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DATE 1 November 2017

JOINT AUDIT RISK ASSURANCE COMMITTEE

AGENDA

DATE OF MEETING	9 November 2017
TIME OF MEETING	12 NOON
LOCATION	CONFERENCE ROOM 1, Police HQ, Ripley. DE5 3RS
PCC CONTACT OFFICER	Mrs Liz Kelly (0300 1226007)
CONSTABULARY CONTACT OFFICER	T/C/Supt S Wilson (0300 122 4196)
DISTRIBUTION	Commissioner H Dhindsa Chief Constable P Goodman Mr D Peet Mr A Dale Mr T Neaves Mrs L Kelly Mr D Hoose (Mazars) Mr B Welch (Mazars) Mr A Cardoza (KPMG) Mr A Pipes (KPMG) Members of the JARAC: Ms K Alcock (Chair) Mr S Cook Ms S Hart Mr A Jenkinson Ms S Sunderland

Meeting of the Joint, Audit, Risk and Assurance Committee on 9 November 2017 at 12 NOON, in Conference Room 1, Police HQ, Ripley.

AGENDA: Reports attached

ITEM	SUBJECT	Presented by
1	APOLOGIES FOR ABSENCE	CHAIR
2	DECLARATIONS OF INTEREST (IF ANY)	ALL
3	MINUTES OF THE MEETING OF THE JARAC HELD ON 14 September 2017	CHAIR
4	REVIEW OF ACTIONS	CHAIR
5	OPERATIONAL	
5A	Transition Programme including the impact of mobile working	ACC HAWARD
6	ASSURANCE FRAMEWORK	
6A	Extending the Assurance Framework to cover the regional Collaboration – discussion.	ALL
7	INFORMATION TECHNOLOGY	
7A	Penetration testing. Feedback from Ms Hart	MS S HART
8	RISK	
8A	OPCC Risk Register	MR A DALE
9	EXTERNAL AUDIT	
9A	Annual Audit Letter	MR A DALE

MINUTES of a meeting of the **JOINT AUDIT, RISK ASSURANCE COMMITTEE** held in the Old Reception Room, Police HQ on 14 September 2017

P R E S E N T

Miss K Alcock (in the Chair)
Mr S Cook
Ms S Sunderland
Mr A Jenkinson
Ms S Hart

OPCC Present: DPCC Gillott, Mr A Dale, Mrs L Kelly

Constabulary Present: Mr T Neaves,
Insp. A Sandeman and Sgt A Pegg to present NCRS and
NSIR Report
Julie Cook

Internal Audit: Mr B Welch

External Audit: Mr A Cardoza

31/17 APOLOGIES

31.1 None

32/17 DECLARATIONS OF INTEREST

32.1 No declarations of interest were declared.

RESOLVED:

1. To note that no members declared any personal or prejudicial interests.

33/17 MINUTES OF THE MEETING OF THE JARAC HELD ON 15 JUNE 2017

33.1 An error was noted at minute 14.1, which should read Ms Sunderland NOT Sutherland.

33.2 Referring to minute 15.3 members asked if a date had been set for the Risk and Threat Seminar. Mr Neaves advised that a date had not yet been set, however, it had been confirmed that one would take place for 2017, probably in November.

33.3 Minute 20.4 – Ms Hart was arranging a meeting with the Head of IT and was hoping to be able to provide an update to the Committee in December.

33.4 Minute 25.3 – members enquired if progress had been to change the focus of the Strategic Governance Board meetings. Mr Dale advised

that a meeting would be held between Mr Peet and the Chief Constable to agree a way forward. A report to the Strategic Governance Board was expected by November.

- 33.5 A word was noted as missing on Resolution 3 of minute 26/2017 which should read “Members considered but did **NOT** include...”
- 33.6 Minute 29.2 – a word was noted as missing on line five of minute 29.2, which should read “The Chief Constable advised that the Police and Crime Commissioner receives confidential briefings on case specific matters, but these will **BE** very ...”
- 33.7 Minute 29.2, Members enquired how the Committee would receive confidential briefings on sensitive, non-case specific risks. Mr Neaves advised that there are currently no confidential risks contained within the Risk Register, but should there be in the future, members will be briefed.

RESOLVED:

1. The Minutes of the meeting of the JARAC held on 15 June 2017 were confirmed as a true record by the Committee.

34/17 REVIEW OF ACTIONS

34.1 *Meeting of JARAC 9 March 2017*

It was agreed that an update on the OPCC Risk Register will be provided in a separate meeting.

**34.2 *Meeting of the JARAC 15 June 2017*
Agenda Item 7B**

It was noted that Ms Hart was arranging a meeting with the Head of IT to gain assurance about how the Force are equipped to deal with cyber-attacks. .

Mr Neaves provided an update on the audit recommendation “to get written confirmation from a licence holder who has moved premises that a firearm is being securely locked in a cabinet.” Mr Neaves advised that ACC Haward will write to all to all licenced firearm holders to confirm that this has happened and the process will be re-examined moving forward.

RESOLVED:

1. To note the Review of Actions

35/17 JARAC MEMBER RECRUITMENT

- 35.1 It was noted that the content contained in para 2.2 should be changed as the Terms of Reference were amended to state that the role of Deputy Chair should NOT be for one term only.
- 35.2 Ms Alcock advised that she and Mr Cook would not reapply, although Ms Hart might. With this knowledge, Ms Alcock advised that it may be prudent to conduct a skills audit to identify any skills gaps.

RESOLVED:

1. The JARAC recruitment process was considered and agreed.

36/17 JARAC TERMS OF REFERENCE

- 36.1 The amended Terms of Reference were appended to the report for approval and to recommend to the Police and Crime Commissioner and Chief Constable.
- 36.2 Subsequent to the review which took place in June, it was now noted that the TORs are unclear about the recruitment process and timetable.
- 36.3 It was agreed that the TORs be approved as per the recent review, however, it was agreed that they should they should be amended more clearly, particularly around recruitment, during the next review in 2018.

RESOLVED:

1. The amended TORs as attached at Appendix A were approved.
2. The TORs would be recommended to the Police and Crime Commissioner and the Chief Constable for adoption.

