

JOINT INDEPENDENT AUDIT COMMITTEE

MONDAY 23 SEPTEMBER 2024, 14:00 – 16:00

**TRAINING ROOM, VICTORY HOUSE, BALLIOL BUSINESS PARK,
BENTON LANE, NEWCASTLE, NE12 8EW**

AGENDA

OPEN SESSION

- 1. INTRODUCTION**
- 2. DECLARATION OF INTEREST**
- 3. MINUTES OF THE OPEN SESSION OF THE JOINT INDEPENDENT AUDIT COMMITTEE 20 May 2024**
(Attached)
- 4. MATTERS ARISING**
(Attached)
- 5. JOINT STRATEGIC RISK REGISTER**
Corporate Governance Manager
(Paper attached)
- 6. REGULATORY FRAMEWORK – INDEPENDENT ASSURANCE**
Deputy Head of Finance
(Paper attached)
- 7. EXTERNAL AUDIT PROGRESS REPORT**
External Auditors
(Verbal update)
- 8. EXTERNAL AUDIT – AUDIT PLAN 2023/24**
External Auditors
(Paper attached)
- 9. DATE TIME AND VENUE OF NEXT MEETING**
Monday, 18 November 2024, 2pm, Office of the Police and Crime Commissioner for Northumbria; Victory House (Training room); Balliol Business Park; Benton Lane; Newcastle; NE12 8EW

NORTHUMBRIA POLICE MINUTES

Title	Meeting number
Joint Independent Audit Committee (JIAC)	02/24

Date	Location	Duration
20 May 2024	Victory House (Training room); Balliol Business Park / TEAMS	14:00 – 15:40

Present:

Committee Members:	C Young	Chair
	E Cocker	
	C Winfield	
	P Wood	

Officers:	R Durham	Office of Police and Crime Commissioner (OPCC) Chief of Staff and Monitoring Officer
	K Laing	Joint Chief Finance Officer (CFO)
	J Meir	Deputy Chief Constable (DCC)

Invitees:	C Oakes	Internal Audit, Gateshead Council
	S Dungworth	Northumbria Police and Crime Commissioner
	P Godden	Head of Corporate Development
	L Griffiths	External Audit, Grant Thornton (present for Items 1. - 5. inclusive)
	V Jardine	Chief Constable (CC)
	C Mellons	External Audit, Ernst and Young (EY)
	T Reade	Corporate Governance Manager
	R Tebbs	External Audit, EY
	G Thompson	Deputy Head of Finance
	M Graham	Governance and Planning Adviser (Secretary)

Apologies

R Bowmaker	Internal Audit, Gateshead Council
J Guy	Committee Member
J Lawson	Assistant Chief Officer Corporate Services

OPEN SESSION**1. INTRODUCTION**

The Chair opened the meeting and provided a brief introduction of those present for the benefit of new committee members.

2. DECLARATION OF INTEREST

No declarations of interest made.

3. MINUTES OF THE OPEN SESSION OF THE JOINT INDEPENDENT AUDIT COMMITTEE 26 FEBRUARY 2024

Agreed as a true and accurate record subject to the following amendments raised by the Chair on behalf of J Guy.

Item 2 to state that the Terms of Reference require the committee to monitor them.

Item 7 to have the line “querying if this generalisation hints to accepting risk.” removed and replaced with “and could increase risk.”

4. MATTERS ARISING

Item 5: Revised Terms of Reference. CFO advised that some aspects of the revised terms of reference will be included in the Annual Governance Report later in the meeting. The report also includes recommendations for additional items to be presented to the JIAC next year as part of the Annual Programme of Works.

Item 6. External Audit Joint Audit Findings Report 2022/23 (PCC & CC). External Audit, Grant Thornton confirmed the requested amendment has been made by Grant Thornton. Action to be closed.

Item 10. Internal Audit Charter, Strategy Statement 2024/25 – 2026/27 and Annual Audit Plan 2024/25. CFO advised that internal advice has been sought regarding internal audit services and a meeting has been arranged with Gateshead Council to discuss auditing arrangements going forward.

Action list updated.

5. AUDITORS ANNUAL REPORT – POLICE AND CRIME COMMISSIONER & CHIEF CONSTABLE 2022/23

External Auditors, Grant Thornton provided a summary of the report, which is very positive. The suite of enquiries have been completed. Recommendations on reports from previous years have been followed up and no recommendations are needed for the 2022/23 report. It was noted this is a very positive outcome.

P Wood queried a comment on page 9 of the report regarding an estimate figure for reserves in March 2027 and asked if that will be a regular part of the audit going forward. External Auditor, Grant Thornton advised that the expected levels of reserves have not been officially audited but they are looked at part of a risk assessment along with the process behind setting the budget for an indication of the context the budget was set within.

Chair noted that this was Grant Thornton’s last JIAC meeting and thanked them for their contributions to the committee during their time as the external auditors.

Update noted

6. DRAFT JOINT INDEPENDENT AUDIT COMMITTEE ANNUAL REPORT

Chair gave a summary of the report which covers the Committee’s activities throughout the financial year 2023/24.

Chair noted a typo in the report, to be amended.

C Winfield queried if previously agreed changes had been made to the Terms of Reference, Chair confirmed this has been done.

Update noted

7. EXTERNAL AUDIT INTRODUCTIONS AND AUDIT STRATEGY MEMORANDUM 2023/24 (CC & PCC)

External Auditors, EY advised that work is on-going to arrange audit visits amidst changes being made to national regulations. The team's goal is to have all 2023/2024 audits complete and signed off by the end of 2024 and to have all certificates issued in advance of Christmas 2024.

Update noted

8. JOINT STRATEGIC RISK REGISTER

Head of Corporate Development provided an overview of the risk management process.

The inclusion of vetting not currently matching the hiring pace within current factors for the Workforce risk was highlighted, and noted detailed work undertaken to smooth peaks of demand as well as to maintain resourcing levels; the overall assessment of risk remains unchanged.

The annual review of risk will be undertaken over the summer and will be reported at the next meeting.

Chief of Staff (OPCC) provided an update on key changes to the OPCC Strategic Risk Register. Current factors for the Finance risk have been updated to reflect the upcoming end of several government funding settlements/awards relating to key services and project-based spending.

Partnership and Collaboration risk controls now reflect the PCC's leadership role in collaboration with partners to achieve anti-social behaviour commitments.

Current factors for Public Confidence have been updated to include the pre-election period. The factor relating to Legally Qualified Chairs has been removed pending review by the Home Office.

The overall assessment of the risks remains unchanged.

P Wood queried when it is expected the risk rating for Digital Policing will be improved. Head of Corporate Development acknowledged the significant programme of work and confirmed steady and good progress in this area.

DCC noted the force's digital infrastructure is currently being upgraded, with an estimated duration for these works being 24 months, and that a new records management system will be delivered in February 2026.

P Wood queried if the Force is comfortable with the ongoing management of Digital risks, DCC confirmed risk is being managed satisfactorily and the controls in place are constantly being improved to ensure an appropriate response to evolving threats.

P Wood queried why Finance remains a high risk. CFO advised this is due to the short-term nature of government grants/settlement and anticipated review of the funding formula.

P Wood queried the rationale behind the score given to public confidence, particularly the assessment of likelihood as being low. Chief of Staff (OPCC) advised the current score is based on internal performance monitoring and recent improvements in the average response time.

The DCC added that trust and confidence is a key priority as Northumbria Police aims to deliver an outstanding service and advised Northumbria Police has always had higher public confidence in comparison to other forces.

Action: Risk assessment for public confidence to be reviewed.

The CC acknowledged there has been some decline in public confidence and advised the Force is currently exploring new ways to measure confidence and satisfaction and improve the quality of service in response.

Update noted

9. TREASURY MANAGEMENT ANNUAL REPORT 2023/24

Deputy Head of Finance gave a summary of the report and sought approval for presentation to the Commissioner.

The Link Treasury Management Services contract was last awarded in November 2022. The length of the contract is 2 years minimum, with 2 further 12-month extensions permitted (4 Years Maximum).

In addition, JIAC members suggested that the Treasury Management Strategy 2024/25 to 2027/28 should contain additional information on the contract award date and the contract duration. Deputy Head of Finance can confirm that the document has been amended to include this.

Chair queried the timeframe for the contract award for treasury management services. Deputy Head of Finance advised the review was last carried out in 2022 and the length of the contract is two years minimum, with two further 12-month extensions permitted (four years maximum). CFO added that the extension allows additional or alternative advice to be sought ahead of reviews being carried out. C Winfield queried when the report will be approved. Deputy Head of Finance advised this will be at the end of the financial year and noted a typo on page 1 of the report in papers.

P Wood asked if there is any significant investment in local councils. Deputy Head of Finance confirmed there is, and advised this is done when recommended by Treasury advisors; the Local Government Act offers protection for investment/borrowing with local councils.

Agreed: Treasury Management Annual Report 2023/24 to be presented to the Commissioner

10. ANNUAL GOVERNANCE REVIEW – ASSURANCE FRAMEWORK 2023/24

Deputy Head of Finance introduced the annual review of the effectiveness of internal controls and governance to feed into the Annual Governance Statement for 2023/24.

a) Senior Managers Assurance Statements

Internal Audit Manager advised that managers have completed self-assessments covering the process in place to manage their key business risks and that all managers agreed that effective controls are in place overall.

Chair noted on behalf of J Guy that all managers rated themselves very highly and queried if this could be verified. Internal Audit Manager advised that statements made by managers during self-assessment need to be supported with evidence, and that this evidence and actions identified by managers in their assurance statements is reviewed during internal audit time to determine the accuracy of the self-assessments. All departments are reviewed on a cyclical basis.

Update noted

b) Review of the Effectiveness of the Internal Audit Report

Internal Audit Manager advised that the review is based upon four factors: self-assessment and results of the external assessment against UK Public Sector Internal Audit Standards, self-assessment against the Chartered Institute of Public Finance and Accounting (CIPFA) Statement on the Role of the Head of Internal Audit, assessment of the effectiveness of JIAC and relevant local performance information.

Update noted

c) Internal Audit Annual Report

Internal Audit Manager advised there were 26 planned audits for 2023/24, 23 of which have had final reports released.

P Wood queried why some audits had not been completed yet. Internal Audit Manager advised that the current position on audits is the best it has been in recent years and explained that of the three remaining audits, two are in draft and awaiting a management response, and that all would be provided by the end of the year.

Chair noted that reporting on IT matters was outsourced to Newcastle Council albeit the audit opinion was provided by Gateshead Council and asked if a member of Newcastle Council should attend JIAC when necessary to present/update on IT matters.

External Auditor, EY advised they would not place any direct reliance on an internal audit to form an opinion.

Update noted

d) Annual Governance – Primary and Thematic Assurance Review 2023/24

Deputy Head of Finance introduced the accompanying appendices.

Appendices:

i. Governance Arrangements

Head of Corporate Development explained the purpose and role of governance arrangements and the bodies involved and noted these were reviewed over the course of 2023/24.

Update noted

ii. An Assessment of the Role of CFO in Accordance with Best Practice

CFO outlined the five key principles of the CIPFA statement and the findings and evidence to support them and noted the need for sufficient safeguards in relation to the role of the CFO.

Chair queried on behalf of J Guy the external overview and asked if there would be a peer review, CFO advised this will be covered by the Deputy Head of Finance in the CIPFA external review of financial arrangements.

Update noted

iii. External Audit Assurance

Deputy Head of Finance noted the positive results of this report as there are no issues which could have an impact on the Annual Governance Statement for 2023/24.

Update noted

iv. HMICFRS and Other External Inspections

Head of Corporate Development provided an overview of external inspectorate reports and recommendations and areas for improvement identified and advised that relevant reports are provided to internal boards and that progress reports are provided to the OPCC Scrutiny Meeting on a quarterly basis.

Update noted

v. Legal and Regulatory Assurance

Chief of Staff (OPCC) gave a summary of findings and advised that there are no issues to report which could impact the Annual Governance Statements for 2023/24.

Update noted

vi. Risk Management Arrangements

Head of Corporate Development gave a summary of assurances surrounding risk management and advised that all risks are regularly reviewed by their owners throughout the year.

Update noted

vii. Performance Management and Data Quality

Head of Corporate Development provided a summary of performance management and noted the Force completed a Police Digital Service facilitated Data and Analytics Maturity Assessment in February 2024. Overall, the assessment concluded appropriate arrangements were in place.

Update noted

viii. CIPFA Financial Management Code Self-Assessment

Deputy Head of Finance provided an overview and advised the results of the self-assessment identified one area for improvement to further strengthen the OPCC and Force compliance with the Financial Management Code. CFO advised this was initially planned to be done internally but this has been deemed unfeasible due to resourcing issues, as such CIPFA will carry out a financial management review.

Deputy Head of Finance drew attention to Section 5 - Stakeholder Engagement and Business Plans and advised that to ensure JIAC can provide assurance, these items will be presented at the next meeting and on an annual basis.

Action: Information to support JIAC to provide independent assurance in respect of the regulatory framework to be presented at the next meeting and on an annual basis.

Update noted

11. DATE TIME AND VENUE OF NEXT MEETING

Monday, 23 September 2024, 2pm, Office of the Police and Crime Commissioner for Northumbria; Victory House (Training room); Balliol Business Park; Benton Lane; Newcastle; NE12 8EW

Date, time and venue of next meeting agreed.

12. EXCLUSION OF THE PRESS AND PUBLIC – EXEMPT BUSINESS

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

Agenda item number	Paragraph of Schedule 12A to the Local Government Act 1972
13	7
14	7
15	7
16	7
17	7
18	7
19	7
20	7

Open Action List

Meeting	Agenda Item/Title/Context	Open/Closed	Action	Detail	Assigned to	Update
JIAC 26/02/24	4. MATTERS ARISING – Review of finances is being undertaken looking specifically at Professional Standards Department and vetting to implement efficiencies and improve timeliness	OPEN	ACTION	DCC to provide an update regarding vetting assurances at JIAC September 2024.	DCC	2/5/24 Cleared - Included on the Forward Plan for September meeting
JIAC 26/02/24	5. REVISED TERMS OF REFERENCE Query regarding paragraphs 42, 45 and 47 relating to Scheme of Consent, Codes of Governance or Policies relating to Declarations of Interest, Gifts and Hospitality and Expenses and Whistleblowing arrangements and Counter Fraud and Corruption Strategy of the PCC and CC.	OPEN	ACTION	Chief of Staff and Monitoring Officer to liaise with CFO to review how these items will be monitored	Chief of Staff and Monitoring Officer	20/5/24 Cleared - CFO advised that some aspects of the revised terms of reference will be included in the Annual Governance Report later in the meeting. The report also includes recommendations for additional items to be presented to the JIAC next year as part of the Annual Programme of Works.
JIAC 26/02/24	6. EXTERNAL AUDIT JOINT AUDIT FINDINGS REPORT 2022/23 (PCC & CC) Error on Page 7 of the report which states thousands and should be millions.	OPEN	ACTION	G Mills to request amendment to page 7 of the report prior to final sign off.	G Mills, Grant Thornton	20/5/24 Cleared - External Audit, Grant Thornton confirmed the requested amendment has been made by Grant Thornton.
JIAC 26/02/24	9. MID-YEAR TREASURY MANAGEMENT REPORT	OPEN	ACTION	Deputy Head of Finance to provide tender process regarding external advisors to members and to confirm how long the current contract with Link is for	Deputy Head of Finance	The Link Treasury Management Services contract was last awarded in November 2022. The length of the contract is 2 years minimum, with 2 further 12-month extensions permitted (4 Years Maximum). In addition, JIAC members suggested that the Treasury Management Strategy 2024/25 to 2027/28 should contain additional information on the contract award date and the contract duration. Deputy Head of Finance can confirm that the document has been amended to include this.
JIAC 26/02/24	10. INTERNAL AUDIT CHARTER, STRATEGY STATEMENT 2024/25 – 2026/27 AND ANNUAL AUDIT PLAN 2024/25	OPEN	ACTION	Chief Finance Officer and Chief of Staff to investigate tendering for Internal Audit services and report back to the next JIAC.	Chief Finance Officer /Chief of Staff and Monitoring Officer	20/5/24 CFO advised that internal advice has been sought regarding internal audit services and a meeting has been arranged with Gateshead Council to discuss auditing arrangements going forward.

AGENDA ITEM 4

JIAC 20/5/24	8. JOINT STRATEGIC RISK REGISTER	OPEN	ACTION	Risk assessment for public confidence to be reviewed	Head of Corporate Development	
JIAC 20/5/24	9. TREASURY MANAGEMENT ANNUAL REPORT 2023/24	OPEN	AGREED	Treasury Management Annual Report 2023/24 to be presented to the Commissioner	Deputy Head of Finance	
JIAC 20/5/24	10.d.viii. ANNUAL GOVERNANCE REVIEW – ASSURANCE FRAMEWORK 2023/24	OPEN	ACTION	Information to support JIAC to provide independent assurance in respect of the regulatory framework to be presented at the next meeting and on an annual basis.	Deputy Head of Finance	20/05/24 – Included on September JIAC agenda (Item 6) and recorded on the forward plan on an annual basis.

Joint Independent Audit Committee	23 September 2024
Joint Strategic Risk Register	
Report of: Ruth Durham, Chief of Staff and Monitoring Officer and Jayne Meir, Deputy Chief Constable	
Author: Paul Godden, Head of Corporate Development	

I. PURPOSE

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

2. BACKGROUND

- 2.1 Northumbria Police and the OPCC 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.
- 2.4 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.
- 2.5 The JSRR is presented to the joint Business Meeting between the PCC and the Chief Constable on a quarterly basis. This presents the Force Strategic Risk Register (FSRR) alongside the OPCC Strategic Risk Register. The Joint PCC/Chief Constable Governance Group and Joint Independent Audit Committee (JIAC) provide additional scrutiny and governance on a quarterly basis.
- 2.6 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.

- 2.7 Appendix A provides an overview of the current Red, Amber, Green (RAG) status of the strategic risks for Northumbria Police, alongside the FSRR. (Thematic risk areas are recorded alphabetically and numbered for ease of reference only.)

Key changes to the Force Strategic Risk Register

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 The Digital Policing risk has been updated in response to the risk identified in the recent internal audit of Patching. There is no change to the assessment of the thematic risk areas, which remains High.

Finance - Reduction in funding and/or funding pressures which require changes to financial planning and/or a change to the resourcing of service delivery.

- 2.9 Current factors have been updated to reflect consideration of a 3-year settlement for policing by the new Government. This is yet to be clarified in terms of the overall funding and grant position.
- 2.10 There is still an expectation that the review of the Police Allocation Formula (PAF) will be delivered under the new Government; however, timescales are yet to be determined.
- 2.11 Four areas remain high risk for the Force: Digital Policing; Finance; Information and Data Management; and Workforce.
- 2.12 The annual review of risk is ongoing, which will include consideration of the Northumbria Police Risk Appetite Statement. The outcome will be reported at JIAC 18 November 2024.
- 2.13 Appendix B provides an overview of the current RAG status of the risks for the OPCC, alongside the register.

