

JOINT INDEPENDENT AUDIT COMMITTEE

MONDAY, 13 MAY 2019, 14:00

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

AGENDA

OPEN SESSION UNDER THE FREEDOM OF INFORMATION ACT 2000

- 1. INTRODUCTION**
- 2. DECLARATION OF INTEREST**
- 3. MINUTES OF JOINT INDEPENDENT AUDIT COMMITTEE 25 FEBRUARY 2019**
- 4. MATTERS ARISING**
- 5. ANNUAL GOVERNANCE STATEMENT 2018/19**
 - a) Senior Managers' Assurance Statements**
Report of Internal Audit Manager
(Paper attached)
 - b) Review of the Effectiveness of Internal Audit**
Report of Internal Audit Manager
(Paper attached)
 - c) Internal Audit Annual Report 2018/19**
Report of Internal Audit Manager
(Paper attached)
 - d) Corporate Risk Management - Annual Report**
Report of Head of Corporate Development
(Paper attached)
 - e) Performance and Data Quality Assurance - Annual Report**
Report of Head of Corporate Development
(Paper attached)
 - f) Legal and Regulatory Assurance**
Joint report of Chief of Staff and Joint Chief Finance Officer
(Paper attached)
 - g) Self-assessment of the Chief Finance Officer**
Report of Joint Chief Finance Officer
(Paper attached)
 - h) Other Assurance**
Joint Chief Finance Officer
(Paper attached)



VERA BAIRD
POLICE & CRIME COMMISSIONER



**NORTHUMBRIA
POLICE**

6. EXTERNAL AUDIT – MAZARS AUDIT PROGRESS REPORT

Report of External Auditor
(Paper attached)

7. SUMMARY OF RECENT EXTERNAL INSPECTION REPORTS

Head of Corporate Development
(Paper attached)

8. JOINT STRATEGIC RISK REPORT MAY 2019

Head of Corporate Development
(Paper attached)

CLOSED SESSION UNDER THE FREEDOM OF INFORMATION ACT 2000

9. EXCLUSION OF THE PRESS AND PUBLIC – EXEMPT BUSINESS

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

Agenda item number	Paragraph of Schedule 12A to the Local Government Act 1972
10	7
11	7
12	7
13	7



VERA BAIRD
POLICE & CRIME COMMISSIONER



**NORTHUMBRIA
POLICE**

NORTHUMBRIA POLICE MINUTES

Title Joint Independent Audit Committee (JIAC)	Meeting Number 01/2019
--	----------------------------------

Date 25 February 2019	Location Meeting Room 3 Forth Banks	Duration 14:00-15:40
---------------------------------	--	--------------------------------

Present:

Committee Members:	N Mundy P Angier K Amlani J Guy P Wood	Chair
---------------------------	--	-------

Officers:	D Best R Durham M Tait P Godden K Laing	Deputy Chief Constable OPCC Chief of Staff and Monitoring Officer Joint Chief Finance Officer Head of Corporate Development Department Head of Finance Department
------------------	---	---

Invitees:	R Bowmaker A Buckingham D Hasnip C Waddell R Rooney	Internal Audit, Gateshead Council Internal Audit Manager, Gateshead Council Senior Auditor, Mazars Partner, Mazars Governance and Planning Coordinator (Secretary)
------------------	---	--

Apologies:	J Dafter	Senior Manager, Mazars
-------------------	----------	------------------------

1. INTRODUCTION

The Chair opened the meeting, introducing J Guy as a new committee member. The secretariat was thanked for swift circulation of agenda and papers.

2. DECLARATION OF INTEREST

J Guy advised she is a member of the Police and Crime Panel; there are currently no conflicts associated with this but members will be made aware if any arise. C Waddell advised Mazars are the external auditors for the Northumberland Clinical Commissioning Group.

Update noted.

3. MINUTES OF PREVIOUS MEETING

Minutes were agreed as a true and accurate record.

4. MATTERS ARISING

04/2018 Minute 4:

M Tait provided an update on patching; this forms part of the audit plan. He advised strategies and processes are managed by ICT Department, and critical patches are actioned as soon as possible. Minor delays to patching are escalated through the Information Security Officer. The Chair was satisfied with this explanation.

04/2018 Minute 9:

M Tait stated CIPFA guidance is used as a basis for updates provided to committee members and explained the established Force governance process. The Chair acknowledged work is ongoing to show when activity against national action plans has been taken.

04/2018 Minute 12:

K Laing explained the Force is insured against cyber risks via a number of different insurance policies, including loss of data due to hacking, and a terrorism cover policy. K Laing confirmed no claims have currently been made against these policies.

04/2018 Minute 14:

M Tait gave an update regards use of Tranman advising it is the fleet standard for all police forces. The Chair was satisfied the system is fit for purpose.

Update noted.

5. AUDIT STRATEGY MEMORANDUM

a. Chief Constable (CC) for Northumbria

C Waddell explained the memorandum has not changed greatly against previous versions. Members were made aware of a reduction in fees, and forward planning regarding pension asset values following Brexit. K Amlani queried the figures provided concerning officer remuneration; these were confirmed by C Waddell.

C Waddell advised the IFRS 9 Financial Instruments standard is set to replace the IAS 39. The standard is likely to be implemented in 2021; it is anticipated this introduction will not result in a significant amount of work for Northumbria Police. Concerning instruments required to be measured at fair value under this new standard, C Waddell confirmed statutory provisions have been put in place to mitigate the impact of fair value movements on the Chief Constable's general fund balance.

P Wood queried the approach involved in identifying new areas of risk to which C Waddell stated the planning process involves auditors of police bodies scoping the policing landscape and utilising previous experience of audit to assist in the identification of risk.

Update noted.

b. Police and Crime Commissioner (PCC) for Northumbria

C Waddell noted the main fundamental difference between the CC and PCC strategy concerns scope of activity; the PCC owns estate therefore there is an increased risk concerning valuation of property.

As with the CC Audit Strategy Memorandum, associated fees have reduced. N Mundy queried timescales involved in the review of fees. C Waddell confirmed the tender process runs every five years with a potential further extension of two years. As such, fees will not be reviewed for some time.

Update noted.

6. TREASURY MANAGEMENT STATEMENT

K Laing presented the proposed Treasury Management Statement and explained, if approved at JIAC, the statement will be recommended to the PCC to agree and adopt. He noted the content of the statement was similar in nature to that of previous years.

Of note, K Laing highlighted the Force approach to borrowing, advising risk management associated with long term debt is secure. He gave notice to an expected .25% increase on base rates in June 2019; it is expected there will be a further .25% increase over the next three years.

P Wood queried the Force strategy for net debt. K Laing stated strategy is based on affordability; the Force ensures there are enough funds within revenue budget to facilitate the servicing of long term debt prior to committing.

The Chair thanked K Laing for the thorough and reassuring report, noting it as a useful tool in remaining sighted on interest rates.

Agreed:

- ***The Treasury Management Statement and associated appendices.***

7. ANNUAL GOVERNANCE REVIEW ASSURANCE FRAMEWORK 2018/19

K Laing presented the assurance framework and explained the process associated with the production of the Annual Governance Statement; a draft will be provided to members in May with a final version following in July.

N Mundy stated it would be of benefit if committee members were afforded the opportunity to study the CIPFA guidance to enable a full understanding of how assurance fits together, how committee members sit within the process, and to identify any developmental opportunities. K Laing confirmed as part of the creation of the AGS, there is an expectation the Chair will complete a self-assessment; this will assist in providing committee members assurances of their role within the context of CIPFA guidance.

Concerning the review of evidence required for the assurance framework, J Guy queried what is meant by 'other sources of assurance as appropriate'. K Laing advised the draft AGS will provide evidence of all reviews of any additional assurances.

Agreed:

- ***To provide committee members with CIPFA guidance and governance framework.***

Action: K Laing

8. SUMMARY OF RECENT EXTERNAL INSPECTION REPORTS

P Godden stated the report focuses on how the Force manages and responds to inspection reports and advised it now includes an appendix highlighting action plans in response to Her Majesty's Inspectorate of Constabulary Fire Rescue Service (HMICFRS) findings. Members were made aware there are currently 51 recommendations recorded as open.

P Godden provided clarity that a number of actions require further assessment by HMICFRS in order to close. As such, some recommendations which have been locally completed but not formally closed by HMICFRS remain listed as outstanding.

J Guy queried how committee members can be satisfied recommendations are managed effectively. She suggested revising the appendix table to include a column advising on the status of actions. P Godden accepted such suggestions, agreeing it is of benefit to add value to the process. The Chair thanked P Goddard for the table and advised committee members to consider any further suggested refinements prior to the next JIAC meeting in order to ensure any update made to the action plan appendix is fit for purpose.

Agreed:

- ***To continue to work on the overview of action plans to ensure information is included regards management of recommendations and actions.***

Action: P Godden

9. JOINT STRATEGIC RISK REGISTER

P Godden explained the process for managing risk within the Force and advised updates to the risk register since its previous iteration are mostly associated with updates to controls. D Best provided an update concerning Emergency Services Network (ESN) risk; this remains a national issue and will continue to be monitored.

Concerning risks associated with the management of Voluntary Attenders (VA), P Godden explained controls have been put in place and an update will be provided to Strategic Management Board (SMB). D Best noted further resource is required in order to manage the VA process fully but provided assurance that improvements should start to be seen.

J Guy advised in order to ensure controls are mapped effectively; risk 22 should refer to scrutiny provided by JIAC members.

P Angier noted risks 10 and 11 relating to workforce and queried if a tangible shift has been felt regards wellbeing. Members were informed a staff survey has recently closed, of which 52% of staff responded. Previous surveys indicate staff are concerned the Force does not respond positively to survey responses. D Best indicated Force priority is to ensure internal messages following the results of the survey are communicated effectively to maintain staff morale.

P Wood queried national guidance available concerning Force response to Brexit. D Best stated Northumbria Police have identified Bronze, Silver and Gold Brexit Commanders; these individuals are in receipt of regular briefings and are working with Local Resilience Forums (LRF). D Best explained a level of uncertainty remains surrounding Brexit. As such, forces are unsure which eventuality they are currently planning for.

Agreed:

- ***Risk 22 to make reference to scrutiny provided by JIAC within the summary of controls section.***

Action: P Godden

10. INTERNAL AUDIT CHARTER, STRATEGY STATEMENT 2019-2022 AND ANNUAL AUDIT PLAN

A Buckingham presented the report, advising the only change made to the Internal Audit Charter since previous presentation is the addition of Section 2: Statutory Basis. The Chair requested reference to be made to reporting to JIAC within Section 3: Key Outputs of the Internal Audit Strategy Statement.

A Buckingham presented the Annual Audit Plan noting that it reflected the input from Members at the previous meeting.

Agreed:

- ***The Internal Audit Charter, Strategy Statement 2019-2022 and Annual Audit Plan, subject to an amendment to Section 3: Key Outputs to reflect reporting to JIAC.***

Action: A Buckingham

11. EXCLUSION OF THE PRESS AND PUBLIC – EXEMPT BUSINESS

The press and public were excluded from the meeting.

AGENDA ITEM 4

SOURCE Meeting / date / minute ref.	ACTION	ASSIGNED TO	UPDATE Cleared or update
1/2019 Minute 7	To provide committee members with CIPFA guidance and governance framework.	K Laing	Complete.
1/2019 Minute 8	Work to continue on overview of action plans to ensure information is included regards management of recommendations and actions.	P Godden	Complete.
1/2019 Minute 9	Risk 22 to make reference to scrutiny provided by JIAC within the summary of controls section.	P Godden	Complete.



VERA BAIRD^{QC}
POLICE & CRIME COMMISSIONER



NORTHUMBRIA
POLICE
Proud to Protect

JOINT INDEPENDENT AUDIT COMMITTEE

13 MAY 2019

SENIOR MANAGERS' ASSURANCE STATEMENTS

REPORT OF INTERNAL AUDIT

1 Purpose of the Report

- 1.1 To inform the Committee of the assurance which the Chief of Staff and Monitoring Officer to the Police and Crime Commissioner (PCC) and Force managers have placed on their control systems to feed into the Annual Governance Statement for 2018/19.

2 Background

- 2.1 The Accounts and Audit Regulations 2015 require Authorities to produce an Annual Governance Statement giving an assessment of governance arrangements and their effectiveness.
- 2.2 The Joint Independent Audit Committee agreed on 25 February 2019 an assurance framework which would provide evidence for the completion of the Annual Governance Statement.
- 2.3 Assurances from managers on the effectiveness of controls they have in place in their departments is fundamental within the assurance framework and forms a key part of the review of the effectiveness of internal control as set out in the Annual Governance Statements for both the PCC and Chief Constable reported elsewhere on today's agenda.
- 2.4 The Chief of Staff and Monitoring Officer, Heads of Departments and Area Commanders were asked to complete self-assessments, which took the form of a questionnaire covering the processes in place to manage their key business risks. They were required to state whether they agreed or disagreed that the processes they had in place provided an effective level of assurance and compliance. There was also a requirement to detail the evidence to support their assessment and highlight any areas of either above or below average performance or outputs.

3 Overall Opinion

- 3.1 All assessments issued have been returned detailing satisfactory evidence. One return recorded partial assurance in relation to improving performance monitoring and management. This issue was recorded by the same manager last year. Software development is

underway and action plans are in place to address this and it is expected to be completed and embedded by the end of 2019.

- 3.2 All managers agreed that overall effective controls are in place to allow them to achieve their service objectives and therefore the objectives of the PCC and Chief Constable.
- 3.3 A summary of returns is attached at Appendix A showing each process being assessed.
- 3.4 Internal Audit has time in the 2019/20 audit plan to review the evidence and actions identified by managers on their assurance statements. The outcome of this work will be reported to the Joint Independent Audit Committee prior to the end of July 2019 and the approval of each body's financial statements. This will be a service based audit covering a number of questions included in the assurance statement.

4 Equal Opportunities implications

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

5 Human Rights implications

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

6 Risk Management implications

- 6.1 Ongoing reviews of controls and their effectiveness will assist managers in the identification and mitigation of risk.

7 Financial implications

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

8 Recommendation

- 8.1 The Committee is asked to note the assurances provided by senior managers.

Senior Manager Assurance Assessments 2018/19

Area of Assurance	Percentage that Agree / Disagree that Effective Controls are in Place
1. Controls are in place to demonstrate that there is compliance with legal requirements, governance arrangements and corporate policies.	100% agreement that effective controls are in place. No managers identified future enhancements to further improve existing controls.
2. There is effective service planning with resources used to ensure that the Police and Crime Plan and the Chief Constable's Delivery Plan are both fully supported. Plans are reviewed on a regular basis to measure progress against relevant performance targets.	100% agreement that effective controls are in place. No managers identified future enhancements to further improve existing controls.
3. There are effective data quality and performance management processes with accurate and sufficient information generated, which is reported to relevant parties on a timely basis and with appropriate action taken to address performance issues.	95% agreement that effective controls are in place. One manager identified future enhancements to further improve existing controls.
4. Awareness of the requirements of the General Data Protection Regulations (GDPR) and taken steps to ensure compliance. The Area Command / Department has identified its sources and flows of information including rights of access.	100% agreement that effective controls are in place. No managers identified future enhancements to further improve existing controls.
5. There are well defined reporting arrangements to senior management, including a clear reporting structure and with accurate and timely information provided to ensure decision making is taken on a sound basis.	100% agreement that effective controls are in place. No managers identified future enhancements to further improve existing controls.
6. Management and staffing structures are clearly defined, responsibilities including job descriptions are clearly established and there is a workforce of adequate competence and number to	100% agreement that effective controls are in place. No managers identified future enhancements to further improve existing controls.

AGENDA ITEM 5A

deliver the service.	
7. Standards of conduct within the Area Command/Department are in accordance with written codes and controls are in place to deter, prevent, detect, and therefore reduce the risk, of fraud and corruption (including bribery).	100% agreement that effective controls are in place. No managers identified future enhancements to further improve existing controls.
8. There are effective financial planning and budgetary control procedures in place.	100% agreement that effective controls are in place. No managers identified future enhancements to further improve existing controls.
9. In relation to financial transactions within the department, all are undertaken in-line with published procedures on the Force Instructional Information System. Compliance can be demonstrated by: <ul style="list-style-type: none">• All expenditure is properly recorded and authorised• All income is promptly collected and forwarded to Finance.• All assets are recorded and protected from loss.	100% agreement that effective controls are in place. No managers identified future enhancements to further improve existing controls.
10. The Area Command/Department can demonstrate it has sought value for money in the use of resources.	100% agreement that effective controls are in place. No managers identified future enhancements to further improve existing controls.
11. Relevant partnership arrangements are well founded with clearly defined governance arrangements and are adequately monitored for effectiveness.	100% agreement that effective controls are in place. No managers identified future enhancements to further improve existing controls.
12. ICT systems used by the Area Command/Department are secure and satisfactory for their purpose and adequate business continuity arrangements are in place.	100% agreement that effective controls are in place. No managers identified future enhancements to further improve existing controls.
13. Recommendations from relevant Inspectorate/audit reports where they relate to your area of responsibility, are reviewed and acted upon.	100% agreement that effective controls are in place. No managers identified future enhancements to further improve existing controls.
14. Decisions are taken with due regard to insurance, health and safety,	100% agreement that effective controls are in place. No managers identified

AGENDA ITEM 5A

information governance, community safety and other risk implications.	future enhancements to further improve existing controls.
15. There is effective risk management within the Area Commands/Department with adequate identification, control and ongoing monitoring and review of service, operation based and strategic risks.	100% agreement that effective controls are in place. No managers identified future enhancements to further improve existing controls.

JOINT INDEPENDENT AUDIT COMMITTEE

13 MAY 2019

REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT 2018/19

REPORT OF CHIEF AUDIT EXECUTIVE

1 Purpose of the Report

- 1.1 To ask the Committee to review the effectiveness of the system of Internal Audit for 2018/19

2 Background

- 2.1 The Accounts and Audit Regulations 2015 require all authorities to “conduct an annual review of the effectiveness of its internal control” and for a committee of the body to consider its findings” and that this process should be part of the annual review of the effectiveness of the system of internal control which contributes towards the production of the Annual Governance Statement.
- 2.2 This review should be undertaken prior to the consideration of the Internal Audit Annual Report to allow the opinion of the Chief Audit Executive to be relied upon.
- 2.3 The Joint Chief Finance Officer has delegated responsibility to maintain an adequate internal audit of both the Police and Crime Commissioner and Chief Constable’s financial affairs of both bodies as required by Section 151 of the Local Government Act 1972.
- 2.4 The review of the effectiveness of internal audit for 2018/19 was undertaken on 29 April 2019 by the Joint PCC and Chief Constable Governance Monitoring Control Group, which includes the PCC’s Chief of Staff and Monitoring Officer, the Deputy Chief Constable and the Joint Chief Finance Officer. This review was based upon the following:
- Self-Assessment against UK Public Sector Internal Audit Standards (PSIAS);
 - Self-Assessment against the CIPFA Statement on the Role of the Head of Internal Audit;
 - Assessment of the effectiveness of the Joint Independent Audit Committee; and
 - Relevant local performance information.

3 Self-Assessment against UK Public Sector Internal Audit Standards (PSIAS)

- 3.1 The PSAIS require an external assessment of internal audit functions to be completed every five years. In compliance with PSIAS the

Internal Audit Service was assessed against current Internal Audit practices and compliance with professional standards by external auditors, Mazars during 2014/15.

