

# NORTHAMPTONSHIRE OFFICE OF THE POLICE AND CRIME COMMISSIONER

## INDEPENDENT AUDIT COMMITTEE

29th November 2012 at 10.00am

NOPCC, East House, Wootton Hall, Northampton, NN4 0JQ

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If you should have any queries in respect of this agenda, please contact Jo McCaul on 01604-888113.

### AGENDA

1. Apologies, if any, for non-attendance.
2. Election of Chair
3. Declaration of personal and prejudicial interests in respect of items on the agenda.
4. Independent Audit Committee Statement of Purpose and Terms of Reference (circulated herewith).
5. Independent Audit Committee member Code of Conduct (circulated herewith).
6. Internal Audit Progress Report 2012/2013 (circulated herewith) by the Interim Chief Finance Officer.
7. Annual Audit Letter 2011/2012 Report (circulated herewith) by the Interim Chief Finance Officer.
8. Northamptonshire Office of the Police and Crime Commissioner Risk Register. Report (circulated herewith) by the Chief Constable.
9. **Urgent Business** – Such other business involving exempt information which, by reason of the special circumstances to be specified, the Chairman is of the opinion is of sufficient urgency to warrant consideration. (Members who wish to raise urgent business are requested to inform the Chairman beforehand).

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:

“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”.

**ITEM**

**DESCRIPTION OF  
EXEMPTION**

1.

Injury Award Overpayments – update. Report  
(copy to follow) by the Chief Constable.

Paragraph 1

DEBBIE ROE  
CHIEF EXECUTIVE

**NORTHAMPTONSHIRE OFFICE OF THE POLICE AND CRIME COMMISSONER**

**INDEPENDENT AUDIT COMMITTEE**

**PROPOSED STATEMENT OF PURPOSE AND TERMS OF REFERENCE**

<p><b>STATEMENT OF PURPOSE</b></p> <p><b>To provide independent assurance on the adequacy of the corporate governance and risk management arrangements in place and the associated control environment, advising according to good governance principles and proper practices.</b></p>
<p><b>Corporate Governance and Regulatory Framework</b>                  To support the PCC, Chief Constable and statutory officers in ensuring that effective governance are in place and functioning efficiently and effectively, and making any recommendations for improvement.</p>
<p>To review any issue referred to it by the statutory officers of the PCC and Chief Constable and make recommendations as appropriate</p>
<p>To monitor the effective development and operation of risk management and make recommendations as appropriate</p>
<p>To make recommendations for any improvements to the arrangements and policies in place in relation to “Raising concerns at work”, anti fraud and corruption strategies and complaints processes, in light of its experience.</p>
<p>To review its own effectiveness on an annual basis</p>
<p><b>Internal and External Audit</b></p>
<p>To consider the internal audit strategy and annual plan, and make recommendations as appropriate.</p>
<p>To consider 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</p>
<p>To consider summaries of internal audit reports, and make recommendations as appropriate.</p>
<p>To consider reports dealing with the management and performance of the providers of internal audit services, and make recommendations as appropriate.</p>
<p>To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale and make recommendations as appropriate.</p>

To consider the external auditor's annual plan, annual audit letter and relevant specific reports as agreed with the external auditor, and make recommendations as appropriate.

**Accounts/Finance**

To scrutinise the draft statements of accounts and annual governance statements prior to publication, considering whether appropriate accounting policies have been followed and making any recommendations as appropriate.



**NORTHAMPTONSHIRE OFFICE OF THE POLICE AND CRIME COMMISSIONER**  
**CODE OF CONDUCT**  
Members of the Independent Audit Committee

**1. Introduction**

This Code of Conduct applies to members of the Independent Audit Committee (IAC) for the Northamptonshire Office of the Police and Crime Commissioner.

**2. Principles**

As a member of the IAC I shall have regard to the following principles, and the standards of behaviour expected in respect thereof.

- selflessness
- integrity
- objectivity
- accountability
- openness
- honesty
- leadership.

Accordingly, when I act in my capacity as a member of the IAC -

- 1) I will act solely in the public interest and will never improperly confer an advantage or disadvantage on any person or act to gain financial or other material benefits for myself, my family, a friend or close associate.
- 2) I will not place myself under a financial or other obligation to outside individuals or organisations that might seek to influence me in the performance of my official duties.
- 3) When carrying out my public duties I will make all decisions based on merit.
- 4) I am accountable for my decisions to the public and I will co-operate fully with whatever scrutiny is appropriate to my office.
- 5) I will be as open as possible about my decisions and actions and the decisions and actions of the IAC and will be prepared to give reasons for those decisions and actions.
- 6) I will declare any private interests that relate to my public duties and will take steps to resolve any conflicts arising in a way that protects the public interest, including registering and declaring interests in a manner conforming with the procedures set out in section 3 below.
- 7) I will, when using or authorising the use by others of the resources of the Elected Local Policing Body, ensure that such resources are not used improperly for political purposes (including party political purposes) and I will have regard to the provisions of the Elected Local Policing Bodies (Specified Information) Order 2011.

- 8) I will promote and support high standards of conduct when serving in your public post, in particular as characterised by the above requirements, by leadership and example.