Key changes to the OPCC Strategic Risk Register

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.

- 2.14 The current factors have been updated to reflect that following the General Election there may be changes to policing priorities and future funding.

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.

- 2.15 Reference to May 2024 election under current factors has been removed, business as usual.

Partnership and 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.

- 2.16 The risk context has been updated to reflect the end of the three-year funding settlement for the Violence Reduction Unit and victim services commissioning.

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 other statutory obligations.

- 2.17 The current factors have been updated to remove reference to the pre-election period and to amend the timeline for the new police dismissals process; due to the general election there has been a delay concluding the review and a date for publication of new guidance/legislation is pending.
- 2.18 A new current factor has been included to reflect the public engagement work that will take place to help shape the PCC's new Police and Crime Plan which will be launched in December 2024.
- 2.19 One area remains high-risk for the OPCC: Finance.

3. CONSIDERATIONS

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

Overview of the RAG status of Strategic Risk – Northumbria Police

LIKELIHOOD	IMPACT				
	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			
	Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)

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

Amber: Medium

Red: High/Very High

Unlikely to occur or the risk is fully manageable. Likely to lead to no or only tolerable delay in the achievement of priorities. The Force is actively managing the risk as is practicable. The risk may lead to moderate impact on the achievement of priorities.

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.

I	Strategic Risk Area – Digital Policing
	Risk – Inability of the Force to respond effectively to service demand due to loss or failure of mission and business critical technology solutions.
Owner(s)	Deputy Chief Constable
Governance & Oversight	Digital Policing Portfolio Governance Board
Context	<ul style="list-style-type: none"> ▪ Limitations of current digital policing systems and the impact on service delivery. ▪ Loss of critical digital policing services. ▪ Significant information technology (IT) projects and programmes. ▪ Lack of skills and/or capacity to fulfil business as usual and change activities in parallel ▪ A malicious intent to compromise or access information or data. ▪ Failure of national projects to deliver on time and to specification. ▪ Compromise of security perimeter devices leading to a compromise of the Force core network and a breach of confidentiality and integrity of Force data, and subsequent impact to national systems.
Current factors	<ul style="list-style-type: none"> ▪ Legacy technology estate carrying a low level of documentation, coupled with loss of knowledge and introduction of new staff. ▪ Some technologies are no longer covered under a commercial contract for support & maintenance. ▪ Some technologies are no longer supported by the vendor resulting in a lack of security patching and feature upgrades. ▪ Lack of standardisation across the technology estate. ▪ Unclear business ownership aligned to technologies to effect business representation against contract renewals and license allocation. ▪ Disparate applications with unclear alignment to Force capabilities. ▪ No formally agreed SLAs with the business in relation to technology availability and recovery. ▪ An organically grown network which is lacking consistency and standardisation. ▪ A significant weakness was highlighted during the internal audit in May 24. This relates to the visibility and reporting of the network security posture, and more specifically the patch status of network devices.
Potential consequence	<ul style="list-style-type: none"> ▪ Ineffective IT system to support business processes. ▪ Inability to effectively communicate with partners and the public. ▪ Loss of information from systems as a result of a cyber-attack. ▪ Removal from PSN/p network may be considered if the Force network is found to have been compromised. ▪ Loss of confidence in systems and the organisation from users, the public and partner organisations. ▪ Loss of people data due to out of service life and unsupported core people systems internally and externally. ▪ Confidentiality and integrity risk to Force data and systems and potentially national policing data and systems.

	<ul style="list-style-type: none"> ▪ The ability to carry out impact assessments based on new vulnerabilities is manual, and therefore may result in devices missing critical and non-critical updates within a suitable timeframe.
Summary of Controls	<ul style="list-style-type: none"> ▪ Digital Policing Board Key Performance Indicator (KPI) to track and maintain oversight of both National Management Centre (NMC) alerts and patching. ▪ New major IT organisational restructure approved with 85% of vacancies filled increasing leadership, capability and capacity. ▪ Hardware upgrade and investment in existing NPICCS solution to ensure support and maintenance is maintained. ▪ New NPICCS hardware procured and installed across 2 sites, with migration due to conclude by end of summer 2024 ▪ 18-month implementation plan requiring significant IT commitment/resource in-place to implement the Records Management System replacement for NPICCS by February 2026. ▪ Audit regime to test internal switches and disablement when required. ▪ Wide Area Network Transition from Capita to MLL as WAN suppliers expected to complete in late summer 2024. ▪ Tender being shaped to redesign and deliver a transformed Local Area Network (LAN). ▪ Disaster recovery controls in formation to deliver appropriate management of core system recovery and associated business continuity plans. ▪ Effective Cyber Incident Response Plan (CIRP) agreed, understood and in place. ▪ Patching policy in place. Network Team at full establishment will ensure daily checks and patching regime on network and infrastructure devices is maintained and reported. ▪ Centralised hardware security monitoring now fully operable via the NMC provided by the National Enabling Programme. ▪ Increased the number of devices being monitored (Meraki devices) by the central monitoring by NMC. ▪ Close direct relationships with Cyber support and oversight provided by the National Cyber Security Centre (NCSC). ▪ Greater security enhancement via enhanced Firewalls, access controls and further investment in new F5 technology. ▪ Annual and ad-hoc penetration testing regime embedded. ▪ Existing Cobol resources extended and capacity increased by 2 funded by projects during Q3 2024. ▪ Implementation of Smart Contact Command and Control solutions removing the threat of loss of 999 and 101 calls due to loss of NPICCS. ▪ Increase in the frequency and types of backups of the people data and full system backups to minimise any loss. <p>Periodic restores and read tests in place to ensure backup is viable.</p> <ul style="list-style-type: none"> ▪ Work towards a full network topology being supplied to the

	<p>NMC to allow a complete understanding of the potential routes an Advance Persistent Threat (APT) may take across the Force network and further enhanced monitoring.</p> <ul style="list-style-type: none">▪ A wider assessment of security controls in place, which will include consideration of Administrative Username and Password used across the Force network.▪ Discovery and modelling of the entire technology estate has commenced. This will provide full documentation and understanding of linked assets, and the ability to carry out effective assessment to drive improvements.▪ Digital Roadmap in development to provide visibility and gain buy-in from key stakeholders against all change activities required.	
Likelihood	3	12
Impact	4	

2	Strategic Risk Area – Finance
	Risk – Reduction in funding and/or funding pressures which require changes to financial planning and/or a change to the resourcing of service delivery.
Owner(s)	Chief Constable and Head of Finance (CFO)
Governance & Oversight	Executive Board / Business Meeting
Context	<ul style="list-style-type: none"> ▪ 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. ▪ Reduction in central government funding as announced in the annual Home Office (HO) Police Funding Settlement. ▪ 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. ▪ Continued global cost pressures and cost of living increases are not funded with the grant settlement, leading to the necessity for efficiencies. ▪ 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. ▪ 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.
Current factors	<ul style="list-style-type: none"> ▪ There has been a change in Government during 2024 and current discussions suggest consideration of a 3-year settlement for policing, along with a pledge for a national 13,000 increase in resources to Neighbourhoods. This is yet to be clarified in terms of the overall funding and grant position. ▪ There is still an expectation that the review of the Police Allocation Formula (PAF) will be delivered under the new Government however, timescales are yet to be clarified ▪ In force financial implications of pension remedy, which are currently being progressed based on national guidance. ▪ Inflationary rises and supply chain issues are creating significant cost pressures in current and future budget predictions, without any increases in funding.
Potential consequence	<ul style="list-style-type: none"> ▪ 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. ▪ 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.	
Summary of Controls	<ul style="list-style-type: none"> ▪ Transparent ownership of financial matters between the PCC and Chief Constable. ▪ Well understood in-year financial monitoring and reporting governance. ▪ An effective Reserves Strategy to provide mitigation against known and potential future events (Inflationary Risk, Pay Inflation, Emergency Services Network, , Operational Systems Reserves etc.), plus reserves providing financing to planned future investments. ▪ Full consultation, engagement and lobbying alongside and independently with the Police and Crime Commissioners Treasurers' Society, NPCC Treasurers' group and the HO alongside regional public sector partners including the Mayoral Office, to influence funding for Policing and the North East. ▪ Effective force wide Business Planning cycle, Revenue and Capital budget setting processes, Efficiency plans and monitoring. ▪ An effective Workforce Plan, Governance Arrangements and Force Operating Model to manage pay related spend. 	
Likelihood Impact	4 4	16

3	Strategic Risk Area – Governance	
	Risk – Failures originating from unclear plans, priorities, responsibilities and accountabilities and/or ineffective or disproportionate scrutiny, oversight, transparency and internal control of decision-making and/or performance.	
	Owner(s)	Deputy Chief Constable
	Governance & Oversight	Executive Board
	Context	<ul style="list-style-type: none"> Chief Constable is unable to account to the PCC for the exercise of their functions and those under their direction and control. There is a breakdown in relationship between the Force and Office of the Police and Crime Commissioner (OPCC).
	Current factors	<ul style="list-style-type: none"> PCC due to consult upon Policing and Crime Plan Response to external inspection and investigation activity by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS). Challenging Force change projects and programmes.
	Potential consequence	<ul style="list-style-type: none"> Inability to identify and respond to deteriorating performance resulting in policing priorities not being achieved. A decline in quality and service delivery, leading to a reduction in satisfaction levels. Inability to work effectively in partnership to provide services to victims and witnesses. Slippage/failure of projects, which hamper the achievement of objectives. Adverse external inspection reports, leading to recommendations and wider escalation. Loss of public confidence.
	Summary of Controls	<ul style="list-style-type: none"> New Force Strategy, underpinned by thematic strategies and delivery plans. Regular review of the governance and decision-making structure to ensure it provides appropriate governance arrangements, including OPCC Scrutiny Meeting to hold the police to account on behalf of the public. A Joint Independent Audit Committee to provide advice to the PCC and Chief Constable on the principles of corporate governance. Internal Audit of Governance by Gateshead Council. Adherence to CIPFA good governance Wider availability of information provided to, and outcome from, governance meetings to direct and support activity in pursuit of more informed decision making and improved performance.
	Likelihood Impact	<div>1</div> <div>2</div> <div>2</div>

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

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	<p>and measurable solutions via implementation of automated processes, utilising available functionality within the 365 capability.</p> <ul style="list-style-type: none">▪ Targeted and relevant audit and organisational learning process to identify inappropriate handling and management of information.▪ Oversight and management through the Governance and Decision-making structure.▪ Implementation of formal Information Asset Registers, training, awareness and ongoing monitoring and support for IAOs and Information Asset Leads.▪ Enhanced legislative, policy/procedure compliance via review, retention and deletion (RRD) implementation around stored data, which radicalises volumes and controls access.▪ 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.▪ Planned assurance schedule relating to critical systems and services.▪ Bi-monthly meeting with Senior Information Risk Owner to formally assess and govern risk.▪ Force OpSy role identified and placed into IMD to improve operational security.	
Likelihood	3	12
Impact	4	

5	Strategic Risk Area – Information and Data Quality
	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.
Owner(s)	Assistant Chief Constable (Force Coordination)
Governance & Oversight	Force Assurance Board
Context	<ul style="list-style-type: none"> ▪ 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. ▪ The replacement of Force legacy systems presenting competing data collection processes. ▪ The ability to assign accountability/ownership of data assets to ensure data is collected, stored and used appropriately. ▪ 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. ▪ 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.
Current factors	<ul style="list-style-type: none"> ▪ Legacy data and systems. ▪ Vetting our workforce at the appropriate levels defined by role requirements. ▪ Managing the use of personal devices for official tasks. ▪ Limiting staff and visitor access to information, assets and estate.
Potential consequence	<ul style="list-style-type: none"> ▪ Inaccessible/inaccurate intelligence. ▪ 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. ▪ Reduction in force performance and delivery through poor and non-reflective data quality. ▪ Failure to identify risk of vulnerability, officer, public safety. ▪ Inaccurate data returns to the HO and other bodies e.g. HMICFRS. ▪ Adverse findings from inspectorate and audit bodies e.g. HMICFRS and ICO. ▪ 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.

Summary of Controls	<ul style="list-style-type: none"> ▪ Investment in IT to support ongoing DP programme which integrates data management processes and wider compliance obligations. ▪ Migration plans as part of IT projects and programmes to ensure data quality, accuracy and compliance with GDPR. ▪ Implementation of Data Quality reviews and Audits to support ongoing improvements relating to handling methods, accuracy, review and retention. ▪ Quality Standards Delivery Team. ▪ Use of the Qlik Sense Business Intelligence tool to identify compliance and data quality issues. ▪ Engagement with the HO/National Police Chiefs' Council National Data Quality Improvement Service (NDQIS). ▪ Implementation of holistic Information Asset Registers with accountable Owners and Leads. ▪ 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. ▪ Implementation of formal Information Asset Registers, training, awareness and ongoing monitoring and support for IAOs and Information Asset Leads. ▪ Enhanced legislative, policy/procedure compliance via review, retention and deletion (RRD) implementation re stored data which radicalises volumes and controls access. ▪ Enhanced external audit regime implemented that reflects the complexity and breadth of information management obligations and compliance regimes. ▪ Revised compliance with ICO and legislative requirements (Record of Processing Activities, Data Flow Mapping etc.). Understanding and review of the Force estate to ensure it is fit for purpose and used effectively in line with operating procedures. ▪ Compliance with Vetting Code of Practice to ensure consistent and high standards of police vetting. ▪ Regular review of the Designated Post List against known role descriptions. ▪ Self-service updates to allow efficient and timely changes to data. ▪ Information Management training mandated for all staff and officers with key performance indicators reported as a standing agenda item. ▪ Dedicated communication and awareness plan for all staff and officers which targets key risks and impacts in a timely and effective manner. 	
Likelihood	2	8
Impact	4	

6	Strategic Risk Area – Infrastructure and Assets
	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.
Owner(s)	Assistant Chief Officer Corporate Services
Governance & Oversight	Strategic Resourcing Board
Context	<ul style="list-style-type: none"> ▪ Failure to appropriately maintain assets may result in critical failure. ▪ Failure to comply with building regulations and legislation regarding the safety of our estate. ▪ Force must meet future sustainability and carbon reduction targets. ▪ Failure to ensure officers and staff have the right assets and equipment available to perform their role. ▪ Failure to prevent unauthorised access to force buildings. ▪ Failure to provide the appropriate training estate to enable maintenance of operational training profiles and to meet CoP licensing requirements
Current factors	<ul style="list-style-type: none"> ▪ Programme of works aligned to future Force Operating Model needs to be established to meet operation, sustainability and carbon reduction requirements. ▪ Implementation of an Agile Working policy. ▪ Delays and increased costs of Estates programme as a result of supply chain issues and inflationary pressures. ▪ Ongoing delays in new supply of vehicles/availability of fleet as a result of global supply chain issues. ▪ Physical security of buildings and methods of access. ▪ Non police owned operational training estate with reliance on other parties to support our delivery.
Potential consequence	<ul style="list-style-type: none"> ▪ Injury to users of assets, detainees or the public. ▪ Reduced availability of assets impacts on services across some or all business areas. ▪ Litigation and civil claims. ▪ Negative impact on the workforce and on public confidence. ▪ Not achieving sustainability and carbon reduction targets. ▪ Unauthorised access to force buildings and assets. ▪ Loss of COP license to deliver operational training impacting on capability and deployability of workforce
Summary of Controls	<ul style="list-style-type: none"> ▪ Understanding and review of the Force estate to ensure it is fit for purpose and used effectively. Where appropriate maximise collaboration and shared estate where there is an operational benefit ▪ Full review of methods of access to buildings undertaken, specification and project underway to replace current key access with electronic access control system for all force buildings. ▪ To mitigate specific risk at North Shields, a bespoke access control system has been installed.

	<ul style="list-style-type: none"> ▪ There has been a programme of communications issued to all staff in relation to building security. Including the wearing of identification and challenging where appropriate individuals seeking to access force buildings. ▪ Additional penetration testing to test building security measures has been put in place. ▪ Implement agreed Estates Strategy, rationalising where appropriate and re-profiling building refurbishment programme to align with future operating model and operating procedures. ▪ Established internal arrangements to minimise the impact of proposed estate and infrastructure changes/refreshes on the business. ▪ Business Continuity Plans, Estate Strategies and policies and procedures in place. ▪ Regular inspection, testing and maintenance programmes in place in respect of water hygiene, electricity and gas safety. ▪ Statutory maintenance audit sampling a number of force buildings to be undertaken, providing assurance around statutory compliance and potentially to identify any gaps in maintenance coverage. ▪ Fire risk assessments in place. ▪ Asbestos management plan in place. ▪ Health and Safety management embedded at tactical and strategic level. ▪ Fleet Strategy implemented in-line with carbon reduction targets. ▪ Fleet User Group to revise fleet use and force profile, including development of sustainable fleet measures. ▪ Vehicle maintenance, transportation and installation partners are vetted to ensure security and continuity of service. ▪ Internal fuel stock maintained. ▪ Asset management software and/ or recording system in place. ▪ Telematics installed in all cars providing management oversight with timely maintenance and usage data. ▪ Operational equipment requirements are managed via the Force Safety Group and reported to the Culture and Leadership Board. ▪ Estates Strategy significant investment projects and Estates Capital Programme progress are overseen by the Estates Programme Board. ▪ Ongoing negotiations to secure operational training bases with Northumberland and Tyne and Wear Fire services which will be compliant with CoP license requirements and in support of Etal Lane as NP owned estate. Longer term agreement to secure operational training base. 	
Likelihood	2	6
Impact	3	

7	Strategic Risk Area – Operational
	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.
Owner(s)	Assistant Chief Constable (Force Coordination)
Governance & Oversight	Force Assurance Board
Context	<ul style="list-style-type: none"> ▪ A specific focus on Joint Emergency Services Interoperability Programme (JESIP) principles and preparedness planning through the Local Resilience Forum (LRF) to manage Major Incidents. ▪ 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. ▪ A recognition of the Force's ability to effectively deal with Societal Risks; Diseases; Natural Hazards; Major Accidents; Malicious Attacks increased protest activity and to protect the public and comply with statutory requirements in these circumstances.
Current factors	<ul style="list-style-type: none"> ▪ Current review of the CCA (Civil Contingencies Act). ▪ Proposed wider remit of LRFs and stronger LRF pilot within the Northumbria region. ▪ Statutory guidance for JESIP and increased training requirements. ▪ Implementation of a new Force Operating Model has created an imbalance of skills across geographical locations and shifts. ▪ Work Force Plan. ▪ Significant Events (for e.g. derby match and increase in protests relating to Palestine situation etc). ▪ Manchester Arena recommendations impacting broader testing & exercising. ▪ Increased PPST training schedule. ▪ Increased Mutual Aid requests.
Potential consequence	<ul style="list-style-type: none"> ▪ Inability to meet core policing requirements. ▪ Inability to respond effectively to Major Incidents. ▪ Reduced staffing and service provision. ▪ Inability to deliver services across some or all business areas. ▪ Inability to project accurate resourcing to meet future demand. ▪ Ability to meet mobilisation commitment. ▪ Negative impact on public confidence. ▪ Ineffective business continuity.