- 3.2 The professional standards have four areas as detailed below:
- Definition of Internal Auditing;
 - Code of Ethics;
 - Attribute Standards; and
 - Performance Standards.
- 3.3 As reported to the JIAC on 15 June 2015, the outcome of the assessment was positive and found that the Internal Audit Service is substantially compliant with the standards in all significant aspects and that there are no areas of concern that the Internal Audit Service is unable to form a judgement as to the proper and effective working of the system of internal control. A number of minor recommendations were made following the external assessment; these were implemented in 2015/16.
- 3.4 As all recommendations have been implemented and there have been no changes to system or processes it has been assessed that the Internal Audit Service is compliant with PSIAS.
- 3.5 The next PSIAS external assessment is due to take place during 2019/20.

4 Self-Assessment against the CIPFA Statement on the Role of the Head of Internal Audit

- 4.1 This assessment requires an evaluation of how the five principles of this statement are embedded within the OPCC and Force and the Chief Audit Executive's skills and personal experience. The self-assessment found arrangements to be compliant with the statement and a copy is attached at Appendix A for information.

5 Reliance Placed Upon Internal Audit by the External Auditor

- 5.1 A joint working protocol is in place between Internal Audit and the external auditor, Mazars, which includes monthly meetings to discuss relevant issues. During 2018/19 Mazars have not relied on the work of Internal Audit in specific areas.

6 Assessment of the Effectiveness of the Audit Committee

- 6.1 An assessment of the effectiveness of the Joint Independent Audit Committee (JIAC) has been completed. The assessment covered the following areas:
- Purpose & Governance;
 - Functions of the Committee;
 - Membership & Support; and
 - Effectiveness of the Committee.

- 6.2 A review of the assessment was carried out by the Joint Governance Monitoring Group on 29 April 2019 and found the JIAC to be effective.
- 6.3 Evidence includes the Committee's oversight of risk management, internal audit arrangements, the Statement of Accounts and approval of the Annual Governance Statement.

7 Performance Information

- 7.1 Performance monitoring of the work carried out by the Internal Audit Service provides further assurance that the system of Internal Audit is operating effectively and adding value as a whole. During 2018/19 the following key performance indicators are relevant and are reported to the Committee elsewhere on today's agenda:
- Customer satisfaction questionnaires returned in the year recorded satisfaction at 99%.
 - 100% of draft audit reports were issued within the target of 17 working days following the end of audit fieldwork.

8 Opinion of the Effectiveness of Internal Audit

- 8.1 Based on the reviews detailed above it is considered that both the PCC and Chief Constable's system of internal audit is operating effectively.

9 Equal Opportunities implications

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

10 Human Rights implications

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

11 Risk Management implications

- 11.1 An effective system of internal audit will positively contribute to the management and mitigation of risk.

12 Financial implications

- 12.1 There are no financial implications directly arising from this report.

13 Recommendation

- 13.1 The Committee is asked to endorse the opinion that the PCC and Chief Constable's system of internal audit is operating effectively.

Appendix A – 2018/19 Self-Assessment against the CIPFA Role of the Head of Internal Audit (HIA) Statement

Principle	Principle Definition	The Organisation: Governance Requirements	The Role: Core HIA Responsibilities	The Individual: Personal Skills/ Professional Standards
1	The HIA in a public service organisation plays a critical role in delivering the organisation's strategic objectives by championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks and commenting on responses to emerging risks and proposed developments.	<p>Chief Audit Executive (CAE) role in the organisation's governance is set out in the Audit Charter which complies with UK Public Sector Internal Audit Standards (UKPSIAS). The Terms of Reference (ToR) establishes:</p> <p>The responsibility and objectives of Internal Audit:</p> <ul style="list-style-type: none"> • Organisational independence; • Accountability & reporting lines; • The contribution made by the CAE to the internal control environment (including an assessment of its effectiveness) which in turn contributes to the Annual Governance Statement; • The access to all records, assets, personnel and premises, except covert; • The requirement of the CAE to provide an annual audit opinion on the internal control environment. 	<p>CAE helps promote good governance through an annual risk based audit programme, quarterly meetings of the joint governance monitoring group, quarterly progress reports to the JIAC, and an annual audit opinion report.</p> <p>Role of the Internal Audit Service is defined in the scope of the Audit Charter which is reviewed annually.</p>	<p>The Internal Audit Strategy is reviewed by the CAE annually and revised as necessary to reflect any prevailing risks to the Police and Crime Commissioner (PCC) and Chief Constable.</p> <p>CAE undertakes consultation exercises with senior managers to feed into annual plan.</p> <p>CAE identifies and disseminates best practice through audit provision across different organisations in the public sector.</p>
2	The HIA in a public service organisation plays a critical role in delivering the organisation's strategic objectives by giving an objective and evidence based opinion on all aspects of governance,	<p>Established through Internal Audit's ToR the CAE has clear lines of responsibility to the Chair of the JIAC, PCC, Chief Constable, PCC's Chief of Staff and Monitoring Officer, Force Command Team and the Section 151 Officer for both the PCC and Chief Constable.</p> <p>CAE produces an Audit Strategy,</p>	<p>CAE produces an Annual Audit Opinion which gives assurance to the PCC and Chief Constable on the effectiveness of the system of internal control.</p> <p>CAE liaises regularly with those discharged with the organisation's external audit responsibilities. CAE ensures that audit work is not driven by priorities of</p>	<p>CAE reports both in detail and in summary on all principal audit findings and control and system weaknesses to the JIAC without interference or influence from the Police Service or auditees.</p> <p>All audit findings are evaluated and assessed against the risk to the organisation.</p>

Appendix A – 2018/19 Self-Assessment against the CIPFA Role of the Head of Internal Audit (HIA) Statement

Principle	Principle Definition	The Organisation: Governance Requirements	The Role: Core HIA Responsibilities	The Individual: Personal Skills/ Professional Standards
	risk management and internal control.	<p>which is approved by the JIAC.</p> <p>Protocols that define Internal Audit's working relationships are also set out in the Scheme of Delegation and Financial Regulations.</p>	<p>external audit.</p> <p>CAE produces a three year rolling Audit Strategy which is reviewed annually to reflect the organisation's key risks. The strategy and plan are flexible, supportive, challenging, prioritised and timely which ensures the plan maintains focus on emerging risks.</p> <p>The Audit Strategy is presented to the JIAC prior to the start of the financial year.</p> <p>The annual audit planning process incorporates the organisational risks as identified in the risk register. To place reliance on the risk register the CAE evaluates and assesses the organisation's risk maturity and risk appetite.</p> <p>CAE liaises with other external bodies including those with inspection/assurance responsibilities such as Mazars.</p>	<p>CAE ensures that recommendations presented are objective, pragmatic and risk based.</p> <p>CAE ensures that all recommendations are followed up at the agreed due date and that the progress in actioning these is reported to the JIAC.</p>
3	The HIA in a public service organisation must be a senior manager with regular and open engagement across the organisation, particularly with the Leadership Team and with the Audit Committee.	<p>CAE reports directly to the PCC and CC's Section 151 Officer but with direct line of access to the PCC, Chief Constable and Chair of the JIAC.</p> <p>CAE has clear lines of responsibility and reporting to the JIAC.</p> <p>The CAE has access to the senior management and leadership team within</p>	<p>CAE liaises and consults with key PCC and Force stakeholders in revising the annual audit strategy and the annual audit programme.</p> <p>CAE has unfettered access to escalate any concerns through reports or direct submissions to the JIAC.</p>	<p>CAE has developed and maintained effective professional working relationships with a range of internal and external stakeholders.</p> <p>CAE attends and reports to the JIAC.</p> <p>CAE ensures that audit programmes are flexible in nature and are developed to ensure testing is reflective of the current</p>

Appendix A – 2018/19 Self-Assessment against the CIPFA Role of the Head of Internal Audit (HIA) Statement

Principle	Principle Definition	The Organisation: Governance Requirements	The Role: Core HIA Responsibilities	The Individual: Personal Skills/ Professional Standards
		<p>the OPCC and Force.</p> <p>As established within the ToR the CAE leads an audit function which has unrestricted access to all people, systems and records within the organisation, subject to restrictions in relation to covert assets (as agreed by JIAC on 25 February 2019).</p>		<p>operational procedures, process and structures of the PCC and CC.</p> <p>CAE networks both internally and externally.</p>
4	The HIA in a public service organisation must lead and direct an internal audit service that is resourced to be fit for purpose.	<p>All internal auditors are fully qualified (CCAB, AAT or equivalent) or are undertaking professional studies.</p> <p>Local performance targets are produced which are reported into the JIAC quarterly.</p> <p>Client questionnaires are circulated with the results incorporated into the CAE's quality control function.</p> <p>The Audit Plan is developed using a risk based approach prior to looking at resource implications.</p> <p>The service has undergone external assessment against PSIAS and was assessed as substantially compliant and all recommendations from the external assessment have been implemented.</p>	<p>CAE ensures that the Internal Audit Service is resourced to be fit for purpose through:</p> <ul style="list-style-type: none"> • Training support to undertake professional qualifications; • On the job and in-house training; • Regular Appraisal & Development reviews and client surveys which are used to identify training and development needs; • Review of job profiles to ensure all staff responsibilities are clearly defined and recognised; and • Internal Audit Development Plan. <p>CAE regularly attends conferences, courses and other networking opportunities keeping up to date with recent audit developments and current best practice in the public sector.</p>	<p>The Internal Audit Service complies with PSIAS.</p> <p>Annual planning involves consultation with stakeholders, including senior managers and JIAC members.</p> <p>Client questionnaires are circulated for feedback in relation to Internal Audit's performance. These aim to enhance customer focus.</p> <p>Innovative arrangements to manage skills gaps i.e. Newcastle IT audit arrangement.</p> <p>Where appropriate the Internal Audit Service will work in partnership with other relevant parties.</p>
5	The HIA in a public	CAE has 13 years local authority		CAE is CIPFA qualified and takes personal

Appendix A – 2018/19 Self-Assessment against the CIPFA Role of the Head of Internal Audit (HIA) Statement

Principle	Principle Definition	The Organisation: Governance Requirements	The Role: Core HIA Responsibilities	The Individual: Personal Skills/ Professional Standards
	service organisation must be professionally qualified and suitably experienced.	<p>experience and has been CIPFA qualified for 9 years.</p> <p>The core responsibilities of the CAE role are clearly defined in the job profile, the Internal Audit ToR and Financial Regulations.</p> <p>CAE has the appropriate experienced and qualified resources (see above) within the audit section to fulfil the audit provision as set out in the Annual Audit plan.</p>		<p>responsibility for continuous professional development (CPD) in accordance with institute requirements.</p> <p>The Internal Audit Section operates according to PSIAS and has been externally assessed as substantially compliant.</p> <p>CAE has 13 years' experience in local authority finance.</p>

JOINT INDEPENDENT AUDIT COMMITTEE

14 MAY 2019

INTERNAL AUDIT ANNUAL REPORT – 2018/19

REPORT OF INTERNAL AUDIT

1 Purpose of the Report

- 1.1 To inform the Committee about work undertaken by the Internal Audit Service during 2018/19 and to give an overall assessment and independent opinion on the effectiveness of both the Police and Crime Commissioner (PCC) and Chief Constable's internal control systems, risk management and governance arrangements to feed into the Annual Governance Statements for 2018/19.

2 Background

- 2.1 The audit plan for 2018/19 set out to meet the requirements of the UK Public Sector Internal Audit Standards (PSIAS) in providing a risk-based focus for the deployment of internal audit resources. The requirements of both the PCC and Chief Constable were taken into account when preparing the audit plan.
- 2.2 The audit plan also enables the Joint Chief Finance Officer to fulfil his delegated responsibility to maintain an adequate internal audit of financial affairs as required by Section 151 of the Local Government Act 1972.

3 Performance Management and Quality Assurance

- 3.1 The number of planned audits in 2018/19 was 27, final reports have been issued for 24 of these and one is at draft report stage. As two audits resulted in two final reports being issued (Cash and Miscellaneous Income and Payroll and Pensions), a total of 26 final reports have been issued.

Two IT audits are to be carried forward to next year to better time them around planned system development to ensure the audit process adds value. One is expected to commence in May and the other in September. Audit resource has been offered to advise during the implementation of these systems.

- 3.2 The 2018/19 audit plan allocated 2,500 hours to routine audits, and advice and liaison with the Force and OPCC. As at 31 March 2019 98% of the audit plan, in terms of actual audit hours against planned hours was achieved by the Internal Audit Service, against a target of 97.25%.

- 3.3 The Chief Constable has in place a framework of assurance, which includes Internal Audit, but also includes other audits and checks undertaken by employees.
- 3.4 The Internal Audit Service has a Quality Assurance and Improvement Programme in place which appraises:
- The quality of audit work;
 - The quality of supervision;
 - Compliance with PSIAS;
 - Compliance with the Audit Service's local audit manual;
 - The ways in which the Internal Audit Service benefits the PCC and Chief Constable; and
 - Achievement of performance standards.
- 3.5 The percentage of audits subject to quality review by the Chief Audit Executive (CAE) varies but will not be less than 20% of all audits. During 2018/19 100% of audits were reviewed by the CAE. An action plan is in place for the continued development of the Internal Audit Service which accommodates any findings from these quality reviews.

4 Main Audit Findings

Overall Assessment & Independent Opinion

- 4.1 Of the 26 final audit reports issued, 23 concluded that systems and procedures in place were operating well and three concluded that systems and procedures were operating satisfactorily. A summary of these audits is attached at Appendix A.
- 4.2 The standard conclusions in audit reports are defined as:
- Operating well - where the system in place is effective and no recommendations or only a few best practice recommendations have been raised.
 - Satisfactory - where the system in place works, however there are medium priority recommendations.
 - Significant weakness - where the system in place is flawed and there are one or more high priority recommendations or a large number of medium priority recommendations. Also where little or no action has been taken since the previous audit.
- 4.3 Audit work has been focused on the completion of routine systems based audits. There have been no special investigations during the period under review and therefore no cases of suspected fraud or corruption.
- 4.4 Based on the evidence arising from internal audit activity during 2018/19, including advice on governance arrangements, the PCC and Chief Constable's internal control systems and risk management and governance arrangements are considered to be effective.

- 4.5 This overall assessment of the PCC and Chief Constable's internal control environment and governance arrangements by Internal Audit makes up a fundamental element of assurance for the Annual Governance Statement.

5 Equal Opportunities implications

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

6 Human Rights implications

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

7 Risk Management implications

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

8 Financial implications

- 8.1 There are no financial implications directly arising from this report.

9 Recommendation

- 9.1 The Committee is requested to note the findings set out in this report.

APPENDIX A

	2018/19 Audit Area	Status	Opinion
	Police & Crime Commissioner		
1	Grant Distribution	Final Report Issued	Operating Well
2	Treasury Management	Final Report Issued	Operating Well
	Chief Constable		
3	ICT Security – Cyber Security	Draft Report Issued	
4	ICT Change Management	Audit carried forward to 2019/20	
5	ICT Programme/Project Management	Final Report Issued	Operating Well
6	ICT Asset and Device Management	Audit carried forward to 2019/20	
7	Fleet Management	Final Report Issued	Operating Well
8	Custody	Final Report Issued	Operating Well
9	Police Charities Fund	Final Report Issued	Satisfactory
10	Procurement	Final Report Issued	Operating Well
11	Information Management *	Final Report Issued	Satisfactory
12	Counter Fraud Arrangements	Final Report Issued	Operating Well
13	Property *	Final Report Issued	Satisfactory
14	Cash and Miscellaneous Income: <ul style="list-style-type: none"> • Business Support • Finance 	Final Report Issued Final Report Issued	Operating Well Operating Well
15	NERSOU *	Final Report Issued	Operating Well
	Combined		
16	Governance	Final Report Issued	Operating Well
17	Health and Safety	Final Report Issued	Operating Well
18	Information Governance and Data Security	Final Report Issued	Operating Well
19	Performance Management and Data Quality	Final Report Issued	Operating Well
20	Complaints	Final Report Issued	Operating Well
21	Annual Governance Statement – Review of Managers’ Assurances	Final Report Issued	Operating Well
	Corporate Systems		
22	Creditors	Final Report Issued	Operating Well
23	Debtors	Final Report Issued	Operating Well
24	Payroll and Pensions: <ul style="list-style-type: none"> • Payroll and Staff Pensions • Police Officer Pensions 	Final Report Issued Final Report Issued	Operating Well Operating Well
25	Main Accounting System	Final Report Issued	Operating Well
26	Budgetary Control	Final Report Issued	Operating Well
27	Employee Claims	Final Report Issued	Operating Well

* Results to be formally reported in the July quarterly update.

Short Report for Information

Joint Independent Audit Committee	13 May 2019
Strategic Risk Management - Annual Report	
Report of Paul Godden, Head of Corporate Development Department	
Author: Tanya Reade, Corporate Governance Manager	

I. PURPOSE

- 1.1 To provide an overview on the management of strategic risk as contained within the Police and Crime Commissioner (PCC) and Chief Constable's Joint Strategic Risk Register.

2. BACKGROUND

- 2.1 The Office of Police and Crime Commissioner (OPCC) and Northumbria Police share a Joint Strategic Risk Register which has been designed to ensure the effective management of strategic risks.
- 2.2 Each strategic risk has been assigned Chief Officer/Director and OPCC owners, who have responsibility for the management of existing controls and the implementation of new controls, where necessary. Area Commanders, Department Heads and OPCC are responsible for the identification of emerging risks which cannot be controlled locally, and have the potential to prevent the Force and PCC from achieving objectives.
- 2.3 The Joint Strategic Risk Register is monitored at Executive Board and Joint Business Meeting and reported to the Joint Independent Audit Committee on a quarterly basis. The Joint PCC/CC Governance Group provides additional scrutiny and governance.

Overview

- 2.4 At the financial year end, there were 33 risks on the Joint Strategic Risk Register.
- 2.5 The register identifies each risk and the consequences if it were to happen. All risks are regularly reviewed by their respective owners throughout the year in response to the changing environment to provide additional assurance and help to reduce the likelihood and impact of risks.
- 2.6 Over the last twelve months to March 2019, five new risks have been added to the register. The likelihood and impact of the remaining risks remained the same for the majority of risks within the register.

New risks added to the register:

- Service failures with the regional contract for the provision of Interpreting Services.
- Reductions in Grant Funding.
- Failure to maximise investigative opportunities from historic biometrics, DNA and fingerprints from voluntary attenders.
- Operational/ law enforcement risks arising as a result of exit from European Union.
- Significant increase in the cost of Employers' Pension Contributions.

- 2.7 One risk has been removed from the register:

Short Report for Information

- Failure to dispose of the former HQ site as valued within the MTFS.

2.8 An audit of Risk Management and Business Continuity Arrangements was reported in May 2018, as part of the 2017/18 Audit Plan. The objectives of the audit included whether there is a clear understanding of risk, and that roles and responsibilities relating to risks are clearly defined and understood, and whether a robust policy and procedural framework exists for risk management. The audit found control systems are operating well and no findings have been raised.

3. **CONSIDERATIONS**

Government Security Classification	<i>OFFICIAL</i>
Freedom of Information	<i>Non-exempt</i>
Consultation	
Consultation was undertaken with risk owners within the Force and with the Office of Police and Crime Commissioner.	
Resources	
There are no resource implications arising from the content of 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 implications arising from the content of this report.	
Risk	
A risk management process is in place to effectively manage risks which have the potential to adversely affect the delivery of the Police and Crime Plan and strategic objectives of the Force.	
Communication	
There are no communication requirements arising from this report.	
Evaluation	
There are no evaluation requirements arising from this report.	

JOINT INDEPENDENT AUDIT COMMITTEE	13 May 2019
PERFORMANCE AND DATA QUALITY ASSURANCE – ANNUAL REPORT	
Paul Godden, Corporate Development Department	

1. PURPOSE OF THE REPORT

- 1.1 To provide an overview of the arrangements in place for performance management and data quality.

