

**OFFICE OF THE NORTHAMPTONSHIRE POLICE AND CRIME COMMISSIONER
&
NORTHAMPTONSHIRE POLICE**

JOINT INDEPENDENT AUDIT COMMITTEE

24th June 2015 at 10.00am to 13.00pm

Greenwell Room, Wootton Hall, Northampton, NN4 0JQ

If you should have any queries in respect of this agenda, please contact Steve Dainty on 03000 111 222 Ext 347953

Members of the public, with the permission of the Chair of the Committee, may ask questions of members of the Committee, or may address the Committee, on an item on the public part of the agenda.

Further details regarding the process for asking questions or making an address to the Committee are set out at the end of this agenda notice

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AGENDA

1	Apologies for non- attendance	JB	
2	Declarations of Interests	Members	
3	Announcements from the Chair	JB	
4	Minutes and Matters Arising from the previous meeting	JB	
5	Matters Arising Action Log	JB	
6	Draft Governance Statements a. Force b. OPCC	GJ JN	
7	Draft Statement of Accounts	GJ	
8	Committee Annual Report	JB	
9	Committee Self-assessment	JB	
10	Internal Audit Annual Report and Progress Report	Baker Tilly	
11	Implementation of Audit recommendations a. Force b. OPCC	GJ JN	
12	Internal Audit – introduction of new auditors	Mazars	
13	External Audit Progress Report	KPMG	
14	External Audit Fee Letter	GJ/JN	
15	Progress with Annual Governance Statement actions a. Force b. OPCC	GJ JN	
16	Finance Dashboard	GJ	
17	Performance Dashboard	AF	
18	Treasury Management Update and Outturn Report	GJ	
19	Force Strategic Risk Register (inc Risk Management & Procedures)	AF / RB	
20	HMIC Reports – verbal update <i>see www.hmic.gov.uk</i>	AF	
21	Items for escalation to the Commissioner and / or the Chief Constable	JB	
22	Agenda Plan for the next four meetings	SD	
23	Date and venue of next meeting 9 th September 2015 - 10:00am – Board Room	SD	

Continued overleaf ...

AGENDA *(continued)*

24	<p>Such other business by reason of the special circumstances to be specified, the Chair is of the opinion is of sufficient urgency to warrant consideration.</p> <p><i>(Members who wish to raise urgent business are requested to inform the Chairman beforehand).</i></p>	JB	
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25	Resolution to exclude the public	JB	
	<p>Items for which the public be excluded from the meeting:</p> <p>In respect of the following items the Chair may move the resolution set out below on the grounds that if the public were present it would be likely that exempt information (information regarded as private for the purposes of the Local Government Act 1972) would be disclosed to them:</p> <p><i>“That under Section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that if the public were present it would be likely that exempt information under Part 1 of Schedule 12A of the Act of the descriptions against each item would be disclosed to them”.</i></p>		

26	Minutes of the previous private meeting	JB	
27	<p>OPCC Risk Register</p> <p>a) Risk Register</p> <p>b) Assurance Map</p>	JN	
28	HMIC Reviews [verbal]	AF	

	Private Meeting of Committee Members with the Auditors (if required)	JB	
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Continued overleaf ...

Further details regarding the process for asking questions or making an address to the Committee

i. General

Members of the public, with the permission of the Chair of the Committee, may ask questions of members of the Committee, or may address the Committee, on an item on the public part of the agenda.

ii. Notice of questions and addresses

A question may only be asked or an address given if notice has been given by delivering it in writing or by electronic mail to the Monitoring Officer no later than noon two working days before the meeting.

Notice of questions or an address to the Committee should be sent to:

Steve Dainty
Office of the Police and Crime Commissioner
West Wing
Police HQ
Wootton Hall
NORTHAMPTON
NN4 0JQ

or by email to:

stephen.dainty@northantspcc.pnn.police.uk

by 12 noon 19th June 2015

Each notice of a question must give the name and address of the questioner and must name the person to whom it is to be put, and the nature of the question to be asked. Each notice of an address must give the name and address of the persons who will address the meeting and the purpose of the address.

iii. Scope of questions and addresses

The Chair of the Committee may reject a question or address if it:

- Is not about a matter for which the Committee has a responsibility or which affects Northamptonshire;
- is defamatory, frivolous, offensive or vexatious;
- is substantially the same as a question which has been put or an address made by some other person at the same meeting of the Committee or at another meeting of the Committee in the past six months; or
- requires the disclosure of confidential or exempt information.

Further details regarding the process for asking questions or making an address to the Committee (continued)

iv. Asking the question or making the address at the meeting
The Chair of the Committee will invite the questioner to put the question to the person named in the notice. Alternatively, the Chair of the Committee will invite an address to the Committee for a period not exceeding three minutes. Every question must be put and answered without discussion but the person to whom the question has been put may decline to answer it or deal with it by a written answer. Every address must be made without discussion.

v. The Members of the Committee are:

Mr J Beckerleg (Chair of the Committee)

Ms G Scoular

Mr M Pettitt

Mr A Knivett

IAIN BRITTON

CHIEF EXECUTIVE & MONITORING OFFICER

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**NORTHAMPTONSHIRE POLICE AND CRIME COMMISSION and
NORTHAMPTONSHIRE CONSTABULARY**

JOINT INDEPENDENT AUDIT COMMITTEE

MINUTES OF MEETING HELD ON

3rd March 2015

(Excluding Exempt Items)

Mr Beckerleg welcomed all to the meeting. He noted that this was M Jelley's last meeting and he thanked him for his contribution to the committee and every success in the future.

PRESENT

Audit Committee Members

J Beckerleg (in the Chair)
G Scoular
M Pettitt
T Knivett

Northamptonshire Police and Crime Commission

I Britton Chief Executive
J Neilson Director for Resources, Governance and Transformation
S Dainty Strategic Resources Officer and Deputy Chief Finance Officer

Northamptonshire Police

A Lee Chief Constable
M Jelley Deputy Chief Constable
A Frost Assistant Chief Constable
S Bell Head of Organisational Delivery
G Jones Head of Finance and Asset Management
R Baldwin Force Risk and Continuity Advisor

Auditors

P Green Baker Tilly
S Lacey KPMG
A Cardoza KPMG

1. APOLOGIES FOR NON-ATTENDANCE

None

2. DECLARATIONS OF INTERESTS

Members made the following declarations of interest:

M Pettitt - his daughter currently works in the HR department of Northamptonshire Police.

T Knivitt - is a member of the Police Disciplinary Panel.

J Beckerleg – works for the Chief Fire Officers Association

3. ANNOUNCEMENTS BY THE CHAIR OF THE COMMITTEE

The Chair stated that no requests had been received from members of the public either to address the Committee or to put a question to the Committee.

4. MINUTES OF THE MEETING HELD ON 3rd DECEMBER 2014

Item 3 - John Beckerleg informed the Committee that the Chair of Audit Committee seminar he was due to attend on the 19th January 2015 did not take place and a replacement date had yet to be identified. He would inform the Committee of the revised arrangements when they were known.

Subject to the above the Committee **agreed** the Minutes of the meeting held on 3rd December 2014.

5. MATTERS ARISING ACTION LOG

Subject to below the Committee **noted** the report

ACTION POINTS	
Steve Dainty	Item 8 – Change the Status from Closed to Open as owing to the postponement of the seminar for Audit Committee Chairs being cancelled, the Chair has not yet had to opportunity to raise this issue with his fellow chairs

6. FORCE STRATEGIC RISK REGISTER

Martin Jelley introduced the reports drawing particular attention to the updated policy.

Whilst acknowledging this was a very good policy and procedures the Committee asked whether there were any key corporate risks or are there were any short term risks. Mr Jelley responded that this was the Strategic Risk Register and by definition these were the key risks. It was further reported that each Board (Aspire, Estates etc.) had their own risk registers which cover the short term and lower level risks.

The Committee also sought reassurance that their responsibility under paragraph 5.11 of the report could be fulfilled:

“The Independent Joint Audit Committee will review strategic risks quarterly to ensure that the risks are being managed in accordance with the Risk Management Policy and Procedures and that the assurance measures in place for each risk provide adequate assurance that the control measures in place are effective in managing the risk.”

After debating this point it was proposed that this issue could be the subject of a further workshop where the Committee would have the opportunity to delve more deeply behind some of these risks to aid its understanding.

A final question was raised on what level of assurance could be given that these procedures are linking in to audit recommendations. In response Richard Baldwin emphasised that work was still ongoing in developing a more enhanced and open system.

In conclusion the chair re-iterated that the Policy and Procedures the Force had for Risk Management were very good.

The Committee **noted** the report.

ACTION POINTS	
John Neilson	To consider the request for further workshops and how these could be organised. Should these be arranged, Risk Registers to be included on the Agenda.

7. HMIC REPORTS

Martin Jelley summarised recent activity by Her Majesty's Inspectorate of Constabulary. The topics covered included:

- **Inspection Activity December 2014 onwards**
 - Integrity Matters
 - Fatal Road Traffic Joint Inspection
 - Stop-search
 - Identification of Vulnerability in Case Files (VICF)

- **Inspection activity anticipated in 2015**
 - Consultation on HMIC's proposed 2015/16 Inspection
 - PEEL
 - Vulnerability thematic
 - Honour Based Violence thematic
 - CPMG-related

Prior to the meeting Martin Pettitt had circulated an e-mail which raised 4 questions.. Sean Bell provided a comprehensive response to these items. The topics raised included:

- Crime Data Integrity
- PEEL Assessment
- Integrity Matters
- VFM Profiles

The Committee **noted** the report.

ACTION POINTS	
Gary Jones	To arrange a meeting for all interested members to go through the results of the VFM profiles.

8. DRAFT TREASURY MANAGEMENT POLICY

Gary Jones introduced the report stating that the policy had to be approved by the Police and Crime Commissioner. The Audit Committee was the delegated body for the Commissioner for scrutinising this document. The following items were raised:

Appendix 4 – page 21

In response to a question regarding the amount (£30m) which can be invested within one organisation, Gary Jones stated that although this was a theoretical possibility it would never happen in practice. It was agreed that this would be re-worded.

Debt Rescheduling - Para 8 page 11

It was agreed that reference made to the Police and Crime Panel was incorrect and this should be the Joint Independent Audit Committee.

Prudential Guidelines – Appendix 3 page 17

A question was raised regarding the mechanics should it prove necessary for the financial limits to be changed in year. Whilst acknowledging this would be a rare occurrence, John Neilson stated that this would need a formal decision by the Commissioner based on the advice and recommendation of himself (as Chief Finance Officer). Consultation with the Chair of this Committee would also be undertaken.

Other points

Members offered to provide feedback to Gary Jones on more detailed points.

ACTION POINTS	
Gary Jones	To amend the report based on feedback and to arrange sign off of the policy through the Committee Chair.

9. DRAFT INTERNAL AUDIT PLAN

Patrick Green introduced the report stating that the Plan had been drafted following sessions with the Chair and staff of both the Force and OPCC. He felt that this was a balanced programme especially with the significant change programme the organisations were facing. It was extremely important for the Plan to provide flexibility.

Martin Pettitt raised concerns over 3 audits he felt were too late in the programme: NICHE, Data Quality and Child Protection. In response it was reported that as these are subject to HMIC inspections there was a strong possibility of duplication. It was for this reason these subjects were included later in the programme. However as the programme progresses it was important for it to be flexible.

The same principle applied to Specials/Volunteers which had been subject to a review by Patrick McGhee, a non Executive Director on the Aspire Board. The report had been circulated to members of the Committee.

In conclusion John Beckerleg commented that the individual audits showed there were good practices within the organisations but enquired as to whether the auditors could include examples of benchmarking or good practice elsewhere in their reports. Patrick Green agreed to see if this was possible.

The Committee **agreed** the Plan for 2015-16 and to keep the following years under review.

ACTION POINTS	
Patrick Green	To investigate the request to include good practice from other Forces/OPCCs within future reports.

10. INTERNAL AUDIT PROGRESS REPORT

Patrick Green introduced the report and the following points were discussed:

- Collaboration – due out this week
- Key Financials – Very good report

Concern was raised over the comment over IT assets as a potential area for a financial loss and if this was material. A discussion was held over what was an appropriate level for materiality (individual and total). There would be a different materiality level affecting the accounts as opposed to a materiality value for individual assets.

The Committee **noted** the report.

11. IMPLEMENTATION OF AUDIT RECOMMENDATIONS

a) Force

Gary Jones introduced the report and the following points were discussed:

Collaboration – In a response to a question on how to move this forward the Chief Constable stated that it was extremely problematic to get assurance across different organisations and quite often comes down to individual relationships. The national initiative may be of assistance. Governance is very complex and there was room to get better. A suggestion was made for collaboration to be on the agenda of a future workshop.

Change Management – Concern was raised that the status on nearly all the recommendations were red. Ryan Doyle had only recently been appointed

and progress on the documentation was now being made. A report was programmed for the next Aspire Board.

The Committee **noted** the progress the Force was making with implementation of audit recommendations.

b) OPCC

John Neilson introduced the report and the following points were discussed:

Estates – There was duplication as this appeared on both the Force and OPCC reports. John Neilson stated that on advice he was given for the last meeting he had reported that Procurement was satisfied with the process which had been followed. However he had now learned that this was not entirely the case and Procurement had raised some concerns. A meeting with Procurement had been arranged and he was confident that the issues would be resolved satisfactorily

The Committee **noted** the progress the OPCC was making with implementing audit recommendations.

12. EXTERNAL AUDIT PROGRESS REPORT

Andy Cardoza introduced the report.

The Chief Constable challenged the wording “significant risk” on the VFM audit approach on page 3. After a long debate Andy Cardoza agreed to change the wording to “potential risk”.

TK explained that the Audit Committee had insufficient knowledge about how strategic priorities were decided and subsequently monitored for opportunity cost, to be sure about the soundness of the processes which form the governance of VFM. The Chief Constable explained that he was not accountable to the JICC for strategic decisions but was happy to be involved in helping the Committee better understand the framework for ensuring VFM, as this is part of their remit.

It was agreed to provide the Committee with access to the HMIC questions on Governance and VFM.

The Committee **noted** the report.

ACTION POINTS	
Andy Cardoza	To change the wording on the VFM audit approach on page 3 from “significant risk” to “potential risk”.
Gary Jones	To circulate the HMIC questions on Governance and VFM to the Committee.

13. PROGRESS WITH ANNUAL GOVERNANCE STATEMENT ACTIONS

b) OPCC

John Neilson introduced the report and expanded on the current position regarding the Transformation/Aspire Board.

It was emphasised that this was still a journey and linked closely to the Assurance Map

The Committee **noted** the progress the OPCC is making with the Governance Statement actions.

14. FINANCE DASHBOARD

Gary Jones introduced the report.

In response to a question on the Estates 2nd Phase Gary Jones informed the Committee that this could be split in to two sections:

- Northern Accommodation Hub – currently in design stage and procurement due in September 2015.
- Estates Master plan – On going with 2 options currently under consideration.

The Committee **noted** the report.

15. PERFORMANCE DASHBOARD

Martin Jelley introduced the report and gave a comprehensive briefing on key issues within it.

The fall off within the satisfaction indicators has been caused by the work moving from the Force to the University and the initial results being based on a very low volume. This had been recognised and was being addressed.

The apparent increase in violent crime was debated and whilst the trend was concerning it was reported that the crime recording changes had affected the results and that Northamptonshire would be through this by the end of March 2015. Supporting indicators such as murder and hospital admissions were not increasing.

The Chief Constable stated that there was too much violent crime within Northamptonshire and this was a continuing message to his Officers.

16.MTFP – REVENUE AND CAPITAL BUDGETS

John Neilson introduced the verbal report and drew attention to the material change which had occurred between consulting on the precept with the Police and Crime Panel on 3rd February 2015 and the Commissioner's approved budget for 2015-16.

Notification of a significant increase in the tax base was not received until after the meeting of the Police and Crime Panel. Although an allowance had been made for a small increase in the tax base of 0.8%, the eventual reported increase was 3.1%. This has resulted in additional funds of approximately £1m becoming available to the Commissioner. No firm commitment had been made regarding these monies but the Commissioner had indicated that they could be used to help protect vulnerable children.

The process for planning for such tax base changes in future years will be improved.

The Committee **noted** the report.

17.ASSURANCE MAPPING

John Neilson introduced the report emphasising this was very much work in progress and assurance mapping was an evolving process.

A discussion was held regarding how the Committee works with these assurance maps and whether it should be through workshops or on the Committee Agenda.

The Committee **noted** the report.

ACTION POINTS	
John Neilson	In consultation with the Chair to explore and decide upon the most appropriate way to take this topic forward.

18.ITEMS FOR ESCALATION TO THE COMMISSIONER AND/OR THE CHIEF CONSTABLE

The Chair of the Committee to determine whether to alert the Commissioner and Chief Constable to any issues.