Summary of Controls	<ul style="list-style-type: none"> ▪ Skills map is being developed and will be taken to SRB with recommendations to address the imbalance caused by FOM moves. ▪ Robust business continuity plans in place across all area commands and departments with regular testing ▪ Concept of Operations developed in line with the States of Policing Matrix to support resourcing decisions maintain critical functionality for the force. ▪ 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. ▪ Ability to implement agile ways of working and create secure estate environments. ▪ Northumbria Police are an invested partner in the LRF and work closely with the partnership on preparedness for civil emergencies and the testing and excising of the multi-agency response. ▪ Northumbria police will lead on recruitment of stronger LRF resources and will host the roles once recruited ▪ Strategic and tactical JESIP delivery groups. ▪ Internal and multi-agency Governance structure to deliver on MAI recommendations. ▪ Ability to revise shift pattern to facilitate mobilisation of specialist staff, particularly in respect of TL2 assets. ▪ Force Coordination Centre and twice daily pace setter meetings to align demand and resources. 	
Likelihood	2	8
Impact	4	

8	Strategic Risk Area – Partnership & Collaboration
	Risk – Loss or reduction in opportunities to work in partnership or collaboration 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.
Owner(s)	Deputy Chief Constable
Governance & Oversight	Strategic Resourcing Board
Context	<ul style="list-style-type: none"> ▪ Lack of scoping and user requirements at the outset of partnerships/collaboration or commercial interest. ▪ Financial constraints on public services. ▪ Cost of living and inflation impacting economy and changing opportunities. ▪ Lack of integrated planning with partners to identify opportunities. ▪ 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. ▪ Failure of collaborative agreements. ▪ Reduced commitment to Community Safety Partnerships (CSPs) and joint objective setting due to competing demands within LAs.
Current factors	<ul style="list-style-type: none"> ▪ Reduction in safeguarding activity and preventative work, particularly relating to serious violence and anti-social behaviour. ▪ Ability to manage commercial contracts. ▪ Missed opportunities for further partnership collaboration with partners. ▪ Cost of living/inflation is affecting commercial businesses and public sector. ▪ Ability of partners to deliver services.
Potential consequence	<ul style="list-style-type: none"> ▪ Gaps in services and support to communities. ▪ Missed opportunities to prevent and reduce crime and disorder. ▪ Reduced public confidence. ▪ Reduced opportunities for more efficient and effective services. ▪ Increased costs due to poor scoping and/or contract management. ▪ Missed learning opportunities for partner agencies from serious case reviews. ▪ Police resource used to fill gaps created by non-delivery of partnership services, depleting capacity to provide policing services.
Summary of Controls	<ul style="list-style-type: none"> ▪ Improving partnership governance arrangements and joint partnership plans through CSPs and wider multi-agency arrangements. ▪ Force wide business planning cycle and delivery of local business plans informed by partnership data and engagement. ▪ Strategic Design Authority and Force change projects and programmes to improve scope and user requirements of procured services with clear benefits tracking via the Strategic Resourcing Board

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	<ul style="list-style-type: none">▪ Improving understanding of demand and external influences of demand enabling effective management of response.▪ Business continuity plans between relevant partners.▪ Access to local and/or national support programmes.▪ Ongoing management of commercial contracts.▪ Ability to introduce and maintain joint Criminal Justice Impact and Recovery working exercises when required, utilising resources across disciplines to meet demand.	
Likelihood Impact	2 4	8

9	Strategic Risk Area – Public Confidence
	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.
Owner(s)	Deputy Chief Constable
Governance & Oversight	Trust and Confidence Board
Context	<ul style="list-style-type: none"> Force or an associated individual acts in an inappropriate, discriminatory way or demonstrates corrupt behaviour. Death or serious injury following police contact or other adverse or critical incident, as a result of police action or omission. Misuse or deliberate disclosure of sensitive data or information. Public perceptions of police ineffectiveness in relation to offences disproportionately impacting on specific communities or those with protected characteristics. Reduced legitimacy due to poor engagement. Publication of recent reports, including Dame Louise Casey review of Metropolitan Police, Operation Hotten and the findings following the murder of Sarah Everard and the Angiolini Inquiry.
Current factors	<ul style="list-style-type: none"> Abuse of authority for financial or sexual purpose, fraud or theft. Awareness of risk within workforce (Abuse of Authority for a Sexual Purpose (AA4SP), misogyny, discrimination) and increase in associated misconduct cases. Current operating context and legitimacy in use of police powers. Disproportionality in use of powers. Identification and response to organisational learning opportunities. 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. Reduced levels of public confidence
Potential consequence	<ul style="list-style-type: none"> Abuse of authority for financial or sexual purpose, fraud or theft. Increased civil unrest. Perception of disparity damaging confidence of minority groups. Litigation, legal action against the Force. Reduced public confidence.

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

10	Strategic Risk Area – Regulation & Standards	
	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.	
Owner(s)	Deputy Chief Constable	
Governance & Oversight	Force Assurance Board	
Context	<ul style="list-style-type: none"> ▪ Litigation, legal action and/or prosecution of the Force and/or individuals by former officers or staff members. ▪ Failure to comply with regulatory frameworks. 	
Current factors	<ul style="list-style-type: none"> ▪ Increased scrutiny and challenge on police powers and super complaints. ▪ Significant events impacting on public confidence over last 12 months. ▪ Change in legislation in relation to protest may result in legal challenge. ▪ Increase awareness and reporting of AA4SP could result in legal action against force for failure to prevent. 	
Potential consequence	<ul style="list-style-type: none"> ▪ Litigation, legal action and/or prosecution of the Force and/or individual staff. ▪ Associated costs of dealing with litigation. ▪ Negative impact on the workforce and public confidence. ▪ Failure to comply with relevant Health and Safety regulations. 	
Summary of Controls	<ul style="list-style-type: none"> ▪ Central review of all civil claims, with adverse trends and lessons learnt reported and learning shared through Force Assurance Board. ▪ Recognised accreditation in relevant areas of business. ▪ Health and Safety Management System and provision of health and safety advice. ▪ Investigations and review of health and safety incidents, with lessons learnt reported. ▪ Force policy on mandatory use of Body Worn Video at key incidents/events. ▪ External Scrutiny including panel for use of police powers (Use of Force/Stop & Search) and substantive Independent Scrutiny and Oversight Board. ▪ Force approach to identify and reduce AA4SP. 	
Likelihood	3	9
Impact	3	

II	Strategic Risk Area – Strategy	
	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.	
Owner(s)	Chief Constable	
Governance & Oversight	Executive Board	
Context	<ul style="list-style-type: none"> ▪ Failure to deliver the Force Strategic Priorities. ▪ Failure to deliver against objectives set out in the Police and Crime Plan. ▪ Failure to achieve the business benefits from Force change projects and programmes. ▪ Compliance and standards not meeting acceptable levels impacting on victim services and public confidence. ▪ Failure to meet areas for improvement highlighted by external bodies. 	
Current factors	<ul style="list-style-type: none"> ▪ Increased demand as the force implements Force change projects and programmes. ▪ Implementation of operating model able to support future demand. 	
Potential consequence	<ul style="list-style-type: none"> ▪ Deteriorating performance resulting in policing priorities not being achieved. ▪ A decline in quality and service delivery, leading to a reduction in satisfaction and confidence. ▪ Adverse external inspection reports, leading to recommendations and wider escalation. ▪ Slippage/failure of projects, which hamper the achievement of objectives. 	
Summary of Controls	<ul style="list-style-type: none"> ▪ Force Operating Model reviewed and implementation of new model. ▪ New Force Strategy underpinned by thematic strategies and delivery plans. ▪ Annual preparation of Force Management Statement. ▪ Business planning cycle and delivery of local business plans. ▪ Force wide Performance Management Framework. ▪ Oversight and management of performance using the Governance and Decision-making structure. ▪ Effective relationships and communication with partners locally enabling response to national issues (e.g. LCJB). ▪ Development and implementation of financial and efficiency planning focused on delivery of Force strategic priorities. ▪ Realisation of benefits linked to delivery of Force change projects and programmes. ▪ Accelerated Investigation Improvement Plan. 	
Likelihood	2	8
Impact	4	

12	Strategic Risk Area – Workforce
	Risk – Standards, conduct and behaviours of the workforce are not in-line with Northumbria Police values and the Code of Ethics. Inability to maintain an effective workforce profile through a reduction in attraction, recruitment and retention.
Owner(s)	Assistant Chief Officer Corporate Services
Governance & Oversight	Corporate Services Portfolio Governance Board
Context	<p>To attract, retain and develop a high performing and engaged workforce we must ensure:</p> <ul style="list-style-type: none"> • A strong and relevant employer brand focussed on improvement, which is realistic and reflective of our internal culture. • An environment which promotes and displays positive behaviours at all levels, led and exemplified by Chief Officers, with a clear focus on value and engagement. • Our people feel confident to challenge and call out adverse behaviours at every level. • A collective focus on wellbeing and a commitment to maintaining manageable workloads. • A holistic resourcing strategy through which operating models and roles offer clarity and have a long-term vision to support attraction, retention, and development. • The development of clear supply pipelines to grow capability internally, providing progression opportunities, nurturing talent, and governing this activity through the resourcing strategy. • Efficient recruitment and vetting processes to match hiring pace and to ensure the right assessment and quality assurance of candidates is in place to meet and exceed standards. • The development and promotion of sustainable growth in future capabilities, by effectively understanding our future skills requirements.
Current factors	<ul style="list-style-type: none"> • Developing understanding of current and future operating models which impacts on resourcing and skills requirements. • Poor understanding of people performance, insufficient use of the P&DR system and lack of buy-in from local management leads to ineffective resource utilisation, low morale and missed opportunities to maximise talent and innovation. • Current job market means candidates have increased choice and higher expectations in relation to salary and opportunities for development. • Challenges to meet wider diversity ambition prevail despite increased local diversity as applicant pools remain limited. • Challenges in the attraction of specialist resources through internal supply routes. • Higher percentage of female officer voluntary leavers than males.

	<ul style="list-style-type: none"> • Skills shortages persist in select specialist and technical roles due to marked differences in remuneration when compared to private sector. • The attraction and retention of volunteers continues to be negatively impacted by a nationally depleting market. • Vetting is currently not matching the hiring pace. Vacancies are being held for long periods and attrition of candidates due to the length of wait is evident.
Potential consequence	<ul style="list-style-type: none"> • Failure to secure a diverse and engaged workforce, directly impacting productivity. • Reduction in performance and negative impact on quality of service. • Failure to deliver services in technical and specialist areas impacting on public trust and confidence. • Impact on investigative standards and quality due to insufficient investigative resources to meet demand. • Lack of representation of the communities we serve, impacting negatively in trust and confidence. • Limited ability to deliver or delays in the delivery of Force change projects and programmes due to insufficient specialist and/or technical skills. • Loss of talent due to vetting delays.
Summary of Controls	<ul style="list-style-type: none"> • Continuous engagement with Chief Officer and business leads to ensure clarity of operating models, with oversight through the force governance framework, specifically Strategic Design Authority and Strategic Resourcing Board. • A People Strategy underpinned by specific people pillars provides direction and clarity to create suitable environments to drive performance improvement and support attraction, recruitment and development of our people. • A Resourcing Strategy to implement a holistic approach to resourcing and enable each business area to address design, demand, capacity, capability and supply for all resources needed. • A Strategic Workforce Plan to address resourcing needs at three distinct levels: day to day resource requirements, succession capacity and capability planning to address foreseen gaps and a longer-term vision setting out the resourcing needs and priorities of the Force across next five years. • Pay offer and job evaluation have been modernised, bringing salaries within the median for public sector to improve attraction and retention. • In addition to the new salary model, bespoke support and significant investment has been made to increase pay competitiveness across technical roles, securing critical technical skills and supporting Force change projects and programmes. • Focus on implementing a total rewards package and the establishment of a rewards panel to provide consistency, fairness and scrutiny to the

	<p>allocation of market supplements, retention payments and other monetary related benefits.</p> <ul style="list-style-type: none"> • The NPCC Diversity, Equality & Inclusion Strategy is incorporated into the DE&I Strategy with a delivery plan aligned to national workstreams as well as a bespoke positive action plan to support meeting diversity and volunteering ambition. • Use of agency / organisations to provide burst capability for technical skills. • Development of a bespoke framework to address workforce retention and attrition as well as implementation of the national leavers framework to act on exit and retention intelligence. • A comprehensive accelerated investigative improvement plan and associated workforce plan is in place with governance provided by the Investigative Capability Gold Group and Strategic Resourcing Board. • A focussed Capacity and Capability Meeting is in place to monitor, coordinate and agree operational resourcing solutions at tactical level. This provides a platform for early consultation on change to operating models and early understanding of capacity and capability impact. • Recruitment campaigns are mapped for the forthcoming year and shared with vetting to ensure demand can be effectively managed and met. A process to prioritise vetting applications has been implemented between People Department and vetting. Vetting resources are considered sufficient to meet ongoing demand and remain under close observation. 	
Likelihood	3	12
Impact	4	

Overview of the RAG status of Strategic Risk – OPCC

LIKELIHOOD	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)
IMPACT					

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

OPCC	Strategic Risk – Finance (OPCC) 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.
Owner(s)	Chief Finance Officer – OPCC
Governance and Oversight	Joint Business Meeting/OPCC Business Meeting
Context	<ul style="list-style-type: none"> ▪ 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. ▪ 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. ▪ 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. ▪ 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. ▪ Reserves policy is crucial to medium-term sustainability. ▪ In-year financial monitoring must be robust.
Current factors	<ul style="list-style-type: none"> ▪ Funding settlement 2024/25 remains one-year only. ▪ Funding streams including the VRU, victim services and Safer Streets all remain on a short-term basis, ending March 2025. ▪ Settlement 2024/25 has continued funding to support the Uplift programme. ▪ At this time, the level of national funding and the robust controls detailed below mitigate in the short term the consequence. ▪ In the medium-term extraordinary international events and national inflationary rises lead to significant increases in cost without any increase in funding. ▪ Following the General Election there may be changes to policing priorities and future funding.
Potential consequence	<ul style="list-style-type: none"> ▪ 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. ▪ 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.

APPENDIX B

Summary of Controls	<ul style="list-style-type: none"> ▪ Strategic engagement in respect of any proposed review of the funding formula. ▪ Transparent ownership of financial matters between the PCC and CC. ▪ Comprehensive approach using Priority Based Budgeting to identify areas of efficiency and investment, and an annual budget setting process. ▪ Well understood in-year financial monitoring and reporting governance. ▪ Medium and long term financial planning. ▪ Regular oversight of revenue and capital budget. ▪ Maintain adequate risk assessed reserves. ▪ Ongoing consultation, engagement and lobbying alongside and independently with the Police and Crime Commissioners Treasurers Society, NPCC Treasurers Group and the Home Office to influence funding for policing in the North East. ▪ Audit Committee/Internal Audit/Treasury Management strategy in place and outcomes reviewed by PCC. ▪ HMICFRS inspection regime. 	
Likelihood Impact	4 4	16

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

OPCC	Strategic Risk – Partnership & Collaboration (OPCC) 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.	
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"> ▪ Challenging budget and service pressures within partner organisations both in public and voluntary sector can lead to silo working. ▪ Potential for national issues and crisis to affect collaborative working. ▪ Requirement to retain engagement of the public as a partner. ▪ Ensuring external factors do not alter relationships preventing joint working. ▪ Clear outcomes not being identified and reported can risk sustainability and ongoing partner engagement. ▪ Uncertainty of long-term sustained resourcing to deliver current public health approach collaboration - Violence Reduction Unit and other joint projects including Victims Service Provision. 3 yr funding confirmed up to the end of March 2025. 	
Current factors	<ul style="list-style-type: none"> ▪ Current economic crisis and funding pressures on partners. ▪ PCC Review Government ambition to strengthen and expand the role of PCCs and maximise potential for wider efficiencies. ▪ Stream of external funding opportunities and complex bidding process 	
Potential consequence	<ul style="list-style-type: none"> ▪ Reduced public confidence. ▪ Reduced opportunities for more efficient and effective services. ▪ 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. ▪ Missed opportunities to prevent and reduce crime and disorder and maintain an efficient and effective Criminal Justice System. ▪ Increased costs due to poor partnership and commissioned service management. 	
Summary of Controls	<ul style="list-style-type: none"> ▪ Effective partnership/commissioning governance arrangements that identify and report outcomes and progress. ▪ Comprehensive public engagement and communication strategies to inform multi agency responses and effective scrutiny. ▪ Scrutiny of effectiveness of Force collaborative activity. ▪ Focus on accessing funds for collaborative working and lobbying government for sustained funding streams. ▪ VRU Strategic Board and Response Strategy. ▪ PCC chairs Local Criminal Justice Board and ASB Strategic Board. ▪ Collaboration and engagement with other PCCs, nationally and regionally. ▪ Comprehensive engagement and monitoring of commissioned services. ▪ Regular 'sector' engagement meetings with potential and current partners. 	
Likelihood Impact	2 4	8

OPCC	Strategic Risk – Public Confidence (OPCC) 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.	
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"> ▪ A robust communications plan is needed to demonstrate effective and visible accountability of the Chief Constable to the PCC. ▪ 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. ▪ Engagement with communities to identify and respond to trends identified through the complaints process and external communication to reflect organisational learning. ▪ OPCC business must ensure compliance with legal, information management legislation, transparency guidance and the public sector equality duty. ▪ Continue to reassure communities through robust scrutiny of Northumbria Police and engagement with partners and communities. 	
Current factors	<ul style="list-style-type: none"> ▪ Ongoing consultation to develop the new Police and Crime Plan with a focus on building safer streets and stronger communities. ▪ Role of social media in shaping public perceptions. ▪ Changes to law to allow the public to report crimes via social media. ▪ Review of the Police dismissals process ▪ New legislation/guidance pending. 	
Potential consequence	<ul style="list-style-type: none"> ▪ Reputational damage. ▪ Police and Crime Plan and actual delivery not aligned to public concerns and priorities. ▪ Loss of trust/confidence in the PCC as a result of crime perceptions. ▪ Poor service delivery damages public confidence. ▪ Relationship with force and partners. ▪ Government penalties due to poor assessment results. 	
Summary of Controls	<ul style="list-style-type: none"> ▪ Police and Crime Plan (annually updated to reflect emerging priorities). ▪ Annual Scrutiny Programme and quarterly OPCC service confidence in policing report from the PCC to the Chief Constable. ▪ Police and Crime Panel Scrutiny. ▪ Reporting back to the public crime data and on their concerns and progress towards the Police and Crime plan. ▪ External evaluations including impact of the VRU. ▪ Rolling programme of PCC engagement across demographics and issue based topics. ▪ Annual Report. ▪ Governance Framework. ▪ Annual Assurance Statement/Audit Committee. ▪ Internal Audit. ▪ OPCC website and social media. ▪ Data Protection Officer. ▪ Complaints review process. ▪ Service level agreement with Northumbria Police. ▪ External Advisory Panel Framework. 	
Likelihood Impact	2 4	8

JOINT INDEPENDENT AUDIT COMMITTEE	23 SEPTEMBER 2024
REGULATORY FRAMEWORK – INDEPENDENT ASSURANCE	
REPORT OF: GAIL THOMPSON, DEPUTY HEAD OF FINANCE	

1. Purpose

- 1.1. The purpose of this report is to provide members of the Joint Independent Audit Committee (JIAC) with information relating to specific areas of the Terms of Reference (ToR) of the JIAC (Regulatory Framework) where members are required to provide appropriate independent assurance to the PCC and CC.