37/17 JARAC MEETING DATES 2017/2018

- 37.1 Members considered the draft timetable of meeting dates for 2017/18 and agreed to an additional meeting in November 2017, to receive the OPCC Risk Register and consider any other outstanding work. It was agreed that this additional meeting be arranged.
- 37.2 Taking into account the accounting deadlines for 2018, members were informed that it would not be possible to review the accounts prior to the KPMG audit. The meeting date suggested for 17 May would be to consider and agree the Annual Governance Statement only. Members noted this and agreed the date of 17 May 2018.
- 37.3 To enable members to view the accounts prior to publication it was agreed that a single purpose workshop be organised. It was agreed that the meeting be informal, not open to the public and that it should take place within the second week of June 2018.

RESOLVED:

1. The meeting dates were considered with all dates agreed and with the addition of two further meetings (1) November Risk meeting and (2) June Accounts Workshop.

38/17 JARAC ANNUAL REPORT 201/2017

38.1 The Annual Report was attached to the report for consideration, the following was noted:

38.2 **Page 3** The first paragraph should read: “In Derbyshire there are **5 JARAC** members, all independent They have been appointed for **5 years**”.

38.3 **Page 6** Members requested that two further actions be included, as follows:

5. To explore a wider role for the JARAC through discussions with the CFOs, PCC and CC.

6. To develop a process to obtain formal feedback from stakeholders on the performance of the JARAC

The date should read September 2017 NOT 2018.

38.4 Mr Dale advised that the Annual Report would be scheduled for presentation at the next meeting of the Police and Crime Panel.

38.5 Members considered and discussed whether the summary of assurances was useful to be included as an appendix. It was concluded that it would be more useful for it to be prepared in advance of writing the report rather than be appended to it. It was agreed therefore, that it be removed and reference to it, contained on page 4 also be removed.

38.6 It was agreed that the amendments, noted above, will be made to the report and forwarded to the Chair for the final sign off.

RESOLVED:

1. The committee commented on the JARAC annual report for 2016/17
2. Pending the amendments noted in the minutes above the Chair will sign off the final version.

39/17 INTERNAL AUDIT PROGRESS REPORT

39.1 Mr Welch presented the Internal Audit Progress Report, which had not been distributed with the papers but was available at the meeting. Also attached at the Annexes was a copy of each individual audit report for Victims Services, Business Continuity and Estates Management for members' consideration.

39.2 *Internal Audit Progress Report.*

Mr Welch advised that the National Undercover Enquiry was now complete and the EMCHRS Learning and Development would be complete by the end of the week. The agreed start date for Core Financial was 23 October 2017.

The collaborative audits for 2017/2018 were detailed within the report on page 2 and will be; EMCHRS L & D, EMCHRS Occupational Health, EMSOU Forensic Services, Criminal Justice (EMCJS) and POCA.

39.3 *Victim Services*

This audit conclusion provided satisfactory assurance with 3 significant and 1 housekeeping recommendation.

39.4 Members considered the recommendation around referral system and reconciliation of data and raised concerns that crimes may not be being recorded correctly and therefore not all victims would be being referred. Mr Dale advised that broader work is currently being undertaken about the referrals process and he agreed to present a report to the March meeting to update members on this.

39.5 *Business Continuity*

The audit conclusion provided limited assurance and raised 5 significant recommendations.

39.6 Mr Welch added that although there were no priority 1 recommendations, the 5 significant recommendations warranted only limited assurance being attained. Mr Neaves provided some reassurance to members stating that this is merely a timing issue as the Business Continuity Manager had been busy ensuring business continuity during the transition to the new HWQ building and assurance should be taken that there were no issues at all during this phase of work. The Business Continuity Manager has already addressed the findings of the report and responded to some of the recommendations.

39.7 Members asked if the Force work closely with the Fire Service on Business Continuity arrangements and were informed that there is a

close working relationship between the two Business Continuity Managers.

39.8 Mr Dale added that the formalisation of Business Continuity arrangements will be progressed by the OPCC.

39.9 In considering the recommendations members agreed that they could only take limited assurance the Business Continuity was being managed effectively. It was noted however, that Mr Welch will provide a follow up report on the audits for the December meeting and members were therefore content to await the follow up report.

39.10 ***Estates Management***

The audit conclusion provided satisfactory assurance with just two significant recommendations.

RESOLVED:

1. The Committee took assurance that the internal audit plan addressed relevant matters and is being delivered as expected, as detailed in the progress report attached at Appendix A to the Report.
2. The Committee took assurance that the controls upon which the organisation relies to manage its Victims Services are suitably designed, consistently applied and effective as detailed in Annex A to the report.
3. The Committee took limited assurance that the controls upon which the organisation relies to manage Business Continuity are suitably designed, consistently applied and effective as detailed in Annex B to the report.
4. The Committee took assurance that the controls upon which the organisation relies to manage the collaboration for Estates Management are suitably designed, consistently applied and effective as detailed in Annex C to the report.

INSP SANDEMAN AND SGT PEGG JOINED THE MEETING TO PRESENT AGENDA ITEM 9A IT WAS THEREFORE AGREED TO RE-ORDER THE AGENDA AND RECEIVE AGENDA ITEM 9A NEXT

40/17 NCRS AND NSIR COMPLIANCE REPORT

40.1 Insp. Sandeman explained that HMIC are keen to ensure that crime is recorded properly however, what is a crime and what isn't can be complex, he did however, provide reassurance that Derbyshire Constabulary are committed to being victim focussed and intervention does take place even when an incident is not crimed.

