> <li>▪ The Government has stated the review of the Police Allocation Formula (PAF) will be completed in this parliament; this however may be delayed.</li> <li>▪ In force financial implications of pension remedy, which are currently being progressed based on national guidance.</li> <li>▪ Inflationary rises and supply chain issues are creating significant cost pressures in current and future budget predictions, without any increases in funding.</li> </ul>
<b>Potential consequence</b>	<ul style="list-style-type: none"> <li>▪ A reduction to national funding, short notice changes or extraordinary increases in cost may require a change in short- and medium-term force financial planning, including a need to deliver unplanned efficiencies and savings thereby impacting on service delivery.</li> <li>▪ Any in-year pressures which become a forecast overspend must be addressed through consideration of in-year efficiencies and discussions with the Police and Crime Commissioner (PCC) relating to any appropriate use of reserves to manage the in-year impact.</li> </ul>
<b>Summary of Controls</b>	<ul style="list-style-type: none"> <li>▪ Transparent ownership of financial matters between the PCC and Chief Constable.</li> </ul>

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	<ul style="list-style-type: none"><li>▪ Well understood in-year financial monitoring and reporting governance.</li><li>▪ An effective Reserves Strategy to provide mitigation against known and potential future events (COVID-19 Enforcement and Operational, Emergency Services Network, Pension, inflationary Reserves etc.), plus reserves providing financing to planned future investments.</li><li>▪ Full consultation, engagement and lobbying alongside and independently with the Police and Crime Commissioners Treasurers' Society, NPCC Treasurers group and the HO to influence funding for Policing and the North East.</li><li>▪ Effective forcewide Business Planning cycle and efficiency monitoring.</li><li>▪ An effective Workforce Plan and Force Operating Model to manage pay related spend.</li></ul>	
Likelihood Impact	4 4	<b>16</b>

<b>3</b>	<b>Strategic Risk Area – Governance</b>	
	<b>Risk – Failures originating from a lack of scrutiny, oversight, transparency, internal controls and adherence to legislation.</b>	
Owner(s)	Deputy Chief Constable	
Governance & Oversight	Executive Board	
Context	<ul style="list-style-type: none"> <li>▪ Chief Constable is unable to account to the PCC for the exercise of their functions and those under their direction and control.</li> <li>▪ There is a breakdown in relationship between the Force and Office of the Police and Crime Commissioner (OPCC).</li> </ul>	
Current factors	<ul style="list-style-type: none"> <li>▪ Challenging transformation programme.</li> <li>▪ Response to external inspection and investigation activity by His Majesty’s Inspectorate of Constabulary and Fire &amp; Rescue Services (HMICFRS).</li> </ul>	
Potential consequence	<ul style="list-style-type: none"> <li>▪ Inability to identify and respond to deteriorating performance resulting in policing priorities not being achieved.</li> <li>▪ Inability to work effectively in partnership to provide services to victims and witnesses.</li> <li>▪ Slippage/failure of projects, which hamper the achievement of objectives.</li> <li>▪ A decline in quality and service delivery, leading to a reduction in satisfaction levels.</li> <li>▪ Adverse external inspection reports, leading to recommendations and wider escalation.</li> <li>▪ Loss of public confidence.</li> </ul>	
Summary of Controls	<ul style="list-style-type: none"> <li>▪ Regular review of the governance and decision-making structure to ensure it provides appropriate governance arrangements.</li> <li>▪ A Joint Independent Audit Committee to provide advice to the PCC and Chief Constable on the principles of corporate governance.</li> <li>▪ Police and Crime Panel scrutiny of the functions of the PCC.</li> <li>▪ Annual Governance Statement is prepared setting out the Force’s current governance arrangements.</li> <li>▪ Role of HMICFRS to work with the PCC.</li> </ul>	
Likelihood Impact	1 2	<b>2</b>

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<b>4</b>	<b>Strategic Risk Area – Information and Data Management</b>
	<b>Risk – Challenges in adhering and complying with consistent and sustainable data management processes and standards to prevent data breaches.</b>
Owner(s)	Assistant Chief Constable (Force Coordination)
Governance & Oversight	Operational Information Management Board
Context	<ul style="list-style-type: none"> <li>▪ The replacement of Force legacy systems presenting competing data management compliance elements.</li> <li>▪ The complex alignment of digital policing architecture to ensure interoperability.</li> <li>▪ Developing workforce with inadequate Information Asset Owners (IAOs) and Information Asset Lead engagement.</li> <li>▪ A recognition of the current position of the force data infrastructure is required to identify associated data use risks, compliance and ethical issues to prevent a breach of relevant legislation and/or non-compliance with statutory guidance.</li> </ul>
Current factors	<ul style="list-style-type: none"> <li>▪ Increased demand due to Digital Policing Change Programme and associated interdependencies relating to new ways of working.</li> <li>▪ Additional threat from external sources relating to cyber related adverse impact.</li> </ul>
Potential consequence	<ul style="list-style-type: none"> <li>▪ Corruption or loss of Force systems.</li> <li>▪ Loss of data and information assets.</li> <li>▪ Failure to comply with both Force policy and procedure and Management of Police Information statutory guidance.</li> <li>▪ Force policy and procedure processing, storing and handling of data not followed.</li> <li>▪ Mishandling of information through a lack of understanding of relevant legislation (Data Protection Act 2018).</li> <li>▪ Failure to comply with Information Commissioner’s Office (ICO) best practice, standards and relevant codes of practice.</li> <li>▪ Litigation, legal action against the Force leading to enforcement action and monetary penalties.</li> <li>▪ Limited ability to access information and/or respond to requests for information.</li> <li>▪ Loss of confidence due to inappropriate or unlawful disclosures of personal data (internally and externally).</li> <li>▪ Compromise of operational activity and/or covert tactics.</li> <li>▪ Compromise of physical and technical security controls which would impact information assets and/or systems if vulnerability is exploited.</li> </ul>
Summary of Controls	<ul style="list-style-type: none"> <li>▪ Information Management Department (IMD) with more effective capability, including the roles of Data Protection &amp; Disclosure Adviser and Information Security &amp; Assurance Manager.</li> <li>▪ IMD and Digital Policing collaborating effectively to formally identify, document and mitigate risk through the implementation of innovative and measurable solutions.</li> <li>▪ Targeted and relevant audit and organisational learning process to identify inappropriate handling and management of information.</li> </ul>

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	<ul style="list-style-type: none"><li>▪ Oversight and management through the Governance and Decision-making structure – Operational Information Management Board.</li><li>▪ Implementation of formal Information Asset Registers, training, awareness and ongoing monitoring for IAOs and Information Asset Leads.</li><li>▪ Increased use of technical security controls and monitoring provided by the National Management Centre. Existing procedures in respect of data breaches ensure obligations placed on the organisation in such instances are met.</li><li>▪ Planned assurance schedule relating to critical systems and services.</li><li>▪ Monthly meeting with Senior Information Risk Owner to formally assess and govern risk.</li><li>▪ Force Opsy role identified and placed into IMD to improve operational security.</li></ul>	
Likelihood	3	<b>12</b>
Impact	4	

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<b>5</b>	<b>Strategic Risk Area – Information and Data Quality</b>
	<b>Risk – Challenges in efficiently and effectively managing data through the technical and cultural implementation of control measures, storage and practice in support of existing and new operating platforms.</b>
Owner(s)	Assistant Chief Constable (Force Coordination)
Governance & Oversight	Operational Information Management Board
Context	<ul style="list-style-type: none"> <li>▪ A recognition of the force’s ability to accurately collect and present data required to support decision making in all areas of business, whilst ensuring statutory data returns to relevant bodies are concise, accurate and timely.</li> <li>▪ The replacement of Force legacy systems presenting competing data collection processes.</li> <li>▪ The ability to assign accountability/ownership of data assets to ensure data is collected, stored and used appropriately.</li> <li>▪ The application of control measures that affect the way staff interact with data is needed to support the cultural change required to successfully deliver the new operating platforms.</li> <li>▪ The implementation of data storage, audit and access capability that is complementary across all new platforms is essential to ensure compliance, analysis and quality information readily accessible to staff to advise organisational and operational delivery.</li> </ul>
Current factors	<ul style="list-style-type: none"> <li>▪ Migration to new operating platforms, including Steria – Storm.</li> <li>▪ Legacy data and systems.</li> </ul>
Potential consequence	<ul style="list-style-type: none"> <li>▪ Inaccessible/inaccurate intelligence.</li> <li>▪ Up-to-date crime and intelligence data - specific data sets such as exhibits are not available to officers/staff or data is stored in various locations and formats without formal recording or RRD (Retention, Review, Deletion) processes in place. Inaccurate data leading to non-compliance with regulations, a potential negative impact upon investigations and subsequent loss of public confidence.</li> <li>▪ Reduction in force performance and delivery through poor and non-reflective data quality.</li> <li>▪ Failure to identify risk of vulnerability, officer, public safety.</li> <li>▪ Inaccurate data returns to the HO and other bodies e.g., HMICFRS.</li> <li>▪ Poor data quality affecting operational and business decisions, meaning that critical risk factors may be missed or not fully understood. E.g. Vulnerability, Officer Safety and Public Safety.</li> </ul>