2. CURRENT POSITION

Performance Management

- 2.1 The Strategic Management Board is the Force's primary meeting to drive and manage performance and delivery of the Police and Crime Plan and achievement of the Force's 2025 Strategy, and is chaired by the Deputy Chief Constable.
- 2.2 The Strategic Management Board is part of the Force's governance and decision-making structure, and is supported by a number of operational delivery groups and other boards.
- 2.3 Performance is considered against the Police and Crime Plan, and includes operational performance, use of resources and other assets, and confidence and standards. Performance is considered in a number of ways, for example:
- Performance compared to previous years.
 - Performance compared to agreed service standards (performance thresholds).
 - Performance compared to peers (most similar family of forces or nationally).
 - Direction of travel.
- 2.4 Other areas of business are also regularly reported to the Strategic Management Board, and include the Strategic Policing Requirement, community consultation and engagement, and progress against HMICFRS action plans.
- 2.5 A monthly scrutiny meeting is held by the Police and Crime Commissioner. These meetings provide the opportunity to monitor progress against the Police and Crime Plan, as well as consider other areas such as compliance with the Strategic Policing Requirement, compliance with standards, such as use of force and stop and search, and progress against improvement plans. Progress and performance against the Police and Crime Plan is reported to the Police and Crime Panel on a quarterly basis.
- 2.6 The Force's IT strategy includes a programme of work to improve business and operational analytical systems to support decision-making. This development work supports the requirement for greater analytical capability of a wider data-set and at a more granular level, and forms part of the Force's Transformation Programme.

Data Quality

- 2.7 An Information Management Unit (IMU) was formally introduced within the Force in October 2016. The role of this unit is to provide expert advice and guidance relating to the management of information including assessing and managing security risks to ensure legal compliance with legislation such as GDPR and statutory guidance. Since its inception it has continued to provide support to the Force with regards to information management and achieved full compliance with the project plan relating to the inception of GDPR.

- 2.8 As part of implementing the new Operational Platform, consisting of a new Command and Control and Records Management Solution, data from NPICCS will be migrated to the new operational platform. A data migration strategy has been agreed to improve the quality of the data and to delete historical data that no longer has a policing purpose. It includes the largest wholesale review of operational data held by the force and will ensure data quality is greatly improved with an enhanced compliance with both MoPI (Management of Police Information) and GDPR obligations.
- 2.9 As part of the Audit Plan, approved by the Joint Independent Audit Committee, the audit of performance management was carried out in the 2018/19 programme, completed by the Gateshead Internal Audit Team. The audit found systems and controls are operating well and no findings were raised.

The objectives of the audit were to ensure:

- The timely provision of information for national and local performance indicators to meet publication dates for reports.
- The formalisation of responsibilities for production and monitoring of the Force's performance indicators.
- The accuracy of details provided and the existence of supporting documentation relating to monitoring and final outturn information.
- Performance is monitored and managed during the year, with action being taken and monitored to address areas where targets are not being achieved.
- Relevant information, data, documentation and IT systems are maintained securely.

Performance management processes are also routinely considered during the other audits contained within the Audit Plan.

3. CONCLUSIONS

- 3.1 The arrangements for performance management and data quality are considered appropriate, and have been validated by independent audit.

4. FINANCIAL CONSIDERATIONS

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

5. LEGAL CONSIDERATIONS

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

6. EQUALITY CONSIDERATIONS

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

7. RISK MANAGEMENT

- 7.1 Overall standards of data quality and arrangements for performance management and data quality are considered appropriate. The Force is actively managing the improvements to data quality.

8. RECOMMENDATIONS

- 8.1 The group is asked to note the contents of this report.

JOINT INDEPENDENT AUDIT COMMITTEE	13 MAY 2019
LEGAL AND REGULATORY ASSURANCE	
JOINT REPORT OF: CHIEF OF STAFF & CHIEF FINANCE OFFICER	

1. PURPOSE

- 1.1 To obtain assurance that there were no governance issues arising during 2018/19 in relation to Legal and Regulatory services.

2. RECOMMENDATION

- 2.1 To note the content of this report as part of the production of the Annual Governance Statement (AGS) assurance framework.

3. BACKGROUND

- 3.1 The key framework for Policing Bodies governance arrangements is the CIPFA publication 'Delivering Good Governance 2016'. This defines the principles that underpin the governance of each organisation, and provides a structure to help organisations with their approach to governance.

One of the key principles contained within the framework is that the organisation behaves with integrity, demonstrating a strong commitment to ethical values and respecting the rule of law. Assurance has been obtained to ensure there are no issues in respect of the legal and regulatory framework within which the Police and Crime Commissioner (PCC) and Chief Constable (CC) have operated.

- 3.2 Legal and regulatory assurance can be demonstrated by:

- Establishment of a quarterly Joint PCC/CC Governance Group at which during 2018/19 any governance or legal issues arising from the previous meetings are discussed and appropriate action taken.
- Compliance with the CIPFA Statement on the Role of the Chief Financial Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (2014).
- The establishment of a 'Governance Framework' including general principals of delegation, Financial Regulations, and Contract Regulations.
- Establishment of organisational policies and procedures in-line with legal and regulatory guidance. Publicised and maintained on the Force Instructional Information System (IIS).
- Assurance obtained from the Head of Legal Services that there are no legal issues arising during 2018/19 which the PCC and CC are not aware of or disclosed as part of the annual statement of accounts as a contingent liability.

4. FINDINGS

- 4.1 Based on the above procedures and assurances there are no issues to report which will have an impact on the Annual Governance Statements for 2018/19.

5. CONSIDERATIONS

Freedom of Information	<i>Non-exempt</i>
Consultation	Yes
Resource	No
There are no additional financial considerations arising from this report.	
Equality	No
There are no equality implications arising from the content of this report.	
Legal	No
There are no legal considerations arising from the content of this report.	
Risk	No
There are no additional risk management implications directly arising from this report.	
Communication	Yes
Evaluation	No

JOINT INDEPENDENT AUDIT COMMITTEE	13 MAY 2019
SELF ASSESSMENT OF THE JOINT CHIEF FINANCE OFFICER	
REPORT OF: JOINT CHIEF FINANCE OFFICER	

1. PURPOSE

- 1.1. A self-assessment of whether best practice financial governance arrangements have been in place during the financial year 2018/19 has been completed by the Joint Chief Finance Officer for the purposes of the Annual Governance Statement (AGS). In accordance with the CIPFA Statement on the Role of the Chief Financial Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (2014).

2. RECOMMENDATION

- 2.1 To note and endorse the findings of this report for inclusion within the Annual Governance Statement.

3. BACKGROUND

- 3.1. The Chief Finance Officer (CFO) occupies a critical position in any organisation, holding the financial reins of the business and ensuring that resources are used wisely to secure positive results. While the austerity cuts and economic downturn have made these tasks even more challenging, they have also underlined the fundamental importance of the role. Achieving value for money and securing stewardship are key components of the CFOs role in public service organisations, a duty enshrined in legislation for the CFOs appointed by Police and Crime Commissioner's (PCC) and Chief Constable's (CC).
- 3.2. The purpose of the CIPFA Statement on the Role of the Chief Financial Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (2014) (The Statement), is to support CFOs in the fulfilment of their duties and to ensure that the PCC and CC have access to effective financial advice at the highest level.
- 3.3. The CIPFA Statement has five key principles as follows:
 1. The CFO of the PCC and CC is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest.
 2. The CFO must be actively involved in, and able to bring influence to bear on, all material business decisions (subject to the operational responsibilities of the Chief Constable) to ensure immediate and longer term implications, opportunities and risks are fully considered, and align with the overall financial strategy.
 3. The CFO must lead and encourage the promotion and delivery of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.
 4. The CFO must lead and direct a finance function that is resourced to be fit for purpose.
 5. The CFO must be professionally qualified and suitably experienced.

- 3.4. The Statement also sets out the governance requirements, CFO responsibilities and other skills and controls expected in detail for each of the five principles.
- 3.5. There is a 'comply or explain' requirement in the AGS in relation to the requirements of this CIPFA Statement.
- 3.6. A detailed line-by-line self-assessment review of the Statement has been undertaken and can be found at Appendix A.

4. FINDINGS

- 4.1. Where under existing arrangements a joint CFO has been appointed the reasons should be explained publicly in the organisations AGS, together with an explanation of how this arrangement delivers the same impact. As in previous years this has been reviewed and included within the 2018/19 AGS.

The PCC for Northumbria and the CC agreed to appoint a joint CFO for both organisations with effect from 29 March 2013. The reasoning was that a joint CFO role would provide both the PCC and CC with an efficient, effective, economic and better coordinated finance lead. The joint role is subject to the requirements, standards and controls as set out in the CIPFA Statement on the Role of the Chief Financial Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (2014).

The joint arrangement has now been in place for six full financial years. A detailed self-assessment to the Statement has been completed and has found the role to be working well.

- 4.2. No other areas of non-compliance have been identified and therefore need to be disclosed in the AGS.

5. CONSIDERATIONS

Freedom of Information	<i>Non-exempt</i>
Consultation	Yes
Resource	No
There are no additional financial considerations arising from this report.	
Equality	No
There are no equality implications arising from the content of this report.	
Legal	No
There are no legal considerations arising from the content of this report.	
Risk	No
There are no additional risk management implications directly arising from this report.	
Communication	Yes
Evaluation	No

CIPFA Assurance Statement - CFO Checklist 2018/19

AGENDA ITEM 5G
APPENDIX A

Completed 23/04/19

ASSESSMENT		EVIDENCE	COMPLIANCE Y/N	EXPLAIN
Principle 1				
<i>The Chief Finance Officer of the PCC and CC is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest.</i>				
Governance Requirements				
I.1	Ensure that a clear Statement is set out on the respective roles and responsibilities of the Leadership Team and its members individually.	See the Governance Framework	Y	
I.2	Ensure that the CFO reports directly to the PCC or the CC (depending on which CFO is concerned), the PCCs or CCs for collaborated arrangements (depending on which CFO is concerned) is a member of the Leadership Team with a status at least equivalent to other members.	CFO is a member of the leadership board of both the PCC and CC and is shared between the two bodies. The Statement of Accounts includes narrative about the joint role, this was enhanced in 2015/16 based on advice received from Internal Audit, this will again be stated within the 2018/19 Statement of Accounts.	Y	"The Statement requires that both the PCC and CC appoint separate CFOs, where under existing arrangements a joint CFO has been appointed the reasons should be explained publicly in the authority's Annual Governance Report, together with an explanation of how this arrangement delivers the same impact." This was first included in 2014/15 AGS and SOA.
I.3	If different organisational arrangements are adopted, explain the reasons publicly in the Annual Governance Statement (AGS), together with how these deliver the same impact.	The CFO jointly represents both the PCC and Chief Constable. This arrangement will be specifically highlighted within the AGS.	Y	
I.4	Determine a scheme of delegation/consent (PCC CFO in consultation with the CC CFO), and ensure that it is monitored and updated.	Scheme of delegation published in 2014 following the appointment of a joint CFO . Reviewed by the Joint Governance Group.	Y	
I.5	Ensure that PCC and CC governance arrangements allow the CFO: – To bring influence to bear on all material business decisions (accepting the operational responsibilities of the Chief Constable). – Provide direct access to the PCC and CC (as above), other leadership team members, the Audit Committee and internal and external audit.	See the Governance Framework. See the Governance Framework / Finance and Contract Regulations.	Y Y	
I.6	Ensure the scope of the CFO's other management responsibilities do not compromise financial responsibilities.	There are no conflicts arising.	Y	
I.7	Ensure that consideration has been given to nominated deputy provision if either CFO is unable to discharge his/her responsibilities.	The Head of Finance has been nominated for this role.	Y	
I.8	Ensure the financial skills required by members of the Leadership Team enable their roles to be carried out effectively.	See the Governance Framework / Finance and Contract Regulations.	Y	
Core CFO responsibilities				
I.9	Contributing to the effective leadership of the PCC and CC, maintaining focus on its purpose and vision through rigorous analysis and challenge.	CFO is a member of the leadership boards of both the PCC and CC and is shared between the two bodies. Also member of the JIAC, Joint Governance Group, Strategic Resourcing Board and other key boards.	Y	
I.10	Contributing to effective corporate management, including strategy implementation, cross organisational issues, integrated business and resource planning, risk management and performance management.	CFO is a member of the leadership boards of both the PCC and CC and is shared between the two bodies. Also member of the JIAC, Joint Governance Group, Strategic Resourcing Board and other key boards.	Y	
I.11	Supporting effective governance through development of: – Corporate governance arrangements, risk management and reporting frameworks. – Corporate decision making arrangements.	CFO is a member of the leadership boards of both the PCC and CC and is shared between the two bodies. Also member of the JIAC, Joint Governance Group, Strategic Resourcing Board and other key boards. CFO is a member of the leadership boards of both the PCC and CC and is shared between the two bodies. Also member of the JIAC, Joint Governance Group, Strategic Resourcing Board and other key boards.	Y Y	

ASSESSMENT	EVIDENCE	COMPLIANCE Y/N	EXPLAIN
I.12 Contributing to change programmes including identifying service efficiencies and value for money opportunities.	CFO or delegated staff are key elements of such workgroups. CFO is a permanent member of the '2025 Transformation Board' responsible for managing change within the Force.	Y	
I.13 Leading development of medium term financial strategies and the annual budgeting process to ensure financial balance and a monitoring process to ensure its delivery.	Financial Regulation 5 sets out the financial planning processes and responsibilities. Four year MTFS prepared and published along with the detailed year 1 estimated revenue and capital budgets each February. Latest report February 2019.	Y	
I.14 Ensuring that there are sound medium and long term financial plans for both revenue and capital to support the development of PCC and CC plans and strategies and that these are subject to regular review to confirm the continuing relevance of assumptions used.	Financial Regulation 5 sets out the financial planning processes and responsibilities. Four year MTFS prepared and published along with the detailed year 1 estimated revenue and capital budgets each February. Latest report February 2019.	Y	
I.15 Ensuring that advice is provided on the levels of reserves and balances in line with good practice guidance 6. (PCC CFO responsibility in consultation with the CC CFO)	See Financial Regulation 5.2 and 8 See MTFS and budget report February 2019.	Y	
I.16 Ensuring compliance with relevant CIPFA Codes including the Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code. (PCC CFO responsibility in consultation with the CC CFO)	See Financial Regulation 5.2 and 15. See MTFS and budget report February 2019, plus JIAC TM Strategy and Policy February 2019.	Y	
I.17 Ensuring that budget calculations are robust and reserves adequate, as required by s25 of the Local Government Act 2003, and in line with CIPFA guidance. (PCC CFO responsibility in consultation with the CC CFO)	See Financial Regulation 5.2 and 8 See MTFS and budget report February 2019.	Y	
I.18 Ensuring the medium term financial strategy reflects joint planning with partners and other stakeholders.	Financial Regulations 5.3 and 5.7. Four year MTFS prepared and published along with the detailed year 1 estimated revenue and capital budgets each February. Latest report February 2019.	Y	
Personal skills and professional standards			
In order to fulfil the aims of this Principle:			
I.19 Role model, energetic, determined, positive, robust and resilient leadership, able to inspire confidence and respect, and exemplify high standards of conduct.	Personal Development Review process.	Y	
I.20 Adopt a leadership style, able to move through visioning to implementation and collaboration/consultation to challenge as appropriate.	Personal Development Review process.	Y	
I.21 Build robust relationships both internally and externally.	Personal Development Review process.	Y	
I.22 Work effectively with other Leadership Team members with political awareness and sensitivity.	Personal Development Review process.	Y	
I.23 Support collective ownership of strategy, risks and delivery.	Personal Development Review process.	Y	
I.24 Address and deal effectively with difficult situations.	Personal Development Review process.	Y	
I.25 Implement best practice in change management and leadership.	Personal Development Review process.	Y	
I.26 Balance conflicting pressures and needs, including short and longer term trade-offs.	Personal Development Review process.	Y	
I.27 Demonstrate strong commitment to innovation and performance improvement.	Personal Development Review process.	Y	
I.28 Maintain an appropriate balance between the deeper financial aspects of the CFO Role and the need to develop and retain a broader focus on the environment and stakeholder expectations and needs.	Personal Development Review process.	Y	
I.29 Comply with the IFAC Code of Ethics for Professional Accountants, as implemented by local regulations and accountancy bodies, as well as other ethical standards that are applicable to them by reason of their professional status. The fundamental principles set out in the Code are integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. Impartiality is a further fundamental requirement of those operating in the public services.	Personal Development Review process.	Y	
Principle 2			
<i>The CFO must be actively involved in, and able to bring influence to bear on, all material business decisions (subject to the operational responsibilities of the Chief Constable) to ensure immediate and longer term implications, opportunities and risks are fully considered, and align with the overall financial strategy.</i>			
Governance Requirements		Y	
2.1 Ensure that a medium term business and financial planning process is established to deliver PCC strategic objectives, including: – A medium term financial strategy to ensure sustainable finances. – A robust annual budget process that ensures financial balance. – A monitoring process that enables this to be delivered.	Budget preparation plan; timetable; 2019/20-2022/23 MTFS. Budget preparation plan; timetable; 2019/20-2022/23 MTFS. Budget preparation plan/timetable.	Y Y Y	
2.2 Ensure that these are subject to regular review to confirm the continuing relevance of assumptions used.	Budget preparation process.	Y	

ASSESSMENT		EVIDENCE	COMPLIANCE Y/N	EXPLAIN
2.3	Ensure that professional advice on matters that have financial implications is available and recorded well in advance of decision making and used appropriately.	Tax, Treasury Management and other advice taken as required. Examples available.	Y	
2.4	Ensuring that budget calculations are robust and reserves adequate, in line with CIPFA's guidance and s25 of the Local Government Act 2003.(PCC CFO responsibility in consultation with the CC CFO).	See MTFS and budget report February 2019.	Y	
2.5	Ensure that those making decisions are provided with information that is fit for the purpose, relevant, timely and gives clear explanations of financial issues and their implications.	Finance reports, revenue budget monitoring, JIAC reports etc.	Y	
2.6	Ensure that timely, accurate and impartial financial advice and information is provided to assist in decision making and to ensure that the PCC meets its policy and service objectives and provides effective stewardship of public money and value for money in its use.	Finance reports, revenue budget monitoring etc. taken to OPCC meetings.	Y	
2.7	Ensure that the PCC and CC maintain a prudential financial framework; keep commitments in balance with available resources; monitor income and expenditure levels to ensure that this balance is maintained and take corrective action when necessary.	Monthly Treasury Management monitoring, Annual TM Policy and Strategy, Half yearly reporting to the PCC.	Y	
2.8	Ensure compliance with CIPFA's Code on a Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code. (PCC CFO responsibility in consultation with the CC CFO).	Financial Regulation 5.20 and 15. See MTFS and budget report February 2019, and JIAC TM Policy and Strategy report February 2019.	Y	
2.9	Ensure that appropriate management accounting systems, functions and controls are in place so that finances are kept under review on a regular basis. These systems, functions and controls should apply consistently to all activities including partnerships arrangements, outsourcing or where the authority is acting in an enabling role.	Audit of systems.	Y	
2.10	Ensure the provision of clear, well presented, timely, complete and accurate information and reports to budget managers and senior officers on the budgetary and financial performance.	Regular revenue and capital monitoring reports brought to PCC and CC meetings.	Y	
Core CFO responsibilities				
Responsibility for financial strategy:				
2.11	Ensuring that a financial framework is agreed and delivery is planned against the defined strategic and operational criteria.	See MTFS and budget report February 2019.	Y	
2.12	Maintaining a long term financial strategy to underpin PCC and CC financial viability within the agreed performance framework.	See MTFS and budget report February 2019.	Y	
2.13	Ensure financial management policies underpin sustainable long-term financial health and reviewing performance against them.	Financial Regulations.	Y	
2.14	Ensuring that commercial and collaborated opportunities are appraised and advising on financial targets and successful delivery.	See MTFS and budget report February 2019.	Y	
2.15	Ensuring that an effective resource allocation model is developed and maintained to deliver business priorities.	See MTFS and budget report February 2019.	Y	
2.16	Taking a leading role on asset and balance sheet management.	Yes	Y	
2.17	Ensuring that the planning and budgeting processes are fully co-ordinated.	Financial Regulations.	Y	
Influencing decision making				
2.18	Ensuring that opportunities and risks are fully considered and decisions are aligned with the overall financial strategy.	Financial Regulations 9. MTFS report February 2019.	Y	
2.19	Providing professional advice and objective financial analysis enabling decision makers to take timely and informed business decisions.	PCC and CC Board meetings agenda and minutes - See key decisions on PCC website.	Y	
2.20	Ensuring that efficient arrangements are in place and sufficient resources available to provide accurate, complete and timely advice to support strategy development.	PCC and CC Board meetings agenda and minutes.	Y	
2.21	Ensuring that clear, timely, accurate information is provided as requested by the Police and Crime Panel.	PCP agendas and minutes.	Y	
2.22	Ensuring that all necessary information is provided to the PCC when the Police and Crime Panel considers the budget and proposed precept. (PCC CFO responsibility in consultation with the CC CFO)	PCC Budget report and precept report February 2019.	Y	
2.23	Ensuring that capital projects are chosen after evaluating a fully costed business case complied with input from all relevant professional disciplines and can be funded in the financial strategy.	Financial Regulations 7. MTFS February 2019.	Y	
2.24	Checking, at an early stage, that innovative financial approaches comply with regulatory requirements.	CFO would pick up such approaches at senior meetings and would preview and review with Finance team.	Y	
Financial information for decision makers				

