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JOINT AUDIT RISK ASSURANCE COMMITTEE

AGENDA

DATE OF MEETING	4 th July 2023
TIME OF MEETING	10:00
LOCATION	In person
PCC CONTACT OFFICER	Ms C Brannan
CONSTABULARY CONTACT OFFICER	Ch/Supt Hayley Barnett
DISTRIBUTION	Commissioner A Foster Chief Constable R Swann Mr A Dale Ms M Romano Mr J Peatling Mr S Blatchly Ms Katy Harrington Mr M Lunn (Mazars) Ms H Clark (EY) Ms H Lill (EY) Members of the JARAC: Ms S Sunderland (Chair) Ms J Charlton Ms L Gelderd Mr L Harrold Mr A Jenkinson Mr B Mellor

Meeting of the Joint, Audit, Risk and Assurance Committee on 4th July 2023.

AGENDA: Reports attached

ITEM	SUBJECT	Presented by	Paper or Verbal Update	Page in the Paper Pack
1	APOLOGIES FOR ABSENCE	CHAIR	V	N/A
2	DECLARATIONS OF INTEREST (IF ANY)	ALL	V	N/A
3	MINUTES OF THE MEETING OF THE JARAC HELD ON 3 RD MARCH 2023	CHAIR	P	4-20
4	REVIEW OF ACTIONS	CHAIR	P	21-26
5	JARAC BUSINESS ITEMS			
5A	FORWARD PLAN	CHAIR	P	27-29
5B	REVIEW OF JARAC TOR	AD/CHAIR	P	30- 46
6	EXTERNAL AUDIT			
6A	UPDATE FROM EY INCLUDING TIME SCALES AND RESOURCES WITHIN EY AND A TIMELINE FOR COMPLETION OF AUDITS 21/22 AND 22/23	HC/HL	P	47-49
7	INTERNAL AUDIT			
7A	INTERNAL AUDIT RECOMMENDATION MONITORING LOG	CHAIR	P	50-74
7B	INTERNAL AUDIT PROGRESS REPORT 2023/24	ML	P	75- 153
7C	INTERNAL AUDIT ANNUAL REPORT AND OPINION 22/23	ML	P	154-169
8	INTERNAL CONTROL AND GOVERNANCE			
8A	AN UPDATE ON THE FINANCIAL STATEMENTS FOR 2021/2022 AND 2022/2023	JP	V	N/A
8B	ANNUAL FINANCIAL EXCEPTION REPORTING (ANY BREACHES OF FINANCIAL REGULATIONS)	JP	P	170-172

8C	FINANCIAL OUTLOOK (SAVINGS PLAN UPDATE)	JP	P	173- 178
8D	FORCE/OPCC ANNUAL GOVERNANCE STATEMENTS	JP/AD	V	N/A
8E	FORCE RISK MANAGEMENT	SB		N/A
8F	OPCC RISK MANAGEMENT	AD	P	179-183
8G	POLICIES UPDATE	CHAIR	P	184-201
8H	UPDATE ON ASSURANCE FRAMEWORK – FOLLOWING THE MEETING WITH JARAC MEMBERS AND AD	AD	V	N/A
	ANY OTHER BUISNESS			

MINUTES of the JOINT AUDIT, RISK and ASSURANCE COMMITTEE meeting held on Thursday 2nd March 2023.

P R E S E N T

Ms S Sunderland – in the Chair
 Mr A Jenkinson
 Ms J Charlton
 Ms L Gelderd
 Mr B Mellor
 Mr L Harold

OPCC Present: Mr A Dale, Ms M Romano, Ms C Radford, Ms C Brannan, Ms M Poole
Constabulary Present: Mr A Price, Mr J Peatling, Mr S Blatchly, Mr R Atkinson
EMSOU Present: Ms K Harrington
Internal Audit: Mr M Lunn
External Audit: Ms H Clark

16/23	<u>APOLOGIES</u>	
	Commissioner A Foster Chief Constable R Swann	
17/23	<u>DECLARATIONS OF INTEREST</u>	
	None declared. The appointment of the new Assistant Chief Officer Mr A Price was noted.	
18/23	<u>MINUTES OF THE MEETING OF THE JARAC HELD ON 10th JANUARY 2023</u>	
	SS asked if anyone had any issues to raise with the previous meetings minutes. HC raised the following issues: <ul style="list-style-type: none"> - On page 6 of the paper pack the section that is titled 'prepayments' should be titled 'higher inherent risk'. - On page 7 of the paper pack there is a correction needed that EY will complete Leicestershire's audit prior to the group financial statements. <p>ACTION: CB to make corrections to the minutes.</p>	CB to make corrections to the minutes.

	Once these corrections have been made, the minutes will be accepted as a true record.	
19/23	<u>REVIEW OF ACTIONS</u>	
	<p>SS drew attention to the first action of <i>‘Ensuring all mandatory training/ teaching points are issued as a tick box read on connect.’</i></p> <p>SB stated that the force track who has completed the training and that not every piece of training is mandatory for all staff.</p> <p>SS asked about the ‘tick box’ being used as confirmation that officers and staff have read the page.</p> <p>SB replied that this is in place for the Chief Constables Orders on connect but not for anything else as the current feedback from officers and staff is that connect has too much information available.</p> <p>MR added that if everything is a priority then nothing is a priority, the tick box on the page wouldn’t give anymore reliance that a member of staff has read the page. Assurance that training had been read could only be estimated from the amount of time spent on the page.</p> <p>AP interjected that the force is slowly moving connect over to the cloud to improve the audit trail.</p> <p>SS asked the JARAC if they were satisfied with the update.</p> <p>All agreed.</p> <p>ACTION: CB to mark action as complete.</p>	<p>CB to mark action as complete.</p>
	<p>SS moved onto the action of <i>‘Circulate information to JARAC members about AFEB places.’</i></p> <p>SS stated that it would be good if the new JARAC member could go on the introductory course but that it would be good if at least some of the existing members attend the update course in May. SS also asked for the dates of the available training.</p> <p>so that the new member has the same training as the current members. SS also asked for the dates of the available training.</p> <p>ACTION: CB to acquire training dates and circulate to JARAC members.</p>	<p>CB to acquire training dates and circulate to JARAC members.</p>

	<p>SS drew attention to the action of '<i>Circulate the business continuity audit when ML has completed it</i>'</p> <p>ML stated that this will be answered under the internal audit section of the meeting, agenda item 7C.</p>	
	<p>SS moved onto the action of '<i>JP to give an update about goods received notes bypass report at the next JARAC.</i>'</p> <p>JP assured an update would be given later in the meeting with the procurement update, agenda item 7B.</p>	
	<p>BM raised the issue of assurance framework, stating that an action regarding this seems to have fallen off the action log. BM then requested a meeting with AD on teams before the next JARAC meeting in July 2023.</p> <p>ACTION: AD to hold teams meeting with JARAC members about assurance framework.</p>	<p>AD to hold teams meeting with JARAC members about assurance framework.</p>
20/23	<u>5A FORWARD PLAN</u>	
	<p>SS moved the meeting on to the forward plan.</p> <p>BM raised an issue that back in November 2022 the JARAC received a report on single tender wavers, but this is not on the forward plan for 2023.</p> <p>SS stated that single tender wavers along with losses and write offs, breaches of financial or standing orders, and unusual staff payments will be covered under the annual financial exceptions reporting section on the forward plan in July 2023.</p>	
21/23	5B JARAC TERMS OF REFERENCE	
	<p>AD stated that the changes made to the JARAC ToR were under section 2) Membership:</p> <p>In paragraph 2.1 it states vetting is now required. Whilst vetting has always been required it is now stated in the ToR.</p> <p>In paragraph 2.4 the main change is that the term of office for a chair now allows for a maximum term of 15 years on the JARAC.</p> <p>AD assured that there would be a further annual review of the ToR.</p> <p>SS stated that whilst it is unlikely a chair would serve a full 15 years, there does have to be an absolute cut off.</p>	

	<p>SS then stated that under section 3.4 remuneration, the ToR show an increase in payment from last year but the JARAC members have not received the increase in payment.</p> <p>AD stated that the JARAC payment should have been increased by 2.1% as per pay inflation.</p> <p>MR stated that this will be reviewed with finance and the issue will be rectified.</p> <p>JP asked if the increase is alongside police payment increases.</p> <p>AD stated that yes, the increase is alongside police payment increases.</p> <p>ACTION: CB to enquire with finance about payments for the JARAC members.</p> <p>ACTION: AD to adjust TOR to make the wording more straightforward in terms of annotating that the remuneration would increase in line with police payments annually.</p>	<p>CB to enquire with finance about payments for the JARAC members.</p> <p>ACTION: AD to adjust TOR to make the wording more straightforward in terms of annotating that the remuneration would increase inline with police payments annually.</p>
	<p>JC stated that in the ToR the minutes for each meeting should be circulated no later than 10 days after the meeting and this is not currently happening.</p> <p>MR stated that this will be done moving forward.</p> <p>ACTION: CB to circulate JARAC minutes 10 working days after the meeting.</p>	<p>CB to circulate JARAC minutes 10 working days after the meeting.</p>
	<p>JC asked about necessary training specifically around information governance.</p> <p>SS then raised the issue of sending papers out and the JARAC receiving them and downloading them onto their own devices.</p> <p>AP raised the issue of this being an information governance risk.</p> <p>AD added that this is only for closed session papers and that this is only a risk for the odd paper that is put into closed session.</p> <p>SS stated that the JARAC are more than willing to comply with mandatory training.</p>	<p>OPCC to enquire about information governance and other mandatory training that JARAC members should undertake.</p>

	<p>AD stated that this will be discussed and fed back to JARAC as mandatory training comes from the force.</p> <p>ACTION: OPCC to enquire about information governance and other mandatory training that JARAC members should undertake.</p>	
CORE BUSINESS		
	EXTERNAL AUDIT	
22/23	6A UPDATE FROM EY INCLUDING AUDIT FEES UPDATE	
	<p>HC takes the paper as read and highlights the following:</p> <p>The position of audit has moved on since this paper was submitted and EY are progressing in outstanding areas.</p> <p>Everything is currently going as planned and there is nothing to bring to attention.</p>	
	<p>Audit fees:</p> <p>The paper outlines the 19/20 actual fees, the 20/21 proposed fees, and the 21/22 estimated fees.</p> <p>SS stated that it was helpful to see where EY are coming from with their fees, but the increase is very concerning.</p> <p>AD stated that there has been an exchange of correspondence between EY, AD and JP. Derbyshire do not agree with EY's increase in fees and the issue is being passed to the PSAA.</p> <p>SS asked if the 20/21 audit fees have already been submitted to the PSAA.</p> <p>HC stated that EY are currently doing their final checks and then it will be passed to the PSAA.</p> <p>SS asked if AD and JP put their views forward to the PSAA.</p> <p>HC stated that Derbyshire's view that they do not agree with the increase in fees is submitted but not with any explanations or reasoning behind the opinion.</p> <p>SS asked for an update on this at the next meeting.</p> <p>ACTION: HC and AD to give update on fees for 20/21 audit and the PSAA investigation.</p> <p>LH then asked what internal governance EY have in place, do they just work indefinitely and then send a bill?</p>	<p>HC and AD to give update on fees for 20/21 audit and the PSAA investigation.</p>

	<p>HC stated that EY is in the position where the scale fees are so out of date that the increase appears very drastic. Other public sector bodies are on an 'agree as you go' policy and fees are agreed at each stage of work.</p> <p>LH asked if EY could be more upfront about the costs for 21/22 as the JARAC felt that the predicted fees were too low when the contract was first let.</p> <p>HC stated that there has been consistency year on year and that there is no reason why EY couldn't update the fee for 21/22 based on estimated figures.</p>	
	<p>SS raised the issue of the new external audit contract. As Derbyshire will be changing auditors SS asked if EY will be able to hand over with the current delays.</p> <p>JP stated that EY's delays will prolong the work and stop the new audit company from beginning their audit.</p> <p>AD added that this is unlikely to improve with EY's current account publication dates. Derbyshire have had a meeting with the PSAA who talked JP and AD through what they will do to check EY's work against the fees they wish to charge.</p> <p>HC stated that the PSAA do not look at every file but will take a sample to see what is reasonable and what is not.</p>	
7	INTERNAL AUDIT	
23/23	7A INTERNAL AUDIT RECOMMENDATIONS LOG	
	<p>4.1 Fleet management strategy:</p> <p>SS stated that there had been an update that progress is being made.</p> <p>AP stated that a meeting had occurred that day (02/03/ 2023) and moving forward all leads will be reporting to AP as he is now keeping governance and assurance on the fleet management strategy.</p> <p>BM raised the question of electric vehicles and asked if this issue is going to be picked up in the fleet management strategy.</p> <p>AP stated that yes, electric vehicles will be included in the fleet management strategy.</p> <p>SB raised the issue that armed response vehicles and other operational vehicles are on the road all the time, so there isn't always time to plug them in and charge them if they were electric.</p>	

	<p>BM stated that there will be operational benefits to electric vehicles.</p> <p>LH added that the ban on new petrol and diesel cars will mean that there is less than two cycles of replacement vehicles before the ban is enforced.</p> <p>SB stated that electric vehicles are on the strategy.</p>	
	<p>4.2 Vehicle Logbooks/ Weekly Checklists:</p> <p>SS raised the question of the delay around the app installation.</p> <p>SB stated he was not aware of the delay.</p> <p>SS stated that an explanation was needed around how the app and the telematic installation are connected. SS then asked if this could be picked up as an update next meeting.</p> <p>ACTION: SB to provide an update on the vehicle logbooks at the next JARAC meeting in July 2023.</p>	<p>SB to provide an update on the vehicle logbooks at the next JARAC meeting in July 2023.</p>
	<p>4.4 Performance Information</p> <p>BM expressed great concern about this update and asked if Derbyshire Constabulary had given Derbyshire County Council a warning about the quality of information they are providing, especially if their contract is being extended or renewed. BM stated that he was worried that Derbyshire Constabulary were not managing the contract properly.</p> <p>SB stated that he agreed with the points raised and will investigate the issue.</p> <p>ACTION: SB and AP to feedback about the management of the Derbyshire County Council contract.</p>	<p>SB and AP to feedback about the management of the Derbyshire County Council contract.</p>
	<p>The Internal Audit Recommendation Log updates were then paused due to scheduling and SS moved the meeting on to the Internal Audit Progress Report.</p>	
24/23	7C INTERNAL AUDIT PROGRESS REPORT	
	<p>ML stated that the payroll report has now been issued.</p> <p>The contract management audit is finalised and will be tabled at the next JARAC meeting.</p> <p>ACTION: The contract management audit is to be tabled at the JARAC meeting in July 2023.</p>	<p>The contract management audit is to be tabled at the</p>

	<p>have held conversations on this issue, but the higher risk level was not agreed by Derbyshire.</p> <p>BM then asked if Derbyshire are content with this.</p> <p>JP stated that they are satisfied with the current controls in place, but it was audits view that it would remain a level two risk and in order to finalise the report Derbyshire have accepted the level 2 risk.</p> <p>SS raised the issue that if management and recommendation opinions differ on this issue then it will sit on the internal audit recommendations log forever. SS then asked if the outcome was that a conversation has been had and Derbyshire are not going to do anything with this recommendation?</p> <p>JP stated that there should be periodic checks on this issue.</p> <p>JC asked why Mazars have given payroll the highest assurance rating of significant assurance if Mazars are unable to test compliance on it. JC then asked if the rating given is rational for the assurance rating.</p> <p>JP replied that the rating was given as an overview of all the areas, this one issue in this one area would not bring the whole rating down.</p> <p>SS stated that there is one area that was unable to be tested. SS then raised the point that there is a difference between unable to and unwilling to when it comes to testing.</p> <p>JP stated that the issue was with the way that the system produces the data.</p> <p>SS asked if there could be a different way to test or will it never be able to be tested.</p> <p>LH suggested a sample test.</p> <p>JC raised the issue that it was said that the test cannot be done, how can you state that significant assurance can be given if you are unable to test.</p> <p>SS stated that the JARAC would be satisfied if this test had previously been done, but it will be a significant issue if this test can never be done.</p> <p>ACTION: ML to provide the JARAC with further details on the areas of the payroll audit that were unable to be tested.</p>	<p>ML to provide the JARAC with further details on the areas of the payroll audit that were unable to be tested.</p>
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	<p>LH asked if Mazars are looking into contractual arrangements. LH also asked how Derbyshire would be impacted if fraud is committed by staff in Leicestershire.</p> <p>ML stated that Mazars have not considered this.</p> <p>LH asked if this could be done next year, as if Derbyshire are reliant on Leicestershire, the impact should be known.</p> <p>JP raised that there is a section 22 agreement between Derbyshire and Leicestershire, and he will check the payroll contract between the two forces to ensure that there is adequate provision to limit Derbyshire's liability in the event of fraud.</p> <p>ACTION: JP to check the Payroll contract with Leicestershire Police to ensure that there is adequate provision to limit Derbyshire Police's liability in the event of any fraud or error by the Payroll department.</p>	<p>JP to check the payroll contract with Leicestershire Police to ensure that there is adequate provision to limit our liability in the event of any fraud or error by the Payroll department.</p>
25/23	7B PROCUREMENT UPDATE	
	<p>RA was thanked by SS for the report and his attendance.</p> <p>RA then outlined the detail of where and how things have changed in the procurement team over the last 12 months.</p> <p>BM asked about the last paragraph of the report, asking when the JARAC are going to see the procurement strategy and plans. BM then asked how much external expenditure RA oversees.</p> <p>RA replied that he oversees between 25-30 million pounds on a yearly basis.</p> <p>BM asked if the expenditure was for procurement and the current contracts that RA is managing.</p> <p>RA stated yes, but there are separate programs around the outside that go above and beyond the 25-30 million pounds. Documentation will be done by the end of the financial year and is on course to be completed. The team have 4 new staff starting their SIPS qualification but that does mean a lot of support and training is needed for the new staff. Regardless of this, the documents will be done by the end of March 2023.</p> <p>BM stated that now RA has recruited a contract manager, will those documents spell out what that role is going to be.</p>	

	<p>RA replied that yes, the role will sit across both the force and the OPCC and there will be a progress report on this.</p> <p>BM brought up the fleet management strategy from earlier in the meeting, asking if the new recruit to RA's team will be able to hold contractors to account, especially Derbyshire County Council.</p> <p>RA stated that yes this will be done and stated in the documents.</p> <p>SS asked if the documents will be completed by March 2023.</p> <p>RA assured that this will be the case.</p>	
	<p>Exception Report:</p> <p>JP stated that the pricing information that is on Agresso is currently out of date.</p> <p>BM stated that when the audit came out, he had given a lot of feedback, especially on things such as utilities. There are ways in Agresso that matches can be made. BM asked if that can be picked up as part of the review that is ongoing.</p> <p>BM then asked if it was possible to get matches between invoices and orders.</p> <p>JP stated that now it can be done as invoices can be planned into the system.</p> <p>SS raised the issue that invoices that are utilities will be dependent on usage so how can these invoices be planned in as the total cost will be unknown. Will it be based on predicted usage?</p> <p>JP stated that he will keep the JARAC updated on this.</p> <p>ACTION: JP to provide an update on the match payments for utilities invoices.</p> <p>RA leaves the meeting.</p>	<p>JP to provide an update on the match payments for utilities invoices.</p>
23/23	RESUMED: 7A INTERNAL AUDIT RECOMMENDATIONS LOG	
	KH from EMSOU arrives to give her update.	
	<p>4.1 Wellbeing and Governance Documentation:</p> <p>SS stated that the completion date for this was May 2022, then it was extended to October 2022 and it is now March 2023. SS then asked for a realistic completion date on this recommendation.</p>	

	<p>KH stated that there will be a meeting next week about the people strategy and she will be able to provide more of an update after this meeting has been attended.</p> <p>ACTION: KH to provide a realistic completion date to 4.1 Wellbeing and Governance Documentation.</p> <p>SS stated that whilst this will be helpful, this was supposed to have been actioned and the JARAC want assurance that this is going to be completed and closed.</p> <p>KH stated again that there is a meeting next week and it will be confirmed then.</p>	<p>KH to provide a realistic completion date to 4.1 Wellbeing and Governance Documentation.</p>
	<p>4.2 Use of Implementation plans:</p> <p>JC asked how the project initiation document is being used to track actioned issues and benefits.</p> <p>AP stated that this is part of a section of documents, and it is not clearly named.</p>	
	<p>4.1 Business Continuity Test Plans</p> <p>SS stated that the update says that testing is now in place and asked if the JARAC are satisfied with this as an update.</p> <p>AP stated that there are plans in place in certain areas, it is the plan for this to be implemented across all areas.</p>	
26/23	STRATEGY FOR IA AND IA PLAN FOR 23/24	
	<p>SS asked ML for his opinion on what will be done differently going into the new contract.</p> <p>LH asked what the offer was that was granted over the other bids for the internal audit contract.</p> <p>ML stated that as part of the pitch, Mazars will provide a refresh and revamp on key topics such as cyber security and sustainability. Seminars on governance were also proposed to help embed a collaborative shared learning approach to internal audit. This would give the JARAC members the opportunity to speak with other audit committees at networking events.</p>	
	<p>ML then moved onto the IA Plan for 23/24</p> <p>LH asked why DH does not regularly attend the JARAC meetings.</p>	

	<p>AD stated that talks have begun about DH's attendance and what more Mazars can provide.</p>	
	<p>ML stated that the plan is on page 87 of the paper pack. Historic work has been reviewed and the risk registers of both Derbyshire Constabulary and the OPCC were considered with JP and AD's input.</p> <p>ML moved to discuss the police audit group which is where the heads of internal audit for all forces have a planning meeting every year to evaluate and compare what other forces are looking into. The outcome of this meeting was that there is a lot to consider due to Mazars finite workload and therefore there will be things that did not make the plan. It is essential that Derbyshire are using the internal audit at the correct times of the year to support management.</p> <p>AD added that the conversation around the audit plan was productive, and they tied the risk register together with the audit plan. Things were not removed because they wanted to remove them, but because items had to be removed due to capacity. Items from section 5 of the report will be put onto the following years audit plan.</p> <p>JP added that testing of core financial controls are not required each year, based upon previous audit assurance but will continue to be tested on a risk-based approach.</p> <p>BM raised that he could not get to feel what Mazars are going to do as he was looking for assurance that the savings plans are in place, if they are robust, and if there is confidence in them.</p> <p>JP stated that it is in the early stages. There is a budget gap for future years, and it is appropriate for ML to come in and do the audit to see how strong the plans are.</p> <p>BM asked what the board are doing regarding the program of savings.</p> <p>Efficiency board questions have been moved to closed session.</p> <p>AD stated that the P&E board is not a savings board.</p> <p>JP added that this is the case despite the P&E board initiating the savings plan.</p>	
	<p>BM asked about the re-vetting issues that are currently in the media.</p> <p>AD assured that this is very much in the minds of Derbyshire OPCC and Constabulary.</p>	