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Summary of Controls	<ul style="list-style-type: none"> <li>▪ Investment in IT to support ongoing DP programme which integrates data management processes and wider compliance obligations.</li> <li>▪ Migration strategy as part of the Transformation 2025 programme IT strand to ensure data quality, accuracy and compliance with GDPR.</li> <li>▪ Implementation of Data Quality reviews and Audits to support ongoing improvements relating to handling methods, accuracy, review and retention.</li> <li>▪ Quality Standards Delivery Team.</li> <li>▪ Self-service updates (i.e. HRMS) to allow efficient and timely changes to data.</li> <li>▪ Use of the QlikSense Business Intelligence tool to identify compliance and data quality issues.</li> <li>▪ Engagement with the HO/National Police Chiefs' Council National Data Quality Improvement Service (NDQIS).</li> <li>▪ Implementation of holistic Information Asset Registers with accountable Owners and Leads.</li> <li>▪ Implementation of revised and enhanced processes and procedures relating to review, retention and disposal of electronic and physical assets with oversight and ongoing monitoring from the IMD.</li> <li>▪ Targeted training and ongoing support for all IAOs and Leads.</li> <li>▪ Enhanced external audit regime implemented that reflects the complexity and breadth of information management obligations and compliance regimes.</li> <li>▪ Revised compliance with ICO and legislative requirements (Record of Processing Activities, Data Flow Mapping etc.).</li> <li>▪ Information Management training mandated for all staff and officers with key performance indicators to Operational Information Management Board as a standing agenda item.</li> <li>▪ Dedicated communication and awareness plan for all staff and officers which targets key risks and impacts in a timely and effective manner.</li> </ul>	
Likelihood Impact	2 4	<b>8</b>

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<b>6</b>	<b>Strategic Risk Area – Infrastructure and Assets</b>
	<b>Risk - Failure to effectively manage assets to ensure continued effective service delivery through provision of equipment and facilities which keep the workforce capable; able to respond to the public and maintain the physical security and safety of our estate.</b>
Owner(s)	Assistant Chief Officer Corporate Services
Governance & Oversight	Operational Information Management Board (Physical Security) / People & Organisational Justice Board (Force Safety Group and subgroups)
Context	<ul style="list-style-type: none"> <li>▪ Failure to appropriately maintain assets may result in critical failure.</li> <li>▪ Failure to comply with building regulations and legislation regarding the safety of our estate.</li> <li>▪ Force must meet future sustainability and carbon reduction targets.</li> <li>▪ Failure to ensure officers and staff have the right assets and equipment available to perform their role.</li> </ul>
Current factors	<ul style="list-style-type: none"> <li>▪ Programme of works aligned to future Force Operating model needs to be established to meet operation, sustainability and carbon reduction requirements.</li> <li>▪ Implementation of New Ways of Working programme.</li> <li>▪ Delays and increased costs of Estates programme as a result of supply chain issues and inflationary pressures.</li> <li>▪ Delays in new supply of vehicles/availability of fleet as a result of global supply chain issues.</li> <li>▪ Physical security of buildings.</li> </ul>
Potential consequence	<ul style="list-style-type: none"> <li>▪ Injury to users of assets, detainees or the public.</li> <li>▪ Reduced availability of assets impacts on services across some or all business areas.</li> <li>▪ Litigation and civil claims.</li> <li>▪ Negative impact on the workforce and on public confidence.</li> <li>▪ Not achieving sustainability and carbon reduction targets.</li> </ul>
Summary of Controls	<ul style="list-style-type: none"> <li>▪ Understanding and review of the Force estate to ensure it is fit for purpose and used effectively.</li> <li>▪ Rationalise the estate where appropriate to align with future operating model and operating procedures.</li> <li>▪ Re-profiling of building refurbishment programme in-line with and New Ways of Working requirements and future Force Operating Model in place.</li> <li>▪ Established internal arrangements to minimise the impact of proposed estate and infrastructure changes/refreshes on the business.</li> <li>▪ Business Continuity Plans, Estate Strategies and policies and procedures in place.</li> <li>▪ Regular inspection, testing and maintenance programmes in place in respect of water hygiene, electricity and gas safety.</li> <li>▪ Fire risk assessments in place.</li> <li>▪ Asbestos management plan in place.</li> <li>▪ Health and Safety management embedded at tactical and strategic level.</li> <li>▪ New Fleet Strategy implemented in-line with carbon reduction targets.</li> <li>▪ New Fleet User Group to revise fleet use and force profile, including development of sustainable fleet measures.</li> </ul>

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	<ul style="list-style-type: none"><li>▪ Vehicle maintenance, transportation and installation partners are vetted to ensure security and continuity of service.</li><li>▪ Internal fuel stock maintained.</li><li>▪ Asset management software and/ or recording system in place.</li><li>▪ Telematics installed in all cars providing management oversight with timely maintenance and usage data.</li><li>▪ Operational equipment requirements are managed via the Force Safety Group and reported to the People &amp; Organisational Justice Board.</li></ul>	
Likelihood	2	<b>6</b>
Impact	3	

<b>7</b>	<b>Strategic Risk Area – Operational</b>
	<b>Risk – Inability to implement centralised force coordination ensuring sustainable capacity and capability to meet statutory requirements under the Civil Contingencies Act (CCA) and responsibilities from the Strategic Policing Requirement.</b>
Owner(s)	Assistant Chief Constable (Force Coordination)
Governance & Oversight	Strategic Management Board
Context	<ul style="list-style-type: none"> <li>▪ Implementation of a new Force Operating Model, demographic and operational placement of officers and staff.</li> <li>▪ A specific focus on Joint Emergency Services Interoperability Programme (JESIP) principles and preparedness planning through the Local Resilience Forum (LRF) to manage Major Incidents.</li> <li>▪ The national strategic threat and risk assessment in specialist areas of POPS, FA and MP has led to the identification of shifting threats from extremist groups and associated learning from public inquiries.</li> <li>▪ The uplift of staff and coordinated work force plan has predicted a significant gap in experience and skill base, particularly in specialist areas of investigation and public order.</li> <li>▪ A recognition of the Force’s ability to effectively deal with Societal Risks; Diseases; Natural Hazards; Major Accidents; Malicious Attacks to protect the public and comply with statutory requirements in these circumstances.</li> </ul>
Current factors	<ul style="list-style-type: none"> <li>▪ Current review of the CCA (Civil Contingencies Act).</li> <li>▪ Proposed wider remit of LRFs.</li> <li>▪ Statutory guidance for JESIP.</li> <li>▪ Force Operating Review.</li> <li>▪ Implementation of Response Policing Team shift pattern in January 2023.</li> <li>▪ Work Force Plan.</li> <li>▪ Significant Events.</li> </ul>
Potential consequence	<ul style="list-style-type: none"> <li>▪ Inability to meet core policing requirements.</li> <li>▪ Inability to respond effectively to Major Incidents.</li> <li>▪ Reduced staffing and service provision.</li> <li>▪ Inability to deliver services across some or all business areas.</li> <li>▪ Inability to project accurate resourcing to meet future demand.</li> <li>▪ Ability to meet mobilisation commitment.</li> <li>▪ Negative impact on public confidence.</li> <li>▪ Ineffective business continuity.</li> </ul>

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<p>Summary of Controls</p>	<ul style="list-style-type: none"> <li>▪ Robust business continuity plans in place across all area commands and departments.</li> <li>▪ Pandemic Multi-Agency Response Teams Plan with partners.</li> <li>▪ Concept of Operations developed in line with the States of Policing Matrix to support resourcing decisions in order to maintain critical functionality for the force.</li> <li>▪ Close working with National Police Coordination Centre (NPoCC) and the Regional Information and Coordination Centre to test and exercise mobilisation commitment and provide and request mutual aid as appropriate.</li> <li>▪ Mobilisation plan includes changes to NPoCC mobilisation commitment and deployments to British Overseas Territories.</li> <li>▪ Ability to implement agile ways of working and create secure estate environments.</li> <li>▪ Northumbria Police currently chairs the Northumbria LRF and work closely with partners on preparedness for civil emergencies and the testing and exercising of the multi-agency response.</li> <li>▪ LRF Strategic Coordination Group and Tactical Coordination Group currently activated with Vice Chair status on each group.</li> <li>▪ At Chief Constable level Recovery Plan and Recovery Coordination Group participation.</li> <li>▪ Ability to revise shift pattern to facilitate mobilisation of specialist staff, particularly in respect of TL2 assets.</li> <li>▪ Force Coordination Centre and daily pace setter meetings to align demand and resources.</li> </ul>	
<p>Likelihood Impact</p>	<p style="text-align: center;">2 4</p>	<p style="text-align: center;"><b>8</b></p>

<b>8</b>	<b>Strategic Risk Area – Partnership &amp; Collaboration</b>
	<b>Risk – Loss or reduction in opportunities to work in partnerships or collaborations and subsequent impact on service delivery. Ineffective management of new and current commercial contracts leading to reduced service delivery and/or low value for money.</b>
Owner(s)	Deputy Chief Constable
Governance & Oversight	Joint Business Meeting / Strategic Management Board - Business
Context	<ul style="list-style-type: none"> <li>▪ Lack of scoping and user requirements at the outset of partnerships/collaboration or commercial interest.</li> <li>▪ Financial constraints on public services.</li> <li>▪ Cost of living and inflation impacting economy and changing opportunities.</li> <li>▪ Lack of integrated planning with partners to identify opportunities.</li> <li>▪ Significant reduction in services provided by key and/or statutory partners such as CPS, HMCTS, Local Authorities (LAs) and health service providers which increases demands on policing.</li> <li>▪ Failure of collaborative agreements.</li> <li>▪ Reduced commitment to Community Safety Partnerships (CSPs) and joint objective setting due to competing demands within LAs.</li> </ul>
Current factors	<ul style="list-style-type: none"> <li>▪ Reduction in safeguarding activity and preventative work, particularly relating to serious violence and anti-social behaviour.</li> <li>▪ Ability to manage commercial contracts.</li> <li>▪ Missed opportunities for further partnership collaboration with partners.</li> <li>▪ Cost of living / inflation is affecting commercial businesses and public sector.</li> <li>▪ Ability of partners to deliver services.</li> </ul>
Potential consequence	<ul style="list-style-type: none"> <li>▪ Gaps in services and support to communities.</li> <li>▪ Missed opportunities to prevent and reduce crime and disorder.</li> <li>▪ Reduced public confidence.</li> <li>▪ Reduced opportunities for more efficient and effective services.</li> <li>▪ Increased costs due to poor scoping and/or contract management.</li> <li>▪ Missed learning opportunities for partner agencies from serious case reviews.</li> <li>▪ Police resource used to fill gaps created by non-delivery of partnership services, depleting capacity to provide policing services.</li> </ul>
Summary of Controls	<ul style="list-style-type: none"> <li>▪ Improving partnership governance arrangements and joint partnership plans through CSPs and wider multi-agency arrangements</li> <li>▪ Force wide business planning cycle and delivery of local business plans informed by partnership data and engagement.</li> <li>▪ Strategic Design Authority and Transformation Programme to improve scope and user requirements of procured services with clear benefits tracking via Efficiency Steering Group.</li> <li>▪ Improving understanding of demand and external influences of demand enabling effective management of response.</li> <li>▪ Business continuity plans between relevant partners.</li> </ul>