**3. Registering and Declaring Interests**

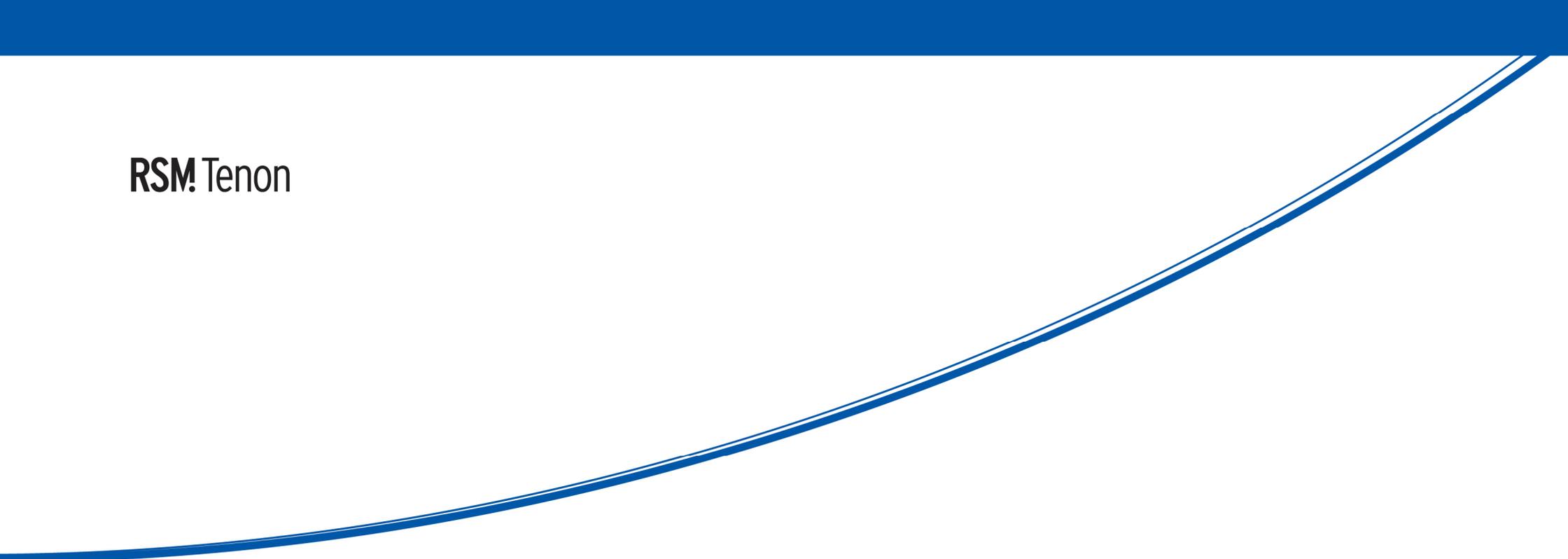
- 1) I will, within 28 days of taking up my position as a member of IAC, notify the Monitoring Officer of any disclosable interests as defined by regulations made by the Secretary of State, where the interest is mine, or that of any Related Parties. Related Parties being my partner, my business partner, a close family member, a friend or any other person in relation to any other business interest of mine.
- 2) I will disclose any interest to any meeting of the Committee at which I am present, where I have a disclosable interest in any matter being considered and where the matter is not a 'sensitive interest'<sup>1</sup>.
- 3) Following any disclosure of an interest not on the Register of Disclosable Interests or the subject of pending notification, I will notify the Monitoring Officer of the interest within 28 days beginning with the date of disclosure.
- 4) Unless dispensation has been granted by the Monitoring Officer, I will not participate in any discussion on, vote on, or discharge any function related to any matter in which I have an interest as defined by regulations made by the Secretary of State. Additionally, I will observe the restrictions placed on my involvement in matters where I have an interest.

I agree to abide by the provisions detailed of this Code of Conduct and in the Schedule of Disclosable Interests.

Signed..... Member of the Independent Audit Committee  
Date.....

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<sup>1</sup> A 'sensitive interest' is described in s.32 of the Localism Act 2011 as .an interest, the nature of which is such that the member and the monitoring officer consider that disclosure of the details of the interest could lead to the member or a person connected with the member, being subject to violence or intimidation. Where such an interest is entered in the register of disclosable interests, copies of the register that are made available for inspection, and any published version of the register, must not include details of the interest (but may state that the member has an interest the details of which are withheld under this section).



**RSM** Tenon

**Agendum No: 6**

NORTHAMPTONSHIRE POLICE

Progress Report

For the Audit Committee – 29<sup>th</sup> November 2012

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The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

This report is prepared solely for the use of Board and senior management of Northamptonshire Police. Details may be made available to specified external agencies, including external auditors, but otherwise the report should not be quoted or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended for any other purpose.

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## 1. INTRODUCTION

- 1.1 The periodic internal audit plan for 2012/13 was approved on 5<sup>th</sup> April 2012 by the Resources Committee. This report summarises the outcome of work completed to date against that plans, and Appendix A provides cumulative data in support of internal audit performance.

## 2. REPORTS ISSUED

- 2.1 We have issued 1 report and this is in the area of:

- Estate Management

## 3. KEY FINDINGS FROM INTERNAL AUDIT WORK

- 3.1 To date we have found no issues that will impact on our annual opinion. The key findings from the reviews finalised since the last Committee meeting are as follows:

### Estate Management

The audit was included as part of the audit plan to provide Northamptonshire Police Authority with assurance that the Estates and Facilities department are considering the changing needs of the Organisation whilst also ensuring that the Estate is being run in an efficient and cost effective way. We have provided substantial assurance and we have made 1 merits attention recommendation as part of the audit. The key findings from this review are as follows;

- There is an Estates and Facilities Management Strategy, in place. As part of the audit we did provide some additional guidance and potential areas for inclusion.
- The Estates department has procedures to identify where works are required, the prioritisation of identified works and the approval of associated work programmes.
- Estates Update presentations take place, which are presented to a number of groups and committees within the Force.
- The Estate is changing to meet the new requirements of the Force. Cellular offices are being replaced with open plan offices complete with hot desks to maximise occupancy. Buildings which had been identified as no longer required have been disposed of.
- The Estates and Facilities Department subscribes to the Croner Legislation Tracker. Using the system, the user is able to identify legislations that affects a subject, in this case Facilities and Estates. Further information for each legislation is available to the user. The system also contains a table of forthcoming legislation in ascending date order. Part of the job role for the Facilities Manager (Compliance), is to use the Croner Legislation Tracker to identify forthcoming legislation that will affect the department and implement any required changes to ways of working to ensure that the new legislation is met.