	<p>BM asked about how cases like this go unnoticed.</p> <p>AD replied that the issue lies with updating the Police National Database.</p> <p>SB added that HMIC are currently with Derbyshire Constabulary looking into policies, vetting and counter corruption.</p> <p>LH raised concerns surrounding external fraud, expressing a worry that there is no assurance on the threat of external fraud. LH also asked if Mazars had won the contract for all 5 forces in the East Midlands Collaboration.</p> <p>ML stated that there would be a separate standalone audit into EMSOU once the details had been agreed.</p>	
	<p>LH asked to go over the charter.</p> <p>JC stated that it was good to see which areas will and will not be covered. She asked for a description on why some areas were seen as less of a priority.</p> <p>AD stated that in the main it is because Derbyshire have established an assurance framework.</p> <p>LH asked to circle back to the charter and asked who the head of internal audit at Mazars is.</p> <p>ML stated it was DH.</p> <p>LH brought back up the issue of DH's attendance at JARAC meetings. LH also asked if there is any collaboration between internal and external audit.</p> <p>ML stated that this was part of the proposed plan.</p> <p>LH asked for details in the 24/25 plan about how the collaboration will work.</p> <p>HC stated that it is hard for external audit to place assurance on internal audit. EY do explore some areas but external audit need assurance that internal audit is fulfilling their role, rather than relying on them.</p> <p>IA were also asked to include historical audit coverage in the audit plan in future years as well as showing the extent to which strategic risks are assured through internal audit.</p> <p>ML agreed to look at this for the 24/25 plan.</p> <p>JC asked ML to consider the longer-term view, which is in line with good practice in the profession.</p>	

	<p>ML agreed to look at this for future years.</p> <p>SS asked if the JARAC were happy to move on.</p> <p>All agreed.</p>	
27/23	8A POLICY GUIDANCE	
	<p>SS stated that the JARAC had chosen 4 audits to track but only received one. SS then asked when the information security policy will be complete.</p> <p>ACTION: CB to find out when the information security policy will be complete.</p>	CB to find out when the information security policy will be complete.
	<p>The media policy has now been withdrawn because there is nationally issued guidance.</p> <p>SB stated that this is being used to remove the sheer number of policies and procedures that are currently in place.</p> <p>LH asked if this includes guidance on officers going on the television when the Constabulary put operational activity out into the public domain.</p> <p>SB stated that there is national guidance on it, and also noted that officers have fallen victim to cut and clip incidents in the past. SB highlighted that the tv programs do not always benefit the public perception of the police in terms of safety.</p>	
	<p>SS stated that the JARAC would like to see a rolling list of the policies that are being reviewed.</p> <p>ACTION: AW to provide JARAC with a list of policies.</p>	AW to provide JARAC with a list of policies.
	<p>BM stated that he would like to see the procurement and contract management policy.</p> <p>ACTION: AW to provide JARAC with the procurement and contract management policy.</p>	AW to provide JARAC with the procurement and contract management policy.
	<p>Service Confidence Policy:</p> <p>BM raised the question of when this policy applies.</p> <p>SS asked if it could be used where an officer has been through conduct or discipline but wasn't found guilty.</p> <p>BM raised a wording issue with the policy name. BM also raised the issue of monitoring, asking how people will be monitored within Derbyshire Constabulary and also what</p>	

	<p>happens if the person being monitored gets moved to another force.</p> <p>SB replied that the force that an officer is moving to will contact Derbyshire's Professional Standards Department for the information that they need, no force will just take a transfer without vetting/checking first.</p> <p>BM asked for SB's assurance to be put into the Service Confidence Policy.</p> <p>ACTION: SB's sentence about assurance to be put into the Service Confidence Policy.</p>	<p>SB's assurance to be put into the Service Confidence Policy.</p>
28/23	CLOSE DOWN POLICY AND ACCOUNT ARRANGEMENT	
	<p>JP stated that the requirement to move the publication of accounts from the end of July to the end of May 2023 was currently out of consultation. JP stated that he wished for the deadline to be moved from the end of May 2023 to July 2023. The pension funds accounting and the work involved in collaboration has caused a delay between publishing the accounts and the start of the audit. JP added that there is not a great deal of public interest, and he is still waiting for the results of this consultation, making the timetable for the end of May 2023 very challenging to meet.</p> <p>SS asked what sort of timeline Derbyshire were looking at for the external audit.</p> <p>HC stated that the delay for the audit is longer than where it was last year. The audits are to begin in autumn 2023, where Derbyshire sits in that timescale is unknown.</p> <p>SS highlighted the issue that this will cause with starting the new audit contract.</p> <p>HC highlighted that there is a shift in the market where some people are exiting and entering. This has meant some audit companies will be ready to start before others.</p> <p>SS expressed real concern with how the move over from EY to Grant Thornton will be managed.</p> <p>HC stated that Derbyshire are in a much better position than other forces as some forces still have the 20/21 audit open.</p> <p>SS asked what is being done to combat the problem.</p> <p>HC stated that EY have had a big recruitment drive.</p> <p>SS stated that there is limited value in JP getting the accounts ready for May 2023 as EY are so behind.</p>	

	<p>HC stated that it is not definite that the audit will not be started until autumn 2023 but it is a possibility.</p> <p>SS asked if JARAC members were happy with JP's extension to July 2023.</p> <p>All agreed.</p>	
29/23	<u>ANY OTHER BUSINESS</u>	
	Nothing stated.	

JOINT AUDIT, RISK AND ASSURANCE COMMITTEE

REVIEW OF ACTIONS

Agenda Item	Report Title and Action Required	Responsible Officer	Progress
ACTIONS FROM MEETING ON 10TH JANUARY 2023			
	Circulate Business Continuity audit when ML has completed it.	ML/CB	The Business Continuity audit was scheduled to take place in February, however following communication with the lead the dates were no longer possible due to some operational priorities and therefore the audit has been re-scheduled to take place in early March. This is now complete and has been circulated to the JARAC.
ACTIONS FROM MEETING ON 3RD MARCH 2023			
18/23	Minutes of the meeting of the JARAC held on 10th January 2023		
	CB to make corrections to the minutes.	CB	Complete
19/23	Review of Actions		
	CB to Mark Action “Ensuring all mandatory training/ teaching points are issued as a tick box read on connect’ as complete.	CB	Complete

	CB to acquire training dates and circulate to JARAC members.	CB	Complete, JC attended 23/05/2023.
	AD to hold teams meeting with JARAC members about assurance framework.	AD	Complete – meeting held 04/05/2023.
21/23	5B JARAC Terms of Reference		
	CB to enquire with finance about payments for the JARAC members.	CB	Complete, payment has been corrected from 1.09.2022 and the arrears for each member were paid in March 2023.
	ACTION: AD to adjust TOR to make the wording more straightforward in terms of annotating that the remuneration would increase inline with police payments annually.	AD	Complete, changes have been made and the TOR has been included as part of the meeting paper pack.
	CB to circulate JARAC minutes 10 working days after the meeting.	CB	Complete
	OPCC to enquire about information governance and other mandatory training that JARAC members should undertake.	CB/MR	Training enquiries are still underway. The closed session papers are now circulated via egresso in response to concerns about the transferring of papers.

22/23	6A UPDATE FROM EY INCLUDING AUDIT FEES UPDATE		
	HC and AD to give update on fees for 20/21 audit and the PSAA investigation.	AD/HC	Update to be given at July meeting.
23/23	7A INTERNAL AUDIT RECOMMENDATIONS LOG		
	SB to provide an update on the vehicle logbooks at the next JARAC meeting in July 2023.	SB	Update to be given at July meeting.
	SB and AP to feedback about the management of the Derbyshire County Council contract.	SB/AP	AP to give an update at JARAC meeting on 4 th July 2023.
	KH to provide a realistic completion date to 4.1 Wellbeing and Governance Documentation.	KH	The report is complete : emsou people strategy 23-25 - 1 (pagetiger.com) . The link above has also been circulated via email for access. KH is awaiting sign off from senior management.
24/23	7C INTERNAL AUDIT PROGRESS REPORT		
	The contract management audit is to be tabled at the JARAC meeting in July 2023.	ML	Complete

	ML to circulate audit reports when they are complete.	ML	Complete
	ML to change audit reports to feature the names of staff that are currently in post.	ML/ CB	Complete
	ML to provide the JARAC with further details on the areas of the payroll audit that were unable to be tested.	ML	Payroll Memo Report – We can confirm that the inability to test the variations area of the scope was a one off instance. The Payroll Services Manager at Leicester confirmed that this is a one off instance, where they were unable to provide a complete and fully functioning audit report dashboard on variations made. This was a Midlands Live issue where the Finance Operations inputs were not in the report provided to Leicestershire. Therefore, a complete and accurate report could not be provided for us to perform testing on due to Midlands Live IT issues. The Payroll service manager was already liaising with MHR to resolve the issue. Once the issue is resolved it is expected that a fully functioning report will be able to be provided and therefore will be able to be effectively tested during the next audit.
	JP to check the payroll contract with Leicestershire Police to ensure that there is adequate provision to limit our liability in the	JP	JP has reviewed the Section 22 Agreement which requires professional negligence cover to cover any losses, claims, damages, costs, charges, expenses, liabilities, or demands incurred or brought as a result of the actions, omissions or operations of Leicestershire Police, and/or any of the officers, staff, agents or

	event of any fraud or error by the Payroll department.		contractors under its direction and control and acting in the performance or purported performance of their duties which arise out of their attachment to the Payroll Unit.
25/23	7B PROCUREMENT UPDATE		
	JP to provide an update on the match payments for utilities invoices.	JP	<p>A further review was undertaken to identify where invoices didn't match PO's. This identified that the vast majority of mis-matches related to where products and prices held on Agresso were not being updated on a routine basis, and only being updated on receipt of the invoice. This is being addressed with help from Procurement to identify price changes through contractual updates and update the system on a more frequent basis.</p> <p>Purchase orders are raised for oil purchases but not routinely for gas or electricity. All invoices pass through workflow with secondary approval process with Finance due to their values.</p> <p>All non-matching invoices are reviewed quarterly by the Head of Finance.</p>
27/23	8A POLICY GUIDANCE		
	CB to find out when the information security policy will be complete.	CB	November 2023, evidenced on the May policy report.

	AW to provide JARAC with a list of policies.	AW	Complete and BM sent through a list of policies that the JARAC would like to review.
	KW to provide JARAC with the procurement and contract management policy.	KW	Complete.
	SB's assurance to be put into the Service Confidence Policy.	AW	Request has been submitted to the policy owner to review and change.

FORWARD PLAN 2023/24

September 2023		
	IA Progress Report	
	Review of the draft statement 22/23	
	Annual audit letter 21/22	
	JARAC Annual Report	
	Financial Monitoring and Planning	
	Fraud and corruption theme review (themes announces at agenda setting) – anti fraud and corruption policy, whistle blowing policies.	
	Force and OPCC Risk Management Strategy	
	IS Disaster Recovery – RC to attend to update	
	Fleet Management Strategy update	
	Complaints Performance – OPCC and Force	
	Update on Peel Inspection HMIC	
November 2023		
	IA Progress Report	
	Policy Guidance	
	HMIC Activity	
	Financial Monitoring and Planning	
	Work Force and Planning – PUP and ARR	
	External audit annual report 2022	
	Stock Control Update	
	External Audit plan 22/23	
January 2024		
	Budget Setting Process and Assumptions	
	HMIC Value for Money	
	JARAC Member Self-Assessment (CIPFA Checklist)	

	Stock Control Report	
	Procurement Briefing- Follow up to IA report	
	EA Report ISA 260	
	Environmental Strategy	
March 2024		
	Strategy for IA and IA Plan 24/25 (Internal Audit- IA)	
	Year End Accounting Arrangements & Accounting Policies 23/24	
	Financial Monitoring and Planning	
	HMIC Activity (including VFM profiles)	
	Complaints Performance – Update on meetings with IOPC Rep	
	Force Risk Management	
	OPCC Risk Management	
	External Audit transition and planning for 23/24 audit	
July 2024		
	Accounts sign off 22/23	
	Draft Letters of Representation 22/23	
	Internal Audit Progress Report 2024/25	
	Internal audit annual report and opinion 23/24	
	Final PCC & CC Financial Statements for 22/23	
	EY update	
	Financial Statements 2023/24 draft	
	Annual Financial Exception Reporting (Any breaches of financial regulations)	
	Financial Outlook (Savings Plan Update)	
	Force annual governance statement	
	Policies update	

	Annual Audit Letter 22/23	
	Update on prepayment non-standard methodology in the accounts	
	Force risk management	
	OPCC risk management	



AGENDA ITEM

5B

JOINT AUDIT RISK ASSURANCE COMMITTEE

REPORT TITLE	JARAC TOR V15 REVIEW
REPORT BY	ANDREW DALE
DATE	21 ST JUNE 2023

**POLICE AND CRIME
COMMISSIONER FOR DERBYSHIRE**

**TERMS OF REFERENCE FOR JOINT
AUDIT, RISK & ASSURANCE
COMMITTEE (JARAC) v15**

EXTERNAL POLICY

Control Sheet

Policy Title	Terms of Reference for Joint Audit, Risk and Assurance Committee (JARAC) V15
Responsible Officer	OPCC's Head of Governance and Compliance
Security Classification	External
Disclosable under FOIA	Yes
Policy implementation date	May 2020 (Last reviewed June 2023)
Next review date	January 2024

Policy Details

Revision date	Changes
November 2022	Changes made to the rules over length of term that a Chair can serve
February 2023	Clarification to the rules over length of term that a Chair can serve Clarification regarding the need for vetting
June 2023	Interim update to clarify member allowance inflation linked to police staff equivalent

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1. INTRODUCTION

- 1.1 In line with the principles of good governance as laid down by the Chartered Institute of Public Finance & Accountancy (CIPFA) and the Financial Management Code of Practice for the Police Service of England and Wales, this independent Joint Audit, Risk & Assurance Committee (JARAC) has been established, covering the separate roles and offices of both the Police & Crime Commissioner (Commissioner) and the Chief Constable.
- 1.2 The Commissioner and Chief Constable are intrinsically linked by the priorities of the Police and Crime Plan and therefore it is in the best interests of the public, value for money and probity that a Joint Audit, Risk and Assurance Committee (JARAC) is established.
- 1.3 The purpose of the JARAC is to provide independent assurance on the arrangements in place and the adequacy of the following:
 - The risk management and the internal control framework operated by the Commissioner and the Chief Constable.
 - The effectiveness of their respective governance arrangements including providing for value for money services.
 - The financial reporting process (including the effectiveness of in-year monitoring).
 - The preparation and audit of the financial statements by having appropriate scrutiny of the annual accounts, with advice from External Audit.
 - The Chief Constable & Commissioner's arrangements to detect Fraud and prevent bribery and corruption.
 - The complaints and whistle-blowing arrangements together with proportionate and independent investigative arrangements.

The JARAC is not there to independently review detailed systems and process but rather assess the overall control environment in the context of risk and receive assurances from the Force and the OPCC on the arrangements in place.

In addition, the JARAC is responsible with partners for agreeing the joint appointment process of internal and external auditors. The JARAC will also support and keep under review the work of internal and external auditors as they provide assurance on risk management, internal controls and the annual accounts through their work.

- 1.4 The JARAC is a non-executive Committee and has no executive powers, other than those specifically detailed in these Terms of Reference.
- 1.5 The JARAC will establish effective communication with the Commissioner and Chief Constable, their nominated representatives, their respective Chief Finance Officers, Head of Internal Audit, the External Auditor and other relevant stakeholders, for the purpose of fulfilling these terms of reference. A working protocol will be established to ensure that this is achieved by all parties.
- 1.6 It should be noted that activities to combat Fraud, Bribery and Corruption are managed by the Constabulary's Professional Standards (PSD) department and overseen by scrutiny carried out directly by the Police & Crime Commissioner through their Head of Governance & Compliance. The work of JARAC is intended to provide an additional layer of assurance, and not confuse the lines of accountability. Wherever possible, the JARAC will make use of and take assurance from existing reports, updates and scrutiny work. There may be occasions where either attendance of key individuals or a bespoke report is deemed more appropriate, and those arrangements will be made on a case-by-case basis between the Chair and the Commissioner/Chief Constable (or their representatives).

2. MEMBERSHIP

- 2.1 The JARAC will have a Chair, a deputy chair and four other members, all of whom must be independent of the Commissioner, the Chief Constable and the Police and Crime Panel. All members (including the Chair) are subject to NPPV2 police vetting clearance on appointment and periodic review.
- 2.2 Members of the JARAC shall be recruited by the JARAC Chair on application and through open competition, in conjunction with the Police and Crime Commissioner and Chief Constable or their representatives. They shall be recruited to ensure that the JARAC has all the necessary skills and experience to fulfil its terms of reference, in accordance with the job description for JARAC members. To ensure the independence of the JARAC, members shall not be:
 - A current or ex-Commissioner or Chief Constable (including their respective Deputies).
 - A member or ex-member of a Police and Crime Panel.
 - Serving police officers or any person who has served as a police officer (including Special Constabulary officers).
 - Serving police staff member (including OPCC employees) or any person who has served as such.
 - Any individual who works as a volunteer with either the Constabulary or Commissioner or has worked as such within the last 5 years.

- Currently serving officers or elected members of local authorities within the force area.
 - A member of a political party.
 - An employee of either the current or previous (if the change occurred within 1 year) internal or external audit provider.
 - In a direct or indirect fiduciary relationship with the Constabulary or Commissioner not covered by the exclusions above (i.e. a member of any partnership body).
- 2.3 In addition to the factors above that preclude someone from being a member of the JARAC, a candidate must be at least 18 years of age and a substantive (i.e. main home) resident of Derbyshire to be considered for the role.
- 2.4 The Chair of the JARAC will be jointly recruited by the Commissioner and the Chief Constable. The Chair can serve a maximum of two 5-year terms on top of any time served as member. The maximum combined service (member + Chair) for a Chair will not exceed 15 years in total, therefore a Chair who is appointed after 6 or more years of service as a member will have a shortened second term as Chair. The Chair's performance is reviewed after the first 5-year term by the Commissioner and Chief Constable (or their representatives).
- 2.5 All JARAC Members will serve for a maximum of 2 terms, each term being a maximum of 5 years. To ensure continuity, where possible, member recruitment will be staggered to limit the churn and loss of expertise in any given year. A member who wishes to serve a second term of five years will be subject to a satisfactory performance review undertaken by the Chair in conjunction with the two Chief Finance Officers. If performance is deemed satisfactory, the Chair may grant a second term for a JARAC member.
- 2.6 The deputy Chair is selected by a simple majority vote of members of the JARAC with the Chair holding the casting vote. The deputy Chair will act as Chair at meetings in the absence of the Chair. If the Chair can no longer continue in this role, the deputy Chair will act as the Chair until the formal appointment of a new Chair. The deputy Chair will not automatically become the new Chair, although may apply for the post of Chair as part of the recruitment and replacement process run by the Commissioner and Chief Constable.
- 2.7 All members of the JARAC will participate in an annual self-assessment of the JARAC in September each year as detailed in clause 9.3.
- 2.8 On joining the JARAC, each member must attend an induction training course to help them understand the roles of the Commissioner and the Chief Constable, the Police and Crime Panel and the organisations pertaining to the Commissioner and Chief Constable. Further training on specific relevant topics will be provided as necessary, according to the members' own relevant experience and emerging business needs of the JARAC. Members of the JARAC will be expected to attend all such training and to develop their skills as part of a

member development programme. Training needs will be considered during the annual self-assessment process and a training & development programme established both for the JARAC and its individual members as appropriate.

- 2.9 In accordance with the JARAC members' code of conduct, each member will be required to record any conflicts of interest in the register of pecuniary and non-pecuniary interests in September each year. In addition, JARAC members will be required to disclose any such interests at the commencement of any meeting where there is a need to do so due to the nature of the JARAC agenda, or immediately if they arise unexpectedly in discussion.

3 RIGHTS

- 3.1 The JARAC may with reasonable justification and with prior agreement of the Commissioner and Chief Constable, procure specialist ad-hoc advice to obtain additional skills, knowledge and experience at the expense of the Commissioner and Chief Constable to support the JARAC in the achievement of its terms of reference. This will be considered appropriate where specialist advice is not available within the existing JARAC support arrangements, or it is not considered appropriate to use this support.

- 3.2 Only members of the JARAC have the right to vote on matters, the Chair has a casting vote.

- 3.3 The members of the JARAC will be remunerated and reimbursed for all expenses incurred in the fulfilment of their JARAC duties, roles and responsibilities in accordance with the schedule of allowances and expenses agreed by the Commissioner and Chief Constable. The allowances and expenses of the JARAC are detailed in paragraph.

- 3.4 The members of the JARAC will be remunerated on an allowance basis (paid monthly in arrears) and reimbursed for additional expenses incurred in the fulfilment of their JARAC duties, roles and responsibilities as follows:

- Chair - £3,150⁽¹⁾ per annum
- Member - £2,100⁽¹⁾ per annum
- The Chair will receive a further payment of £525⁽¹⁾ per annum in the event they are asked to participate in JARAC interview panels
- Travel by car £0.45⁽²⁾ per mile irrespective of engine size
- Car parking: costs incurred; receipt required
- Travel by taxi: costs incurred; receipt required
- Carer or childcare: costs incurred; receipt required

Notes:

- (1) Allowances payable to the Chair (including for interviewing) and Members will be uplifted in-line with the pay inflation applied to police staff, normally with effect from 1st September each year
- (2) The rate payable for mileage will change in-line with any change to the HMRC approved rate

4 SUPPORT

- 4.1 The Chair, in conjunction with the Commissioner and Chief Constable has responsibility for ensuring that the work of the JARAC is appropriately resourced, including appropriate secretariat support and any other specialist support necessary to ensure its members are effective in their role. The JARAC Chair has a duty to report any shortfall in the level of support to the Commissioner and Chief Constable in the first instance and in a public report if this is not remedied.
- 4.2 The allocation of secretariat support to the JARAC and its funding will be agreed between the Commissioner and Chief Constable. This will include ensuring that best practice as contained in relevant good governance codes and protocols are upheld so that the JARAC is effective and the members' independence is maintained.

5 FREQUENCY AND NOTICE OF MEETINGS

- 5.1 The JARAC will normally meet five times a year ("core" meetings) along with an accounts workshop. The calendar of meetings shall be agreed at the start of each financial year wherever possible. One of the meetings shall be held in May (or the month most appropriate) each year and dedicated to the scrutiny of the Annual Governance Statements of the Commissioner and Chief Constable before or close to submission to external audit. Furthermore, one of the meetings shall be held in July (or the month most appropriate) each year to receive and consider the report of the external auditor prior to publication of the annual statement of accounts for both the Commissioner and Chief Constable.
- 5.2 Further meetings outside of the normal cycle of the JARAC can be convened at the request of the JARAC Chair or any of its members, subject to agreement by the Chair.
- 5.3 The Commissioner and or Chief Constable may ask the JARAC to convene further meetings to discuss issues on which they want the advice of the JARAC.
- 5.4 Meetings can be requested by the external or internal auditors where this is considered necessary and on agreement of the JARAC Chair.
- 5.5 The Constabulary and/or the Commissioner will invite JARAC members to meetings or briefings both internally and externally in support of both their role

and their continued development. This may be individually, in limited numbers or as a complete committee where it is considered to be appropriate. Such meetings are not considered part of the public timetable of meetings.