- 40.2 Insp. Sandeman advised that every effort is made to record crimes accurately. However, Officers have to make such judgements quickly and call handlers may also prioritise getting attendance at the scene.
- 40.3 Insp. Sandeman went on to explain that recording crime is complex and he provided examples to illustrate the complexities for the Police. Insp. Sandeman explained, that he does not complete the audits and that three members of staff are employed for this purpose alone; this should provide some reassurance that there is independence from the Police in the auditing process.
- 40.4 Members required reassurance that victims are being referred to the appropriate pathways and Insp Sandeman reassured them that if they are not being referred, this, in all likelihood will be because the victim does not wish to pursue it.
- 40.5 Members asked how operators work with the Niche system and were advised that things are getting better and the system is fit for purpose. The previous system was used for 10 years or more and therefore a transition to a new system is always a challenge. However, training has been provided and will continue to be provided to help staff.
- 40.6 Members asked if there was a high turnover of staff which was affirmed and it was acknowledged that there will always be vacancies within the Control Room. However, better recruitment plans are now in place and the Force will endeavour to over-recruit based on leaver predictions where possible.
- 40.7 Insp. Sandeman advised that CC Haward (Lead for Crime Recording) is aware of the work needed to be done to improve Crime Recording standards and members could take assurance that there are clear processes in place to record crime. He continued by stating that the PCC receives a report half yearly on what is being done within the CCMC and what work is ongoing to address issues. He provided further reassurance stating that Derbyshire have a good audit regime and are very intrusive in sex offences, vulnerability and safeguarding and there will be much intervention even if incidents are not crimed.
- 40.8 Members concluded that from the report received assurance could not be gained that this area of business is being managed efficiently and effectively. However they did note the ongoing issues and concerns and what is being done to manage them. They agreed a recommendation to reflect this.

RESOLVED:

The JARAC noted the ongoing concerns around the performance of Niche but were reassured about the ongoing training of Officers and Staff to overcome these difficulties. The JARAC took assurance on the processes in place to manage this area of business and the

independent audit function to highlight weaknesses and ensure appropriate action.

41/17 EXTERNAL AUDIT REPORT (ISA 260) KPMG 2016/17

- 41.1 Mr Cardoza, External Auditor presented the report highlighting that he expected to issue an unqualified audit opinion on the PCC and CC's Financial Statements and on the Value for Money Opinions.
- 41.2 Mr Cardoza acknowledged the quality of the work which was good and he appreciated the hard work from staff within the finance team.
- 41.3 Referring to page 10 of the External Audit Report, Mr Cardoza highlighted that the narrative reports do not fully comply with the Code requirements; he explained that this was because the Constabulary are not target driven and work will need to be expanded for next year to incorporate the measuring of outcomes. He added, however, that this was a low priority.
- 41.4 Noting the Value for Money risks on page 17 of the report, Mr Cardoza added that if police salary cap is lifted this will need to be re-considered and will be examined again next year.
- 41.5 Mr Cardoza highlighted as detailed on page 24 that the audit fees remain the same as last year.
- 41.6 Finally Mr Cardoza thanked Mr Neaves, Mrs Cook, the Finance Team and Mr Dale for their hard work and he acknowledged that next year will be more challenging due to the accounting deadlines.

RESOLVED:

- 1. The ISA 260 report to those charged with governance for the financial year 2016/17 was received and the contents discussed.

42/17 DRAFT LETTERS OF REPRESENTATION

- 42.1 The draft Letters of Representation were attached to the report at Appendix A for members' consideration and comment.

RESOLVED:

- 1. The draft Letters of Representation for 2016/17 set out at Appendix A and Appendix B were considered.
- 2. There were no relevant matters to raise as advice to the Police and Crime Commissioner and the Chief Constable, prior to them and their respective Chief Financial Officers signing the letters.

**43/17 STATEMENT OF ACCOUNTS – CHIEF CONSTABLE AND POLICE
AND CRIME COMMISSIONER AND GROUP 201/17**

- 43.1 Members had reviewed the accounts at the last meeting of the JARAC in June and it was noted that the suggested amendments were contained within.
- 43.2 The Statement of Accounts should now be amended to reflect the changes highlighted by the External Auditor and the approved Governance Statements can be inserted.

RESOLVED:

1. Members provided a final overview of the Commissioner and Group Statement of Accounts as set out at Appendix A to the report and provided assurance to the Police and Crime Commissioner prior to him signing his statement of accounts.
2. Members provided a final overview of the Chief Constable Statement of Accounts as set out at Appendix B to the report and provided assurance to the Chief Constable prior to him signing his statement of accounts.
3. On behalf of the committee Miss Alcock thanked Mr Cardoza, the CFOs and Mrs Cook for the work done on the accounts and asked that the committee's appreciation be passed to their staff teams.

**44/17 COPY OF SGB REPORT: PROFESSIONAL STANDARDS
DEPARTMENT - UPDATE**

- 44.1 Members commented that it had been useful to receive the copy report and they enquired if there was a dip sampling report also. Mr Dale agreed to investigate how dip sampling is fed back to the PCC and will advise members in due course.

45/17 ANY OTHER BUSINESS

- 45.1 Mr Cardoza advised that the future External Auditors will be Ernst Young and Mr Dale added that if it was the same team that he had worked with previously there would be some continuity of relationships.

Meeting closed at 13:05

JOINT AUDIT, RISK AND ASSURANCE COMMITTEE

REVIEW OF ACTIONS

Agenda Item	Report Title and Action Required	Responsible Officer	Progress
Meeting of the JARAC 9 March 2017			
	<p>OPCC Risk Register Risk 2.3. reference should be made to the audit work undertaken around the collaboration arrangements.</p> <p>Risk 4.2. It was queried whether those with Mental Health issues refers to the perpetrators or the victims. Mr Dale agreed to speak with the Chief Executive and report back to members.</p> <p>Risk 6.1. Members suggested that this risk needs to be explicit as it does not state what is trying to be achieved.</p>	<p>Mr Dale</p> <p>Mr Dale</p> <p>Mr Dale</p>	To be discussed in a separate meeting – to be arranged.
Meeting of the JARAC 15 June 2017			
7B	<p>Internal Audit Progress Report 2016/17 and 2017/18</p> <p>Ms Hart to meet with the Head of IT to gain assurance about the Force are equipped to deal with cyber crime.</p>	Ms Hart	Update for the meeting of the JARAC in November.
Meeting of the JARAC 14 September 2017			
5B	<p>JARAC Meeting dates To arrange two additional meeting dates; (1) November Risk meeting and (2) June Accounts Workshop.</p>	OPCC	9 November 2017 14 June 2018
5D	<p>JARAC Annual Report 201/17 Amend the Annual report and schedule for presentation at a future meeting of the Police and Crime Panel.</p>	OPCC	Amended, uploaded to the PCC website and circulated to PCP members.