#### 4. CHANGES TO OUR INTERNAL AUDIT PLAN

No further changes have been made to our plan.

#### 5. LIAISON WITH MANAGEMENT AND EXTERNAL AUDIT

Ongoing liaison is undertaken with your external auditors, KPMG to ensure they can rely on our work and there is no duplication of effort.

## APPENDIX A: OPERATIONAL PLAN PERFORMANCE 2012/13

Auditable Area	Assurance level given	Number of Recommendations Made				
		F	S	MA	In Total	Agreed
Pension Administration	LIMITED	-	4	3	7	7
Governance – Transition	ADVISORY	-	-	2	2	2
Follow Up	GOOD PROGRESS	-	-	-	-	-
Review of Shared Services Project – Part One	ADVISORY	-	-	-	-	-
EMSOU – Key Financial Controls	ADEQUATE	-	3	9	12	12
<i>Estate Management</i>	<i>SUBSTANTIAL</i>	-	-	1	1	1

## Recommendation Categorisation

Our findings and recommendations are categorised as follows:

**Fundamental (F):** *action is imperative to ensure that the objectives for the area under review are met*

**Significant (S):** *requires action to avoid exposure to significant risks in achieving the objectives for the area under review.*

**Merits Attention (MA):** *action advised to enhance control or improve operational efficiency*

## Risk Based Internal Audit Assignments

	Level	Control Design	Control Application
(positive opinions)	Substantial Assurance	Robust framework of controls ensures objectives are likely to be achieved.	Controls are applied continuously or with minor lapses.
	Adequate Assurance	Sufficient framework of key controls for objectives to be achieved but, control framework could be stronger.	Controls are applied but with some lapses.
(negative opinion)	Limited Assurance	Risk of objectives not being achieved due to the absence of key internal controls.	Significant breakdown in the application of controls.

## Follow Up Reviews

(positive opinions)	Good Progress
	Reasonable Progress
(negative opinion)	Little Progress

## APPENDIX B: ACTION PLAN

## ESTATE MANAGEMENT (05.12/13)

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
1	<p>Consideration should be given to updating the Estate and Facilities Strategy to include additional detail;</p> <ul style="list-style-type: none"><li>▪ Executive Summary</li><li>▪ A description of the organisation strategy</li><li>▪ The objectives for the strategy / Estates &amp; Facilities</li><li>▪ The estate in its current state</li><li>▪ Options for meeting the need</li><li>▪ Risks.</li></ul> <p>In addition, as planned the Strategy should be appropriately approved by the Authority.</p>	Merits Attention	Y	The strategy will be amended and approved.	Early 2013	Head of Estates & Facilities

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

**INDEPENDENT AUDIT COMMITTEE**

**29<sup>TH</sup> November 2012**

**Report of the Interim Chief Finance officer**

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**Subject:** Internal Audit Progress 2012/13

**Recommendations:**

1. Approve the Action Plan at Appendix B
2. Note progress of internal audit against the annual plan

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**Purpose of Report**

This report gives Members an update on internal audit progress against the plan, with a summary of the recommendations made by RSM Tenon for the audit that has been finalised.

One report has been completed since the last meeting of the Police Authority Resources Committee in the area of Estates Management, and Substantial Assurance had been achieved.

**Financial Implications and Value for Money**

There are no financial implications directly arising from this report. Value for money recommendations are included where appropriate.

Internal audit days and fees are fixed for the Authority as part of the 5-year audit contract, which commenced 1 April 2009.

**Recommendations**

1. Approve the recommendations proposed by internal audit, and the actions agreed by the Force and Authority in the Action Plans (Appendix B).
2. Note progress of internal audit against plan for 2012/13.

LIZ LUNN  
Interim Chief Finance Officer

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Author: Liz Lunn, Treasurer/Angela Ward/Patrick Green RSM Tenon

Background Papers: Internal audit final reports and working papers

Equality, Diversity and Human Rights Implications: None

Risk Management Implications: The internal audit plan 2012/13 has been drawn up with full regard to the corporate risk register and an assessment of the risk is contained within

the audit coverage proposed. The adequacy of risk management and control within corporate systems have been evaluated as part of each audit review.