- 5.6 Unless otherwise agreed, formal notice of each meeting confirming the venue, time and date together with the agenda of items to be discussed, will be forwarded to each member of the JARAC, any other person required to attend and all other appropriate persons determined by the Chair, no later than five working days before the date of the meeting.
- 5.7 Any meetings held outside the normal cycle of meetings should be convened with a minimum notice of five working days. Extraordinary or urgent meetings may be held with less notice but should be for exceptional matters only, subject to the Chair's agreement and quorum requirements. In this case the agenda and any supporting papers will be sent to the JARAC members and to other attendees at the same time as the meeting notice is sent out, recognising that if the matter is so urgent that there may only be an oral report. If this is the case, it will be identified on the agenda.

6 ATTENDANCE AT MEETINGS

- 6.1 Members of the JARAC are expected to attend all five core meetings (see 5.1) together with a briefing on the statement of accounts. If two or more such meetings are missed in a year, this will be discussed as part of the annual self-assessment process and feature as part of a member's performance review should they wish to serve a second term. Regular non-attendance of JARAC members will lead to their removal as a member of the JARAC on agreement by the Chair.
- 6.2 The Commissioner and Chief Constable may attend all core meetings of the JARAC, or ensure that they are suitably and appropriately represented, therefore ensuring that the purpose of the meeting is not compromised and that the members are able to appropriately fulfil their responsibilities. In addition, the Police Reform and Social Responsibility Act 2011, Section 114 of the Local Government Finance Act 1988 and the Audit and Accounts Regulations 2015 assign a number of statutory responsibilities to each of the Chief Finance Officers of the Commissioner and Chief Constable. Given the nature of these responsibilities it is expected that both the Chief Finance Officers of the Commissioner and the Chief Constable will attend all meetings of the JARAC, or where this is not possible then their nominated representatives.
- 6.3 The Head of Internal Audit and representatives of the external auditor will be invited to attend meetings on a regular basis. The JARAC should meet with the Head of Internal Audit and representatives of the external auditor separately and

privately at least once a year. At the Chair's discretion, the JARAC may choose to meet more frequently with the Head of Internal Audit or the external auditor and involve the two Chief Finance Officers as considered appropriate.

- 6.4 A minimum of four members of the JARAC must be present for the meeting to be deemed quorate, one of whom must be either the Chair or deputy Chair.
- 6.5 All core JARAC meetings will be held in public with the matters discussed being placed in the public domain. Where items are considered commercially sensitive or contain issues which are deemed confidential or relate to a member of staff the JARAC may consider those items during a private (or "closed") section of the agenda (or in a separate meeting excluding members of the public or press) and will record their reasons for this decision in the public domain.
- 6.6 The JARAC may hold private informal meetings e.g. for briefing and training purposes without any non-members present if they so decide. Decisions cannot be taken at such meetings.

7 ACCESS

- 7.1 The Chief Finance Officers, Head of Internal Audit and the representative of external audit of the Commissioner and Chief Constable will have free and confidential access to the Chair of the JARAC and the JARAC Chair will have free and confidential access to the Chief Financial Officers, the Head of Internal Audit and the representative of external audit.

8 MINUTES OF MEETINGS

- 8.1 The secretary of the JARAC will record the names of those present at the meeting, write minutes, including the key points and decisions of all JARAC meetings, along with any actions stemming from discussion that need to be taken. The minutes of the previous meeting must be approved by the JARAC.
- 8.2 The secretary of the JARAC will establish, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly, see also paragraph 2.9 of these terms of reference.
- 8.3 The unsigned and unapproved minutes of the most recent JARAC meeting will be circulated promptly and generally no later than ten working days after the meeting to all members of the JARAC, to the Commissioner and the Chief Constable along with their nominated representative at the JARAC, the Chief Finance Officers of the Commissioner and Chief Constable and to the internal and external auditors, once they have been considered by the Chair or deputy Chair in the Chair's absence.

- 8.4 The minutes of the JARAC will be placed in the public domain as soon as these have been approved and signed by the Chair, with exclusion to any matter deemed private and confidential, as per paragraph 6.5 of these terms of reference.

9 REPORTING

- 9.1 The Chair of the JARAC will provide the Commissioner and Chief Constable with an Annual Report in the name of the JARAC, timed to support finalisation of the accounts and the Annual Governance Statement, summarising its conclusions from the work it has done during the year and drawing attention to any significant or emerging issues as appropriate. This report will be placed in the public domain following its discussion with the Commissioner and Chief Constable along with their responses. The Chair will be responsible for dealing with any public or media questions relating to that report, supported by the Chief Finance Officer(s).
- 9.2 The JARAC will, having regard to best governance practice, review these terms of reference annually and make any changes deemed necessary in consultation with the Commissioner and Chief Constable.
- 9.3 The JARAC will annually review its own performance to ensure it is fulfilling its terms of reference and operating effectively. In doing so it will make any recommendations for change to the Commissioner and Chief Constable. This annual review of performance will be based on a self-assessment model found in the CIPFA publication "Audit Committees, Practical Guidance for Local Authorities and Police 2018".

10 RESPONSIBILITIES

10.1 Risk Management, Governance and internal control responsibilities

The JARAC will obtain assurance in connection with the following:

- 10.1.1. The establishment and maintenance of an effective system of risk management, integrated governance and internal control, across the whole of the Commissioner and Chief Constable activities that supports the achievement of the objectives of the Police and Crime plan, ensuring probity, value for money and good governance. In addition, the JARAC will review, consider and comment on the arrangements of both the Commissioner and Chief Constable related to combatting Fraud, Bribery and Corruption (including Whistleblowing).
- 10.1.2. The timely implementation of any actions necessary to ensure compliance with all internal standards and best practice, both financial and non-financial operated by the Commissioner and Chief Constable.

- 10.1.3. The adequacy of relevant disclosure statements, in particular the Annual Governance Statement, together with any accompanying Head of Internal Audit report, external audit opinion, risk register or other appropriate independent assurances, prior to endorsement by the Commissioner and / or the Chief Constable.
- 10.1.4. The adequacy of arrangements for ensuring compliance with relevant regulatory, legal, code of conduct and anti-fraud and corruption requirements as set out in Secretary of State Directives and other relevant bodies or professional standards.
- 10.1.5. The JARAC will recommend for adoption the Annual Governance Statement for the Commissioner and Chief Constable.
- 10.1.6. Major policies and procedures, either new or major revisions, relating to governance and key controls will be assurance reviewed by JARAC prior to approval by the Commissioner and/or Chief Constable. The specific policies and procedures to be reviewed will be agreed between the Chief Finance Officer, Director of Finance and the Chair of JARAC. Following the assurance review JARAC will provide support and/or comments/suggestions or concerns in terms of the fitness for purpose of the policies and procedures.
- 10.1.7. Where the JARAC considers there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the JARAC wishes to raise, the chair of the JARAC must raise the matter with the Commissioner and Chief Constable and where appropriate seek legal advice if required. Exceptionally, the matter may need to be referred directly to the external auditor, HMICFRS and / or the Home Office e.g. fraud suspicion directly involving the Commissioner or Chief Constable.

10.2. Internal audit responsibilities

It is expected that the Commissioner and Chief Constable will engage the same internal auditors. The role of the JARAC in relation to internal audit will include advising the Commissioner and Chief Constable on the following:

- 10.2.1. Have oversight of the process for contracting with the Internal Auditor and provide assurance to the Commissioner and Chief Constable as necessary
- 10.2.2. Consider and make recommendations on the provision of internal auditors, including appointment, assessment of performance and dismissal.

- 10.2.3. Review and advise on the internal audit strategy and annual internal audit plan, ensuring that:
- It is consistent with professional standards;
 - It meets the audit needs of the Commissioner and Chief Constable;
 - It provides the JARAC with adequate coverage for the purpose of obtaining appropriate levels of assurance over the adequacy of the risk management, governance and internal control environment of both the Commissioner and Chief Constable: and
 - Any in year changes to priorities, scope or timescales are appropriate.
- 10.2.4. Consider the Head of Internal Audit's annual report and opinion, and a summary of audit activity (actual and proposed) and the level of assurance it gives over the risk management and governance arrangements of the Commissioner and Chief Constable.
- 10.2.5. Consider the findings of internal audit reports (or their summaries), the assurance provided and the adequacy of the response by the Commissioner and / or Chief Constable.
- 10.2.6. Monitor implementation of all priority 1 (red) and 2 (amber) internal audit recommendations in preparation for the internal auditor's follow-up work.
- 10.2.7. Commissioning additional work from the internal auditor, having regard to any actual or potential conflicts of interest.
- 10.2.8. Ensuring co-ordination between the internal and external auditors to optimise audit resources.
- 10.2.9. Annually review the effectiveness of internal audit.

10.3. External audit responsibilities

The Commissioner and Chief Constable have agreed to engage the external auditors as appointed by the PSAA (Public Sector Audit Appointments). The role of the JARAC in relation to external audit will include advising the Commissioner and Chief Constable on the following:

- 10.3.1. Have oversight of the process for contracting with the External Auditor and provide assurance to the Commissioner and Chief Constable as necessary

- 10.3.2. Consider and monitor the performance of the PSAA-appointed external auditors at least annually.
- 10.3.3. Review, advise on and endorse the external audit strategy and annual audit Plan and Progress Report, ensuring that this is consistent with professional standards and the External Audit Code of Audit Practice.
- 10.3.4. Consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
- 10.3.5. Consider specific reports as agreed with the external auditor.
- 10.3.6. Commissioning work from the external auditor, having regard to any actual or potential conflicts of interest.
- 10.3.7. Consider major findings of external audit work and the adequacy of response of the Commissioner and / or Chief Constable
- 10.3.8. Ensuring co-ordination between the internal and external auditors to optimise audit resources.
- 10.3.9. Annually review the effectiveness of the external audit function (not the appointed auditor as referred to in 10.3.1).

10.4. Financial control and management including the Annual Accounts of the Commissioner and Chief Constable

The JARAC will:

- 10.4.1. Review and scrutinise the annual statement of accounts prior to their external audit. Specifically, it will seek assurances whether appropriate accounting policies have been followed and whether there are any concerns arising from the financial statements.
- 10.4.2. Consider the external auditor's report to those charged with governance on issues arising from the audit of accounts.
- 10.5. Review Financial Reporting, Budget Preparation and Monitoring reports together with considering the processes underpinning them (in addition to responsibilities around the annual statement of accounts)

- 10.5.1. The JARAC will be briefed and have oversight of the preparation each year of the Commissioner's revenue and capital budgets (incorporating the Constabulary).
- 10.5.2. The JARAC will also be briefed and have opportunity to seek assurance on the Commissioner's medium-term financial strategy (MTFS) including plans to address any deficit as part of a wider change programme.
- 10.5.3. The JARAC will receive regular reports on financial monitoring (both revenue and capital) at each meeting together with updates to the MTFS when they occur. In reviewing these reports, the JARAC will provide a degree of assurance to the Commissioner and Chief Constable as to the effectiveness of the financial monitoring arrangements as well as being able to offer challenge and alternative perspectives from an independent point of view.
- 10.5.4. To support this role, the JARAC will be given appropriate training, briefings and invited to relevant internal meetings as agreed by the Chair and both Chief Finance Officers.
- 10.5.5. The JARAC will receive regular exception reports around a range of financial controls including:
 - 10.5.5.1. Single tender waivers
 - 10.5.5.2. Losses and write offs
 - 10.5.5.3. Breaches of financial or standing orders
 - 10.5.5.4. Unusual staff payments

11 INFORMATION REQUIREMENTS

A programme for the annual cycle of JARAC meetings will be prepared and monitored by the Chair in conjunction with the Chief Finance Officer(s). It will ensure appropriate cover of the responsibilities listed in these terms of reference.

- 11.1 In addition to the cyclic agenda, each meeting of the JARAC will be provided with:
 - A progress report from the head of internal audit summarising:
 - Work performed and a comparison with work planned
 - Key issues emerging from internal audit work
 - Management response to audit recommendations
 - Changes to the periodic plan
 - Any resourcing issues affecting the delivery of internal audit objectives

- A progress report from the external audit representative summarising work done and emerging findings.
- A summary report of actions being tracked and progress made in particular in connection with the implementation of significant risk, governance and internal controls matters, thereby providing an on-going process of follow-up.
- To receive a regular update on HMICFRS Inspection Activity and the Constabulary / OPCC's response to HMICFRS' findings
- Financial monitoring and control exception reports
- A regular update on the Commissioner and Chief Constable's value for money arrangements to help inform the wider financial assurance role of the JARAC

And where applicable: -

- A report summarising any significant changes to the Commissioner and Chief Constable risk and controls profile and any action planned in response.
- A report on any governance matters arising or a note that no governance matters have arisen since the last meeting and any action planned in response.
- Any other matters that should be raised in the interest of transparency and sound financial management.

Angelique Foster
Police & Crime Commissioner
for Derbyshire

Rachel Swann
Chief Constable of Derbyshire
Constabulary

Derbyshire Police and Crime Commissioner and Chief Constable Audit Progress Update

Overview

This brief paper seeks to update members of the JARAC on the progress of the audit of the 2021/22 Statement of Accounts.

Financial statements audit

As part of our reporting to the Committee in January 2023, our Audit Results Report explained that the audit was still ongoing and listed the key outstanding areas to complete. Since then, we provided an update to the Committee in February and we have had additional resources in the agreed timescales with management and continue to work to close these areas.

We are working to close the audit as quickly as we can but there are some areas that are creating challenges as set out in this report. We have set out in the Appendix our progress against the main areas of the audit.

In order to finalise our work over the Local Government Pension Fund, we are still waiting for the final confirmations from the auditors of the Derbyshire Pension Fund as set out in our Audit Results Report.

Since our last update to the Committee, the triennial valuation of the IAS 19 position as at 31 March 2022 has been issued by the Actuary. We are required to consider any available information regarding significant estimates that becomes available subsequent to the year end. The IAS 19 disclosures are a significant estimate within your financial statements and are based on a roll-forward position from the prior triennial valuation as at 31 March 2019. As such, we need to consider whether there is any indication of a misstatement as a result of the triennial valuation. Officers have obtained an updated IAS 19 report as at 31 March 2022, taking into account the new valuation and this indicates a material movement as a result of the valuation. We have requested that this is amended in the financial statements. We are performing additional procedures as required to gain assurance over the new valuation and have sought support from our EY Pensions team. Depending on the outcome of their evaluation, we may require Mazars, as auditors of Derbyshire Pension Fund to perform additional procedures over the membership data within the triennial valuation. If such procedures are required, this is in effect bringing forward work that would have been required for the 31 March 2023 audit, as standard procedures over the triennial valuation.

Your going concern assessment is required to cover a period of at least 12 months from the date of the opinion. We have held off performing our procedures over going concern until we have a clearer idea of when we will be able to complete the audit.

Appendix

Update on the most significant open areas of the audit as indicated in the Audit Results Report taken to the January JARAC:

Audit area	Update
<p>Complete our testing of non-significant areas of the audit: Income from grants; expenditure; cashflow statement; unrecorded liabilities; financial instruments and non-significant disclosures</p>	<p>All areas of the non-significant areas of the audit are expected to be complete by the end of June, subject to final review.</p>
<p>Complete our testing of significant risk and areas of audit focus being management override; cut-off of other income; inappropriate capitalisation of expenditure; Valuation of land and buildings; Group financial statements; Collaborative arrangements; Valuation of the Local Government Pension Scheme and Police Pension Scheme; Accounting for PFI; Minimum Revenue Provision; and Going Concern compliance.</p>	<p>The main work over management override is our work over journals and estimates. Our work over journals is in progress, expected to be completed by the end of June 2023 and our work on estimates is complete subject to review, except for property valuations, which is in progress. We have substantially completed our work on valuations, subject to review and with the exception of one asset which we have been unable to identify sufficient publicly available information to test within the audit team and have had to refer this to our EY Real Estate colleagues for support.</p> <p>Our work over cut-off of other income and inappropriate capitalisation of assets is complete subject to review.</p> <p>Our work over the Local Government Pension Scheme is significantly progressed with the exception of the full consideration of the triennial valuation of the IAS 19 position as at 31 March 2022. We are working with officers to resolve this as pragmatically as possible. We are also waiting for the final response from the Derbyshire Pension Fund auditors with respect to the IAS 19 assurances which they provide. They will also need to provide us with additional assurances over the triennial valuation of the IAS 19 position.</p> <p>Our work over the valuation of the Police Pension Fund; accounting for PFI and the Minimum Revenue Provision is complete subject to final review.</p> <p>Our work over the group accounting and collaborative arrangements is ongoing. We are working with officers to clear queries on the group accounting and are waiting for the assurances we gain over certain transactions with respect to the collaboration arrangements.</p>

	We will complete our work over going concern once we have a reliable estimate of when the audit will be completed.
Complete our value for money risk assessment, including assessment of the HMICFRS PEEL report and Annual Governance Statement walkthrough	Risk assessment is complete with the exception of a discussion to be held regarding the PEEL assessment, specifically comments made around the governance arrangements. We have not identified any risks of significant weakness in your arrangements in the work performed to date.
Review of the revised financial statements	Not able to be completed until the end of the audit
Completion of manager and partner review of work performed	In progress
Subsequent events review	Not able to be completed until the end of the audit
Receipt of signed management representation letter, signed Narrative Report and financial statements	Not able to be completed until the end of the audit

JARAC – INTERNAL AUDIT RECOMMENDATION MONITORING

Recommendation	Responsible party	Priority	Timescale	Update
March 2022				
Transport				
<p>4.1 Fleet Management Strategy</p> <p>The force should ensure that the fleet management strategy is updated and approved at the earliest possible opportunity and aligned with the current short/medium and long-term objectives of the Force. An implementation plan should also be developed for the strategy setting out how the objectives of the strategy will be achieved.</p>	Fleet Manager	2	<p>Original completion date: July 2022</p> <p>Revised completion date due to incompleteness: September 2023.</p>	<p>This is a priority for updating following changes within the Fleet Management Structure and to reflect the future long term operational requirements of the Force, technical developments and national fleet procurement strategies.</p> <p>July 2022: A fleet strategy was created by the previous fleet manager and the management of the fleet is being undertaken according to that strategy. It is worth reviewing this later in the year due to the everchanging vehicle industry and the wider supply chain.</p> <p>October 2022: There is now a new fleet manager in post and as of yet they have not worked on or progressed the fleet management strategy so any associated updates will have to be delayed.</p>

			<p>January 2023: Although a more formal up-to-date Fleet Strategy is yet to be written, a fundamental part of our mid to long term objectives is being formulated by the way of a 5-year forecast for vehicle replacements. The larger Fleet Strategy will be formulated in 2023.</p> <p>March 2023: Update was given at JARAC meeting; AP stated that a meeting had occurred that day (02/03/ 2023) and moving forward all leads will be reporting to AP as he is now keeping governance and assurance on the fleet management strategy.</p> <p>July 2023: The 5 year strategy is to be completed by the end of July. This will cover, in detail, the strategic long term business needs required of our fleet and, in the most efficient way possible, support operational policing while embracing environmentally friendly technologies. It will cover how the force will effectively acquire, replace, convert and repair the vehicles owned</p>
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				<p>and managed by the Derbyshire Police and Crime Commissioner .</p> <p>An interim Fleet Strategy was submitted to the Chief in mid-March to cover the more short term problems that were presented as part of the Chief's roadshow and Op Resolve feedback with business cases being drawn up to present viable and effective solutions.</p>
<p>4.2 Vehicle Logbooks/Weekly Checklists</p> <p>Drivers should be reminded to promptly request a replacement where the logbook is missing/complete and record all damage in the log book as soon as it occurs. Drivers should be reminded to complete checklists on a weekly basis.</p> <p>The Fleet Team should undertake unannounced visits in order to confirm compliance with vehicle logbook/checklist procedures.</p>	<p>Fleet Manager</p>	<p>2</p>	<p>Original completion date: July 2022</p> <p>Revised completion date due to incompleteness: January 2023</p> <p>Proposed extension of delayed delivery date: April 2023</p> <p>Proposed final delivery date: July 2023</p>	<p>Scheduled reminders to commence Feb 2022. Periodic visits to commence April 2022. Digital solution is already work in progress. Fleet Manager and Head of Strategic Assets.</p> <p>Telematics project is about to be signed off so installation of hardware will begin which will enable removal of logbooks from vehicles. To be discussed and signed off by senior leadership team.</p> <p>November 2022: Due to reduced staff within the fleet team no visits have taken place to check the compliance of the vehicle log books. However, as part of the new Telematics project currently underway the future intention of the fleet manager</p>

			<p>is to remove the physical logbooks within any vehicle fitted with telematics.</p> <p>Drivers are still reminded to complete the logbooks until a time that the telematics project completes the initial hardware installation phase and the system becomes live. Estimated time April 2023.</p> <p>January 2023 : New admin staff are due to start in January 2023 and this will assist with the delivery of the Telematics Project to reduce the hardware installation time. Estimated completion of hardware install is now March 2023. Once all vehicles are active in the telematics system I will look to communicate out to the force that logbooks are no longer required.</p> <p>In addition to the above a mobile application is currently being developed to allow weekly vehicle checks to be submitted directly to our Fleet Management system, Key2. This will allow my team to produce detailed MI relating to which vehicles haven't been checked and report these to senior officers.</p>
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			<p>July 2023:</p> <p>We currently have 493 vehicles installed with Telematics and a remaining 41 vehicles to go. These last vehicles are difficult to get in to telematics installed and causing a delay, however, to move the project along and on to the implementation stage I will retrospectively install these 41 vehicles at a later date. For us to be able to fully remove the logbooks from our vehicles we need to be able to correctly identify our drivers via the Borer card log on in the vehicle and the current setup of our Borer Card profiles does not contain the correct information to do this. So as part of the new ID re-issue an additional process will be added when the new cards are setup where we will scan each individual card and correct record that information into the profile.</p> <p>The removal of the logbooks is now dependant on how quickly we can correctly re-issue the Borer cards across the force but it doesn't stop the progress of us using the telematics system for vehicle reporting.</p>
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				<p>Progression of the Weekly Vehicle Check App was hindered by the recent Vehicle Maintenance Contract Extension work but is now back in progress. I would estimate that by mid-July we should have a version of the app tested and a limited demonstration completed by a small test group. The full roll out of the completed App would be estimated by the end of July.</p>
4.4 Performance Information	Fleet Manager	2	<p>Original completion date: July 2022.</p> <p>Revised completion date due to incompleteness: June 2023.</p>	<p>Daily monitoring of vehicle availability is currently being undertaken by the Fleet Technical Officer. The immediate issue of timely reporting will be rectified now that DCC have resolved a number of system reporting issues. The vehicle maintenance contract specification is also currently under review pending a re-tendering procurement process in 2022 and therefore the recommendations for more frequent and robust performance reporting will be included within this. The performance reporting will also be included as an agenda item at the Transport Steering Group meetings chaired by the Director of Finance and Business Services.</p> <p>The transport team at HQ have access to the DCC fleet management system, Webfleet, so we can</p>