19. AGENDA PLAN FOR NEXT FOUR MEETINGS

Steve Dainty introduced the report.

The Committee felt that the Agenda was very large but, at the same time, would like the opportunity to examine some areas in more detail.

Treasury Management only to appear twice in the year

With the exception of the above the Committee **agreed** the Agenda Plan.

ACTION POINTS	
Steve Dainty	Explore how the Agenda could be streamlined whilst at the same time providing the opportunity for members to examine subjects in more detail.
Steve Dainty	Amend the plan to reflect Treasury Management appearing twice a year rather than at every meeting.

20. DATE AND VENUE OF NEXT MEETING

10:00am 24th June 2015 at Greenwell Room Force HQ Northampton.

21. OTHER URGENT BUSINESS

None

22. RESOLUTION TO EXCLUDE THE PUBLIC FROM THE MEETING

The Chair moved the following resolution:

“That under Section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that if the public were present it would be likely that exempt information under Part 1 of Schedule 12A of the Act of the descriptions against each item would be disclosed to them”.

The Committee **approved** the resolution.

[The minutes of the remaining items of business are recorded separately in another document]

END

SUMMARY OF ACTION POINTS – 3RD March 2015

Minute Item	Item	Officer	Officer
5	Matters Arising Action Log	Item 8 – Change the Status from closed to Open as owing to the postponement of the seminar for Audit Committee Chairs being cancelled, the Chair has not yet had to opportunity to raise this issue with his fellow chairs	Steve Dainty
6	Force Strategic Risk Register	To consider the request for further workshops and how these could be organised. Should these be arranged, Risk Registers to be included on the Agenda.	John Neilson
7	HMIC Reports	To arrange a meeting for all interested members to go through the results of the VFM profiles.	Gary Jones
8	Draft Treasury Management Policy	To amend the report based on feedback and to arrange sign off of the policy through the Committee Chair.	Gary Jones
9	Draft Internal Audit Plan	To investigate the request to include good practice from other Forces/OPCC's within future reports.	Patrick Green
12	External Audit Progress Report	To change the wording on the VFM audit approach on page 3 from “significant risk” to “potential risk”.	Andy Cardoza
		To circulate the HMIC questions on Governance and VFM to the Committee.	Gary Jones
17	Assurance Mapping	In consultation with the Chair to explore and decide upon the most appropriate way to take this topic forward.	John Neilson
19	Agenda's Plan For Next Four Meetings	Explore how the Agenda could be streamlined whilst at the same time providing the opportunity for members to examine subjects in more detail.	Steve Dainty
		Amend the plan to reflect Treasury Management appearing twice a year rather than at every meeting.	Steve Dainty

JOINT INDEPENDENT AUDIT COMMITTEE

24th June 2015

Matters Arising Log

Meeting held on 3 rd December 2014				
Minute	Action	Who	Comment	Status
8	To raise the urgency of the Joint Assurance Framework with his fellow Chairs	JB	Seminar for Audit Committee Chairs was cancelled	Open
Meeting held on 3 rd March 2015				
5	Item 8 3 rd December 2014 – Change the Status from Closed to Open as owing to the postponement of the seminar for Audit Committee Chairs being cancelled, the Chair has not yet had to opportunity to raise this issue with his fellow chairs	JB	See above	Open
6	To consider the request for further workshops and how these could be organised. Should these be arranged, Risk Registers to be included on the Agenda.	JN	Three workshops have now been organised: 21 st May 2015 9 th Nov 2015 18 th January 2016	Closed
7	To arrange a meeting for all interested members to go through the results of the VFM profiles.	GJ	Background Information provided to Martin Pettit from HMIC Inspection. Will pick up with MP in meeting on 15 th June.	Closed
8	To amend the draft Treasury Management report based on feedback and to arrange sign off of the policy through the Committee Chair.	JN	Owner amended from GJ to JN. Strategy in final stages and will be submitted to the chair June 15.	Open
9	To investigate the request to include good practice from other Forces/OPCCs within future reports.	PG		Closed
12	To change the wording on the VFM audit approach on page 3 from “significant risk” to “potential risk”.	AC		Closed
12	To circulate the HMIC questions on Governance and VFM to the Committee.	GJ	Completed 7 th June	Closed
17	In consultation with the Chair to explore and decide upon the most appropriate way to take this topic forward.	JN	Included on workshop Agenda	Closed
19	Explore how the Agenda could be streamlined whilst at the same time providing	SD		Closed

	the opportunity for members to examine subjects in more detail.			
19	Amend the plan to reflect Treasury Management appearing twice a year rather than at every meeting.	SD		Closed

JB - John Beckerleg

JN - John Neilson

GJ - Gary Jones

SD - Steve Dainty

PG – Patrick Green

AC – Andy Cardoza

Author:

Steve Dainty



Annual Governance Statement for the Chief Constable of Northamptonshire Police

This statement is a key corporate document, wider than financial governance alone, and brings together legislative requirements, governance principles and management processes. This Annual Governance Statement (AGS) is based on the CIPFA Delivering Good Governance Framework.

The position is as at 31 March 2015, including plans for financial year 2015/16.

1. SCOPE OF RESPONSIBILITIES

Northamptonshire Police Force ('the Force'), must ensure that its business is conducted legally and that public money is safeguarded, accounted for and used economically, efficiently and effectively. The Force has a legal duty to secure continuous improvement in the way which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Force is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Force has adopted a Code of Corporate Governance, which is consistent with the principles of CIPFA/ SOLACE Framework: *Delivering Good Governance in Local Government*. A copy is on the ONPCC website at www.northantspcc.org.uk or can be obtained from The Director of Resources, Transformation and Governance, Northamptonshire Office of the Police & Crime Commissioner, Force Headquarters, Wootton Hall, Mereway, Northampton, NN4 0JQ. This statement explains how the Force has complied with the Code and also meets the requirements of Accounts and Audit (England) Regulations 2011, Regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

Throughout the period the organisation also ensured that its management arrangements conformed with the governance requirements of the CIPFA Statement on the role of the Chief Financial Officer in Local Government (2010) and its assurance arrangements are in line with the CIPFA statement on the Role of the Chief Internal Auditor (2010). This also includes having effective arrangements in place for the function of the Monitoring Officer.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems, processes, culture and values by which the Force is directed and controlled, as well as the activities through which it accounts to, engages with and leads its communities. It enables the Force to monitor the achievement of the strategic objectives, articulated in the Police and Crime Plan, and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Force's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The governance framework is in place at the Force at the year-end 31 March 2015 and up to the date of approval of the Statement of Accounts.

3. THE GOVERNANCE FRAMEWORK

For the period of 1st April 2014 until 31 March 2015 Northamptonshire Police worked with the Office of the Northamptonshire Police and Crime Commissioner (ONPCC) as set out under the Police Reform and Social Responsibility Act 2011 (PRSA) and the Policing Protocol Order 2011.

Under the PRSA the Force became a corporation sole, therefore the Chief Constable continues to be responsible for all operational policing matters, the direction and control of police personnel, and for putting in place proper arrangements for the governance of the Force. The Chief Constable is required by statute to appoint a person to be responsible for the proper administration of the Force financial affairs (S151 officer).

The post that holds this responsibility is the Head of Finance and Asset Management. The ONPCC hold the Chief Constable to account for his policing responsibilities and it follows that ONPCC must be satisfied that the Force has mechanisms in place for the maintenance of good governance, and that these are effective in practice.

The Force and ONPCC were required to formalise the arrangements under the PRSA through a stage 2 transfer order, signed off by the Home Secretary and coming into effect on 1st April 2014 to be effective for the 1st time in 2014-15.

Our vision is:

"To Make Northamptonshire the Safest Place in the Country"

Objectives and Targets

The Police and Crime plan published in March 2013, set out the strategy for policing the County and the vision for Northamptonshire Police Force. The strategic outcomes we desire are:

- **A reduction of at least 40% in violent crime**
- **There will be a focus on eradicating drugs and reducing acquisitive crime**
- **Antisocial behaviour will be robustly and intelligently tackled**
- **Northamptonshire will have a more visible police force**
- **Northamptonshire will be a secure place**
- **Northamptonshire will have the safest roads**

These outcomes enabled the Force to focus our resources on five key strategic themes:

- Reducing all Crime
- Increase our resolution rate
- Reduce Violence against the person
- Reduce Serious and Acquisitive crime volumes
- Protecting Vulnerable People

Monitoring Performance

Within Force, the Executive Group (All Chief Officers and the Departmental Commanders), supported by the Strategic Tasking and Coordination Group will assess and prioritise strategies for the delivery of policing services and lead in developing the organisation to meet current and future Policing demands.

Delivery and review within the Force is through the Chief Officers' Group (COG) chaired by the Chief Constable and the supporting meetings chaired by a Chief Officer:

- **Strategic Tasking and Co-Ordination Group** is chaired by the Deputy Chief Constable (DCC). Both Assistant Chief Constables (ACC's), Departmental Commanders and Department Heads attend these quarterly meetings to examine performance against the organisation's strategic assessment and control strategy, making strategic resourcing decisions based on known intelligence, performance and the resources available. A robust risk management scoring and prioritisation system is used by this group.
- **Monthly Performance and Tasking** is chaired by the Deputy Chief Constable. All operational Commanders and Superintendents, Head of Corporate Services, Head of Finance and Asset Management and Head of Organisational Delivery attend these monthly meetings, where performance is scrutinised and issues are tasked to be resolved.
- **Strategic Workforce Planning** is chaired by the Deputy Chief Constable. Both ACC's, Departmental Commanders, Head of Finance and Asset Management, Head of Organisational Delivery, Head of HR, Unison and the Police Federation attend these meetings. This body scrutinises and leads how the organisation plans and delivers a workforce fit for delivering the policing objectives in the future.
- **Aspire Board** is chaired by the Deputy Chief Constable and has oversight of the transformational change programmes in the Force.
- **Interoperability Board** is chaired by the Assistant Chief Constable, to deliver the integration of the force and Northamptonshire Fire and Rescue, improving our service to our community.

Her Majesty's Inspectorate of Constabulary (HMIC) also continuously monitors the force performance against other forces and carries out inspections of the force for themes agreed with the Home Secretary.

Measuring the quality of services for users

The ONPCC carries out telephone surveys with victims of crime and also undertakes a general public attitude survey, which measures the opinions of members of the public about policing across the County. The victim surveys now incorporate all Hate Crimes, in

order to get broader feedback on quality of service beyond Racist Incident/Crime victims.

The Force has also undertaken programmes of consultation with other groups of service-users, including domestic abuse, child abuse and serious RTC victims and families, in order to provide an insight into quality of service beyond the standard groups normally covered by the telephone surveys.

Individual Safer Community Teams are concentrating on priorities set by their local communities. The results of these are monitored by the Monthly Tasking and Performance meeting.

The Force's Professional Standards Department also sends out surveys to complainants and monitors the feedback obtained.

Risk Management

The Force continues to implement and embed risk management arrangements across the organisation.

The Deputy Chief Constable has established a Professional Standards and Security Board to ensure Force risks are monitored and mitigated. All commands and departments maintain their own risk registers. The corporate risk register is presented to the Chief Officer Group on a quarterly basis, for discussion and awareness.

Roles and Responsibilities

The Force ensures that staff and officers work together, with clearly defined functions and roles, to achieve a common purpose, through the schemes of delegation approved by the ONPCC.

The Force has in place:

- A framework of statutory and local delegated powers, procedures and regulations
- The Chief Constable holds a bi-monthly performance meeting with the PCC, the minutes of which are made public.
- Officers and staff allocated to PCC meetings to present reports and answer questions as appropriate. For example, the Assistant Commissioner for Resources (ONPCC) and the Head of Corporate Services (Force) meet regularly to discuss finance, budget planning, the Force change programme, contracts and written reports about Finance are given to the ONPCC bi-monthly.
- A designated liaison officer between the Force and the ONPCC providing a single point of contact
- Effective and professional communications for the Force and the ONPCC via the Communications Department including reactively and proactively representing the ONPCC interests to the media.
- Well publicised codes of conduct for both officers and staff with the code of conduct for officers regulated by police regulations and an effective disciplinary process for breaches of Code of Conduct, managed by the Professional Standards Department. Sign up and adoption of the new Code of Ethics.

Compliance

The Force will ensure compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.

The Chief Constable and Force S151 Officer (Head of Finance and Asset Management (CFO)), have legal and professional responsibilities in this respect, assisted by assurances from internal and external audit. The Joint Audit Committee undertakes the core functions of an audit committee as defined by CIPFA.

During 2014-15 the Force had 8 assurance reviews of which all 8 gave substantial (4) or reasonable (4) assurances of control. Of the 3 follow up audits there were 2 substantial and 1 reasonable assurance of control. There are checks and balances built into the financial procedures to ensure that expenditure is lawful, and this is underpinned by financial regulations which apply to each officer and employee of the Force. Departmental Heads and the relevant process groups are responsible for ensuring the Force policies and procedures are lawful.

Having reviewed all of the Internal Audit reports for the year, the Force is actively looking to improve processes where possible. The main focus of work over the forthcoming year will be;

- The OPCC / Force are currently reviewing the manner in which it delivers its services. Considerable Internal Audit resource has therefore been set aside to support the OPCC / Force in managing the risks the change brings.
- A high level review of the overall IT arrangements in place to support service delivery and, in particular, the impact of the change programme. Consideration will be given to providing assurance with regards key IT risks, such as those relating to data security, IT policies and procedures, network infrastructure and application controls.
- Work with the East Midlands region to ensure the Governance and financial framework is improved. Work will continue on rolling out the recently developed assurance mapping process.
- Following the publication of the report commissioned by the Transformation Board, Internal Audit will follow-up on issues coming out of the report.

Officers and staff employed by the force are expected to adhere to the highest standards of conduct and personal behaviour. The requirements of officers are set out in Schedule 2 of the Police (Conduct) Regulations 2012. The requirements of Police staff are set out in the Police Staff Council Standards of Professional Behaviour document.

The Force has internal procedures managed by Professional Services Department for complaints by both officers and staff, and for members of the public to use. The Force is also regulated by the Independent Police Complaints Commission (IPCC), an external body that has the power to investigate the Force.

A Public Interest Disclosure (whistle-blowing) policy is in place to protect any employee who may wish to raise concerns of public interest.

4. REVIEW OF EFFECTIVENESS

The Force has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework, including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the Force who have responsibility for the development and maintenance of the governance, the

head of internal audit's Annual Report, and also by comments made by the external auditors and other review agencies and inspectorates.

The governance between the Force and the ONPCC has continued to be refined as has the Force framework to ensure the governance remains robust and effective. This has included the Scheme of Consent and a review of leadership and membership of all strategic meetings, and the outcomes being achieved by the Force.

For 2014-15 Baker Tilley(internal audit) concluded:

In our opinion, based upon the work we have undertaken, for the 12 months ended 31 March 2015 Northamptonshire Police has adequate and effective risk management, control and governance processes to manage the achievement of the organisation's objectives.

In our opinion, based upon the work we have undertaken, for the 12 months ended 31 March 2014 Northamptonshire Police has adequate and effective risk management, control and governance processes to manage the achievement of the organisation's objectives."

We have been advised on the implications through internal and external audit, and through our own internal review by the Executive Group, that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined below.

5. SIGNIFICANT GOVERNANCE ISSUES IN 2014-15

There have been no significant governance issues during 2013-14. However, the Force will continually try to improve the governance framework both within the Force and the linking into the ONPCC, and the regional governance framework.

Mr Adrian Lee
Chief Constable of Northamptonshire Police Force

Mr G R Jones
CFO Head of Finance and Asset Management
Northamptonshire Police Force

On behalf of the senior officers Northamptonshire Police Force

Draft
To be further developed by 30th September 2015

AUDIT COMMITTEE 24th June 2015

**DRAFT ANNUAL GOVERNANCE STATEMENT OF THE OFFICE OF THE
POLICE COMMISSIONER FOR NORTHAMPTONSHIRE for 2014-15.**

1 Scope of responsibility

Police and Crime Commissioners are Corporations sole, created by the Police Reform and Social Responsibility Act 2011.

Under the provisions of that Act, Commissioners must secure the maintenance of a police force for their area, and secure that the police force is efficient and effective. The Commissioner must hold the Chief Constable to account.

The Commissioner must issue a Police and Crime Plan within the financial year of their election, and keep that plan under review, produce an annual report on the exercise of the Commissioner's functions and the progress which has been made in the financial year in meeting the police and crime objectives in the Police and Crime Plan.

The Commissioner must maintain a single Police Fund, and must keep accounts of that Fund. Commissioners also have the power, previously conferred upon Police Authorities, to issue a precept, thus allowing council tax to be levied to fund the police.

The Commissioner is responsible for ensuring that the business of the Commission is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, the Commissioner is responsible for putting in place proper arrangements for the governance of the Commission's affairs including the management of risk, and facilitating the effective exercise of its functions.