6A	<p>Internal Audit Progress report 2017-2018 Victim Services</p> <p>Members considered the recommendation around referral system and reconciliation of data and raised concerns that crimes may not be being recorded correctly and therefore not all victims will be being referred. Mr Dale advised that broader work is currently being undertaken about the referrals process and he agreed to present a report to the March meeting to update members on this.</p>	Mr Dale	Update for meeting of the JARAC March 2018
10A	<p>Copy of SGB report: PSD Update</p> <p>Members commented that it had been useful to receive the copy report and they enquired if there was a dip sampling report also. Mr Dale agreed to investigate how dip sampling is fed back to the PCC and will advise members in due course.</p>	Mr Dale	



Derbyshire Constabulary

Policing Model Review:

ACC Chris Haward



- Key Findings:
 - Attendance rates have fallen
 - Response times have increased
 - Travel times have increased
 - Ratio of incidents to officers is an outlier
 - Utilisation of response officers is very high
 - Shift pattern alignment to demand can be significantly improved
- Anecdotal evidence of strain in LPU
 - Growing crime workload in South (improving with CIU investment)
 - Frequently covering Response and CIU, leading to delays in own work
 - Poor handovers
- Variance in appointment handling
- Constraints in FCR
 - Radio channels and full cross border deployment
 - Inappropriate grading (quantity of Immediate/Priority incidents, inappropriate appointments)



- Review incident grading with primary aim of reducing incident workload
- Review and improve Thrive and Telephone Resolution processes
- Consider whether the NPM, in it's purest form, is right for all areas of the Force?
- Improve CIU resourcing in South Division
- Make incremental changes to shift patterns
 - Employ more 'demand led' shift pattern at Chesterfield and Derby hubs
- Review hub locations and Cross Border deployments
 - Consider closing Erewash hub and merging with Derby hub
 - Reallocate Ashbourne area into south division
- Assess ability to incorporate changes to FCR processes previously identified
- Review workload undertaken in SNT and assess whether scope to release resource / handle more workload at the expense of some current duties
- Conduct review of specialist units at a BCU and Force level



- Five Themes:
 - CCMC
 - Grading
 - Thrive
 - Scheduled Appointments
 - Hub Locations and Maximising the Model
 - Hybrid
 - Relocation
 - Changing Boundaries
 - X Border
 - Teamwork and Roles
 - Reworking
 - Optimisation
 - Doing it Right First Time
 - Shifts and Matching Resources to Demand
 - Supervisory Structures & Roles



- Blended Model – LPU, SNT and Response working together
- Move of some teams – e.g Chapel split to Glossop and Buxton, rebalance of shifts
- Incident Resolution Team
- New Grading and Improved Scheduled Appointments
- New Practices – e.g. Shoplifting
- Cross Functional Supervision
- CCMC Practices – deploy and assign to incidents, voiceless despatch
- Increased Use of Mobile Office

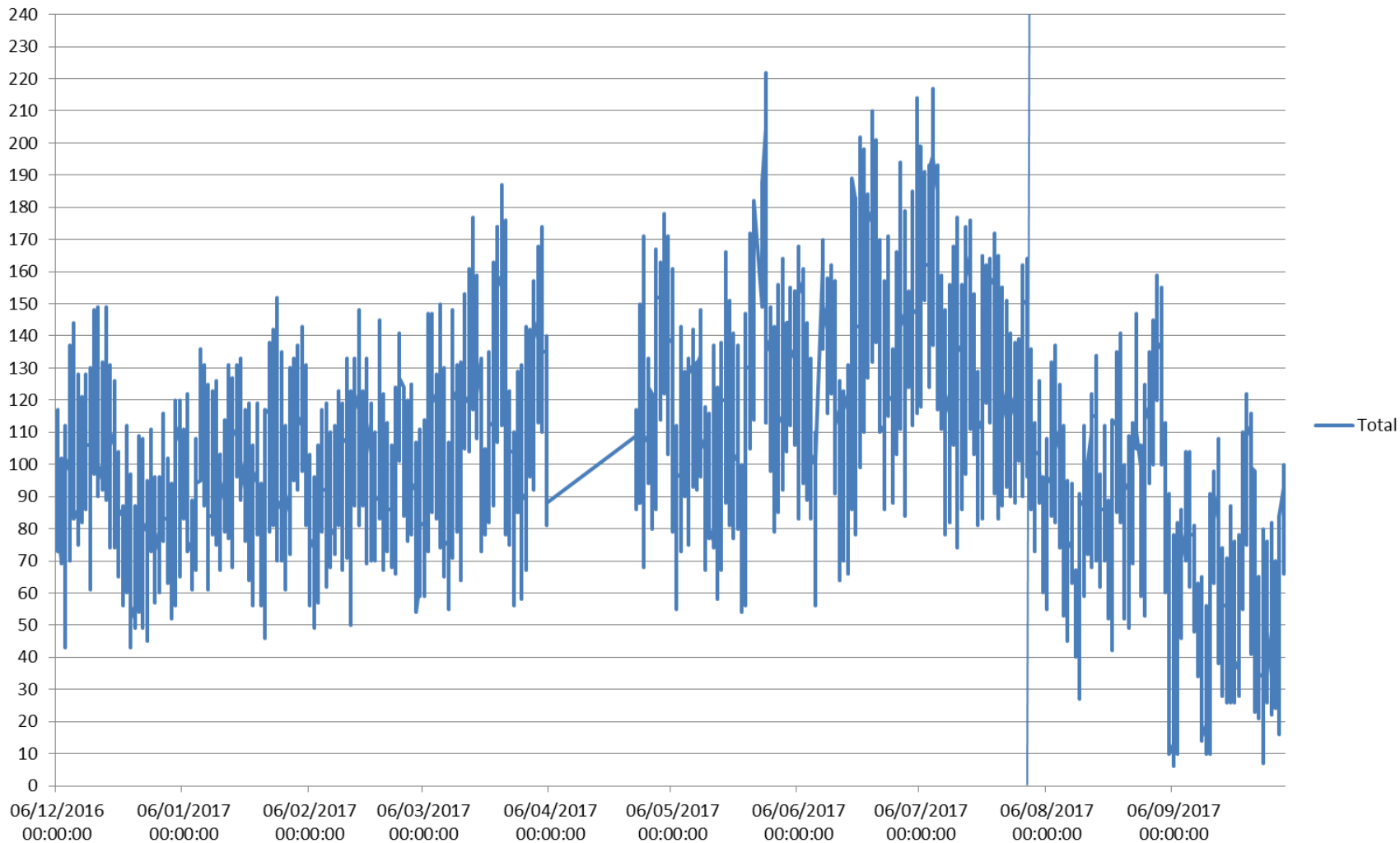


- Improved incident response and attendance
- Officer and staff morale and motivation improved
- Mobile Office use up – August: 968 crime reports, 1559 statements, 158 Stop & Search records, 87 Use of Force.
- Data Quality improving – single keying, obligatory fields, instant
- New apps including PPN being added all the time
- Reduced Immediate and Urgent incidents – better prioritisation & response to critical / major incidents
- Ongoing work under Teams, Resources v Demand, Supervision, Maximising Effectiveness & the Operational Model