ASSESSMENT		EVIDENCE	COMPLIANC E Y/N	EXPLAIN
2.25	Monitoring and reporting on financial performance that is linked to related performance information and strategic objectives that identifies any necessary corrective decisions.	Revenue and Capital Monitoring reports to PCC and CC.	Y	
2.26	Ensuring that timely management accounts are prepared.	Monitoring timetable.	Y	
2.27	Ensuring the reporting envelope reflects partnerships and other arrangements to give an overall picture.	Example: finance reports to all meetings of NERSOU Joint Committee.	Y	

ASSESSMENT	EVIDENCE	COMPLIANCE Y/N	EXPLAIN
Personal skills and professional standards			
In order to fulfil the aims of this Principle:			
2.28 Take all reasonable steps to ensure that: <ul style="list-style-type: none"> – Budgets are planned as an integral part of strategic and operational management and are aligned with a structure of managerial responsibilities. – Budgets are constructed on the basis of reliable data of past performance and rigorous assessments of future resources and commitments, and that policies and priorities are evaluated in an open, consistent and thorough manner. – Responsibilities for budget management and control are unambiguously allocated, that commitments are properly authorised, and that budgets are related to clear objectives and outputs. – Accounting and financial information systems make available, at the relevant time to all users the appropriate information for their responsibilities and for the objectives of the PCC and CC. 	<p>Coding structure aligns with responsibilities. Review of coding carried out April 2018.</p> <p>See budget preparation timetable and working papers.</p> <p>Coding structure aligns with responsibilities. Review of coding carried out April 2018.</p> <p>Internal audit.</p>	<p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p>	
2.29 Ensure that other appropriate management, business and strategic planning techniques are implemented.	Personal Development Review.	Y	
2.30 Link financial strategy and overall strategy (PCC CFO in consultation with the CC CFO).	Personal Development Review.	Y	
2.31 Demonstrate a willingness to take and stick to difficult decisions – even under pressure.	Personal Development Review.	Y	
2.32 Take ownership of the assessment of relevant financial risks.	Personal Development Review.	Y	
2.33 Network effectively to ensure awareness of all material business decisions to which CFO input may be necessary.	Personal Development Review.	Y	
2.34 Role model persuasive and concise communication with a wide range of audiences internally and externally.	Personal Development Review.	Y	
2.35 Provide clear, authoritative and impartial professional advice and objective financial analysis and interpretation of complex situations.	Personal Development Review.	Y	
2.36 Apply relevant statutory, regulatory and professional standards both personal and organisational.	Personal Development Review.	Y	
2.37 Demonstrate a strong desire to think innovatively and to add value.	Personal Development Review.	Y	
2.38 Challenge effectively, and give and receive constructive feedback.	Personal Development Review.	Y	
2.39 Operate with sensitivity in a political environment.	Personal Development Review.	Y	
Principle 3			
<i>The CFO must lead and encourage the promotion and delivery of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.</i>			
Governance Requirements			
3.1 Make the CFO responsible for ensuring that appropriate advice is given on all financial matters, for keeping financial records and accounts, and for maintaining an effective system of financial control.	Financial and contract regulations set out the responsibilities.	Y	
3.2 Ensure that systems and processes for financial administration, financial control and protection of resources and assets are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice.	Financial and contract regulations set out the responsibilities.	Y	
3.3 Ensure that there is in place effective and appropriate internal financial controls covering codified guidance, budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval processes. Ensuring that these controls are an integral part of the underlying framework of corporate governance and that they are reflected in its local code.	Financial and contract regulations.	Y	
3.4 Address the arrangements for financial and internal control and for managing non-operational risk in Annual Governance Statements.	Joint PCC/CC Governance group.	Y	
3.5 Ensure that annual accounts are published on a timely basis in accordance with professional and regulatory requirements in order to communicate activities and achievements, its financial position and performance.	See Statement of Accounts timetable. Prepared on time 2017/18, detailed timetable for the production of the 2018/19 Statement of Accounts.	Y	
3.6 Ensure an effective internal audit function is resourced and maintained or where this is provided externally, the contractor is able to deliver the same standards.	Internal Audit provision under agreement with Gateshead MBC.	Y	

ASSESSMENT		EVIDENCE	COMPLIANCE Y/N	EXPLAIN
3.7	Develop and maintain an effective Audit Committee.	Joint Independent Audit Committee agenda and minutes.	Y	
3.8	Ensure, together with the leadership team, that the PCC and CC make best use of resources and that taxpayers and/or service users receive value for money.	VFM view from external audit (Mazars).	Y	
3.9	Ensure that appropriate financial competencies are embedded in key person specifications and appraisals.	Yes. See job descriptions.	Y	
3.10	Ensure the financial skills required by managers are assessed and developed to enable their roles to be carried out effectively.	There is no formal assessment framework in place. However all budget managers are provided with an introductory meeting when they first start to familiarise themselves with their budgets. Finance team members continue to support the budget managers with all budget related matters after then. Finance Master Classes available for budget and senior managers.	Y	
3.11	Ensure that roles and responsibilities for monitoring financial performance/budget management are clear, that they have adequate access to financial skills, and are provided with appropriate financial training on an on-going basis to help them discharge their responsibilities.	Budget managers are supported by members of the finance team.	Y	
Core CFO responsibilities				
Promotion of financial management				
3.12	Assessing financial management style and advising as to changes which may be needed to ensure it aligns with the PCC's strategic direction.	No formal assessment framework in place however feedback would be expected from peers.	Y	
3.13	Actively promoting financial literacy.	There is no formal assessment framework in place. However all budget managers are provided with an introductory meeting when they first start to familiarise themselves with their budgets. Finance team members continue to support the budget managers with all budget related matters after then. A Financial Improvement Project is underway, a key part of which will be to simplify financial tasks and ensure managers are trained and equipped to carry out necessary tasks. Finance Master Class's were delivered to budget and Senior managers of both CC and PCC during 2018/19.	Y	
3.14	Assisting the development of a protocol which clearly sets out the roles and responsibilities for financial management, including delegated authority/powers.	See Financial Regulations and Contract Standing Orders.	Y	
Value for money				
3.15	Challenging and supporting decision makers, especially on affordability and value for money, by ensuring policy and operational proposals with financial implications are notified to and as appropriate, for non-operational aspects, signed off by the finance function.	Financial implications required to be considered by CFO in all proposals.	Y	
3.16	Ensuring that appropriate asset management and procurement strategies are developed and maintained.	Security of assets and procurement strategies are maintained. Records of assets, replacement dates, leases and valuations are all held and used to create the Statement of Accounts.	Y	
3.17	Taking a leading role on the identification of value for money opportunities.	CFO is a key member of the management of both the OPCC and Chief Constable and takes a lead role.	Y	
Safeguarding public money				
3.18	Applying strong internal controls in all areas of financial management, risk management and asset control.	See Financial Regulations and Contract Standing Orders.	Y	
3.19	Explain the financial management arrangements within the Annual Governance Statement.	See the AGS(s).	Y	
3.20	Establishing budgets, financial targets and performance indicators to help assess delivery.	See MTFS and Budget Reports February 2019.	Y	
3.21	Ensuring that effective systems of internal control are implemented, these may include financial regulations, contract regulations, standing financial instructions, operating manuals, and compliance with codes of practice to secure probity.	Management and Internal Audit review.	Y	
3.22	Ensuring that the PCC and CC have put in place effective arrangements for internal audit of the control environment and systems of internal control as required by professional standards and in line with CIPFA's Code of Practice.	Internal Audit plan / reviewed by JIAC.	Y	
3.23	Ensuring that delegated financial authorities are respected.	Yes	Y	
3.24	Promoting arrangements to identify and manage business risks (except for operational responsibilities of the Chief Constable), including safeguarding assets, risk mitigation and insurance.	Risk register, risk review reports and insurance policies.	Y	

ASSESSMENT	EVIDENCE	COMPLIANCE Y/N	EXPLAIN
3.25 Ensure that capital projects are managed with post completion reviews.	Current procedures for capital project management are to be reviewed in-line with the requirements to publish a Capital Strategy. Capital Strategy 2019/20 – 2022/23, published February 2019.	Y	
3.26 Securing the application of appropriate discipline in financial management, including managing cash and banking, treasury management, debt and cash flow, with appropriate segregation of duties.	Structures employed, staff skills and checked by internal audit.	Y	
3.27 Ensuring the effective management of cash flows, borrowings and investments of funds including those on behalf of others; ensuring the effective management of associated risks; pursuing optimum performance or return consistent with those risks. (PCC CFO responsibility in consultation with the CC CFO).	Treasury Management function transferred to Northumbria Police Finance Department, January 2018. Daily cash flow management and monthly reporting with Head of Finance and CFO.	Y	
3.28 Ensuring that appropriate measures exist to prevent and detect fraud and corruption.	Internal Audit, internal controls, whistle blowing, code of ethics, separation of duties, delegation under Financial and Contract Regulations.	Y	
3.29 Ensuring that proportionate business continuity arrangements are established for financial processes and information.	Business continuity plan in place and suitable insurance cover exists.	Y	
3.30 Ensuring that any partnership arrangements are underpinned by clear and well documented internal controls.	NERSOU Partnership is relevant to this and a proper governance framework is agreed and operated.	Y	
Assurance and scrutiny			
3.31 Ensuring that financial performance of the PCC and CC and its partnerships is reported to the PCC and CC and other parties as required.	Regular budget monitoring reporting and finance monitoring support provided.	Y	
3.32 Ensuring that financial and performance information presented to members of the public, the community and the media covering resources, financial strategy, service plans, targets and performance, is accurate, clear, relevant, robust and objective. Apart from operational matters which are the responsibility of the Chief Constable.	Quality control and peer review of any information published.	Y	
3.33 Supporting and advising the Audit Committee.	Agenda and minutes from the JIAC.	Y	
3.34 Ensuring that clear, timely, accurate advice is provided on what considerations can legitimately influence decisions on the allocation of resources, and what cannot.	Notes of meetings, minutes and reports.	Y	
3.35 Ensuring that published budgets, annual accounts and consolidation data for government level consolidated accounts are prepared.	Budgets are published, MTFs published, completion of the Whole of Government Accounts included within the Statement of Accounts completion timetable. Government returns such as RA, RO, QRO, CPR etc. are signed off by CFO, copies available.	Y	
3.36 Ensuring that the financial Statements are prepared on a timely basis, meet the requirements of the law, financial reporting standards and professional standards as reflected in the Code of Practice on Local Authority Accounting in the United Kingdom developed by the CIPFA/LASAAC Joint Committee.	See Statement of Accounts completion timetable.	Y	
3.37 Certifying the annual Statement of Accounts (PCC CFO and CC CFO for their separate accounts) and the group accounts (PCC CFO).	Certified by the CFO - see Statement of Accounts	Y	
3.38 Ensuring that arrangements are in place so that other accounts and grant claims (including those where the PCC is the accountable body for community led projects) meet the requirements of the law and of other partner organisations and meet the relevant terms and conditions of schemes.	Claims for grants such as victims grant are completed and available.	Y	
3.39 Liaising with the internal and external auditor.	Regular liaison meetings held with the auditors - see diary entries.	Y	
Personal skills and professional standards			
In order to fulfil the aims of this Principle:			
3.40 CFOs should take all reasonable steps to ensure that:			
– Effective systems and procedures operate to monitor progress against budgets and their objectives at regular intervals, and that appropriate reporting mechanisms are in place.	Budget monitoring process.	Y	
– That payments, including taxation, are made on time, accurately and in accordance with legal requirements.	Reconciliations and management review. Treasury Management cash payment monitoring, payroll and pensions BACS process email to decision makers prior to payment to confirm completed.	Y	
– Cash is handled with special care to avoid loss, particularly loss through theft and secure arrangements are in place to deal with the handling of electronic or other cash-less transactions.	Financial Regulations and management control.	Y	
– The accounting and financial information systems provide an accessible, complete, comprehensive, consistent and accurate record of financial transactions.	Management and system control. Systems accountants.	Y	
– All financial reports are relevant, reliable and consistent, are compatible with the accounting and financial information systems available, at the relevant time to all users, the appropriate information for their responsibilities and for the objectives of the PCC and CC.	Management and system control. Systems accountants. Review of effectiveness from time to time.	Y	

ASSESSMENT	EVIDENCE	COMPLIANCE Y/N	EXPLAIN
<ul style="list-style-type: none"> – Within the specific legislative framework, systems exist to secure the efficient and effective management of taxes, in particular to ensure that tax liabilities and obligations are properly reported and accounted for. – Treasury management is carried out in accordance with CIPFA's treasury management code and that effective treasury management arrangements are in place. (PCC CFO in consultation with the CC CFO). 	<p>VAT, CIS, NI, Income tax and Apprenticeship Levy monitored and claims and payment deadlines diarised.</p> <p>Monthly Treasury Management monitoring and review.</p>	<p>Y</p> <p>Y</p>	
3.41 Generate 'buy-in' to, and support delivery of, good financial management.	High profile finance function and personal support.	Y	
3.42 Assist in the promotion, and development of sustainable partnerships, and engage effectively in collaboration.	Collaboration and Partnership Strategy, May 2016	Y	
3.43 Deploy effective facilitation and meeting skills.	Personal Development Review.	Y	
3.44 Build and demonstrate commitment to continuous improvement and innovative, but risk-aware, solutions.	<p>Weekly meetings with Head of Finance.</p> <p>Support and guidance to the Finance Improvement Programme and HRIT replacement programme.</p>	Y	
3.45 Place stewardship and probity as the bedrock for management of PCC and CC finances.	Financial regulations and ethics.	Y	
Principle 4			
<i>The CFO must lead and direct, (as explained in this principle), a finance function that is resourced to be fit for purpose.</i>			
Governance Requirements			
4.1 Ensure that the finance function has the resources, expertise and systems necessary to perform its role effectively.	Staffing and resource structure, day to day management and Personal Development Reviews.	Y	
4.2 Ensure that the role and responsibilities of the CFO, are suitably outlined and documented.	Job Specification.	Y	
Core CFO responsibilities			
4.3 Ensuring that the finance function makes a full contribution to and meets the needs of the business.	Staffing and resource structure, day to day management and Personal Development Reviews.	Y	
4.4 Ensuring that the resources, expertise and systems for the finance function are sufficient to meet business needs and negotiating these within the overall financial framework.	Staffing and resource structure.	Y	
4.5 Ensuring that robust processes for recruitment of finance staff are implemented and/or outsourcing of functions.	Recent recruitments also supported by HR.	Y	
4.6 Reviewing the performance of the finance function and ensuring that the services provided are in line with the expectations and needs of its stakeholders.	Service plan monitoring and review of the SLA between PCC and CC.	Y	
4.7 Seeking continuous improvement in the finance function.	Finance SMT meet regularly to review and deliver elements of the Finance Improvement Plan.	Y	
4.8 Ensuring that finance staff, managers and the Leadership Team are equipped with the financial competencies and expertise needed to manage the business both currently and in the future.	Finance SMT meet regularly to review and deliver elements of the Finance Improvement Plan.	Y	
4.9 Ensuring that responsibility for all finance staff is properly discharged.	Day to day management and Personal Development Review.	Y	
4.10 Acting as the final arbiter on application of professional standards.	Yes	Y	
Personal skills and professional standards			
In order to fulfil the aims of this Principle:			
4.11 Ensure a vision is created and communicated for the finance function.	Personal Development Review.	Y	
4.12 Role model a customer focussed culture.	Personal Development Review.	Y	
4.13 Promote an open culture, built on effective coaching and a "no blame" approach.	Personal Development Review.	Y	
4.14 Promote effective communication between the finance department, PCC and with external stakeholders.	Personal Development Review.	Y	
4.15 Apply strong project planning and process management skills.	Personal Development Review.	Y	
4.16 Set and monitor meaningful performance objectives for the finance team.	Personal Development Review.	Y	
4.17 Role model, as required, for effective staff performance management.	Personal Development Review.	Y	
4.18 Coach and support staff, as required, in both technical and personal development.	Personal Development Review.	Y	
4.19 Promote high standards of ethical behaviour, probity, integrity and honesty.	Personal Development Review.	Y	
4.20 Ensure, when necessary, that outside expertise is called upon for specialist advice not available within the finance function.	Personal Development Review.	Y	
4.21 Promote discussion on current financial and professional issues and their implications.	Personal Development Review.	Y	

ASSESSMENT	EVIDENCE	COMPLIANC E Y/N	EXPLAIN
Principle 5			
The CFO must be professionally qualified and suitably experienced.	---		
Governance Requirements			
5.1 Appoint as an employee, or engage under a contract for services, a professionally qualified CFO whose core responsibilities include those set out under the other principles in this Statement and ensure that these are properly understood.	CFO in post. Significant experience and role understood.	Y	
5.2 Ensure that the CFO has the skills, knowledge, experience and resources to perform effectively in both the financial and non-financial areas of their role.	Part of appointment process.	Y	
Personal skills and professional standards			
In order to fulfil the aims of this Principle:			
5.3 Be a member of an accountancy body recognised by the International Federation of Accountants (IFAC), qualified through examination, and subject to oversight by a professional body that upholds professional standards and exercises disciplinary powers.	CIPFA.	Y	
5.4 Adhere to international standards set by IFAC on: – Ethics. – Continuing Professional Development.	Yes. CPD record.	Y Y	
5.5 Demonstrate IT literacy.	Personal Development Review and responsibility for management of ICT.	Y	
5.6 Have relevant prior experience of financial management in the public services or private sector.	Significant experience in the public sector.	Y	
5.7 Understand public service finance and its regulatory environment.	Significant experience in the public sector.	Y	
5.8 Apply the principles of corporate finance, economics, risk management and accounting.	Personal Development Review.	Y	
5.9 Understand personal and professional strengths.	Personal Development Review.	Y	
5.10 Undertake appropriate development or obtain relevant experience in order to meet the requirements of the non-financial areas of the role.	Personal Development Review.	Y	

JOINT INDEPENDENT AUDIT COMMITTEE	13 MAY 2019
ANNUAL GOVERNANCE STATEMENT - OTHER ASSURANCES	
REPORT OF: JOINT CHIEF FINANCE OFFICER	

I. PURPOSE

- 1.1. This report sets out the other assurance work completed to support the review of the Annual Governance Statements (AGS).