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	<ul style="list-style-type: none"><li>▪ Access to local and/or national support programmes.</li><li>▪ Ongoing management of commercial contracts.</li><li>▪ Tracking of business benefits following adoption of recommendations made in HMICFRS Thematic report 'The Hard Yards'.</li><li>▪ Joint work between agencies e.g. Newcastle Safeguarding Children's and Adults Boards and Safer Newcastle to produce a Serious Violence and Criminal Exploitation Strategy.</li><li>▪ Ability to introduce and maintain joint Criminal Justice Impact and Recovery working exercises when required, utilising resources across disciplines to meet demand.</li><li>▪ Increased early interventions and out of court disposals in place for young people.</li></ul>	
Likelihood Impact	2 4	<b>8</b>

<b>9</b>	<b>Strategic Risk Area – Public Confidence</b>
	<b>Risk – The loss of public confidence in Northumbria Police due to the behaviour, conduct, actions or inaction of Northumbria Police as an organisation or individuals representing the Force.</b>
Owner(s)	Deputy Chief Constable
Governance & Oversight	Engaged Communities Group/Ethics Advisory Board/Organisational Learning Board/People & Organisational Justice Board/ /Public Confidence and Standards Board
Context	<ul style="list-style-type: none"> <li>▪ Force or an associated individual acts in an inappropriate, discriminatory way or demonstrates corrupt behaviour.</li> <li>▪ Death or serious injury following police contact or other adverse or critical incident, as a result of police action or omission.</li> <li>▪ Misuse or deliberate disclosure of sensitive data or information.</li> <li>▪ Public perceptions of police ineffectiveness in relation to offences disproportionately impacting on specific communities or those with protected characteristics.</li> <li>▪ Reduced legitimacy due to poor engagement.</li> <li>▪ Publication of recent reports, including Dame Louise Casey review of Metropolitan Police, Operation Hotton and the findings following the murder of Sarah Everard.</li> </ul>
Current factors	<ul style="list-style-type: none"> <li>▪ Abuse of authority for financial or sexual purpose, fraud or theft.</li> <li>▪ Awareness of risk within workforce (Abuse of Authority for a Sexual Purpose (AA4SP), misogyny, discrimination) and increase in associated misconduct cases.</li> <li>▪ Current operating context and legitimacy in use of police powers.</li> <li>▪ Disproportionality in use of powers.</li> <li>▪ Identification and response to organisational learning opportunities.</li> <li>▪ Public perception that ineffective response to Violence Against Women and Girls (VAWG), hate crime and victimisation of Black, Asian and minority ethnic communities is influenced by cultural issues misogyny/ institutional racism.</li> </ul>
Potential consequence	<ul style="list-style-type: none"> <li>▪ Abuse of authority for financial or sexual purpose, fraud or theft.</li> <li>▪ Increased civil unrest.</li> <li>▪ Perception of disparity damaging confidence of minority groups.</li> <li>▪ Litigation, legal action against the Force.</li> <li>▪ Reduced public confidence.</li> </ul>

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<p>Summary of Controls</p>	<ul style="list-style-type: none"> <li>▪ Effective governance arrangements.</li> <li>▪ Independent advisory groups and Scrutiny Panels for use of powers.</li> <li>▪ Force Engagement Strategy and systems.</li> <li>▪ Forcewide internal communications to increase awareness of behaviour and standards.</li> <li>▪ Completion of Equality Impact and Community Tension Assessments.</li> <li>▪ Force VAWG Strategy, Race Action Plan and Hate Crime Delivery Plan.</li> <li>▪ Dedicated Counter Corruption Unit with appropriate capacity and capability to deliver a full range of covert tactics.</li> <li>▪ Internal threat awareness through Professional Standards Department risk matrix and abuse of authority problem profile.</li> <li>▪ Vetting procedures in-line with APP on Vetting.</li> <li>▪ Identification and review of organisational learning, with oversight by the force Organisational Learning Board.</li> <li>▪ Forcewide training for all staff.</li> <li>▪ Continuous Performance &amp; Development Review of staff via performance management frameworks.</li> <li>▪ Focus on diversity in recruitment, attraction, selection and retention.</li> </ul>	
<p>Likelihood Impact</p>	<p style="text-align: center;">2 4</p>	<p style="text-align: center;"><b>8</b></p>

**AGENDA ITEM 6 - APPENDIX A**

<b>10</b>	<b>Strategic Risk Area – Regulation &amp; Standards</b>	
	<b>Risk – Northumbria Police and/or its staff, fail to operate within the regulatory framework defined by law or by force policy. In doing so, creating risks which may result in harm to individuals, groups or organisations.</b>	
Owner(s)	Deputy Chief Constable	
Governance & Oversight	Public Confidence & Standards Board/Engaged Communities Group/People & Organisational Justice Board	
Context	<ul style="list-style-type: none"> <li>▪ Litigation, legal action and/or prosecution of the Force and/or individuals by former officers or staff members.</li> <li>▪ Failure to comply with regulatory frameworks.</li> </ul>	
Current factors	<ul style="list-style-type: none"> <li>▪ Increased scrutiny and challenge on police powers and super complaints.</li> <li>▪ Significant events impacting on public confidence over last 12 months.</li> <li>▪ Change in legislation in relation to protest may result in legal challenge.</li> <li>▪ Increase awareness and reporting of AA4SP could result in legal action against force for failure to prevent.</li> </ul>	
Potential consequence	<ul style="list-style-type: none"> <li>▪ Litigation, legal action and/or prosecution of the Force and/or individual staff.</li> <li>▪ Associated costs of dealing with litigation.</li> <li>▪ Negative impact on the workforce and public confidence.</li> <li>▪ Failure to achieve/maintain relevant ISO/IEC accreditation in line with relevant codes of practice.</li> <li>▪ Failure to comply with relevant Health and Safety regulations.</li> </ul>	
Summary of Controls	<ul style="list-style-type: none"> <li>▪ Central review of all civil claims, with adverse trends and lessons learnt reported to People &amp; Organisational Justice Board/ Organisational Learning Board.</li> <li>▪ Audit arrangements and Quality Management System.</li> <li>▪ ISO governance meeting.</li> <li>▪ Health and Safety Management System and provision of health and safety advice.</li> <li>▪ Investigations and review of health and safety incidents, with lessons learnt reported to People &amp; Organisational Justice Board.</li> <li>▪ Introduction of scrutiny panel for use of police powers.</li> <li>▪ Force policy on mandatory use of Body Worn Video at key incidents/events.</li> <li>▪ External Scrutiny panel for use of police powers (Use of Force/Stop &amp; Search).</li> <li>▪ Force approach to identify and reduce AA4SP.</li> <li>▪ Introduction of Force Public Confidence &amp; Standards Board and external scrutiny oversight board</li> </ul>	
Likelihood	3	<b>9</b>
Impact	3	

<b>11</b>	<b>Strategic Risk Area – Strategy</b>
	<b>Risk – Northumbria Police fails to deliver its strategic objectives and those of the Police and Crime Plan, due to ineffective business planning, including effective management of performance, risk, demand, transformation, workforce and finance.</b>
Owner(s)	Chief Constable
Governance & Oversight	Executive Board
Context	<ul style="list-style-type: none"> <li>▪ Failure to deliver the Force Strategic Priorities.</li> <li>▪ Failure to deliver against objectives set out in the Police and Crime Plan.</li> <li>▪ Failure to achieve the business benefits from the Transformation Programme.</li> <li>▪ Compliance and standards not meeting acceptable levels impacting on victim services and public confidence.</li> <li>▪ Failure to meet areas for improvement highlighted by external bodies.</li> </ul>
Current factors	<ul style="list-style-type: none"> <li>▪ COVID recovery impacting on Newcastle Crown Court backlog.</li> <li>▪ Increased demand as the force implements the Transformation Programme.</li> <li>▪ Development of operating model able to support future demand.</li> </ul>
Potential consequence	<ul style="list-style-type: none"> <li>▪ Deteriorating performance resulting in policing priorities not being achieved.</li> <li>▪ A decline in quality and service delivery, leading to a reduction in satisfaction and confidence.</li> <li>▪ Adverse external inspection reports, leading to recommendations and wider escalation.</li> <li>▪ Reduction in services provided to victims and witnesses as a result of ineffective partnership working with other criminal justice agencies.</li> <li>▪ Delays to criminal justice outcomes.</li> <li>▪ Slippage/failure of projects, which hamper the achievement of objectives.</li> </ul>
Summary of Controls	<ul style="list-style-type: none"> <li>▪ Annual preparation of Force Management Statement.</li> <li>▪ Business planning cycle and delivery of local business plans.</li> <li>▪ Forcewide Performance Management Framework.</li> <li>▪ Oversight and management of performance using the Governance and Decision-making structure.</li> <li>▪ Transformation 2025 Programme.</li> <li>▪ Local Criminal Justice Board (LCJB) Plan and supporting governance structures.</li> <li>▪ Effective relationships and communication with partners locally enabling response to national issues (e.g. LCJB Strategic Recovery Group).</li> <li>▪ Victim service review to improve service delivery to victims of crime and investigative standards.</li> <li>▪ Implementation of a Northumbria Police Victim and Witness Service.</li> </ul>