Un-resourced Incidents

Total



JOINT AUDIT, RISK AND ASSURANCE COMMITTEE
9 NOVEMBER 2017
REPORT OF THE CHIEF FINANCE OFFICER

8A: RISK MANAGEMENT WITHIN THE OPCC

1. PURPOSE OF THE REPORT

- 1.1 Following a period of reviewing the OPCC's risk management arrangements and how the Commissioner (PCC) receives assurance where risks are managed by the Force instead, this report will set out to the JARAC how strategic risk is managed within the OPCC on behalf of the PCC. It will also give a brief chronology of what work has taken place since the last formal report to JARAC.
- 1.2 A list of the risks being managed by the OPCC is attached at Appendix A to this paper which is extracted directly from Orchid, the organisational Risk Management software solution that is hosted by Leicestershire Police.

2. BACKGROUND

- 2.1 Under the previous Commissioner's Police & Crime Plan, the OPCC managed risk via a spreadsheet solution which, whilst effective, did not align with the Force's own approach to risk management. Given that the Commissioner and Chief Constable are so intrinsically linked in terms of their day-to-day business, the decision was taken to migrate the OPCC's risk register to the same software solution (Orchid) that the Force use and, in so doing, work with the Force's own Corporate Risk Manager as a 'critical friend'.
- 2.2 The need to refresh the OPCC's risk register following the publication of Hardyal Dhindsa's Police & Crime Plan and the decision to align risk management principles with the Force allowed us to do both simultaneously and therefore minimise any duplication and re-work.

2.3 The Chief Finance Officer (CFO) met with the Force's Corporate Risk Manager and reviewed the old-format risk register that JARAC saw at the March 2017 meeting. During that review it was discussed whether:

- Risks could be consolidated under a broader strategic risk heading, and whether
- Risks were in practice monitored and managed by the Force (i.e. avoiding duplication)

2.4 The resulting much shorter list of risks that constitutes the OPCC's risk register is shown at Appendix A whilst also discussed in further detail below. Risks are aligned to specific Police & Crime Plan objectives where it makes sense to do so, although additional risks have been included around specific areas of concern that need careful monitoring and management.

3. CURRENT OPCC RISKS

3.1 In descending order of risk 'score' (we use the same Red/Amber/Green scoring matrix as the Force), the specific risks and some further narrative on each are as follows:

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR1986 PCC's Media Strategy Owner: CEO	3 High	2 Medium	6 Amber	n/a	n/a
Description:					
<ul style="list-style-type: none"> • Current media strategy (very proactive approach) creating potential for reputational issues 					
Existing Controls:					
<ul style="list-style-type: none"> • Role of the Statutory Officers (CEO & CFO) in the OPCC regarding media issues • Key role for members of the OPCC in use of social media / new media • Scrutiny by the Police & Crime Panel on the role of the PCC and the conduct of the current post holder • Publically transparent decision-making by the PCC • Contracted service for external media engagement & comms • Review media training needs for the PCC and Deputy PCC regularly 					
Additional/Planned Controls:					
<ul style="list-style-type: none"> • Facilitated Presentation training (target date 31st December 2017) 					

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR1977 Keeping communities safe from crime and harm Owner: CEO	2 Medium	2 Medium	4 Green	n/a	n/a
Description:					
<ul style="list-style-type: none"> • Failure to keep the most vulnerable in our communities safe from crime and harm and supporting those who unfortunately find themselves a victim of crime 					
Existing Controls:					
<ul style="list-style-type: none"> • Police & Crime Plan AND Police & Crime Delivery Plan published • Police attendance at PCC Strategic Commissioning Group • Regular reports to Strategic Governance Board (SGB) • Regular Chief Officer 'scorecards' reviewed at SGB • Consultation with local delivery partners to assess performance across policing and crime activities 					
Additional/Planned Controls:					
<ul style="list-style-type: none"> • Continual review of SGB forward plan (target date 31st March 2018) 					

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR1983 Diverse community representation policy Owner: CEO	3 High	1 Low	3 Green	n/a	n/a
Description:					
<ul style="list-style-type: none"> • Failure to achieve a policing service that in diversity-terms is representative of the that communities it serves 					
Existing Controls:					
<ul style="list-style-type: none"> • PCC Deputy national portfolio lead for EDHR (Equality, Diversity & Human Rights) • Specific objective within the Police & Crime Plan • 'Positive Action' work with the Force to improve representation • OPCC Representation at valuing diversity & difference board 					
Additional/Planned Controls:					
<ul style="list-style-type: none"> • N/A 					

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR1982 Failure to meaningfully engage with young people Owner: CEO	3 High	1 Low	3 Green	n/a	n/a
Description:					
<ul style="list-style-type: none"> • Failure to meaningfully engage and work with young people, including those who have been either a victim of crime or offenders, to understand their needs and prevent them from becoming involved in criminal activity 					
Existing Controls:					
<ul style="list-style-type: none"> • OPCC Representation on Force's Young Peoples Engagement meeting • Role of the OPCC's engagement function to obtain feedback from young people • Key objective within the Police & Crime Plan 2016-2021 • Ongoing PCC involvement/funding of national Street Games initiative • Thematic reports into SGB 					
Additional/Planned Controls:					
<ul style="list-style-type: none"> • Work to further develop the participation of young people in the governance arrangements of the PCC (target date 30th November 2017) • Comparison between current approach in Derbyshire and that of other OPCCs nationally (target date 30th November 2017) 					