2. RECOMMENDATION

- 2.1 To note the content of this report as part of the production of the Annual Governance Statements (AGS) assurance framework.

3. BACKGROUND

- 3.1. The Accounts and Audit Regulations 2015 require that the PCC and CC both conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement. These will be reviewed by the Joint Independent Audit Committee (JIAC) before approval by the PCC and CC. The statements will then accompany the Annual Statement of Accounts (SOA) for each body.
- 3.2. The assurance framework is made up from a number of sources that provide assurance on governance arrangements and that appropriate controls are in place to achieve each body's strategic objectives.
- 3.3. The Chartered Institute of Public Finance and Accountancy (CIPFA) issued guidance based around a framework that sets out the steps by which assurance should be gathered to enable the production of an Annual Governance Statement for both the PCC and CC. The stated areas from which evidence needs to be considered include:
 - a. Senior managers assurance
 - b. The system of internal audit
 - c. Risk management arrangements
 - d. Performance management and data quality
 - e. Views of the external auditor, HMICFRS and other external inspectorates.
 - f. The legal and regulatory framework
 - g. Financial controls
 - h. Governance arrangements
 - i. Partnership arrangements and governance
 - j. Other sources of assurance as appropriate.
- 3.4. From the above, items (a) to (g) are included within separate reports on the agenda providing assurance.

- 3.5. In relation to the remaining areas of assurance, the following sets out how assurance has been obtained:

- 3.5.1. **Governance Arrangements** – overall the Governance arrangements are subject to review by Internal Audit, the 2018/19 assessment was one of ‘Operating Well’.

To provide JIAC with an overview of the Governance structure, attached at appendix A is a summary of the structure together with a brief overview, to give an outline of the purpose of each of the meetings from its terms of reference. The Governance and Decision Making Structure supports leadership, at all levels, in the effective and efficient conduct of business. It enables the Force to deliver the Police and Crime Plan, maintaining high levels of performance and service delivery at a time of continuing financial challenge, by providing:

- System and structure to set strategic intent and determine the way in which the Force is directed and activity is driven.
- Transparent governance and decision-making framework to define relationships.
- Robust performance management framework to collate, analyse, monitor and respond to performance at appropriate levels within the organisation;
- Mechanism to define where decision-making and accountability lays throughout the organisation; and
- Means of distributing roles and responsibilities among those who work with, and in the organisation.

- 3.5.2. **Partnership arrangements and governance** – the review of partnership arrangements is also subject to annual review by Internal Audit as part of the ‘Governance’ audit, the 2018/19 assessment was one of ‘Operating Well’.

Partnerships are the subject of specific collaboration agreements. Following review, assurance was obtained that the collaboration agreements contained suitable governance arrangements and confirmed that suitable controls have been in place to monitor them during the year.

- 3.5.3. **Other sources of assurance** – the Joint Governance Group at their meeting of 29 April 2019 reviewed other assurance statements including:

- Fraud and Corruption – a statement was agreed at the Joint Governance Group confirming that there has been no fraud or corruption identified during the year.
- Consideration was made of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, and Money Laundering Reporting Officer under the Proceeds of Crime Act 2002 (as amended by the Serious Organised Crime and Police Act 2005) - there were no cases identified or reported during the year.
- External Auditors: Annual Audit Letters 2017/18 – based on a review of the Annual Audit Letters for 2017/18 there were no issues to report which will have an impact on the Annual Governance Statement for 2018/19.

4. FINDINGS

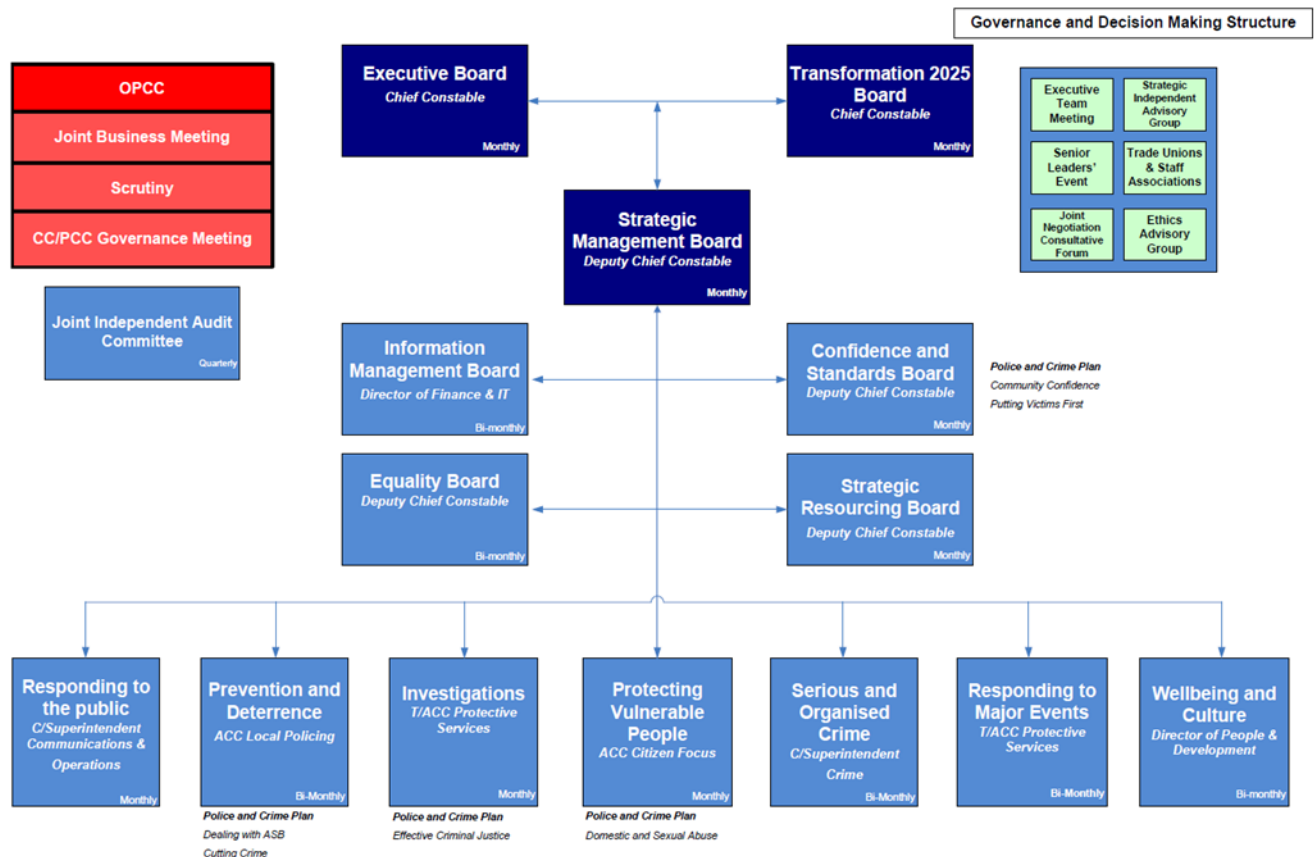
- 4.1. No areas of non-compliance have been identified and therefore need to be disclosed in the 2018/19 AGS's.

5. CONSIDERATIONS

Freedom of Information	<i>Non-exempt</i>
Consultation	Yes
Resource	No
There are no additional financial considerations arising from this report.	
Equality	No
There are no equality implications arising from the content of this report.	
Legal	No
There are no legal considerations arising from the content of this report.	
Risk	No
There are no additional risk management implications directly arising from this report.	
Communication	Yes
Evaluation	No

Governance and Decision-Making Structure

APPENDIX A



Executive Board sets the direction of the Force by providing strategic leadership to ensure that the mission, vision and values of Northumbria Police are achieved in support of the Police and Crime Plan.

This Board approves and monitors the Force's Medium Term Financial Plan, including future capital requirements; approves significant change activity; makes recommendations on significant variations outside previously agreed strategies and plans, terminating where necessary; and monitors strategic risks.

2025 Transformation Board identifies and directs corporate change programmes and projects approved by Executive Board, determining time and resource parameters. This Board oversees benefits realisation and evaluation of corporate programmes and projects, ensuring continuous improvement and shared learning are embedded in the organisation and risks to delivery are managed and identified.

Strategic Management Board drives performance and standards to deliver the Police and Crime Plan and achieve Force strategic aims and objectives, whilst improving the effectiveness and efficiency of policing services. This Board considers escalation reports and scheduled updates from other groups and meetings presenting risks and issues to performance and delivery.

Confidence and Standards Board ensures public confidence is maintained and standards achieved by ensuring services are based on insight and engagement and meet the needs of victims, with an emphasis on use of police powers and decision-making.

Equality Board embeds diversity, equality and inclusion into all activities, supporting the National Police Chiefs' Council 2018 – 2025 Diversity, Equality and Inclusion Strategy. This Board delivers the joint equality objectives of the Chief Constable and Police and Crime Commissioner through the Equality Delivery Plan.

Information Management Board oversees the strategic and operational management of all information and ensures the security and integrity of information assets is maintained within the Force in accordance with national standards and best practice.

This Board ensures information assurance activities in support of ICT systems and programmes are carried out to maintain compliance with the National Policing Community Security Policy and provides oversight of Information Assurance risks to Northumbria Police.

Strategic Resourcing Board ensures strategic alignment of people, financial, physical and technological resources to support achievement of the mission, vision and values of Northumbria Police.

Operational Delivery Groups – their remit is to manage performance, delivery against local plans, manage risk and review policy and procedure and consider ethics. Each group should have a full understanding of demand and consider the condition, capacity, capability, well-being and serviceability of assets and longer term changes to ensure effective delivery against the Police and Crime Plan.

- **Responding to the Public** – focuses on the handling of calls for service and responding to incidents.
- **Prevention and Deterrence** – focuses on prevention and deterrence activities at a community or neighbourhood level and activity around the functions of neighbourhood policing.
- **Investigations** – focuses on demand from recorded crime, allegations of an offence, or referrals from other agencies and raising standards across all elements of custody and the criminal justice system including investigation, management of victims & witnesses and safeguarding principles.
- **Protecting Vulnerable People** – focuses on the investigation of offences and the identification and safeguarding of vulnerable victims; and guided by the relevant Strategic Threat and Risk Assessment (STRA) is responsible for monitoring delivery against the Strategic Policing Requirement (SPR) in relation to Child Sexual Abuse.
- **Serious and Organised Crime** – focuses on building existing relationships with partners to respond to and minimise the impact of Serious and Organised Crime (SOC) on communities by jointly targeting and disrupting organised criminality; and guided by the relevant STRA is responsible for monitoring delivery against the SPR in relation to SOC.
- **Responding to Major Events** – guided by the relevant STRAs, is responsible for monitoring delivery against the SPR in relation to civil contingencies, counter terrorism, cyber and public order, and other capabilities which are required.
- **Wellbeing and Culture** – focuses on ensuring the Force delivers a positive culture of health, safety and wellbeing, initiating activities around the key pillars of: leadership; absence management; creating the environment; mental health; protecting the workforce; and personal resilience.

Relevant issues are escalated in-line with the Governance and Decision-Making structure.

Further consultation and advice is available from the Executive Team Meeting, Strategic Independent Advisory Group, Joint Negotiation and Consultative Forum, Trade Unions and Staff Associations, Ethics Advisory Group and Senior Leaders' Events.

Additional governance arrangements are in place with the Police and Crime Commissioner at Joint Business Meeting, Scrutiny Meeting and the Chief Constable and Police and Crime Commissioner's Governance Meeting.

Audit Progress Report

Northumbria Police Joint Independent Audit Committee

April 2019



VERA BAIRD^{QC}
POLICE & CRIME COMMISSIONER



**NORTHUMBRIA
POLICE**
Proud to Protect



MAZARS



CONTENTS

1. **Audit progress**
2. **National publications**

This document is to be regarded as confidential to Northumbria Police. It has been prepared for the sole use of the Joint Independent Audit Committee. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

1. AUDIT PROGRESS

Purpose of this report

This report provides the Joint Independent Audit Committee with an update on progress in delivering our responsibilities as your external auditors.

Audit progress

Since our last Progress Report to the Committee we have:

- held internal planning meetings as part of our planning process for the 2018/19 audit;
- had update meetings with finance in respect of planning for the 2018/19 interim and final audit visits;
- undertaken planning work to refresh our documentation in respect of the financial systems (including undertaking walkthrough testing);
- refreshed our understanding of the processes in place that inform the preparation of the financial statements; and
- undertaken our risk assessment as part of planning for our 2018/19 VFM conclusion;

Our work is on track, and there are no significant matters arising from our work to report to you at this stage.

Final accounts workshop

As in previous years, we held a final accounts workshop for police and other public sector bodies, designed to help ensure the final accounts process goes as smoothly as possible. The local workshop was held in January 2019 and finance officers from Northumbria Police attended the event, which was free of charge.

2. NATIONAL PUBLICATIONS

	Publication/update	Key points
National Audit Office (NAO)		
1.	Local auditor reporting in England 2018	Main findings reported by auditors in 2017/18.
2.	Local authorities - governance	Consideration of VfM and financial sustainability in local authorities.
Public Sector Audit Appointments Ltd (PSAA)		
3.	Local quality audit forum	December 2018 forum slides available online.
4.	Oversight of audit quality, quarterly compliance reports	No significant issues.
Chartered Institute of Public Finance & Accountancy (CIPFA)		
5	Scrutinising Public Accounts: A Guide To Government Finances, CIPFA, November 2018	An overview of the different processes for budgeting and performance reporting.
6	Streamlining the Accounts: Guidance for Local Authorities, CIPFA, January 2019	The publication covers a range of issues relating to streamlining both the financial statements and the accounts closure processes.

2. NATIONAL PUBLICATIONS

1. Local auditor reporting in England 2018, NAO, January 2019

Since 2015, the Comptroller and Auditor General (C&AG) has been responsible for setting the standards for local public audit, through maintaining a Code of Audit Practice and issuing associated guidance to local auditors.

The report describes the roles and responsibilities of local auditors and relevant national bodies in relation to the local audit framework and summarises the main findings reported by local auditors in 2017-18. It also considers how the quantity and nature of the issues reported have changed since the C&AG took up his new responsibilities in 2015, and highlights differences between the local government and NHS sectors. The report highlights a number of points as summarised below.

- Auditors gave unqualified opinions on financial statements in 2015-16, 2016-17 and 2017-18. This provides assurance that local public bodies are complying with financial reporting requirements. As at 17 December 2018, auditors had yet to issue 16 opinions on financial statements, so this does not yet represent the full picture for 2017-18.
- Auditors qualified their conclusions on arrangements to secure value for money at an increasing number of local public bodies: up from 170 (18%) in 2015-16 to 208 (22%) in 2017-18. Again, as at 17 December 2018, auditors had yet to issue 20 conclusions on arrangements to secure value for money, so this number may increase further for 2017-18. This level of qualifications reinforces the need to ensure that local auditors' reporting informs as much as possible relevant departments' understanding of the issues facing local public bodies.
- Auditors qualified their conclusions at 40 (8%) of local government bodies. The proportion of qualifications was highest for single-tier local authorities and county councils where auditors qualified 27 (18%) of their value for money arrangements conclusions. The qualifications were for weaknesses in governance arrangements, often also highlighted by inspectorates' ratings of services as inadequate.
- More local NHS bodies received qualified conclusions on arrangements to secure Vfm than local government bodies. In 2017-18, auditors qualified 168 (38%) of local NHS bodies' conclusions; up from 130 (29%) in 2015-16, mainly because of not meeting financial targets such as keeping spending within annual limits set by Parliament; not delivering savings to balance the body's budget; or because of inadequate plans to achieve financial balance. The increase between 2015-16 and 2017-18 is particularly steep at clinical commissioning groups, with qualifications for poor financial performance increasing from 21 (10%) in 2015-16 to 67 (32%) in 2017-18.
- Local auditors are using their additional reporting powers, but infrequently. Since April 2015, local auditors have issued only three Public Interest Reports, and made only seven Statutory Recommendations. These Public Interest Reports have drawn attention to issues such as unlawful use of parking income, governance failings in the oversight of a council-owned company, management of major projects or members' conduct. Auditors have made Statutory Recommendations in relation to failing to deliver planned cost savings, poor processes for producing the annual financial statements and failure to address weaknesses highlighted by independent reviews.
- A significant proportion of local bodies may not fully understand the main purpose of the auditor's conclusion on arrangements to secure value for money and the importance of addressing those issues. 102 local public bodies were contacted where auditors had reported concerns about their arrangements to ensure value for money:
 - half of the bodies (51) said that the auditor's report identified issues that they already knew about;
 - fifty-seven (95%) of those responding said they had plans in place to address their weaknesses but only three were able to say that they had fully implemented their plans; and
 - twenty-six (25%) did not respond at all to the NAO's request.
- The extent to which central government departments responsible for the oversight of local bodies have formal arrangements in place to draw on the findings from local auditor reports varies. Processes in the relevant central government departments differ. The Department of Health & Social Care, NHS Improvement and NHS England have arrangements in place to monitor the in-year financial performance of local NHS bodies, and use information from local auditor reports to confirm their understanding of risks in the system. The Home Office and Ministry of Housing, Communities & Local Government consider the output from local auditors' reports to obtain a broad overview of the issues local auditors are raising, but there is a risk that these two departments may be unaware of all relevant local issues.

2. NATIONAL PUBLICATIONS

1. Local auditor reporting in England 2018, NAO, January 2019 (continued)

Under the current local audit and performance framework, there is no direct consequence of receiving a non-standard report from the local auditor. Before 2010, a qualified value for money arrangements conclusion would have a direct impact on the scored assessments for all local public bodies published by the Audit Commission at that time. While departments may intervene in connection with the issues giving rise to a qualification, such as failure to meet expenditure limits, there are no formal processes in place, other than the local audit framework, that report publicly whether local bodies are addressing the weaknesses that local auditors are reporting.

A list of all local bodies that received a non-standard local auditor report for 2017-18 was published alongside the report.

<https://www.nao.org.uk/report/local-auditor-reporting-in-england-2018/>

2. Local authorities - governance, NAO, January 2019

The NAO has recently published a report on local authority governance, which examines whether local governance arrangements provide local taxpayers and Parliament with assurance that local authority spending achieves value for money and that authorities are financially sustainable.

The report finds that local authorities have faced significant challenges since 2010. For example, they have seen a real-terms reduction in spending power of 29% and a 15% increase in the number of children in care. These pressures raise the risk of authorities' failing to remain financially sustainable and deliver services.

The way authorities have responded to these challenges have tested local governance arrangements. Many authorities have pursued large-scale transformations or commercial investments that carry a risk of failure or under-performance and add greater complexity to governance arrangements. Spending by authorities on resources to support governance also fell by 34% in real terms between 2010-11 and 2017-18, potentially increasing the risks faced by local bodies.

In 2017-18, auditors issued qualified VFM arrangements conclusions for around one in five single tier and county councils. A survey, carried out by the NAO, of external auditors indicates that several authorities did not take appropriate steps to address these issues.

Some external auditors have raised concerns about the effectiveness of the internal checks and balances at the local authorities they audit, such as risk management, internal audit and scrutiny and overview. For example, 27% of auditors surveyed by the NAO do not agree that their authority's Audit Committees provided sufficient assurance about the authorities' governance arrangements. Auditors felt that many authorities are struggling in more than one aspect of governance, demonstrating the stress on governance at a local level.

Some authorities have begun to question the contribution of external audit to providing assurance on their governance arrangements. 51% of chief finance officers from single tier and county councils responding to our survey indicated that there are aspects of external audit they would like to change. This includes a greater focus on the value for money element of the audit (26%). External auditors recognise this demand within certain local authorities. However, their work must conform to the auditing standards they are assessed against and any additional activity may have implications for the fee needed for the audit.