**AGENDA ITEM 6 - APPENDIX A**

	<ul style="list-style-type: none"><li>▪ Development and implementation of financial and efficiency planning focused on delivery of Force strategic priorities.</li><li>▪ Realisation of benefits linked to delivery of the transformation programme.</li><li>▪ Review of operating model and resourcing strategy.</li></ul>	
Likelihood Impact	2 4	<b>8</b>

<b>12</b>	<b>Strategic Risk Area – Workforce</b>
	<b>Risk - Reduction in attraction and retention</b>
Owner(s)	Assistant Chief Officer Corporate Services
Governance & Oversight	People & Organisational Justice Board, Strategic Resourcing Delivery Board, Strategic Design Authority, Transformation Board, Public Confidence and Standards Board
Context	<p>To attract, retain and develop a high performing and engaged workforce we must ensure:</p> <ul style="list-style-type: none"> <li>• We have an environment which promotes and displays positive behaviours driven at all levels and led by Chief Officers, with a clear commitment to enhance value and engagement.</li> <li>• Our people feel confident to challenge and call out adverse behaviours at every level.</li> <li>• There is a focus on wellbeing and a commitment to support and maintain manageable workloads.</li> <li>• Implementation of a modernised total rewards package, reflective of a diverse workforce.</li> <li>• A strong and relevant employer brand, which is realistic and reflective of our internal culture, whilst recognising our focus on improvement.</li> <li>• Operating models and roles have clarity and a long-term vision to support attraction, through delivery of a Resourcing Strategy.</li> <li>• A focus on increased growth in investigative and other specialist roles is supported.</li> <li>• E-recruitment and vetting processes are efficient to match required hiring pace whilst ensuring standards continue to be met.</li> </ul>
Current factors	<ul style="list-style-type: none"> <li>• Lack of clarity on future skills requirements based on understanding of current and future operating models.</li> <li>• Limited understanding of people performance and talent.</li> <li>• Buoyant and active job market continues to show high levels of vacancy at local and national level.</li> <li>• Increased challenges to meet diversity ambitions, given recent census data and limited diversity applicant pool, which is in high demand from all sectors.</li> <li>• Societal challenges and adverse press coverage across policing which impact on overall attraction.</li> <li>• Challenges in meeting changing workforce expectations.</li> <li>• Challenges in the attraction of investigative resources through internal supply routes.</li> <li>• Increased police staff attrition particularly between one to three years and potential increase in police officer attrition.</li> <li>• Skills shortages in specialist / technical roles due to current recruitment climate with marked differences in remuneration, flexibility and pay when compared to other sectors.</li> </ul>
Potential consequence	<ul style="list-style-type: none"> <li>• Failure to secure a diverse and engaged workforce.</li> <li>• Reduction in performance and service delivery.</li> <li>• Failure to deliver services in technical and specialist areas impacting on public trust and confidence.</li> </ul>

**AGENDA ITEM 6 - APPENDIX A**

	<ul style="list-style-type: none"> <li>• Impact on investigative standards and quality due to insufficient investigative resources to meet demand.</li> <li>• Lack of representation of the communities we serve.</li> <li>• Impact on wellbeing due to high vacancy and turnover rates.</li> <li>• Loss of key skills and knowledge through high turnover.</li> <li>• Increased attraction, engagement and recruitment cost.</li> <li>• Inability to deliver or delays in the delivery of the Transformation Programme due to a lack of specialist and/or technical skills.</li> </ul>
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Summary of Controls	<ul style="list-style-type: none"> <li>• A People Strategy underpinned by specific people pillars provides direction and clarity to create suitable environments to support attraction, recruitment and development of our people.</li> <li>• A Standards, Ethics and Behaviours Plan which promotes activity and learning to create an environment to support attraction and retention and improves performance.</li> <li>• A Resourcing Strategy which enables each business area to deal with the demand, design, supply, capacity and capability of its resources.</li> <li>• Continuous engagement with Chief Officer and business leads to ensure clarity of operating models is achieved.</li> <li>• Detailed workforce plans for officers and staff are reviewed periodically and adjustments made when necessary to ensure plans remain affordable and achievable.</li> <li>• Investigative capacity and capability requirements are managed, and progress monitored via the Investigative Capability Gold Group with oversight through the Strategic Resourcing Delivery Board.</li> <li>• Operational Resourcing Meeting established to monitor, coordinate and agree operational resourcing requirements at tactical level.</li> <li>• Use of agency / organisations to provide burst capability for technical skills.</li> <li>• Diversity, Equality &amp; Inclusion Strategy and Plan (including Positive Action strategy/plan) are embedded in the People Strategy and core people pillars.</li> <li>• Development of a Retention Strategy to address workforce retention and attrition.</li> <li>• Implementation of a new salary model following delivery of Role, Reward and Pay project.</li> <li>• Bespoke support and significant investment to increase pay competitiveness across Digital Policing, securing skills required for critical transformation projects.</li> </ul>	
Likelihood Impact	3 4	<b>12</b>

**AGENDA ITEM 6 - APPENDIX B**

**Overview of the RAG status of Strategic Risk – OPCC**

<b>LIKELIHOOD</b>	Very High (5)				
	High (4)			(OPCC) Finance	
	Medium (3)				
	Low (2)			(OPCC) Partnership and Collaboration  (OPCC) Public Confidence	
	Very Low (1)	(OPCC) Governance			
	Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
	<b>IMPACT</b>				

**OPCC has identified risks in four thematic risk areas: Finance; Governance; Partnership and Collaboration; and Public Confidence**

**AGENDA ITEM 6 - APPENDIX B**

<b>OPCC</b>	<p><b>Strategic Risk – Finance (OPCC)</b></p> <p><b>Government reduces funding to PCCs/Police Forces which results in a reduced service ability. The need to contain expenditure within available resources and enable Northumbria Police to police effectively.</b></p>
Owner(s)	Chief Finance Officer – OPCC
Governance and Oversight	Joint Business Meeting/OPCC Business Meeting
Context	<ul style="list-style-type: none"> <li>▪ The review of the funding formula used by government to distribute grant funding to police forces in England and Wales may lead to a reduction in the percentage of central government police funding allocated to Northumbria.</li> <li>▪ The PCC has a robust, balanced Medium-Term Financial Strategy (MTFS) that meets the medium-term financial plans of the Chief Constable and facilitates delivery against the Police and Crime Plan.</li> <li>▪ The balanced nature is predicated by the risk of Home Office funding being guaranteed for one year only which requires an annual review of the MTFS and potential reprioritisation of spending plans.</li> <li>▪ Affordability may also be affected by continued global cost pressures and cost of living increases that are not funded within the grant settlement; or changes in national interest rates driving up the cost of borrowing, leading to the necessity for efficiencies or reductions in services.</li> <li>▪ Reserves policy is crucial to medium-term sustainability.</li> <li>▪ In-year financial monitoring must be robust.</li> </ul>
Current factors	<ul style="list-style-type: none"> <li>▪ Settlement 2023/24 remains one year only. Information for future years remains an indicative minimum increase for policing as a whole, and for 2024/25 only. No information provided for 2025/26 onwards.</li> <li>▪ There is short term certainty of the scope for Precept increases for a further one year period.</li> <li>▪ At this time, the level of national funding and the robust controls detailed below mitigate in the short term the consequence.</li> <li>▪ In the medium-term extraordinary international events and national inflationary rises lead to significant increases in cost without any increase in funding.</li> </ul>
Potential consequence	<ul style="list-style-type: none"> <li>▪ Short notice change to national funding may require a change in short and medium-term force financial planning, including a need to deliver unplanned savings thereby impacting on service delivery.</li> <li>▪ Any in-year or longer-term pressures or extraordinary events which become a forecast overspend must be addressed through consideration of in-year savings and efficiencies, potential use of relevant reserves and discussion with the CC.</li> </ul>
Summary of Controls	<ul style="list-style-type: none"> <li>▪ Strategic engagement in respect of any proposed review of the funding formula.</li> <li>▪ Transparent ownership of financial matters between the PCC and CC.</li> <li>▪ Comprehensive approach to business planning cycle and annual budget setting process.</li> <li>▪ Well understood in-year financial monitoring and reporting governance.</li> <li>▪ Medium and long term financial planning.</li> <li>▪ Regular oversight of revenue and capital budget.</li> <li>▪ Maintain adequate risk assessed reserves.</li> <li>▪ Ongoing consultation, engagement and lobbying alongside and independently with the Police and Crime Commissioners Treasurers Society, NPCC</li> </ul>

**AGENDA ITEM 6 - APPENDIX B**

	<p>Treasurers Group and the Home Office to influence funding for policing in the North East.</p> <ul style="list-style-type: none"><li>▪ Audit Committee/Internal Audit/Treasury Management strategy in place and outcomes reviewed by PCC.</li><li>▪ HMICFRS inspection regime.</li></ul>	
Likelihood Impact	4 4	<b>16</b>