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR1978 Failure to deliver single CORE victim service Owner: CFO	2 Medium	1 Low	2 Green	n/a	n/a
Description: <ul style="list-style-type: none"> Failure to bring contracted services together to deliver a single CORE (Cope and Recover) victim service in accordance with specifications and compliance with the Victims Code of Practice (VCOP) 					
Existing Controls: <ul style="list-style-type: none"> Facilitating joint publicity raising events, sharing of governance and reporting systems Joint Victims working group chaired by Superintendent attended by service providers Regular contract management meetings with all providers Regular thematic reports considered at SGB Co-location of key victims services providers at FHQ Service delivery partners increasing inter-organisational communication Strategic Victims Pathway Board (SVPB) established Force-led "Think Victim" campaign User satisfaction surveys Implement CORDIS Bright Quality Assurance for CORE 					
Additional/Planned Controls: <ul style="list-style-type: none"> Understand referral levels and look to boost numbers (target date 31st March 2018) Develop marketing strategy to improve public awareness of victims services (target date 31st March 2018) 					

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR1980 Impact of drugs and alcohol on communities Owner: CEO	2 Medium	1 Low	2 Green	n/a	n/a
Description: <ul style="list-style-type: none"> Failure to demonstrate progress on reducing the effects of alcohol and drugs on communities 					
Existing Controls: <ul style="list-style-type: none"> PCC National Portfolio raises profile of the issues and potential solutions Regular reports submitted to SGB Scrutiny by the Police & Crime Panel Ongoing Intoxicated campaign Existing funding of Drug Intervention programmes Safe Night Out campaign 					
Additional/Planned Controls: <ul style="list-style-type: none"> N/A 					

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR1985 Impact/success of the Police & Crime Plan Owner: CEO	2 Medium	1 Low	2 Green	n/a	n/a
Description:					
<ul style="list-style-type: none"> Failure to demonstrate impact or success against the seven Police & Crime Plan objectives 					
Existing Controls:					
<ul style="list-style-type: none"> Increased robustness of Grants process in linking to Police & Crime Plan objectives Publication of PCC's Annual Report JARAC oversight Specific report to SGB on impact and value of the grants process Internal Audit review of grants process OPCC Business Plan used to monitor work of the office Police & Crime Panel scrutiny Police & Crime Delivery Plan published by the Force Regular reports to SGB on achievement against objectives 					
Additional/Planned Controls:					
<ul style="list-style-type: none"> OPCC staff restructure to align resources to PCC's objectives (target date 31st March 2018) 					

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR1981 Failure to support those with mental health issues Owner: CEO	2 Medium	1 Low	2 Green	n/a	n/a
Description:					
<ul style="list-style-type: none"> Failure to support those with mental health issues within the CJS whether victim or offender 					
Existing Controls:					
<ul style="list-style-type: none"> Environment/Horizon scanning of emerging government policy Co-chair of Mental Health Crisis Care Concordat (CCC) Mental Health triage resource within CCMC Regular thematic reports into SGB Reports into Mental Health Steering Group Current Grants process allows PCC to support Mental Health initiatives Existing PCC's experience in the CJS arena Commissioner attends Criminal Justice Board Local Criminal Justice Board (LCJB) structure revised in June 2015 Internal OPCC Commissioning update meetings with the PCC 					
Additional/Planned Controls:					
<ul style="list-style-type: none"> Emerging issues due to implementation of Taylor review recommendations (target date 31st December 2017) Mental Health Blue-Light Hub being worked on (target date 31st March 2018) 					

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR1984 VFM re commissioned services and grants Owner: CFO	2 Medium	1 Low	2 Green	n/a	n/a
Description: <ul style="list-style-type: none"> Failure to achieve VFM and meaningful outcomes from commissioned services or grants 					
Existing Controls: <ul style="list-style-type: none"> Regular Internal Audit review of Commissioning/Grants Victim & User Satisfaction reviews embedded within contractual arrangements Experienced Head of Commissioning Existing Commissioning Principles Grants & Partnerships Officer managing grants process Potential opportunities around Social Value Act provisions Strategic Victims Steering Group Thematic reports into SGB Police & Crime Panel scrutiny Scrutiny of VFM arrangements by JARAC External Audit assessment of VFM 					
Additional/Planned Controls: <ul style="list-style-type: none"> Implement Quality Assurance Framework for Commissioning (target date 31st March 2018) 					

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR1979 Working to provide strong and effective partnership working Owner: CEO	2 Medium	1 Low	2 Green	n/a	n/a
Description: <ul style="list-style-type: none"> Failure to manage and develop key relationships with partners and demonstrate due regard to their strategic plans 					
Existing Controls: <ul style="list-style-type: none"> Annual review of the Engagement Strategy Regular reports to SGB Scrutiny by Police & Crime Panel Ongoing review within OPCC of partners' agendas and strategic policy OPCC Partnership Officer in post PCC Engagement Programme & #D383 Publication of Police & Crime Plan 2016-2021 Partners attend Joint Threat and Risk seminar PCC represented on main partnership boards Internal Audit scrutiny into Partnership working (OPCC) Ongoing review of Police & Crime Plan during the term of office 					
Additional/Planned Controls: <ul style="list-style-type: none"> New OPCC structure agreed with PCC (target date 31st March 2018) 					

4. HOW THE OPCC WILL MANAGE RISKS AND REPORT BACK

- 4.1 Both the Chief Executive (CEO) and CFO have ownership of risks as set out in Appendix A and above. The CFO, in particular, leads on risk management for the PCC and will maintain an oversight of the OPCC's risk register.
- 4.2 The Risk Register will feature as a standing item on the agendas for the key meetings within the OPCC (Team meeting, Heads of Department, Senior Management Team and Exec Team) to ensure that the opportunity to discuss the risk register, including any emerging risks, is available. The CFO and CEO are keen to embed the concept of risk management as part of the team's day-job rather than as a separate 'task' that people are asked to consider.
- 4.3 Political, reputational and financial risks in particular are embedded in how the Exec Team (PCC, Deputy PCC, Chief Executive and CFO) work. They meet regularly and jointly consider strategic risk areas and agree suitable mitigations or responses.
- 4.4 Subsequent reports to JARAC will work from the baseline established in this report and explain what has changed, why it has changed and how that affects the residual risk score.
- 4.5 The CFO attends the Force's Risk Management Board and will keep any possible cross-over or duplication of risks under review. Where the Force is already managing a given risk, the CFO will seek assurance from that process rather than duplicate the work. In addition to this, the Chief Constable provides an overview of operational risk areas to the PCC at their regular catch-up meeting which is also attended by the OPCC's Exec Team.
- 4.6 A strong line of communication already exists with the Chair of JARAC. Where the CFO identifies an area of concern or risk that the Chair needs to be urgently made aware of, a briefing will be provided to the Chair (confidentially if necessary) and consideration made to how the JARAC should be updated in due course.