HR implications: Contained within the action plans where appropriate

Environmental Implications: None specific

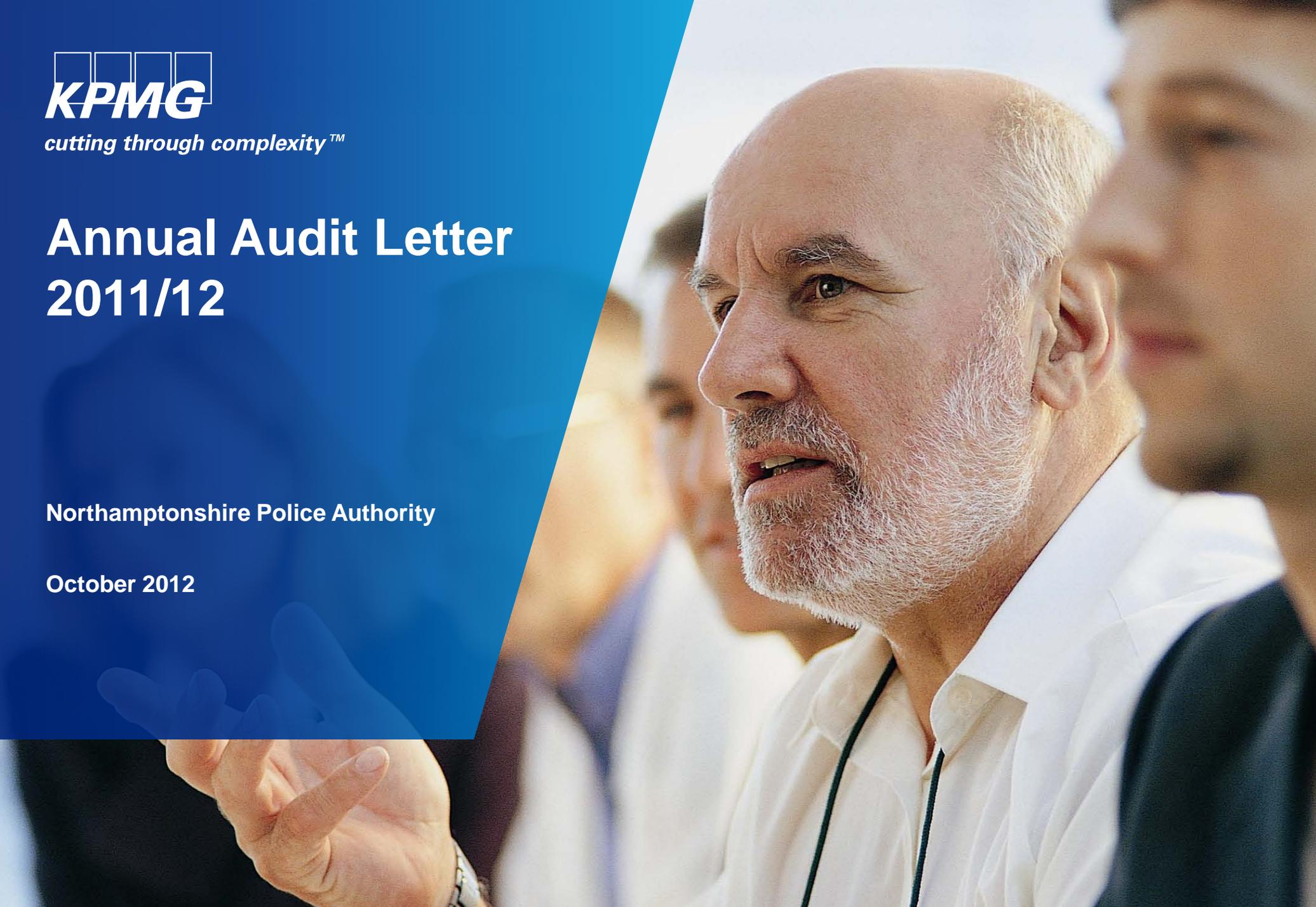


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# Annual Audit Letter 2011/12

Northamptonshire Police Authority

October 2012



**The contacts at KPMG in connection with this report are:**

**Jon Gorrie**

*Director*  
*KPMG LLP (UK)*

Tel: 0121 232 3645

[jonathan.gorrie@kpmg.co.uk](mailto:jonathan.gorrie@kpmg.co.uk)

**Simon Stanyer**

*Manager*  
*KPMG LLP (UK)*

Tel: 0121 232 3574

[simon.stanyer@kpmg.co.uk](mailto:simon.stanyer@kpmg.co.uk)

**Christopher Rowley**

*Assistant Manager*  
*KPMG LLP (UK)*

Tel: 0121 232 3564

[christopher.rowley@kpmg.co.uk](mailto:christopher.rowley@kpmg.co.uk)

## Report sections

- Headlines

## Appendices

1. Key issues and recommendations
2. Summary of reports issued

## Page

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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies*. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document which is available on the Audit Commission's website at [www.auditcommission.gov.uk](http://www.auditcommission.gov.uk).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Jon Gorrie, the appointed engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees on 0161 246 4000, or by email to [trevor.rees@kpmg.co.uk](mailto:trevor.rees@kpmg.co.uk), who is the national contact partner for all of KPMG's work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. Put your complaint in writing to the Complaints Unit Manager, Audit Commission, Westward House, Lime Kiln Close, Stoke Gifford, Bristol, BS34 8SR or by email to [complaints@audit-commission.gov.uk](mailto:complaints@audit-commission.gov.uk). Their telephone number is 0844 798 3131, textphone (minicom) 020 7630 0421.

**This report summarises the key findings from our 2011/12 audit of Northamptonshire Police Authority (the Authority).**

**Although this letter is addressed to the Members of the Authority, it is also intended to communicate these issues to key external stakeholders, including members of the public.**

**Our audit covers the audit of the Authority's 2011/12 financial statements and the 2011/12 VFM conclusion.**

<p><b>VFM conclusion</b></p>	<p>We issued an unqualified value for money ('VFM') conclusion for 2011/12 in September 2012.</p> <p>This means we are satisfied that you have proper arrangements for securing financial resilience and challenging how you secure economy, efficiency and effectiveness.</p> <p>We have undertake local risk-based VFM work focused on the risks associated with abolition of the Police Authority and the transfer to the Police and Crime Commissioner (PCC) new governance arrangements.</p> <p>Through reviewing the work of HMIC and Internal Audit and through our review of key documentation, the Authority has put in place plans for the transition to PCCs. The Authority has identified key risks to the achievement of the action plans and these risk are again subject to monitoring and review.</p> <p>The Authority has delivered the Operation ICAN savings initiatives which are those savings aligned to the Authority's Medium term Financial Strategy. However, the Authority and the force must ensure that any future savings are not at the detriment of operational performance.</p>
<p><b>Audit opinion</b></p>	<p>We issued an unqualified opinion on your financial statements in September 2012. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year.</p>
<p><b>Financial statements audit</b></p>	<p>Our audit has not identified any significant audit adjustments that affect the values shown in the annual accounts. We have however identified a number of presentational points during the course of our work.</p> <p>In addition, revisions were required to the Annual Governance Statement as the draft had not been updated sufficiently from the prior year's document to reflect the circumstances of the Authority during 2011/12 and plans for the coming year.</p> <p>All of the points raised throughout the audit were amended or otherwise sufficiently resolved.</p>
<p><b>Annual Governance Statement</b></p>	<p>We reviewed your <i>Annual Governance Statement</i> and concluded that it was consistent with our understanding.</p>

We provide a summary of our key recommendations in Appendix 1.