The Commissioner has approved and adopted a Corporate Governance Framework, comprising the Code of Corporate Governance, Scheme of Governance and the Decision Making Policy, which were approved by the Commissioner through his Executive Order 21 dated 25th April 2013.

This Framework is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government.

These documents and the Executive Order are published on the Commission's website at northantspcc.org.uk or can be obtained from the Monitoring Officer, Office of the Northamptonshire Police Commissioner, Wootton Hall, Northampton, NN4 0JQ.

This statement explains how the Commissioner has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

2 The purpose of the governance framework

CIPFA in its document 'delivering good governance in local government: Guidance Note for Police' states:

"Good governance is about how those responsible for the service ensure they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner"

Governance comprises the systems and processes, culture and values by which the Commission is directed and controlled and the activities through which it accounts to, engages with and leads its communities, to achieve success as measured by the delivery of the outcomes set out in the Police and Crime Plan and the demonstrable confidence of stakeholders.

It enables the Commission to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of effective services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Commission's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

3 The governance framework

The Commission's Corporate Governance Framework is grounded in the *Good Governance Standards for Public Services*, which in turn build on the *Nolan Principles*. Six principles of good governance for public services are set out in the CIPFA / SOLACE Good Governance Framework:

1. Developing and promoting the Commission's purpose and vision;

2. Leaders, officers and partners working together towards a common purpose;
3. Promoting the values of the Commission, demonstrating the values of good governance, upholding high standards of conduct and behaviour;
4. Taking informed and transparent decisions which are subject to effective scrutiny and risk management;
5. Developing the capacity and capability of the Commission to be effective;
6. Engaging with local people and other stakeholders to ensure robust public accountability.

4 Review of effectiveness

Background

The Commissioner has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework including the system of internal control.

The review of effectiveness will normally be informed by the work of the managers within the Commission who have responsibility for the development and maintenance of the governance environment, Internal Audit's annual assurance report and also by comments made by the external auditors and other review agencies and inspectorates, principally Her Majesty's Inspectorate of Constabulary [HMIC], and the work of the Audit Committee.

Details of the Review and Conclusions

This is the Commissioner's third Annual Governance Statement.

The Commissioner's governance arrangements are intended to deliver the outcomes set out the Police and Crime Plan, which are focussed on prevention, change and transformation.

In 2014-15 the Commissioner has made progress with a wide range of policy initiatives:

Notably:

- Continued to protect the policing frontline; Northamptonshire has more police officers today than four years ago
- Invested more money in the fight against the abuse of children and those sexually exploited

- Invested more money into technology to fight crime
- Invested in the Online Safety and protection of our children
- Fundamentally reformed 'Stop and Search'
- Enabled a policy of 'Home & Safe' to keep victims of domestic violence in their own home
- Listened to the voices of victims and making their Voice count;
- Bringing fire and police closer together, which will give greater care and stronger service to communities
- Embedding evidence-based practise in the everyday and investing in policing's future
- Creating 21st century buildings, purpose-fit and in the right place
- Reduced the impact of illegal drugs and legal highs
- Winning the war against car theft
- Solving and sorting Anti-Social Behaviour with one call
- Co-ordinated Rural Action against crime and disorder across Northamptonshire
- We have a growing cadet force full of youth and vitality and purpose
- 999 and 101 are better than ever
- We have thousands of volunteers
- Investing in the power of restorative justice
- Invested in faith and community groups that are fighting crime and making neighbourhoods safer
- Engaged directly with over 25,000 people in the last 4 years
- Helping to increase road safety and provide support to road victims
- Reducing youth crime.

These successes are testament to effective governance.

The Commissioner's governance arrangements are reviewed annually, and additional assurance on the effectiveness of these can be taken from the unqualified opinion on the Accounts for 2014-15 **TBC** from the external auditor; and the Annual Assurance Report of the Internal Auditor, presented to the Audit Committee on 24th June 2015, which states:

For the 12 months ended 31 March 2015, based on the work we have undertaken, our opinion below details the adequacy and effectiveness of your organisation's risk management, internal control and governance.

In our opinion, based upon the work we have undertaken, for the 12 months ended 31 March 2015, the Police and Crime Commissioner for Northamptonshire has adequate and effective risk management, control and governance processes to manage the achievement of the organisation's objectives

The Audit Committee itself is a further source of assurance.

The Chair of the Audit Committee presented a self-assessment of the work of the Committee in 2014-15 to the Committee's meeting on 24th June 2015.

It concluded:

There are some aspects of the work of the Committee which are still developing. This will continue and will improve the Committee's effectiveness. A critical issue continues to be whether the Committee, in undertaking its work, is making a beneficial impact on the work of the Force and OPCC.

Following the self-assessment work described, there are some specific aspects which the Committee will wish to take forward in 2015-16, including:

- a. Exploring how the Committee is held to account by the Force and OPCC;*
- b. Undertaking a skills audit and following this through with planned training as required;*
- c. Seeking involvement with partner audit committees;*
- d. Planning to review the effectiveness of internal and external auditors; and*
- e. Planning work around the Committee's responsibility on counter fraud.*

The review of the OPCC governance arrangements considered the extent of compliance of the Commission with each of the six principles set out in section 3, above, by:

- Assessing the completeness and timeliness of the formally approved documentation comprising the Commission's Corporate Governance framework;
- Confirming actions previously identified to strengthen the framework have been implemented;
- Identifying gaps and weaknesses that need to be addressed; and ensuring plans are in place so to do;
- Establishing the extent of the understanding of the framework of the managers responsible for working with it;
- Reviewing the adequacy of the assurances that are in place from both internal and external sources regarding the framework
- Assessing the extent to which success has been achieved in terms of the outcomes set out in the Police and Crime Plan
- Assessing the confidence of stakeholders in the Commission

Principle 1

Developing and promoting the Commission's purpose and vision

Overview

The Commissioner's purpose is set out in statute. His vision for Northamptonshire is set out in the Police and Crime Plan, originally approved in March 2013 and revised in late 2014.

The Plan is the bedrock underpinning the Commissioner's activity and has been widely shared internally and externally.

The aspirations set out in the Plan are the starting point for the detailed delivery plans for the Transformation Portfolio directed by the Commission and Force through the Aspire Board, the membership of which also includes representatives of the County Council and the Fire and Rescue Service, as well as an independent non-executive director.

Those aspirations are grounded in base-lined evidence at the time the Commissioner took office in November 2012 – such as the aim to reduce violent crime by 40%. Delivery plans are tested against the aspirations set out in the Police and Crime Plan.

A number of major activities to promulgate the Plan to the community and stakeholders, its aspirations and key objectives were undertaken during the year:

- Through the Commission's website and social media
- Commissioner speaking engagements at national, regional and local events;
- Engagement with a wide range of stakeholder groups

Assessment of the completeness and timeliness of the formally approved documentation

The Commission's formal documentation has been assessed against that suggested for this principle set out in CIPFA's document *Delivering Good Governance in Local Government* published in 2007 and the *Addendum* published in 2012.

The Commission has in place the recommended policies and documents.

Confirming actions previously identified to strengthen the framework have been implemented

Summarised below are the actions proposed in last year's Annual Governance Statement together with the current position.

Principle 1

- a. Refresh the Police and Crime Plan – by the Autumn of 2014;

This was done and published in September 2014.

- b. Publish a separate Medium Term Financial Plan [MTFP] for the Commission as distinct from the overall MTFP for the Commission and Force;

This was done. Separate cash limits for the OPCC were agreed and approved to 2020 and published in January 2015. Spending plans include 3% annual efficiency savings.

Conclusions on the effectiveness of governance on this principle

The Commissioner has continued to make major efforts to communicate his vision to the community and partners, and the Commission's strategy and planning processes are grounded in that vision and the revised Police and Crime Plan.

There is a wide range of feedback and consultative mechanisms in place through which the Commissioner is informed of stakeholders' views which informs decision-making.

Identifying gaps and weaknesses that need to be addressed; and ensuring plans are in place so to do;

The following actions are proposed in 2015-16 to strengthen further the Commission's governance arrangements relating to this principle:

None identified at this stage

Principle 2

Leaders, officers and partners working together towards a common purpose

Overview

The Aspire Board replaced the Transformation Board as the primary group directing the transformation portfolio.

As noted above significant progress was made in a number of key areas such as the expansion of numbers of special constables and volunteers, police-fire inter-operability, agile working and estates, and victims.

Assessment of the completeness and timeliness of the formally approved documentation

Appropriate formal documentation as suggested by CIPFA is in place.

Confirming actions previously identified to strengthen the framework have been implemented

Summarised below are the actions proposed in last year's Annual Governance Statement together with the current position.

Principle 2

- a. Strengthen the effectiveness of the Commissioner's Board for Transformation and Delivery informed by a fundamental review of all aspects of governance of the Transformation Portfolio – by Autumn 2014;

The Board was abolished and replaced by the re-configured Aspire Programme Board in August 2014.

- b. Ensure the regional initiative on middle and back office functions is effectively governed – by Autumn 2014

Baker Tilly completed an initial piece of work in March 2015. They are now engaged on a second review of Learning and Development. The intention is this will inform a systematic review of all Regional Collaborative arrangements. The Police Business Services [PBS] proposal will come forward for approval of business case in July 2015. The Niche programme is due for implementation in October 2015 in Northamptonshire. This action will be continuing in to 2015-16.

Conclusions on effectiveness of governance on this principle

An encouraging year with some real progress; however there remains significant scope for further strengthening of governance in this area, as noted in the Audit Committee self-assessment report

Identifying gaps and weaknesses that need to be addressed; and ensuring plans are in place so to do;

The following actions are proposed in 2015-16 to strengthen further the Commission's governance arrangements relating to this principle:

1. A continuing focus on strengthening regional governance arrangements – specifically building on the current review being undertaken by Baker Tilly;
2. Review of the overall relationship between the OPCC and the Force in the context of the appointment of a new Chief Constable, anticipated to be made in June 2015;
3. A major programme to take further the work towards the integration of Police and Fire services.

Principle 3

Promoting the values of the Commission, demonstrating the values of good governance, upholding high standards of conduct and behaviour

Overview

The Commissioner and the Chief Executive aspire to lead an organisation that is passionate about delivering real and sustainable transformational change across the Criminal Justice System, and an organisation that works day to day to the highest standards of integrity.

Assessment of the completeness and timeliness of the formally approved documentation

The suggested documentation is in place, with the approval of the Commission's Anti-fraud and Corruption policy during the year.

Confirming actions previously identified to strengthen the framework have been implemented

Summarised below are the actions proposed in last year's Annual Governance Statement together with the current position.

Principle 3

- a. A new approach to the management and development of Commission staff will be developed [the Commission's People Strategy].

This has been deferred for the time being. However a number of re-configurations of roles and responsibilities have taken place, identifying key deliverables of staff over the remainder of the Commissioner's term of office.

- b. The Chief Executive has established a new officer group within the Commission to take responsibility for improvements to the governance framework and processes and delivery of agreed changes.

This has been re-scheduled – it is now the intention to make significant progress over the summer of 2015.

- c. A greater focus on Anti-fraud and Corruption, including the approval of a revised policy for the Commission.

This policy was approved on 27th May 2015

Conclusions on effectiveness on this governance principle

There is always room for improvement on these issues. The Commission adopts a continual questioning and self-challenging approach – for example by seeking to minimise the number of confidential items on Audit Committee agenda, continually pressing for improved governance arrangements across arrangements with partners and stakeholders and seeking to be as open as possible on information disclosure.

Identifying gaps and weaknesses that need to be addressed; and ensuring plans are in place so to do;

The following actions are proposed in 2015-16 to strengthen further the Commissions' governance arrangements relating to this principle:

1. Based on the findings of a managerial review undertaken in early 2015, a comprehensive review of the Commission's governance documentation will be undertaken, provisionally for completion by December 2015;

Principle 4

Taking informed and transparent decisions which are subject to effective scrutiny and risk management

Overview

Decision making protocols have been strengthened and there has been significant progress on assurance mapping. A formal Risk Management Policy for the Commission was approved.

Assessment of the completeness and timeliness of the formally approved documentation

The recommended documentation is in place.

Confirming actions previously identified to strengthen the framework have been implemented

Summarised below are the actions proposed in last year's Annual Governance Statement together with the current position.

Principle 4

- a. Audit Committee Terms of Reference will be reviewed at the meeting of the Committee in June 2014, and recommendations will be made to the Commissioner and Chief Constable for approval;

Proposed revisions were considered by the Audit Committee in June 2014 and subsequently changes were agreed by the Commissioner and Chief Constable.

- b. A formal Risk Management policy will be developed and approved during 2014;

During the year the Audit Committee were consulted on a draft policy which was subsequently agreed for the OPCC in April 2015.

- c. Further work to develop a comprehensive 'Assurance Map' will be shared with the Audit Committee during 2014.

The Audit Committee received and considered a draft map in December 2014 and discussed again informally in May 2015. The map will be taken to each Audit Committee meeting from June 2015.

Conclusions on effectiveness on this governance principle

This improved significantly during the year, but is not yet fully mature.

Identifying gaps and weaknesses that need to be addressed; and ensuring plans are in place so to do;

The following actions are proposed in 2015-16 to strengthen further the Commission's governance arrangements relating to this principle:

1. Further work to develop the potential added value of the 'Assurance Map' over the next financial year will be shared with the Audit Committee.

Principle 5
Developing the capacity and capability of the Commission to be effective

Overview

This principle is focussed on the building both internal and external capacity and capability to take forward the Commission's agenda.

A number of changes to the roles of staff both in terms of business areas and managerial responsibilities were made during the year.

Assessment of the completeness and timeliness of the formally approved documentation

The Commission does not currently have in place a formal Training, Development and Succession Plan, nor a formal Induction Programme.

Confirming actions previously identified to strengthen the framework have been implemented

Summarised below are the actions proposed in last year's Annual Governance Statement together with the current position.

Principle 5

- a. Develop a comprehensive "People Strategy", embracing Training, Development and Succession Planning, and a formal Induction Programme.

This has been deferred in these terms. However a number of re-configurations of roles and responsibilities have taken place, identifying key deliverables of staff over the remainder of the Commissioner's term of office.

Conclusions on effectiveness on this governance principle

The Commission has made progress in 2014-15; but effectiveness can be further enhanced through more formally approved and implemented strategies of making best use of its staff, as noted above.

Identifying gaps and weaknesses that need to be addressed; and ensuring plans are in place so to do;

The following actions are proposed in 2015-16 to strengthen further the Commission's governance arrangements relating to this principle:

1. See Principle 2, action 2, above.

Principle 6

Engaging with local people and other stakeholders to ensure robust public accountability

Overview

The Commissioner is ultimately accountable to the public. He has set out his vision and aspirations and priorities in the Police and Crime Plan, which was widely consulted upon across stakeholders. He provides regular reports on progress to the Police and Crime Panel, and as noted above the Commission has in place and continues to develop a wide range of stakeholder networks and use of the widest possible range of media channels to engage and inform.

The Commissioner strives to take decisions using high quality relevant information in a transparent manner to reduce risk and deliver value for money.

The Commission is still a relatively new entity in the public policy and service landscape and both the Commission and stakeholders continue to explore and better understand their respective spheres of influence and to develop more effective working relationships.

Assessment of the completeness and timeliness of the formally approved documentation

The formally approved Police and Crime Plan is in place. The Commissioner published his *Decision Making Policy* on 25th April 2013.

The *Transparency Index* on the Commission's website gives links to a comprehensive range of documentation including the *Decision Making Policy*.

Confirming actions previously identified to strengthen the framework have been implemented

Summarised below are the actions proposed in last year's Annual Governance Statement together with the current position.

Principle 6

- a. Develop further the leadership capacity of the Commission in conjunction with the over-arching People Strategy [noted above]

[See the note on the action under principle 5, above]

Conclusions on effectiveness on this governance principle

The formal infrastructure and documentation has now been established. Effectiveness in the future will be further enhanced through improving further

key relationships with stakeholders through the leadership of the Commissioner and his staff.

Identifying gaps and weaknesses that need to be addressed; and ensuring plans are in place so to do;

The following actions are proposed in 2015-16 to strengthen further the Commissions' governance arrangements relating to this principle:

None proposed at this stage.

5 Significant governance issues

It is proposed over the coming year to further enhance the Commission's governance arrangements through the actions set out above. For convenience these are set out below:

Principle 2

1. A continuing focus on strengthening regional governance arrangements – specifically building on the current review being undertaken by Baker Tilly;
2. Review of the overall relationship between the OPCC and the Force in the context of the appointment of a new Chief Constable, anticipated to be made in June 2015;
3. A major programme to take further the work towards the integration of Police and Fire services.

Principle 3

1. Based on the findings of a managerial review undertaken in early 2015, a comprehensive review of the Commission's governance documentation will be undertaken, provisionally for completion by December 2015;

Principle 4

1. Further work to develop the potential added value of the 'Assurance Map' over the next financial year will be shared with the Audit Committee.