5. PLANNED DEVELOPMENTS IN RISK MANAGEMENT

- 5.1 The Force is in the process of procuring and implementing a replacement Risk Management software solution. This should realise improvements in reporting on risk (Orchid is currently rather poor in that regard). The CFO has been fully consulted with during the process of identifying a preferred system by the Force's Corporate Risk Manager and will act as a key stakeholder during the implementation phase.
- 5.2 The OPCC's Exec Team will participate in the upcoming Force Risk/Threat Seminar in November where further strategic risks may be identified and will be acted on accordingly.

6. RECOMMENDATIONS

- i. That the JARAC note the background information regarding the development of risk management techniques within the OPCC.
- ii. That the JARAC review the identified risks, their score and controls to provide any feedback or input that it feels would benefit the Commissioner's management of risk.
- iii. That the JARAC consider whether it can take assurance from the OPCC's risk management arrangements, alignment with the Force approach and desire to embed the concept of risk management within everyday business.

7. IMPLICATIONS

All implications are assessed and scored to the table below.

HIGH – supporting explanation and narrative required and to be contained within the report

MEDIUM – narrative to be contained within the report at the discretion of the author

LOW – no narrative required

	LOW	MEDIUM	HIGH
Crime & Disorder	X		
Environmental	X		
Equality & Diversity	X		
Financial	X		
Health & Safety	X		
Human Rights	X		
Legal	X		
Personnel	X		

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BACKGROUND PAPERS

None

ATTACHMENTS

Appendix A – OPCC Risk Register

**Office of the PCC for Derbyshire
 Current Risk Register – at 1st November 2017**

Ref.	Risk Title	Priority Rating	Risk Status	Responsible Officer	Originated	Review
STR1986	PCC's media strategy	6	Awaiting Control	David Peet	16-May-2017	31-Jan-2018
STR1977	Keeping communities safe from crime and harm	4	Awaiting Control	David Peet	16-May-2017	31-Jan-2018
STR1983	Diverse community representation policy	3	Managed	David Peet	16-May-2017	31-Jan-2018
STR1982	Failure to meaningfully engage with young people	3	Awaiting Control	David Peet	16-May-2017	31-Jan-2018
STR1978	Failure to deliver single CORE victim service	2	Awaiting Control	Andrew Dale	16-May-2017	31-Dec-2017
STR1980	Impact of drugs and alcohol on communities	2	Managed	David Peet	16-May-2017	31-Jan-2018
STR1985	Impact/Success of the Police & Crime Plan	2	Awaiting Control	David Peet	16-May-2017	31-Jan-2018
STR1981	Supporting those with mental health issues	2	Awaiting Control	David Peet	16-May-2017	31-Jan-2018
STR1984	VFM & Outcome of Commissioning/Grants process	2	Awaiting Control	Andrew Dale	16-May-2017	31-Dec-2017
STR1979	Working to provide strong and effective partnership working	2	Awaiting Control	Andrew Dale	16-May-2017	31-Jan-2018

JOINT AUDIT RISK AND ASSURANCE COMMITTEE
9 NOVEMBER 2017
REPORT OF THE EXTERNAL AUDITOR

9A: ANNUAL AUDIT LETTER 2016/17

1. PURPOSE OF THE REPORT

- 1.1 To receive and review the Annual Audit Letter from the External Auditor KPMG for 2016/17 and to take assurance as to the adequacy of financial management, arrangements for value for money and external reporting.

2. INFORMATION AND ANALYSIS

- 2.1 The Code of Audit Practice requires auditors to prepare an annual audit letter and issue it to each audited body. The purpose of preparing and issuing annual audit letters is to communicate to the audited body and external stakeholders, including members of the public, the key issues arising from auditors' work, which auditors consider should be brought to the attention of the audited body. The annual audit letter covers the work carried out by auditors since the previous annual audit letter was issued.
- 2.2 This Annual Audit Letter is addressed to the Police and Crime Commissioner and the Chief Constable, and will be considered by them at the Strategic Governance Board meeting on 27 November 2017.
- 2.3 A copy of the letter is attached to this report at **Appendix A** for this committee to review.
- 2.4 The letter summaries the key messages to the audited bodies including reporting an unqualified audit opinion on the 2016/17 financial statements and that there are adequate Value for Money arrangements for securing economy, efficiency and effectiveness. It details the reports issued, and the fee charged.

3. RECOMMENDATIONS

It is recommended that

- i. The Committee receive the Annual Audit Letter for 2016/17 and takes assurance that once again the arrangements by Derbyshire police for financial reporting, value for money and external reporting were satisfactory.
- ii. The Committee note that the Commissioner and the Chief Constable will receive the Annual Audit letter for 2016/17 at the Strategic Governance Board meeting on 27 November 2017.

4. IMPLICATIONS

All implications are assessed and scored to the table below.

HIGH – supporting explanation and narrative required and to be contained within the report

MEDIUM – narrative to be contained within the report at the discretion of the author

LOW – no narrative required

	LOW	MEDIUM	HIGH
Crime & Disorder	X		
Environmental	X		
Equality & Diversity	X		
Financial	X		
Health & Safety	X		
Human Rights	X		
Legal	X		
Personnel	X		

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BACKGROUND PAPERS: NONE

ATTACHMENTS

APPENDIX A: Annual Audit Letter 2016/17 October 2017 KPMG



Annual Audit Letter 2016/17

**Police and Crime Commissioner
for Derbyshire**

&

Chief Constable for Derbyshire

kpmg.com/uk

October 2017

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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. Public Sector Audit Appointments issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website (www.psa.co.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.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Andrew Cardoza, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers (andrew.sayers@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing generalenquiries@psaa.co.uk, by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

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Section one

Summary

This Annual Audit Letter summarises the outcome from our audit work at both the Police and Crime Commissioner (“PCC”) and Chief Constable (“CC”) for Derbyshire in relation to the 2016/17 audit year. Although it is addressed to the PCC and CC, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the PCC and CC’s websites.