All the issues in this letter have been previously reported. The detailed findings are contained in the reports we have listed in Appendix 2.

Pension fund audit	There were no significant issues arising from our audit of the pension fund.
Whole of Government Accounts	<p>We reviewed the consolidation pack which the Authority prepared to support the production of Whole of Government Accounts by HM Treasury.</p> <p>We reported that the Authority's pack was consistent with the audited financial statements.</p>
High priority recommendations	<p>We raised three medium priority recommendations as a result of our 2011/12 work. These are detailed in Appendix 1 together with the action plan agreed by management. They are also summarised below. We did not raise any high priority recommendations .</p> <ul style="list-style-type: none"> <li>■ <b>Formal review of the Annual Governance Statement</b> – The Annual Governance Statement had not been sufficiently updated for 2011/12;</li> <li>■ <b>Approval of payroll BACS payments</b> – there was a considerable delay in one of the payroll BACs payments being reviewed; and</li> <li>■ <b>Calculation of termination benefits</b> – in a small number of cases the data contained within the HR systems was different to the payroll system.</li> </ul>
Certificate	<p>We issued our certificate in Septmber2012.</p> <p>The certificate confirms that we have concluded the audit for 2011/12 in accordance with the requirements of the <i>Audit Commission Act 1998</i> and the Audit Commission's <i>Code of Audit Practice</i>.</p>
Audit fee	Our fee for 2011/12 was £72,600 excluding VAT. This is in line with our Audit Plan issued in March 2012.

## Appendix 1: Key issues and recommendations

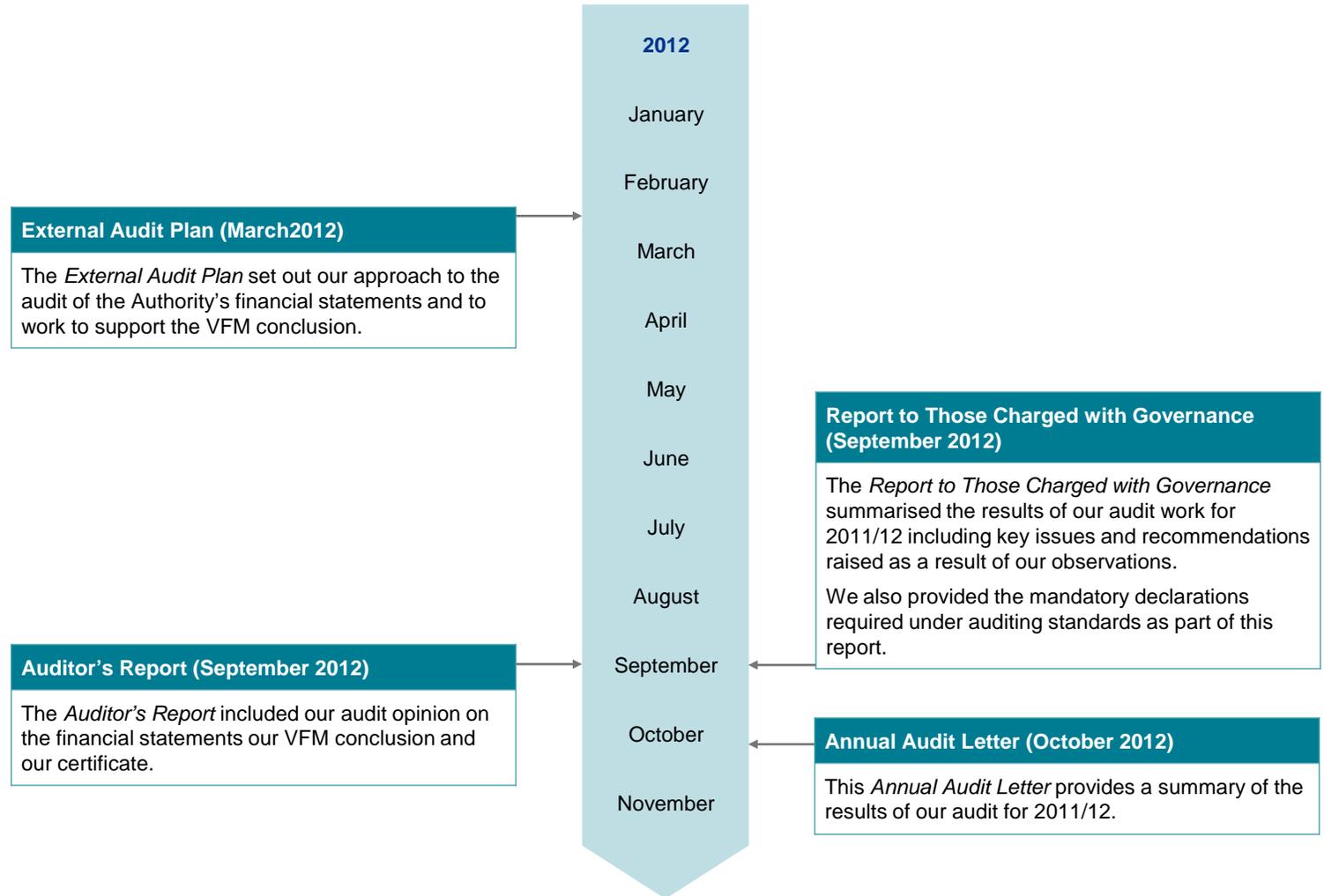
This appendix summarises the medium priority recommendations that we identified during our 2011/12 audit, along with your responses to them. We did not raise any high priority recommendations.