6 Conclusion

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by officers, informed by the views of internal audit and the Audit Committee. The current governance arrangements and the proposals to develop and further improve them are regarded as appropriate.

The areas already addressed and those to be specifically addressed during the current year are outlined above.

We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed

Adam Simmonds
Police and Crime Commissioner for Northamptonshire

Signed

Iain Britton
Chief Executive of the Office of the Police and Crime Commissioner for Northamptonshire

END



AGENDA ITEM 8

NORTHAMPTONSHIRE POLICE AND CRIME COMMISSION and NORTHAMPTONSHIRE CONSTABULARY

JOINT INDEPENDENT AUDIT COMMITTEE

24 JUNE 2015

REPORT BY	Chair of the Joint Independent Audit Committee
SUBJECT	Annual Report 2014-15
RECOMMENDATION	To approve the report and to submit it to the Police and Crime Commissioner and Chief Constable

1. Role of the Committee

This is the second annual report of the Joint Independent Audit Committee (JIAC) created under the Home Office Financial Code of Practice for Police Services.

The purpose of the Committee is to support the Police and Crime Commissioner and the Chief Constable to discharge their responsibilities by providing independent assurance on the adequacy of their corporate governance, risk management arrangements and the associated control environments, treasury management and the integrity of financial statements and reporting. The full responsibilities of the JIAC are contained in its terms of reference.

This audit committee became operational in November 2012.

2. Committee membership

Membership of the Committee during the financial year was:

Name	Appointment	Qualifications
John Beckerleg (chair)	Appointed 1 October 2014	MA, CIPFA, MBA, SSA
Jackie Haynes	Resigned 30 November 2014	
Tony Knivett	Appointed December 2013	CQSW
Gill Newton (chair)	Resigned 30 September 2014	CBE
Martin Pettitt	Appointed December 2013	CIPFA
Gill Scoular	Appointed 1 December 2014	

3. How the Committee discharges its responsibilities

The Committee has established terms of reference derived from the CIPFA best practice model. These drive the work programme.

There is a well established approach to agenda planning.

The Committee held 4 formal meetings in the year. The meetings were open to the public with only a small minority of items being considered in private. Attendance at meetings was as follows:

Name	Attendance / Possible attendance
John Beckerleg (chair)	2/2
Jackie Haynes	2/2
Tony Knivett	4/4
Gill Newton (chair)	2/2
Martin Pettit	4/4
Gill Scoular	2/2

The Committee's meetings have been supported effectively by officers from both the Force and OPCC. In addition representatives of the Internal Auditor and the External Auditor attended the meeting.

To enable the Committee members to be effective, they need to understand the plans, priorities, programmes and issues facing the Force and OPCC. So, during the year the formal arrangements have been supplemented by a developing programme of workshops which have allowed officers to brief the Committee members on a range of topics. Areas covered have included:

- The major transformation programme (ASPIRE);
- Emerging estates strategy;
- Corporate Services review;
- Risk management, risk register and assurance mapping; and
- Medium term financial strategy.

4. Assessment of the Audit Committee's performance against its plan and terms of reference

The Committee is keen to be effective and in particular make a positive and constructive contribution to the work of the Force / OPCC and the achievement of their strategic priorities. The Committee has continued to make progress towards this aim in 2014-15 but there is more to be done.

The Committee has undertaken its responsibilities as set out within the agreed terms of reference including consideration of the:

- Assurance framework and the operation of risk management;
- Treasury Management policy and ongoing monitoring;
- 2013/14 Accounts, the Annual Governance statements (including follow up) and the external auditor's report; and

- Internal Audit Plan 2015/16, specific internal audit reports (recommendations and follow up) and the internal auditor's Annual Report for 2013/14.

The Committee has begun to consider how to discharge its responsibility regarding value for money and counter-fraud.

In the previous Annual Report the Committee set out its aims and objectives for 2014/15. These are described in Appendix A. In a number of areas (such as communications, relationships, prompt sign off of plans) which were highlighted in the previous Annual Report performance has improved significantly and this provides a better platform for the Committee's work. But some aspects require further work before the Committee will conclude that it is as effective as it could be.

The Committee has recently reviewed its effectiveness against the Chartered Institute of Public Finance and Accountancy's guidance: '*Self-Assessment of Good Practice*'. This concluded:

There are some aspects of the work of the Committee which are still developing. This will continue and will improve the Committee's effectiveness. A critical issue continues to be whether the JIAC, in undertaking its work, is making a beneficial impact on the work of the Force and OPCC.

Following the self assessment work described, there are some specific aspects which the Committee will wish to take forward in 2015-16, including:

- *Exploring how the Committee is held to account by the Force and OPCC;*
- *Undertaking a skills audit and following this through with planned training as required;*
- *Assessing possible steps to promote effective public reporting;*
- *Seeking involvement with partner audit committees;*
- *Planning to review the effectiveness of internal and external auditors;*
- *Seeking reports on the effectiveness of internal controls: and*
- *Planning work around the JIAC responsibility on counter fraud.*

5. Identification of key issues

Risk management – The risk management processes are well established and regularly monitored.

Assurance Framework - One area of focus for the Committee has been understanding the assurance framework which exists for both the force and the OPCC. Building on work done to establish the two separate risk registers, a methodology based on the HM Treasury model of 'three lines of defence' is being explored (both for internal work but also collaboration). This work will be ongoing and possibly involve exploring in depth one or two discrete areas to examine the way in which the three levels operate in practice.

Transformation – the transformation programme is very ambitious and challenging. The Committee has seen this as a major area for its attention in view on the incumbent risks, interdependencies between projects and the resource implications.

Value for money – The JIAC is responsible for considering VFM arrangements. These can take many forms: for example, within resource planning, as part of

programme management, everyday decision making. The Committee has been seeking to determine how to confirm the arrangements for value for money including using the conclusion of HMIC, internal audit and external audit.

Collaboration – there are many examples of collaborative working between forces involving Northamptonshire. The JIAC is seeking to reassure itself (and thereby the Chief Constable / Commissioner) on the underlying principles, governance arrangements and effectiveness of these arrangements. This area has not progressed as quickly as envisaged but more work involving the internal auditors and officers is planned.

6. Key issues highlighted to the Commissioner and Chief Constable

The Committee has continued to provide feedback from its meetings to the Chief Constable and the Police and Crime Commissioner. This takes the form of points raised under three headings: 'Alert, Advise, and Assure'. This feedback is now made public.

Topics covered have included:

Alert	Need to establish a secure basis for the governance of collaborative working arrangements.
Advise	Review of Medium Term Financial Strategy but seeking more detail in due course
Assure	New arrangements in respect of transformation reflect progress and an improved cohesion of governance across the programme of change. Preparation of annual accounts, including Annual Governance Statements for the Force and OPCC. Progress made against Internal Audit recommendations Performance information presented to the Committee The risk registers of the OPCC and the force Update on treasury management

7. Assessment of Internal Audit

Baker Tilly provided the internal audit service during 2014/15.

The internal audit plan for 2014/15 was approved by the Joint Independent Audit Committee in March 2014, and the Committee recommended the Commissioner and the Chief Constable to sign off the plan. This contained 15 planned audits including 1 relating to a shared IT implementation (Niche). One of these audits – relating to volunteers - was deferred since there was a separate review also being undertaken. Although some audits were not fully complete at 31 March 2015, all of the other audits will have been completed by May 2015.

It is appropriate to record here that the Force and OPCC have generally accepted the recommendations made in the internal audit reports (or explained why a particular recommendation has not been accepted). Managers have progressed the agreed

actions in most cases to the agreed timescale and the Committee continues to monitor progress until actions have been completed.

At the end of 2014/15 the chair of the Committee was involved in the regional procurement a new internal audit contract. Mazars were appointed to provide the internal audit service for the next 3 years.

8. Assessment of External Audit

The external auditor is KPMG.

The Auditor has provided an update on the work in relation to the 2013/14 accounts which led to an unqualified report on the accounts.

In addition the Auditor has presented the External Audit Plan for 2014/15.

The Committee is satisfied about the effectiveness of the external audit process.

9. Looking forward

Appendix B sets out the Aims and Priorities for the Committee for 2015/16.

10. Conclusion

The Committee has continued to develop its approach over the past 12 months. A number of key elements – communications, relationships, Committee members' understanding – have improved and provide a good basis for moving forward.

The JIAC will continue to undertake the responsibilities assigned to it in the agreed terms of reference and seek to ensure it make a constructive contribution to achieving the agreed priorities.

It will also continue to assess its own effectiveness and how this can be further improved.

The Committee wishes to record its appreciation for the support it has received from the Force and OPCC, as well as the internal and external auditors.

J Beckerleg
Chair of Joint
Independent Audit Committee

EQUALITY, DIVERSITY AND HUMAN RIGHTS IMPLICATIONS	None
HUMAN RESOURCES IMPLICATIONS	None
ENVIRONMENTAL IMPLICATIONS	None
RISK MANAGEMENT IMPLICATIONS	None
Author:	J Beckerleg – Chair of Joint Independent Audit Committee
Chief Officer Portfolio Holder:	J Neilson – Director of Resources, Governance and Transformation , OPCC; G Jones Chief Finance Officer; Northamptonshire Police

A Review of progress against the Joint Independent Audit Committee's – Aims and Objectives 2014/15

The JIAC set out its aims and objectives in its previous Annual Report. The following table provides an assessment by the Committee of progress in 2014/15.

Aims and objectives	Assessment
<p>The Committee agreed that a principal aim was to establish a clear, independent and effective role understood by the Force and the OPCC to ensure that public funds are managed appropriately.</p>	<p>In its work in formal meeting, workshops and individual discussions with officers, the members of the Committee have sought to develop and promote the role of the Committee. A shared understanding has been established which will be further enhanced over time.</p> <p>The Committee's agenda and papers are available on the Force website. Understanding of the JIAC role outside of those involved directly with the Committee is thought to be limited / non-existent and the Committee needs to decide what, if anything, further needs to be done.</p>
<p>The Commissioner is striving for the best for Northamptonshire at a time of budgetary pressures by introducing a range of innovative initiatives in the Transformation Programme. The Committee's key function as critical friend is particularly important regarding risks and pace in relation to this ambitious programme.</p>	<p>The JIAC is represented on the programme board and Committee members receive the meeting papers. The Committee has been briefed on the programme and was assured about the governance arrangements which were being developed. However, the scale of this programme is such that the Committee will wish to continue to monitor the programme to be confident about governance and risk management arrangements. The experience of the Committee members means that it is able to provide support as a 'critical friend'.</p>
<p>To gain assurance that there is good use of public funds/ value for money in the Transformation Programme and that risks are identified and managed</p>	<p>The involvement described above gives the JIAC the opportunity to gain assurance about the use of public funds / VFM.</p> <p>The Committee has been re-assured about the governance of the programme and has seen specific reports which have reviewed progress against the project objectives (e.g. on Specials).</p> <p>In other areas, the work is ongoing, for example, the Estates Strategy. A key aspect of the transformation programme is the reshaping of the properties of the Force/ OPCC so that are 'fit for the purpose'. The resulting estate programme also encompasses changes in the way employees work – agile</p>

	<p>working – which takes advantage of technological advances to minimise property costs. The first phase of the programme has been agreed; the second phase is under consideration with decisions expected mid-summer 2015. The Committee has not, until recently, felt sufficiently involved in the process to develop and implement the strategy. It is not the role of the Committee to be part of the decision making but it does have a role in exploring the governance of how decisions are made and considering the approach to securing value for money. Further briefings in 2015/16 are expected to help it to discharge these accountabilities.</p>
<p>To ensure that sufficient committee support is in place</p>	<p>Officer support for the formal meetings and the development of specific workshops has gone a long way to satisfy this objective. Whilst wanting to maintain a strategic oversight, the Committee would benefit from being included in significant briefings / updates on topics; these provide the context within which the JIAC operates. The Committee would appreciate officers being proactive in providing updates / briefings / information about topics which come within its terms of reference.</p>
<p>To ensure sufficient meeting time is allocated to audit reports and other sources of assurance in meetings</p>	<p>The Committee has an established and effective methodology to plan the agenda for future meetings. Its members have been able to allocate sufficient time to all topics but the number of agenda items is considerable. Two improvements are being examined: allocating specific topics to individual members who then lead at the formal Committee meetings and also trying to ensure the most important topics are placed earlier on the agenda and are given more time for discussion. The Committee tracks progress of any recommendations HMIC make</p>
<p>To clarify the role and contribution of Committee members at Transformation Programme meetings</p>	<p>This has been achieved (see above)</p>
<p>To establish effective scrutiny in support of good governance, including scrutiny of regional collaboration initiatives</p>	<p>This has not been achieved and remains an area of concern. The Force has agreed to collaborate with certain other police forces and other partner agencies to provide specific functions. Collaboration allows a sharing of expertise and frequently potential costs savings. However this partnership model introduces new governance arrangements and the</p>

	<p>Committee has yet to be re-assured that the arrangements are clearly defined and working well.</p> <p>Some work has been undertaken in 2014/15 by the internal auditor and further work in 2015/16 has been agreed (focussing on a particular collaboration and exploring governance related matters).</p>
To see further enhancement of the management of risk	<p>The Committee has received regular reports on the two risk registers and has considered the Force and NOPCC risk management policies.</p> <p>Work has been undertaken, as part of the development of an assurance map, to explore the measures in place to manage / monitor risk.</p> <p>Further work is required in relation to risk and regional collaboration.</p>
To gain oversight of counter fraud arrangements	<p>The Committee received a report on the Force's Professional Standards Department. Further work is required to achieve this objective in full.</p>
Agreement of new Terms of Reference (to be reviewed annually) and the Committee role	<p>To be considered by the Committee at their September 2015 meeting</p>
Treasury Management issues	<p>The Committee is responsible for ensuring effective scrutiny of the Treasury Management strategy and policies.</p> <p>The JIAC reviewed and commented on the draft Treasury Management strategy in March 2015. Scrutiny against the strategy is programmed every 6 months.</p>
To further use external sources of assurance e.g. HMIC reports	<p>The Committee is regularly updated on the main conclusions of external reports such as those from HMIC. It has taken a particular interest in aspects such as 'Data Integrity' and the Value for money profiles. Work is ongoing to maximise the benefit of these reviews to compliment the work of the auditors.</p>
To ensure proper and timely signing off of accounts	<p>Achieved</p>
To support the OPCC and the Force in the resolution of any tensions.	<p>This has not been necessary / appropriate in 2014/15.</p>

The Joint Independent Audit Committee's – Aims and Objectives 2015/16

The JIAC's proposed aims and objectives for 2015/16 are:

Aims and objectives
Continue to fulfil its accountabilities as set out in the agreed terms of reference, including communicating the role to a wider group of people and assessing possible steps to promote effective public reporting
Exploring how the Committee is held to account by the Force and OPCC
Further develop the approach to assurance mapping including examining the other potential sources of assurance (e.g. HMIC) and the extension to regional collaboration
Planning to review the effectiveness of internal and external auditor
Seeking reports on the effectiveness of internal controls
Undertake and more detailed self assessment, including a skills audit, and make appropriate changes including possible training and development
Understand the role of the Audit Committee in a) anti-fraud approaches, b) ethics and c) appointment of new external auditors
Pursue assurance in the areas of force collaboration
Seeking involvement with partner audit committees
Maintain an overview of the governance arrangements of the transformation programme
Develop its work in terms of considering the VFM arrangements



AGENDA ITEM 9

NORTHAMPTONSHIRE POLICE AND CRIME COMMISSION and NORTHAMPTONSHIRE CONSTABULARY

JOINT INDEPENDENT AUDIT COMMITTEE

24 JUNE 2015

REPORT BY	Chair of the Joint Independent Audit Committee
SUBJECT	Committee self-assessment
RECOMMENDATION	To approve the report and to submit it, including possible changes to the terms of reference and the areas proposed for further work in 2015-16, to the Police and Crime Commissioner and Chief Constable

1. Effectiveness of the Joint Independent Audit Committee (JIAC)

The terms of reference for the Committee include:

'The Committee shall annually review its Terms of Reference and its own effectiveness and recommend any necessary changes to the Commissioner and Chief Constable.'

The Chartered Institute of Public Finance and Accountancy (CIPFA) has published *'Audit Committees – Practical Guidance for Local Authorities and Police (2013 edition)'*. This includes the following in relation to the effectiveness of police audit committees:

'An audit committee's effectiveness should be judged by the contribution it makes to, and the beneficial impact it has on, the authority's business. Since it is primarily an advisory body, it can be more difficult to identify how the audit committee has made a difference. Evidence of effectiveness will usually be characterised as 'influence', 'persuasion' and 'support'. A good standard of performance against recommended practice, together with a knowledgeable and experienced membership, are essential requirements for delivering effectiveness.'

2. JIAC terms of reference

The current JIAC terms of reference are attached as Appendix A and were last reviewed in June 2014.