				<p>monitor the vehicles that are off road or are due to be serviced and maintained. In regard to the performance reporting I have yet to see any reporting but this will be fed back to the management team at DCC to be discussed at the next review meeting.</p> <p>Update November 2022: Again, due to the reduce number of staff within the fleet team the regular information reports have not been reviewed on a regular basis with Derbyshire County Council. The performance of the DCC has been reviewed once since the new fleet manager has taken over and as part of the contract renewal review Derbyshire Police will be looking to extend the current contract pending continued service level agreements are adhered to.</p> <p>January 2023 :</p> <p>Further discussions have taken place with DCC in relation to the extension of the current maintenance contract. With this being a priority no further work has been done with the performance information reports other than daily monitoring of the DCC Fleet</p>
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			<p>management system, Fleet Wave. This at least enables us to prioritize certain vehicles based on their requirement in the force.</p> <p>July 2023: Waiting on confirmation from DCC that the contract extension has been agreed with their cabinet. However, Fleet Manager has agreed that the force will revert back to standard performance indicator requirements set out in the contract under schedule C.4.1 and some details of that are below:</p> <ul style="list-style-type: none">• The Contractor shall provide statistics on a quarterly basis in respect of their performance regarding the above in a format to be agreed with the Authorised Officer. (This will be changed to monthly)• The information will on request of the Authorized Officer also be provided on a basis with the details broken down between Vehicle Categories and or user Department.• The times shall be measured from when a Vehicle is received at the workshop premises for repair to when it is ready for collection by the user.• Over the duration of the Contract targets will be agreed between the Authorised Officer and Contractor to reduce the average percentage variations between repair times and time of road.• The overall average level of Vehicle Availability for the Fleet shall meet or exceed 95% for each charge period (4 weeks) and should not fall below 90% for
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			<p>Vehicles allocated to a specific user Department or Vehicle Category.</p> <p>This will enable me to have more visibility on where are vehicles are taking the longest to be repaired and look to establish a clear root cause analysis.</p>
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July 2022

Procurement & Contract Management:

<p>4.1 Procurement Policies & Procedures</p> <p>All out of date policy, procedure and guidance documents should be updated to reflect current practice. They should then be reviewed on an annual basis and updated as needed. Policy, procedure, and guidance documents should include a document control section detailing at minimum the person responsible for the document, the date last reviewed and the date of the next review.</p>	<p>Head of 2 Procurement</p>	<p>Original completion date: December 2022</p> <p>Revised Completion date: March 2023</p> <p>Complete July 2023</p>	<p>September 2022: Assurance that this is underway was provided to JARAC members during meeting with the Head of Procurement and Director of Finance and Business services.</p> <p>October 2022: Example documentation is being gathered from other Police forces, local government, and NHS procurement colleagues. EMPLS providing support to ensure content complies with requirements.</p> <p>January 2023: Update was given at the November 2022 JARAC meeting. The Director of Finance and Business services reported that a key part of this recommendation is the</p>
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				<p>current documents which all comply with practice and mitigating controls are in place. The revised completion date of March 2023 was agreed.</p> <p>March 2023:</p> <p>Information has been gathered from other public sector bodies (Police, Fire, NHS) to assist the compilation of appropriate content for the updating of the procurement policies & procedures, contract management, the current documents are long overdue an update and are being rewritten to reflect current working practices if the force financial regulations and PCC's scheme of delegation and will include the production of a suite of standard KPI's. This work is being supported by EMPLS to ensure content is relevant, appropriate and addresses any mandatory requirements.</p> <p>At time of preparing this paper the expectation is that this piece of work is on track and will be completed by the end of March 2023.</p> <p>July 2023 :</p>
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				<p>New documents have been drafted and are being presented at the next Policy Advisory Board by KW for review, comment and sign off.</p>
<p>4.4 Contract Management</p> <p>The Contract Management Policy should be updated to specify the exact circumstances where contract management / monitoring is required and how it should be documented. Procurement should have access to contract management related documentation in order to support the monitoring of contract performance.</p>	<p>Head of 2 Procurement</p>		<p>Original completion date: December 2022</p> <p>Revised Completion date: March 2023</p> <p>Complete July 2023.</p>	<p>September 2022: Work is on-going to update all procurement documentation including the Contract Management Policy. We have also now successfully recruited a Contracts and Engagement Officer to support the Force and OPCC with regards to contract management delivery and training.</p> <p>November 2022: This post is still vacant; the vacancy has been advertised again as the person offered the post decided not to accept. Alongside the other documentation being updated the Contract Management policy and processes will be upgraded when this vacant post is filled successfully.</p> <p>January 2023: Update was given at the November 2022 JARAC meeting. All policies will be up to date by the end of March 2023. A member of staff has now been recruited into the contract management role.</p>

			<p>March 2023:</p> <p>Information has been gathered from other public sector bodies (Police, Fire, NHS) to assist the compilation of appropriate content for the updating of the procurement policies & procedures, contract management, the current documents are long overdue an update and are being rewritten to reflect current working practices in line with the force financial regulations and PCC's scheme of delegation and will include the production of a suite of standard KPI's. This work is being supported by EMPLS to ensure content is relevant, appropriate and addresses any mandatory requirements.</p> <p>At time of preparing this paper the expectation is that this piece of work is on track and will be completed by the end of March 2023.</p> <p>July 2023 :</p> <p>New documents have been drafted and are being presented at the next Policy Advisory Board by KW for review, comment and sign off.</p>
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<p>4.5 Contractor Performance /KPIs</p> <p>The Force should consider developing a range of standard KPI / performance indicators for contractors to report contract performance against, which may differ depending on the type of contract. Standard KPI / performance indicators should be detailed in contractual documents and agreements, such as the ITT and contract itself.</p>	<p>Head of Procurement</p>	<p>2</p>	<p>To commence from: July 2022</p> <p>Revised Completion date: March 2023</p> <p>Complete July 2023.</p>	<p>September 2022: As part of the on-going work to update all procurement documents and policies, we will also be updating and expanding the standard KPI's.</p> <p>November 2022: Production of a standard range of KPI's will be completed along with the documentation updating referred to at 4.1 Procurement Policies & Procedures.</p> <p>January 2023: Update was given at the November 2022 JARAC meeting and a revised completion date of March 2023 was agreed.</p> <p>March 2023: Information has been gathered from other public sector bodies (Police, Fire, NHS) to assist the compilation of appropriate content for the updating of the procurement policies & procedures, contract management, the current documents are long overdue an update and are being rewritten to reflect current working practices if the force financial regulations and PCC's scheme of delegation and will include the production of a</p>
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				<p>suite of standard KPI's. This work is being supported by EMPLS to ensure content is relevant, appropriate and addresses any mandatory requirements.</p> <p>At time of preparing the paper for the March meeting the expectation is that this piece of work is on track and will be completed by the end of March 2023.</p> <p>July 2023: This work is now complete.</p>
<p>4.6 Purchase orders/Requisitions</p> <p>It should be ensured that: • Orders / requisitions are raised, and the appropriate requisition form used as required. • Procurement & Finance should align their processes to allow Procurement to have oversight of payments to ensure that the appropriate procurement process has been followed.</p>	<p>Head of Procurement</p>	<p>2</p>	<p>Original completion date: December 2022</p> <p>Proposed extended completion date: March 2023</p>	<p>September 2022: A review of the finance/ordering process is to be carried out to close any gaps that occur in the purchase order process to ensure compliance with force financial regulations.</p> <p>November 2022: – All purchase requestions sent to finance for processing between £5,000 and £25,000 are sent to Procurement for authorisation if they do not include relevant supporting information, for example 3 quotes or contract reference number. Anything above £25,000 is sent to Procurement to ensure that a live</p>

contract is in place. These steps are intended to capture any potential off contract spend.

Quarterly Procurement also run an aggregated spend report, again intended to capture potential off contract spend of lower regular values.

January 2023 :

Head of Finance assured that the policies and procedure documentation would be updated by the end of the financial year.

March 2023:

The purchase order/requisitions element of the IA report is being reviewed separately with the finance team, to consider the workflow from ordering to payment where PO's are not routinely raised. Findings will be reported back to the JARAC at the earliest convenience.

July 2023:

A further review was undertaken to identify where invoices didn't match PO's. This identified that the vast majority of mis-matches related to where products and prices held on Agresso were not being updated on a

				<p>routine basis, and only being updated on receipt of the invoice. This is being addressed with help from Procurement to identify price changes through contractual updates and update the system on a more frequent basis.</p>
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Collaboration – EMSOU Wellbeing

<p>4.1 Wellbeing Governance documentation</p> <p>The Unit should update the Wellbeing Board Terms of Reference and Wellbeing Strategy to include details of the roles, responsibilities, risk management processes, decision making processes and reporting arrangements relevant to Wellbeing.</p>	<p>Director of 2 Corporate, Forensic and Technical Services</p>		<p>Original completion date: May 2022</p> <p>Extended completion date: October 2022</p>	<p>October 2022:</p> <p>Permanent role of EDI/HR Officer recruited, and thematic lead recruited. This will allow for the relevant amendments to ToR and Wellbeing Strategy to be finalised and then appropriately incorporated.</p> <p>January 2023 :</p> <p>EDI HR role recruited and has now started. Thematic lead at Superintendent level also started work in this area.</p> <p>March 2023:</p> <p>The Wellbeing & ID&E HR officer has now commenced in post. The Wellbeing & ID&E strategy is being revamped as we found that the previous process of having formal boards for each area worked. An away day was held at the end of January and also in attendance was the National Co-ordinator for Inclusion,</p>
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			<p>Diversity and Equality Gemma Lomas, where it was discussed and agreed that we need to re-look at both the Wellbeing & ID&E strategy, this will include focusing on EMSOU and getting it right at EMSOU. TOR will also be completed. D/Supt Waldram is the Thematic lead for this area and I am the overall lead for Wellbeing & ID&E. We also discussed and agreed that whilst there does need to be a more formal board made up of higher ranks and grades of Police Officers and Police Staff, the drive needs to come from the bottom up. This will be done by holding monthly informal meetings called EMSOU Views, where each month a different topic will be discussed where individuals choose whether or not to attend (so no formal board) and share their experiences on that subject matter, for example The Menopause. The purpose is to listen to our people and see what they require/want. Some suggestions will be quick wins, some suggestions will have to go in front of the formal board and some suggestions won't be able to happen, but it's about informing our people as to why we can't meet their requirements and maybe coming back with an alternative suggestion. We are now working towards being a Disability Committed Organisation, along with becoming a Menopause</p>
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				<p>Friendly organisation, Make the White ribbon promise. All of these also fit in to the Race Action Plan and VAWG. D/Supt Knubley is also leading on the HeForShe campaign.</p> <p>July 2023: Level one of the disability confident employer has been achieved and EMSOU are working towards level 2.</p>
<p>4.2 Use of Implementation Plans</p> <p>The Unit to consider using implementation plans for wellbeing projects to allow tracking of actions, issues and benefits; as well as ensuring appropriate governance structures are in place.</p>	<p>Director of 2 Corporate, Forensic and Technical Services</p>		<p>Original completion date: May 2022</p> <p>Proposed completion</p>	<p>October 2022: Completed via use of projection initiation document.</p> <p>January 2023: Project Initiation Document Embedded and all projects will now follow this template.</p> <p>March 2023: Project initiation document will be used once projects are up and running.</p> <p>July 2023: Project initiation documents are now being used on every project and it is proposed that this recommendation is now complete.</p>

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Collaboration – EMSOU Business Continuity:				
4.1 Business Continuity Test Plans EMSOU should introduce a testing schedule whereby its business continuity plans will undergo regular testing.	Director of Corporate, Forensic and Technical Services	2	Original completion date: October 2022 Revised completion date due to staff illness: December 2022 Complete July 2023	November 2022: This recommendation has not yet been implemented due to staff illness. It is difficult to set a date as the staff member does not have a return date but the aim for completion is the end of December 2022. January 2023: There has been a revision to the deadline and the management response to the recommendation. Unfortunately, the BSU Manager responsible for this is currently off sick, therefore it is proposed that the deadline is to be extended. We have also reached out to Leicestershire to request support and am hopeful we can get a plan in place by the end of December 2022.

				<p>March 2023:</p> <p>A testing schedule is now in place and testing will commence in May 2023 supported by the Leics Principal Health & Safety Advisor</p> <p>July 2023:</p> <p>The testing schedule is now in place and testing began in May. It has been proposed that this item is completed and removed.</p>
March 2023				
Payroll 2022/23				
4.1 Derbyshire should implement regular and routine checks of employee bank details and supplier details.	Head of Finance	2	June 2023	<p>April 2023 :</p> <p>Arrangements for periodical checks of bank a/c details between the Payroll system and Agresso will be discussed with Leics Payroll dept to consider how details can be shared in a safe environment and automated checks performed.</p> <p>July 2023:</p> <p>We will be running the first checks from June 2023 payroll, checking against supplier records on a quarterly basis. A process is in place and a report to extract appropriate information from</p>

				iTRENT has already been prepared via Business Objects.
April 2023				
Management of Policies and Procedures				
4.1 The OPCC should ensure that Equality Impact Assessments are conducted for all new and existing policies.	Head of Governance and Compliance for the OPCC.	2	June 2023	July 2023: The procedure for writing EIA's is currently in place and the first few have been completed. All policies are set to have an EIA by August 2023.
4.2 The Force should ensure that Equality Impact Assessments are conducted and reviewed in a timely manner.	Head of Equality and Policy Officer	2	October 2023	July 2023: Equality Impacts Assessments (EIA) are themselves not a legal requirement, however they are Derbyshire Constabulary's chosen tool to help our organisation meet our responsibilities to ensure we comply with the duty to show 'due regard' under the Equality Act 2010 and involves assessing the likely (or actual) effects of the policy, guidance, project or working practice on people in respect of their protected characteristics. The EIA should be completed by the policy holder (or nominated person) for the business area the policy, guidance, project or working practice relates

			<p>to. The process in force in relation to Policy new or existing is that the nominated owner will be contacted by Policy and Strategic Planning Officer to inform around the policy process/review and make them aware of the need to complete an EIA, by forwarding the EIA form and guidance document. On completion the EIA would be forwarded to the Compliance Officer in the Equality Diversity and Inclusion Team (EDI) or Head of EDI for quality assurance, subsequently all EIA's should be signed off by the Head of EDI.</p> <p>It has been identified that nominated policy owners do not always complete the EIA or due to the nature of the policy request that it is published whilst the EIA is being formulated.</p> <p>The previous head of EDI left force in July 2022 and since this time the Compliance Officer has been acting up as Temporary Head of EDI and carrying out dual role with limited capacity. Going forward the force is in the process of recruiting a replacement Compliance officer and once employed reviewing the EIA completion process will be a priority.</p>
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				In the meantime the Policy and Strategic Planning Officer and Head of EDI will be delivering a joint training session with department nominees to ensure they are aware of their responsibilities in the completion of EIA's and to provide additional training in addition to the guidance that is already provided.
4.3 The OPCC should ensure that moving forwards records of policy approvals are held on file.	Head of Governance and Compliance for the OPCC.	2	May 2023 Complete July 2023	July 2023 : Policies will be approved using the decision record system. This is now in place.
May 2023				
Business Continuity 22-23				
4.1 The Force should implement an internal annual test programme for its business continuity plans. The Force should ensure the test programme covers all plans over a cyclical period, with those of highest priority tested on a more frequent basis.	Civil Contingencies Manager	1	May 2023	May 2023: Annual Test Programme to be in place by the end of May 2023. July 2023: Annual Test Programme is now in place, and it is proposed that this recommendation is closed.

<p>4.2 The Force should implement appropriate training programmes for responsible individuals so key staff gain a full understanding of their roles and responsibilities. The Force should implement a technical guide for all responsible individuals to supplement training.</p>	<p>Civil Contingencies Manager</p>	<p>2</p>	<p>May 2023</p>	<p>May 2023: Training and awareness programmes for SPOC's to be introduced from May 2023 July 2023: Training and awareness programmes for SPOC's have been introduced and it is proposed that this recommendation is closed.</p>
<p>4.3 The Force should ensure outcomes, recommendations and remedial actions are tracked for multi-agency exercises. On the implementation of an annual test programme, the Force should collate all outcomes, remedial actions and recommendations from exercises, both Force specific and multi-agency, into a single tracker.</p>	<p>Civil Contingencies Manager</p>	<p>2</p>	<p>May 2023</p>	<p>July 2023: The Force now ensures outcomes, recommendations and actions are tracked and it is proposed that this recommendation is closed.</p>
<p>4.4 The OPCC should perform annual business continuity table-top exercises. Roles and responsibilities in relation to annual OPCC business continuity tabletop exercises should be made clear.</p>	<p>Business Delivery And Improvement Manager</p>	<p>2</p>	<p>April 2023</p>	<p>July 2023: The OPCC is arranging for a table-top exercise to be conducted later in 2023. This will be in conjunction with the force Civil Contingencies Manager.</p>
<p>4.5 The Force should ensure that business continuity plans are reviewed regularly in line with procedure. The CCT should ensure any non-compliance from SPOC's is reported to the appropriate governance forum</p>	<p>Civil Contingencies Manager</p>	<p>2</p>	<p>May 2023 Complete July 2023</p>	<p>May 2023: Data recording has now been amended on the Service 'Connect' intranet to alert both SPOC & CCT of OOD plans, set reminders & audit control for CCT</p>

				<p>to upload plans removing some weak areas for updates.</p> <p>July 2023:</p> <p>The force now ensures that business continuity plans are regularly reviewed and it is proposed that this recommendation is now closed.</p>
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Office of the Police & Crime Commissioner
for Derbyshire & Derbyshire Police

Internal Audit Progress Report

Presented to JARAC: 4th July 2023

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Disclaimer

This report (“Report”) was prepared by Mazars LLP at the request of the Derbyshire Police and the Officer of the Police and Crime Commissioner (OPCC) for Derbyshire and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit the Derbyshire Police and the Officer of the Police and Crime Commissioner (OPCC) for Derbyshire and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk. Please refer to the Statement of Responsibility in Appendix A5 of this report for further information about responsibilities, limitations and confidentiality.

01 Summary

The purpose of this report is to update the Joint Audit, Risk & Assurance Committee (JARAC) as to the progress in respect of the Operational Plan for the year ending 31st March 2023, which was considered and approved by the JARAC at its meeting on 30th March 2022. This report also provides an update to the Joint Audit, Risk & Assurance Committee (JARAC) as to the progress in respect of the Operational Plan for the year ending 31st March 2024, which was considered and approved by the JARAC at its meeting on the 2nd March 2023.

The Police and Crime Commissioner and Chief Constable are responsible for ensuring that the organisations have proper internal control and management systems in place. In order to do this, they must obtain assurance on the effectiveness of those systems throughout the year and are required to make a statement on the effectiveness of internal control within their annual report and financial statements.

Internal audit provides the Police and Crime Commissioner and Chief Constable with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the organisation's agreed objectives. Internal audit also has an independent and objective advisory role to help line managers improve governance, risk management and internal control. The work of internal audit, culminating in our annual opinion, forms a part of the OPCC and Force's overall assurance framework and assists in preparing an informed statement on internal control.

Responsibility for a sound system of internal control rests with the Police and Crime Commissioner and Chief Constable and work performed by internal audit should not be relied upon to identify all weaknesses which exist or all improvements which may be made. Effective implementation of our recommendations makes an important contribution to the maintenance of reliable systems of internal control and governance.

Internal audit should not be relied upon to identify fraud or irregularity, although our procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control will not necessarily be an effective safeguard against collusive fraud.

Our work is delivered in accordance with the Public Sector Internal Audit Standards (PSIAS).

02 Current progress

2022/2023

Since the last update provided to the committee, we are pleased to inform the committee that the remaining final reports for 2022/23 including Policy Review & Publication, Contract Management (Commissioning), Business Continuity and Agile Working have all been issued (See Appendix A4 for full details).

In regard to the 2022/23 Collaboration Audit Plan, since the last update to the audit committee we have issued the final report in respect of Performance Management (see Appendix A4 for details).

The two remaining audits of EMSOT Closedown, Digital Currency and Performance Management have all been issued in draft and are pending management responses. It is noted that these have been pending for some time and are being actively chased by both Mazars and the regional collaboration manager. See Appendix 3 for full details.

A summary of Derbyshire's Plan is provided in Appendix A1.

2023/2024

Since the approval of the internal audit plan for 2023/24 audit have met regularly with management to agree appropriate dates when the audits can be carried out. In response to concerns about workloads, we have sought to provide an even spread of audit activity throughout the year. At the time of preparing this progress report two audits were planned to begin at the end of June. Whilst we are still working to agree the dates for the rest of the audits in the plan, we have provided an indicative month of each audit in the IA plan and will continue to update the committee at each meeting as to the status.

Please see Appendix A1 for full details.

As in previous years the collaboration audit plan for 2023/24 has been agreed by the regional CFO's, as discussed at the approval of the Internal Audit Annual Plan, a reduced amount of internal audit time has been allocated due to the reduced amount of regional collaboration. Therefore the plan for 2023/24 is three audits. See Appendix A3 for full details.

03 Performance 22/23

The following table details the Internal Audit Service performance for the year to date measured against the key performance indicators that were set out within Audit Charter.

Number	Indicator	Criteria	Performance
1	Annual report provided to the JARAC	As agreed with the Client Officer	N/A
2	Annual Operational and Strategic Plans to the JARAC	As agreed with the Client Officer	Achieved
3	Progress report to the JARAC	7 working days prior to meeting.	Achieved
4	Issue of draft report	Within 10 working days of completion of final exit meeting.	67% (6/9)
5	Issue of final report	Within 5 working days of agreement of responses.	78% (7/9)
6	Follow-up of priority one recommendations	90% within four months. 100% within six months.	N/A
7	Follow-up of other recommendations	100% within 12 months of date of final report.	N/A
8	Audit Brief to auditee	At least 10 working days prior to commencement of fieldwork.	100% (9/9)
9	Customer satisfaction (measured by survey) "Overall evaluation of the delivery, quality and usefulness of the audit" – Very Poor, Poor, Satisfactory, Good, Very Good.	85% average satisfactory or above	100% (2/2) 2 x Very Good

*See further details below

Performance Continued.