Lower priority recommendations are contained, as appropriate, in our other reports, which are listed in Appendix 2.

No.	Issue and recommendation	Management response/ responsible officer/ due date
1	<p><b>Formal review of the Annual Governance Statement</b></p> <p>We reviewed the draft set of accounts and the AGS to ensure that the information reflected or understanding of the Authority's operations and circumstances during the year in question.</p> <p>The Annual Governance Statement had not been adequately updated from the Statement included with the 2010/11 accounts.</p> <p>Certain sections that outlined plans for 2012/13 were the same as the equivalent sections in 2010/11</p>	<p>AGS is normally prepared by the Treasurer following consultation with others. Due to the Treasurer's unexpected absence in the key period June 15 to August 15 the AGS was not adequately updated. We shall ensure that future plans allow for contingency should this exceptional circumstance occur again.</p> <p><b>Action: Treasurer Sept 2012</b></p>
2	<p><b>Approval of payroll payments</b></p> <p>We identified that the BACS authorisation for the November 2011 Police Officers payroll payment was not reviewed until two weeks after the payment date.</p> <p>The Principal Management Accountant confirmed that the Authority is aware that the control is not effective.</p> <p>The Authority should ensure that it continues with plans to introduce a check on the BACs authorisation prior to the payment date.</p>	<p>Agreed.</p> <p><b>Action: Chief Accountant September 2012</b></p>
3	<p><b>Calculation of termination benefits</b></p> <p>We recalculated a sample of the termination benefits that had been included in the accounts.</p> <p>The payouts had been calculated substantially correctly however we found that data between the payroll system and the HR system did not agree in every case.</p> <p>The Authority should fully reconcile the HR and payroll systems or otherwise determine where the differences in this key data lie. If the data is different and cannot be rectified the Authority should establish which is the most accurate and this system should be used for termination benefit calculations in the future.</p>	<p>Internal audit have carried out a review of systems and controls on termination payments September 2012 and found processes to be adequate. The error occurred as a result of transposition of figures and was not material. As a result all manual processes have now been updated with automated ones to ensure that this does not re-occur.</p> <p><b>No further action</b></p>

## Appendix 2: Summary of reports issued

This appendix summarises the reports we issued since our last *Annual Audit Letter*.





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

**INDEPENDENT AUDIT COMMITTEE**

**29th November 2012**

**Report by the Interim Chief Finance Officer**

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Subject: **Annual Audit Letter 2011/2012**

Recommendations: **That the Committee note the overall assessment of Northamptonshire Police Authority**

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**Purpose of Report**

The Police Authority receives the Annual Audit Letter, relating to the last financial year 2011/12, from KPMG as part of our corporate governance arrangements. Jon Gorrie and Simon Stanyer from KPMG will be at the meeting to present the report and answer any questions.

The Report represents an annual health check for Members on the key areas of external audit responsibility, specifically:

- auditing the accounts
- our VFM conclusion
- Annual Governance Statement

It is pleasing to see that the Authority can take a high level of assurance in the level of financial management in place throughout very difficult financial times, and this continues to be reflected in our own risk register.

**Financial and VFM Implications**

There are no specific additional costs arising from the report recommendations. VFM considerations are addressed in the Annual Audit Letter.

**Recommendations**

Members are asked to note the report.

LIZ LUNN  
INTERIM CHIEF FINANCE OFFICER

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Author's Reference: Liz Lunn

Background papers: None

Equality, Diversity and Human Rights Implications: None

HR implications: None

Risk Management implications: There is a risk to the value of the Authority's corporate governance role if recommendations from external audit are ignored.  
Future risks highlighted in this report (funding shortfalls from CSR) have already been noted and action is being taken.