Whilst not an exact copy of the CIPFA suggested terms of reference (pp52-54, CIPFA 2013), they do follow the spirit of the guidance. They include a specific reference to Treasury Management and are more explicit on the role in relation to counter fraud.

There are three possible topics to consider in relation to the terms of reference:

a) Ethics – with the Force and the OPCC there should be a person / body with accountability for overseeing the ethical policies that are expected to apply. This would include, but not be limited to, the arrangements for handling complaints. It is not necessarily a function for an audit committee. A recent CIPFA / PACT survey showed that from the 20 forces / OPCCs which responded 6 had separate ethics / integrity panels, 6 used their audit committee and 3 were still examining their approach. The Chief Constable and Police and Crime Commissioner are recommended to consider the arrangements for overseeing ethics.

b) Regional activities – Given the growing number of collaborations which exist and the different approach that this may require to obtaining assurance about these activities, it may be felt to be appropriate to make explicit reference to the scope of the Audit Committee extending to these areas.

c) Appointment of external auditor – with the abolition of the Audit Commission on 31 March 2015, the arrangements for appointing new external auditors once the existing contracts come to an end, are changing. The exact arrangements are still to be decided but could involve either joining a centrally managed process or agreeing some form of local approach. If the existing contracts are not extended, the new external auditors must be appointed by 31 December 2016. The Force / OPCC may wish to consider the role of the Audit Committee in these arrangements.

3. JIAC effectiveness – self-assessment

It is helpful for the JIAC to consider its effectiveness, particularly where this enables the Committee to develop its approach for the future. Ideally the self-assessment that follows will be complimented by the assessment of officers from the Force and OPCC.

The approach to this self assessment is in three steps:

a) Use of the CIPFA guidance (Appendix B, CIPFA, 2013) ‘*Self Assessment of Good Practice*’. This is set out in Appendix B and covers the basic good practice principles;

b) Use of the CIPFA guidance (Appendix C, CIPFA, 2013) ‘*Evaluating the Effectiveness of the Audit Committee*’. This is set out in Appendix C and is an assessment of how the Committee is adding value by supporting improvement;

c) Questions identified by the Committee which are designed to test the way the Committee operates. These are set out in Appendix D.

4. Conclusions from the self assessment

There are some aspects of the work of the Committee which are still developing. This will continue and will improve the Committee's effectiveness. A critical issue continues to be whether the JIAC, in undertaking its work, is making a beneficial impact on the work of the Force and OPCC.

Following the self assessment work described, there are some specific aspects which the Committee will wish to take forward in 2015-16, including:

- Exploring how the Committee is held to account by the Force and OPCC;
- Undertaking a skills audit and following this through with planned training as required;
- Assessing possible steps to promote effective public reporting;
- Seeking involvement with partner audit committees;
- Planning to review the effectiveness of internal and external auditors;
- Seeking reports on the effectiveness of internal controls: and
- Planning work around the JIAC responsibility on counter fraud.

QUALITY, DIVERSITY AND HUMAN RIGHTS IMPLICATIONS	None
HUMAN RESOURCES IMPLICATIONS	None
ENVIRONMENTAL IMPLICATIONS	None
RISK MANAGEMENT IMPLICATIONS	None
Author:	J Beckerleg – Chair of Joint Independent Audit Committee
Chief Officer Portfolio Holder:	J Neilson – Director of Resources, Governance and Transformation , OPCC; G Jones Chief Finance Officer; Northamptonshire Police

Joint Independent Audit Committee - Existing terms of reference

**NORTHAMPTONSHIRE OFFICE OF THE POLICE AND CRIME COMMISSIONER
and CHIEF CONSTABLE**

INDEPENDENT JOINT AUDIT COMMITTEE

TERMS OF REFERENCE

1 Purpose

To support the Police and Crime Commissioner and the Chief Constable to discharge their responsibilities by providing independent assurance on the adequacy of their corporate governance, risk management arrangements and the associated control environments and the integrity of financial statements and reporting.

2 Membership

- a) The Commissioner and Chief Constable jointly will appoint the Committee.
- b) The Committee shall consist of no fewer than four members.
- c) A quorum shall be two members.
- d) At least one member shall have a CCAB qualified accountant with recent and relevant financial experience
- e) The Commissioner and Chief Constable jointly will appoint the Chair of the Committee, following with the members of the Committee.
- f) The Chair shall normally be a CCAB qualified accountant, with recent and relevant financial experience.
- g) Members shall normally be appointed for a period of up to three years, extendable by no more than two additional three year periods, so long as members continue to be independent.
- h) In the absence of the Chair at any meeting of the Committee, the members attending the meeting will elect a Chair for the meeting.

3 Secretary of the Committee

The Chief Executive of the Commission will nominate an officer from the Commissioner's Office to act as Secretary to the Committee.

Currently this is the Strategic Resources Manager.

4 Frequency of Meetings

- a) Meetings shall be held at least four times each year, timed to align with the financial reporting cycle.
- b) Extra-ordinary meetings can held for specific purposes at the discretion of the Chair.
- c) External or internal auditors may request the Chair to call a meeting if they consider one is necessary.

5 Protocols for Meetings

- a) Agenda and supporting papers will be circulated to members at least five working days prior to any meeting.
- b) Minutes shall be prepared and distributed to members of the Committee, regular attendees and the Commissioner and Chief Constable in draft, unapproved format within 10 working days of the meeting.
- c) All papers/minutes should be read prior to the meeting and the meeting will be conducted on this basis with papers being introduced concisely
- d) It is expected that all actions are reviewed prior to the meeting and updates provided even if individuals cannot attend the meeting.
- e) Standing Orders of the Commission and the Force as appropriate apply to formally established committees. As such, members of this Committee may requisition a meeting in writing in line with Standing Orders.
- f) The Chair of the Committee shall draw to the attention of the Commissioner and Chief Constable any issues that require disclosure or require executive action

g) QUESTIONS AND ADDRESSES BY THE PUBLIC

i. General

Members of the public, with the permission of the Chair of the Committee, may ask questions of members of the Committee, or may address the Committee, on an item on the public part of the agenda.

ii. Order of questions and address

(a) Questions will be asked and addresses given in the order notice of them was received, except that the Chair of the Committee may group together similar questions or addresses.

(b) A list of questions and addresses of which notice has been given shall be circulated to members of the Committee at or before the meeting.

iii. Notice of questions and addresses

A question may only be asked or an address given if notice has been given by delivering it in writing or by electronic mail to the Monitoring Officer no later than noon two working days before the meeting. Each notice of a question must give the name and address of the questioner and must name the person to whom it is to be put, and the nature of the question to be asked. Each notice of an address must give the name and address of the persons who will address the meeting and the purpose of the address.

iv. Scope of questions and addresses

The Chair of the Committee may reject a question or address if it:

- Is not about a matter for which the Committee has a responsibility or which affects Northamptonshire;
- is defamatory, frivolous, offensive or vexatious;
- is substantially the same as a question which has been put or an address made by some other person at the same meeting of the Committee or at another meeting of the Committee in the past six months; or
- requires the disclosure of confidential or exempt information.

v. Asking the question or making the address at the meeting

The Chair of the Committee will invite the questioner to put the question to the person named in the notice. Alternatively, the Chair of the Committee will invite an address to the Committee for a period not exceeding three minutes. Every question must be put and answered without discussion but the person to whom the question has been put may decline to answer it or deal with it by a written answer. Every address must be made without discussion.

6 Attendance at Meetings

- a) The Committee may invite any person to attend its meetings.
- b) The Commissioner and Chief Constable shall be represented at each meeting of the Committee.
- c) The Commissioner's representation will normally comprise the Assistant Commissioners – Justice and Resources [respectively Monitoring Officer and statutory Chief Financial Officer] and/or their respective deputies;
- d) The Chief Constable shall normally be represented by the Deputy Chief Constable and the Chief Financial Officer of the Force, and / or deputy Chief Financial Officer.
- e) Internal and External auditors will normally attend each meeting of the Committee.
- f) There should be at least one meeting each year where the Committee meets the external and internal auditors without the Commissioner's and Chief Constable's officers being present.

This need not be the same meeting; and such meetings would usually take place after the normal Committee meeting has concluded.

7 Authority

- a) The Committee is authorised by the Commissioner and the Chief Constable to:
 - investigate any activity within its terms of reference;
 - seek any information it requires from any employee;
 - obtain outside legal or other independent professional advice;
 - secure the attendance of outsiders with relevant experience and expertise if it considers this necessary;
 - undertake training of its new members as required.
- b) All employees are directed to co-operate with any request made by the Committee.
- c) The Committee may only make decisions within the remit set out in these Terms of Reference. The Committee has no authority to reverse decisions made by the Commissioner or Chief Constable. It has no authority to incur expenditure.

8 Duties

The duties of the Committee shall be:

A Corporate Governance, Risk Management, Internal Control and the Regulatory Framework

To support the PCC, Chief Constable and statutory officers in ensuring effective governance arrangements are in place and are functioning efficiently and effectively, across the whole of the Commission's and Force's activities, making any recommendations for improvement, to support the achievement of the organisations' objectives.

Specific annual activities of the Committee will include:

- a) Review of corporate governance arrangements against the 'Good Governance framework';
- b) Consideration of the framework of assurances to assess if it adequately reflects the Commission's and Force's priorities and risks;
- c) Consideration of the processes for assurances that support the Annual Governance Statement;
- d) Consideration of VFM arrangements and review of assurances;
- e) To review any issue referred to it by the statutory officers of the Commission and the Chief Constable and to make recommendations as appropriate;
- f) To monitor the effective development and operation of risk management and to make recommendations as appropriate;
- g) To be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies
- h) Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

B External Financial Reporting

To scrutinise the draft statements of accounts and annual governance statements prior to approval by the Commissioner and Chief Constable and publication. The Committee will challenge where necessary the actions and judgements of management, and make any recommendations as appropriate, to ensure the integrity of the statements.

Particular attention should be paid to the following:

- Critical accounting policies and practices, and any changes in them;
- Decisions requiring a significant element of judgement;
- The extent to which the financial statements are affected by unusual transactions in the year and how they are disclosed;
- The clarity of disclosures;
- Significant adjustments resulting from the audit;
- Compliance with accounting standards;
- Compliance with other legal requirements

C Internal Audit

The Committee shall monitor and review the internal audit function to ensure that it meets mandatory Internal Audit Standards and Public Sector Internal Standards and provides appropriate independent assurance to the Audit Committee, Chief Executive of the Commission, the Commissioner and Chief Constable.

This will be achieved by:

- a) Overseeing the appointment of the internal auditors and making recommendations to the Commissioner and Chief Constable, who will make the respective appointments;
- b) Consideration of the internal audit strategy and annual plan, and making recommendations as appropriate;
- c) Consideration of the head of internal audit's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over corporate governance arrangements, and make recommendations as appropriate;
- d) Consideration of summaries of internal audit reports, and Management's responses, and make recommendations as appropriate;
- e) Consideration of the management and performance of internal audit, and its cost, capacity and capability, in the context of the overall governance and risk management arrangements, and to make recommendations as appropriate;

- f) Consideration of a report from internal audit on agreed recommendations not implemented within a reasonable timescale and make recommendations as appropriate;
- g) Consideration of the effectiveness of the co-ordination between Internal and External Audit, to optimise the use of audit resources;
- h) Consideration of any issues of resignation or dismissal from the Internal Audit function.

D External Audit

The Committee shall review and monitor External Audit's independence and objectivity and the effectiveness of the audit process.

This will be achieved by consideration of:

- a) the Commission's and Force's relationships with the external auditor;
- b) proposals made by the Audit Commission regarding the appointment, re-appointment and removal of the external auditor;
- c) the qualifications, expertise and resources, effectiveness and independence of the external auditor annually;
- d) the external auditor's annual plan, annual audit letter and relevant specific reports as agreed with the external auditor, and make recommendations as appropriate;
- e) the draft Management Representation letters before authorisation by the Commissioner and Chief Constable, giving particular consideration to non-standard issues;
- f) the effectiveness of the audit process;
- g) the effectiveness of relationships between internal and external audit other inspection agencies or relevant bodies;
- h) the Commissioner's and Chief Constable's policies on the engagement of the External Auditors to supply non-audit services, taking into account relevant ethical guidance and the Audit Commission's requirements.

E Other Assurance Functions

The Committee shall review the findings of other significant assurance functions, both internal and external to the organisation.

F Counter Fraud

The Committee shall satisfy itself:

- a) that the Commission and Force have adequate arrangements in place for detecting fraud and preventing bribery and corruption;
- b) that effective complaints and whistle blowing arrangements exist and proportionate and independent investigation arrangements are in place.

9 Reporting

- a) The Chairman shall be entitled to meet with the Commissioner and Chief Constable prior to their approving the accounts each year;
- b) The Committee shall annually review its Terms of Reference and its own effectiveness and recommend any necessary changes to the Commissioner and Chief Constable;
- c) The Committee shall prepare a report on its role and responsibilities and the actions it has taken to discharge those responsibilities for inclusion in the annual accounts;
- d) Such a report shall specifically include:
 - A summary of the role of the Committee
 - The names and qualifications of all members of the Committee during the period
 - The number of Committee meetings and attendance by each member; and
 - The way the Committee has discharged its responsibilities
 - An assessment of the Committee's performance against its plan and terms of reference;
 - Identification of the key issues considered by the Committee and those highlighted to the Commissioner and Chief Constable
 - An assessment of Internal and external Audit
- e) If the Commissioner and / or the Chief Constable do not accept the Committee's recommendations regarding the appointment, re-appointment or removal of the external auditor the Committee shall include a statement regarding explaining its recommendation and the reasons why the Commissioner / Chief Constable has taken a different stance in its annual report

10 Standing Agenda Items

The agenda for each meeting of the Committee shall normally include the following:

Procedural items:

Apologies for absence
Declaration of Interests
Minutes of the last meeting
Matters Arising Action Log
Date, time and venue of next meeting

Business items:

Progress Reports

- Internal Audit
- External Audit

Update on implementation of Audit Recommendations

Items for escalation to the Commissioner and / or Chief Constable

Agenda Plan for the next four meetings

11 Accountability

The Committee is accountable to the Commissioner and Chief Constable.

* * * * *

Date this document approved by the Audit Committee and recommended to the Commissioner and Chief Constable	25 June 2014
Approving Bodies	The Police and Crime Commissioner and the Chief Constable
Date Approved by the Commissioner and Chief Constable	July 2014
Date of next review	June 2015

Self Assessment of Good Practice

Good practice question	Yes	Partly	No
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Audit Committee purpose and governance

1	Does the authority have a dedicated audit committee?	Yes		
2	Does the audit committee report directly to full council? (Applicable to local government only.)	Not Applicable		
3	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	Yes		
4	Is the role and purpose of the audit committee understood and accepted across the authority?	By senior officers but probably not across the Force		
5	Does the audit committee provide support to the authority in meeting the requirements of good governance?	Yes		
6	Are the arrangements to hold the committee to account for its performance operating satisfactorily?	Still to be developed		

Functions of the committee

7	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?	Yes		
	▪ good governance	Yes		
	▪ assurance framework	Yes		
	▪ internal audit	Yes		
	▪ external audit	Yes		
	▪ financial reporting	Yes		
	▪ risk management	Yes		
	▪ value for money or best value	Yes		
	▪ counter-fraud and corruption	Yes		
8	Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	Yes		
9	Has the audit committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?	Yes		
10	Where coverage of core areas has been found to be limited, are plans in place to address this?	Yes in the case of work on AGS and internal audit recommendations		
11	Has the committee maintained its non-advisory role by not taking on any decision-making powers that are not in line with its core purpose?	Yes		

Good practice question	Yes	Partly	No
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Membership and support

12	Has an effective audit committee structure and composition of the committee been selected? This should include:	Yes		
	▪ separation from the executive	Yes		
	▪ an appropriate mix of knowledge and skills among the membership	Yes		
	▪ a size of committee that is not unwieldy	Yes (4)		
	▪ where independent members are used, that they have been appointed using an appropriate process.	Yes		
13	Does the chair of committee have appropriate knowledge and skills?	Yes		
14	Are arrangements in place to support the committee with briefings and training?	Yes for briefings; more work on training needed		
15	Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?			No
16	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer?	Yes		
17	Is adequate secretariat and administrative support to the committee provided?	Yes		

Effectiveness of the committee

18	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	Yes, but this should be ongoing		
19	Has the committee evaluated whether and how it is adding value to the organisation?	Yes		
20	Does the committee have an action plan to improve any areas of weakness?	Yes		

Evaluating the Effectiveness of the Audit Committee

Assessment Key	
5	Clear evidence is available from a number of resources that the Committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
4	Clear evidence from some sources that the Committee is actively and effectively supporting improvement across some aspects of this area.
3	The Committee has had mixed experience in supporting improvements in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
2	There is some evidence that the Committee has supported improvements, but the impact of this support is limited.
1	No evidence can be found that the audit Committee has supported improvements in this area.