2. Background

- 2.1. The Terms of Reference for the Joint Independent Audit Committee (JIAC) were considered by members at the JIAC meeting on 26 February 2024 where an amendment was agreed to state that the Police and Crime Commissioner (PCC) and Chief Constable (CC) will attend one meeting per year in person alongside their representative.
- 2.2. As part of the Annual Governance Review for 2023/24 considered at the JIAC meeting on 20 May 2024 members agreed that a further assurance report would be added to the Annual Governance Review to recognise those areas under the Terms of Reference (ToR) of the JIAC (Regulatory Framework) where members are required to provide appropriate independent assurance to the PCC and CC, relating to:
 - The Scheme of Consent in respect of contract procedures and rules, financial regulations and codes of conduct and behaviour.
 - Codes of Governance and Policies relating to declarations of interest, gifts and hospitality, whistle blowing, counter fraud and corruption and any other relevant areas under the ToR – Regulatory Framework section.
- 2.3. In order to ensure that JIAC members can provide the appropriate assurance, it was agreed that these items would be presented on the September 2024 JIAC agenda for review, and an annual update on those areas would be added to the Annual Governance Review each year highlighting any changes to relevant policies, procedures, and regulations.

3. Regulatory Framework

- 3.1. The duties of JIAC members under the ToR (Regulatory Framework) are to ensure that there is an effective regulatory framework and evidence of compliance with mandatory and best practice standards, and to provide appropriate independent assurance to the PCC and CC. This includes fulfilling its role to:
 - Maintain an overview of the Scheme of Consent in respect of contract procedures and rules, financial regulations and codes of conduct and behaviour.
 - Monitor any codes of governance or policies relating to declarations of interest, gifts and hospitality and expenses.

- Monitor the whistle blowing arrangements and counter fraud and corruption strategy of the PCC and CC ensuring that adequate levels of assurance covering these matters are received.
- 3.2. The **Scheme of Consent** in respect of contract procedures and rules, financial regulations and codes of conduct and behaviour is published in the Governance Framework document on the OPCC website at the following link: [Governance Framework](#)
- 3.3. The Governance Framework provides an integrated scheme of governance in order to give clarity to the way the two corporations' sole, Police and Crime Commissioner and Chief Constable of Northumbria Police, will govern both jointly and separately.
- 3.4. The internal audit of **Governance** arrangements for 2023/24 found that control systems were Operating Well, and no findings were raised. The audit report was presented to the JIAC meeting on 20 November 2023.
- 3.5. **Declarations of interest** are covered under the Force policy on Attendance, Performance and Conduct and the procedure for Business Interests, Additional Employment and Positions Held Outside of Northumbria Police which is attached at **Appendix 1**.
- 3.6. The police staff eligibility criteria for Northumbria Police requires employees to declare any other employment or business interests they intend to maintain. The purpose of this is to ensure business interests and additional occupations do not conflict with the work of the police, undermine public confidence, or adversely affect the reputation of Northumbria Police. Employees must also declare voluntary roles working with children or vulnerable adults (e.g., scout leaders) on appointment.
- 3.7. Police Officers, and certain police staff roles are restricted from taking an active part in political activity, such as stand as a member of parliament/local authority or be an officer of a politically party.
- 3.8. Northumbria police business interests information is published at the following link: [Northumbria Police - Published Items](#)
- 3.9. OPCC staff are required to complete a register of interests. The register of interests for the PCC is published on the OPCC website at the following link: [Police and Crime Commissioner - Interests](#)
- 3.10. The Force policy for **Gifts, Gratuities and Hospitality** is attached at **Appendix 2**. Northumbria Police acknowledges and understands there is a risk that police officers, police staff and members of the Special Constabulary may be unduly influenced by the receipt of gifts including hospitality, or, alternatively, could be open to accusations of being unduly influenced. To minimise the risk, a register of gifts including hospitality is maintained.
- 3.11. The Elected Local Policing Bodies (Specified Information Order) 2011 places a duty on the Commissioner to publish certain information within specified timescales, which includes a register of gifts and hospitality in addition to certain expenses. More information is provided on the OPCC website at the following link: [Compliance with Specified Information Order](#)
- 3.12. The Code of Ethics places an obligation upon officers and staff to challenge and report improper conduct. The Code of Ethics can be found at the following link: [Code of Ethics](#)

- 3.13. The Code of Ethics is embedded in the leadership of the Force. The Force Strategy is underpinned by the Code of Ethics – Do the right things, in the right way, for the right reasons. Whilst the Code of Ethics is not statutory, it is supported by a statutory [Code of Practice for Ethical Policing](#), which includes actions that chief officers should take to support people in their force to use the ethical policing principles and to demonstrate professional behaviour.
- 3.14. The Force has mandatory Code of Ethics training (College of Policing Courses) for all staff and officers in the force.
- 3.15. The Force also operates a Trust and Confidence Board and Ethics Advisory Board.
- 3.16. Professional Standards reporting procedures outline how staff wishing to report wrongdoing may do so, including a statement of expectation. The Force Instructional Information System (IIS) contains all policies and procedures relating to Ethics and Codes of Conduct.
- 3.17. The Force **Whistleblowing** (Reporting Wrongdoing) Procedure is attached at Appendix 3. This procedure provides officers and staff, or others acting on behalf of Northumbria Police (including agency staff and contractors), with the means to report wrongdoing under the protection of the Public Interest Disclosure Act 1998. It outlines the process available to report integrity issues and aims to increase public confidence in Northumbria Police. The procedure is in place to reassure officers and staff that it is safe, acceptable and their duty to speak up.
- 3.18. The procedure explains that reports of theft, fraud or financial irregularity will be brought to the attention of the Head of PSD and the Head of Finance, who has overall responsibility for reporting to the Chief Constable, the Police and Crime Commissioner and the external auditor.
- 3.19. The [Police Anti-Corruption and Abuse Reporting Service](#) link on the Force website gives the public an anonymous route to report information about a police officer, member of staff or volunteer, who they believe are corrupt or committing serious abuse. The reporting service is run by the independent charity [Crimestoppers](#).
- 3.20. The OPCC Confidential Reporting Policy can be found at the following link: [OPCC Northumbria Confidential Reporting Policy](#)
- 3.21. The Force P&DR process includes an annual mandatory Integrity Health Check for all employees. Compliance for the Integrity Health Check is monitored and reported to the Executive to ensure annual completion. These reviews cover:
 - Standards of Professional Behaviour
 - Notifiable and Inappropriate Associations
 - Use of Social Media
 - Maintaining Professional Boundaries
 - Information Management and Data Protection
 - Business Interests, Secondary Employment and Positions Held Outside Northumbria Police

- Unmanageable Dept
- Gifts, Gratuities, Hospitality
- Substance Misuse
- Changes in Personal Circumstances

3.22. The internal audit of Counter Fraud and Corruption arrangements for 2023/24 found that control systems were Operating Well, and no findings were raised. The audit report was presented to the JIAC meeting on 20 November 2023.

4. **Summary**

- 4.1. The information presented in this report and appendices is intended to support JIAC members in their duty to provide appropriate independent assurance to the PCC and CC.
- 4.2. An update on these areas will be added to the Annual Governance Review each year highlighting any changes to relevant policies, procedures, and regulations.

5. **Considerations**

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

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Instructional Information Zone

Procedure Owned by VI: Professional Standards

[Instructional Information](#) | [PNLD](#) | [Voters](#) | [Emergency Plans](#)**Business Interests, Additional Employment and Positions Held Outside of Northumbria Police****Issued:** 02/04/2024 **Effective:** 07/05/2014 **Next Review:** 31/01/2025[• Related Documents](#)[• Search](#)[• Basic Page](#)[• Feedback](#)**PROCEDURE TITLE:** Business Interests, Additional Employment and Positions Held Outside of Northumbria Police**IN SUPPORT OF POLICY:** [Attendance, Performance and Conduct](#)**CONTACT DETAILS:** D/Superintendent Professional Standards**BACKGROUND INFORMATION:** The purpose of this procedure is to ensure any business interests undertaken within an individual's private life do not cause a conflict of interest to their police officer or police staff role and take account of the Code of Ethics**EQUALITY IMPACT ASSESSMENTS:** [Complete](#)**AUTHORISED PROFESSIONAL PRACTICE (APP) NATIONAL GUIDANCE:** [AVAILABLE](#)**1.0 Introduction**

1.1 Northumbria Police is committed to retaining an effective workforce. It is essential that the public has confidence in the integrity and impartiality of the police service. This procedure does not prevent police officers or police staff from holding a business interest. It is designed to promote consistent decision making when authorising business interests which do not conflict with the work of the police, undermine public confidence or adversely affect the reputation of the police officer, police staff member or police support volunteer, their Force, or the wider police service.

1.2 Decision makers should start from the presumption that an application to register a business interest should be granted if there are no adverse reputational matters or conflict with the values and ethos of the police service. This will also determine whether conditions are attached to any approval and the reasoning behind any conditions imposed or indeed any outright rejection, which must be fully recorded.

1.3 This procedure is intended to offer guidance and support to those decision makers who will approve or refuse business interest applications by police officers, police staff and police support volunteers, and to the individual submitting a business interest application form.

1.4 Applicants to the police service are required to declare any existing business interest they may intend to continue should they be appointed. However, they will not be eligible for appointment if they intend on maintaining a business interest that is incompatible with being a member of Northumbria Police. Decisions on compatibility will be based on this procedure. If an appropriate officer deems an applicant's existing business interest to be incompatible, then either the applicant will be required to cease their involvement with that business interest or their application to join the police service will be rejected. There is no right of appeal to a chief officer for such applicants.

1.5 The Police Regulations 2003 (as amended by the Police (Amendment No. 3) Regulations 2012) require serving police officers to notify their chief officer, in writing, of the business interest they have or propose to have unless that business interest has previously been disclosed.

1.6 The 2024 Code of Ethics Guidance for ethical and professional behaviour in policing outlines that all members of the workforce must ensure that any business is reported, authorised and does not conflict with police work and responsibilities, and seek clarification

on what a conflict of interest is if uncertain.

1.7 Within this procedure, the following terms are used:

- 1) Business interest – this relates to any business interest, additional employment or position held outside of Northumbria Police that meets the definition of a business interest under section 2 below.
- 2) Chief Officer - this relates to the Chief Constable or deputy.
- 3) Member - police officers, police staff, police support volunteers.
- 4) Applicant - person making the application for a business interest.
- 5) Appropriate Officer - person responsible for the management of business interests within the Professional Standards Department (PSD), most usually Detective Chief Inspector Counter Corruption Unit or their deputy.
- 6) Days - this relates to actual days rather than working days.

2.0 Definition of a business interest

2.1 Regulation 7 of the Police Regulations 2003 (as amended by the Police (Amendment No. 3) Regulations 2012) provides that a person has a business interest if:

- a) being a member of a police force, the person holds any office or employment for hire or gain (otherwise as a member of the Force), or carries on any business or;
- b) being a member of a police force or a relative included in such a member's family, the person holds or possesses a pecuniary interest in a licence or permit granted in pursuance of the law relating to liquor licensing, refreshment houses or betting and gaming or regulating places of entertainment in the area of the police force in question.

2.2 'Relative' in relation to a member of the police force means:

- 1) a spouse or civil partner who is not separated from that member,
- 2) a person living with the member as if they were the member's spouse or civil partner, or
- 3) a parent, son, daughter, brother or sister of the member.

2.3 Although police staff are not covered by police regulations, the same definition of business interest and relative applies to police staff and police support volunteers.

2.4 Where a member of Northumbria Police provides any additional assistance on a voluntary basis, in any capacity, to any person, club, activity or even outside of the organisation which has a direct involvement in any persons under the age of 18, OR any other vulnerable individuals, either paid or unpaid will submit a business interest application in line with Northumbria Police policy.

2.5 This procedure not only covers 'traditional work', but activities undertaken solely, or significantly, online. This could include individuals who have a social media or other online platform which induces financial or other gain (e.g., gifted products). Individuals who use online selling platforms to sell products or services (such as Patreon or Etsy for example) should also submit a business interest.

3.0 Outline of procedures

3.1 Where a member of Northumbria Police proposes to have a business interest, or when a situation arises within section 2.1 (b) above, the member shall give written notice of the business interest. Completed application forms should be forwarded to line managers for consideration and then onto area command or departmental Senior Management Teams (SMT) for endorsement. Application forms will be reviewed and considered within 14 days by the area command/department. Following consideration by line managers and SMTs, endorsed application forms should be forwarded to the appropriate officer via the Business Interest Mailbox for review and consideration by PSD.

[CLICK HERE FOR A COPY OF THE BUSINESS INTEREST APPLICATION FORM](#)

3.2 The application form incorporates a declaration indemnifying Northumbria Police against injury or personal loss incurred as a result of the business interest.

3.3 In determining whether or not a prospective business interest is compatible with the member concerned remaining a member of Northumbria Police, and to identify and assess any risk to the Force or service reputation, the appropriate officer will take into account any commentary made by the applicant's line manager and SMT lead as to the compatibility with the individual's role, duties and responsibilities of the proposed business interest.

3.4 The following additional considerations will be made for volunteer reserve force applications:

- 1) percentage of the workforce establishment authorised to serve within the volunteer reserve forces where abstractions for mobilisation is likely
- 2) applicant's role
- 3) applicant's location
- 4) applicant's key skills

3.5 In determining whether to approve an application for a business interest, the appropriate officer will consider each case on its own merits and in doing so will take into account the principles expanded on, in section 4 below.

3.6 In order to allow a business interest to be granted which would otherwise be rejected, the appropriate officer may consider the imposition of conditions. Such conditions may facilitate the granting of a business interest which might otherwise not be approved or may set an appropriate framework in which a member's business interest must operate. In such cases the rationale for each condition imposed will be fully recorded.

3.7 Where an appropriate officer is minded to decide that an application for a business interest should not be authorised, or should be authorised only subject to conditions, the applicant will be notified in writing and provided with an opportunity to make oral and written representations (and in doing so may be assisted or accompanied by a police friend/trade union/staff association representative) before a final decision is made. It is good practice for the appropriate officer to discuss informally with the applicant any issues pertaining to the application prior to forming a preliminary view.

3.8 After receiving any such representations, the appropriate officer may either approve the original application, approve the application subject to conditions, or decide approval should not be granted. The reasoning behind any rejection of an application or the imposed conditions must be fully recorded and communicated to the member. A right of appeal to the Chief Officer exists.

3.9 Where an application is granted the appropriate officer should provide the applicant with written authority to undertake a business interest, together with any conditions should they apply.

[CLICK HERE FOR A COPY OF THE BUSINESS INTEREST APPEAL PROCESS](#)

[CLICK HERE FOR A COPY OF THE BUSINESS INTEREST FLOW CHART](#)

3.10 A number of police staff posts are politically restricted in accordance with The Local Government and Housing Act 1989 which means the political activities of these members of staff are restricted. Therefore staff in these posts cannot apply for a business interest to undertake specific political activities as their role means they would be ineligible.

[CLICK HERE FOR FURTHER INFORMATION ON POLITICALLY RESTRICTED POSTS](#)

3.11 If Northumbria Police has information that indicates an individual is undertaking a business interest (e.g. through the vetting process), the individual will be directed and must complete a business interest application. Compliance for the completion of business interest applications will be managed by the relevant SMT leads. If a business interest application is refused, the individual's line manager will be emailed 28 days following the refusal to inform them and place a requirement on the line manager to engage with the applicant regarding the refusal. An entry into the individual's P&DR should be completed by the line manager.

4.0 Authorising principles

4.1 Members may only operate a business interest with the permission of Northumbria Police. Conduct of a business interest without permission will be dealt with as a breach of the standards of professional behaviour under the misconduct procedures.

4.2 There are specified activities which will never be permitted. These are the holding of a licence or permit granted in pursuance of the law relating to liquor licensing, refreshment houses or betting and gaming or regulating places of entertainment within the force area (all of which are activities specifically covered by Regulation 7 of the Police Regulations 2003).

4.3 Whilst each case will be considered on its own merits, a number of factors covering the following areas must be taken into account in determining whether to approve an application for a business interest:

- 1) Impartiality - predicted, expected or evidenced;
- 2) Impact on the Force - potential and perceptions;
- 3) The applicant's current performance;
- 4) Proportionality - in relation to seniority and role;
- 5) Equality and diversity
- 6) Health, safety and wellbeing.

4.4 These six areas are expanded on in more detail in section 5 below to assist in identifying specific issues relevant to each application. This list is not exhaustive and there may be considerations which apply to individual cases.

5.0 Application of authorising principles

5.1 **Impartiality** - relates to the risk of the business interest interfering with the individual's ability to impartially discharge their duties or the extent to which the public would be likely to perceive or form an impression that it would so interfere:

- Whether the activity is one regulated by the police or where the police are involved in the licensing of the activity;
- Whether the business interest is merely an extension of an individual's duty or extent to which training, skill and experience provided by the force are relied upon;
- Whether the office of constable or being an employee of the Force could be used to promote the business or additional employment or a product of the business or additional employment or would allow other organisations or commercial interests to do so;
- Whether an individual's fairness or impartiality in their dealings with the public or colleagues might be compromised.