VFM conclusion

We issued an unqualified conclusion on both the PCC and CC’s arrangements to secure value for money (VFM conclusion) for 2016-17 on 25 September 2017. This means we are satisfied that during the year the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources.

To arrive at our conclusion we looked at the PCC and CC’s arrangements to make informed decision making, sustainable resource deployment and working with partners and third parties.

VFM risk areas

We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements you have put in place to mitigate these risks. We identified one area of focus for our continuing VFM risk assessment, regarding your arrangements for securing financial resilience. We took account of, amongst other things, your 2016-17 outturn and your financial plan for 2017/18 and future years.

For the year ending 31 March 2017, Derbyshire PCC and CC have reported a group surplus of £1.635m. Following accounting/funding basis adjustments and reserve transfers this enabled £1.635m to be added to reserves at the end of the year. Overall, we concluded that in 2016-17, both the PCC and CC had made proper arrangements to ensure they took properly-informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

Audit opinion

We issued an unqualified opinion on both the PCC and CC’s financial statements on 25 September 2017. This means that we believe the financial statements give a true and fair view of the financial position of both the PCC and CC and of their expenditure and income for the year.

Financial statements audit

No material errors were identified during the audit and there were no uncorrected audit differences that we needed to report. We considered both the PCC and CC’s accounting practices to be appropriate, the draft accounts were published well ahead of the deadline and the quality of supporting working papers was good.

Other information accompanying the financial statements

Whilst not explicitly covered by our audit opinion, we review other information that accompanies the financial statements to consider its material consistency with the audited accounts. This year we reviewed the Annual Governance Statement and Narrative Report. We concluded that they were consistent with our understanding of both the PCC and CC and did not identify any issues.

Certificate

We issued our certificates on 25 September 2017. The certificates confirm that we have concluded the audits for 2016/17 in accordance with the requirements of the Local Audit & Accountability Act 2014 and the Code of Audit Practice.

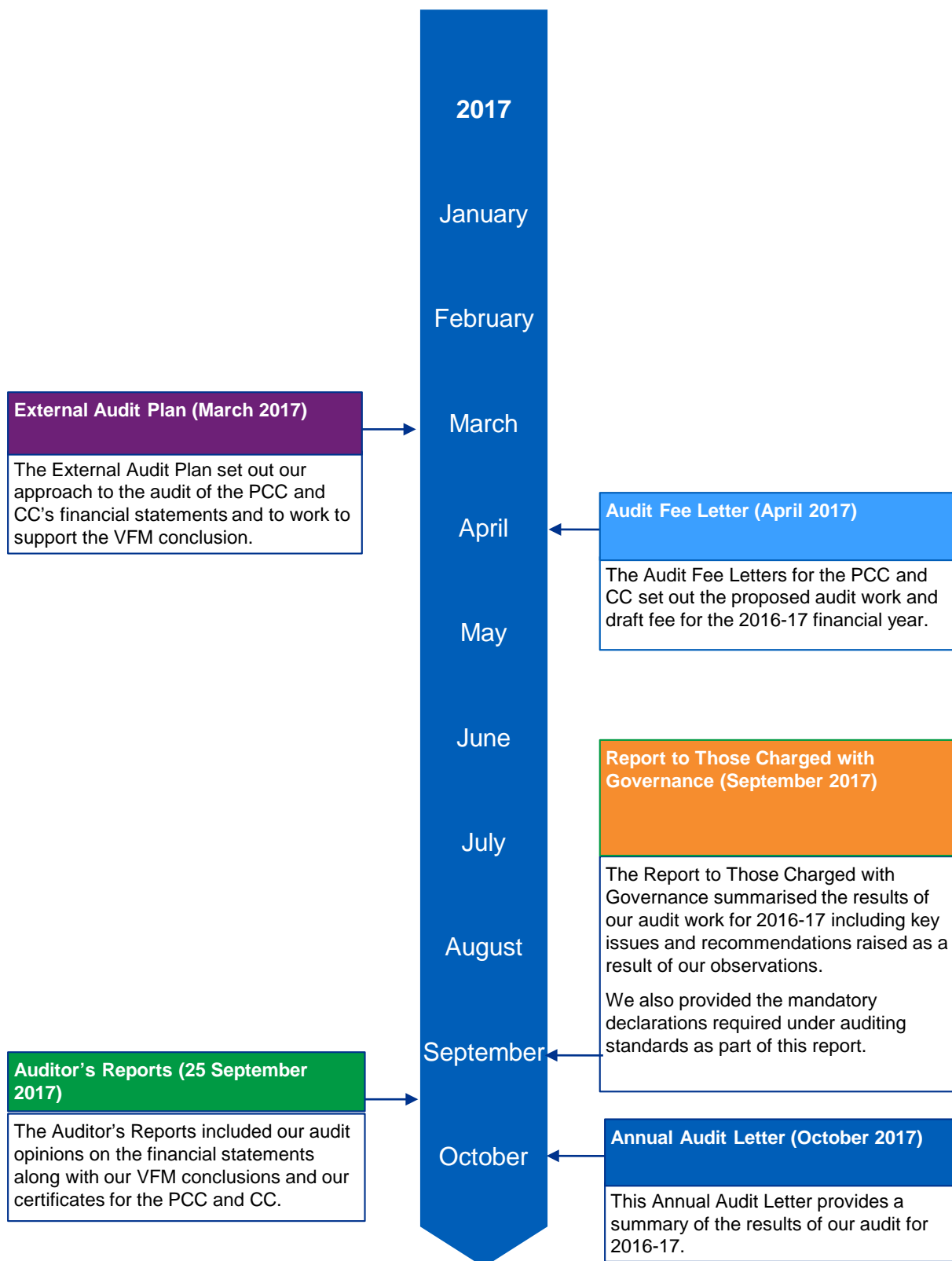
Audit fee

Our audit fees for 2016/17 were for the Police and Crime Commissioner: **£31,035** plus VAT (£31,035 in 2015/16); and for the Chief Constable: **£15,000** plus VAT (£15,000 in 2015/16).

Appendix 1

Summary of reports issued

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



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