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1 See key above
Promoting the principles of good governance and their application to decision making.	<p>Providing robust review of AGS and the assurances underpinning it.</p> <p>Working with key members/governors to improve their understanding of the AGS and their contribution to it.</p> <p>Supporting reviews/audits of governance arrangements.</p> <p>Participating in self-assessments of governance arrangements.</p> <p>Working with partner audit committees to review governance arrangements in partnerships.</p>	<p>Review of AGS and ongoing monitoring of agreed improvements</p> <p>Involvement in transformation governance</p> <p>Outline understanding of estate's programme governance</p> <p>Sought but not yet completed review of collaboration assurance arrangements</p> <p>No work undertaken by audit committee members with partner organisations</p>	2

<p>Contributing to the development of an effective control environment.</p>	<p>Monitoring the implementation of recommendations from auditors. Encouraging ownership of the internal control framework by appropriate managers. Raising significant concerns over controls with appropriate senior managers.</p>	<p>Monitored implementation of internal audit recommendations and AGS actions Encouraged internal control framework (e.g. through work on Treasury Management and Medium Term Financial strategy) Presentation of work of PSD The Committee has sought to understand the structure and processes underpinning the transformation programme (which has changed during 2014-15) The Committee reports regularly to the CC and PCC using three categories: 'alert', 'advise' and 'assure'. Further work could be undertaken on seeking reports on the effectiveness of internal control in specific areas.</p>	<p>2</p>
<p>Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.</p>	<p>Reviewing risk management arrangements and their effectiveness e.g. risk management benchmarking. Monitoring improvements. Holding risk owners to account for major/strategic risks.</p>	<p>Reviewed risk management policies and risk register regularly Limited work to monitor improvements or hold risk owners to account</p>	<p>3</p>
<p>Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.</p>	<p>Specifying its assurance needs, identifying gaps or overlaps in assurance. Seeking to streamline assurance gathering and reporting. Reviewing the effectiveness of assurance providers, e.g. internal audit, risk management, external audit.</p>	<p>Work to develop with officers the assurance framework based on the three lines of defence. No work to review the effectiveness of assurance providers</p>	<p>2</p>
<p>Supporting the quality of the internal audit activity, particularly by underpinning its organisational</p>	<p>Reviewing the audit charter and functional reporting arrangements. Assessing the effectiveness of internal audit arrangements and supporting</p>	<p>Have not reviewed the audit charter or functional reporting arrangements Have not assessed the effectiveness of internal audit arrangements except in the</p>	<p>2</p>

independence.	improvements.	appointment of replacement auditors	
Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements.	Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place. Reviewing the effectiveness of performance management arrangements.	Have been briefed on the transformation programme and its governance. Have specific roles assigned to audit members. Preliminary review of estates programme governance. Briefing on corporate services review Ongoing monitoring of performance management arrangements	3
Supporting the development of robust arrangements for ensuring value for money.	Ensuring that assurance on value for money arrangements is included in the assurances received by the audit committee. Considering how performance in value for money is evaluated as part of the AGS.	The Committee has been actively considering how it can secure assurances from officers, internal auditors and external auditors. More work is needed to reach a satisfactory position on this.	2
Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.	Reviewing arrangements against the standards set out in CIPFA's <i>Managing the Risk of Fraud</i> (Red Book 2). Reviewing fraud risks and the effectiveness of the organisation's strategy to address those risks. Assessing the effectiveness of ethical governance arrangements for both staff and governors.	Limited work on counter fraud Limited work on ethics, partly because it is not clear if is part of the Audit Committee's remit, although presentation received on PSD	1
Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability.	Improving how the authority discharges its responsibilities for public reporting; for example, better targeting at the audience, plain English. Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encouraging greater transparency.	Limited or no work on this area	1

Committee questions about its approach

1. *Is the JIAC pro actively engaged with / consulted / sounded out in advance of issues?*

The JIAC role is advisory; it has no decision making powers. It should provide a high level focus on audit, assurance and reporting without becoming unnecessarily involved in the detail.

There are examples where the Committee has been involved in developing issues. For example, it has a representative on the transformation programme and, has had informal briefings on specific topics such as the corporate services review, medium term financial strategy and, more recently, the emerging estates plan.

The Committee will be more effective if it is made aware of developing issues and can then offer views about governance and assurance.

2. *Is the JIAC kept up to date with matters of local significance / regional or national significance to enable it to deliberate as to their relative importance and act accordingly?*

The Committee has been aware of a number of matters of local / regional significance but there have been areas where the Committee feels this has not happened.

During the year the Committee has been seeking to identify ways in which it can be kept up to date on matters without adding an additional reporting burden to officers. The circulation of the transformation board papers to all JIAC members is an example where this has been achieved.

The JIAC has identified leads on specific areas of the Force's / OPCC's activities and it may be that this provides a way for JIAC members to develop specific expertise in selected areas.

This is an area where there is more to be done.

3. *Does the JIAC interact regularly with other Audit Committees – to pick up recurring issues, or on specific collaboration issues?*

No.

A planned meeting of the Chairs of Audit Committee's where the Force / OPCC has collaboration arrangements in January 2015 was cancelled.

This is an area to pick up for 2015-16.

4. How much "influence" does the JIAC have on the Audit Plan / Audit Strategy?

Consideration of the Audit Plan 2015-16 was initially between the Internal Auditor, officers from the Force and OPCC and the chair of the Audit Committee.

The Plan was subsequently considered by the Audit Committee 3 March 2015 and will be re-confirmed by the Audit Committee on 24 June 2015 following the appointment of new internal auditors.

The Audit Plan changed materially as a result of the discussions and consideration. It includes more emphasis on the governance within the transformation activities, work in relation to collaboration activities and an assessment of the social value being achieved by the change programmes.

5. Is there a constructive dialogue / proactive relationship with Internal Audit? Does the JIAC have a "working agenda" with IA?

There has been a constructive dialogue with the previous internal auditor, allowing for an exchange of views (e.g. around the annual plan). The internal auditor was willing to listen to the Force / OPCC in terms of areas for review, seeking to undertake strategic level audits and with ideas for possible internal audit reviews (e.g. social value and IT). Perhaps the JIAC needs to be clearer about its requirements (e.g. in terms of an assessment of value for money within internal audit reviews, collaboration arrangements) and an expectation that the internal auditor will bring their wider knowledge of good practice or specific areas that might be worthy of review.

It is too early to comment on the position regarding the internal auditors appointed from 1 April 2015.

6. Is there a constructive dialogue / proactive relationship with External Audit? Does the JIAC have a "working agenda" with External Audit?

There is a professional working relationship with the external auditor. Their work programme is more defined by the legislative requirements. The Committee is seeking to explore how the External Auditor reaches a conclusion around value for money.

7. *Does the JIAC Chair have a “direct line” to the CC / PCC?*

Yes.

8. *Is it easy for the JIAC Chair to meet / discuss issues with the ACPO ranks / PCC and his senior managers?*

Yes, where it has been sought to date.

9. *Is the JIAC actively involved in the appointment of the Internal Auditors?*

Yes, the chair was involved in the joint procurement of internal auditors in March 2015

10. *Does the JIAC have an active consultative role in the appointment of the External Auditors?*

To be tested in the next 18 months under the new arrangements for appointing external auditors

11. *What positive actions for change have been taken as a result of JIAC intervention in the last twelve months?*

The JIAC has contributed to the realigning the internal audit plan to address strategic concerns and, by taking a particular interest, has seen the development of the assurance framework model. The JIAC should be seeking to expand this aspect of its role.

12. *What explanatory actions/dialogue has there been as a result of JIAC actions/questions?*

The existence of certain assurance activity (e.g. internal audit) which is overseen by the JIAC has led to recommendations and changes. The JIAC should be seeking to expand this aspect of its role.

The JIAC has taken a particular interest in the work of the Professional Standards Department and reports from the HMIC (including the Data Integrity reports).

13. *Is the JIAC fully aware of all governance / assurance protocols (in whatever form they take) for both the Force / OPCC? Are these available in a JIAC online library? Are JIAC kept regularly updated on any changes to these protocols?*

The JIAC has worked hard to understand the assurance frameworks which operate in the Force and OPCC. It has a working model which it can use to examine areas further. It is not possible to define all aspects of the assurance model.

Likewise a comprehensive list of all possible governance / assurance protocols is not achievable. The JIAC may wish to consider a working list of those protocols etc that would be expected to be in place (e.g. financial regulations, whistle blowing, etc). And keep this list under review / updated as necessary.

14. Has the JIAC a training plan for its members to enable them to understand key aspects of their role?

No, this is something the JIAC should consider, including keeping abreast of current developments

15. What training sessions have taken place in the last twelve months, and have these improved JIAC effectiveness?

There have been briefings on specific Force / OPCC topics and these have helped the JIAC in understanding the organisation and focussing its efforts. More could be done.

INTERNAL AUDITS DASHBOARD 2014/15

Audits are graded as Red, Amber, Amber/Green or Green. Some thematic audits are advisory only and not graded. Recommendations are prioritised as High, Medium or Low to reflect the assessment of risk associated with the control weaknesses.

SUMMARY OF AUDIT PROGRESS AND OUTCOMES

AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			High	Medium	Low
Operational Areas – Stock Management – 1.14/15	02 July 2014	Green	0	0	0
Firearms Licensing – 2.14/15	18 August 2014	Green	0	0	2
Medium Term Financial Planning and Budget Setting - 3.14/15	20 November 2014	Green	0	0	1
Risk Management – 4.14/15	02 September 2014	Amber/Green	0	2	6
Estates Strategy / Management 5.14/15	24 November 2014	Amber/Green	0	1	0
Force Control Room Business Continuity 6.14/15	10 December 2014	Amber	0	3	3
Key Financial Controls 7.14/15	05 February 2015	Green	0	1	0
Commissioning – 8.14/15	26 May 2015	Amber	0	2	1
Follow up – 9.14/15 - Draft	12 May 2015	Not graded			
Governance – 10.14/15	20 March 2015	Green	0	1	2
Human Resources – Workforce Strategy – 11.14/15	27 May 2015	Amber/Green	0	3	2
IT Licenses					
Volunteers – Strategy, recruitment and training					
Collaboration – Efficiency Savings Plans					

**DETAILS OF
RECOMMENDATIONS FROM EACH AUDIT**

Operational Areas- Stock Management – 1.14/15 - No recommendations

Firearms Licensing – 2.14/15 - All recommendations complete

Medium Term Financial Planning and Budget Setting – 3.14/15 – No recommendations for Force

Risk Management – 4.14/15

REF	RECOMMENDATION	CATEGORY	ACCEPT Y/N	MANAGEMENT COMMENT	IMPLEMENTATION DATE	MANAGER RESPONSIBLE	STATUS
1.6	<p>To ensure standardisation and the ability to verify that effective risk management processes are being followed at departmental level all departments should use the IPSO risk management database as prescribed within the Risk Management procedures. This would enable the Force Risk and Business Continuity Advisor, as manager of the database, to oversee inclusion of a risk and to ensure the integrity of key areas such as:</p> <ul style="list-style-type: none"> • Controls are recorded appropriately. • Risk descriptors are sufficient. • Sources of assurance are identified. • Actual assurance sources identified. <p>This issue should be discussed by the Chief Officers Group and a formal decision made to enforce all departments to use IPSO for all risk management functions. Where use continues by Departments of their own risk management spreadsheets/ databases there is a danger that by allowing this there is a loss of oversight by the Force Risk and Business Continuity Advisor. Whilst we accept that responsibility for managing risks are departmental level remains with the relevant Head of Department and Risk Co-ordinator we would nevertheless comment that there should be a form of overview by the Force Risk and Business Continuity Advisor to ensure compliance and that there is an effective mechanism operating that engenders a bottom up approach to identifying and managing risk. This overview should also be used to ensure the 'correct' recording of risks within the system.</p>	Medium	Y	<p>This issue will be raised with the Chief Officers Group at the next meeting where risk is due to be discussed.</p> <p>Update RB – Provision of a centralised system for managing risk registers is being considered as part of the Corporate Services review that is scheduled to be completed during 2015.</p>	31 May 2015	R Baldwin	
1.7a	<p>Once the Joint Independent Audit Committee have determined their future reporting requirements from both the Force and OPCC consideration should be given to including these within their Terms of Reference.</p>	Low	Y	<p>A recommendation will be made to the Chair of the Committee once the reporting requirements have been agreed.</p>	TBC	R Baldwin	

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1.7b	To inform and feed the Annual Governance Statement we would recommend that an end of year synopsis report on risk management is produced and submitted to the Joint Independent Audit Committee. (This would mirror the process being proposed by the OPCC)	Low	Y	An end of year report will be produced for the Committee once the required format and content has been agreed with the Chair.	31 May 2015	R Baldwin	
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Estates Strategy / Management – 5.14/15

REF	RECOMMENDATION	CATEGORY	ACCEPT Y/N	MANAGEMENT COMMENT	IMPLEMENTATION DATE	MANAGER RESPONSIBLE	STATUS
1.1	<p>Whilst we accept that the decision to continue using Pick Everard given their history, expertise and knowledge of the estate, in accordance with Contract Standing Orders the fact that despite Pick Everard being on the framework agreement with 'Scape' there is nevertheless the requirement to either:</p> <ul style="list-style-type: none"> Undertake a mini tender using suppliers listed on the framework, or In this instance given, if the organisations decides it is appropriate to continue using Pick Everard then completion of a Single Tender Approval (STA) Request form and approval in line with stated financial authorisation limits should have been undertaken. We would recommend that to cover future usage of Pick Everard an STA Request form is completed with an 'estimated' value of work and that this is then approved as required and used as a 'call off' agreement. 	Low	Y	Agreed	October 2014	S Bonner	

Force Control Room Business Continuity – 6.14/15

REF	RECOMMENDATION	CATEGORY	ACCEPT Y/N	MANAGEMENT COMMENT	IMPLEMENTATION DATE	MANAGER RESPONSIBLE	STATUS
3.2	A business impact analysis should be undertaken to determine recovery priorities and required resources and timeframes to recover business operations following a disruption. The BCP and backup arrangements should be reviewed upon completion of the business impact analysis to ensure recovery arrangements meet business objectives.	Medium	Y	When the plan is finalised I will liaise with Richard Baldwin and discuss it to ensure compliance and compatibility with other force contingency. I will discuss business impact analysis with him.	28 February 2015	Steve Herbert	
3.4	To ensure that staff are aware of their business continuity responsibilities, these should be clearly documented within the business continuity plan.	Low	Y	Awareness of business continuity responsibilities will commence when the plan is confirmed and accepted by relevant parties. It is my intention to complete awareness through continuous professional development days with a presentation to all FCR staff. This will commence in the new year. Detailed communication to managers will commence shortly to reflect changes.	28 February 2015	Steve Herbert	

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3.5	Upon completion of the Business Impact analysis exercise: The Force Control Room Business Continuity Plan should be reviewed for compatibility and alignment with the IT Disaster Recovery Plan.	Medium	Y	Compatibility and alignment with the IT disaster Recovery Plan will be considered prior to acceptance.	28 February 2015	Steve Herbert	
3.6	The Force should define a testing strategy and a future schedule for periodic testing of the FCR Business Continuity Plan.	Medium	Y	I have consulted with C/Insp Tennet and have agreed that testing of the plan should commence during January /February. Impact on normal business operations are considered inappropriate prior to this time. This will include the testing of contingency areas including Silver 3, Campbell Square and Wellingborough. All sites have been checked for operability within the last month with ISD professionals and deemed to be suitable for contingency use at this time. This testing will be ongoing to cover all relevant staff and test all parts of the FCR spectrum.	28 February 2015	Steve Herbert	

Key Financial Controls – 7.14/15

REF	RECOMMENDATION	CATEGORY	ACCEPT Y/N	MANAGEMENT COMMENT	IMPLEMENTATION DATE	MANAGER RESPONSIBLE	STATUS
5.1	Restated recommendation 2013/14 Reconciliation should be undertaken on a periodic basis between the IT items on the Fixed Asset register back to local inventory records to ensure that it represents an accurate view of the assets held. Periodic verifications should be undertaken against the items held in the LANDesk system to ensure the accuracy of records is maintained. This could be done on a sample basis to identify the highest value items.	Medium	Yes accept a process is required	Unlikely to be implemented in the next 12 months.	2016/17	Nick Alexander	