**AGENDA ITEM 6 - APPENDIX B**

<b>OPCC</b>	<b>Strategic Risk – Governance (OPCC )</b>	
	<b>Existing arrangements for the PCC to carry out robust scrutiny and hold the Chief Constable to account for efficient and effective delivery of the Police and Crime Plan are ineffective or inconsistent.</b>	
Owner(s)	Chief of Staff and Monitoring Officer	
Governance and Oversight	Joint Business Meeting/Annual Scrutiny Programme/CC/PCC Governance Meeting/JIAC/Police and Crime Panel/PCC/CC 1:1 Meeting	
Context	<ul style="list-style-type: none"> <li>▪ Ineffective governance, scrutiny, oversight of services and outcomes delivered and lack of reaction to organisational learning by Northumbria Police.</li> <li>▪ Need to target resources and priorities towards changing performance/landscapes or community needs.</li> <li>▪ Chief Constable setting high performance standards and appropriate culture and values is crucial to meaningful scrutiny.</li> <li>▪ Trust in the transparency of Northumbria Police.</li> <li>▪ Effective governance includes effective oversight of complaints against Northumbria Police.</li> <li>▪ Effective systems and controls to manage risk are needed to support the delivery of service.</li> <li>▪ A strong relationship between the Office of the Police and Crime Commissioner and Force which is resilient to external factors.</li> </ul>	
Current factors	<ul style="list-style-type: none"> <li>▪ Implementation of national PCC Review – PCCs remit in fire, criminal justice and management of offenders along with a review of the Policing Protocol.</li> <li>▪ Government levelling up agenda - expanded devolution deals.</li> </ul>	
Potential consequence	<ul style="list-style-type: none"> <li>▪ Loss of public confidence.</li> <li>▪ Reputational risk.</li> <li>▪ A decline in quality and service delivery, leading to a reduction in public satisfaction with policing.</li> <li>▪ Deteriorating performance resulting in policing priorities not being achieved.</li> <li>▪ Poor relationship with Northumbria Police.</li> <li>▪ Government intervention.</li> <li>▪ Challenge by the Police and Crime Panel.</li> <li>▪ Adverse external inspection reports, leading to recommendations and potential escalation.</li> </ul>	
Summary of Controls	<ul style="list-style-type: none"> <li>▪ Police and Crime Plan (regularly reviewed).</li> <li>▪ Joint Business Meeting.</li> <li>▪ Annual Scrutiny Programme.</li> <li>▪ Provision of the complaints statutory review process.</li> <li>▪ Public and partnership engagement and feedback.</li> <li>▪ PCC and Chief Constable 1:1s.</li> <li>▪ Police and Crime Panel scrutiny.</li> <li>▪ Scrutinising force response to HMICFRS inspection findings.</li> <li>▪ Audit Committee, audit, annual governance statement, Internal Audit.</li> </ul>	
Likelihood	1	2
Impact	2	

**AGENDA ITEM 6 - APPENDIX B**

<b>OPCC</b>	<b>Strategic Risk – Partnership &amp; Collaboration (OPCC )</b>	
	<b>Reduction in or withdrawal of partnership working for the OPCC leading to a failure to identify, develop and retain collaborative arrangements that support communities with sustainable multi agency responses.</b>	
Owner(s)	Chief of Staff and Monitoring Officer	
Governance and Oversight	Joint Business Meeting/VRU Strategic Board/Local Criminal Justice Board	
Context	<ul style="list-style-type: none"> <li>▪ Challenging budget and service pressures within partner organisations both in public and voluntary sector can lead to silo working.</li> <li>▪ Potential for national issues and crisis to affect collaborative working.</li> <li>▪ Requirement to retain engagement of the public as a partner.</li> <li>▪ Ensuring external factors do not alter relationships preventing joint working.</li> <li>▪ Clear outcomes not being identified and reported can risk sustainability and ongoing partner engagement.</li> <li>▪ Uncertainty of long-term sustained resourcing to deliver current public health approach collaboration - Violence Reduction Unit (VRU) and other joint projects including Victims Service Provision. Three year funding confirmed.</li> </ul>	
Current factors	<ul style="list-style-type: none"> <li>▪ Current economic crisis and funding pressures on partners.</li> <li>▪ PCC Review Government ambition to strengthen and expand the role of PCCs and maximise potential for wider efficiencies.</li> <li>▪ Recovery and new ways of working in the Local Criminal Justice System.</li> <li>▪ Stream of external funding opportunities and complex bidding process</li> </ul>	
Potential consequence	<ul style="list-style-type: none"> <li>▪ Reduced public confidence.</li> <li>▪ Reduced opportunities for more efficient and effective services.</li> <li>▪ Bidding system demands on resources can lead to missed opportunities to access funding streams that contribute to reducing crime/reoffending and ASB in the Northumbria Area.</li> <li>▪ Missed opportunities to prevent and reduce crime and disorder and maintain an efficient and effective Criminal Justice System.</li> <li>▪ Increased costs due to poor partnership and commissioned service management.</li> </ul>	
Summary of Controls	<ul style="list-style-type: none"> <li>▪ Effective partnership/commissioning governance arrangements that identify and report outcomes and progress.</li> <li>▪ Comprehensive public engagement and communication strategies to inform multi agency responses and effective scrutiny.</li> <li>▪ Scrutiny of effectiveness of Force collaborative activity.</li> <li>▪ Focus on accessing funds for collaborative working and lobbying government for sustained funding streams.</li> <li>▪ VRU Strategic Board and Response Strategy.</li> <li>▪ PCC chairs Local Criminal Justice Board delivering the LCJB Business Plan.</li> <li>▪ Collaboration and engagement with other PCCs, nationally and regionally.</li> <li>▪ Comprehensive engagement and monitoring of commissioned services.</li> <li>▪ Regular ‘sector’ engagement meetings with potential and current partners.</li> </ul>	
Likelihood	2	<b>8</b>
Impact	4	

<b>OPCC</b>	<b>Strategic Risk – Public Confidence (OPCC)</b>	
	<b>Loss of public confidence in the PCC resulting from a lack of engagement and communication, leading to a failure to reflect public priorities in the Police and Crime Plan. Failure to hold the Chief Constable to account on behalf of the public for delivery of their priorities or other statutory obligations.</b>	
Owner(s)	Chief of Staff and Monitoring Officer and Director of Planning and Delivery	
Governance and Oversight	Joint Business Meeting/Annual Scrutiny Programme	
Context	<ul style="list-style-type: none"> <li>▪ A robust communications plan is needed to demonstrate effective and visible accountability of the Chief Constable to the PCC.</li> <li>▪ Delivery of the PCCs manifesto commitments on which she was elected with the continual need to understand and react to changing communities or priorities and reflect this in the Police and Crime Plan.</li> <li>▪ Engagement with communities to identify and respond to trends identified through the complaints process and external communication to reflect organisational learning.</li> <li>▪ OPCC business must ensure compliance with legal, information management legislation, transparency guidance and the public sector equality duty.</li> <li>▪ Continue to reassure communities through robust scrutiny of Northumbria Police and engagement with partners and communities.</li> </ul>	
Current factors	<ul style="list-style-type: none"> <li>▪ Role of social media in shaping public perceptions.</li> <li>▪ Changes to law to allow the public to report crimes via social media.</li> <li>▪ National action by Legally Qualified Misconduct Hearing Chairs may delay the police misconduct process.</li> </ul>	
Potential consequence	<ul style="list-style-type: none"> <li>▪ Reputational damage.</li> <li>▪ Police and Crime Plan and actual delivery not aligned to public concerns and priorities.</li> <li>▪ Loss of trust/confidence in the PCC as a result of crime perceptions.</li> <li>▪ Poor service delivery damages public confidence.</li> <li>▪ Relationship with force and partners.</li> <li>▪ Government penalties due to poor assessment results.</li> </ul>	
Summary of Controls	<ul style="list-style-type: none"> <li>▪ Police and Crime Plan (annually updated to reflect emerging priorities).</li> <li>▪ Annual Scrutiny Programme and quarterly OPCC service confidence in policing report from the PCC to the Chief Constable.</li> <li>▪ Police and Crime Panel Scrutiny.</li> <li>▪ Reporting back to the public crime data and on their concerns and progress towards the Police and Crime plan.</li> <li>▪ External evaluations including impact of the VRU.</li> <li>▪ Rolling programme of PCC engagement across demographics and issue based topics.</li> <li>▪ Annual Report.</li> <li>▪ Governance Framework.</li> <li>▪ Annual Assurance Statement/Audit Committee.</li> <li>▪ Internal Audit.</li> <li>▪ OPCC website and social media.</li> <li>▪ Data Protection Officer.</li> <li>▪ Complaints review process.</li> <li>▪ Service level agreement with Northumbria Police.</li> </ul>	
Likelihood	2	<b>8</b>
Impact	4	

<b>JOINT INDEPENDENT AUDIT COMMITTEE</b>	<b>17 JULY 2023</b>
<b>TREASURY MANAGEMENT ANNUAL REPORT 2022/23</b>	
<b>REPORT OF THE JOINT CHIEF FINANCE OFFICER</b>	

**1. Purpose of the Report**

1.1 The report asks the Joint Independent Audit Committee (the Committee) to review the Treasury Management Annual Report 2022/23 as attached at Appendix A and approve it for presentation to the Police and Crime Commissioner (the Commissioner).

**2. Recommendation**

2.1 The Committee is asked to review the Treasury Management Annual Report 2022/23 and approve it for presentation to the Commissioner.