Environmental Implications: None

Northamptonshire Office of the Police and Crime Commissioner										
Risk Register as of 22 November 2012										
Risk	Strategic Objectives	Risk	Impact Inherent	Likelihood Inherent	Controls	Impact	Likelihood	Risk	Name	Action
						Residual	Residual			
1a	Ensure our Police Service is challenged and held to account for the standard of service provided	Scrutiny is diluted in transition period and whilst new PCC governance arrangements take place.	4	3	Decision making continued for particularly complex or long term strategic or costly decisions eg custody, shared services, ICT strategy eg Athena remains. Governance Framework options ready for PCC to consider and to choose how best to hold Force to account.	3	2	Medium	PCC/Debbie Roe/Rosemary Yule	PCP and PCC to define new scrutiny processes fully post November 2012. PCP has set meetings schedule with key dates for Budget and Police and Crime Plan approval.
1b		Poor Police Force performance	5	3	Local standards and targets have been formally set for the Police Force. PCC will need to continue to scrutinise Force performance and also set new priorities/targets for Force for 2013 based on PCC manifesto.  HMIC have role in performance overview. Serious non-performance could ultimately be dealt with by HO engagement. PCC will hold CC to account for Force Performance through new governance arrangements and regular meetings with CC	3	2	Medium	PCC/Debbie Roe/David Peet	Scrutiny options are ready for PCC to consider how best to scrutinise Force.  Dep Ch Exec NPA has overview role on Force performance monitoring.
1c		Financial Strategy affects performance. Level of cuts in early years impacts on performance	5	3	PCC regularly review MTFP and financial strategy to ensure performance is not unduly affected by officer and staff reductions proposed over CSR period. Force Control Centre performance to be monitored in particular.	3	3	High		Regular review of financial strategy required by new PCC - urgent agreement required on 2013/14 budgets and financial strategy
1d		Poor operational or business decisions or outcomes on Multi Force Shared Service	5	2	Monitoring of high risk areas within Cheshire shared business services by Joint Committee attended by PCC with overview of costs and decisions and independent audit rights retained by Audit Committee. Regular reports to PCC. Internal audit report due January 2013. Chief Executive sits on Multi Force Programme Board.	3	2	Medium	PCC/Chief Executive	Option for Joint Committee to continue with PCCs in attendance.
2a	Develop and Promote the role Police and Crime Commissioner	Failure to communicate the role & function of the PCC to public, Force and partners. May be a need for further comms resource.	3	4	PCC website, press releases, information leaflets, Public consultation activity. Visibility and promotion of role by staff and PCC.	3	3	High	Debbie Roe	PCC website live 22nd November 2012. Comms Plan in place for PCC to consider using Force and NOPCC staff member for initial comms. Future comms options will need to be considered by PCC.
2b		Poor NOPCC performance	4	3	Draft policies in place to deal with staff/PCC/DPCC misconduct or capability. New Code of Conduct for staff/PCC/DPCC. PCP will challenge and scrutinise PCC and investigate any PCC/DPCC complaints.	2	2	Low	Debbie Roe	NOPCC staff have annual PDR. PCP deals with PCC/DPCC complaints - criminal allegations referred directly to IPCC.
2c		Lack of clarity in roles /function of PCC or staff	3	3	Legislation provides details on roles and functions. Transition period to new PCC and PCP will require changes in staff job descriptions	3	2	Medium	PCC	Democratic process of PCP scrutiny. Roles and functions have been clarified by legislation. Officer roles now clear
2d		Lack of NOPCC resource to ensure effective support to enable the PCC to carry out his duties.	4	3	On 22nd November 2012, all police and Authority staff will transfer to the PCC. Second transfer of staff to be completed by April 2014. PCC to undertake NOPCC staff review to ascertain the support required. Additional 100k budget rising to 200k is available to mitigate risk.	2	2	Low	PCC/CC	PCC to decide on NOPCC requirements for effective delivery and the roles the PCC may wish to keep in order for effective support in the NOPCC (Stage 2 transfer).
2e		Lack of corporate governance	4	3	New Code of Conduct and new Corporate Governance Framework options in place for PCC to approve.	3	1	Low	Debbie Roe / Rosemary Yule	PCC to undertake full role in governance of joint bodies eg East Midlands and Cheshire/Northants shared services
2f		Poor or inappropriate relationship between Force & PCC	4	3	New Governance options for PCC include suggestions for a close working relationship between the PCC and CC and NOPCC officers and Force through the attendance of a network of internal and external meetings.	2	1	Low	PCC/Debbie Roe	PCC will need to agree way forward from governance options for appropriate interaction with Force.
2g		Poor PCC performance in audit inspections	3	3	Inbed strong systems into PCC business plan and governance. Regular review of business plan.	2	2	Low	PCC/Debbie Roe	PCC will need to develop a business plan once in office based on Police and Crime Plan.
3a	Represent Northamptonshire on local, regional and national issues	Strategies, policies and procedures out of step with developments regionally and nationally	3	3	The NOPCC has systems in place to communicate feedback on local, regional and national issues to PCC/DPCC and employees	2	2	Low	Debbie Roe	Regular e-mails and circulars. NOPCC officers scope new legislation to develop policy and procedure.
3b		PCC does not actively engage with the regional agenda	3	3	EMPAJC has developed a governance option for the 5 regional PCCs to attend Regional Board meetings.	2	2	Low	Debbie Roe	PCC to agree to the regional governance arrangements. Two dates already in diary November for meeting with regional CCs and December for tour of EMSOU.
3c		Inappropriate amount of resources spent on regional collaboration or national change proposals	4	4	Workload to remain balanced against Northamptonshire requirements. Regular challenge of Regional funding and savings by PCC.	3	2	Medium	Debbie Roe/Rosemary Yule	Collaboration with other forces constantly undertaken where effective eg EM Major Crime, SOC and Cheshire/ Northants shared services.
4a	Ensure our plans reflect local needs	Failure of PCC to engage with all sections of the community	4	4	The NOPCC has established channels of communication with many groups and sections of the community and other Stakeholders ie. Forums, website and partnerships including Hard to Reach groups. Governance options include public meetings between CC & PCC. PCC will be held to account publically by PCP.	3	2	Medium	Helen Cook	Consultation likely to grow under PCC. Engagement options have been developed for approval of PCC.
4b		Lack of public confidence and trust in the Police	4	3	NOPCC has an overview of complaints against the Police - dip sampling of PSD complaints.	3	2	Medium	David Peet	Dip sampling options paper developed for PCC to consider
4c		Strategic plans, priorities & targets are developed which don't take account of community needs	4	3	The NOPCC has in place a robust mechanism for formulating strategic plans. NOPCC will produce its strategic plan in consultation with the community and its stakeholders and will take into account the PCC manifesto. PCP will have oversight of Police and Crime Plan.	3	2	Medium	PCC/Debbie Roe	Police and Crime plan has been drafted for 2013/14 and will require priorities aligned to PCC manifesto.
4d		Failure to meet community policing needs due to funding inadequacies	4	3	The budget planning process considers 4 - 5 years ahead & models several funding scenarios. Medium Term Financial Plan covers CSR +1 period to 2016 with £12.7m budget gap. PCC oversight of Change Programme Board including restructuring of organisation and shifts, reducing headcount, shared services, regional collaboration, shared procurement and process efficiencies. PCP will have the power of veto over the PCC budget.	3	2	Medium	Rosemary Yule	PCC will need to be actively engaged in the process via budget and planning meetings and discussions, Audit Ctee. Savings being delivered earlier than anticipated. PCP have scheduled in Police & Crime Plan and Budget screening meetings.
5a	Ensure our policing recognises equality & engages effectively with diverse communities	Inadequate monitoring of effectiveness of engagement and partnership work	4	3	NOPCC has Equalities Vision that all staff work towards. Also has Decision Framework where equalities always taken into account. The Force has a good relationship with the Independent Advisory Group (IAG) which reflects the thoughts and concerns of our communities and it will be proposed to the PCC that he would want to continue with that relationship.	3	2	Medium	Rosemary Yule	Need to ensure incoming PCC is aware of the IAG and its use as a gateway to hard to reach communities.
5b	and partnership agencies	Partnership funding or joint schemes suffer withdrawal of funds	4	4	NOPCC has document listing all county partnership funding to enable PCC to know at a glance where all funding/grants come from and where they are currently distributed. his will assist with PCC with the Commissioning Framework already drafted. PCC to sit on county Leadership Group/LCJB.Super Tuesday.	3	2	Medium	PCC/DPCC and officers	Need to ensure incoming PCC maintains monitoring of partnership funding and activities. Commissioning Framework drafted. Need to ensure PCC sits on Leadership Group/LCJB and attends Super Tuesday.
5c		Failure to engage with partners to maximise performance	4	4	Representation of, and full input by, PCC/DPCC/NOPCC officers on various partnership bodies. May be harder to achieve with 1 PCC.	2	3	Medium	Debbie Roe	Partnership Review complete and options worked up as to who will sit on which partnership bodies.
6a	Ensure more effective use of policing resources (VFM)	Funding is inadequate or service provided does not give VFM	4	4	Value for Money scrutinised at Audit Ctee (eg HMIC VFM profiles and follow up), Scrutiny reports, Internal and external audit work, Treasurer - HCS meetings, PCC challenge and Change Management Board. All PCC Decision Records have VFM implications	3	2	Medium	Rosemary Yule/ Chair Resources Ctee	Medium Term Financial Plan with decision on reserves and council tax due January 2013. PCC will be required to sign off budget and set precept very quickly once in office.
6b		Regional Collaboration and shared business services does not deliver VFM	4	4	Scrutiny at EMJPAC, Regional DCC called to account by PCCs and regional Resources meetings. NOPCC analysis of shared services governance, plans and deliverability. Programme Board (operational) and Joint Committee (governance) with Cheshire to oversee MFSS implementation. Very few savings built in for EM work = low risk.	1	3	Low	EMJPAC Shared Services Joint Committee	Major Crime, SOC, Special Branch and TSU projects to be monitored carefully for delivery of VFM. Regional budget MTFP scrutiny. MFSS and EM budgets now monitored separately on report to PCC
6c		ICAN does not deliver balanced budget over 4 year CSR period	4	3	Detailed monitoring of ICAN progress and deliverables over critical period 2012/13, 2013/14, 2014/15 and 2015/16	3	1	Low	Rosemary Yule	Analysis of 4 year position CSR+1. Force currently on target to exceed budget deficit targets. HMIC review July 2012 confirms.
7a	Comply with statutory duties	Non compliance with legislation incl H&S with legal, reputational and financial risk	4	3	The PCC has access to legal advice. Monitoring officer role of Ch Exec. S151 Role(Treasurer). Policy and procedure being worked up to enable PCC to be compliant with the appointment and where necessary the dismissal of Chief Constable.	2	2	Low	Debbie Roe R Yule	New legal framework to be developed with PCC. PCC will be required to adhere to policy where it involves statutory duties.
7b		Corporate fraud or corruption occurs	4	2	PCC is subject to external scrutiny - internal and external audit, and other bodies eg H&SE. Annual Governance Statement gives assurance. NOPCC has Whistle Blowing and Anti Fraud Policies.	3	1	Low	D Roe/R Yule	New governance framework developed for PCC