The report also finds that MHCLG does not systematically collect data on governance, meaning it can't rigorously assess whether issues are isolated incidents or symptomatic of failings in aspects of the system. MHCLG recognises that it needs to be more active in leading co-ordinated change across the local governance system. The report recommends that MHCLG works with local authorities and other stakeholders to assess the implications of, and possible responses to, the various governance issues identified. It should examine ways of introducing greater transparency and openness to its formal and informal interventions in local authorities and should adopt a stronger leadership role in overseeing the network of organisations managing key aspects of the governance framework.

<https://www.nao.org.uk/report/local-authority-governance-2/>

2. NATIONAL PUBLICATIONS

3. Local Audit Quality Forum, Public Sector Audit Appointments, December 2018

The Local Audit Quality Forum (LAQF) is a forum within which representatives of relevant audit bodies can work together and collaborate with others to share good practice and strive to enable improvements in the quality, efficiency and effectiveness of audit arrangements and practices in principal local authorities and police bodies in England. PSAA wants to develop a momentum and a passion for continuous improvement in audit arrangements throughout the entities and sectors for which PSAA has a mandate.

Slides of the Manchester December 2018 event are available on the PSAA website as per the link below.

The theme of the Manchester event was financial resilience and sustainability, a major challenge for all local authorities and police bodies in the current climate and a key strategic concern as bodies prepare 2019/20 budgets and update medium term plans. The event explored:

- the nature and scale of the sustainability challenges facing local bodies;
- the strategies and disciplines which can help to address them successfully; and
- the roles and responsibilities of Chief Finance Officers and Auditors in helping to maintain resilience and sustainability.

<https://www.psaa.co.uk/local-audit-quality-forum3/local-audit-quality-forum/>

4. Oversight of audit quality, quarterly compliance reports 2017/18, Public Sector Audit Appointments Ltd

There are no significant issues arising in the latest quarterly compliance report issued by PSAA.

<https://www.psaa.co.uk/audit-quality/contract-compliance-monitoring/principal-audits/mazars-audit-quality/>

5.. Scrutinising Public Accounts: A Guide To Government Finances, CIPFA, November 2018

This guide provides an overview of the different processes for budgeting and performance reporting in central and local government and health bodies and includes key questions to ask when scrutinising government financial statements using examples based on UK public sector accounts.

This publication, which is only available online, should assist members fulfil their role scrutinising the financial statements effectively.

<https://www.cipfa.org/policy-and-guidance/publications/s/scrutinising-public-accounts-a-guide-to-government-finances>

2. NATIONAL PUBLICATIONS

6. Streamlining the Accounts: Guidance for Local Authorities, CIPFA, January 2019

CIPFA has released its publication on Streamlining local authorities' accounts. The publication covers a range of issues relating to streamlining both the financial statements and the accounts closure processes and includes information provided by local authorities who are already driving change in this area. These local authorities report that clearer and shorter financial statements that are code compliant, can be prepared to a high standard, with a reduction in the time and resources required to complete them.

The publication is split into 2 parts as follows:

Streamlining financial statements

This involves streamlining the presentation of financial statements by ensuring that local authorities have identified the needs of the users of the financial statements and that financial statements convey key messages clearly, concisely and efficiently. In this part of the publication, CIPFA considers three aspects of streamlining the presentation of local authority financial statements and these include:

- *materiality* - using materiality to avoid key messages in the financial statements being obscured by excessive detail;
- *accounting policies* - reviewing accounting policies so that only relevant information is disclosed; and
- *presentation and layout* – considering the presentation of the financial statements so that the layout is such that it allows readers to navigate through the statement and focus on key messages.

Streamlining year-end closure

In the publication, CIPFA summarises the key elements to streamlining the accounts closure process as effective planning and project management – focusing on what is important and starting the process early to promote a “right first time” culture.

CIPFA has also included several examples of good practice in the publication, but also notes that these examples should be tailored to each individual authority's circumstances.

Members may wish to familiarise themselves of CIPFA's suggestions for streamlining the accounts to assist their scrutiny of the financial statements.

https://www.cipfa.org/~media/files/policy%20and%20guidance/panels/local%20authority%20accounting%20panel/streamlining_guidance_pre_publication_version.pdf?la=en

CONTACT

Partner: Cameron Waddell

Phone: 0191 383 6300

Mobile: 0781 375 2053

Email: cameron.waddell@mazars.co.uk

Manager: Jim Dafter

Phone: 0191 383 6300

Mobile: 07815 876 042

Email: jim.dafter@mazars.co.uk

Joint Independent Audit Committee	13 May 2019
Summary of Recent External Inspection Reports	
Paul Godden, Head of Corporate Development Department	

I. PURPOSE

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

2. BACKGROUND

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

[The police response to domestic abuse – An update report](#)

[Fraud: Time to Choose – An inspection of the police response to fraud](#)

[Stalking and harassment – An inspection of Sussex Police commissioned by the police and crime commissioner, and an update on national recommendations in HMICFRS's 2017 report](#)

[Northumbria Police – National child protection post-inspection review](#)

- 2.2 Corporate Development Department acts as the central liaison point for all HMICFRS related matters.
- 2.3 All HMICFRS inspection reports and other external inspection reports are considered by the Executive Team. A lead is appointed to consider inspection findings and prepare an action plan in response to any recommendations and areas for improvement identified. These action plans are agreed by the Executive Team and by the Police and Crime Commissioner (PCC).
- 2.4 Project teams are appointed to support implementation of the action plan, as appropriate. All activity is regularly reviewed by the respective owners. Delivery is overseen at Executive Team level and reported to the Scrutiny Meeting of the Office of the Police and Crime Commissioner.
- 2.5 In line with the HMICFRS recommendations register, Appendix A provides an overview of the action plans in response to HMICFRS findings, where HMICFRS was the lead inspectorate. It shows the number of recommendations or areas for improvement (AFIs) assigned to the force, through local or national reviews and an indication of the number assessed as complete by the force.
- 2.6 HMICFRS independently assesses the recommendations either through further inspection or by undertaking reality testing. Some recommendations may require a specialist inspection team to formally assess them and as such may remain open much longer than the completion date assessed by the force. Once assessed, the recommendations register is updated accordingly.

- 2.7 HMICFRS has not updated the recommendations register since the last update to Joint Independent Audit Committee.
- 2.8 In 2019, the force has been subject of a post inspection review of child protection and an integrated PEEL (police effectiveness, efficiency and legitimacy) assessment (IPA). The findings from the IPA are not expected until autumn 2019.

The police response to domestic abuse – an update report (published 26 February 2019)

- 2.9 HMICFRS published the fourth in a series of thematic reports, which consider the response the police service provides to victims of domestic abuse. No national recommendations have been made.
- 2.10 Overall, the report highlighted continued improvement in how the police identify, respond to and support victims of domestic abuse, particularly in light of the demands placed on forces by the increased levels of domestic abuse being recorded. It recognises good work being undertaken by the majority of police forces including: continued investment in training; development of multi-agency safeguarding hubs (MASHs); increased use of body worn video and the increased roll-out of Operation Encompass.
- 2.11 Concern was raised with regard to delayed responses to domestic abuse incidents; reductions in arrests; and changes to the use of pre-charge bail.
- 2.12 The report has been reviewed to ensure the existing Force Domestic Abuse improvement plan adequately covers the issues raised. The improvement plan is monitored through the Protecting Vulnerable People (PVP) Operational Delivery Group (ODG) and the PCC Scrutiny Meeting.

Fraud: Time to Choose – an inspection of the police response to fraud (published 2 April 2019)

- 2.13 HMICFRS published the findings from its thematic inspection into the police response to fraud. Northumbria was not one of the eleven police forces visited.
- 2.14 The inspection assessed the effectiveness and efficiency of the police response to fraud, including online fraud and examined whether: law enforcement has a well-designed strategy for tackling fraud; organisational structures provide the necessary capacity, capabilities and partnerships; and victims of fraud receive a high-quality response.
- 2.15 Headline findings stated that: the law enforcement response to fraud is disjointed and ineffective; roles and responsibilities are not clear; there are pockets of good prevention work; existing organisational structures are not working well; and vulnerable victims receive a good service but most victims do not.
- 2.16 The report outlines 16 recommendations and five areas for improvement (AFIs). Two recommendations and all five AFIs are specific to police forces.
- 2.17 Findings are being considered and a report will be prepared for Joint Business Meeting 16 May 2019.

Stalking and harassment – an inspection of Sussex Police commissioned by the police and crime commissioner, and an update on national recommendations in HMICFRS's 2017 report (published 10 April 2019)

- 2.18 In 2016/17, together with Her Majesty's Crown Prosecution Service Inspectorate (HMCPSI), HMICFRS carried out a thematic inspection of the way that the police and the CPS dealt

with stalking and harassment. The resulting report, Living in Fear – the police and CPS response to harassment and stalking, was published in July 2017.

- 2.19 The report concluded that both stalking and harassment crimes were relatively commonplace and could in some instances have a serious effect on victims. It was found that the police response had often let down victims, and because of this several recommendations for improvement were made.
- 2.20 The police and crime commissioner for Sussex requested a further detailed inspection of the Sussex Police response to stalking and harassment. As part of this inspection, HMICFRS considered what police forces and national organisations have done to improve the police response.
- 2.21 Nationally, HMICFRS was pleased with some of the progress made in relation to the recommendations; however, the response to some recommendations has been too slow, or non-existent. As a result, further recommendations have been made within the report. HMICFRS has also made recommendations where it is believed that the findings from the Sussex inspection are likely to have national implications.
- 2.22 Appendix A shows that in Northumbria, three of the four recommendations made in the original report are complete. The latest report is currently being reviewed to ensure areas of concern have been, or are being addressed.

**National Child Protection Post-Inspection Review – Northumbria Police
(published 11 April 2019)**

- 2.23 The force was subject of a child protection inspection in January 2018 as part of HMICFRS' National Child Protection Inspections (NCPI). The inspection report was published in June 2018 and found the Chief Constable, his command team and the police and crime commissioner shared a clear commitment to child protection; however, some inconsistencies were found in the service the force provided. Seven recommendations were made for improvement.
- 2.24 The force provided HMICFRS with an action plan outlining how it intended to respond to the recommendations and in January 2019, HMICFRS undertook a post-inspection review to assess the force's progress.
- 2.25 The findings of the post-inspection review indicate that Northumbria Police has taken steps to address the recommendations made within the 2018 report, although it needs to make further improvements to child protection practice in some areas to provide a more consistent response to children in Northumbria. The post-inspection concluded that the force should maintain its momentum and continue making progress against the recommendations, ensuring it can compensate for the problems caused by the current IT system, while the new one is being developed.
- 2.26 The existing Child Protection Improvement Plan is being reviewed in light of the findings to ensure activity remains relevant and the desired outcomes are met. This will be monitored through the PVP ODG and the PCC Scrutiny Meeting.

3. FINANCIAL CONSIDERATIONS

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

4. LEGAL CONSIDERATIONS

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

5. EQUALITY CONSIDERATIONS

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

6. RISK MANAGEMENT

- 6.1 The Force prepares action plans in response to HMICFRS findings, as appropriate, and delivery is monitored through the Northumbria Police governance structure and by the Office of the Police and Crime Commissioner.
- 6.2 HMICFRS expects that progress is made in response to the recommendations and uses progress against previous recommendations to assess risk when considering future inspection activity.

7. RECOMMENDATIONS

- 7.1 The Committee is asked to note the recent external inspection reports and that there are no matters of exception to report for existing action plans in response to previous inspections.

AGENDA ITEM 7
APPENDIX A - Action plans in response to HMICFRS reports

Report title	Published	Reported to JIAC	Business Lead	Executive Lead	Action Plan		No. of recommendations/AFIs & number completed		Latest delivery date for recommendations	Scrutiny Last update	Scrutiny Next update*
Living in fear - the police and CPS response to harassment and stalking	05/07/2017	18/09/2017	Head of Safeguarding	ACC Bacon	Y	JBM 27/07/2017	Recommendations	4 (3)	April 2019	06/12/2018	25/06/2019
Stolen freedom: the policing response to modern slavery and human trafficking	24/10/2017	04/12/2017	Head of Safeguarding	ACC Bacon	Y	JBM 30/11/2017	Recommendations	7 (7)	N/A	06/12/2018	Action Plan complete
PEEL: police efficiency 2017 - Northumbria Police	09/11/2017	04/12/2017	Head of ICT	Mike Tait	Y	JBM 06/09/2018	Recommendations	1 (1)	N/A	N/A	Action Plan complete
					N		AFIs	1 (1)	N/A		
A progress report on the police response to domestic abuse	14/11/2017	04/12/2017	Head of Safeguarding	ACC Bacon	Y	Public facing action plan published April 2018. Updated action plan presented to JBM 15/11/2018	Recommendations	2 (2)	N/A	14/03/2019	25/06/2019
PEEL: Police legitimacy 2017 - Northumbria Police	12/12/2017	19/02/2018	Multiple	DCC Best	Y	JBM 22/01/2018	Recommendations	1 (1)	N/A	18/02/2019	Action Plan complete
							AFIs	2 (2)			
PEEL: Effectiveness 2017	22/03/2018	14/05/2018	Multiple	DCC Best	Y	JBM 19/04/2018	Recommendations	4 (3)	March 2019	18/02/2019	16/05/2019
							AFIs	6 (3)			
Northumbria – National child protection inspection	28/06/2018	23/07/2018	Head of Safeguarding	ACC Bacon	Y	JBM 26/07/2018	Recommendations	7 (4)	December 2018	06/12/2018	16/05/2019
Understanding the difference: the initial police response to hate crime	19/07/2018	19/11/2018	Superintendent Central AC	ACC Ford	Y	JBM 10/01/2019	Recommendations	6 (6)	March 2019	15/04/2019	17/10/2019
Policing and Mental Health: Picking up the Pieces	27/11/2018	25/02/2019	Head of Safeguarding	ACC Bacon	Y	JBM 21/02/2019	Recommendations	4 (1)	December 2019	N/A	12/09/2019
Fraud: Time to choose	02/04/2019	13/05/2019	Head of Crime	T/ACC Felton	tbd	16/05/2019	Recommendations	2			To be confirmed
							AFIs	5			

* Dates subject to review of the forward plan.

Short Report for Information

Joint Independent Audit Committee	13 May 2019
Joint Strategic Risk Register	
Paul Godden, Head of Corporate Development, Corporate Development Department	
Author: Tanya Reade, Corporate Governance Manager, Corporate Development Department	

I. PURPOSE

- I.1 To present the current Strategic Risk Register.

2. BACKGROUND

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

Strategic Review of Risk Register

- 2.2 A joint strategic risk management event, attended by the Executive Team and OPCC Chief of Staff, was held on 20 March 2019 to review the strategic risk register. A revised risk register (Appendix A) has been produced.
- 2.3 A number of new risks have been appended to the risk register, with existing risks modified combined and/or updated. In total there are 30 risks on the revised register.

Governance of Risk Register

- 2.4 The risk register identifies each risk and the consequences if it were to happen. It also provides a summary of existing controls and rates risks on the likelihood of the risk occurring and the impact it would have. All risks are regularly reviewed by the respective owners and additional controls identified or changed, where necessary.
- 2.5 Area Commanders, Department Heads and the OPCC are responsible for the identification of emerging risks which cannot be controlled locally, and have the potential to prevent the Force and PCC from achieving objectives. These risks are escalated to the PCC and Executive Team via the relevant Operational Delivery Group or Board, and recorded on the Joint Strategic Risk Register.
- 2.6 The register is presented to the Joint Business Meeting (JBM) between the PCC and the Chief Constable on a quarterly basis. The Joint Independent Audit Committee (JIAC) and the Joint PCC/ Chief Constable Governance Group provide additional scrutiny and governance on a quarterly basis.

Changes to Register

- 2.7 The key changes/ updates to the risk register following the review are outlined below. An overview of the RAG status of the risks is also provided (Appendix B).

Short Report for Information

Existing Risks

- 2.8 The risk rating of two risks has been re-assessed to more accurately reflect the current status of the strategic risk.

Operational

- 2.9 **Risk 6 – Recovery of service failures with the previous regional contract for the provision of interpreting services.**

The likelihood of this risk has been reduced to very low (1) from low (2), as only a small number of cases remain where interpreters were used under the previous contract. These are being tracked and monitored by Criminal Justice Department. The anticipated impact remains high (4).

- 2.10 **Risk 7 – Failure to maximise investigative opportunities from historic Biometrics, DNA and fingerprints from voluntary attenders.**

The likelihood of this risk has been reduced to low (2) from medium (3), as new forcewide policy and procedures have been implemented, with appropriate reporting, oversight and scrutiny arrangements in place. The anticipated impact remains high (4). The wording of this risk has also been amended to better reflect the associated risk and replaces:

- Historic Biometrics, DNA and fingerprints from voluntary attenders.

- 2.11 The following risks have been reworded, or in some instances combined, to better reflect the nature of the strategic risk and current assessment.

Operational

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

- Inability to deliver continuity of service
- Critical incident or other external incident that has a sustained and significant demand on policing resources

Likelihood has been assessed as low (2) and impact as medium (3).

- 2.13 **Risk 8 - Financial and operational risks affecting policing as a result of exit from the European Union** combines and replaces:

- Operational / law enforcement risks arising as a result of exit from European Union
- Financial risks arising as a result of exit from European Union

Likelihood has been assessed as medium (3) and impact as medium (3).

Workforce

- 2.14 **Risk 10 – Insufficient resources, in terms of capacity and capability, to meet current or future policing demands** combines and replaces:

- Insufficient resources in terms of capacity and capability (skills), to meet current or future policing demands

Short Report for Information

- Insufficient resources in terms of capacity and capability (health and wellbeing), to meet current or future policing demands

Likelihood has been assessed as low (2) and impact as high (4).

Regulation and Standards

- 2.15 **Risk 16 - Failure to achieve and maintain ISO/IEC 17025 accreditation in line with the Forensic Science Regulator Codes of Practice and Conduct** replaces:

- Failure to achieve ISO/IEC 17025 accreditation for digital device examination and impact on digital forensic examinations

Likelihood has been assessed as medium (3) and impact as medium (3).

- 2.16 **Risk 18 – Ineffective management of information and poor data quality affecting business and operational decision-making** combines and replaces:

- Data quality affecting business and operational decision making and compliance with national standards.
- Failure to comply with the requirements of the General Data Protection Regulation in respect of the management and storage of documentation.

Likelihood has been assessed as low (2) and impact as high (4).

Financial

- 2.17 **Risk 19 – Further cuts to police funding** combines and replaces:

- Further cuts to Home Office Police Grant Funding
- Reductions in grant funding

Likelihood has been assessed as low (2) and impact as very high (5).

Infrastructure and Assets

- 2.18 **Risk 23 – Disruption to estates and facilities to deliver effective policing services** combines and replaces:

- Major disruption to use of key buildings, facilities or other assets and resources.
- Estate risks around electrical and gas safety, water hygiene, asbestos containing materials and fire safety.
- Ineffective delivery of the Force Estates Strategy.

Likelihood has been assessed as low (2) and impact as medium (3).

- 2.19 **Risk 30 - Future sustainability of force operating model and the efficiency of our future plans to operate including, the potential impact of a reduction in partnership services due to financial constraints and/or lack of integrated planning** combines and replaces:

- Reduction in partnership services due to financial constraints and/or lack of integrated planning
- Inability to maximise the opportunities from collaboration

Short Report for Information

Likelihood has been assessed as low (2) and impact as high (4).