Audit	Date of ToR	Start of Fieldwork	Days' Notice	Exit meeting	Draft Report	Time from Close to Draft Report (10)	Management Comments Received	Time to Receive Comments (15)	Final Report Issued	Time Taken to issue Final (5)
Retention	31-May-22	20-Jun-22	15	06-Jul-22	01-Aug-22	19	09-Aug-22	7	02-Sep-22	12
Risk Management	21-Jun-22	01-Aug-22	30	12-Sep-22	22-Sep-22	9	26-Oct-22	25	26-Oct-22	0
Core Financial	05-Sep-22	26-Sep-22	16	24-Oct-22	28-Nov-22	26	16-Dec-22	15	16-Dec-22	0
Firearms Licensing	04-Aug-22	21-Sep-22	35	07-Nov-22	09-Nov-22	3	16-Dec-22	15	16-Dec-22	0
Payroll	31-Oct-22	12-Dec-22	31	29-Dec-22	31-Jan-23	24	15-Feb-23	12	17-Feb-23	3
Contract Management	21-Nov-22	03-Jan-23	32	20-Feb-23	27-Feb-23	6	27-Feb-23	1	06-Mar-23	6
Policy Review	14-Nov-22	28-Nov-22	11	03-Apr-23	03-Apr-23	1	04-Apr-23	2	06-Apr-23	3
Business Continuity	23-Jan-23	01-Mar-23	28	30-Mar-23	31-Mar-23	2	14-Apr-23 & 28-Apr-23	11	02-May-23	3
IT Agile Working	25-Nov-23	09-Jan-23	32	30-Mar-23	31-Mar-23	2	4-May-23	25	4-May-23	1

A1 Plan overview

22-23

Audit area	Fieldwork Date	Draft Report Date	Final Report Date	Target JARAC	Comments
Retention	20-Jun-22	Aug 22	Sept 22	Sept 22	Final Report Issued
Risk Management	01-Aug-22	Sep 22	Oct 22	Nov 22	Final Report Issued
Core Financial	26-Sep-22	Nov 22	Dec 22	Jan 23	Final Report Issued
Firearms Licensing	21-Sep-22	Nov 22	Dec 22	Nov 22	Final Report Issued
Policy Review & Publication	28-Nov-22	Apr 23	Apr 23	Mar 23	Final Report Issued
Payroll	12-Dec-22	Jan 23	Feb 23	Mar 23	Final Report Issued
Contract Management (Commissioning)	03-Jan-23	Feb 23	Mar 23	Mar 23	Final Report Issued
Business Continuity	01-Mar-23	Mar 23	May 23	Jun 23	Final Report Issued
Procurement & Contract Man Follow Up	Deferred to 2022/23 Plan				
Transport Follow Up	Deferred to 2022/23 Plan				
IT – Agile Working	9-Jan-23	Mar 23	May 23	Mar 23	Final Report Issued

23-24

Audit area	Fieldwork Date	Draft Report Date	Final Report Date	Target JARAC	Comments
Whistleblowing / Counter Fraud	26-Jun-23	Jul 23	Aug 23	Sept 23	
Governance	26-Jun-23	Jul 23	Aug 23	Sept 23	
Savings Plan	26-Jul-23	Aug 23	Sep 23	Nov 23	
Procurement & Contract Management Follow-Up	01-Aug-23	Aug 23	Sep 23	Nov 23	
Vetting	18-Sep-23	Oct 23	Nov 23	Feb 24	
Payroll	06-Oct-23	Oct 23	Nov 23	Feb 24	
Core Finance	09-Oct-23	Nov 23	Dec 23	Feb 24	
Transport Follow-Up	15-Nov-23	Dec 23	Jan 24	Mar 24	
Workforce Planning	20-Nov-23	Dec 23	Jan 24	Mar 34	
Health & Safety	30-Nov-23	Dec 23	Jan 24	Mar 24	
Victim Services	19-Feb-23	Mar 24	Apr 24	Jul 24	
IT – TBC					

A2 Reporting Definitions

Definitions of Assurance Levels		
Assurance Level	Adequacy of system design	Effectiveness of operating controls
Significant Assurance:	There is a sound system of internal control designed to achieve the Organisation's objectives.	The control processes tested are being consistently applied.
Satisfactory Assurance:	While there is a basically sound system of internal control, there are weaknesses which put some of the Organisation's objectives at risk.	There is evidence that the level of non-compliance with some of the control processes may put some of the Organisation's objectives at risk.
Limited Assurance:	Weaknesses in the system of internal controls are such as to put the Organisation's objectives at risk.	The level of non-compliance puts the Organisation's objectives at risk.
No Assurance:	Control processes are generally weak leaving the processes/systems open to significant error or abuse.	Significant non-compliance with basic control processes leaves the processes/systems open to error or abuse.

Recommendation Priority	Description
1 (Fundamental)	Recommendations represent fundamental control weaknesses, which expose the Organisation to a high degree of unnecessary risk.
2 (Significant)	Recommendations represent significant control weaknesses which expose the Organisation to a moderate degree of unnecessary risk.
3 (Housekeeping)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

A3 Collaboration Internal Audit Plan

22-23

Audit area	Forces	Status
EMSOT Closedown	Leics, Lincs, Northants	Draft Report Issued
EMSLDH Governance	Derby, Leics, Northants, Notts	Final Report Issued
EMSOU - Business Continuity	Five Force	Final Report Issued
EMSOU Risk Management	Five Forces	Final Report Issued
Collaboration Performance Management	Five Forces	Final Report Issued
Digital Currency	Five Forces	Draft Report Issued

23-24

Audit area	Forces	Status
EMSOU Capital Programme	Five Force	
EMSOU Workforce Planning	Five Force	
EMSOU HMICFRS Action Plan	Five Force	

A4 Final Reports

Below we provide the final reports issued.



Office of the Police and Crime Commissioner for Derbyshire and
Derbyshire Police

Final Internal Audit Report

Management of Policies and Procedures

April 2023

Introduction

As part of the Internal Audit Plan for 2022/23 for the Office of the Police and Crime Commissioner for Derbyshire (OPCC) and Derbyshire Police, we have undertaken an audit of the controls and processes in place in respect of managing policies and procedures.

The specific areas that formed part of this review included: Roles, Responsibilities, policy tracking, consistency and approval of policies and procedures.

We engaged with several staff members and officers across the Force and OPCC during the review and are grateful for their assistance during the audit.

Background

For the Office of the Derbyshire Police and Crime Commissioner (OPCC) and Derbyshire Police, policy management is overseen independently for the two corporation soles. Overarching responsibility for each policy within the Force lies with the appropriate Chief Officer in that area. Day-to-day policy management in the Force is delegated to the Policy and Strategy Manager. The Police & Crime Commissioner (PCC) has delegated the responsibility for approving policies within the OPCC to the Chief Operating Officers with policy management the responsibility of the Governance and Compliance Officer.

Force

The Force has recently changed its approach to managing policies with the first Policy Advisory Group Meeting taking place in July 2022. The Policy Advisory Group (PAG) is responsible for scrutinising all new and reviewed policies as well as monitoring policies in draft and those due for review. Derbyshire have seven Priority Governance Boards each chaired by a Chief Officer responsible for that Priority.

When a policy owner wants to create a new policy they need to alert the Policy and Strategy Manager who issues a new unique reference number and provides them with the appropriate template. The Policy is then added to the Microsoft List used to manage policies across the Force. Once the draft policy is created an equality impact assessment is then undertaken and reviewed by the Head of Equality, Diversity & Inclusion to ensure that it is appropriate. The next stage is consultation, with the policy reviewed by the PAG with feedback provided. Once any actions have been completed the Policy is then brought to the relevant Priority Governance Board for review and sign off by the Chief Officer who chairs the Board.

Once approved the policy will be added to the Force's internal connect page.

Review dates are tracked within the Microsoft List and when a policy is due for review the Policy and Strategy Manager will send out a request for the document to be reviewed. In addition, policies due for review are flagged at PAG meetings. All policies will be reviewed at least every two years. The policy owner will review and provide a status of the review e.g. reviewed no updates, reviewed with updates,

or withdrawn. The document will then be presented to the PAG for scrutiny before being approved by the relevant Priority Governance Board.

OPCC

The Police and Crime Commissioner for Derbyshire has delegated the responsibility for policy approval to the OPCC's Chief Operating Officer (COO).

Proposed new policies are brought to the OPCC's Senior Leadership Team (SLT). At the meeting the policy will be discussed with any comments taken into account when the policy is drafted. At this time the policy owner will alert the Governance and Compliance Officer of a new policy and the document will be added to the OPCC's Policy Spreadsheet. Once drafted the policy will be presented to SLT and when all comments have been resolved the policy will be approved by the COO during an SLT meeting. After this the Policy Spreadsheet will be updated and the Governance and Compliance Team will publish the policy on the OPCC's website.

Policy review dates are monitored by the Governance and Compliance Officer and when a policy is due for review SLT are notified with any comments passed to the policy owner. The reviewed policy is then presented to the SLT and, if no further comments raised, is approved by the COO. The Policy Spreadsheet and website is then updated by the Governance and Compliance Team.

Key Findings

Assurance on adequacy and effectiveness of internal controls for Management of Policies and Procedures	
	Satisfactory Assurance

Priority	Number of Recommendations
1 (Fundamental)	-
2 (Significant)	3
3 (Housekeeping)	2

Performance Dashboard

Based upon the scope and objectives of the review outlined within Appendix A1 of this report we have provided a summary of the results of this audit, categorised into each area of the review undertaken.

Key control area	April 2023	
	Assessment	Level of issue
Roles and responsibility for policy management	Control effective	No issues noted
Publishing controls	Control effective	No issues noted
Policy tracking	Control effective	No issues noted
Management of new or superseded policies	Control effective	No issues noted
Consistency of policy reviews	Control effective, except for	Housekeeping
Equality impact assessments	Control effective, except for	Significant
Decision records	Control effective, except for	Significant
Policy approval	Control effective, except for	Significant

Key control area	April 2023	
	Assessment	Level of issue
Fast tracking policies	Control effective	No issues noted
Consistency of policy content	Control effective, except for	Housekeeping

Examples of areas where controls are operating reliably

Roles and responsibilities for policy management

- Roles and responsibilities for policy management are outlined within the "Introduction or Review of Documents" page on the Force's Connect intranet. In addition, we were provided with a draft Policy, Legislative Compliance and App Local Procedure Standard Operating Procedure (SOP). We reviewed the draft SOP and noted that it clearly outlined the roles and responsibilities in regard to approving new policies and reviewing existing documentation. This document is supported by flow charts that outline the policy approval process.
- We reviewed the Terms of Reference of the Policy Advisory Group and noted that the aims and objectives of the Group were clearly outlined.
- We reviewed the OPCC's draft Roles and Responsibilities Policy and noted that it clearly outlined the Office's approach to the approval of Policies with the role delegated to the Chief Operating Officer.

- Force Policies are published on the Connect intranet site. Access to publish policies is restricted to ensure that only the Policy and Strategic Planning Manager has access to upload and publish policies once they have gone through the approval process.
- OPCC policies are published on the OPCC's website. We were advised by the third-party website hosts that access is restricted to ensure that only appropriately reviewed policies were published by the Governance and Compliance Officer.

Policy Management

- The Force uses a dedicated Microsoft List to manage the policies. We undertook a walkthrough of the tracker and noted that the tracker had a number of fields for each policy including a reference number, title, owner, status and last reviewed date. In addition, there was a notes function that allowed for additional comments to be captured.
- The OPCC has an OPCC Policy Tracker spreadsheet. We reviewed the document and noted that it included information including the Organisation Owner, Policy Owner, whether the policy was tracked policy, Equality Impact Assessment status,

published date, date of renewal, policy review, website link, internal location.

Addition of new policies

- New Force policies go through the Policy Advisory Group. If there is an urgent operational need the Force has in place a fast track procedure that speeds up the publication of the policy. Both processes are clearly defined in the draft Policy Standard Operating Procedures.
- For the OPCC the Roles and Responsibilities Policy has a clearly defined processes for approving new policies and reviewing existing policies. We noted that the processes are outlined in flow charts.

Equality impact assessments (EIAs)

- EIAs are undertaken for all Force policies and procedures and are undertaken by the policy owner with guidance and support provided. These assessments are submitted to the Head of Equality Diversity and Inclusion (EDI) for sign off. In addition, we noted that the Head of EDI attended PAG meetings.

Policy approval

- We reviewed the OPCC's Policy Roles and Responsibilities Policy and noted that it included clear flow charts that outlined the approval process for new/existing/fast tracked policies.
- We reviewed the OPCC's Policy Roles and Responsibilities Policy and noted that this included a section on how Fast Track Policies should be managed. We noted that the document would need to be

brought to the attention of the COO, Monitoring Officer and the Chair of the JARAC with any comments raised reviewed at a later date before the policy is approved.

Fast track

- We were provided with an example of a Force Policy that had been fast tracked in line with the draft procedures. We reviewed the OPCC's Policy Spreadsheet and noted that no policies were recorded as being reviewed via fast track.

Policy quality control

- A Force policy template is in place and is provided to policy owner when the creation of a new policy is approved by the Policy and Strategy Manager. We reviewed the template and noted that it includes key details to be filled (document title, document reference, owner, review date, next review date).
- The OPCC's draft Policy Roles and Responsibilities control sheet sets out clearly how policy should be crafted and has an appendix that includes the policy template. We selected a sample of five OPCC policies and noted that in all cases the template had been used accurately.

Risk Management

From our audit work, we have found that the design of the policies processes for both the Force and the OPCC are generally sound. We note that at the time of the audit these processes were still being

embedded with no new policies going through the newly designed systems in their entirety.

We have raised a significant recommendation in regard to the design of the OPCC's internal controls. This is centred around the need for the OPCC to build in a process to undertake equality impact assessments for its policies as part of the process for drafting new policies as well as reviewing existing ones. Whilst undertaking an EIA is not legally mandated by the Public Sector Equality Duty it is a clear way of evidencing that the OPCC has considered the potential impacts of the policy to specific protected characteristics which is required (Rec 4.1).

We have also raised a significant recommendation around ensuring that the OPCC can evidence that policies have been appropriately authorised. We were advised that the OPCC was unable to provide documented evidence that a sample of policies published on the website had been appropriately authorised. We were advised that the new approach as outlined by the draft Policy Roles and Responsibilities Policy. However, at the time of the audit this process had not been undertaken.

In addition to this we have raised a significant recommendation around the operational effectiveness of the Force's EIA review process. We selected a sample of 10 policies and asked to review evidence of a completed and reviewed EIA. The Force were unable to provide reviewed EIAs in all cases during the time of the audit and we were advised by management that this was due to a lack of resource for the Head of the EDI.

Where we have looked to raise housekeeping recommendations in this review these are largely in relation to ensuring that the new controls are conducted consistently or identifying discrepancies that do not present a significant risk to the organisation. This includes ensuring that documentation that outline the processes around policy management are formally approved and circulated as well as commenting on minor discrepancies identified within the Force's Policy Template. This in part was as a result of the HR policies currently sitting outside of the Force's policy management framework. We noted that by including this within the same Framework the Force should reduce the risk that HR policies fall overdue for review.

Value for Money

Value for money (VfM) considerations can arise in various ways and our audit process aims to include an overview of the efficiency of systems and processes in place within the auditable area.

We note that both the OPCC and the Force use trackers in place to monitor the review cycles for policies and procedures. The Microsoft List has greater functionality

We noted that currently the Force's HR policies are not within the same system as all other policies. We note that this presents an area of potential duplication of roles as well as increasing the risk that HR policies are not reviewed within the correct timescales or follow the Force's policy template. By incorporating HR policies into the wider policy management system the Force should improve the efficiency in

which such policies are managed as well as reduce the likelihood that HR policies become overdue for review.

Sector Comparison

From our experience across our client base, we have seen the management of policies to be an area of weakness. Poor performing peers fail to have any central oversight of policies that are approved and in circulation leading to inconsistent practices and out of date information published on public facing websites.

We note that higher performing peers have in place trackers for managing policies which most commonly are in the form of a spreadsheet table. We note that Derbyshire's use of Microsoft Lists provides greater functionality than many peers and should result in more efficient policy management. In addition to the tracker the Policy Advisory Group that brings together expertise from across the organisation and highlights new and due for review policies puts Derbyshire in line with best practice.

The use of a Policy template is standard across the sector. We note that both the OPCC and Force templates were in line with peers with clear identification of the policy owner, reviewed date and next review date clearly identified.

Equality Impact assessments was an area where we raised recommendations both for the Force and OPCC. We note that is common for organisations to include an EIA as an appendix to the policy. We note that previously this approach was undertaken by

Derbyshire but that the Force were moving away to having separate EIAs. We note that it is best practice for EIAs to be reviewed by an expert to ensure that they have been completed appropriately.

Areas for Further Improvement and Action Plan

Definitions for the levels of assurance and recommendations used within our reports are included in Appendix A1.

We identified an area where there is scope for improvement in the control environment. The matters arising have been discussed with management, to whom we have made recommendations. The recommendations are detailed in the management action plan below.

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
4.1	<p><u>Equality Impact Assessments OPCC</u></p> <p><i>Observation:</i> We were advised that currently the OPCC do not undertake Equality Impact Assessments for policies published.</p> <p>We reviewed a sample of five policies and noted that in one instance the Data Protection Policy stated that it had been through a equality impact assessment however, this had not occurred.</p> <p><i>Potential Risk:</i> the OPCC fails to identify the impact the policy will have on equality.</p>	<p>The OPCC should ensure that Equality Impact Assessments are conducted for all new and existing policies.</p>	2	<p>Process is now being put in place and will be fully operational by 30.06.23.</p>	<p>June 2023</p> <p>Owners:</p> <p>Head of Governance & Compliance</p>
4.2	<p><u>Equality Impact Assessments Force</u></p> <p><i>Observation:</i> We selected a sample of 10 Force policies to ensure that for each policy an EIA was held on file and had been appropriately reviewed.</p> <p>From the sample we noted:</p>	<p>The Force should ensure that Equality Impact Assessments are conducted and reviewed in a timely manner.</p>	2	<p>There have been a short-term capacity issues within the Equality team due to vacancies across core roles. These vacancies are forecast to be filled by Autumn 2023. This is in turn</p>	<p>Present to Autumn 2023</p> <p>Owners:</p>

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	<ul style="list-style-type: none"> Two HR policies where no EIA was held centrally; Three policies where no EIA could be found on record; Three EIAs that had not been recorded as approved on the EIA. <p>We were advised by management that due to staffing issues there was a backlog in completing EIAs for approved policies.</p> <p><i>Potential Risk:</i> The Force fails to identify the impact the policy will have on equality.</p>			<p>will bring the process back into line.</p> <p>As a short-term measure, guidance has been created to aid leads in writing the EIA to improve quality and manage the short-term risk.</p>	Head of Equality and Policy Officer
4.3	<p><u>Policy approval records</u></p> <p><i>Observation:</i> We selected a sample of five OPCC policies to ensure that in each case a record of the policy approval was held on file. We were advised by management that historically records of policy approvals were not held.</p> <p>We reviewed the draft Policy Roles and Responsibilities document and noted that the OPCC were implementing a new approach to</p>	The OPCC should ensure that moving forwards records of policy approvals are held on file.	2	<p>Policies will be approved using the decision record system.</p> <p>This is now in place.</p>	<p>March 2023</p> <p>Owners:</p> <p>Head of Governance & Compliance</p>

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	<p>policy approval that should ensure records of approvals are held moving forward.</p> <p><i>Potential Risk:</i> Inappropriate policies are published by the OPCC.</p>				
4.4	<p><u>Formalising processes</u></p> <p><i>Observation:</i> We noted that at the time of the audit there was not a published standard operating procedure that outlined the processes for creating new policies or reviewing existing policies. We were provided with a draft document that was still in development.</p> <p><i>Potential Risk:</i> Policies are not managed and approved consistently.</p>	Derbyshire approve the draft standard operating procedures that govern policy management and approvals.	3	Much of the SoP has been in place for some time. This will now be formalised and published internally within two weeks. The rolling programme of awareness sessions will take place over the coming months to improve knowledge on the process for policy leads and senior managers.	<p>Within two weeks</p> <p>Owner: Policy Officer</p>
4.5	<p><u>Policy consistency</u></p> <p><i>Observation:</i> We noted that currently HR policies are not controlled in the same way as other Force policies. Whilst the policies are recorded on the Microsoft List they do not follow the same report template and are not reported to the PAG.</p>	The Force should ensure that Policies written using the approved template and include last review and next review dates.	3	The Assistant Chief Officer has already committed to a decision to move all policy coordination under the Policy Officer. This will be formalised at a strategic board that is due to sit on the 24/04/2023. The logistics will	<p>May 2023</p> <p>Owners: Policy Officer, HR Senior Managers, Assistant Chief Officer</p>

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	<p>We selected a sample of 10 Force policies including two HR policies. Testing found:</p> <ul style="list-style-type: none"> the two HR policies did not have clear review dates with the review dates not aligning with those in the tracker. Three cases where the Policy Template did not have a last reviewed date; One policy where the Policy Template did not have a next review date included. <p><i>Potential Risk:</i> Policies are not reviewed consistently and are therefore out of date leading to inconsistent application.</p>	The Force should ensure the HR Policies are managed in the same way as all other policies.		<p>be worked through to ensure a prompt transition to include HR policy in all force policy coordination.</p> <p>The inconsistency points in respect of last reviewed and review dates refer to old templates that were identified from the sample collection. All new and reviewed policies are moved to the new template and will continue to do so. It is expected that by no later than 12 months, the legacy policies on old templates will have moved to the new design.</p>	Present – April 2024

Audit Information

Audit Control Schedule	
Client contacts:	<p>Marie Romano, OPCC Head of Governance and Compliance and Monitoring Officer</p> <p>Adam Wilkins, Chief Inspector Force Improvement Team</p> <p>Connie Brannan, Governance and Compliance Officer</p> <p>Karen Waldram, Policy and Strategic Planning Manager</p>
Internal Audit Team:	<p>David Hoose, Partner</p> <p>Mark Lunn, Internal Audit Manager</p> <p>Finn Western, Assistant Manager</p>
Last Evidence Received / Exit Meeting:	03 April 2023
Draft report issued:	03 April 2023
Management responses received:	05 April 2023

Final report issued:

06 April 2023

Scope and Objectives

Our audit considered the following risks relating to the area under review:

#	Risk	Expected Control & Test to Confirm
1	Policies & Procedures	
1.1	Roles and responsibilities are not clearly outlined in regard to policy management.	<p>Roles and responsibilities for policy management are clearly outlined and understood.</p> <p>Controls are in place to ensure that only approved policies are published.</p>
1.2	Policy records are not complete or accurate	<p>A policy tracker is in place which lists all policies and their review date.</p> <p>(Nb review a sample of policies to ensure that records on the tracker align to the policy)</p>
1.3	Incorrect or inconsistent policies are published by the Force or OPCC.	<p>A process is in place for managing the addition of new policies and removal of superseded documents.</p> <p>A process is in place to ensure consistency across policies including key details such as Owners, Review Dates etc.</p>

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#	Risk	Expected Control & Test to Confirm
1.4	The impact of new policies are not appropriately considered.	Equality impact assessments are conducted for all policies.
		Records of decisions made are held on file and can be evidenced.
1.5	Policies are not approved at an appropriate level.	The required approval level for each policy is clearly outlined. (n.b. sample a selection of policies and ensure that they have been appropriately reviewed and authorised)
1.6	Policies for emerging risks are not produced in a timely manner	A process for fast tracking policies is in place and understood by all. (n.b. sample of fast track policies to be reviewed to ensure that they have followed the agreed process)
1.7	Policies do not include the relevant information.	A process is in place to ensure consistency across policies including key details such as Owners, Review Dates etc. (n.b. sample a selection of policies and ensure that templates have been used)
		Appropriate support is available to those writing policies and policies to ensure consistency.