5.2 **Impact on Northumbria Police or the service** - relates to the risk of the business interest either discrediting Northumbria Police or undermining confidence in the police service:

- The nature of the business interest - how reputable it is in its own right in the eyes of the public and in association with the police service;
- Whether the activity could lead to the public losing confidence in the honesty and integrity of the individual or of the police service or if it would likely cause confusion in the minds of the public as to whether the individual was operating in an official or unofficial capacity;
- Where the activity could lead to the individual being improperly beholden to any person, organisation or institution.
- Whether the business interest could lead to conflicting contractual commitments to a third party e.g. providing advice to a training company which is contracted to work for Northumbria Police.

5.3 **Current performance** - relates to the risk of decline in performance of the member evidenced by the member's current suitability through performance monitoring. Unsatisfactory attendance and misconduct should not necessarily be the reason for refusal unless either has a direct bearing on the business interest. An example of a business interest that may be accommodated with performance issues is allowance for a rental accommodation that provides income without incurring additional work pressures.

- **Attendance:** When a member is absent from work on sick leave or returns to work on restricted or recuperative duties, line managers should give consideration (in

consultation with their own SMT and PSD) to suspending approval of the business interest, providing the medical issue is related to the business interest so as to make it relevant.

- **Misconduct and performance:** PSD will consider any current or previous misconduct and the impact or risk of any relevant misconduct on the approval of any business interest. Line managers and SMTs should consider any current or previous performance issues within the workplace. If it is considered that the misconduct / performance relates directly to the business interest approval may be modified or withdrawn. Where a member with an existing approved business interest is subject to police performance procedures, police misconduct procedures or managing performance procedures for police staff, current approved business interests should be reviewed by the appropriate officer, provided the conduct or performance is directly related to the business interest.

5.4 Proportionality in relation to seniority and role - relates to the requirement to take account of the seniority, role and nature of the duties of the member. For example, it would be sensible to reflect on the nature of the work carried out by the member, the different employment status of police officers and police staff, and the public impact of their proposed business interest prior to making a decision. There should be 'no one size fits all' approach to decision making on business interests.

5.5 Equality and diversity - decisions on business interests must take full cognisance of equality and diversity considerations. Northumbria Police must ensure that all decisions can be justified by reference to relevant equality legislation and the duty on police forces under the Equality Act 2010 to actively promote equality.

5.6 Health, safety and wellbeing - relates to the duty of care to the individual and the risk of injury or increased stress and fatigue which could impact on the member's ability to perform duties to a satisfactory standard. As part of any consideration of a business interest it is essential that the applicant identifies the number of hours dedicated to the business interest per week and that line managers monitor the total number of hours a member will be working to comply with the duty to protect their health and safety. This will ensure that the total demands of the jobs do not pose a risk to the health of the member concerned or their ability to work safely, either as an individual or part of a team. A sensible starting point for these purposes would be to consider the requirements of the Working Time Regulations (1998) which state that hours worked as part of the business interest and role within Northumbria police do not exceed a maximum of 48 hours per week over a continuous period of 17 weeks.

5.7 More specific guidance on those business interests which are likely to be incompatible with the interests of the police service and will have a high probability of raising questions as to the ability of the member of Northumbria police to discharge their duties with impartiality and the standard of integrity expected is provided in the below link:

[CLICK HERE FOR A COPY OF THE INCOMPATIBLE BUSINESS INTERESTS AND ADDITIONAL OCCUPATIONS](#)

5.8 The list is by no means exhaustive. The fact that an activity for which approval is sought is on the list may not in itself justify rejection without full consideration of the risk and impact factors. Equally, the absence of any proposed interest or employment from this framework should not give rise to an assumption of reasonableness.

6.0 Monitoring and review process

6.1 Received applications will be numerically referenced on a searchable database and forwarded to the appropriate officer for consideration. All such data will be processed in accordance with the Data Protection Act **2018** and disclosed in accordance with Northumbria Police statutory obligations under the Freedom of Information Act 2000.

6.2 The appropriate officer will provide an applicant with a written rationale for any decision to either not authorise an application or to impose limiting conditions on an application.

6.3 The business interest will be approved initially for a period of up to 36 months as decided by the appropriate officer and a review date will be agreed at the time of approval and at each subsequent review.

6.4 PSD will inform the member prior to their review deadline that a review is imminent and the member will be asked to resubmit a new application form via their respective line manager.

6.5 Northumbria Police will undertake the publication of a register of types or categories of activities being undertaken as business interests to provide transparency and to promote public confidence in the system. The published information will describe ranks of police officers and bands of police staff and police support volunteers but not details that could identify individuals. The published register should be updated periodically and at least annually.

6.6 Business interests should be declared on all applications for promotions, specialist posts, secondments and training courses requiring commitment in terms of private study, and attendance on residential modules out of Force. It is also recommended that business interests be declared in all changes of role or posting. This should not prejudice any application but, for successful applications, the implications of a business interest may require further consideration and discussion with the member.

6.7 Once authorised, business interests should also be reviewed as part of the Integrity Health Check procedure, taking into consideration:

- Is the business interest still current and relevant
- Identified risk to the individual concerned
- Identified risk to organisational reputation

Any change in the risk associated with the business interest should be notified to PSD via the Business Interests Mailbox.

7.0 Conditions of approved applications

7.1 It is the member's responsibility to notify HM Revenue and Customs or any other relevant agency of any additional income or employment and to appropriately discharge any liabilities and/or satisfy any requirements.

7.2 It is the responsibility of the member to report any changes in circumstances between reviews of an approved business interest to the Chief Officer via their line manager and PSD. The Chief Officer may ask for any additional information deemed necessary. Failure to do so will lead to consideration of the approval being rescinded.

7.3 Members should submit an application for renewal/review when prompted to do so. Failure to do so will also lead to consideration of the approval being rescinded.

7.4 Members must give written notice to PSD should they wish to terminate their business interest at any time. This also includes if an individual stops a voluntary role.

7.5 Enquiries might be made in certain circumstances (i.e. where intelligence appears to suggest) to ensure that the business interest has not been embarked upon without approval being sought or in spite of the refusal.

7.6 Following the approval of a member's business interest there may be circumstances that lead to a review of the approval. These may include performance and attendance issues, conduct, health, welfare and wellbeing or any change in role. Northumbria Police reserves the right to investigate any cases where a member has failed to declare, or failed to declare accurately any detail in their application which would otherwise have altered the decision making process regarding suitability and any potential conflict. This also includes circumstances where any conditions placed on the business interest are not complied with.

7.7 Approval may be made subject to conditions or withdrawn due to a revision of standards relating to business interests. In such circumstances a member will not be subject to disciplinary proceedings or any other action for having conducted a previously approved business interest prior to the review.

7.8 For approved volunteer reserve force applications, members must notify their line manager and PSD if there are any changes to any of the following; role, location, variations in training commitments, working hours and/or deployment notice periods within the reservist role.

CRITERIA: This is a key issue in the prevention toolkit in relation to potential corruption. All staff within the organisation have an ongoing responsibility to ensure they declare any business interests. APP Professional Standards.

ACCESS AND DISCLOSURE RESTRICTIONS: None

FORMAL TRAINING REQUIREMENTS: None

IS A LOCAL PROCEDURE REQUIRED IN SUPPORT OF THIS DOCUMENT: No

This instruction is designed to avoid discrimination and in accordance with the Human Rights Act 1998 and its underlying principles.

Categories

Terms & Conditions

Related Documents

[Discipline Procedure - Police Staff](#)

[;Police Misconduct \(2008\) - Misconduct Investigations and Police Complaints](#)

[;Standards of Professional Behaviour for Police Staff](#)

[;Working Time Regulations](#)

[;Volunteer Reserve Forces Procedure](#)

[;Career Break Procedure](#)

[;Unmanageable Debts Procedure](#)

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Northumbria
Police
Intranet

Instructional Information Zone

Policy Owned by VI: Professional Standards

[Instructional Information](#) | [PNLD](#) | [Voters](#) | [Emergency Plans](#)

Gifts, Gratuities and Hospitality

Issued: 12/03/2024 **Effective:** 22/11/2012 **Next Review:** 31/01/2027

• [Related Documents](#)

• [Search](#)

POLICY TITLE: Gifts, Gratuities and Hospitality

• [Basic Page](#)

OWNING DIRECTORATE: Corporate and Strategic Services

• [Feedback](#)

AUTHOR: Head of Professional Standards

CONTACT DETAILS: D/Superintendent Professional Standards

EQUALITY IMPACT ASSESSMENT: [Complete](#)

AUTHORISED PROFESSIONAL PRACTICE (APP) NATIONAL GUIDANCE: [Yes](#)

AIM OF POLICY: To inform officers and staff of the considerations to be made and controls necessary when accepting and/or offering gifts and hospitality.

BENEFIT OF POLICY: To protect police officers and staff against the risk of, and accusations of, being unduly influenced by offers.

REASON FOR POLICY: Police and Crime Commissioner Financial Regulations, APP Professional Standards

Northumbria Police acknowledges and understands there is a risk that police officers, police staff and members of the Special Constabulary may be unduly influenced by the receipt of gifts including hospitality, or, alternatively, could be open to accusations of being unduly influenced.

The acceptance of gifts for services rendered to the public in the course of ordinary duties may conflict with the values of propriety and professionalism expected of police officers and staff. In circumstances where refusal to accept a gift would or could cause embarrassment or offence, the gift may be accepted in accordance with the provisions described within Force procedure.

It is accepted as part of everyday engagement duties some officers may be provided with light refreshments; which is acceptable.

To minimise the risk, a register of gifts including hospitality is maintained. This includes those gifts including hospitality both offered to and given by staff; however, does not apply where the recording of the gift including hospitality will breach operational

confidentiality.

Northumbria Police acknowledges the rights of its staff to protection of property in accordance with the first protocol of Article 1 of the Human Rights Act 1998.

SOURCE DOCUMENT: Police and Crime Commissioner Financial Regulations

GROUPS AFFECTED: All staff

ACCESS AND DISCLOSURE RESTRICTIONS: None

This instruction is designed to avoid discrimination and in accordance with the Human Rights Act 1998 and its underlying principles.

Docket FINANCE

Index:

Docket 5.11

Ref:

Categories

Conduct (& Discipline)

Related Documents

[Gifts, Gratuities and Hospitality procedure](#)

[; Complaints and Recordable Conduct Handling](#)

[; Standards of Professional Behaviour for Police Staff](#)

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Northumbria
Police Intranet

Instructional Information Zone

Procedure Owned by VI: Professional Standards

| Instructional Information | PNLD | Voters | Emergency Plans

THIS INFORMATION HAS EXPIRED**Please contact the VI: Professional Standards Department****Whistleblowing (Reporting Wrongdoing) Procedure****Issued:** 31/08/2022 **Effective:** 12/01/2016 **Next Review:** 30/04/2024[• Related Documents](#)[• Search](#)[• Basic Page](#)[• Feedback](#)**PROCEDURE TITLE:** Whistleblowing (reporting wrongdoing)**CONTACT DETAILS:** Head of Professional Standards Department Ext: 75751

BACKGROUND INFORMATION: This procedure provides officers and staff, or others acting on behalf of Northumbria Police (including agency staff and contractors), with the means to report wrongdoing under the protection of the Public Interest Disclosure Act 1998. It outlines the process available to report integrity issues and aims to increase public confidence in Northumbria Police.

EQUALITY IMPACT ASSESSMENT: [Complete](#)

1.0 Introduction

Northumbria Police encourages officers, staff, special constables, volunteers, or others acting on behalf of Northumbria Police (including agency staff and contractors) to disclose concerns about alleged wrongful conduct of a fellow officer, member of staff, volunteer, client or any third party which has come to their attention through work.

Northumbria Police recognises that people at one time or another may have a concern about what is happening at work and usually this is easily resolved. However, when the concern feels serious it is important to know what procedures are in place to bring such concerns to the Force's attention. The [Public Interest Disclosure Act 1998](#) provides statutory protection to 'workers' disclosing this type of information to their employer or approved third parties.

These can include concerns about:

- abuse of authority for sexual purpose
- a breach of the Standards of Professional Behaviour
- breach of the Code of Ethics
- other unethical behaviour
- domestic abuse incidents
- dishonesty or corruption
- a danger to people's health and safety
- damage to the environment
- malpractice
- breach of a legal obligation
- a miscarriage of justice
- a criminal offence
- slavery or human trafficking
- deliberate concealment of information in respect of any of the above.

Northumbria Police recognises the decision to report a concern can be challenging and difficult. However, it is important to note that 'blowing the whistle' (i.e. making a protected disclosure) must be done without fear of victimisation, subsequent discrimination or disadvantage. Northumbria Police will not tolerate harassment or victimisation and will take appropriate action to protect you when you raise a genuine concern. The Code of Ethics places an obligation upon officers and staff to challenge and report improper conduct.

This procedure is in place to reassure you that it is safe, acceptable and your duty to speak up. It will guide you if you need to raise concerns you may have at an early stage and in the right way.

This procedure does not replace the resolution procedure for dealing with personal grievances. Whistleblowing is the making of 'any disclosure of information which, in the reasonable belief of the worker making the disclosure, is made in the public interest' and occurs when a concern is raised about a wrongdoing that affects others. In contrast, a personal grievance is a complaint about an officer/ member of staff's own employment situation. Advice can be sought from the Counter Corruption Unit (CCU) in the Professional Standards Department (PSD), People Services, trade union or staff association if you are unsure which procedure applies.

Link> [Resolution procedure](#)

2.0 Confidentiality

All concerns will be treated in confidence and every effort will be made not to disclose your identity where this is requested. If you ask us not to disclose your identity, we will not do so without your consent unless required by law. There may be times when the Force is unable to resolve a concern without revealing your identity, for example where your personal evidence is essential. In such cases, the Force will discuss with you whether and how the matter can best proceed.

3.0 Anonymous concerns

Whenever possible, you are encouraged to put your name to your concern and two-way engagement is encouraged. Anonymous concerns are much less powerful but will be considered at the discretion of the Head of PSD based on the:

- seriousness of the issues raised;
- credibility of the concern, and;
- likelihood of confirming the allegation from attributable sources.

4.0 False and malicious allegations

Where a concern is genuine but not confirmed following investigation, you can be reassured that no action will be taken against you. If, however where a concern is not genuine and it is shown that the allegation is made maliciously or for personal gain, an investigation will take place and consideration given to disciplinary/ misconduct action.

5.0 Raising a concern

5.1 Internally

Northumbria Police believes you have a right and duty to raise your concerns in accordance with the [Standards of Professional Behaviour](#). Managers also have a duty to listen and record your concerns, take them seriously and ensure they are dealt with thoroughly, fairly and promptly.

Reports of theft, fraud or financial irregularity will be brought to the attention of the Head of PSD and the Head of Finance, who has overall responsibility for reporting to the Chief Constable, the Police and Crime Commissioner and the external auditor.

Therefore, you are encouraged to raise any concerns internally in the first instance and there are a number of options available to you.

5.1.1 [Reporting directly to management](#)

Where possible you should report, challenge or take action against the improper conduct directly or raise it with your line manager. However, depending on the seriousness and sensitivity of the issues involved and who is suspected of wrongdoing, it may be more appropriate to raise concerns with a more senior manager.

Concerns may be raised verbally or in writing. If making a written report, the following details should be included:

- background and history of the concern (including relevant dates)
- the reason why you are concerned about the situation.

If the concern is raised verbally, a written note will be taken in line with the above.

Although you are not expected to prove beyond doubt the truth of an allegation, you will need to demonstrate to the person contacted that you held a reasonable belief in the protected disclosure made.

5.1.2 [Other confidential reporting options](#)

Crime stoppers Confidential Reporting

Please be assured your IP address and location are not tracked by Crime stoppers and you can elect to remain 100% anonymous or provide your details should you wish to. Either way if you choose to report online we would encourage you to select two way engagement so Crime stoppers operators can come back to you. Report your concerns by calling 0800 111 4444 or visit the [Police Integrity Line website](#) for more information.

There is also a separate internal Confidential Reporting Line to CCU (with voicemail facility) Ext: 73373 or Direct Line: 0191 4373373.

5.1.3 [Independent Advice](#)

Officers/ staff requiring independent advice regarding the most appropriate options may seek advice from the CCU in PSD, People Services, Police Federation, Unison, GMB, Superintendents' Association, Health and Safety Manager (for health and safety concerns) or Support Associations.

5.2 Externally

5.2.1 [Independent Office for Police Conduct](#)

The Independent Office for Police Conduct (IOPC) Report Line provides a dedicated secure phone line and email address that enables police officers and staff to report concerns about a colleague. These concerns could be about committing a criminal offence or behaving in a way that would justify disciplinary action.

The Report Line can be contacted between the hours of 9am and 5pm, Monday to Friday. Out of hours, an answerphone is available so a message can be left with contact details. The IOPC will return the call as soon as practicable.

The contact details are as follows:

IOPC Report Line – 0845 877006

Email: reportline@policeconduct.gov.uk

5.2.2 Protect (formerly Public Concern at Work)

If you are unsure about raising a concern you can obtain independent advice from Protect, the independent Whistleblowing Charity.

Protect can be contacted either by telephone: 020 3117 2520 or via the online form:

[Link> Protect](#)

6.0 Responding to a concern

In order to protect you and any witnesses after you have reported your concern, initial enquiries will be made to decide whether an investigation is appropriate and if so, what form it should take. The amount of contact between you and the person considering the issues will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided.

If necessary, further information will be sought from you. In cases where information has

been provided anonymously it will not be possible to seek further information.

Within ten working days of a concern being raised, the person considering the issues will write to you setting out:

- acknowledgement that the concern has been received;
- indicate how the matter will be dealt with;
- inform you if the investigation has commenced;
- provide an estimate (if possible) of how long it will take to conclude the investigation and receive a final response.

Updates will also be provided to you every 28 days after this where appropriate.

In all cases the Head of Department/ Area Commander will discuss with you whether to call a support meeting. The meeting may be attended by yourself (you may be represented by a staff association/ trade union representative or accompanied by a friend), your Area Commander/ Head of Department (or nominee), the Head of Professional Standards, and the person appointed to deal with the matters raised. The meeting will be 'closed and confidential' and enable a free exchange of information on the subject and decisions made on the way forward in terms of investigations and protective measures. Decisions on actions will include:

- your/ witnesses (where appropriate) welfare;
- what can be discussed outside the closed meeting;
- who else can share the detailed information and to what extent;
- details of what will be included in a support plan for you and witnesses (where appropriate);
- whether to appoint a witness liaison officer;
- whether to assign a colleague to provide support and minimise the likelihood of victimisation in the workplace;
- consideration of temporary or permanent re-deployment or a change in role;
- arrangements for you/ witnesses (where appropriate) to be kept informed of developments in the investigation (this will be the responsibility of the Investigator);
- arrangements for debriefing you/ witnesses (where appropriate) after the conclusion of the investigation (this will also be the responsibility of the Investigator).