**3. Background**

3.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (the Code) requires the Commissioner to receive a Treasury Management Annual Report on borrowing and investment activity by 30 September each year. This report meets this requirement and informs the Commissioner of Treasury Management activity during 2022/23.

3.2 This report covers the period 01 April 2022 to 31 March 2023.

**4 Summary**

4.1 The Treasury Management Annual Report 2022/23 is attached at Appendix A. The key highlights are as follows:

- Investment income was £0.790m higher than budgeted reflecting additional cash and reserve balances available for investment and the accelerated increase in Bank Rate over the year. Whilst the budget assumed Bank Rate would increase from 0.75% to 1.25% by March 2023, the Bank of England actually increased Bank Rate to reach 4.25% in March 2023.
- Borrowing costs were £0.259m less than the original budget estimate, reflecting increased reserve balances available for internal borrowing and a lower borrowing requirement for capital financing.
- Financial Regulations have been complied with and all Prudential Indicators were within the limits set for the year within the Treasury Management Strategy.

**5. CONSIDERATIONS**

<b>Freedom of Information</b>	<i>Non-exempt</i>
<b>Consultation</b>	Yes
<b>Resource</b>	No
There are no additional financial considerations arising from this report.	
<b>Equality</b>	No
There are no equality implications arising from the content of this report.	
<b>Legal</b>	No
There are no legal considerations arising from the content of this report.	
<b>Risk</b>	No
There are no additional risk management implications directly arising from this report.	
<b>Communication</b>	Yes
To be reported to the Police and Crime Commissioner in-line with The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (the Code) by 30 September each year.	
<b>Evaluation</b>	No

## Treasury Management Annual Report 2022/23

### The Strategy for 2022/23

1. The 2022/23 Treasury Management Policy Statement and Strategy was approved by the Joint Independent Audit Committee (JIAC) on 28 February 2022 for presentation to the Police and Crime Commissioner (the Commissioner). The key decision was approved by the Commissioner on 29 April 2022.
2. The formulation of the 2022/23 Treasury Management Strategy involved determining the appropriate borrowing and investment decisions with the prime objective of safeguarding assets and secondary objectives of managing liquidity, obtaining a reasonable rate of return on investments and minimising the costs of borrowing.
3. The Treasury Management Strategy fully complied with the requirements of The Chartered Institute of Public Finance and Accountancy Code of Practice on Treasury Management and covered the following:
  - Prospects for interest rates.
  - Treasury limits set for prudential indicators.
  - The investment strategy.
  - The borrowing strategy.

### Investment Strategy

4. Investments are managed in-house using counterparties listed in an approved lending list consistent with the agreed Treasury Management Strategy. Investments are placed over a range of periods and are dependent on the assessed security of the counterparty, the liquidity requirements of the cash flow, actual interest rates and expectations of movements in interest rates.
5. The expectation for interest rates within the Treasury Management Strategy for 2022/23 anticipated Bank Rate to increase from 0.75% to 1.25% through to March 2023 and beyond. The Strategy noted the uncertainty and risks around inflation, labour and supplies shortages, and geopolitical risks that could impact on this.
6. The Treasury Management Strategy was to adopt caution in the management of the 2022/23 treasury operations. The interest rate market was monitored to allow the Chief Finance Officer (CFO) to adopt a pragmatic approach to any changing circumstances, having delegated powers to invest and manage the funds of the Commissioner.

### Borrowing Strategy

7. The borrowing strategy for 2022/23 was:
  - Consider the use of short-term borrowing as a bridge until capital receipts are received.
  - Consider the use of market loans which are at least 20 basis points below the PWLB target rate, where they become available.
  - Consider, where required, the use of PWLB loans where rates fall below Link Group trigger rates, with preference given to terms which ensure a balanced profile of debt maturity.

- Consider the use of reserve and General Fund balances to limit the requirement for new borrowing, reducing investment balances rather than increasing external borrowing in order to minimise interest costs.
  - Maintain a flexible strategy in order to allow decisions on borrowing to be taken which balance the refinancing risk associated with an increase in interest rates against any potential short-term savings.
8. The early repayment of debt was not considered to present value for money during 2022/23, as the cost of premiums payable on the early repayment of debt continue to outweigh any potential savings on refinancing.

### **Treasury Management Compliance with Risk Strategy**

9. The primary objective is to ensure the security of funds and minimise risks, including counterparty and interest rate risks. In May 2023 the Internal Audit report on the review of the treasury management function gave the opinion that it was 'Operating Well'.

### **Outturn 2022/23 – Performance Measurement**

10. 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 to the Joint Business Meeting (JBM). The outturn against the prudential indicators confirms that all indicators were operating within agreed limits. A copy of the prudential indicators is attached at Appendix I.

#### **External Advisers**

11. Link Group have continued to be used as external treasury management advisers to assist in achieving the objectives set out in the Treasury Policy Statement and Strategy and provide access to specialist skills and resources. The contract with Link Group was renewed on 1 November 2022 following a procurement exercise. This is a two year contract with options to extend for a further two years up to 31 October 2026.

### **Investment strategy and control of interest rate risk**

12. Investment returns picked up throughout the course of 2022/23 as central banks, including the Bank of England, realised that inflationary pressures were not transitory, and that tighter monetary policy was called for.
13. Starting April at 0.75%, Bank Rate moved up in stepped increases of either 0.25% or 0.5%, reaching 4.25% by the end of the financial year, with the potential for further increases in 2023/24.
14. The sea-change in investment rates meant the Commissioner along with other local authorities were faced with the challenge of pro-active investment of surplus cash for the first time in over a decade, and this emphasised the need for a detailed working knowledge of cashflow projections so that the appropriate balance between maintaining cash for liquidity purposes, and "laddering" deposits on a rolling basis to lock in the increase in investment rates as duration was extended, became an on-going feature of the investment landscape.
15. Whilst the Commissioner has taken a cautious approach to investing, there is also an appreciation of the changes to regulatory requirements for financial institutions, in terms of additional capital and liquidity, that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions. Annual stress tests by regulators have evidenced how institutions are now far more able to cope with extreme stressed market and economic conditions.

16. Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates. Such an approach has also provided benefits in terms of reducing the counterparty risk exposure, by having fewer investments placed in the financial markets.

### **Borrowing strategy and control of interest rate risk**

17. During 2022/23, the Commissioner maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Commissioner's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were initially low and minimising counterparty risk on placing investments also needed to be considered.
18. A cost of carry can remain during the year on any new long-term borrowing that is not immediately used to finance capital expenditure, as it can cause a temporary increase in cash balances; this would then incur a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns. There was no new long-term borrowing taken during 2022/23 and therefore this risk was nil.
19. A cost of carry will generally remain in place during the year on any new long-term borrowing that is not immediately used to finance capital expenditure, as it will cause a temporary increase in cash balances; this would incur a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns. The Commissioner sought to avoid taking on long-term borrowing at elevated levels (>4%) and has focused on a policy of internal borrowing. There was no new long-term borrowing taken during 2022/23 and therefore this risk was nil.
20. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when this authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.
21. Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Chief Finance Officer therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks:
- if it had been felt that there was a significant risk of a sharp FALL in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
  - if it had been felt that there was a significant risk of a much sharper RISE in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised.
22. Interest rate forecasts expected only gradual rises in medium and longer-term fixed borrowing rates during 2022/23 and the two subsequent financial years until the turn of the year, when inflation concerns increased significantly. Internal, variable, or short-term rates, were expected to be the cheaper form of borrowing until well in to the second half of 2022/23.
23. Interest rate forecasts were initially suggesting only gradual rises in short, medium and longer-term fixed borrowing rates during 2022/23 but by August it had become clear that inflation was moving up towards 40-year highs, and the Bank of England engaged in monetary policy

tightening at every Monetary Policy Committee meeting during 2022, and into 2023, either by increasing Bank Rate by 0.25% or 0.5% each time. Currently the CPI measure of inflation is still above 8% (May publication) in the UK but is expected to fall back towards 4% by year end. Nonetheless, there remain significant risks to that central forecast.

### Investment Performance

24. The main focus for treasury management in 2022/23 has continued to be ensuring the security of investments whilst generating a positive rate of return in an environment of continually rising rates. Due to the difference between the cost of borrowing and investment interest, cash balances have continued to be used to temporarily fund the capital programme. This has resulted in continued savings on the cost of borrowing and lower credit risk as the investment portfolio is reduced.
25. A continued use has been made of a range of investment instruments in order to maintain flexibility, spread risk, maximise liquidity and obtain positive interest rates. The use of money market funds, bank accounts and investment deposits with banking institutions within the Treasury Strategy counterparty limits, has maintained the security of funds and positive rate of return on investments.

A summary of the year's activity is shown at Appendix 2. The total interest earned in the year was £0.880m (2021/22 £0.074m) with an average interest rate of 2.10% (2021/22 0.34%). The investment interest earned was an increase of £0.790m against the original budget of £0.090m.

26. The overall return on investments of 2.10% was achieved in 2022/23. This exceeded the backward compounded 30-day SONIA rate of 2.09%. By actively managing our temporary investments, seeking the best rates, and utilising spare capacity in certain accounts we have maximised the interest earned whilst operating within the constraints of the approved Treasury Management Policy. During 2022/23 the investment income earned was £0.790m higher than budgeted due primarily to:
  - Increased cash and reserve balances for 2022/23 allowed the placing of more funds on longer terms basis which has helped to achieve higher rates.
  - Higher interest rates following a succession of Bank rate rises leading to a rate of 4.25% in March 2023.