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

**INDEPENDENT AUDIT COMMITTEE**

**29<sup>TH</sup> November 2012**

**Report of the Chief Executive**

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**Subject:** Northamptonshire Office of the Police and Crime Commissioner (NOPCC) Risk Register.

**Recommendations :**

- (1) That the NOPCC Risk Register be noted;**
- (2) That the NOPCC Risk Register and the Force Risk Register be submitted to the Committee every six month in March and September each year.**

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**Purpose of Report**

To share the first draft of the NOPCC Risk Register with Independent Audit Committee Members.

**Background**

As part of the NPOCC governance arrangements, subject to the approval of the Terms of Reference at agendum no. 4, Independent Audit Committee will have responsibility for monitoring the effective development and operation of risk management and making recommendations, as appropriate.

The NOPCC Risk Register deals with any strategic risks, which may exist to inhibit the objectives of the PCC. The Risk Register at Appendix A includes the initial risks that have been identified but the register will evolve and change as the work of the NOPCC develops and progresses.

The register is presented here today for Members' comments both currently and moving forward in the future.

It is recommended that the NOPCC Risk Register and the Force Risk Register be submitted to the Committee on a six monthly basis (March and September each year) which is the same frequency at which the Force and Police Authority Risk Registers were submitted to the Police Authority Resources Committee.

**Financial and Value for Money Implications**

There are no financial implications directly arising from this report although clearly the some individual risks do have financial and VFM implications.

DEBBIE ROE  
Chief Executive

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**Author:** Debbie Roe, Chief Executive

**Background Papers:** Police and Social Responsibility Act 2011  
Police Authority Risk Registers

**Equality, Diversity and Human Rights implications:** None

**Environmental Implications:** None

**HR implications:** None

**Risk Management implications:** This is the subject of the report.