A record will be kept of the decisions made.

Whilst the Force cannot guarantee a response to all matters in the way you might wish, it will strive to handle the matter fairly, impartially and properly.

6.1 Detriment

It is crucial that those who come forward with any genuine concerns and/ or witnesses do not experience any form of detriment as a consequence. If at any stage you experience reprisal, harassment, victimisation or any form of detriment for raising a genuine concern please raise this with your line manager, PSD, People Services, trade union or staff association.

7.0 Advice to line managers

If a concern is raised with you in the first instance and you are satisfied you are able to address that concern you should do so providing feedback to the person raising the concern if appropriate and keep a record of the outcome.

If you require any advice or support in relation to addressing the concern you can contact the CCU in PSD or People Services.

It is particularly important that you seek advice if you become aware that anyone raising a concern and/ or a witness is being subjected to any unfair treatment as a consequence.

CRITERIA: For use by staff, officers, special constables, volunteers, or others acting on behalf of Northumbria Police (including agency staff and contractors) who wish to report concerns in relation to integrity issues.

ACCESS AND DISCLOSURE RESTRICTIONS: None

FORMAL TRAINING REQUIREMENTS: None

IS A LOCAL PROCEDURE REQUIRED IN SUPPORT OF THIS DOCUMENT: No

This instruction is designed to avoid discrimination and in accordance with the Human Rights Act 1998 and its underlying principles.

Categories

Conduct (& Discipline)

Related Documents

[Complaints and Recordable Conduct Handling](#)

[Police Misconduct - Police Staff](#)

Police and Crime Commissioner
for Northumbria
Chief Constable of Northumbria
Audit planning report

Year ending 31 March 2024

6 September 2024



Joint Independent Audit Committee
Police and Crime Commissioner for Northumbria (PCC), Chief Constable of Northumbria (CC)
Victory House,
Balliol Business Park
Benton Lane, Newcastle Upon Tyne,
NE12 8EW

Dear members of the Joint Independent Audit Committee

Audit planning report

Attached is our audit planning report for the forthcoming meeting of the Joint Independent Audit Committee. The purpose of this report is provide the Committee with a basis to review our proposed audit approach and scope for the 2023/24 audit, in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2020 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements, but also to ensure that our audit is aligned with the Committee's service expectations.

This report summarises our assessment of the key issues which drive the development of an effective audit for the PCC and CC. We have aligned our audit approach and scope with these.

The Committee, as the PCC and CC's body charged with governance, has an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by management and the PCC and CC's wider arrangements to support the delivery of a timely and efficient audit. Where this is not done it will impact the level of resource needed to discharge our responsibilities. We will consider and report on the adequacy of the PCC and CC's external financial reporting arrangements and the effectiveness of Committee in fulfilling its role in those arrangements as part of our assessment of Value for Money arrangements and consider the use of other statutory reporting powers to draw attention to weaknesses in those arrangements where we consider it necessary to do so.

We draw members' and officers' attention to the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28) which clearly set out what is expected of audited bodies in preparing their financial statements (see Appendix A).

This report is intended solely for the information and use of the Committee, and management, and is not intended to be and should not be used by anyone other than these specified parties. We welcome the opportunity to discuss this report with you on 23 September 2024 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

Claire Mellons

Partner

For and on behalf of Ernst & Young LLP

Enc

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Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated July 2021)" issued by the PSAA (<https://www.psaa.co.uk/managing-audit-quality/terms-of-appointment/terms-of-appointment-and-further-guidance-1-july-2021/>) sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Joint Independent Audit Committee and management of the Police and Crime Commissioner for Northumbria and Chief Constable of Northumbria (PCC/CC Northumbria). Our work has been undertaken so that we might state to the Joint Independent Audit Committee and management of PCC/CC Northumbria those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Joint Independent Audit Committee and management of PCC/CC Northumbria for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01

Overview of our 2023/24 audit strategy

Overview of our 2023/24 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Joint Independent Audit Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

Audit risks and areas of focus

Risk/area of focus	Risk identified	Details
Misstatement due to fraud or error	Fraud risk	There is a presumed risk under auditing standards that the financial statements as a whole are not free from material misstatement whether caused by fraud or error. We perform mandatory procedures regardless of specifically identified fraud risks.
Risk of fraud in revenue expenditure recognition - Inappropriate capitalisation of revenue expenditure	Fraud Risk	<p>Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.</p> <p>We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure.</p>
Valuation of Pension Liabilities	Inherent risk	<p>The Local Authority Accounting Code of Practice and IAS19 require the PCC and CC to make extensive disclosures within its financial statements regarding its membership of the Local Government and Police Pension Schemes.</p> <p>Accounting for this schemes involve significant estimation and judgement and therefore management engages an external actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>
Valuation of Land and Buildings	Significant Risk	<p>The PCC holds land and buildings with a reported net book value of £89m. This is valued on Depreciated Replacement Cost, Existing Use Value and Fair Value bases.</p> <p>The PCC has a rolling valuation program of its land and buildings with approximately one third revalued each year by internal specialists. The valuation involves significant estimation and judgement and therefore ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying these estimates. We deem the risk over the valuation of land and buildings to be a significant risk due to the use of internal specialists to perform the valuation, for which we have not previously reviewed valuation methodology.</p>
Opening balances	Area of audit focus	The 2023/24 Statements of Accounts are the first statements EY has audited on behalf of the PCC and CC. We will be required to perform some additional procedures around opening balances for 2023/24, including review of the predecessor auditor's working papers.

Overview of our 2023/24 audit strategy

Group Materiality

Planning materiality

£10.9m

Materiality has been set at £10.9m, which represents 1.8% of 2023/24 gross expenditure on provision of services.

Performance materiality

£5.5m

Performance materiality has been set at £5.5m, which represents 50% of materiality.

Audit differences

£0.55m

We will report all uncorrected misstatements relating to the Group primary statements (Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet and Cash Flow Statement) greater than £0.55m. Other misstatements identified will be communicated to the extent that they merit the attention of the Joint Independent Audit Committee.

Single Entity Materiality

Planning materiality

PCC: £3.0m

CC: £9.5m

Materiality has been set at £3.0m for the PCC and £9.5m.

PCC materiality represents 1.8% of 2023/24 gross assets and CC materiality represents 1.8% of 2023/24 gross expenditure on provision of service.

Performance materiality

PCC: £1.5m

CC: £4.8m


Performance materiality has been set at £1.5m for the PCC and £4.8m for the CC, which represent 50% of materiality set for both entities.

Audit differences

PCC: £0.15m

CC: £0.48m

We will report all uncorrected misstatements relating to the Single Entity primary statements greater than £0.15m for the PCC and £0.48m for the CC. Other misstatements identified will be communicated to the extent that they merit the attention of the Joint Independent Audit Committee.



Overview of our 2023/24 audit strategy

Audit scope

This Audit planning report covers the work that we plan to perform to provide you with:

- ▶ Our audit opinion on whether the financial statements of the PCC and CC give a true and fair view of their financial position as at 31 March 2024 and of the income and expenditure for the year then ended; and
- ▶ Our commentary on your arrangements to secure value for money in your use of resources for the relevant period. We include further details on VFM in Section 3.

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the PCC and CC's Whole of Government Accounts return.


Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- ▶ Strategic, operational and financial risks relevant to the financial statements;
- ▶ Developments in financial reporting and auditing standards;
- ▶ The quality of systems and processes;
- ▶ Changes in the business and regulatory environment; and,
- ▶ Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the PCC and CC.

Taking the above into account, and as articulated in this Audit planning report, our professional responsibilities require us to independently assess the risks associated with providing an audit opinion and undertake appropriate procedures in response to those risks. Our Terms of Appointment with PSAA allow them to vary the fee dependent on "the auditors assessment of risk and the work needed to meet their professional responsibilities". Therefore to the extent any of these or any other risks are relevant in the context of the PCC and CC's audit, we set those within this Audit planning report and we will continue to discuss these with management as to the impact on the scale fee.



Overview of our 2023/24 audit strategy

Audit scope (Cont.)

Effects of climate-related matters on financial statements

Public interest in climate change is increasing. We are mindful that climate-related risks may have a long timeframe and therefore while risks exist, the impact on the current period financial statements may not be immediately material to the PCC and CC. It is, nevertheless, important to understand the relevant risks to make this evaluation. In addition, understanding climate-related risks may be relevant in the context of qualitative disclosures in the notes to the financial statements and value for money arrangements.

We make inquiries regarding climate-related risks on every audit as part of understanding the entity and its environment. As we re-evaluate our risk assessments throughout the audit, we continually consider the information that we have obtained to help us assess the level of inherent risk.

Audit scope and approach

We intend to take a substantive audit approach.

Due to concerns of management in sharing full ledger downloads with our data analytics team, we are not able to apply our digital audit methodology on the PCC and CC for 2023/24. The impact of this is likely to be that more work is required to obtain assurance over transaction listings provided to us by management and, as we are unable to perform analysis over whole populations of data and focus on anomalies and exceptions, we anticipate that a greater volume of substantive testing will be required which may lead to a variation being required to the audit scale fee.

We do not expect the Government proposals to re-establish the local audit framework on a more sustainable basis and the outcome of the related consultations to have an impact on the scope of the audit for the PCC and CC. We will provide any updates on the impact of these changes to the Joint Independent Audit Committee where necessary to do so.

Overview of our 2023/24 audit strategy

Value for Money

We are required to consider whether the PCC and CC have made 'proper arrangements' to secure economy, efficiency and effectiveness on their use of resources.

Planning on value for money and the associated risk assessment is focused on gathering sufficient evidence to enable us to document our evaluation of the PCC and CC's arrangements, to enable us to prepare a commentary under three reporting criteria. This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.

We will provide a commentary on the PCC and CC's arrangements against three reporting criteria:

- ▶ Financial sustainability - How the PCC and CC plan and manages their resources to ensure they can continue to deliver services;
- ▶ Governance - How the PCC and CC ensure that they make informed decisions and properly manages risks; and
- ▶ Improving economy, efficiency and effectiveness - How the PCC and CC use information about their costs and performance to improve the way they manage and deliver services.

The commentary on the PCC and CC's value for money arrangements will be included in the Auditor's Annual Report.

Timeline

A timetable has been agreed with management to report to the Joint Independent Audit Committee on 18 November 2024 and to complete the audit by November 2024. In Section 07 we include a provisional timeline for the audit. All parties need to work together to ensure this timeline is adhered to.

Key Audit Partner



Claire Mellons
Engagement Partner

Overview of our 2023/24 audit strategy

Group Audit scope

Our approach to the PCC group audit will be to consider both the PCC and CC as full scope audits. Our work will therefore cover 100% of Group income and expenditure on provision of services and net liabilities.



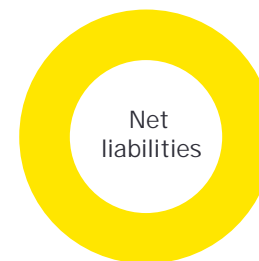
Income
on Provision
of Services

£481.0m
100%



Expenditure
on Provision
of Services


£607.0m
100%



Net
liabilities

£3.2bn
100%

- ▶ We have specifically considered the scope of our audit in response to the identified risks above, which has impacted the extent of procedures performed in these areas.
- ▶ The same audit team will be response for the audit of both components.
- ▶ We intend to take a fully substantive audit approach.



Overview of our 2023/24 audit strategy

Responsibilities of management and those charged with governance

The PCC and CC's Section 151 Officer is responsible for preparing the statement of accounts in accordance with proper practices and confirming they give a true and fair view of the financial position at the reporting date and of its expenditure and income for the year ended 31 March 2024. These were published by the PCC and CC on 31 May 2024. To allow the audit to be completed on a timely and efficient basis it is essential that the financial statements are supported by high quality working papers and audit evidence and that resources are readily available to support the audit process, within agreed deadlines. The Joint Independent Audit Committee, as the body charged with governance, has an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by management and the PCC and CC's wider arrangements to support the delivery of a timely and efficient audit. Where this is not done, we will:

- ▶ Consider and report on the adequacy of the PCC and CC's external financial reporting arrangements as part of our assessment of Value for Money arrangements.
- ▶ Consider the use of other statutory reporting powers to draw attention to weaknesses in PCC and CC financial reporting arrangements where we consider it necessary to do so.
- ▶ Seek a fee variation for the cost of additional resources needed to discharge our responsibilities. We have set out this and other factors that will lead to a fee variation at Appendix B of this report together with, at Appendix A, paragraphs 26-28 of PSAA's Statement of Responsibilities which clearly set out what is expected of audited bodies in preparing their financial statements.
- ▶ Impact the availability of audit resource available to complete the audit work in advance of applicable backstop dates.



02 Audit risks

Our response to significant risks

We have set out the significant risks (including fraud risks denoted by*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Misstatements due to fraud or error*

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We identify and respond to this fraud risk on every audit engagement.

What will we do?

- ▶ Identifying fraud risks during the planning stages.
- ▶ Inquiry of management about risks of fraud and the controls put in place to address those risks.
- ▶ Understanding the oversight given by those charged with governance of management's processes over fraud.
- ▶ Discussing with those charged with governance the risks of fraud in the entity, including those risks that are specific to the entity's business sector (those that may arise from economic industry and operating conditions).
- ▶ Consideration of the effectiveness of management's controls designed to address the risk of fraud.
- ▶ Determining an appropriate strategy to address those identified risks of fraud.
- ▶ Performing mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements.
- ▶ Undertake procedures to identify significant unusual transactions.
- ▶ Consider whether management bias was present in the key accounting estimates and judgments in the financial statements.

Having evaluated this risk, we have considered whether we need to perform other audit procedures not referred to above. We concluded that those procedures included under 'Fraud in Revenue Expenditure recognition – Inappropriate capitalisation of revenue expenditure' are required.

Our response to significant risks

We have set out the significant risks (including fraud risks denoted by*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Fraud in Revenue Expenditure recognition – Inappropriate capitalisation of revenue expenditure*

Financial statement impact

We have assessed that the risk of misreporting revenue outturn in the financial statements is most likely to be achieved through inappropriate capitalisation of revenue expenditure within Fixed Asset additions

What is the risk?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure.

What will we do?

- ▶ Consider the design and implementation of controls around the acquisition of Fixed Assets.
- ▶ Test additions to Fixed Assets to ensure that the expenditure incurred and capitalised is clearly capital in nature.
- ▶ Assess whether the capitalised spend clearly enhances or extends the useful life of asset rather than simply repairing or maintaining the asset on which it is incurred.
- ▶ Consider whether any development or other related costs that have been capitalised are reasonable to capitalise i.e. the costs incurred are directly attributable to bringing the asset into operational use.
- ▶ Seek to identify and understand the basis for any significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

Our response to significant risks

We have set out the significant risks (including fraud risks denoted by*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Valuation of Land and Buildings

Financial statement impact

At 31 March 2024, the PCC has reported land and buildings with a net book value determined on the following bases:

- Depreciated Replacement Cost – Specialised operational properties (£68.5m);
- Existing Use Value – Non-specialised operational properties (£18.7m); and
- Fair Value – Investment Property (£1.8m)

What is the risk?

The PCC holds land and buildings with a reported net book value of £89m. This is valued on Depreciated Replacement Cost, Existing Use Value and Fair Value bases.

The PCC has a rolling valuation program of its land and buildings with approximately one third of assets revalued each year by internal specialists. This involves significant estimation and judgement and therefore there is a risk that inappropriate assumptions are used in the valuation of land and buildings which could lead to material misstatement.

What will we do?

- ▶ Assess the design and implementation of controls around the valuation of Land and Buildings.
- ▶ Review the Fixed Asset Register to identify properties with higher indicators of risk.
- ▶ Engage specialists to review the appropriateness of assumptions underpinning the valuation of a sample of properties on a risk basis.
- ▶ Consider the competence, capability and objectivity of both internal and management's specialists.
- ▶ Select a sample of properties to test the assumptions used against external benchmarks.

Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

What is the risk/area of focus, and the key judgements and estimates?

Pension Liability Valuation (inherent risk)

The Local Authority Accounting Code of Practice and IAS19 require the PCC and CC to make extensive disclosures within their financial statements regarding its membership of the Local Government Pension Scheme administered by the Tyne and Wear Pension Fund (TWPF) and the local Police Pension Scheme (PPS).

The following material estimated balances have been reported as at 31 March 2024:

£ millions	PCC (TWPF)	CC (TWPF)	CC (PPS)
Assets	4.7	451.7	-
Liabilities	(4.4)	(420.5)	(3,282.8)
Net asset/ (liability)	0.3*	31.2*	(3,282.8)

* No net asset is shown on the balance sheet of the PCC due to the application of an asset ceiling.

Accounting for both schemes involve significant estimation and judgements. For the PPS, management engages an actuary to undertake the calculations on their behalf. For the TWPF, the administering authority of the Fund engages an actuary to undertake the calculations on behalf of the scheme's members.

The information disclosed is based on the IAS 19 reports issued to the PCC and CC by the actuary of each scheme.

ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates of each scheme.

Our response: Key areas of challenge and professional judgement

Tyne & Wear Pension Fund

We will:

- Liaise with the auditors of the TWPF, to obtain assurances over the information supplied to the actuary in relation to the PCC and CC.
- Assess the work of the pension fund actuary including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors, and considering any relevant reviews by the EY actuarial team.
- Consider the competence, objectivity and capability of the scheme's actuary.
- Review and test the accounting entries and disclosures made within the PCC and CC's statements of account, including asset ceilings used.

Police Pension Scheme

We will:

- Evaluate the reasonableness of the Pension Fund actuary's calculations by comparing them to the outputs of our own auditor's specialist's model.
- Consider the competence, objectivity and capability of the scheme's actuary.
- Review and test the accounting entries and disclosures made within the CC's statement of account and Police Pension Fund account.

What else will we do?

We will consider outturn information from the PCC and CC draft financial statements. We will use this to inform our assessment of the accuracy of estimated information included in the financial statements and whether any adjustments are required.

Other areas of audit focus

What is the risk/area of focus, and the key judgements and estimates?

Our response: Key areas of challenge and professional judgement

What else will we do?

Opening balances

The 2023/24 Statements of Account are the first statements EY has audited on behalf of the PCC and CC. To obtain assurance over the in-year movements and closing balances, we are required to obtain assurance over the opening balances audited by the PCC and CC's previous auditors – Grant Thornton.

In accordance with the PSAA Terms of Reference and Practice Note 10, we have requested access to the working papers prepared by Grant Thornton.

We will:

- Liaise with Grant Thornton to arrange access to their working papers over the 2022/23 audit.
- Review the 2022/23 working papers prepared by Grant Thornton to document how assurance had been obtained.

If we are unable to review working papers prepared by Grant Thornton in a timely manner, we may be required to perform additional procedures over the opening balances.