### Borrowing Performance

27. The total borrowing at 31 March 2023 was £81.969m, which was within the operational borrowing limit of £155.000m. This is a net decrease of £5.000m from the opening balance of £86.969m, represented by PWLB repayments of £5.000m. There was no new short term borrowing or new long-term PWLB borrowing required in 2022/23.
28. The use of reserves and cash balances to limit the requirement for new borrowing (internal borrowing) has continued to deliver savings in 2022/23, reducing investment balances rather than increasing external borrowing, in order to minimise interest costs.
29. The average borrowing interest rate during 2022/23 was 3.22% compared to 3.20% in 2021/22. This slight increase is due to the impact of fewer short term loan requirements during 2022/23 which means the weighted average rate is more aligned with the higher long term fixed rate PWLB loans already in place.
30. Of the total borrowing of £81.969m at 31 March 2023, £76.969m was with the Public Works Loans Board (PWLB) and the remaining £5.000m was a long-term market loan with Barclays.

31. The overall revenue cost of borrowing in 2022/23 was £2.731m. This was £0.259m less than the original budget estimate, reflecting increased reserve balances available for internal borrowing and a lower borrowing requirement for capital financing.

### Debt Restructuring and Repayment

32. Due to the differential between current and historic interest rates it was anticipated that there would be little scope to restructure PWLB debt. This situation was monitored throughout the year and the cost of early repayment continues to outweigh any savings, therefore there was no early redemption or restructuring of debt.

### Summary of Treasury Management performance for the year 2022/23

33. Investment income was £0.790m higher than budgeted reflecting additional cash and reserve balances available for investment and the accelerated increase in Bank Rate over the year.
34. Borrowing costs were £0.259m less than the original budget estimate, reflecting increased reserve balances available for internal borrowing and a lower borrowing requirement for capital financing.
35. The Commissioner has continued to take advantage of low-cost temporary borrowing rates where required to manage cash flow, and to maximise the use of internal borrowing available through reserve balances and capital receipts.
36. Overall Treasury Management performance against budget for 2022/23 generated a saving of £1.049m as summarised in the following table:

	2022/23 Budget £m	2022/23 Actual £m	2022/23 Variance £m
Borrowing Interest	2.990	2.731	(0.259)
Investment Interest	(0.090)	(0.880)	(0.790)
<b>Net Position</b>	<b>2.900</b>	<b>1.851</b>	<b>(1.049)</b>

### Prudential Indicators 2022/23

<b>Authorised Limit* for External Debt</b>		
	<b>2022/23 Reported Indicator £m</b>	<b>2022/23 Maximum YTD £m</b>
Borrowing	175.000	86.969
Other Long Term Liabilities	0.000	0.000
<b>Total</b>	<b>175.000</b>	<b>86.969</b>

<b>Operational Boundary** for External Debt</b>		
	<b>2022/23 Reported Indicator £m</b>	<b>2022/23 Maximum YTD £m</b>
Borrowing	155.000	86.969
Other Long Term Liabilities	0.000	0.000
<b>Total</b>	<b>155.000</b>	<b>86.969</b>

<b>Upper Limit on amounts invested beyond 364 days</b>			
	<b>2022/23 Reported Indicator £m</b>	<b>2022/23 Outturn £m</b>	<b>2022/23 Maximum YTD £m</b>
<b>Investments</b>	<b>15.000</b>	<b>0</b>	<b>0</b>

**\*The authorised limit** - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Commissioner does not have the power to borrow above this level. The table below demonstrates that during 2022/23 the Commissioner has maintained gross borrowing within its authorised limit.

**\*\*The operational boundary** – the operational boundary is the expected borrowing position of the Commissioner during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

## Investment Activity

<b>Investments maturing during the year</b>		
	<b>2021/22</b>	<b>2022/23</b>
Number of investments made in the previous year, maturing in the reporting year	2	3
Number of investments made in the reporting year, maturing in the reporting year	754	763
Total number of investments maturing in the reporting year	756	766
<b>Number of investments made in reporting year, maturing in the following year</b>	<b>3</b>	<b>0</b>

<b>Average duration of investments</b>		
	<b>2021/22</b>	<b>2022/23</b>
Average duration of investments (including overnight)	2 days	2 days
Average duration of investments (excluding overnight)	48 days	51 days

<b>Summary of non-specified investments</b>		
	<b>2021/22</b>	<b>2022/23</b>
<b>Non-specified investments:</b>		
Rated non-high		
Approved limit	75%	75%
Maximum level invested	41%	74%
Investments over 364 days		
Approved limit	20%	20%
Maximum level invested	0%	0%

### **Gross Debt and Capital Financing Requirement (CFR)**

<b>Gross Debt and CFR</b>	<b>2022/23 Estimate</b>	<b>2022/23 Outturn</b>
	<b>£m</b>	<b>£m</b>
Borrowing as at 31 March 2023	90.969	81.969
Capital Financing Requirement as at 31 March 2023	118.718	112.450
<b>Amount of Borrowing (over) / under CFR</b>	<b>27.749</b>	<b>30.481</b>

- Total borrowing at 31 March 2023 was lower than the Capital Financing Requirement (CFR) by £30.481m. This represents the extent to which the Commissioner is utilising reserves and cash balances for internal borrowing at the end of the financial year.
- Borrowing at 31 March 2023 was below the original estimate. The planned re-financing of a £5.000m PWLB maturity was not required during the year due to an underspend against the capital programme. In addition, forecast short-term temporary borrowing of £4.000m at the year-end was not required due to an increase in the reserves position at 31 March 2023 against the original MTFS estimate.
- The actual CFR at 31 March 2023 was lower than the original estimate as a result of the underspend against the capital programme for 2022/23.

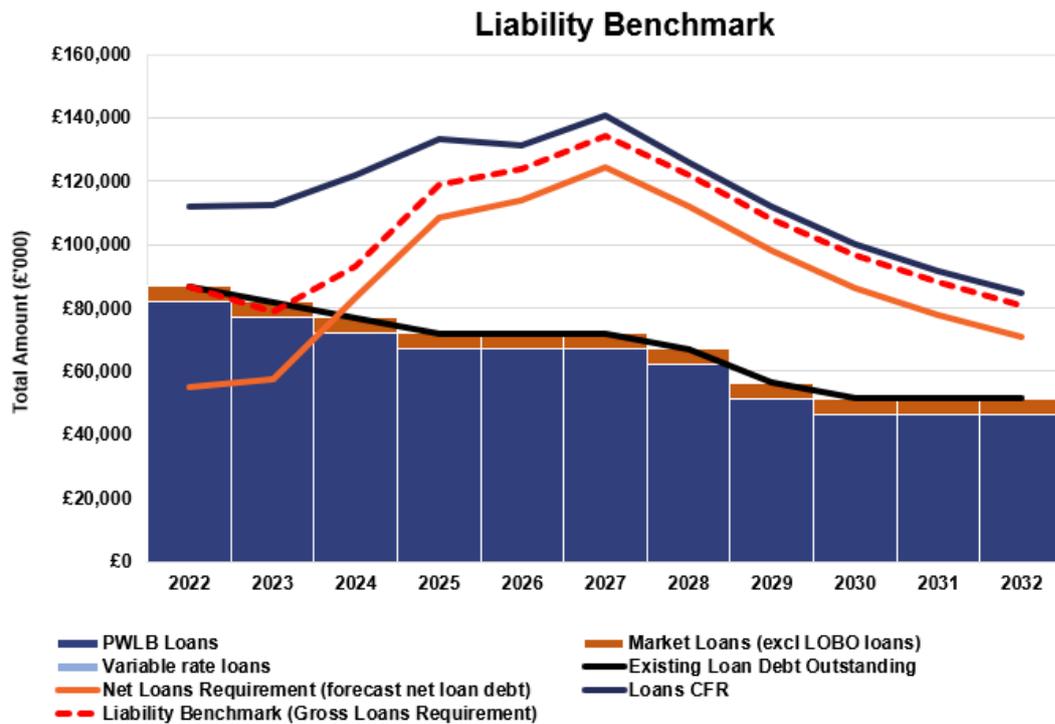
### Liability Benchmark

In addition to the prudential indicators set out above a new debt treasury indicator, the Liability Benchmark, has been adopted in 2022/23 to support the financing risk management of the capital financing requirement (CFR).

The Liability Benchmark is presented as a chart which sets out the following:

- **Existing Loan Debt Outstanding** – this is the profile of the Commissioners existing loans which takes into account the scheduled loan repayments due within the period.
- **The Loans CFR (Capital Financing Requirement)** – this is the total requirement that the Commissioner has for prudential borrowing to support capital expenditure. This includes the CFR as at the last year-end plus approved future borrowing for planned capital expenditure within the existing MTFS capital programme and less those amounts due to be set aside under the MRP (Minimum Revenue Provision) policy adopted by the Commissioner.
- **Net Loans Requirement** – this is a forecast of the Commissioner’s net loan debt, i.e. net of investments for treasury management purposes.
- **Gross Loans Requirement** – this is the Liability Benchmark and represents a forecast of the level of gross loans debt the Commissioner will require in accordance with budget plans.

The Liability Benchmark chart is set out on the following page.



The chart shows that the Commissioner's existing loan debt comprises mainly PWLB debt plus a smaller element attributable to market loans. The Commissioner has no variable rate loans.

The Liability Benchmark chart demonstrates a requirement for new borrowing to be taken over the period from the 2023/24 financial year. Whilst the approach to borrowing remains to maximise the use of internal borrowing, the chart demonstrates that the extent to which internal borrowing can be used as a temporary financing tool will reduce over the medium to longer term as reserve balances reduce in-line with budget plans under the Commissioner's Medium Term Financial Strategy (MTFS).