Commissioning – 8.14/15 - No recommendations for Force

Follow Up – 9.14/15 - Draft

2.1 Operational Areas –Detained (Seized) and Found Property [3.13/14]				Status Reported to Audit Committee / date	FINDINGS		
Ref	Original Recommendation	Original Management Comment	Original Implementation Date and Manager Responsible		Status	Comments / Implications / Recommendations	Updated Response
1.4	<p>Medium</p> <p>Current records indicate that on the PMS there are some 4,500 (pre and post centralisation) items that according to the system have been 'booked out to Officers'. Whilst records indicate that chasing has been undertaken this, we are informed, has not been strictly in accordance with requirements due to resource issues. A review should be undertaken to establish the most effective and resource capable way of managing down the number of items.</p>	<p>This can be considered as part of the planned resource and process review in 2014</p>	<p>Mid 2014 [Vicky French]</p>	<p>1 Dec 2014</p>	<p>2</p>	<p>Whilst work had been undertaken on items 'awaiting entry', little progress had been made on the items which were recorded as 'booked out to officers'.</p> <p>We were advised by the Property Team Leader that 'Operation Clear Out' was due to commence imminently, to tackle pre and post 2011 items still retained.</p> <p>We were informed that these items would be entered onto a stand-alone application and team of officers would complete destructions.</p> <p>Following this activity, ISD would be updating PMS with data from the application.</p> <p>This recommendation has not been implemented and as such has been restated for further review.</p> <p>Current number of outstanding entries 1584</p> <p>In total 2916 items have been updated. The outstanding figure of 1584 consists of 1574 pre centralisation entries that will be managed during the OP Clearout data cleanse.</p> <p>The DP Team is struggling once</p>	<p>Rec Revised</p> <p>Estimated due for completion mid - 2015</p> <p>Medium</p> <p>Pre and post centralisation items that according to the system have been 'booked out to Officers' should be reviewed to establish the most effective and efficient way of reducing the number of items 'awaiting entry' and cleared.</p>

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						again with resource issues, the staff are in place but only 1 DP Officer out of 5 is fully fit for duty. OP Clearout looks to continue into the winter months.	
2.3b	Medium A review should be undertaken of reports available from the Property Management System to ensure that these are 'cleansed' as there are numerous items reported that still show that they are 'found property still held' and where the update position has not been effectively recorded/ changed.	This is, on the face of it, a significant administrative task. The Performance Team will assess reports circulated regarding all property to assist with this audit process.	Scoping to be completed by 1 April. [Ch. Insp Thompson]	2 Dec 2014	2	This was expected to be included in the 'Operation Clear-Out' (referred to in paragraph 1.4 above) which had not yet commenced. This recommendation has not been implemented and as such has been restated for further review. Once the Op Clearout cleanse is complete the figures should reduce significantly. As part of the Niche programme a paper is being produced for COG which looks to radically change the management of both lost and found property.	Rec carried forwards Estimated for completion mid-2015
2.2	Business Continuity [4.13/14]			Status Reported to Audit Committee / date	FINDINGS		
Ref	Original Recommendation	Original Management Comment	Original Implementation Date and Manager Responsible		Status	Comments / Implications / Recommendations	Updated Response
3.3	Medium A communication programme should be designed to ensure that all employees understand the Business Continuity Management Policy, business continuity priorities and what their individual responsibilities are in respect of business continuity management.	As the report states an NCALT training package for all employees is being developed as part of the national BC strategy and is expected to be delivered in 2014. Once this has been delivered we can review the content to see if any further material is needed.	'TBC' [Richard Baldwin]	'Amber' Dec 2014	5	We were informed by the Force Risk and Business Continuity Advisor, that no further progress had been made regarding this recommendation, pending roll out of the NCALT training package. This recommendation had not been implemented and has been carried forwards for further review. Update - The training package being developed as part of the national	Rec carried forwards Medium

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						strategy is still being outstanding. A national lead has been appointed to drive this forward.	
2.3	Vetting [5.13/14]			Status Reported to Audit Committee / date	FINDINGS		
Ref	Original Recommendation	Original Management Comment	Original Implementation Date and Manager Responsible		Status	Comments / Implications / Recommendations	Updated Response
1.2	<p>Low</p> <p>The MOU sponsor should be contacted in order to acquire a signed copy of the MOU and confirmation of whether the SLA has been drafted and is in operation.</p>	Sponsor has been contacted still awaiting signed MOU	<p>April 2014</p> <p>[Yvonne Mason]</p>	<p>1</p> <p>Dec 2014</p>	4	<p>We were informed by the Information Unit Manager (PSD), that a signed MOU does not exist and was a regional 'agreement/ understanding' led by Nottinghamshire Police for which there is no formal documentation in support. Whilst we accept that regional Forces provide and conduct vetting services as required, we would suggest that Management undertake a review to determine to what extent Northamptonshire applications are being processed by other Forces and vice versa to determine the level of impact this may have on resources and the ability to meet vetting application processing timescales.</p> <p>Update - The occasions on which regional forces have been required to assist with processing Northants applications have reduced to virtually zero. Reduced resources and capability across all regional forces mean that this informal arrangement is unlikely to be called upon again in the foreseeable future.</p> <p>Vetting is likely to be included in future reviews of collaborative working opportunities and therefore, given that the risk is low, it is not proposed to take any further action</p>	<p>Suggestion</p> <p>Undertake a review to determine to what extent Northamptonshire applications are being processed by other Forces and vice versa to determine the level of impact this may have on resources and the ability to meet vetting application processing timescales.</p>

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						with this issue at present.	
1.4	<p>Low</p> <p>The Information Assurance Team Leader should complete the safe muster list and conduct monthly musters of the safe's contents in the presence of an independent witness. Additionally, the questionnaires and application forms of leavers should be destroyed / shredded.</p>	Agreed – this is already a work in progress.	April 2014 [Jo Gent]	1 Dec 2014	4	We were informed by the Information Unit Manager (PSD), that paperwork was no longer held in hardcopy (and therefore the safe) as details were entered onto the DMS system; as such this recommendation has been superseded.	
2.6	Follow Up 2013/14 [10.13/14]			Status Reported to Audit Committee / date	FINDINGS		
Ref	Original Recommendation	Original Management Comment	Original Implementation Date and Manager Responsible	Status Reported to Audit Committee / date	Status	Comments / Implications / Recommendations	Updated Response
Demand Management {original report 2.11/12} reviewed at Follow Up 2012/13 [10.13/14]							
1.31 [1.1]	<p>Recommendation Revised</p> <p>Low</p> <p>Once the Force restructure has been fully completed and the service lines established, the Force Planning Unit should consider creating a demand management strategy which sets out the aims and objectives for the unit and the plans to achieve these including outlining any particular links to associated policies / regulations.</p>	<p>The force has now appointed a strategic lead for demand management this is Supt Richard James head of the Force Control Room.</p> <p>He is now looking at demand initially from the point of view of incoming demand via the control room.</p> <p>The Programme Aspire team is also looking at internal processes and internal demand with a view to developing a process library to impact upon failure demand across the force.</p> <p>These two pieces of work are in the analysis phase and once this has been</p>	'Ongoing' [Richard James and Dave Hill]	2 Dec 2014	4	<p>No response from management regarding the status of this recommendation.</p> <p>Update – Since the recommendation was made demand management has moved on considerably within the Force and the Force Planning Unit is no longer responsible. The recommendation as it stands is therefore obsolete.</p>	We are unable to provide assurance that the recommendation is being implemented as reported to management

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		done we will seek to create a demand management strategy that looks at plans for efficiency gains, reductions and prediction of demand.					
1.34	<p>New Recommendation</p> <p>Medium</p> <p>The Force (or Local Resilience Forum) should include a risk assessment for each probable emergency event highlighting possible dangers to staff and identifying clear controls to mitigate the risk of them materialising.</p>	<p>The Local Resilience Forum has a Risk Group chaired by the County Council who prepare a Northamptonshire risk register assessing the local impact of those risks identified on the National Risk Register.</p>	<p>Already in place</p> <p>[Insp. Neil Dorothy]</p>	<p>1</p> <p>Dec 2014</p>	1	<p>No response from management regarding the status of this recommendation.</p> <p>Update - There is a local risk register held by the LRF which is taken from the National Risk Register, from this response plans are identified with a lead agency and plans are written to highlight possible dangers to staff and identifying clear controls to mitigate the risk of them materialising. In addition to this the force holds response plans that are site specific and incident specific the risk assessment is held within the document detailing the response.</p>	<p>We are unable to provide assurance that the recommendation has been implemented as reported to management</p>
Energy Management {original report 5.11/12} reviewed at Follow Up 2012/13 [10.13/14]							
1.26 [4.9]	<p>Recommendation Restated</p> <p>Medium</p> <p>Northamptonshire Police should develop an environmental policy which clearly documents how it intends to deliver the areas identified within the regional environmental policy.</p>	<p>It is accepted that the Force needs to adopt an environmental policy applicable to its own aims and objectives.</p> <p>The overarching regional policy needs to be reviewed and updated and no target has been set for this piece of work.</p> <p>Northants Police will complete and publish its own policy by the end of September 2014.</p> <p>The policy will take account of the OPCC needs as the owner of the estate assets.</p>	<p>30 September 2014</p> <p>[Stuart Bonner Head of Estates and Facilities]</p>	<p>2</p> <p>Dec 2014</p>	1	<p>No response from management regarding the status of this recommendation</p> <p>Update - The Environmental Policy has now been completed and is due to be published in w/c 8 June 2015.</p>	<p>We are unable to provide assurance that the recommendation is being implemented as reported to management</p>

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		It will also closely link with the Transport and Travel Carbon Management plan					
2.7	Data Security Review [12.13/14]			Status Reported to Audit Committee / date	FINDINGS		
Ref	Original Recommendation	Original Management Comment	Original Implementation Date and Manager Responsible		Status	Comments / Implications / Recommendations	Updated Response
3.1	<p>Low</p> <p>Management should undertake the following:</p> <ul style="list-style-type: none"> Identify and agree with the SIRO and the Information Assurance Board as to the required retention period for the Blackberry audit logs, paying due regard to the risks of not retaining the logs for a given period as against any negative impact on performance and network storage capacity. Identify, design and implement methods of extracting and reporting on the information required from the Blackberry audit logs for investigative purposes, seeking external consultancy advice if appropriate. 	In the absence of any formal guidance or Best Practice on the retention of audit logs, we will review our approach after consulting with peers and in the context of other risk mitigations deployed to avoid duplication of effort.	31 December 2014 [Head of Professional Standards]	2 Dec 2014	1	<p>No response from management regarding the status of this recommendation.</p> <p>Update - Having reviewed this matter, and in the context of no data being stored on the device, combined with the Auditor's categorisation of 'Low' risk, we do not believe there is sufficient value in pursuing this.</p> <p>Any access of information via a Force Blackberry is not only auditable via the system being accessed, but is also subject to audit capability from the middleware (Airpoint) that is utilised to connect to the system.</p> <p>Therefore we consider that audit capability is sufficient, and proportionate to the risk, without developing and storing a huge array of log files.</p>	We are unable to provide assurance that the recommendation is being implemented as reported to management
3.2	<p>Low</p> <p>Management should ensure that the successful deployment of Safend software updates is checked on a regular basis for all machines within the Force's network infrastructure.</p> <p>Moreover, any unsuccessful deployments should be investigated in full to confirm whether the machines concerned are still in</p>	We will use the opportunity of our corporate 'XP upgrading project' during 2014 to ensure the future deployment of Safend incorporates all networked assets, albeit we are confident that any current risk is negligible.	31 December 2014 [ISD Operations Manager]	2 Dec 2014	2	<p>No response from management regarding the status of this recommendation.</p> <p>Update - Safend is being rolled out as part of the upgrade to Windows 7. To date 94.6% of devices have been upgraded. The remainder are ongoing.</p>	We are unable to provide assurance that the recommendation is being implemented as reported to management

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	live use and whether the lack of deployment needs to be remedied accordingly.						
3.3	<p>Medium</p> <p>Management should ensure that a process is implemented for the periodic and regular identification of unused user accounts at the network level and for promptly disabling all accounts that are no longer required, including email accounts, e.g. because the users concerned have left the Force, are on an approved period of medium to long term absence or have changed duties.</p>	<p>The pending Change Request, at the time of the audit, has been reprioritised to support more effective management of User Accounts.</p> <p>We will periodically review our overall approach to Account Management and report findings and recommendations to the Force Information Assurance Board.</p>	31 December 2014 [ISD Operations Manager]	2 Dec 2014	1	<p>No response from management regarding the status of this recommendation.</p> <p>Update – a manual process has been introduced to periodically identify accounts that have not been used for a period of time. These accounts are then manually investigated and disabled as appropriate.</p>	We are unable to provide assurance that the recommendation is being implemented as reported to management

Governance – 10.14/15

REF	RECOMMENDATION	CATEGORY	ACCEPT Y/N	MANAGEMENT COMMENT	IMPLEMENTATION DATE	MANAGER RESPONSIBLE	STATUS
2b	<p>Force</p> <p>The Transformation Board should be removed from the structure chart.</p>	Low	Y	Agreed – The Chart will be updated	Complete	Sean Bell	
2d	<p>Force</p> <p>Added to the Terms of Reference of the COG should be the need to annually review the Business Management Model to ensure it is fit for purpose and covers all areas of the business adequately.</p>	Low	Y	The Terms of Reference will be amended accordingly	30 April 2015	Sean Bell	

Workforce Strategy – 11.14/15

REF	RECOMMENDATION	CATEGORY	ACCEPT Y/N	MANAGEMENT COMMENT	IMPLEMENTATION DATE	MANAGER RESPONSIBLE	STATUS
1.1c	The OD Strategy should be finalised and presented to the Organisational Development Board for approval at the earliest opportunity.	Medium	Y	The OD Strategy has been accepted at the OD Board and the Aspire Board.	Complete	Fiona Whyte	
1.2	<p>The use of exit interviews should be actively encouraged to be undertaken for all employees leaving the Force.</p> <p>The information resulting from exit interviews/ questionnaires</p>	Medium	Y	With effect from 1 April exit interview questionnaires will be returned to HR via an application which means that we can effectively interrogate the information that is being submitted	Complete	Fiona Whyte	

Agenda Item 11A

	should be used to inform work force planning (particularly if reasons such as 'volume of work' for example, are cited as reasons for leaving).			via a BOXi report . As such we will inform workforce planning on trends and themes as they evolve and we collect more information. It will report on what input and diversity information has been mandated. This will be part of the regular flow of information. <i>Update – The changes detailed above address this recommendation</i>			
1.4	The HR Work-plan should be updated to populate the relevant 'link to Police and Crime Plan' and 'status' columns against each of the current programmes listed.	Low	Y	The HR Work Plan is our internal schedule of work to support us in understanding our current and future workloads and track our completion of work. There are links to the policing plan to ensure that our work is aligned to overall strategy and direction of the force. I will review this element of the Plan and link work to the OD Strategy rather than the Policing Plan as this is more relevant to our activities. <i>Update – As detailed above this is an internal document which will be reviewed to determine if it will continue to be maintained.</i>	30 April 2015	Fiona Whyte	
1.5	The data collated during the skills audit should be collated in a way so that it can be used to inform a 'gap analysis' which can be used as a tool to support recruitment into staff posts.	Medium	Y	The skills audit work will be used more widely than is proposed in this report. This forms part of the OD Delivery Plan and will be monitored by Strategic Workforce Planning with oversight from the OD Board. <i>Update – This is ongoing. Once the data has been uploaded to the Oracle system the gap analysis will be able to be carried out. The date for the upload is currently anticipated to be in July.</i>	30 June 2015	Fiona Whyte	
1.6	Update the terms of reference (TOR) for the Learning and Development Priorities Panel to include the current Chair as the DCC and state the date when the TOR was last reviewed.	Low	Y	This will be updated. <i>Update – The Terms of Reference have been reviewed</i>	Complete	Fiona Whyte	



Report to the Independent Audit Committee

24 June 2015

Audit Recommendations Update Report

RECOMMENDATION

The Committee is asked to note this report.

1 PURPOSE OF THE REPORT

- 1.1 This report provides the Audit Committee with an update on the implementation of internal audit recommendations.

2 OVERVIEW

2.1 2013/14 Audits

- 2.2 Any outstanding recommendations from 2013/14 audits have been carried forward into the 2014/15 Follow Up audit.

2.3 2014/15 Audits

- 2.4 Final Reports have been received for the following audits:

- Stock Management
- Firearms Licensing
- Risk Management
- Medium Term Financial Planning and Budget Setting
- Estates Strategy / Management
- Force Control Room Business Continuity
- Key Financial Controls
- Commissioning
- Follow Up
- Governance
- Workforce Strategy

- 2.5 The attached audit dashboard shows the recommendations made in the final reports for each audit together with updates received on the implementation of those recommendations.