The objectives of our audit were to evaluate the adequacy and effectiveness of the management of policies and procedures systems with a view to providing an opinion on the extent to which risks in this area are managed. In giving this assessment it should be noted that assurance cannot be absolute. The most an Internal Audit Service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control.

We are only able to provide an overall assessment on those aspects of the Policy Management process that we have tested or reviewed. Testing has been performed on a sample basis, and as a result our work does not provide absolute assurance that material error, loss or fraud does not exist.



Office of the Police and Crime Commissioner for Derbyshire and
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Final Internal Audit Report

Contract Management 22-23

March 2023

Office of the Police and Crime Commissioner for Derbyshire & Derbyshire Police - Internal Audit Progress Report – Jul 23

Introduction

As part of the Internal Audit Plan for 2021/22 for the Office of the Police and Crime Commissioner for Derbyshire (the OPCC) and Derbyshire Police (the Force), we have undertaken an audit of the controls and processes in place in respect of Contract Management.

The specific areas that formed part of this review included: Roles & Responsibilities; Training & Guidance; Contract Management; Performance Oversight; Poor Performance; and, Renewals & Extensions.

We engaged with several staff members and officers across the Force and OPCC during the review and are grateful for their assistance during the audit.

Background

The Cabinet Office defines commissioning as, “an integrated approach to understanding citizens and communities and using this insight to work more effectively in order to secure better outcomes and allocate resources, this approach acknowledges the whole-system and interdependencies between citizens, communities, organisations and services”.

The Police & Crime Commissioner (PCC) has a statutory duty under the terms of the Police Reform and Social Responsibility Act 2011 to ‘bring together community safety and criminal justice partners, to make

sure local priorities are joined up,’ moreover the PCC has commissioning powers and funding to enable the delivery of the Police and Crime Plan. The responsibility for the commissioning process at Derbyshire rests with the OPCC Head of Commissioning, who has appointed during 2018-19.

The OPCC currently has five strategic areas where commissioning is carried out: strong local policing; neighbourhood crime and anti-social behaviour; road safety; rural crime; victim support and safeguarding; and, driving efficiencies. Examples of services that are commissioned include Children and Young Person's Sexual Violence Advisor (CHISVA) and Sexual Abuse Referral Centre (SARC).

Each commissioned service is assigned a Contract Manager from within the commissioning team at Derbyshire OPCC. The Contract Manager and an identified contact at the service provider meet every two months to discuss contract performance and quality of delivery. Service providers provide quarterly monitoring returns detailing performance against contracted KPIs and/or service levels within the previous quarter. Additionally, anonymised case studies can be provided as part of these returns to highlight areas and examples of excellent performance.

Where there are concerns regarding the performance or quality of delivery from a service provider, an improvement plan can be put in place in collaboration within the Contract Manager and service provider. Ultimately, continued poor performance and quality can lead to contracts for commissioned services being reduced, withdrawn and/or payment being withheld.

Key Findings

Assurance on adequacy and effectiveness of internal controls for Contract Management	
	Significant Assurance

Priority	Number of Recommendations
1 (Fundamental)	-
2 (Significant)	-
3 (Housekeeping)	1

Performance Dashboard

Based upon the scope and objectives of the review outlined within Appendix A1 of this report we have provided a summary of the results of this audit, categorised into each area of the review undertaken.

Key control area	March 2023	
	Assessment	Level of issue
Roles & Responsibilities	Control effective	No issues noted
Training & Guidance	Control effective	No issues noted
Contract Management	Control effective	No issues noted
Performance Oversight	Control effective, except for	Housekeeping Issue
Poor Performance	Control effective	No issues noted
Renewals & Extensions	Control effective	No issues noted

Examples of areas where controls are operating reliably

- The Joint Financial Handbook includes processes covering contract regulations, commissioning of services and procurement through single tender or quotation.
- The OPCC's Commissioning Strategy covers the principles and approach to commissioning with related procurement processes. This was approved by the PCC for implementation from November 2021 and is next due for review November 2025.
- The OPCC's Contract Management Policy covers the process for contract management, including roles and responsibilities. This was approved by the PCC for implementation from November 2022 and is next due for review November 2026.
- Contract management frameworks are defined for each contract. Audit reviewed a sample of contracts for commissioned services and confirmed that this was defined within the standard terms. A schedule for specific monitoring procedures was also defined.
- Similarly, the standard terms also outline the obligations under each contract, remedies for inadequate performance, process for termination of the contract and the approach for contract management.
- Contract management processes outlined in the Contract Management Policy include reviews for renewals and extensions. Audit has reviewed this process where extensions

have been applied and found these to have been carried out in a timely manner to allow an appropriate amount of time to consider the approach to be taken.

Risk Management

There is a sound system of internal control designed to achieve the Organisation's objectives and the control processes tested are being consistently applied.

While the Force and OPCC have a Joint Financial Handbook published both on the intranet and publicly on the OPCC's website, it has been noted that this version was effective from 1 April 2021 and does not appear to have reviewed and/or updated since this date.

Additionally, following the UK's exit from the EU, there has been a change with the Find a Tender Service (FTS) replacing OJEU and the removal of any requirements for alignment with the European Union (EU), EU Threshold, EU Public Procurement Directive and EU Treaty.

It has been noted that the Force is aware of and is planning to perform an overdue update/refresh of the procurement policies and procedures, including those in the Financial Handbook and relating to contract management. This work has been delayed due to staffing changes and Audit will continue to monitor this situation through other related audits and the Audit Committee's recommendation tracking processes.

As per the OPCC's standard contract terms, commissioned service providers are required to submit management information in a timely

manner to allow for the OPCC to carry out effective contract management.

However, it was noted that for one service reviewed that the latest management information pack was submitted by the provider over 30 days after the period end. This impacts the ability of the OPCC to provide timely assessment of the delivery of services and effectiveness.

We have therefore raised a recommendation (**Rec 4.1**) for the OPCC should actively monitor the submission of monitoring returns by service providers and chase outstanding return to ensure providers submit performance information in a timely manner following quarter end.

Value for Money

Value for money (VfM) considerations can arise in various ways and our audit process aims to include an overview of the efficiency of systems and processes in place within the auditable area.

Contract management is an integral process in ensuring that the OPCC achieve VfM when commissioning services. This includes ensuring that sufficient detailed monitoring is received for services commissioned through joint arrangements where the OPCC is not the lead body.

Additionally, wider commissioning activity includes the use of tender/procurement specification that give priority to the most economically advantageous proposals; and, the use of framework

agreements and joint commissioning as per the Corporate Governance Framework. Both of these actions ensure that the best value is derived from commissioning activity and, through effective procurement and specific monitoring arrangements and KPIs in contracts, effectively monitor contract performance through the contract life, including for renewals and extensions.

Sector Comparison

From our experience across our client base, we are seeing pressure on resources and higher service demands have resulted in challenges to the existing control environment. This often results in increased challenges to the decision-making process where conflicting priorities exist and need to be balanced with effective risk management.

Reduced resources mean that organisations have to accept a certain degree of risk within processes and systems in place and need to ensure this risk is identified and managed as business as usual.

The issue of out-of-date policies and procedures also occurs at peers in the region, however the length of time since the Financial Handbook has been reviewed and/or updated is longer than we usually see when this issue occurs due to resourcing changes and issues. This is being monitored through other related audits and the Audit Committee's recommendation tracking processes.

Areas for Further Improvement and Action Plan

Definitions for the levels of assurance and recommendations used within our reports are included in Appendix A1.

We identified a number of areas where there is scope for improvement in the control environment. The matters arising have been discussed with management, to whom we have made recommendations. The recommendations are detailed in the management action plan below.

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
4.1	<p>Timeliness of Performance Information</p> <p><i>Observation:</i> Commissioned service providers are required to submit management information in a timely manner to allow for the OPCC to carry out effective contract management.</p> <p>Audit noted that 4/5 commissioned services reviewed had received timely management information over the last 3 reporting periods.</p> <p>However, it was noted that for one service that the latest management information pack was received over 30 days after the period end. This impacts the ability of the OPCC to provide timely assessment of the</p>	<p>The OPCC should actively monitor the submission of monitoring returns by service providers and chase outstanding return to ensure providers submit performance information in a timely manner following quarter end.</p>	3	<p>The team have recognised this issue and have created a calendar/spreadsheet tracking system for each individual funding stream. This will be 'owned' by a dedicated member of the team who will be responsible for liaising with providers and ensuring monitoring information is received in a timely manner.</p>	<p>March 2023</p> <p>Head of Commissioning and Partnerships</p>

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	<p>delivery of services and effectiveness.</p> <p><i>Potential Risk:</i> Commissioned services are not regularly and appropriately managed leading to non-delivery of services or inefficient provision.</p>				

Audit Information

Audit Control Schedule	
Client contacts:	Andrew Dale, OPCC Chief Operating Officer Dawn Robinson, Head of Commissioning and Partnerships
Internal Audit Team:	David Hoose, Partner Mark Lunn, Internal Audit Manager Alexander Campbell, Senior Internal Auditor
Last Evidence Received / Exit Meeting:	20 February 2023
Draft report issued:	27 February 2023
Management responses received:	27 February 2023
Final report issued:	06 March 2023

Scope and Objectives

Our audit considered the following risks relating to the area under review:

- The responsibility for managing individual contracts are clearly defined and communicated across the OPCC/Force.
- Staff responsible for contract management are provided with appropriate guidance, support, or training.
- There is an effective contract management framework in place that is underpinned by clear and agreed performance measures.
- Comprehensive and timely management information is provided to the Force / OPCC to enable it to monitor performance of each contract.
- Non-delivery of the service is flagged at the earliest opportunity and actions put in place to address the issues.
- There are clear escalation procedures in place for dealing with non-performance.
- There is a robust monitoring process in place to ensure renewals/extensions of existing contracts are dealt with in a timely manner.

The objectives of our audit were to evaluate the adequacy and effectiveness of the Contract Management systems with a view to providing an opinion on the extent to which risks in this area are

managed. In giving this assessment it should be noted that assurance cannot be absolute. The most an Internal Audit Service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control.

We are only able to provide an overall assessment on those aspects of the Contract Management process that we have tested or reviewed. Testing has been performed on a sample basis, and as a result our work does not provide absolute assurance that material error, loss or fraud does not exist.



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Final Internal Audit Report

Business Continuity 22-23

May 2023

Office of the Police and Crime Commissioner for Derbyshire & Derbyshire Police - Internal Audit Progress Report – Jul 23

Introduction

As part of the Internal Audit Plan for 2022/23 for the Office of the Police and Crime Commissioner for Derbyshire (OPCC) and Derbyshire Police, we have undertaken an audit of the controls and processes in place in respect of Business Continuity.

The specific areas that formed part of this review included: Roles and Responsibilities, Policies and Procedures, Plans, Business Continuity Test Plans, Continuous Improvement and Lessons Learnt and Monitoring and Reporting.

Audit last completed a review of Business Continuity at Derbyshire in April 2018, where a satisfactory level of assurance was provided, with two housekeeping priority recommendations raised. These recommendations related an annual test programme and Business Continuity Steering Group terms of reference.

We engaged with several staff members and officers across the Force and OPCC during the review and are grateful for their assistance during the audit.

Background

The Civil Contingencies Act 2004 places a duty on Police Forces to have a comprehensive framework of risk management and business continuity planning in place. Business continuity is about maintaining an ability to deliver essential services during a major incident or

emergency situation. Effective business continuity management is therefore about the identification, management and mitigation of particular risks and the ability to deliver these essential services.

The Civil Contingencies Act 2004 also places duties on the Police for emergency planning and Local Resilience Forums (LRFs) to bring together Category 1 and 2 responders within a local police area for the purpose of cooperation in fulfilling their duties under the Civil Contingencies Act. This should be reflected in Emergency Plans.

At Derbyshire Police the Business Continuity and Emergency Planning functions are part of the Civil Contingencies Team (CCT), led by the Civil Contingencies Manager.


The Force have a Business Continuity Planning policy in place, which outlines the objectives, governance arrangements and roles and responsibilities within the Force. The policy states that each department should have a business continuity plan in place, owned by the head of department and single point of contact (SPOC) with responsibility to maintain and update plans shared with the CCT.

The OPCC have a Business Continuity Plan in place, which sets out the aims, roles and responsibilities, Force critical functions, OPCC contingency arrangements and contains a Terms of Reference (ToR) for the OPCC Crisis Management Team (CMT).

A Business Continuity Steering Group (BCSG) meets on a quarterly basis, chaired by the Chief Superintendent to report issues which have come to light and potential incidents that the Force should be aware of. As well as this the BCSG Chair and BC Manager (Civil

Contingencies Manager) are expected to provide a written report and attend quarterly meetings with the Operations team following each BCSG meeting or as required by exception.

Key Findings

Assurance on adequacy and effectiveness of internal controls for Business Continuity	
	Limited Assurance

Priority	Number of Recommendations
1 (Fundamental)	1
2 (Significant)	4
3 (Housekeeping)	1

Audit Opinion

Weaknesses in the system of internal controls are such as to put the Organisation’s objectives at risk as well as non-compliance with the controls putting the Organisation’s objectives at risk. The lack of a system of regular testing of business continuity plans is a fundamental gap in the business continuity control framework as it does not provide assurance that the plans are adequate and effective in the event they are activated. Moreover, non-compliance in other areas such as plans not being updated and the OPCC plan not being tested has led us to conclude limited assurance can be provided on adequacy and effectiveness of internal controls.

Performance Dashboard

Based upon the scope and objectives of the review outlined within Appendix A1 of this report we have provided a summary of the results of this audit, categorised into each area of the review undertaken.

Key control area	May 2023	
	Assessment	Level of issue
Roles and Responsibilities	Control effective, except for	Significant issue
Policies and Procedures	Control effective, except for	Significant issue
Plans	Control effective, except for	Significant issue
Business Continuity Test Plans	Control effective, except for	Fundamental issue
Continuous Improvement and Lessons Learned	Control effective, except for	Significant issue

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Key control area	May 2023	
	Assessment	Level of issue
Monitoring and Reporting	Control effective, except for	Housekeeping

Examples of areas where controls are operating reliably

Roles and Responsibilities

- The roles and responsibilities in respect of business continuity are set out and clearly defined in the Business Continuity Planning Policy. This document describes the delivery of Business Continuity and Emergency Planning activities across the Force. It includes the roles and responsibilities of the Civil Contingencies Team.
- The Civil Contingencies Team has three members of staff, including Operational Support and Emergency Planning Officers, who have responsibility to maintain and update Business Continuity plans with department SPOCs. Audit confirmed in discussions with staff members responsible for Business Continuity plans, that they had met with a member of the Civil Contingencies Team to update plans prior to sign off.
- Discussions with key staff members within the Force clearly demonstrated a thorough understanding of their responsibilities for business continuity, including the review and update process in place for plans and associated

processes such as their role at quarterly business continuity meetings.

Policies and Procedures

- The Force have an up-to-date Business Continuity Planning policy in place, with next review due for March 2024. The policy reflects the legislative requirements, the roles and responsibilities of key individuals in relation to business continuity and describes the Force's approach to delivery of Business Continuity and Emergency Planning activities. The policy has been approved by the Head of Operational Support.
- The Force also have an up-to-date Business Continuity Recovery plan in place, with next review due for August 2023. The policy sets out the approach the Force is to take to recover from major incidents impacting the normal service delivery.
- The OPCC have an up-to-date Business Continuity Plan in place, with next review due for October 2023. The Plan sets out the OPCC objectives in relation to the reinstatement of critical functions and processes, which support the Force business continuity exercises. Roles and responsibilities are clearly defined in the plan along with critical functions and

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contingency arrangements. The plan makes suitable reference to supporting policies and procedures including the Business Continuity Recovery Plan for activation of plan purposes.

- Our testing confirmed that all policies and procedures provided to us have been updated and reviewed regularly by the appropriate persons.

Plans

- Staff members interviewed as part of our business continuity and emergency response plan testing consistently demonstrated knowledge of the business continuity risks associated with their department or area of responsibility. For example, Head of Operations (CSI) provided information and demonstrated the four key areas which form part of their core function, alongside the core risks associated with them and how those are mitigated.
- Staff members interviewed demonstrated strong understanding of their plans and the process in place for development and updates of plans.
- Audit confirmed in interviews with staff that business continuity plans for departments are readily available and easily accessible to all appropriate staff via the Force's Connect intranet site. Furthermore, in the event of a loss of internet, audit noted that contingency arrangements are in place to access plans including paper copies available from the Civil Contingencies Office as well as within departments.

Business Continuity Test Plans

- The Force engages with the Local Resilience Forum (LRF) framework of multi-agency testing exercises, such as Floodex.
- The mandated exercises take place on a regular occurrence with the CCT fully aware of the schedule in place and upcoming exercises such as a collaborative exercise with the Military in May and October and an upcoming plane crash emergency exercise.
- Review and discussion of results take place in quarterly Business Continuity meetings chaired by the Chief Superintendent, with departmental heads involved.

Continuous Improvement and Lessons Learnt

- Outcomes from Force only business continuity exercises are tracked along with recommendations raised and remedial actions. Audit validated this taking place through review of the power outages test tracker.
- In discussion with staff members audit confirmed that reports are produced summarising Force conducted business continuity exercises. For example, the Head of Operations (CSI) demonstrated a report which tabulated findings, recommendations and responses from a Chesterfield Fire Scenario performed by the Force last year.
- Outcomes from testing exercises are reported in quarterly Business Continuity meetings, chaired by the Chief

Superintendent. Audit reviewed the last two business continuity meetings and confirmed that updates had been provided to management in regard to horizon scanning, incidents of note and good practice, as well as recent BC incidents, results from testing exercises and remedial actions.

- The Civil Contingencies Manager meets regularly, on a fortnightly basis, with a Strategic Resilience Adviser (Midlands) from a Government department for updates on Horizon Scanning. Audit confirmed this by review of the latest update provided on reflections on the London Bridge operation.
- The Force uses the Keto software package for the recording and management of risk at strategic and departmental level. Audit reviewed this and confirmed that the Civil Contingencies Manager has updated risks in relation to business continuity with qualitative descriptions on a quarterly basis, which are readily accessible to the Executive meetings.

Monitoring and Reporting

- There is a clear governance framework in place at the Force for the monitoring of business continuity activities, including in quarterly Business Continuity meetings and monthly Operating Support Management meetings. Audit reviewed the last two of each and confirmed that regular monitoring and reporting of business continuity and emergency planning processes are in place.

- Audit noted that monthly Tactical Coordination Group and Strategic Coordination Group meetings take place for wider multi agency and multi force discussions, including a recent one around adverse weather.

Previous Audit Recommendations

- A previous recommendation surrounding a ToR for the BCSG has been actioned. A ToR is now in place for the BCSG.

Risk Management

Our audit has identified weaknesses in the system of internal controls that are such as to put the Organisation's objectives at risk including a level of non-compliance that puts the Organisation's objectives at risk.

The Force generally adopt a multi-agency model for testing of business continuity and emergency plans, with the main form of testing derived from the LRF Framework 2022/23 Calendar of exercises. This approach focuses on testing multi agency responses to major incidents or emergency situations, with the aim of testing as many plans and objectives at once. Audit noted that the Force is engaged with mandated exercises in this calendar such as Floodex.

Whilst the Force engages in the mandated multi-agency exercises, they do not have an agreed annual test programme that focuses on their own business continuity responses.

In our previous review of business continuity at the Force, a recommendation was raised in relation to an agreed annual test programme for its business continuity plans.

However, audit noted that the Force does not currently have an annual programme or schedule in place to test their own plans. Furthermore, whilst in discussion with the CCT and staff interviews, audit noted that Force specific plans are not tested regularly and on a rotational basis, leading to the risk that the Force does not have assurance over the adequacy and effectiveness of all their plans in place.

We have therefore raised a recommendation (4.1) for the Force to implement an annual test programme for its business continuity plans. We have also recommended that the Force prioritise testing of plans which have not been tested for a long time and those which are high priority in the current climate. This would provide the Force with a formal mechanism to obtain assurances over the adequacy and effectiveness of plans, whilst also providing an opportunity for the Force to improve plans, where necessary.

In our previous review of business continuity at the Force, a recommendation was raised in relation to the training and guidance that is available for key roles within the Business Continuity Management System.

The Force's approach to business continuity places reliance on SPOCs to monitor and maintain their existing plans, with support provided from the CCT. When in discussion with the CCT, audit noted that training plans and specific guidance for responsible individuals

has not been implemented by the Force as of yet and we were informed of the logistical challenge of such implementation due to the fluid and rotational nature of roles at the Force, whereby staff could quite easily be moved into other roles, including where business continuity no longer directly falls under their remit.

However, a lack of training and guidance poses a risk that responsible individuals do not have sufficient understanding and accountability of the business continuity processes in place leading to failures within the Business Continuity Management System. Therefore, we have raised a recommendation (4.2) for the Force to implement appropriate training programmes for responsible individuals to ensure key staff gain a full understanding of their roles and responsibilities and produce a technical guide to support responsible individuals.

Audit noted that whilst the Force does track outcomes, recommendations and remedial actions from internal testing exercises, the Force does not currently track outcomes from LRF multi agency exercises.

We have therefore raised a recommendation (4.3) for the Force to track outcomes, recommendations and remedial actions from LRF multi agency exercises. Furthermore, we have recommended the Force consider collating outcomes, recommendations and remedial actions from all exercises, both Force specific and multi-agency, into a single tracker for efficiency, ease of use and reporting purposes.

The OPCC have a Business Continuity Plan in place which outlines that "*an annual table-top business continuity exercise will be held by*

the OPCC Senior Leadership Team and supported by the Force Business Continuity Manager.”

Audit, in discussion with management, were unable to confirm that annual table-top business continuity exercises are held by the OPCC with the support of the Force CCT.

We have therefore raised a recommendation (4.4) for the OPCC to perform annual table-top business continuity exercises in line with policy requirements. We have further recommended that communication lines, in relation to business continuity, between the OPCC and the Force be made clear.

Business continuity plans at the Force expected to be reviewed, at minimum, on an annual basis unless instigated or initiated. As mentioned in Section 02, maintenance and updates of plans sits with the SPOCs who are supported by the CCT.

Audit reviewed a sample of eight plans and noted the following:

- The Assets Department plan had been reviewed in August 2022, which was later than the scheduled review date of January 2022. Audit noted that this was a data recording issue.
- The HR Business Continuity Plan was overdue for review. The last review carried out was in December 2020. Audit noted that emails chasing the SPOC have been sent by the CCT, but no reply has been received.

We have therefore raised a recommendation (4.5) for the Force to ensure business continuity plans are reviewed regularly in line with procedure.

A term of reference (ToR) is in place for the Business Continuity Steering Group and outlines that the “*Chair and Business Continuity Manager are expected to provide a written report and attend a meeting with Operations following each Steering Group meeting or by exception as required.*”

Whilst in discussion with the Civil Contingencies Manager (Business Continuity Manager), audit noted that they are not involved in the Steering Group meetings with Operations. Also, audit noted in discussion with the Business Continuity Steering Group Chair that no written reports are produced and provided to Operations following each Steering Group meeting. Instead, the Group takes an approach of minuting meetings which are then provided to individuals, including those involved in the Operations Management meetings.