<b>JOINT INDEPENDENT AUDIT COMMITTEE</b>	<b>17 JULY 2023</b>
<b>DRAFT JIAC ANNUAL REPORT 2022 - 2023</b>	
<b>REPORT OF: CARRIE YOUNG, CHAIR OF THE JOINT INDEPENDENT AUDIT COMMITTEE</b>	

**I. INTRODUCTION**

The Joint Independent Audit Committee (JIAC) provides independent assurance that adequate corporate and strategic risk management arrangements are in place for the Police and Crime Commissioner for Northumbria (PCC) and the Chief Constable (CC). It jointly advises the PCC and the CC on governance matters as well as good practices.

The Chartered Institute of Public Finance and Accounting (CIPFA) guidance, recommends that the JIAC report annually on how they have discharged their duties and responsibilities.

This report provides the PCC and CC with a summary of the Committee's activities in the financial year 2022/23. It also seeks to provide assurance that the Committee has fulfilled its terms of reference, and added value to the overall governance arrangements that were in place for both the PCC and the CC.

The Committee wishes to record its gratitude to the former Chief Constable Winton Keenan who was in post for the entirety of 2022/23, along with Deputy Chief Constable Debbie Ford, Joint Chief Finance Officer Kevin Laing, and PCC Chief of Staff Ruth Durham for their constant support. Along with the Officers of the PCC and CC who have regularly attended JIAC throughout the year, the Finance and Corporate Development teams who have again facilitated the work of the Committee well during the year, along with the Internal and External Audit have assisted the Committee to fulfil its role.

**2. COMMITTEE MEMBERSHIP AND ATTENDANCE.**

The members of the Committee during the year were as detailed in the table below, along with their attendance record.

Member	No of Meetings	% Attendance
Carrie Young (Chair)	4	80%
Kushil Amiani	4	80%
Janet Guy	5	100%
Peter Wood	5	100%

### **3. Meetings**

The Committee met on 5 occasions during the financial year with an extraordinary meeting arranged on 25 April 2022. The additional meeting was scheduled to receive the delayed audit report and final Annual Governance Statements for the financial year 2020/21, as a result of the delay in the appointment of a replacement External Auditor by the Public Sector Audit Appointments Panel (PSAA).

All meetings are open to the press and public with minutes being published on the PCC website. During 2022/23 meetings reverted to face-to-face following the movement to on-line as part of the response to COVID-19.

### **4. Risk Management.**

The Committee has a role to ensure that the PCC and CC have in place robust and effective arrangements for the identification and management of strategic risks. A joint strategic risk register is maintained, which is reviewed at each meeting of the Committee. Regular reports are received from the Head of Corporate Development on:

- Escalation and de-escalation of identified strategic risks.
- Additional strategic risks arising during the year and the likely effect to the organisation.
- Deletions of risks, which are deemed no longer to have a strategic relevance.
- In each case, a full explanation is provided for any change of risk status.

The Strategic Risk Register is aligned with the corporate Transformation 2025 agenda.

The reports received by the Committee during the year have given assurance that strategic risks reflect the current challenging economic and operational environments. Along with His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) inspections, and internal audit reports on areas such as business continuity; cyber security; financial and treasury management have provided further assurance.

The Committee was pleased to note the more rapid pace that recommendations for some areas for improvement (AFIs) were actioned. Along with the publication in September 2022 of the HMICFRS 2021/22 PEEL Assessment (Police Effectiveness, Efficiency, and Legitimacy), where Northumbria was rated overall 'Good' with seven of the graded areas 'Good', one as 'Adequate' and only one 'Requires Improvement', overall, a significant improvement on the previous PEEL Assessment.

Overall, the assurances of the Executive, together with triangulation of the risk register, with both internal and external audit reports, has provided reasonable assurance to the JIAC that strategic risks are managed effectively.

### **5. External Audit**

During 2021 Mazars LLP withdrew from providing external audit services to both the PCC and CC, new external Auditors were appointed in December 2021, the appointed auditors

being Grant Thornton UK LLP. As a result, the audit of the 2020/21 Financial statements were delayed, an extraordinary meeting of JIAC was arranged in April 2022 to receive an update on the audit and review the final Annual Governance Statements for 2020/21. For 2020/21 the final completion of the external audit was not presented to the JIAC until the meeting on 18 July 2022, the outcome being unqualified opinions for both the PCC and CC, along with a Value for Money assessment that there were no significant weaknesses.

There have again been delays in the external audit of the 2021/22 financial statements, the audit not being completed by the statutory deadline of the end of November 2022, acknowledging the PCC and CC met the statutory deadlines. The delay being due to the unfortunate resourcing constraints affecting the external auditor. This has been compounded by the audit of the Local Government Pension Scheme (LGPS) also being delayed, which our external auditor relies upon, and the release of the latest pension schemes triennial valuation report which has resulted in further work by the external auditors. It is recognised this is a national issue which has impacted many other public sector bodies in the same position, and their respective audit firms. However, the JIAC is concerned that the delays on the external audit are putting significant additional pressure on the finance team as well as seeking assurances that any additional costs need to be challenged locally as well as nationally.

## **6. Internal Audit**

Gateshead Council continue to provide Independent Internal Audit services under the terms of a service level agreement with both the PCC and the CC.

The Annual Internal Audit Plan is determined after an assessment of the risks associated with the various activities of the PCC and CC. The Committee agrees the audit plan supporting the risk management process. This ensures that internal audit activity supports and provides appropriate assurance to the PCC and CC, as well as the external auditor Grant Thornton.

During the year the Committee has monitored progress against the Annual Internal Audit Plan receiving summaries of all completed internal audit reports setting out the findings, recommendations and updates on actions taken by management where necessary.

The Committee has challenged in some reports the sample size, scope within individual audits and final assessments to ensure a greater level of assurance. The Committee has received in those cases assurances on their efficacy or has prompted a review. IT and Cyber security continue to be areas of heightened risk and therefore of particular focus by the JIAC.

The Committee is appreciative of the efforts of Robert Bowmaker and his colleagues in Internal Audit for their efforts in fulfilling their role throughout 2022/23

## Internal Audit Plan 2022/23

Audits Planned	Audits Completed	Audits deferred to following year	Audit Reports Issued *	Operating Well	Satisfactory	Requires Improvement
27	22	0	22	17	5	0

\* The remaining 5 reports will be reported at the July 2023 meeting of the JIAC.

The Committee noted that:

- There were no in-year investigations.
- The Committee was satisfied with the findings and opinions within the reports.

**7. Corporate Governance**

In reviewing the draft Annual Governance Statements, which accompany the Financial Statements the Committee, takes into consideration the following:

- **Senior Managers' Assurance Statements** - Report of the Internal Audit Manager.
- **The Reports of HMICFRS and other external inspectorates** - Report of the Head of Corporate Development.
- **Review of the Effectiveness of Internal Audit** - Report of the Internal Audit Manager.
- **Internal Audit Annual Report** - Report and opinion of the Internal Audit Manager.
- **External Audit Report** - Report and opinion of the External Auditor.
- **Corporate Risk Management Annual Report** - Report of the Head of Corporate Development.
- **Performance and Data Quality Assurance Annual Report** - Report of the Head of Corporate Development.
- **Self-assessment of the Chief Finance Officer** - Report of the Joint Chief Finance Officer.
- **Legal and Regulatory Assurance** - Report of the Chief of Staff and Joint Chief Finance Officer.
- **Other Thematic areas** - including Partnership Arrangements; Business Planning; Wellbeing; ICT; and Fraud, Corruption and Money Laundering - Reports of the Chief of Staff and Joint Chief Finance Officer.

Recommendations for additions in the draft statements are made, to enable the Committee to recommend adoption.

**8. Treasury Management**

The Committee is required to monitor and approve Treasury Management policies and strategy.

Link Asset Services are retained as Treasury service advisers.

The Treasury Management Strategy is agreed annually and reviewed during the year. Challenge is provided on borrowing and the timing of redemptions to ensure that the best use of reserves is made. The Committee has monitored progress throughout the year and are pleased to report that Treasury Management is operating well and within the agreed limits.

The Treasury Management Annual Report for 2021/22 has been reviewed and recommended to the PCC for publication.

## **9. JIAC Self-Assessment**

A self-assessment of the Committee's competencies was carried out in April 2023 as part of the review of the activities of the Committee by Internal Audit, during the review of annual assurance, the following were highlighted:

- The Committee was operating well and meets the terms of reference. They demonstrate the necessary skills, knowledge, and experience to perform their function.
- Where additional knowledge is required, both the PCC and CC representatives are able and willing to provide the necessary briefing/training.
- Support for the work of the Committee comes from the Joint Chief Finance Officer and his Team, Chief of Staff to the PCC, and the Deputy Chief Constable, which has greatly assisted the Committee in its work.

## **10. JIAC Membership and Development**

The Committee is committed to developing its skills and knowledge and constantly reviews its composition and need for additional information, briefing or training.

As part of the November 2022 JIAC meeting, an additional member training session was also arranged to ensure both new and existing members were briefed on current and relevant areas of business relevant to the role of JIAC. This was well received and included:

- Treasury Management.
- Financial Cycle and JIAC involvement.
- Internal Audit and how audit findings are assessed.
- Risk Management.
- External Inspection regimes.
- Force Governance.
- OPCC Governance and Scrutiny Oversight.

## **11. Recommendation**

The Committee is recommended to consider, comment on, and note the above report and agree it as an appropriate summary of the activities of the Committee for financial year 2022/23. The report will be amended to include any changes arising from the meeting of

## **AGENDA ITEM 9**

the Committee on 17 July 2023; and subsequently any findings from the completion of the 2022/23 financial statements as they are completed by the external auditor.

**Carrie Young**

**Chair of Joint Independent Audit Committee**