Head of Finance and Asset Management

EQUALITY, DIVERSITY AND HUMAN RIGHTS IMPLICATIONS

None

HUMAN RESOURCES IMPLICATIONS

None

RISK MANAGEMENT IMPLICATIONS

None

ENVIRONMENTAL IMPLICATIONS

None

Author: Richard Baldwin,
Force Risk and Business Continuity Advisor

Chief Officer Portfolio Holder: Andy Frost, Deputy Chief Constable

Background Papers: 2014-15 Summary of Internal Audit
Recommendations for IJAC 03.03.15

JOINT INDEPENDENT AUDIT COMMITTEE
24th June 2015
OUTSTANDING AUDIT RECOMMENDATIONS

Agreed action on recommendations	Owner	Date	Comment	Status
Draft Estates Management / Strategy 21st August 2014				
<p>Whilst we accept that the decision to continue using Pick Everard given their history, expertise and knowledge of the estate, in accordance with Contract Standing Orders the fact that despite Pick Everard being on the framework agreement with 'Scape' there is nevertheless the requirement to either:</p> <ul style="list-style-type: none"> • Undertake a mini tender using suppliers listed on the framework, or • In this instance given, if the organisation decides it is appropriate to continue using Pick Everard then completion of a Single Tender Approval (STA) Request form and approval in line with stated financial authorisation limits should have been undertaken. <p>We would recommend that to cover future usage of Pick Everard a STA Request form is completed with an 'estimated' value of work and that this is then approved as required and used as a 'call off' agreement.</p>	SB	October 2014	<p>In the previous update report this item was shown as closed. However Procurement and Finance officers were not entirely content and further discussions to clarify the position have been held.</p> <p>These have now taken place and all are now agreed the process followed was compliant and appropriate.</p>	Closed

Agreed action on recommendations	Owner	Date	Comment	Status
Commissioning and Partnership Working 4th February 2015				
The OPCC should define the roles of the Commissioning and Contract Managers to ensure post holders are clear on their responsibilities and performance within these roles can be monitored.	PB	September 2015	Accept the recommendation that we need to define the roles of contract manager and commissioning manager better. However these need not to be seen as singular individuals but functions that can be delivered by different people for different commissioned services. We will review the Commissioning Framework and associated role descriptions by September 2015 and will communicate the expectations across the OPCC when performing those roles.	On going
The OPCC should establish a schedule of performance reporting of commissioned services distributed and reviewed at a high level. Reports should clearly state how Providers are performing against contact outcomes, and where they are failing what action has been agreed, with completion dates and follow up of agreed actions	PB	September 2015	Accept recommendation that we need to ensure a schedule of performance meetings and formal performance reports are completed for every commissioned service. Alongside the review of the Commissioning framework we will provide consistent templates for performance information to be captured which can if necessary be tailored for the specifics of the service commissioned and the size of the contract (to ensure proportionality). Expectations for Performance Monitoring will be included within the revised Framework/Strategy and a schedule for the existing services will be in place by September 2015	On going
The OPCC should have a schedule of performance meetings that cover all provider services.	PB	September 2015	As above	On going

Owners

JN John Neilson
SB Stuart Bonner
PB Paul Bullen

Author:

John Neilson

END

JOINT INDEPENDENT AUDIT COMMITTEE
24th June 2015

PROGRESS REPORT ON AGREED ACTIONS IN THE OPCC ANNUAL GOVERNANCE STATEMENT 2013-14

	ACTION	OWNER	PROGRESS	END DATE
1	Refresh the Police and Crime Plan	IB	Complete – refreshed plan taken to the Police and Crime Panel and published in September 2014.	Closed
2	Publish a separate Medium Term Plan for the Commission	JN	Separate cash limit figures for the OPCC have been agreed and approved in the MTFP to 2020. Spending plans include 3% annual efficiency savings. Published January 2015	Closed
3	Strengthen the effectiveness of the Commissioner's Board for Transformation and Delivery	IB	Complete – Board abolished and replaced by re-configured Aspire Programme Board effective from August 2014	Closed
4	Ensure the Regional initiative on middle and back office functions is effectively governed	IB JN	Baker Tilly completed an initial piece of work in March 2015. They are now engaged on a second review of Learning and Development. The intention is this will inform a systematic review of all Regional Collaborative arrangements. The PBS proposal will come forward for approval of business case in July 2015. The Niche programme is due for implementation in October 2015 in Northamptonshire. Carry forward to 2015-16.	Ongoing through to Autumn 2015

	ACTION	OWNER	PROGRESS	END DATE
5	Develop a new approach to the management and development of the Commission's staff – including Leadership capacity [OPCC People Strategy]	JN	This has been deferred in these terms. However a number of re-configurations of roles and responsibilities have taken place, identifying key deliverables of staff over the remainder of the Commissioner's term of office.	Closed
6	Establish a new officer group in the OPCC to take responsibility for improvements to the governance framework and processes and delivery of agreed changes	IB	A schedule of proposed changes is being developed. Agreed changes will then be managed through the officer group. This has been re-scheduled – it is now the intention to make significant progress over the summer and this action will be reflected in the AGS for 2015-16.	September 2015
7	A greater focus on Anti-fraud and corruption, including the approval of a revised policy for the Commission	JN	Policy was approved on 27 th May 2015	Closed
8	Review Audit Committee Terms of Reference and make recommendations to the Audit Committee	JN	Done – taken to the Committee meeting in June 2014	Closed
9	Develop and seek approval to a revised Risk Management Policy for the OPCC	JN	Report on Committee agenda December 2014	Closed
10	Share details of further work to develop an Assurance Map with the Audit Committee during 2014	IB JN	Further update on March agenda and discussed further at the Committee workshop in May 2015	Closed

Owners

IB Iain Britton OPCC Chief Executive

JN John Neilson OPCC Director for Resources, Governance and Transformation

Author

John Neilson

END



Joint Audit Committee (JAC) Finance Highlight Report

1 Medium Term Financial Position

- The force has a current savings plan versus estimated cumulative deficit as shown below (HMIC Version May 2015).

	2015-16	2016-17	2017-18	2018-19	2019-20
	£000	£000	£000	£000	£000
Legacy Savings					
Windsor Review Part 2	1,051	848	915	813	0
Other - 2014 Policing Model etc	584	55	-17	45	0
Project Balance Savings					
EMOPPS	0	100	0	0	0
WFM and Reg Efficiency	122	163	0	150	0
Justice Collaboration	0	73	467	0	0
Forensics Collaboration	176	27	0	0	0
Pensions Employers Contribution	601	305	308	0	0
Estates Savings - Agile Working	0	250	500	750	0
Volunteers Growth	0	1,608	0	0	0
Intellishare	100	0	0	0	0
Procurement Savings	346	111	111	111	111
Base Budget Reviews	269	269	0	0	0
Plan B Savings	2,433	20	0	0	0
Longer Term Strategic Option (PBS & MFSS)	1,162	545	250	580	585
Ranking Restructure and reduction in PCSO's	566	716	578	494	186
OPCC 3% Saving	128	139	136	134	131
Total Savings	7,538	5,228	3,247	3,077	1,013
Cumulative Savings	7,538	12,765	16,013	19,090	20,103
Cumulative (Deficit)	(7,457)	(12,798)	(16,141)	(19,193)	(22,162)
Cumulative Surplus / Deficit	81	(33)	(128)	(103)	(2,059)

- Confidence levels are high for Legacy, Balance and Ranking Restructuring savings.
- 4 year Capital Budget investing £47m now agreed.

2 In year position

- The Force had an operational underspend of £1.14m, and a small overspend of £0.23m (0.2%), after agreed carry-forwards and reserve movements.
- The NOPCC have agreed a force carry-forward of a carry-forward from 2014-15 of £1.21m
- Forecast levels of total reserves at 31.03.15, £18.77m, Gen Reserves £4.28m.

3 Scenario Planning

- In development for accelerated cuts re 7th July Budget.



Northamptonshire Police Strategic Risk Register – June 2015

Ref	Description	Inherent Risk			Response Measures	Residual Risk			Comments	Status
		L'hood	Impact	Score		L'hood	Impact	Score		
CR 71	Grant reductions beyond 2015/16 are greater than 3.2% resulting in an increased budget deficit.	4	5	20	<p>In the short term, use of reserves. In the longer term revisit Programme Brief Business Case to adjust weighting in terms of drivers for change.</p> <p>Clearly Defined LT Options to make savings with scenario planning and contingency plans for risk of non-delivery.</p> <p>Redefine Programme to take into account of the economic change and blueprint design to deliver increased savings. Exploit benefits of extra funding through County Growth.</p>	4	4	16	<p>15/16 Grant Reduction confirmed as 5.1% through Provisional Grant Settlement on 17th December.</p> <p>In August HMIC requested all forces include 5% real term (3.2% cash) reductions in scenarios. This current level of required support staff reductions beyond 2015-16 are unsustainable based on the current constraint on officer reductions of 1,220. Officer reductions could be mitigated by release of Officers back to force from EMOPPS Collaboration and WFM in the region.</p> <p>Further Police Pay Savings as a result of the Winsor Review new Officer Increments (£3.2m over 4 years) has mitigated some of the impact.</p>	→

AGENDA ITEM 19

Ref	Description	Inherent Risk			Response Measures	Residual Risk			Comments	Status
		L'hood	Impact	Score		L'hood	Impact	Score		
CR 76	Niche will replace the Case, Custody, Crime and Intelligence systems with a regional solution. This will require a substantial programme of work within a very aggressive timescale which will have a significant impact across the Force.	4	5	20	The programme has identified and recorded a number of specific risks associated with the implementation. Response measures have been identified for each of these risks and these will be monitored by the Programme Board.	4	4	16	This is a substantial programme of work on a scale never before attempted by the Force. Timescales are aggressive with Northants scheduled to go live on 20th October 2015. Identified risks are being mitigated through planning and focussed work streams, however there remain concerns about the volume and complexity of work required to Back Record Convert (BRC) historical records from current systems into Niche in time for go live.	→
CR 60	Reduced capacity to deliver changes required to fulfil the Police and Crime Plan could result in a failure to meet operational or financial targets.	4	5	20	A Transformation Programme has been developed to plan and manage the required changes. The Force and OPCC are collectively working to address human and financial resource challenges, in addition to identifying priority work streams within the transformation agenda (while returning business as usual elements of the portfolio back to the operational business).	3	5	15	In 2015, the transformation programme was re-organised into a hierarchical organisational structure with the view of increasing accountability and delivery. Delivery plans have been established across all work streams to identify gaps and ensure appropriate resources, both human and financial, are allocated.	→
CR 19	Less funding available, both from public and private sources to enable the force to prepare for population growth.	5	5	25	Successful Innovation funding bids in Round 1 and 2 well beyond the top slicing used to pay for them. The situation will be continually monitored to identify any specific developments and inform the Force's strategic and operational planning processes. The Force will work in partnership with the Local Planning Authorities to ensure that community safety and policing capital requirements are factored into planning policy.	3	5	15	Further cuts to budgets are expected to be announced in the July Budget Statement.	→

AGENDA ITEM 19

Ref	Description	Inherent Risk			Response Measures	Residual Risk			Comments	Status
		L'hood	Impact	Score		L'hood	Impact	Score		
CR 69	Due to unplanned additional reductions the Force is unable to balance the budget for 2016/17 impacting on operational performance and capacity.	4	5	20	Developed Scenario Response which would include, in the short term, use of reserves. In the longer term revisit Programme Brief Business Case to adjust weighting in terms of drivers for change. Redefine Programme to take into account the economic change and blueprint design to deliver increased savings.	3	5	15	The Force has a plan which will deliver a balanced budget that would only be affected if there was any further significant top slicing. Top slicing resulted in an additional £1.12m cut in 2014-15. The same could happen in 2015-16. The Change programme may not be able to deliver the required level of savings. The planned savings of 30% from police staff have increased to 38% now that forensics and CJ are out of scope.	→
CR 57	Austerity continues beyond 2018/19 placing additional pressure on the Force's capacity and capability.	5	4	20	Change Programme to increase prevention activities through demand analysis and better management of demand. Maintain Capacity and Capability through bigger, more multi-skilled teams and interoperability regionally and with Fire. Increased availability, visibility and faster response through mobile data and collaborative style of working through agile working. Better allocation of resources and response through demand analysis.	3	4	12	Supported by successful Innovation funding bids in Round 1 and 2 well beyond the top slicing used to pay for them, the Aspire programme is focusing on putting in place an infrastructure that will allow the force to move, grow, and reduce in a dynamic manner. Whilst there will always be issues of capacity this infrastructure should assist in the organisational ability to adapt to changing demands.	→
CR 61	Failure to deliver key outcomes of the Police and Crime Plan relating to the recruitment of Special Constables, Cadets and Volunteers could result in increased demand on the Force and reduce performance, budgetary pressure, loss of public confidence and possible adverse publicity.	3	5	15	The marketing and recruitment of Special Constables has been assigned to the OPCC and a private firm (Manpower), while the Force has retained the assessment and training of candidates. The Aspire Programme has moved the coordination, recruitment and operation of Cadets and Volunteers to the business.	3	4	12	Force has attained national standing for the strongest force of Special Constables in the United Kingdom. Recruitment trajectory has slowed. Contact for market recruitment firm nearly finalised. As at 31 May 2015 the Force has 462 Specials, 902 Volunteers and 130 Cadets.	→

AGENDA ITEM 19

Ref	Description	Inherent Risk			Response Measures	Residual Risk			Comments	Status
		L'hood	Impact	Score		L'hood	Impact	Score		
CR 74	The HMIC CDI inspection has highlighted gaps in the Force policy for crime recording and the application of the Home Office Counting Rules. Crimes are not recorded accurately affecting the quality of operational information, public trust and confidence and services to victims.	5	4	20	An independent Force Crime and Incident Registrar has been appointed reporting to ACC Crime and Local Policing. An action plan has been produced to address the recommendations in the HMIC inspection report. Progress against the action plan will be monitored by the Head of Crimes Crime and Safeguarding Improvement Group. A follow up inspection by HMIC is scheduled for November 2014.	3	4	12	Post reinspection CDI compliance continues to improve with robust supervision and audit and high compliance with the new 24 hour recording.	↓
CR 75	Multi Agency audits of the CSE team have identified gaps in operational practice, supervision and information sharing which affects the ability of the force, with its partners, to identify, safeguard and investigate Child Sexual Exploitation increasing the risk to vulnerable children and young people.	5	4	20	A multi-agency project team are now working with the staff reviewing cases and developing fresh ways of working in line with Working Together. 100 old cases are being resourced for a full investigative review. A new model of supervision, and links to the MASH have been agreed and are in place and the police are increasing its resourcing in the team. Staff have been supported with occupational health resources and longer term posting in keeping with their needs agreed.	3	4	12	The force has invested heavily in investigative, proactive and intelligence resources. Outcomes and safeguarding have improved. Multi agency senior manager appointed. Governance through NSCB ACC chaired group.	→
CR 63	The Force is unable to implement the recommendations from the joint OFSTED/HMIC inspection into the safeguarding of vulnerable people resulting in potential harm to victims, adverse publicity and loss of public confidence.	4	3	12	Project team is in place. A partnership action plan has been created which reports via Executive Support to the Local Safeguarding Board. New procedures and technology for processing referral forms is in place.	2	4	8	There is good progress on all recommendations. Outcomes have improved and are intrusively governed by the NSCB. The local governance of recommendations is still in place and an independent audit of all evidence is taking place.	→

'Status' key - ↓ risk decreasing, → no change, ↑ risk increasing

Agenda item

AGENDA PLAN – PUBLIC AGENDA - NEXT FOUR MEETINGS

SEPTEMBER	DECEMBER	MARCH	JUNE
Apologies	Apologies	Apologies	Apologies
Declarations	Declarations	Declarations	Declarations
Minutes of previous meeting			
Matters arising action log			
Implementation of Audit recommendations			
Internal Audit – Annual report		Draft Internal Audit Plan	
Internal Audit – progress report			
Internal Audit - Charter			
External Audit – progress report			
AGS actions - progress			
Finance Dashboard	Finance Dashboard	Finance Dashboard	Finance Dashboard
Performance Dashboard	Performance Dashboard	Performance Dashboard	Performance Dashboard
Force Strategic Risk Register			
JIAC Terms of Reference review	MTFP and Budget update	MTFP and Budget update	
HMIC reviews – update			
	OPCC Risk Policy		External Audit – Fee letter?
	Treasury Management update	Draft Treasury Management strategy	Treasury Management update and outturn report
			Draft Governance Statements
Final accounts / AGS / ISA 260 etc.	Annual External Audit Letter		Draft Statement of Accounts
			Committee self- assessment
			Committee Annual Report
Items for escalation to the Commissioner and / or the Chief Constable	Items for escalation to the Commissioner and / or the Chief Constable	Items for escalation to the Commissioner and / or the Chief Constable	Items for escalation to the Commissioner and / or the Chief Constable
Agenda plan for the next four meetings			
Date venue and time of next meeting			
Resolution to exclude the public			

Bold = non Standing items

AGENDA PLAN – PRIVATE AGENDA

NEXT FOUR MEETINGS

SEPTEMBER	DECEMBER	MARCH	JUNE
OPCC Strategic Risk Register	OPCC Strategic Risk Register and Annual report	OPCC Strategic Risk Register	OPCC Strategic Risk Register
HMIC reviews – update	HMIC reviews – update	HMIC reviews – update	HMIC reviews – update

Private meeting with Auditors			
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Bold = non Standing items

To be programmed

Briefings on current issues

Counter fraud policy