New Risks

- 2.20 Six new risks have been included on the register:

Strategy

- 2.21 **Risk 2 - Failure to effectively identify and respond to organisational learning.**

Limitations to IT systems impacts on the ability to effectively share organisational learning. Additional controls to mitigate this risk include; a review of the Organisational Learning Framework which describes local and formal responsibility; the establishment of a separate group/board to review the organisational learning log, and consider and action formal organisational learning and development of a digital platform (Knowledge Hub) to share organisational learning.

Likelihood has been assessed as medium (3) and impact as high (4).

Operational

- 2.22 **Risk 5 – Failure to deliver the Emergency Services Network (ESN) required functionality and coverage.**

The national programme have reviewed and made changes to the delivery of the Emergency Services Network, resulting in potential impact on functionality and coverage.

Likelihood has been assessed as high (4) and impact as high (4).

- 2.23 **Risk 9 - Failure to achieve DFU Service Level Agreements.**

Failure to deliver the Service Level Agreement in line with ISO Accreditation may result in the Forensic Regulator intervention and subsequent action to suspend activity.

Likelihood has been assessed as low (2) and impact as high (4).

- 2.24 **Risk 25 – Limitations of current ICT systems and the impact on service delivery.**

The current ICT system does not fully support the entire business areas, relying on inefficient processes and tools. Plans are in place to implement a new OPiP and HR system which will significantly reduce this risk level when implemented, with some systems less critical.

Likelihood has been assessed as high (4) and impact as high (4).

- 2.25 **Risk 27 Significant IT Transformation.**

Funding is in place, as part of the Capital Programme, to improve the Force's ICT systems. This involves implementation of new, critical, operational and business systems, alongside the need for associated business processes and improvements to be achieved in support of the new operating model. This is a significant transformation programme, with the potential to impact on the Force's ability to provide continuity of service.

Likelihood has been assessed as low (2) and impact as high (4).

Short Report for Information**2.26 Risk 29 – Failure of significant contracts and/ or collaborative agreements.**

As the force adopts third party contracts, there needs to be an understanding, confidence and assurance they deliver force requirements, with effective monitoring in place.

Likelihood has been assessed as very low (1) and impact as medium (3).

Risk Removed**2.27 One risk has been removed from the register.**Financial**2.28 Reduced effectiveness of Treasury Management.**

There is an effective process in place between the Force, Office of the Police and Crime Commissioner and external advisers for Treasury Management.

2.29 Current risk management processes and procedures continue to help to ensure the effective management of those risks which have the potential to adversely affect the delivery of Force and PCC strategic aims and objectives.**3 CONSIDERATIONS**

Freedom of Information	Non-exempt
Consultation	Yes
Resource	No
There are no additional financial considerations arising from this report.	
Equality	No
There are no equality implications arising from the content of this report.	
Legal	No
There are no legal considerations arising from the content of this report.	
Risk	No
There are no additional risk management implications directly arising from this report.	
Communication	No
Evaluation	No

No.	Theme	Governance and Oversight	Strategic Risk	Rationale	Potential Consequence	Summary of Controls	RAG	Likelihood (1-5) Impact (1-5)	Owner COT/Director	Owner OPCC
1	Strategy	Scrutiny	Failure to deliver against objectives set out in the Police and Crime Plan.	Ongoing Risk	Loss of public confidence. Reduction in satisfaction levels. A decline in quality and service delivery, leading to a reduction in satisfaction levels. Adverse external inspection reports, leading to recommendations and wider escalation.	Robust Force Performance Management Framework. Oversight and management of performance using Force Governance and Decision-making Structure (Strategic Management Board, Operational Delivery Groups and other boards, such as Confidence and Standards Board). OPCC Scrutiny Meeting. Police and Crime Panel.	8	Likelihood 2 Impact 4	Chief Constable	Police and Crime Commissioner
2	Strategy	Confidence and Standards Board	Failure to effectively identify and respond to organisational learning.	Limitations to IT systems impacts on the ability to effectively share organisational learning April 2019	Loss of public confidence. Successes not being identified and shared to embed sustainable good practice. Potential negative impact to continuous improvement. Possible reduction in problem solving opportunities if learning is not identified in a timely manner.	Organisational learning is a mandatory agenda item at all ODGs with a responsibility to identify lessons learned and good practice, and to record on the organisational learning log and action local learning solutions. Quarterly update on identified organisational learning, actions and outcomes reported to Confidence and Standards Board. Review the Organisational Learning Framework which describes local and formal responsibility, considering the establishment of a separate group/board to review the organisational learning log, and consider and action formal organisational learning. Development of a digital platform (Knowledge Hub) to share organisational learning.	12	Likelihood 3 Impact 4	Deputy Chief Constable	Police and Crime Commissioner
3	Operational	Major Events - Operational Delivery Group	Failure to provide an effective police response to a critical incident and / or deliver continuity of service.	Societal Risks Diseases Natural Hazards Major Accidents Malicious Attacks Ongoing Risk	Reduced staffing and service provision across some or all business areas. Inability to deliver services as a result of reduced staffing and service provision across some or all business areas. Accurate resources data and the ability to project resourcing to meet future demand. Inability to contact and recall staff to duty.	Health & Well-Being Programme. Fleet services and fuel reserves are maintained. Business Continuity Plans and testing are in place including a bespoke plan for Brexit. Continuous process to test and exercise plans with multi agency partners, ensuring relevance of content for developing threat and to retain capacity and capability of relevant staff. Understanding, embedding and testing across the tri-service partners to meet the requirements of the national guidance in relation to Marauding Terrorist attack (Operation Plato and Joint Operating Principles (JOPS5)). Policies and processes agreed for multi-agency response to major incidents have been tested and function. Ongoing support with Local Resilience Forum (LRF). Force Co-ordination Centre based at Ponteland to manage the resourcing data on a daily basis. Monthly Counter Terrorism Preparedness meetings. Ability to implement a Casualty Advice Bureau for victims, using trained officers, in the event of a local or foreign force incident. Disaster Victim Identification (DVI) process in place using trained officers. Trained family liaison officers in place across the force who work with partners i.e. Homicide Service, Victims First Northumbria to provide welfare support and advice to affected persons. signposting victims to relevant support agencies as required.	6	Likelihood 2 Impact 3	ACC Protective Services	Police and Crime Commissioner and Chief of Staff and Monitoring Officer
4	Operational	Investigation - Operational Delivery Group	An ineffective Criminal Justice System within the region.	Significant impact on the delivery of the Police and Crime Plan and public confidence. Ongoing Risk	Uncoordinated criminal justice activity. Inability to work effectively in partnership with other criminal justice agencies to provide services to victims and witnesses. Cases not being progressed or offenders prosecuted in time limits.	Alignment with the national and local protocol for LCJB. Terms of reference and appropriate membership of the LCJB. Bi-monthly LCJB meetings. LCJB business plan. Effective sub group and reporting process. Effective performance management framework. Contingency plan within the custody framework to accommodate remand prisoners from court in the event of disruption within the prison service. Victims First Northumbria support the victim journey and witnesses throughout the criminal justice system. Third party sector support for victims and witnesses. Contingency plans with Crown Prosecution Service, HM Courts and Tribunals Service and Probation regarding breakup of services and in line with Brexit plans. Brexit contingency plans are in place with key stakeholders and form part of a national structure.	6	Likelihood 2 Impact 3	ACC Citizen Focus	Police and Crime Commissioner

JIAC - 13/5/2019
STRATEGIC RISK REGISTER 2019/20

AGENDA ITEM 8
APPENDIX A

5	Operational	Strategic Management Board	Failure to deliver the Emergency Services Network (ESN) required functionality and coverage.	The national programme have reviewed and made changes to the delivery of the Emergency Services Network. April 2019	<p>The force may no longer be aligned with the Three Emergency Services National Programme and not be in a position to transition to ESN service when required.</p> <p>ESN solution fails to supply adequate coverage or capacity to support operational policing in Northumbria Police.</p> <p>The force may be asked to transition to the ESN service prior to full ESN coverage being delivered.</p>	<p>Operational Communications in Policing (OCiP) have set up a Gold, Silver and Bronze structure to manage the ESN programme. Northumbria Police are represented at Gold level by a regional Senior Responsible Officer (SRO) and force SROs are in place. Northumbria Police are represented at Silver level by the Regional ESN Project Manager and subject matter experts represent the force at bronze level meetings.</p> <p>Oversight of the ESN programme is carried out by the National Chief Constables' Reference Group. Final approval to transition to ESN sits with the Executive Team.</p> <p>A National Risk Register is maintained by OCiP to monitor the risks associated with the delivery of ESN.</p> <p>Coverage testing and assurance will be undertaken to identify the actual coverage delivered to Northumbria Police & bordering force areas, as soon as devices and coverage are available.</p> <p>Challenge the ESN programme where coverage has not been delivered as per the contract.</p> <p>To reduce the impact to operational policing, the force is currently investigating alternative solutions such as vehicle gateways to provide additional coverage.</p> <p>The force has identified a number of critical locations where coverage is required before the force would transition to the ESN service. There is also an agreed national acceptance criteria which must be met before forces will transition to the ESN service.</p> <p>The current understanding from initial predictions is there are no critical areas of no vehicle coverage within the force. As testing takes place, Chief Officers will be kept informed and the Programme will also be pushed to resolve areas of no coverage to reduce the risk impact to the force. Further hand held and in building coverage will also be tested.</p>	16	Likelihood 4 Impact 4	ACC Citizen Focus	Police and Crime Commissioner and Chief of Staff
6	Operational	Investigations - Operational Delivery Group	Recovery of service failures with the previous regional contract for the provision of Interpreting Services.	Significant impact on large scale investigations. June 2018	<p>Increase in complaints.</p> <p>Shortage of suitably qualified interpreters.</p> <p>Inadequate interpreting service for victims and witnesses.</p> <p>Reputational impact on confidence in Northumbria Police.</p> <p>Reduction in performance.</p>	<p>A small number of cases, where interpreters under the previous contract were used, are tracked and monitored by Criminal Justice Department through the criminal justice system to court.</p>	4	Likelihood 1 Impact 4	ACC Citizen Focus	Police and Crime Commissioner
7	Operational	Investigations - Operational Delivery Group	Failure to maximise investigative opportunities from historic biometrics, DNA and fingerprints from voluntary attenders.	Ongoing Risk	<p>Potential missed opportunities for further detections.</p> <p>Reduction in public confidence.</p> <p>Reputational impact on confidence in Northumbria Police.</p>	<p>Full review of the current Voluntary Attender system completed.</p> <p>Implementation of new forcewide policy, processes, documentation and guidance.</p> <p>Forcewide training has been delivered to all Inspectors and Sergeants as part of the Raising Investigative Standards (RIS) programme. This has been supplemented with RIS1-4 magazines.</p> <p>Systems and a performance framework in place.</p> <p>Oversight and scrutiny at Strategic Management Board.</p> <p>Reporting to Investigations Operational Delivery Group.</p> <p>End of year review scheduled for June 2019 to include a peer review with Durham and Cleveland.</p>	8	Likelihood 2 Impact 4	ACC Citizen Focus	Police and Crime Commissioner and Chief of Staff and Monitoring Officer
8	Operational	Executive Board / Joint Business Meeting	Financial and operational risks affecting policing as a result of exit from the European Union	Continued financial and operational uncertainty as a result of exit from the European Union. April 2018	<p>Loss of the key European law enforcement statutory instruments.</p> <p>Movement / volatility in interest rates causing an increase in borrowing costs or a reduction in investment income.</p> <p>Credit: uncertainty to UK banks – fewer counterparties to invest with, if ratings fall below the limits approved in the Commissioners TM Policy and Strategy Statement.</p> <p>CSR impact if grant funding reduced if UK economy underperforms.</p> <p>Performance / yield impacted by lower bond rates, increasing pension fund deficit and required contribution rates.</p> <p>Inflation: weaker Pound, higher import costs, tariff / export charges.</p> <p>Demand pressures as a result of impact on external stakeholders / partner agencies – loss of direct EU funding, reduction in government funding or business rates income, supply chain issues, workforce or contract issues.</p> <p>Supply chain: change to procurement law restricting the supply market, delays within the supply chain (e.g. uniform).</p>	<p>International Crime Co-ordination Centre (ICCC) in place to manages risks associated with the loss of EU policing tools, supported by a national media campaign.</p> <p>Force, regional and national communication and meeting structure to discuss the loss of EU tools, wider implications of Brexit, share best practice and learning and offer peer support.</p> <p>Additional resources appointed to support the Northern forces and identified to provide advice to frontline and senior officers on international policing topics and policy change.</p> <p>A review of all records held on Europol systems (Schengen) with a view to conversion to alternative systems.</p> <p>Review significant policies relevant to the management of these risks (e.g. investment policy) to ensure they are fit for purpose in the new environment. An IPCC 24/7 helpline will be available post Brexit to offer support to forces.</p> <p>T/ACC Protective Services is deputy for force LRF to maintain effective operational and communication link with partners, key stakeholders and / or contractors to understand how Brexit affects their risks and any shared risks.</p> <p>Assess the impact of the risk assessment on the assumptions used to generate the Medium Term Financial Strategy.</p> <p>Treasury Management Policy and Strategy Statement reviewed and updated for 2019/20.</p> <p>Reporting to the Joint Independent Audit Committee and OPCC Business Meeting.</p> <p>Strategic and operational plans are updated as decisions are made.</p> <p>An impact assessment has been carried out on all key contracts and work is ongoing with suppliers to mitigate risks.</p> <p>Fair, transparent and competitive procurement processes to continue to deliver value for money. Procurement will continue to assess the supply market and advise appropriate stakeholders if risk increases.</p> <p>Supplier lead times are built into stock holding strategies. Procurement will work with Suppliers and include alternative supply contingency plans into contract agreements to cover extended deliveries.</p>	9	Likelihood 3 Impact 3	ACC Protective Services	Police and Crime Commissioner and Chief of Staff and Monitoring Officer

9	Operational	Investigations - Operational Delivery Group	Failure to achieve DFU Service Level Agreements	Risks associated with devices awaiting examination April 2019	<p>Risk to the force's effectiveness to safeguard vulnerable victims and conduct investigations.</p> <p>Failure to bring offenders to justice in a timely manner will increase risk to vulnerable victims</p> <p>Negative impact on investigations, victim care and safeguarding.</p> <p>Negative impact on criminal justice system and outcomes.</p> <p>Risks associated with devices currently awaiting examination are not assessed or understood.</p> <p>Lack of reputation and credibility.</p> <p>Public confidence.</p> <p>Negative impact on the workforce welfare due to demand outweighing capacity.</p> <p>Forensic Regulator intervention and consequences for non compliance with SLAs, action will be taken to address or suspend activity.</p>	<p>Implementation of weekly performance meetings and monthly governance and oversight.</p> <p>Increase in DFU resources to meet demands of ISO and maintain accreditation. Effective resource management to ensure DFU resources are not abstracted to meet ISO demands.</p> <p>Internal review to assess areas of demand, capability, capacity, identify process efficiencies and opportunities for automation and utilising emerging technology.</p> <p>Introduction of POLIT triage service to reduce demand submitted to the laboratory.</p> <p>Research into at scene triage tools and equipment to increase officer effectiveness and reduce demand.</p> <p>Digital Evidence Suites enabling kiosk examination of mobile phones to decrease low level demand.</p> <p>Use of triage using SPEKTOR in early investigation of Indecent Image cases.</p> <p>Presentations to CPS Lawyers and the Judiciary to improve efficiencies within the CJS around digital evidence requests.</p> <p>Raising officer awareness of other available outcomes i.e. use of bail conditions, effective partnership liaison, Sexual Risk Orders, UCOL tactics and targeting through Neighbourhood teams.</p>	8	Likelihood 2 Impact 4	ACC Protective Services	N/A
10	Workforce	Strategic Resourcing Board	Insufficient resources, in terms of capacity and capability, to meet current or future policing demands.	Ongoing Risk	<p>Reduction in service quality/ delivery leading to reduced public trust and confidence.</p>	<p>A comprehensive recruitment plan is in place to meet forecasted resourcing and talent requirements whilst ensuring affordability against the Medium Term Financial Strategy (MTFS)</p> <p>Alternative routes into policing are utilised to enrich the workforce mix and maximise benefit of national schemes (e.g. apprenticeships, Police Now, use of volunteers / students)</p> <p>Regular review of Training Profiles, monitoring and ensuring compliance with training programmes (SRB).</p> <p>Prioritised Force Training Plan produced in consultation FRU and agreed via Area Commanders and Confidence and Standards</p> <p>Development and implementation of Police Staff Investigators role with key areas of the force e.g. Crime, PSD and Safeguarding</p> <p>Workforce wellbeing programme / Health and Safety Management System in place to maximise use of available resource, and reduce loss through accident, injury and ill-health.</p>	8	Likelihood 2 Impact 4	Director of People and Development	Police and Crime Commissioner
11	Public Confidence	Confidence and Standards Board	Litigation, legal action and/or prosecution of the Force and/or individuals by former officers or staff members.	Ongoing Risk	<p>Litigation, legal action and/ or prosecution of the Force and / or individual staff.</p> <p>Reputational consequences, in addition to associated costs of dealing with litigation.</p> <p>Negative impact on the workforce.</p>	<p>Health and Safety Management system utilising 'Plan, Do, Check, Act' model to ensure compliance with legislation.</p> <p>Access to competent Health and Safety advice.</p> <p>Health and Safety training profile applied and in place to support supervision in effectively managing risk.</p> <p>Health and Safety investigations and the review of critical incidents ensures lessons learned are identified and embedded (Confidence and Standards Board).</p> <p>8 point plan in place for investigative approach (assaults against staff) agreed by Chief Constable and Northumbria Police Federation.</p> <p>A clear reporting mechanism is now in place for use of powers (use of force, stop and search).</p> <p>Risk management approach in place whereby review of all civil claims received (DCC and PCC).</p> <p>Adverse trends and lessons learned reported (Confidence and Standards Board).</p> <p>Effective internal and external engagement.</p>	8	Likelihood 2 Impact 4	Deputy Chief Constable	Police and Crime Commissioner and Chief of Staff and Monitoring Officer