We have therefore raised a recommendation (4.6) for the terms of reference to be updated to adequately reflect the role of the Civil Contingencies Manager (BC Manager) and the reporting activities performed by the Steering Group to Operations.

Value for Money

Value for money (VfM) considerations can arise in various ways and our audit process aims to include an overview of the efficiency of systems and processes in place within the auditable area.

Audit recommendations detailed in Section 04 below have been designed to address weaknesses in the control environment but also to improve the efficiency and effectiveness of the existing control environment. The use of SPOCs is an effective approach to embed business continuity across the Force however, to ensure effective engagement, training and guidance should be produced whilst also considering the cost effectiveness, tied to the dynamic and rotational nature of roles at the Force, of delivering any initial training and refresher courses.

Sector Comparison

From our experience across our client base, we are seeing pressure on resources and higher service demands have resulted in challenges to the existing control environment. This often results in increased challenges to the decision-making process where conflicting priorities exist and need to be balanced with effective risk management.

Reduced resources mean that organisations have to accept a certain degree of risk within processes and systems in place and need to ensure this risk is identified and managed as business as usual.

Business Continuity is fundamental to public sector organisations in delivering their statutory requirements and it is therefore important that public sector organisations have effective business continuity functions in place. Derbyshire is in line with other Forces in having a manager in place that acts as a central point of contact for the business continuity management system.

However, unlike other Forces Derbyshire does not currently have an agreed annual test programme in place to ensure their plans are fit for purpose, rather a multi-agency model is used in accordance with the LRF Framework of exercises. Whilst, the LRF Framework of exercises proves useful to test multi agency responses to major incidents, our review has noted that Derbyshire should seek to test their own plans along with the LRF exercises like other Forces in the region, to ensure they are fit for purposes.

Furthermore, well performing peers ensure that outcomes, recommendations and remedial actions from testing exercises are tracked and logged for sufficient oversight, often into a single tracker. Due to a lack of an annual test programme and the multi-agency approach to testing, Derbyshire currently only track Force specific exercise results and actions into individual trackers, however moving forward Derbyshire may seek to follow their counterparts in recording outcomes, recommendations and remedial actions of testing exercises, both Force specific and multi-agency, into a single tracker. This would also allow the Force to adequately monitor outstanding actions from previous tests, as well as report on progress.

Areas for Further Improvement and Action Plan

Definitions for the levels of assurance and recommendations used within our reports are included in Appendix A1.

We identified a number of areas where there is scope for improvement in the control environment. The matters arising have been discussed with management, to whom we have made recommendations. The recommendations are detailed in the management action plan below.

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
4.1	<p><u>Annual Testing Programme</u></p> <p><i>Observation:</i> In the previous review of business continuity at the Force in 2018-19, audit recommended the Force put in place an annual test programme for its business continuity plans</p> <p>Whilst the Force engages with the multi-agency testing of multi-agency responses to emergency events, with the main form of testing derived from the LRF Framework 2022/23 Calendar of exercises.</p> <p>We noted that the Force does not have an agreed annual test programme for the business continuity plans it has in place.</p> <p>We noted some testing has taken place, including the most recent power outages test</p>	<p>The Force should implement an internal annual test programme for its business continuity plans.</p> <p>The Force should ensure the test programme covers all plans over a cyclical period, with those of highest priority tested on a more frequent basis.</p>	1	<p><i>The report states that we do not have an annual test programme set out to test our business continuity plans. However, as the report highlights, we have a multi-agency model that is used in accordance with the LRF Framework of exercises. This has now been bolstered by means of an annual programme set out to test the BC plans to ensure they are fit for purpose and to give assurances to the SLT. We have 37 individual BC plans to exercise, many of which have</i></p>	<p>Annual Test Programme to be in place by the end of May 2023.</p> <p>Phil Mitchell Civil Contingencies Manager</p>

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	<p>at 12 Force sites, however this had not been tested for a number of years before this.</p> <p>.</p> <p>The lack of agreed regular testing of business continuity plans increases the risk that the plans are inadequate or ineffective leading to the Force being unable to maintain its services in the event of an incident.</p> <p><i>Potential Risk:</i> Business continuity plans are not fit for purpose should an incident arise.</p> <p>A lack of rotational and regular testing of all plans means that the Force does not have assurance over the suitability of plans.</p> <p>In the event of a major incident the Force does not sufficient assurance over the adequacy and effectiveness of plans, which exposes them to an unnecessary amount of organisational risk.</p>			<p><i>been tested in the recent Power Outage tests conducted Force wide. Assets are now drawing up a testing programme for all the Police Estate on a 3 monthly basis once remedial works have been completed, which were highlighted from those tests.</i></p> <p><i>A internet outage for instance, would test every department force wide. This however has occurred on a number of occasions since 2022 and as recent as the 5th of April 2023 and therefore BC plans have been implemented by means of staff relocating often to home addresses to continue work.</i></p>	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
4.2	<p><u>Training and Guidance</u></p> <p><i>Observation:</i> The Force’s approach to business continuity places reliance on the single point of contact (SPOCs) to monitor and maintain their existing Business Continuity Plans, with support provided from the Civil Contingencies Team. In our previous review of business continuity at the Force, audit recommended that the Force review the training and guidance that is available for key roles within the Business Continuity Management System.</p> <p>However, audit noted, training plans or specific guidance is not in place for responsible individuals within the Business Continuity Management System.</p> <p>We queried this with the CCT and noted that the fluid nature of roles at the Force means that staff could quite easily and quickly be moved to other roles, including where business continuity no longer falls within their remit.</p>	<p>The Force should implement appropriate training programmes for responsible individuals so key staff gain a full understanding of their roles and responsibilities.</p> <p>The Force should implement a technical guide for all responsible individuals to supplement training.</p>	2	<p><i>The Police service is somewhat unique in that any staff can get moved at any time, therefore training a specific person to the levels mentioned is often challenging and a repetitive process. However, we have to ensure that individuals are aware of their responsibilities. All departmental SPOC’s have been identified by the department heads as subject matter experts in their areas, understanding their needs departmental wise and the impacts of loss of staff, buildings and IT systems for instance. The CCT team do liaise with all SPOC to ensure they are aware of their responsibilities; this being echoed in Force wide BC meetings.</i></p>	<p>Training and awareness programmes for SPOC’s to be introduced from May 2023.</p> <p>Civil Contingencies Manager</p>

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	<p>Furthermore, in our interviews with staff Audit noted that individuals had not received formal training but rather an on the job learning approach was utilised.</p> <p><i>Potential Risk:</i> Responsible individuals do not have sufficient understanding and accountability of the business continuity processes.</p>			<p><i>A Q&A guide will be introduced to assist users in understanding their roles and responsibilities.</i></p> <p><i>During the Business Continuity Meetings chaired by C/Supt WILSON all SPOC's are reminded that the BC plans, whom they are responsible for are fluid documents and as such if working practices change prior to the review date, their plans should be amended and tested.</i></p>	
4.3	<p><u>Business Continuity Tests Tracker</u></p> <p><i>Observation:</i> On the completion of a Business Continuity Test/Exercise the outcomes, recommendations and remedial actions requires should be documented and tracked to ensure lessons are learned from each test.</p> <p>Audit noted whilst for Force specific tests, such as the power outages test, an individual</p>	<p>The Force should ensure outcomes, recommendations and remedial actions are tracked for multi-agency exercises.</p> <p>On the implementation of an annual test programme, the Force should collate all</p>	2	<p>A test tracker will be introduced to record actions and outcomes arising from BC exercises.</p> <p>This will be managed by the Civil Contingencies Team</p>	<p>May 2023</p> <p>Civil Contingencies Manager</p>

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	<p>tracker is in place which details outcomes, recommendations and remedial actions, the Force does not currently track outcomes from the LRF multi agency exercises that it engages in.</p> <p><i>Risk:</i> Outcomes of multi-agency testing exercises which may impact the Force are not tracked, leading to a lack of monitoring for continuous improvement purposes.</p> <p>Outcomes, recommendations and remedial actions are not adequately and appropriately escalated in a timely manner.</p> <p>Lessons are not learned from tests and therefore plans remain unfit for purpose</p>	<p>outcomes, remedial actions and recommendations from exercises, both Force specific and multi-agency, into a single tracker.</p>			
4.4	<p><u>OPCC Business Continuity Plan Exercises</u></p> <p><i>Observation:</i> The OPCC Business Continuity Plan sets out the training and exercising of the plan. “An annual table-top business continuity exercise will be held by the OPCC</p>	<p>The OPCC should perform annual business continuity table-top exercises.</p> <p>Roles and responsibilities in relation to annual OPCC business continuity table-</p>	2	<p><i>The OPCC have now conducted a Table Top exercise. Due to their move of premises and the building works ongoing, and in view of all BC plans force wide being</i></p>	<p>Completed April 2023</p>

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	<p><i>Senior Leadership Team and supported by the Force Business Continuity Manager.”</i></p> <p>Audit queried this with management but were unable to confirm that annual table-top business continuity exercises have been held by the OPCC Senior Leadership Team and supported by the Business Continuity Manager.</p> <p>Furthermore, audit noted, in discussions with the CCT, a lack of clarity and understanding between OPCC business continuity requirements and Force requirements.</p> <p><i>Risk:</i> Annual business continuity exercises are not performed in line with requirements, leading to the OPCC having a lack of assurance over the adequacy and effectiveness of plans.</p>	top exercises should be made clear.		<p><i>tested to the extreme during the Covid Pandemic this is the first occasion it has been tested in exercise mode so to speak since 2019.</i></p> <p>The exercise has identified the appropriate roles and responsibilities for the OPCC BC Plan</p> <p>CCT / and OPCC</p>	
4.5	<p><u>Business Continuity Plans</u></p> <p><i>Observation:</i> Every business continuity plan has, at minimum, a yearly review cycle in place unless instigated or initiated and</p>	The Force should ensure that business continuity	2	<p>Completed:</p> <p>Data recording has now been amended on the Service ‘Connect’ intranet to alert both</p>	<p>Civil Contingencies Manager</p> <p>End May 2023</p>

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	<p>problems were found leading to changes required to the plan. The responsibility of maintenance and updates of plans falls to the owners of plans and SPOCs, although the CCT have an active role in monitoring and oversight of plans with responsibilities to support SPOCs in maintenance and updates of plans.</p> <p>Audit reviewed a sample of eight business continuity plans and found the following:</p> <ul style="list-style-type: none"> • One plan (Assets Department plan) had an actual review date of August 2022 despite the planned review date identified as January 2022. Audit queried this with management and noted this found to be a data recording issue. • One plan (HR business continuity plan) was overdue for review. The planned review date was June 2021, but the last review date was December 2020. Audit queried this 	<p>plans are reviewed regularly in line with procedure.</p> <p>The CCT should ensure any non-compliance from SPOC's is reported to the appropriate governance forum</p> <p>Data recording issue</p> <p>2 years out of date</p>		<p>SPOC & CCT of OOD plans, set reminders & audit control for CCT to upload plans removing some weak areas for updates.</p>	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	<p>with management and noted that emails chasing departmental heads and SPOCs have been sent by the CCT, however replies have not been received.</p> <p><i>Potential Risk:</i> Business continuity plans are not reviewed regularly in line with procedure, leading to ineffective plans which are not reflective of department practice changes.</p>				
4.6	<p><u>Written reporting</u></p> <p><i>Observation:</i> A terms of reference is in place for the Business Continuity Steering Group and outlines that the Chair and Business Continuity Manager are expected to provide a written report and attend a meeting with Operations following each Steering Group meeting or by exception as required.</p> <p>Audit noted in discussion with the Civil Contingencies Manager (BC Manager) that they do not attend the Operations meeting referenced in the ToR. Furthermore, in discussion with the Chair of the Steering</p>	<p>The Force should clarify the Business Continuity Steering Group relationship with the Operations meeting. The ToR should be updated once clarification has taken place.</p>	3	<p>Remove, in the terms of reference, the need for a written report as this is a verbal update. This verbal update is captured in the minutes of the meeting.</p>	<p>End of April 2023</p> <p>Civil Contingencies Manager</p>

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	<p>Group audit noted that no written reports are produced and provided to Operations. Instead, we were advised that the Group takes an approach of minuting meetings which are then provided to necessary staff, including those involved in the Operations Management meetings.</p> <p><i>Potential Risk:</i> Lack of understanding and effective accountability for the Business Continuity Management system due to an outdated Steering Group term of reference.</p>				

Audit Information

Audit Control Schedule	
Client contacts:	Andrew Dale, OPCC Chief Finance Officer
	Jon Peatling, Force Head of Finance & Business Services
	Philip Mitchell, Civil Contingencies Manager
	PC Sean Barker, Operational Support PC Richard Moores, Emergency Planning Officer
Internal Audit Team:	David Hoose, Partner
	Mark Lunn, Internal Audit Manager
	Akeeb Mahmood, Internal Auditor
Last Evidence Received / Exit Meeting:	30 March 2023
Draft report issued:	31 March 2023
Management responses received:	14 April 2023 / 28 April 2023

Final report issued: 02 May 2023

Scope and Objectives

Our audit considered the following risks relating to the area under review:

Roles and Responsibilities

- Roles and responsibilities in respect of Business Continuity & Emergency Planning across the OPCC and Force are clearly defined, with officers and staff having a full understanding and accountability for associated processes.

Policies and Procedures

- Effective policies and procedures are maintained and regularly reviewed to ensure a consistent and effective approach to Business Continuity & Emergency Planning is applied across the OPCC and Force.
- There is clear identification of critical functions across the Force and Departments.

Plans

- Three are effective Business Continuity Plans and Emergency Plans to ensure that incidents are effectively escalated, and emergency action is mobilised where required.

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Business Continuity Test Plans

- The Business Continuity Plans and Emergency Plans are subject to regular testing to ensure they remain fit for purpose

Continuous Improvement and Lessons Learnt

- The delivery of testing plans, associated outcomes and unplanned events is monitored with systems embedded to drive continuous improvement and lessons learnt. Where issues are identified these are appropriately escalated.

Monitoring and Reporting

- There is regular monitoring and reporting of business continuity and emergency planning processes and there is opportunity for effective challenge and scrutiny.

Previous Audit Recommendations

- Recommendations raised in the previous review have been implemented.

The objectives of our audit were to evaluate the adequacy and effectiveness of internal controls in operation in respect of Business Continuity, with a view to providing an opinion on the extent to which risks in this area are managed. In giving this assessment it should be noted that assurance cannot be absolute. The most an Internal Audit Service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control.

We are only able to provide an overall assessment on those aspects of the Business Continuity processes that we have tested or reviewed. Testing has been performed on a sample basis, and as a result our work does not provide absolute assurance that material error, loss or fraud does not exist.



Office of the Police and Crime Commissioner for Derbyshire and
Derbyshire Police

Final Internal Audit Report

Agile Working 22-23

March 2023

Office of the Police and Crime Commissioner for Derbyshire & Derbyshire Police - Internal Audit Progress Report – Jul 23

Introduction

As part of the Internal Audit Plan for 2022/23 for the Office of the Police and Crime Commissioner for Derbyshire (OPCC), we have undertaken an audit of the agile working arrangements, as detailed in Appendix A1.

The fieldwork for this audit has been completed remotely and the agreed scope fully covered. Whilst we had to complete this audit remotely, we have been able to obtain all relevant documentation and/or review evidence via emails and walkthroughs to enable us to complete the audit work.

We engaged with a number of staff members across the Force during the review and are grateful for their assistance during the course of the audit.

Background

The ability to work from home is subject to job description and management approval. When working remotely, access to the Forces' corporate network is achieved through an encrypted Virtual Private Network (VPN).


Derbyshire Police has recently transitioned their VPN solution from Cisco to FortiGate to provide improved IT resilience. The new VPN FortiGate solution has been configured such that the Force operates through a pair of firewalls situated in their primary and secondary datacentres. All traffic is now directed through an encrypted VPN

tunnel, supported by security certificates installed on each corporate device.

The Force is currently evaluating policies relating to agile working with a view of considering the following:

- Whether the vetting status precludes permission to work from home or requires that conditions are imposed.
- Where remote working is permitted from, such as to establish an approved location with clear policies to prevent working in public places such as on public transport or in coffee shops.
- Security requirements for permitted workspaces to prevent viewing of Force data by co-habitants, or eavesdropping of conversations, through for example open windows.

Key Findings

Assurance on adequacy and effectiveness of internal controls	
	Satisfactory Assurance

Priority	Number of Recommendations
1 (Fundamental)	-
2 (Significant)	1
3 (Housekeeping)	-

Throughout this review, we noted that the Force has a number of effective controls in place, such as those examples listed in the following section.

Our review did highlight one significant finding for improvement in the Force’s approach to agile working. Consequently, we provide ‘**Satisfactory Assurance**’ for this audit.

The area of improvement is listed below:

- **Training and awareness:** a large number of the Force has not completed the Data Protection Foundation or the managing information training programme.

Examples of areas where controls are operating reliably

- The responsibility for agile working policies, and procedures sits with various teams. Information management and Human resources have individual agile working policies and thus provide clear guidance on how to work remotely.
- Derbyshire Police have a number of controls in place to ensure they have effective resilience in the provision of connectivity for remote access:
 - Two remote gateway VPN servers are in place. As laptops and mobile phones connect, they automatically test which gateway provides the fastest service to balance the load of incoming traffic to the corporate network.
 - The Force monitors and logs all connections to its VPN gateways for analysis by Police Digital Service’s National Management Centre (NMC).
- Multi-factor authentication is enabled for end users.
- Policy and technology controls applied allow the Force to follow guidance on remote working set out by the ICO. We assessed compliance in respect of controls included within our scope, but the ICO guidance also covers general working practices that are relevant in other scenarios, which we did not examine further, such as prevention of email forwarding.

Risk Management

The Force has several information management processes and controls that relate to agile working. These include training and awareness, authentication and encryption of remote network traffic, and the provision of a resilient network. Whilst policies in place to support remote working enable the Force to follow guidance on remote working provided by the ICO, the Force is looking to further enhance these by considering whether the agile working environment is deemed appropriate to the sensitivity of information that police Force's deal with.

Value for Money

Value for money (VfM) considerations can arise in various ways and our audit process aims to include an overview of the effectiveness of systems and processes in place within the auditable area.

As noted with other Force's, it has been observed that efficiency is obtained through the effective management of controls within the area. For example, the use of the new VPN solution should provide more resilience and save money by reducing excess work due to downtime.

Sector Comparison

Whilst many organisations are adopting agile working, for police Force's, this provides a challenge since staff have the potential to access sensitive data in locations not managed by the Force and also with the obligation to provide services even if individual network

components fail. Our audit found that the systems that support agile working are effective and in line with other Forces.

Areas for Further Improvement and Action Plan

Definitions for the levels of assurance and recommendations used within our reports are included in Appendix A1.

The matters arising have been discussed with management, to whom we have made recommendations. The recommendations are detailed in the management action plan below.

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
4.1	<p>Training and Awareness Reporting</p> <p><i>Observation:</i> A large number of employees have not completed the Data Protection Foundation or the Managing Information training programme in the College Learn online training platform of the College of Policing. This could result in staff not being properly aware of the various risks associated with agile working.</p> <p>In addition, we were informed that the reporting mechanism for the completion stats from the training provider College Learn is inaccurate and that there is not a clear indication of how many employees have in fact completed training courses.</p> <p>Lastly, from inspection of the Managing Information training course provided, agile working is sparsely covered. .</p> <p><i>Risk:</i> Non-compliance of mandatory training across various information security risks could lead to employees being more susceptible to cyber-attacks</p>	<p>1. The Force should ensure that all employees complete their mandatory trainings on College Learn that have a significant Agile working component. This will mitigate against potential risks of data leaks and cyber-attacks that the Force is more vulnerable to when employees choose to work remotely.</p>	2	<p>1. We will continue to work with the CoP on resolving the reporting issues and to put a regime in places that highlights non-compliance to Heads of Dept which is reported through the Security governance boards.</p> <p>2. The training package will be reviewed in the next round to add more agile/remote working risks.</p>	<p>1. Information Mgt – December 2023</p> <p>2. Information Mgt – March 2024</p>

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	or other forms of security incidents when working remotely.	2. The Force should design and implement specific training that addresses the risks of agile working. Completion of the training should be mandatory for all staff expected to work remotely as part of their role.			

Audit Information

Audit Control Schedule	
Client contacts:	Richard Cariss, Head of IT Richard Apaya
Internal Audit Team:	David Hoose, Partner Mark Lunn, Internal Audit Manager John Roth, IT Audit Manager Mustafa Javed, Technology Consultant
Finish on Site / Exit Meeting:	3 March 2023
Draft report issued:	31 March 2023
Management responses received:	04 May 2023
Final report issued:	04 May 2023

Scope and Objectives

The audit will assess the adequacy and effectiveness of internal controls detailed below in operation. Weaknesses identified will then be brought to the attention of management and advice will be issued

on how particular problems may be resolved and controls improved to minimise future occurrence.

The scope will cover, but may not be restricted to, both the current and proposed controls in the following areas:

Policies and procedures

- Information Security and Agile Working policy – compliance with ICO guidance on Working from Home

Remote working security

- Authentication – account lockout, multifactor authentication, secrets used for VPN encryption etc.
- Communication encryption over remote access method (VPN/thin client etc)
- Device encryption
- VPN device firmware
- Default privileged accounts have been renamed where possible and are not used to access the internet.
- Cloud storage access is authenticated.
- Resilience of remote working systems – use of redundant load balanced remote working devices
- Monitoring of remote access services – to detect unusual activity/penetration attempts.

Training and awareness

- Employee training and awareness of remote working risks / working practices.

The objectives of our audit were to evaluate the adequacy and effectiveness of the agile working systems with a view to providing an opinion on the extent to which risks in this area are managed. In giving this assessment it should be noted that assurance cannot be absolute. The most an Internal Audit Service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control.

We are only able to provide an overall assessment on those aspects of the agile working process that we have tested or reviewed. Testing has been performed on a sample basis, and as a result our work does not provide absolute assurance that material error, loss or fraud does not exist.



Police & Crime Commissioners – Derbyshire, Leicestershire,
Lincolnshire, Nottinghamshire and Police, Fire & Crime
Commissioner Northamptonshire

Final Internal Audit Report

Collaboration – Performance Management

March 2023

Office of the Police and Crime Commissioner for Derbyshire & Derbyshire Police - Internal Audit Progress Report – Jul 23

Introduction

As part of the Internal Audit Plan for 2022/23 for the Offices of the Police and Crime Commissioners Derbyshire, Leicestershire, Lincolnshire, Nottinghamshire; the Office of the Police, Fire and Crime Commissioner of Northamptonshire; and, the respective Police Forces, it was agreed that an element of internal audit resource would be spent on regional issues or the collaboration units.