03 Value for Money risks

Value for Money

PCC and CC's responsibilities for value for money

The PCC and CC are required to maintain an effective system of internal control that supports the achievement of their policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at their disposal.

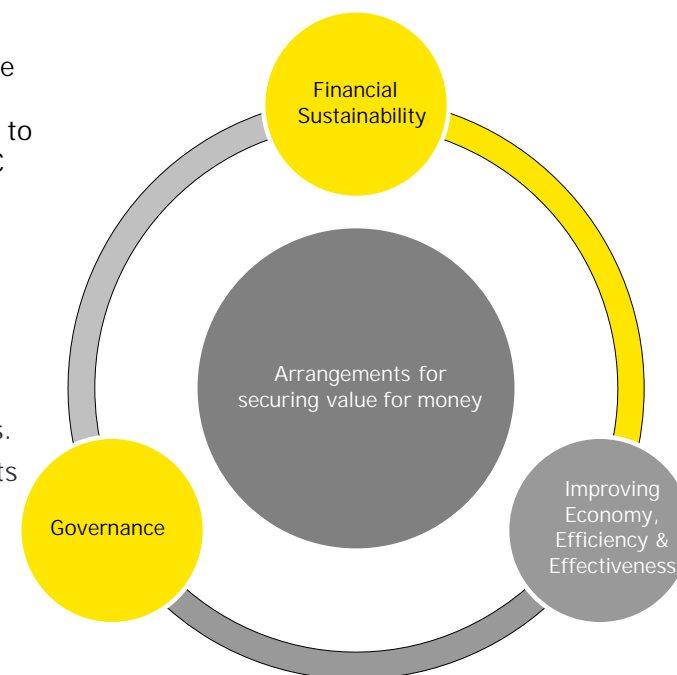
As part of the material published with the financial statements, the PCC and CC are required to bring together commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the PCC and CC tailor the content to reflect their own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on arrangements for securing value for money from the use of resources.

Auditor Responsibilities

Under the NAO Code of Audit Practice we are required to consider whether the PCC and CC have put in place 'proper arrangements' to secure economy, efficiency and effectiveness on their use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the PCC and CC a commentary against specified reporting criteria (see below) on the arrangements the PCC and CC have in place to secure value for money through economic, efficient and effective use of their resources for the relevant period.

The specified reporting criteria are:

- ▶ Financial sustainability - How the PCC and CC plan and manage their resources to ensure they can continue to deliver services.
- ▶ Governance - How the PCC and CC ensure that they make informed decisions and properly manage risks.
- ▶ Improving economy, efficiency and effectiveness - How the PCC and CC use information about their costs and performance to improve the way they manages and delivers services.



Planning and identifying risks of significant weakness in VFM arrangements

The NAO's guidance notes requires us to carry out a risk assessment which gathers sufficient evidence to enable us to document our evaluation of the PCC and CC's arrangements, to enable us to draft a commentary under the three reporting criteria. This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.

In considering the PCC and CC's arrangements, we are required to consider:

- ▶ The PCC and CC's governance statements;
- ▶ Evidence that the PCC and CC's arrangements were in place during the reporting period;
- ▶ Evidence obtained from our work on the accounts;
- ▶ The work of inspectorates and other bodies; and
- ▶ Any other evidence source that we regards as necessary to facilitate the performance of our statutory duties.

We then consider whether there is evidence to suggest that there are significant weaknesses in arrangements. The NAO's guidance is clear that the assessment of what constitutes a significant weakness and the amount of additional audit work required to adequately respond to the risk of a significant weakness in arrangements is a matter of professional judgement. However, the NAO states that a weakness may be said to be significant if it:

- ▶ Exposes – or could reasonably be expected to expose – the PCC and CC to significant financial loss or risk;
- ▶ Leads to – or could reasonably be expected to lead to – significant impact on the quality or effectiveness of service or on the PCC and CC's reputations;
- ▶ Leads to – or could reasonably be expected to lead to – unlawful actions; or

Identifies a failure to take action to address a previously identified significant weakness, such as failure to implement or achieve planned progress on action/improvement plans.

We should also be informed by a consideration of:

- ▶ The magnitude of the issue in relation to the size of the PCC and CC;
- ▶ Financial consequences in comparison to, for example, levels of income or expenditure, levels of reserves (where applicable), or impact on budgets or cashflow forecasts;
- ▶ The impact of the weakness on the PCC and CC's reported performance;
- ▶ Whether the issue has been identified by the PCC and CC's own internal arrangements and what corrective action has been taken or planned;
- ▶ Whether any legal judgements have been made including judicial review;
- ▶ Whether there has been any intervention by a regulator or Secretary of State;
- ▶ Whether the weakness could be considered significant when assessed against the nature, visibility or sensitivity of the issue;
- ▶ The impact on delivery of services to local taxpayers; and
- ▶ The length of time the PCC and CC have had to respond to the issue.



Value for Money

Responding to identified risks of significant weakness

Where our planning work has identified a risk of significant weakness, the NAO's guidance requires us to consider what additional evidence is needed to determine whether there is a significant weakness in arrangements and undertake additional procedures as necessary, including where appropriate, challenge of management's assumptions. We are required to report our planned procedures to the Joint Independent Audit Committee.

Reporting on VFM

Where we are not satisfied that the PCC and CC have made proper arrangements for securing economy, efficiency and effectiveness in their use of resources the Code requires that we should refer to this by exception in the audit report on the financial statements.

In addition, the Code requires us to include a commentary on your value for money arrangements in the Auditor's Annual Report. The Code states that the commentary should be clear, readily understandable and highlight any issues we wish to draw to the PCC and CC's attention or the wider public. This may include matters that we do not consider to be significant weaknesses in your arrangements but should be brought to your attention. This will include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with our view as to whether they have been implemented satisfactorily.

Status of our 2023/24 VFM planning

We have made good progress in performing our detailed VFM planning. We have not identified any significant risks to weaknesses in arrangements to date, subject to review of the work.

We will update the Joint Independent Audit Committee at the next meeting on the outcome of our VFM planning and our response to any additional identified risks of significant weaknesses in arrangements.

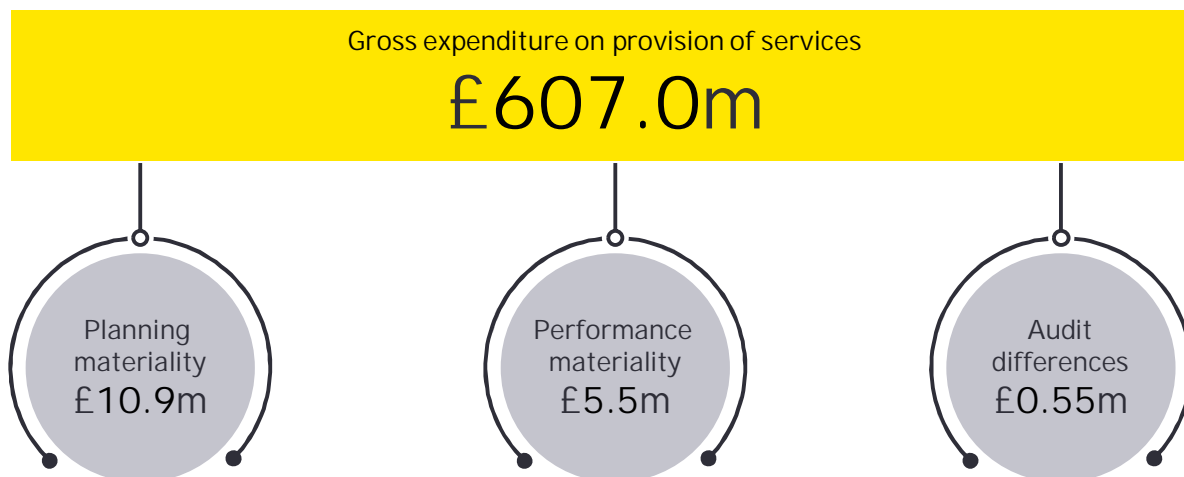


04 Audit materiality

Materiality

Group materiality

For planning purposes, Group materiality for 2023/24 has been set at £10.9m. This represents 1.8% of the Group's 2023/24 draft gross expenditure on provision of services, as this is the measure that we consider to be of most interest to users of the financial statements. It will be reassessed throughout the audit process. We have provided supplemental information about audit materiality in Appendix F.



Component materiality

For planning purposes, materiality for the PCC and CC have been set at £3.0m and £9.5m respectively. This represents 1.8% of gross assets of the PCC and 1.8% of gross expenditure on provision of services for the CC.

PCC		CC	
Planning materiality:	£3.0m	Planning materiality:	£9.5m
Performance materiality:	£1.5m	Performance materiality:	£4.8m
Audit difference threshold:	£150,000	Audit difference threshold:	£477,000

We request that the Joint Independent Audit Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

Key definitions

Planning materiality – the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

Performance materiality – the amount we use to determine the extent of our audit procedures. We have set performance materiality at 50% of group materiality. We have selected 50% as this our first year of auditing the PCC and CC.

Component performance materiality range – we determine component performance materiality as a percentage of Group performance materiality based on risk and relative size to the Group.

Component performance materiality (left) for the single entity accounts are within the expected range for component performance materiality at group level.

Audit difference threshold – we propose that misstatements identified below this threshold are deemed clearly trivial. We will report to you all uncorrected misstatements over this amount relating to the income statement and balance sheet that have an effect on income or that relate to other comprehensive income.

Other uncorrected misstatements, such as reclassifications and misstatements in the cashflow statement or disclosures and corrected misstatements will be communicated to the extent that they merit the attention of the Joint Independent Audit Committee or are important from a qualitative perspective.



05 Scope of our audit

Audit process and strategy

Objective and Scope of our Audit scoping

Under the Code of Audit Practice, our principal objectives are to undertake work to support the provision of our audit report to the audited body and to satisfy ourselves that the audited body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers:

1. Financial statement audit

Our opinion on the financial statements:

- ▶ whether the financial statements give a true and fair view of the financial position of the Group and its expenditure and income for the period in question; and
- ▶ whether the financial statements have been prepared properly in accordance with the relevant accounting and reporting framework as set out in legislation, applicable accounting standards or other direction.

Our opinion on other matters:

- ▶ whether other information published together with the audited financial statements is consistent with the financial statements; and
- ▶ where required, whether the part of the remuneration report to be audited has been properly prepared in accordance with the relevant accounting and reporting framework.

Other procedures required by the Code:

- ▶ Examine and report on the consistency of the Whole of Government Accounts schedules or returns with the body's audited financial statements for the relevant reporting period in line with the instructions issued by the National Audit Office.

2. Arrangements for securing economy, efficiency and effectiveness (value for money)

We are required to consider whether the PCC and CC have put in place 'proper arrangements' to secure economy, efficiency and effectiveness on their use of resources and report a commentary on those arrangements.

3. Ministry of Housing, Communities and Local Government (MHCLG) and Financial Reporting Council (FRC) measures to address local audit delays

The changes announced by MHCLG are not expected to have a significant impact on the scope of the 2023/24 audit and our assessment of risk. We will provide updates to the Joint Independent Audit Committee as the audit progresses and our assessment of the unlikely event that changes may impact the scope of the audit for the PCC and CC.

Audit process and strategy

Audit Process Overview

Our audit involves:

- ▶ Identifying and understanding the key processes and internal controls; and
- ▶ Substantive tests of detail of transactions and amounts.
- ▶ Reliance on the work of other auditors, such as pensions and property valuations; and
- ▶ Reliance on the work of experts in relation to areas, such as pensions and property valuations.

Our initial assessment of the key processes across the PCC and CC has not identified any processes where we will seek to test key controls, either manual or IT. Our audit strategy will follow a fully substantive approach. This will involve testing the figures within the financial statements rather than looking to place reliance on the controls within the financial systems. We assess this as the most efficient way of carrying out our work and obtaining the level of audit assurance required to conclude that the financial statements are not materially misstated.

Analytics

Our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- ▶ Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- ▶ Give greater likelihood of identifying errors than random sampling techniques.

Due to concerns of management in sharing full ledger downloads with our data analytics team, we are not able to apply our digital audit methodology on the PCC and CC for 2023/24. The impact of this is likely to be that more work is required to obtain assurance over transaction listings provided to us by management and, as we are unable to perform analysis over whole populations of data and focus on anomalies and exceptions, we anticipate that a greater volume of substantive testing will be required which may lead to a variation being required to the audit scale fee.

Internal audit

We will review internal audit plans and the results of their work. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our detailed audit plan, where they raise issues that could have an impact on the financial statements.



Scope of our audit

Group scoping

Our audit strategy for performing the audit of the Police and Crime Commissioner for Northumbria Group is risk based. We identify both the PCC and CC components as significant components with a full audit scope.

A component is significant when it is likely to include risks of material misstatement of the group financial statements, either because of its relative financial size to the group (quantitative criteria), or because of its specific nature or circumstances (qualitative criteria). We generally assign significant components a full or specific scope given their importance to the financial statements.

A component that has a full scope are components where a full audit is performed to the materiality levels assigned at a Group level for purposes of the consolidated audit.

Coverage of Income and Expenditure on Provision of Services/Net liabilities

Based on the group's draft results, our scoping is expected to achieve full coverage of the group's income and expenditure on provision of services and net liabilities.

Details of other procedures

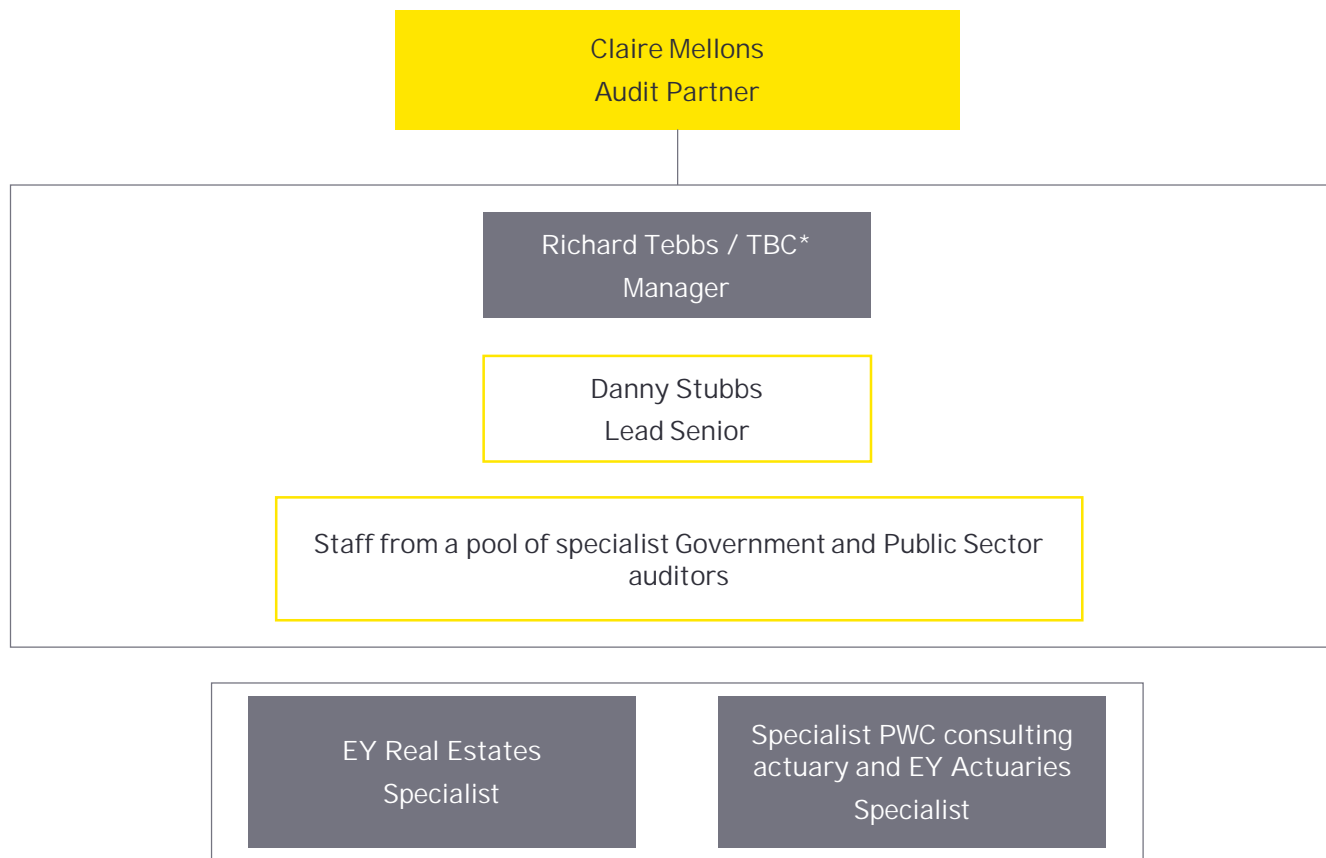
To gain obtain assurance over the group statement of accounts, we will:

- ▶ Perform the audits of both the PCC and CC statement of accounts by the same engagement team.
- ▶ Consider the extent of group-level controls on the reporting process.
- ▶ Reperform the consolidation of audited results from both entities and compare them to the group statement of accounts.



06 Audit team

Audit team



* Richard Tebbs is leaving EY in October 2024. We are in the process of identifying a new manager and will update you as soon as we have details confirmed.