JIAC - 13/5/2019
STRATEGIC RISK REGISTER 2019/20

AGENDA ITEM 8
APPENDIX A

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

JIAC - 13/5/2019
STRATEGIC RISK REGISTER 2019/20

AGENDA ITEM 8
APPENDIX A

15	Public Confidence	Confidence and Standards Board	Ineffective response to complaints or service recovery.	Ongoing Risk	Reduced level of public confidence Inability to learn from lessons and improve service delivery	Complaints and service recovery monitored at the Confidence and Standards Board. OPCC Scrutiny Meeting. Monthly analysis of complaints, addressing any emerging issues with Area Commands/ Departments. Complaints Triage, based at the OPCC, ensuring all complaints are administered, monitored and managed by the appropriate staff and in a timely manner. Sub group of Confidence and Standards to successfully manage the new legislation. First point of contact and early intervention dealt with at the Customer Service Centre / Triage Team. Review of organisational learning / lessons learned in line with new legislation.	4	Likelihood 1 Impact 4	Deputy Chief Constable	Police and Crime Commissioner and Chief of Staff and Monitoring Officer
16	Regulation and Standards	Confidence and Standards Board	Failure to achieve and maintain ISO/IEC 17025 accreditation in line with the Forensic Science Regulator Codes of Practice and Conduct.	Requirement to achieve ISO/IEM accreditation April 2019	Reputational impact on confidence and credibility in Northumbria Police. Potential service suspension. Potential to impact on victims. Inability to meet the requirements of vulnerable victims in terms of timeliness and quality.	Quality Management System to identify and mitigate risk to prevent suspension of the accreditation. ISO oversight Governance Meeting chaired by Head of Crime. Resource requirements for Quality Management have been reviewed. Achieved accreditation in digital forensics for a proportion of the work undertaken which will be built on to maintain and improve the scope to include the majority of work undertaken.	9	Likelihood 3 Impact 3	ACC Protective Services	N/A
17	Regulation and Standards	Confidence and Standards Board	Force/ OPCC or an associated individual acts in a discriminatory way.	Ongoing Risk	Litigation, legal action against the Force/ OPCC. Inequality of service delivery across discriminated groups. Loss of trust and confidence.	Agreement and delivery of Joint Equality Objectives (OPCC and Force). Governance Structure - Gold and Silver Groups. Monitoring and analysis of protected characteristic data (employee lifecycle). Equality Impact Assessments (EIA) in place. OPCC Advisory Group Meetings. Forcewide Training in diversity and inclusion. External organisational staff surveys (Stonewall Workplace Equality Index). Staff Survey. IOPC Discrimination Guidance in place, and has been rolled out to PSD staff, area command officers / staff and external partners (to assist in the effective handling of allegations of discrimination (based on race, sexual orientation, religious belief, age, or disability). Equality Action Plan.	10	Likelihood 2 Impact 5	Deputy Chief Constable	Police and Crime Commissioner and Chief of Staff and Monitoring Officer
18	Regulation and Standards	Information Management Board	Ineffective management of information and poor data quality affecting business and operational decision-making.	Ongoing risk	Limited operational and poor business intelligence data to inform decision-making. Inaccurate data returns to the Home Office and other bodies, such as HMICFRS. Reduction in force performance and delivery. Findings made by the ICO are publicised, the Force would be subject to reputational damage and financial penalties if members of the community believed that they were not handling personal and sensitive personal data in accordance with the Regulations.	Information Management Board. Delivery of ICT Strategy. Crime validation and audit processes, as part of the Crime Data Integrity Audit Plan. Migration strategy as part of the Operational Platform Implementation Programme (OPIP) will greatly enhance data, quality, accuracy of data and compliance with GDPR. Force Data Protection Officer (DPO) in place. Data held across the organisation has been identified and information asset registers produced. Existing procedures in respect of Data Breaches ensure required actions set out in the Regulations are met.	8	Likelihood 2 Impact 4	Director of Finance and IT	Chief of Staff and Monitoring Officer
19	Financial	Joint Business Meeting	Further cuts to police funding.	Ongoing Risk	Reduction in available finances impacting on the ability to provide frontline services. Impact on service provision, with less flexibility to innovate. Public confidence. Reductions in National Funding or changes in the Funding Formula will reduce the resources available to the PCC for Policing.	Annual MTFS process to review and revise spending plans to match available resources. Flexibilities to increase precept are considered annually based on spending plans and demand. Reserves will be optimised to assist with the phasing of the delivery of savings, but not fall below as a minimum 3% of Net Revenue Expenditure. Actively participate in national discussions on Police Funding through PACCTS and NPCC. Wherever possible, lobby the Home Office and politicians on funding for Northumbria, including multi-year settlements to enable effective budget planning. Effective internal and external engagement and communication plan.	10	Likelihood 2 Impact 5	Director of Finance and IT	Chief of Staff and Monitoring Officer and Chief Finance Officer

20	Financial	Strategic Resourcing Board	Failure to manage annual budget.	Ongoing Risk	Impact on service provision, with less flexibility to innovate and provide front-line services.	Effective financial strategies, including: MTFS, Capital Strategy, Treasury Management, Value for Money profiles and Police Objective Analysis. Regular financial monitoring through Executive Board, OPCC Business Meeting and Joint Business Meeting. Internal Audit and OPCC scrutiny, plus part of External Audit annual Value for Money assessment.	4	Likelihood 1 Impact 4	Director of Finance and IT	Chief of Staff and Monitoring Officer and Chief Finance Officer
21	Financial	Joint Business Meeting	Significant increase in the cost of Employers' Pension Contributions.	Uncertainty re financial implications post 2019/20 and next CSR period. Uncertainty on the level of support / action to be taken by Treasury HO and HMT post 2019/20. Ongoing	Requirement to deliver a significant level of further budget savings if a permanent funding solution is not included within the next CSR and post 2019/20 funding settlements. Impact on Reserves resulting in reduced financial resilience. Impact on ability to deliver workforce plans, frontline services and Force Operating Model. Impact on service provision, with less flexibility to innovate. Public confidence.	National level focus and engagement with Home Office and HMT on behalf of policing by APCC and NPCC. Annual MTFS process to review and revise spending plans to match available resources. MTFS includes a 'Pensions Reserve' equal to the pension special grant received for 2019/20. Thereby providing two years of investment certainly until the outcome of the CSR is known, allowing time to implement any resulting plans following on from the CSR announcement. Reserves will be optimised to help with the phasing of the delivery of savings. Effective internal and external engagement and communication plan.	20	Likelihood 4 Impact 5	Director of Finance and IT	Chief of Staff and Monitoring Officer and Chief Finance Officer
22	Financial	Executive Board	Failure to deliver the National Emergency Services Network (ESN) to Northumbria Police on time and to budget.	Further delays anticipated with delivery of national Emergency Services Network resulting in the national Airwave contract being extended to December 2022. December 2016	Late delivery of ESN critical voice system to support operational policing. Current Airwave service is kept running longer and may require more management & support. Current force overt and covert equipment, nearing end of life, may need to be replaced. Increase in forecast revenue budget as predicted savings will not be made when expected. Future funding details still to be provided by the Home Office as some payment and funding decisions are still to be finalised.	Any further extension to the national Airwave contract will be continually assessed by the Home Office and Operational Communications in Policing (OCiP) and communicated directly to the force. The force will retain teams to manage and support the Airwave service until transition to ESN. A contingency plan for the support of Airwave vehicle terminals is in place. The necessary budgetary provision to replace covert equipment and replace handheld equipment before the introduction of ESN service is closely monitored. A national framework for the purchase of Airwave devices and accessories has now been put in place by the Police ICT Company and can be used by the force. Close liaison with Home Office to receive early indication of further programme slippage. Ongoing discussions with the Home Office regarding allocation of funding for future years. Best estimates based on current plans have been included within the force MTFS. In addition, an ESN contingency reserve is being created as part of 2018/19 year-end accounts to provide mitigation against potential increases in cost and programme slippage.	15	Likelihood 5 Impact 3	ACC Citizen Focus	Police and Crime Commissioner and Chief of Staff and Monitoring Officer
23	Infrastructure and Assets	Strategic Resourcing Board	Disruption to estates and facilities to deliver effective policing services.	Ongoing Risk	Reduced services across some or all business areas. Injury to building users. Litigation and civil claims. Negative impact on the workforce. Closure of buildings leading to major disruption and business continuity issues.	Business Continuity Plans and Estates Strategies. 'Uninterrupted Power Supply' is fitted at key sites to protect ICT equipment from damage. All operational orders and business continuity plans are assessed and allocated a RAG status. This is an on-going process to ensure all plans are up-to-date. Policies and procedures in place. Fire risk assessments are in place for all properties occupied by OPCC. OPCC commissioned an in-depth independent survey of fire risk. The risk rating for all properties has been assessed as either 'trivial' or 'tolerable'. Implementation of Action Plan recommendations will ensure the Chief Constable continues to meet obligations in respect of the Regulatory Reform Fire Safety Order 2005. Regular maintenance of fire alarms and emergency lighting is undertaken in accordance with BS5839 and BS5266. Regular evacuation tests and policing of 'housekeeping issues'. Periodic inspection and test in accordance with Electricity at Work Act 1980 and BS7671 with remediation of priority 1, 2 and 3 defects. Water Hygiene risk assessment in accordance with ACOP L8 with resultant hygiene maintenance. Asbestos management survey undertaken which is updated annually by re-inspection. A risk assessed asbestos management plan is updated annually and any remedial works required to reduce risks are undertaken. Regular maintenance of gas equipment in accordance with manufacturers instructions. Health and Safety management.	6	Likelihood 2 Impact 3	ACC Protective Services and Director of Finance and IT	Police and Crime Commissioner and Chief of Staff and Monitoring Officer

24	Infrastructure and Assets	Information Management Board	The loss or inappropriate disclosure of sensitive data or information.	Series of recent incidents of inappropriate disclosure or loss of sensitive information or data. Ongoing Risk	Breach of the Data Protection Act 2018. Breach of GDPR. Litigation, legal action against the Force/OPCC leading to prosecution and monetary penalty. Places individuals at risk, making them more vulnerable. Corruption or loss of Force systems. Public confidence. Failure to identify risk of vulnerability, officer, public safety.	Compliance with National Policing Code of Connection. Implementation of the Information Security Review recommendations. Post incident Senior Information Risk Officer (SIRO) review and response. Internal Audit programme. Staff training including internal training programme for all supervisors. Creation of new Information Management Unit and Information Management action plan and strategy Information Management Board Maintenance of an effective ICT Audit capability. A specific Information Security Risk Register is reviewed and maintained at monthly SIRO meetings and considered quarterly at Information Management Board. Effective internal and external engagement.	8	Likelihood 2 Impact 4	Deputy Chief Constable	Police and Crime Commissioner and Chief of Staff and Monitoring Officer
25	Information Technology	Digital Enabler Board	Limitations of current ICT systems and the impact on service delivery.	Current ICT system is unable to provide all of the functionality required April 2019	Ineffective IT system to support the entire business process. Inefficiency, relying on a poor process/tool. Impact on police effectiveness and delivery of the Police and Crime Plan.	Rigorous project level risk management process to identify and mitigate project risks. Effective internal and external engagement and communication plan. ICT system issues are considered through the ODGs and prioritised by the Digital Enabler Board. Financial implications of changes are considered at the monthly ICT/Finance review meetings and as part of the MTFS process. ICT attendance at User Groups to understand the future roadmap of systems. Effective supplier management process to ensure suppliers are aware of issues impacting on the use of the system and the opportunities and costs to change the system. Opportunity to consider if current systems can be enhanced or changed prior to renewal time. Opportunity to review business processes to match the "out of box" system functionality. ICT ensure the latest versions of systems, with the additional security and functional changes are available to users. Plans are in place to implement new Operational Platform Implementation Programme (OPIP) systems, HR solution and a review of the duties management system.	16	Likelihood 4 Impact 4	Director of Finance and IT	Police and Crime Commissioner and Chief of Staff and Monitoring Officer
26	Information Technology	Strategic Resourcing Board	Loss of Critical ICT Services	Significant impact on the ability to effectively deliver service and record and access information required to make effective operational decisions. March 2018	Inability to deliver specific services and operational priorities. Impact on police effectiveness. Loss of telephony or Airwave services will impact on the ability to communicate with the public and/or officers. Potential risk of harm to the public and staff. System availability may become more critical at different times - 999 service 24/7/365 and custody system critical at peak times.	Major Disaster Recovery Plan (MDRP) document that identifies roles and responsibilities to bring critical services back into place in the event of a significant loss of critical ICT services including: - Uninterrupted Power Supply' is fitted at key sites to protect ICT equipment from damage - Availability of remote access devices. - Remote access to IT systems. - Dual control site to undertake all functionality and provide resilience. - The Force has three machine rooms, two of which can be used to deliver critical ICT services. - BT review of telephony service has been completed. - ICT server, hardware and software upgrades. Levels of resilience and data backup to ensure systems can be maintained in service and where loss of service is experienced the system can be reinstated quickly with no/little loss of data. A list of critical systems is included in the MDRP document and regularly reviewed to ensure all systems have been appropriately assessed and level of criticality agreed between operational and support teams. Contingency planning and testing of plans in partnership with key agencies. All operational orders and business continuity plans are assessed and allocated a RAG status. Estates Strategies includes the refresh of infrastructure critical to the delivery of ICT services. Support and maintenance contracts are in place along with callout rotas to provide 24/7 support for critical systems. Regular refresh activity is planned and the refresh schemes included in the MTFS plan for the next 5 years. User acceptance testing on a project basis to ensure new systems are fit for purpose prior to the Force being dependent upon them for service. Systems are patched and updated regularly to minimise the likelihood or impact of loss of system access due to a cyber attack.	9	Likelihood 3 Impact 3	Director of Finance and IT	Police and Crime Commissioner and Chief of Staff and Monitoring Officer

27	Information Technology	Strategic Resourcing Board	Significant IT Transformation	Significant changes to critical systems and business processes will potentially impact on the Force's ability to provide continuity of service. April 2019	Changes to ICT systems are either incorrect, not fully considered, not explained in full to staff, delayed or cause a significant loss of service as a result of poor implementation.	<p>Effective Procurement Process to ensure the purchase of robust and effective technical solutions.</p> <p>Appropriate business lead involvement through the delivery of technology change projects.</p> <p>Effective Supplier Management Process.</p> <p>Robust definition of the scope of the transformation and the purpose of the new/changed system.</p> <p>Rigorous User Acceptance Testing against the defined system requirements prior to system go live.</p> <p>Appropriate funding for ICT services included in the Capital Programme.</p> <p>Robust governance and project management processes to assure non-impactive technology change programmes.</p> <p>ICT Strategy includes a programme of technology refresh, updating and replacing older equipment.</p> <p>Robust project risk and issue management process is followed for all change projects.</p> <p>Liaison with users and key departments to ensure appropriate policy , procedure and user training is in place prior to system implementation.</p> <p>Management of IT change projects using professionally trained and force experienced ICT change Project Managers.</p>	8	Likelihood 2 Impact 4	ACC Local Policing	Police and Crime Commissioner and Chief of Staff
28	Information Technology	Information Management Board	A malicious intent to compromise information systems or access information or data.	Ongoing Risk	<p>Corruption or loss of Force systems.</p> <p>Disclosure of sensitive information.</p> <p>Public confidence in Northumbria Police.</p>	<p>A number of technologies are in place to protect data from external attack (e.g. fire walls).</p> <p>Intrusion Detection Systems and Intrusion Protection Systems allow unusual activity directed towards the Force to be identified and logged for analysis.</p> <p>Penetration tests, undertaken each year, demonstrate the Force's capability to withstand attacks and safeguard its data and systems, with potential vulnerabilities identified and appropriate patches and fixes put in place to remove the threat.</p> <p>Patching processes have been updated to reflect the frequency of patches being issued by Microsoft and other critical system suppliers.</p> <p>Technology refresh programme in place to replace older and less secure equipment. Identification of key roles within the Force and the introduction of appropriate vetting processes.</p> <p>Effective media management and communication plan.</p>	8	Likelihood 2 Impact 4	Director of Finance and IT	N/A
29	Collaboration and Partnership	Executive Board	Failure of significant contracts and/ or collaborative agreements.	Potential impact of contract failures April 2019	<p>Inefficient / ineffective service provision and ability to meet service level agreements.</p> <p>Pressure on force to deliver services.</p> <p>Ineffective relationships with collaborative partners.</p> <p>Inability to deliver value for money services.</p>	<p>Section 22 Collaboration Agreements - Protected by Terms and Conditions of contracts.</p> <p>Effective contract monitoring and management within each interdisciplinary:</p> <ul style="list-style-type: none"> - Deliverables and KPIs monitored within Business Intelligence; - Financial reporting within Finance; - Legal Agreements (such as Section 22a's) within Legal Department; - Procurement exercises within Procurement Department. <p>Scheduled contract performance meetings with contractors and business users.</p> <p>Performance indicators are included in some major operational contracts which are discussed at contract performance meetings.</p> <p>Ability to terminate contract and seek alternative source of supply.</p> <p>Effective contract monitoring in place between Business Leads and providers for local contracts i.e. Fleet, ICT.</p> <p>Contract performance meeting held 6 monthly with Director of Finance and ICT, strategic risks to the force are escalated to Executive Team.</p> <p>Agreement of the newly formed Partnerships and Collaboration Force Improvement workstream to be absorbed into the Transformation Board.</p> <p>Large scale central contract coordination is based within Force Improvement.</p>	3	Likelihood 1 Impact 3	Director of Finance and IT /ACC Local Policing	Police and Crime Commissioner

30	Collaboration and Partnership	Transformation 2025 / Strategic Management Board	Future sustainability of force operating model and the efficiency of our future plans to operate including, the potential impact of a reduction in partnership services due to financial constraints and/or lack of integrated planning,	Ongoing risk	<p>Inability to deliver the Police and Crime Plan.</p> <p>Reduced ability to deliver strategic objectives.</p> <p>Reduction in opportunities to improve service quality and cost effectiveness.</p> <p>Failure to comply with legislation, namely; Police Reform and Social Responsibility Act 2011 & Policing and Crime Act 2017.</p>	<p>Effective management through the force Transformation 2025 Board.</p> <p>Effective partnership governance arrangements and joint partnership plans based on Threat, Harm and Risk, through Community Safety Partnerships (CSPs), Children & Adult Safeguarding Boards & Local Multi Agency Problem Solving (LMAPS) groups are in place, which include clear roles and responsibilities.</p> <p>Strategic understanding of the current position in respect of relationships and interdependencies, through annual Partnership and Collaboration benchmarking to map current and future gaps, to best meet demand</p> <p>Sharing best practice and problem solving knowledge through events with partners at a local level, regionally via the North East Transformation Innovation Collaboration (NETIC), and nationally via the National Police Chiefs Council (NPCC) and Police Reform and Transformation Board (PRTB).</p>	8	Likelihood 2 Impact 4	ACC Local Policing	Police and Crime Commissioner and Chief of Staff and Monitoring Officer
----	-------------------------------	--	--	--------------	--	---	---	--------------------------	--------------------	---

Overview of Joint Strategic Risk Register

1	Failure to deliver against objectives set out in the Police and Crime Plan.
2	Failure to effectively identify and respond to organisational learning.
3	Failure to provide an effective police response to a critical incident and / or deliver continuity of service.
4	An ineffective Criminal Justice System within the region.
5	Failure to deliver the Emergency Services Network (ESN) required functionality and coverage.
6	Recovery of service failures with the previous regional contract for the provision of Interpreting Services.
7	Failure to maximise investigative opportunities from historic biometrics, DNA and fingerprints from voluntary attenders.
8	Financial and operational risks affecting policing as a result of exit from the European Union.
9	Failure to achieve DFU Service Level Agreements.
10	Insufficient resources, in terms of capacity and capability to meet current or future policing demands.
11	Litigation, legal action and/or prosecution of the Force and/ or individuals by former officers or staff members.
12	Death in custody/death or serious injury following police contact.
13	Other adverse or critical incident, as a result of police action or omission.
14	Corrupt behaviour by an officer or police staff member.
15	Ineffective response to complaints or service recovery.
16	Failure to achieve and maintain ISO/IEC 17025 accreditation in line with the Forensic Science Regulator Codes of Practice and Conduct.
17	Force/ OPCC or an associated individual acts in a discriminatory way.
18	Ineffective management of information and poor data quality affecting business and operational decision-making.
19	Further cuts to police funding.
20	Failure to manage annual budget.

AGENDA ITEM 8
APPENDIX B

21	Significant increase in the cost of Employers' Pension Contributions.
22	Failure to deliver the National Emergency Services Network (ESN) to Northumbria Police on time and to budget.
23	Disruption to estates and facilities to deliver effective policing services.
24	The loss or inappropriate disclosure of sensitive data or information.
25	Limitations of current ICT systems and the impact on service delivery.
26	Loss of Critical ICT Services.
27	Significant ICT Transformation.
28	A malicious intent to compromise information systems or access information or data.
29	Failure of significant contracts and/ or collaborative agreements.
30	Future sustainability of force operating model and the efficiency of our future plans to operate including, the potential impact of a reduction in partnership services due to financial constraints and/or lack of integrated planning.

Likelihood

VERY HIGH (5)		22		
HIGH (4)			5 25	21
MEDIUM (3)		8 13 16 26	2	
LOW (2)		3 4 23	1 7 9 10 11 12 14 18 24 27 28 30	17 19
VERY LOW (1)		29	6 15 20	
VERY LOW (1)	LOW (2)	MEDIUM (3)	HIGH (4)	VERY HIGH (5)

Impact