Use of specialists

Our approach to the involvement of specialists, and the use of their work

When auditing key judgements, we are often required to use the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where EY specialists are expected to provide input for the current year audit are:

Area	Specialists
Valuation of Land and Buildings	EY Real Estate team
Pensions disclosure	EY Actuaries, PWC consulting actuary

In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Group's business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- ▶ Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable
- ▶ Assess the reasonableness of the assumptions and methods used
- ▶ Consider the appropriateness of the timing of when the specialist carried out the work
- ▶ Assess whether the substance of the specialist's findings are properly reflected in the financial statements



07

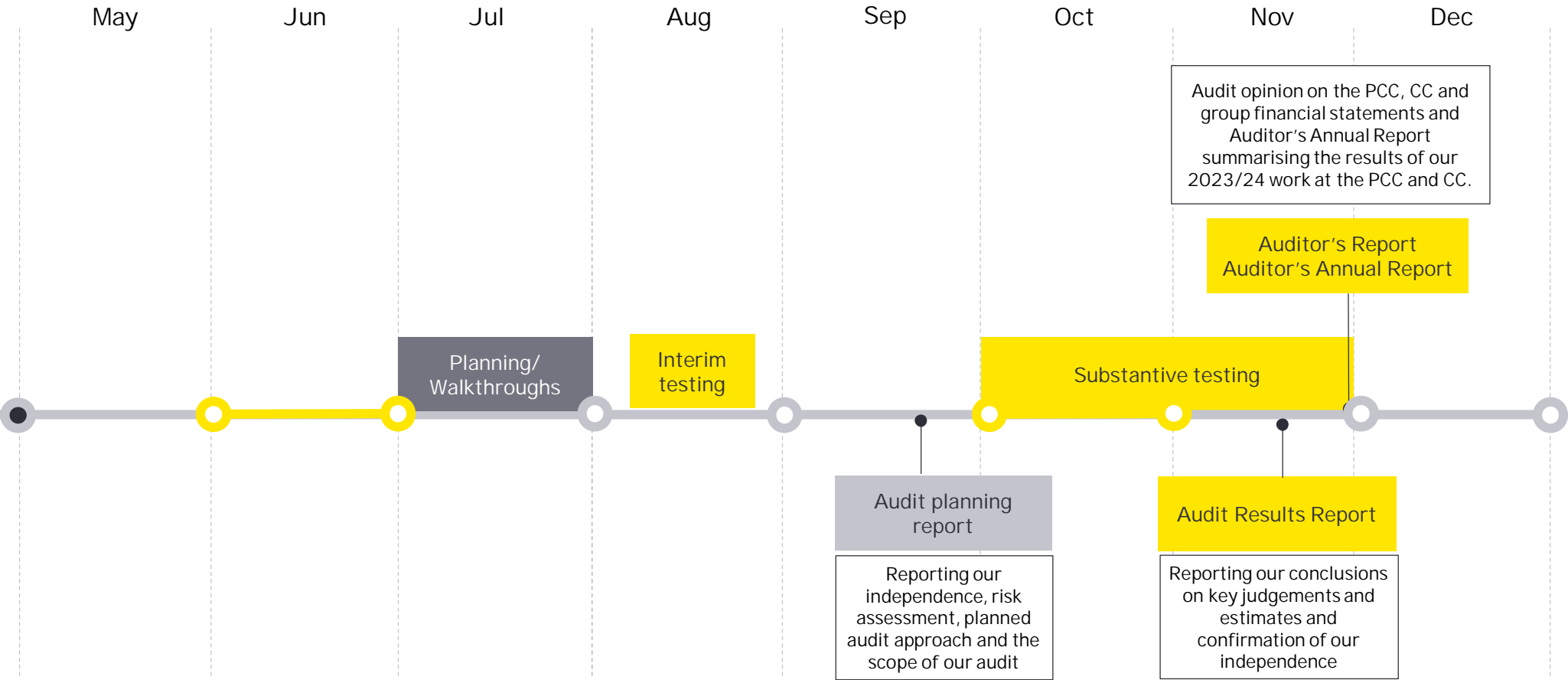
Audit timeline

Timetable of communication and deliverables

Timeline

Below is a timetable showing the key stages of the audit and the deliverables we have agreed to provide to you through the audit cycle in 2023/24.

From time to time matters may arise that require immediate communication with the Joint Independent Audit Committee and we will discuss them with the committee Chair as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary.





08 Independence

Independence

The FRC Ethical Standard 2019 and ISA (UK) 260 'Communication of audit matters with those charged with governance', requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in December 2019, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications

Planning stage

- ▶ The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between you, your affiliates and directors and us.
- ▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review.
- ▶ The overall assessment of threats and safeguards.
- ▶ Information about the general policies and process within EY to maintain objectivity and independence.
- ▶ The IESBA Code requires EY to provide an independence assessment of any proposed non-audit service (NAS) to the audit client and will need to obtain and document pre-concurrence from the Joint Independent Audit Committee for the provision of all NAS prior to the commencement of the service (i.e., similar to obtaining a "pre-approval" to provide the service).
- ▶ All proposed NAS will be subject to a determination of whether the service might create a self-review threat (SRT), with no allowance for services related to amounts that are immaterial to the audited financial statements.

Final stage

- ▶ In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;
- ▶ Details of non-audit/additional services provided and the fees charged in relation thereto;
- ▶ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us;
- ▶ Details of any non-audit/additional services to a UK PIE audit client where there are differences of professional opinion concerning the engagement between the Ethics Partner and Engagement Partner and where the final conclusion differs from the professional opinion of the Ethics Partner
- ▶ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy;
- ▶ Details of all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence; and
- ▶ An opportunity to discuss auditor independence issues.

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Claire Mellons, your audit engagement partner and the audit engagement team have not been compromised.

Self interest threats

A self interest threat arises when EY has financial or other interests in your company. Examples include where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake permitted non-audit/additional services set out in Section 5.40 of the FRC Ethical Standard 2019 (FRC ES) and in line with Auditors Guidance Note 01 issued by the National Audit Office, and we will comply with the policies that you have approved.

At the time of writing, we do not propose to undertake non-audit services.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with Ethical Standard part 4. There are no other self interest threats at the date of this report.

Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self review threats at the date of this report.

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of your company. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decision based on that work.

There are no management threats at the date of this report.

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

We note that the former Police and Crime Commissioner, Kim McGuinness, was invited to speak at an event hosted in our Newcastle office. We are content that this does not impair our independence, as sufficient safeguards were put in place in consultation with our independence team. The Police and Crime Commissioner was not the main speaker of the event which was held for non-audit EY clients.



Other communications

EY Transparency Report 2023

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the period ended 30 June 2023 and can be found here: [EY UK 2023 Transparency Report](#).



09 Appendices



Appendix A – PSAA Statement of Responsibilities

As set out on the next page our fee is based on the assumption that the PCC and CC comply with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>. In particular the PCC and CC should have regard to paragraphs 26-28 of the Statement of Responsibilities which clearly set out what is expected of audited bodies in preparing their financial statements. We set out these paragraphs in full below:

Preparation of the statement of accounts

26. Audited bodies are expected to follow Good Industry Practice and applicable recommendations and guidance from CIPFA and, as applicable, other relevant organisations as to proper accounting procedures and controls, including in the preparation and review of working papers and financial statements.

27. In preparing their statement of accounts, audited bodies are expected to:

- prepare realistic plans that include clear targets and achievable timetables for the production of the financial statements;*
- ensure that finance staff have access to appropriate resources to enable compliance with the requirements of the applicable financial framework, including having access to the current copy of the CIPFA/LASAAC Code, applicable disclosure checklists, and any other relevant CIPFA Codes.*
- assign responsibilities clearly to staff with the appropriate expertise and experience;*
- provide necessary resources to enable delivery of the plan;*
- maintain adequate documentation in support of the financial statements and, at the start of the audit, providing a complete set of working papers that provide an adequate explanation of the entries in those financial statements including the appropriateness of the accounting policies used and the judgements and estimates made by management;*
- ensure that senior management monitors, supervises and reviews work to meet agreed standards and deadlines;*
- ensure that a senior individual at top management level personally reviews and approves the financial statements before presentation to the auditor; and*
- during the course of the audit provide responses to auditor queries on a timely basis.*

28. If draft financial statements and supporting working papers of appropriate quality are not available at the agreed start date of the audit, the auditor may be unable to meet the planned audit timetable and the start date of the audit will be delayed.

Appendix B – Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

The agreed fee presented is based on the following assumptions:

- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ Our accounts opinion and value for money conclusion being unqualified;
- ▶ Appropriate quality of documentation is provided by the PCC and CC;
- ▶ The PCC and CC have an effective control environment; and
- ▶ The PCC and CC comply with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>. In particular the PC and CC should have regard to paragraphs 26 - 28 of the Statement of Responsibilities which clearly sets out what is expected of audited bodies in preparing their financial statements. These are set out in full on the previous page.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the PCC and CC in advance.

Current year fees	PCC	CC	Total
	£	£	£
Total Fee – Code Work (note 1)	100,724	52,805	153,529
Additional fees (note 2)	TBD	TBD	TBD
Total audit	TBD	TBD	TBD
Other non-audit services	Nil	Nil	Nil
Total fees	TBD	TBD	TBD

All fees exclude VAT

(1) PSAA have updated the Scale Fees for audits from 2023/24 to reflect additional audit and regulatory requirements implemented since the start of the contract period. These replace recurring charges that had been included within Scale Fee Variations.

(2) The revision to ISA (UK) 315 has impacted our scope and approach and requires us to enhance the audit risk assessment process, better focus responses to identified risks and evaluate the impact of IT on key processes supporting the production of the financial statements. The revision to the standard has not been included in the update to the scale fees. The scale fee also may be impacted by a range of other factors which will result in additional work, which include but are not limited to:

- Consideration of correspondence from the public and formal objections.
- Additional testing required over reports and information by provided by management, as they did not want to provide us with a full general ledger download without us going through the full police vetting process.
- New accounting standards, for example full adoption or additional disclosures in respect of IFRS 16.
- Non-compliance with law and regulation with an impact on the financial statements.
- VFM risks of, or actual, significant weaknesses in arrangements and related reporting impacts.
- The need to exercise auditor statutory powers.
- Prior period adjustments.
- Modified financial statement opinions.

Appendix C – Accounting and regulatory update

Future accounting developments

The following table provides a high level summary of the accounting development that has the most significant impact on the PCC and CC:

Name	Summary of key measures	Impact on 2023/24
IFRS 16 Leases	<ul style="list-style-type: none">• CIPFA have confirmed there will be no further delay of the introduction of the leases standard IFRS 16.• Assets being used by the PCC and CC under operating leases are likely to be capitalised along with an associated lease liability.• Lease liabilities and right of use assets will be subject to more frequent remeasurement.• The standard must be adopted by 1 April 2024 at the latest.	<ul style="list-style-type: none">• The 2023/24 Statement of Accounts must disclose the impact the initial application of IFRS 16 is expected to have on the PCC and CC's financial statements.• The PCC and CC have shared their initial estimate of the impact of the new standard which is immaterial to the financial statements.• Officers must maintain robust systems to ensure all relevant data points, which could prompt a remeasurement or modification of the accounting entries, are captured in a timely manner.• Where material, the PCC and CC should make key IFRS 16 policy decisions in accordance with the Code for the 2024/25 financial year.

Appendix D – The Spring Report

A combined perspective on enhancing audit quality

The Spring Report ('The Report') was released by the Audit Committee Chairs' Independent Forum (ACCIF) on 2 June 2023 and is the first of its kind. The Report is the outcome from a series of discussions held with a group of experienced audit committee chairs, auditors from the top 6 firms, and executives from the Financial Reporting Council. The Report details the 9 key learnings that the group agreed on, proposing evolution not revolution, and is focused on getting the basics right first time leading to enhanced audit quality. The report considers key learnings covering the planning, execution, completion and reporting phases of the audit. The full list of key learnings can be found in the [report](https://accif.co.uk/report) (accif.co.uk).

Appendix E – Required communications with the Joint Independent Audit Committee - JIAC

We have detailed the communications that we must provide to the JIAC

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the Joint Independent Audit Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	Communication of: <ul style="list-style-type: none"> ▶ The planned scope and timing of the audit ▶ Any limitations on the planned work to be undertaken ▶ The planned use of internal audit ▶ The significant risks identified 	Audit planning report (This report)
Significant findings from the audit	<ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process ▶ Findings and issues regarding the opening balance on initial audits 	Audit results report

Appendix E – Required communications with the Joint Independent Audit Committee - JIAC (cont'd)

Our Reporting to you

Required communications	What is reported?	When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The adequacy of related disclosures in the financial statements 	Audit results report
Misstatements	<ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ Material misstatements corrected by management 	Audit results report
Fraud	<ul style="list-style-type: none"> ▶ Enquiries of JIAC to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: <ul style="list-style-type: none"> a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements ▶ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected ▶ Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud ▶ Any other matters related to fraud, relevant to JIAC responsibility 	Audit results report

Appendix E – Required communications with the Joint Independent Audit Committee - JIAC (cont'd)

Our Reporting to you

Required communications	What is reported?	When and where
Related parties	<p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the entity 	Audit results report
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence</p> <ul style="list-style-type: none"> ▶ Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence <p>Communication whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.</p>	<p>Audit planning report (This report)</p> <p>Audit results report</p>
External confirmations	<ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures 	Audit results report
Consideration of laws and regulations	<ul style="list-style-type: none"> ▶ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur ▶ Enquiry of JIAC into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Joint Independent Audit Committee may be aware of 	Audit results report

Appendix E – Required communications with the Joint Independent Audit Committee - JIAC (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Internal controls	<ul style="list-style-type: none"> ▶ Significant deficiencies in internal controls identified during the audit 	Audit results report
Group audits	<ul style="list-style-type: none"> ▶ An overview of the type of work to be performed on the financial information of the components ▶ An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components ▶ Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work ▶ Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted 	Audit planning report (This report) Audit results report
	<ul style="list-style-type: none"> ▶ Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements 	Audit results report
Representations	Written representations we are requesting from management and/or those charged with governance	Audit results report
System of quality management	How the system of quality management (SQM) supports the consistent performance of a quality audit	Audit results report
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit results report
Auditors report	<ul style="list-style-type: none"> ▶ Any circumstances identified that affect the form and content of our auditor's report 	Audit results report

Appendix F – Additional audit information

Regulatory update

Our objective is to form an opinion on the Group's consolidated financial statements under International Standards on Auditing (UK) as prepared by you in accordance with International Financial Reporting Standards as adopted by the UK, and as interpreted and adapted by the Code of Practice on Local Authority Accounting.

Our responsibilities in relation to the financial statement audit are set out in the PSAA Statement of responsibilities of auditors and audited bodies (from 2023/24 audits). We are responsible for forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of the Joint Independent Audit Committee. The audit does not relieve management or the Joint Independent Audit Committee of their responsibilities.

Other required procedures during the course of the audit

In addition to the key areas of audit focus outlined in section 2, we have to perform other procedures as required by auditing, ethical and independence standards, company law and other regulations. We outline the procedures below that we will undertake during our audit.

Our responsibilities required by auditing standards

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PCC and CC's internal control
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- ▶ Concluding on the appropriateness of management's use of the going concern basis of accounting
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- ▶ Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the PCC and CC's to express an opinion on the consolidated financial statements. Reading other information contained in the financial statements, including the board's statement that the annual report is fair, balanced and understandable, the Joint Independent Audit Committee reporting appropriately addresses matters communicated by us to the Joint Independent Audit Committee and reporting whether it is materially inconsistent with our understanding and the financial statements
- ▶ Maintaining auditor independence

Appendix F – Additional audit information (cont'd)

Other required procedures during the course of the audit

Procedures required by the Audit Code

- ▶ Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance Statement.

We have included in Appendix E a list of matters that we are required to communicate to you under professional standards.

Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines:

- ▶ The locations at which we conduct audit procedures to support the opinion given on the Group financial statements
- ▶ The level of work performed on individual account balances and financial statement disclosures

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.

Appendix G - Non-Compliance with Laws and Regulations (NOCLAR)

Non-Compliance with Laws and Regulations includes:

Any act or suspected act of omission or commission (intentional or otherwise) by the entity (including any third parties under the control of the entity such as subsidiaries, those charged with governance or management or an employee acting on behalf of the entity), either intentional or unintentional, which are contrary to the prevailing laws or regulations

Management Responsibilities:

"It is the responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements."

ISA 250A, para 3

"The directors' report must contain a statement to the effect that... so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information."

ISA 250A, para 3

Management's responsibilities are also set out in the International Ethics Standard Board of Accountants' International Code of Ethics (IESBA Code) Para 360.08

Auditor Responsibilities

[The International Ethics Standard Board of Accountants' International Code of Ethics](#) (IESBA Code) section 360 sets out the scope and procedures in relation to responding to actual or suspected non-compliance with laws and regulations.

Professional accountancy organisations who are members of the International Federation of Accountants (IFAC), such as the Institute of Chartered Accountants in England and Wales (ICAEW) are required to adopt the IESBA Code of Ethics.

We as your auditor are required to comply with the Code by virtue of our registration with ICAEW.

"If the auditor becomes aware of information concerning an instance of non-compliance or suspected non-compliance with laws and regulations, the auditor shall obtain:

An understanding of the nature of the act and the circumstances in which it has occurred; and
Further information to evaluate the possible effect on the financial statements

The auditor shall evaluate the implications of the identified or suspected non-compliance in relation to other aspects of the audit, including the auditor's risk assessment and the reliability of written representations, and take appropriate action."

ISA 250A, paras 19 and 22

Examples of Non-Compliance with Laws and Regulations (NOCLAR)

Matter

- ▶ Suspected or known fraud or bribery
- ▶ Health and Safety incident
- ▶ Payment of an unlawful dividend
- ▶ Loss of personal data
- ▶ Allegation of discrimination in dismissal
- ▶ HMRC or other regulatory investigation
- ▶ Deliberate journal mis-posting or allegations of financial impropriety
- ▶ Transacting business with sanctioned individuals

Implication

- ▶ Potential fraud/breach of anti-bribery legislation
- ▶ Potential breach of section 2 of the Health and Safety at Work Act 1974
- ▶ Potential breach of Companies Act 2006
- ▶ Potential GDPR breach
- ▶ Potential non-compliance with employment laws
- ▶ Suspicion of non-compliance with laws/regulations
- ▶ Potential fraud / breach of Companies Act 2006
- ▶ Potential breach of sanctions regulations

Appendix G - Non-Compliance with Laws and Regulations (NOCLAR) (cont'd)

What are the implications of NOCLAR matters arising?

Depending on the nature and significance of the NOCLAR matter the following steps are likely to be required, involving additional input from both management and audit.

This can have an impact on overall achievability of audit timeline and fees.

Across our portfolio of audits we have seen a steady increase in NOCLAR matters that need to be addressed as part of the audit over the past 3 years



Management response:

Timely communication of the matter to auditors (within a couple of days)

Determine who will carry out any investigation into the matter – in-house or external specialists or mix of both

Scope the investigation, in discussion with the auditors

Evaluate findings and agree next steps

Determine effect on financial statements including disclosures

Prepare a paper, summarising the outcome of the investigation and management's conclusions

Communicate the outcome to Those Charged With Governance (TCWG) and to us as your auditors. Report to regulators where required.

Key Reminders:

- ▶ Make sure that all areas of the business are aware of what constitutes actual or potential non-compliance and associated requirements
- ▶ Communicate with us as your auditors on a timely basis – do not wait for scheduled audit catch-ups
- ▶ Engage external specialists where needed
- ▶ Ensure that your investigation assesses any wider potential impacts arising from the matter, not just the matter itself.
- ▶ Plan upfront and consider any impact on overall accounts preparation and audit timeline – discuss the implications with us as your auditor

Audit response:

Initial assessment of the NOCLAR matter and its potential impact

Initial consultation with risk team to determine responsive procedures and the involvement of specialists

Understand and agree scope of management's investigation with support from specialists as needed

Evaluate findings and undertake appropriate audit procedures

Determine audit related impact including accounting and disclosure and audit opinion implications

Document and consult on the outcome of our procedures

Communicate the outcome with management, TCWG and where necessary other auditors within the group or regulators

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

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