Since 2015/16 all Forces in the East Midlands have agreed to allocate internal audit time to provide assurance over the collaborative arrangements that are in place across the region. Over the first two years Internal Audit have undertaken high level reviews of the governance arrangements within most of the regional collaboration units. A change of approach was made in 2018/19 when thematic reviews were carried out by audit and were carried out across a sample of regional collaboration units. The approach for 2022/23 has been for more targeted audits within each collaboration unit. Through review of each unit's risk register a focused risk-based approach to the Collaboration audits has been planned.

As part of this review, we have carried out an audit of the process in place across the collaboration units in respect of Performance Management. The specific areas that formed part of this review included: Performance Framework, Performance Reporting and Benchmarking.

We engaged with a number of staff members across the collaboration units during the review and are grateful for their assistance during the course of the audit.

Background

The East Midlands Special Operations Unit (EMSOU) is one of the oldest collaborations and is the largest of them in terms of budget and staffing. It was brought together as a five-force collaboration between Derbyshire, Leicestershire, Lincolnshire, Northamptonshire, and Nottinghamshire Police. Whilst it has four main units that sit within the EMSOU structure (Major Crime, Serious Organised Crime, Forensic Services and Special Branch) the unit has expanded over time and now houses multiple capabilities that are provided to the Forces in region.

The East Midlands Collaborative Human Resources Service – Occupational Health Unit (EMCHRS-OHU) is a five-force collaboration between Derbyshire, Leicestershire, Lincolnshire, Northamptonshire, and Nottinghamshire Police. The Collaboration Unit began in December 2016 when the five forces agreed to progress with a regional approach to Occupation Health provision.

The Unit collaborates in promoting a culture of good attendance and improving the overall health of the workforce by providing a regional occupational health unit specifically providing services for: Attendance Management/Fitness for Work; Health Screening and Surveillance; Occupational Vaccinations; Recruitment; Professional Support; Incident Support; Post-Accident follow up; Re-Deployment/Ill Health Retirement & Injury Award; Advice & Guidance; and, Health Promotion. The unit also aims to signpost staff to counselling services and medical staff (including physiotherapists, nursing staff and/or doctors). In this collaboration structure the collaboration element is the regional management structure of Occupational Health provision,

whereby it is noted that the resources, such as nurses and physiotherapists are employed by individual Forces.

The East Midlands Collaborative Human Resources Service – Learning and Development (EMCHRS-L&D) unit is a four-force collaboration between Derbyshire, Leicestershire, Northamptonshire and Nottinghamshire Police. The Collaboration Unit began in February 2013 when the four forces agreed to progress with a regional approach to Learning and Development. As of April 2019, EMCHRS-L&D was renamed as The East Midlands Specialist Learning and Development Hub (EMSLDH).

The Unit collaborates in providing a regional training solution that incorporates the following areas of responsibility: administration of training courses, Management of training, including National Centre of Applied Learning Technologies (NCALT), E-learning and external suppliers of training; Scoping, Designing and Evaluating Training needs; and Delivery of Training Courses. In this collaboration structure the collaboration element is the regional management structure of learning and development, whereby it is noted that the resources, such as trainers are retained by Force.

Audit previously reviewed Performance Management for the Collaboration units in May 2020, with a greater focus on individual collaboration units rather than the overall strategic performance management framework reviewed in this audit. The previous audit identified 5 recommendations, including 1 significant recommendation regarding the lack of targets or similar to understand the relative performance of units.

Each of the collaboration units have their own internal processes in place managing performance through their own governance structure, this generally includes production of monthly or quarterly performance data that is then scrutinised by the collaboration management team and include Force Chief Officers.

On a bi-annual basis the OPCC CFOs & Force FDs Resource Board review performance across the collaboration and a report is collated through the use of a regional performance analyst, a staff member within the regional collaboration team who assists in bringing together performance data from each of the collaboration unit. This reporting was previously presented to the PCC's & CC's Board, however reporting to CFOs and FDs was felt to be more appropriate and appropriate escalations can be made to PCCs or CCs where necessary. The first meeting under this new arrangement was October 2022.

Additional Strategic Performance Reporting is provided to OPCC CFOs & Force FDs Resource Board by the Regional Performance Analyst on a bi-annual basis. This reports against the Regional Assurance & Performance Management Framework, based upon each PCC's Police and Crime Plans and their objectives as Key Performance Questions to be responded to.

Key Findings

Assurance on adequacy and effectiveness of internal controls for Collaboration: Performance Management	
	Satisfactory Assurance

Priority	Number of Recommendations
1 (Fundamental)	-
2 (Significant)	2
3 (Housekeeping)	-

Performance Dashboard

Based upon the scope and objectives of the review outlined within Appendix A1 of this report we have provided a summary of the results of this audit, categorised into each area of the review undertaken.

Key control area	March 2023	
	Assessment	Level of issue
Performance Framework		
Performance Framework	Control effective	No issues noted
Guidance and Timetables	Control effective	No issues noted
Oversight and Governance	Control effective	No issues noted
Performance Reporting		
Performance Targets	Control effective, except for	Significant issue
Performance Management	Control effective	No issues noted

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Key control area	March 2023	
	Assessment	Level of issue
Performance Data	Control effective	No issues noted
Performance Reporting	Control effective	No issues noted
Escalation Procedures	Control effective	No issues noted
Benchmarking		
Benchmarking	Control effective, except for	Significant issue

Examples of areas where controls are operating reliably

Performance Framework

- A Regional Assurance & Performance Management Framework is in place, breaking down Strategic Priorities into Key Performance Questions to be responded to in Performance Reporting. This is owned by the East Midlands PCCs and has been approved by all five Forces.
- Individual Units are responsible for operational performance management, which includes the generation of monthly or quarterly performance data to be reported to Force Chief Officers and senior management within Unit Governance Meetings.
- A timetable of regional governance meetings is set out by the PCC/CC Board in February for the upcoming financial year,

which is then used to set paper deadlines and reporting deadlines for the Senior Resource & Performance Manager.

- There is a clear governance structure for each Unit and the overall region which allows for strong reporting from Unit Senior Leadership Teams through to the PCC/CC Board.
- The Regional Performance Analyst role is a key part of the performance framework across the Collaboration network, liaising with each unit and then with PCC's to ensure an alignment of expectations and delivery is managed.
- The Regional Performance Analyst also carries our Strategic Performance Reviews on the framework in place to drive improvements within the existing framework.

Performance Reporting

- Strategic Performance Reporting is based upon each PCC's Police and Crime Plans and their objectives, both informing the Key Performance Questions within the Framework.
- Audit reviewed a sample of operational performance information and confirmed that it had been reported within 1 month of period end (i.e. within 30 days), which is assessed as being timely.
- Audit reviewed a sample of strategic performance information and confirmed that it had been collated within 1 month of the governance body being reporting to (i.e. within the last 30 days), which is assessed as being timely.
- Strategic Performance Reporting is provided to OPCC CFOs & Force FDs Resource Board by the Regional Performance Analyst on a bi-annual basis.
- Operational Performance Reporting is reported at each Unit's Senior Leadership Team and reported by exception through the governance framework.
- Unit-specific issues and operational under-performance are escalated from Unit Senior Leadership Teams to regional governance bodies through the attendance of senior management.
- Regional issues and strategic under-performance are escalated from regional governance bodies to the Force through the OPCC, where the expectation is for PCCs to discuss with their CCs and/or Force leads regarding assurance of service provision.

Benchmarking

- Benchmarking of EMSOU against other ROCUs using NFIB data is currently carried out by the Unit and shared by exception with regional governance bodies.

Risk Management

While there is a basically sound system of internal control, there are weaknesses which put some of the collaboration objectives at risk and evidence of levels of non-compliance with some of the control processes.

At the most recent Strategic Performance Reporting review completed by the Regional Performance Analyst in September 2022, it was noted that EMSOU required clearer SMART performance targets for how well the unit is performing against its objectives.

For EMSLDH it was noted that the performance reporting currently carried out did not clearly align to the unit's business plan/strategy.

For EMCHRS OHU, it was noted that current performance information does not relate to the unit's business plan and that clear SMART targets should be set to allow for effective monitoring and reporting. However, this would be dependent on a new case management system.

We have therefore raised a recommendation (**Recommendation 4.1**) for the Units to ensure that they have clear SMART performance targets in place that are regularly monitored and align to their business plans/objectives.

Benchmarking is an important tool to allow organisations to measure themselves against similar comparators and identify best practice. However, due to limited data and opportunities, the only benchmarking carried out is by EMSOU using NFIB data to compare themselves against other ROCUs.

Audit has noted that there are programmes underway to try and develop benchmarking, such as the National Strategic Performance Framework, however these opportunities are not yet well developed.

We have therefore raised a recommendation (**Recommendation 4.2**) for the Forces to ensure that benchmarking opportunities are undertaken by the Units so that performance can be appropriately measured and compared.

Value for Money

Value for money (VfM) considerations can arise in various ways and our audit process aims to include an overview of the efficiency of systems and processes in place within the auditable area.

As has been discussed, benchmarking is an important tool that is currently underutilised within the region's collaboration units and with limited development taking place.

We have therefore raised a recommendation (**Recommendation 4.2**) for the Forces to ensure that benchmarking opportunities are undertaken by the Units so that performance can be appropriately measured and compared.

Audit recommendations detailed in Section 04 below have been designed to address weaknesses in the control environment but also to improve the efficiency and effectiveness of the existing control environment.

Areas for Further Improvement and Action Plan

Definitions for the levels of assurance and recommendations used within our reports are included in Appendix A1.

We identified a number of areas where there is scope for improvement in the control environment. The matters arising have been discussed with management, to whom we have made recommendations. The recommendations are detailed in the management action plan below.

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
4.1	<p>Performance Targets</p> <p><i>Observation:</i> At the most recent review by the Regional Performance Analyst in September 2022, it was noted that EMSOU required clearer SMART performance targets for how well the unit is performing against its objectives.</p> <p>For EMSLDH it was noted that the performance reporting currently carried out did not clearly align to the unit's business plan/strategy.</p> <p>For EMCHRS OHU, it was noted that current performance information does not relate to the unit's business plan and that clear SMART targets should be set to allow for effective monitoring and reporting. However, this would be dependent on a new case management system.</p>	The Units should ensure that they have clear performance targets that align to their business plans/objectives.	2	<p>EMSOU Performance Manager will expand an existing framework to include key performance questions which reflect EMSOU strategic priorities to give a more broader, qualitative view of performance which shows outcomes and impact rather than just outputs. The Regional Performance Analyst will be involved with this work to ensure it reflects PCC need.</p> <p>EMSLDH Response: Via the Regional L&D Management Board, EMSLDH have been requested to revise performance reporting in line</p>	<p>Nicci Mayo</p> <p>September 2023</p> <p>Peter Ward</p> <p>July 2023</p>

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	<i>Risk:</i> Lack of performance targets/measures and therefore a lack of clarity on levels of performance.			with the recommendation made within this report, whereby performance will clearly align to EMSLDH Business Plan and Strategy and will be ratified at the next Regional L&D Management Board. In addition EMSLDH will revise activity tracking. These will be shared throughout the year with the PCC and CC Board. EMCHRS OHU- this collaboration disbanded as of end of FY 2022/23 so no longer appropriate to action.	
4.2	Benchmarking <i>Observation:</i> Benchmarking is an important tool to allow organisations to measure themselves against similar comparators and identify best practice. However, due to limited data and opportunities, the only benchmarking carried out is by EMSOU using	Benchmarking opportunities should be explored by the Units and the Regional Performance Analyst so that performance can be	2	Benchmarking between ROCU's is a known difficulty due to differences in recording practices and ROCU frameworks. As highlighted, there is national work ongoing around improving the ability to	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	<p>NFIB data to compare themselves against other ROCUs.</p> <p>Audit has noted that there are programmes underway to try and develop benchmarking, such as the National Strategic Performance Framework, however these opportunities are not yet well developed.</p> <p><i>Risk:</i> Units are not aware of their performance and are not able to identify best practice.</p>	<p>appropriately measured and compared.</p>		<p>benchmark between ROCU's and other capabilities. EMSOU and the Regional Performance Analyst will continue to monitor this work with expectations of embedding in practice when national work completed.</p> <p>There is some benchmarking and highlighting of best practice currently through the ROCU Executive Performance report; the Regional Performance Analyst will work with the EMSOU Performance Manager to ensure that PCC's are appropriately sighted on existing activity.</p>	<p>Nicci Mayo</p> <p>September 2023</p>

Audit Information

Audit Control Schedule	
Lead Chief Officer(s):	Mark Kimberley, Nottinghamshire Police, Chief Finance Officer
Chief Officer(s):	Andrew Dale, Derbyshire OPCC, Chief Operating Officer
	Jon Peatling, Derbyshire Police, Chief Finance Officer
	Kira Hughes, Leicestershire OPCC, Interim Chief Finance Officer
	Paul Dawkins, Leicestershire Police, Assistant Chief Officer (Finance & Resources)
	Julie Flint, Lincolnshire OPCC, Chief Finance Officer
	Sharon Clark, Lincolnshire Police, Director of Finance & Corporate Services
	Helen King, Northamptonshire OPFCC, Chief Finance Officer
	Vaughan Ashcroft, Northamptonshire Police, Chief Finance Officer

	Gillian Holder, Nottinghamshire OPCC, Chief Finance Officer
Key Client Contact(s):	Elaine Grocock, Regional Collaboration Manager Sarah Cumberland, Senior Resource and Performance Manager
Internal Audit Team:	David Hoose, Partner Mark Lunn, Internal Audit Manager Alexander Campbell, Senior Auditor
Finish on Site / Exit Meeting:	11 October 2022
Draft report issued:	25 November 2022 Reissued 20 January 2023
Management responses received:	28 March 2023
Final report issued:	28 March 2023

Scope and Objectives

Our audit considered the following risks relating to the area under review:

- The collaboration units do not have a governance framework for managing performance and therefore poor performance is not addressed
- Lack of performance targets/measures and therefore a lack of clarity on levels of performance
- The collaboration units do not produce performance information in a timely manner.
- The collaboration units are not producing performance reports so those charged with governance can carry out their responsibilities effectively.
- Where benchmarking data is available it is not utilised to demonstrate levels of performance
- Where underperformance is highlighted actions are not put in place to address this.

The objectives of our audit were to evaluate the adequacy and effectiveness of the Collaboration Performance Management processes with a view to providing an opinion on the extent to which risks in this area are managed. In giving this assessment it should be noted that assurance cannot be absolute. The most an Internal Audit Service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control.

We are only able to provide an overall assessment on those aspects of the Collaboration Performance Management processes that we have tested or reviewed. Testing has been performed on a sample basis, and as a result our work does not provide absolute assurance that material error, loss or fraud does not exist.

A5 Fiscal pressure & inflation challenges for the public & social sector

Against a backdrop of political uncertainty, unprecedented strike action and the prevailing cost of living crisis – itself a consequence of the conflict in Ukraine among other factors – many of the UK’s most vulnerable communities are at risk of becoming more marginalised and desperate. In response, we sought to understand how the public and social sector plans to support vulnerable people, communities, and service users in 2023/24.

Key findings at a glance

1. Supporting vulnerable communities is a public and social sector imperative: The public and social sector is taking proactive steps to strengthen support and service delivery to deprived communities, but could more be done to safeguard vulnerable citizens?

To support people, communities, and service users, 61% said they are seeking new funding/income streams to maintain services; and 54% said they are reassessing the breadth and depth of services. In particular, respondents highlighted the creation of hardship funds, diversion of critical services, and streamlining of internal processes.

81% said lack of funding; 67% said lack of staffing resources; and 46% said focus on short term not long term all pose the greatest barrier to supporting vulnerable people and communities.

2. Innovation and collaboration are key enablers in the fight against financial constraints: As the public and social sector moves to meet rising demand with renewed vigour, what role will innovation and collaboration play in the fight against poverty?

The majority of public and social sector organisations are looking externally for support and solutions, with 90% agreeing that external collaboration could strengthen their response to deep-running fiscal challenges and 87% of respondents, positive that engaging with third parties could improve efficiency and productivity organisation wide. There were similar reflections about the importance of leveraging internal networks, with 83% of respondents agreeing that internal collaboration, e.g. cross-departmental, would improve efficiency and productivity. Organisations are therefore advocating a unified approach, which values the existing workforce’s skills and insight, and supplements this with external perspectives to diversify thinking and continually improve.

Both innovation and technology were identified as potential opportunities for improved service delivery. Respondents highlighted the need for digital transformation strategies, sharing good practice, and using artificial intelligence to identify the people and communities most at risk.

Efficient and digitised services have the potential to free up resources and there was a particular spotlight on self-help tools for their dual function in creating capacity and empowering citizens.

3. The public and social sector must redefine its place in an evolving economic landscape: Many service providers are still thinking short-term. How can we ensure public services are future fit, and what will the biggest priorities be over the next 12-24 months?

Organisations referred to targeting priorities across both key inputs (31% securing funding; 41% continuous employee wellbeing and development) and outputs (54% improving citizen/service user experience; 45% supporting local communities to cope with rising living costs).

Public and social sector organisations remain alert to issues on the external horizon that could impact success, with uncertainty both in relation to energy costs and inflation (90%) and the current UK political landscape (79%) being a key concern for most respondents. Instability in the workforce completed the top three concerns, with 77% of organisations responding that higher level skills shortages were having a high (43%) or medium (34%) impact.

These themes are consistent with previous findings – employees need to be nurtured, new funding streams secured, and significant efficiency gains made. Upstream investment in people and relationships should intrinsically support the achievement of outputs and outcomes, maximising medium to long term impact. However, our survey suggests the sector needs an injection of confidence that there will be the financial and political security to deliver this success.

[Our full report of the survey and responses can be downloaded for free from our website \(https://www.mazars.co.uk/Home/Industries/Public-Social-Sector/Public-and-Social-Sector-insights/Fiscal-pressure-and-inflation-challenges\)](https://www.mazars.co.uk/Home/Industries/Public-Social-Sector/Public-and-Social-Sector-insights/Fiscal-pressure-and-inflation-challenges)

A6 Statement of Responsibility

Status of our reports

We take responsibility to the Office of the Police and Crime Commissioner for Derbyshire and Derbyshire Police for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or reply for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

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Mazars is an internationally integrated partnership, specializing in audit, accountancy, advisory, tax and legal services*. Operating in over 95 countries and territories around the world, we draw on the expertise of 47,00 professionals – 30,000 in Mazars' integrated partnership and 17,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

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Police & Crime Commissioner for
Derbyshire & Derbyshire Police
Joint Audit, Risk and Assurance Committee

Internal Audit Annual Report 2022-2023

Prepared by: Mazars LLP

Date: July 2023

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Appendices

- A1 Definitions of Assurance

Disclaimer

This report ("Report") was prepared by Mazars LLP at the request of The Office of the Police & Crime Commissioner for Derbyshire & Derbyshire Police and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit of The Office of the Police & Crime Commissioner for Derbyshire & Derbyshire Police and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk. Please refer to the Statement of Responsibility in this report for further information about responsibilities, limitations and confidentiality.





01 Introduction

Mazars LLP are the appointed internal auditors to the Police & Crime Commissioner for Derbyshire & Derbyshire Police. This report summarises the internal audit work undertaken by Mazars in 2022/23, the scope and outcome of work completed, and incorporates our annual statement on internal controls assurance.

The Police & Crime Commissioner for Derbyshire & Derbyshire Police retained a full scope internal audit service for 2022/23 which, based on the work we have undertaken, enabled us to provide the enclosed Annual Opinion on the Police & Crime Commissioner for Derbyshire & Derbyshire Police arrangements for risk management, control and governance.

The report should be considered confidential to the Police & Crime Commissioner for Derbyshire & Derbyshire Police and not provided to any third party without prior written permission by Mazars.

Scope and purpose of internal audit

The purpose of internal audit is to provide the Police & Crime Commissioner for Derbyshire & Derbyshire Police, through the Joint Audit, Risk & Assurance Committee (JARAC), with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving Police & Crime Commissioner for Derbyshire & Derbyshire Police's statutory objectives and strategic aims.

Internal audit provides the Police and Crime Commissioner and Chief Constable, through the JARAC, with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the organisation's agreed objectives. Internal audit also has an independent and objective advisory role to help line managers improve governance, risk management and internal control. The work of internal audit, culminating in our annual opinion, forms a part of the OPCC and Force's overall assurance framework and assists in preparing an informed statement on internal control.

Our work is conducted in accordance with Public Sector Internal Audit Standards (PSIAS).

The report summarises the internal audit activity and, therefore, does not include all matters which came to our attention during the year. Such matters have been included within our detailed reports to the JARAC during the course of the year.



Performance against the Internal Audit Plan

The Plan for 2022/23 was considered and approved by the JARAC on 30th March 2022. In total the Plan was for 122.5 days.

There was a small knock on impact of the Covid-19 lockdown(s) from previous financial years that posed some challenges to the internal audit process, which meant the delivery of the 22/23 internal audit plan was weighted towards the end of the financial year. However, the move to remote auditing has been well established between the Force & Mazars with both parties working hard to ensure the audits could be completed in a timely manner. Mazars have regularly communicated with the Force and OPCC, which has enabled us to make good progress in delivering the annual plan.

As noted in the 2022/23 Internal Audit Plan, the approach is a flexible one and where risks emerge, change or are effectively mitigated the internal audit plan will be reviewed and changes therefore may occur during the year. This occurred in a number of instances and the changes made to the internal audit plan are summarised below:-

- Procurement & Contract Management Follow Up – deferred into 23/24.
- Transport Follow Up – deferred into 23/24.

The audit findings in respect of each of our finalised reviews, together with our recommendations for action and the management response, were set out in our detailed reports, which have been presented to the JARAC over the course of the year. In addition, we have presented a summary of our reports and progress against the Plan within our Progress Reports to each JARAC.

A summary of the reports we have issued is included in Section 03, additionally Appendix A1 describes the levels of assurance we have used in assessing the control environment and effectiveness of controls and the classification of our recommendations.

Acknowledgements

We are grateful to all members of the JARAC, the Chief Officers of both the Force and the OPCC and other staff throughout Derbyshire Police for the assistance provided to us during the year.

02 Audit Opinion

Scope of the Internal Audit Opinion

In giving our internal audit opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide to Derbyshire is a reasonable assurance that there are no major weaknesses in governance, risk management and internal control processes.

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.

In arriving at our opinion, we have taken the following matters into account:

- The results of all audits undertaken as part of the plan;
- Whether or not any 'Critical', 'Highly Important' or 'Significant' recommendations raised have not been accepted by Management and the consequent risks;
- The extent to which recommendations raised previously, and accepted, have been implemented;
- The effects of any material changes in Derbyshire's objectives or activities;
- Matters arising from previous reports to Derbyshire;
- Whether or not any limitations have been placed on the scope of internal audit;
- Whether there have been any resource constraints imposed upon us which may have impinged on our ability to meet the full internal audit needs of Derbyshire; and
- The proportion of Derbyshire's internal audit needs have been covered to date.

Further detail on the definitions of our opinions raised in our reports can be found in Appendix A1.

Internal Audit has not placed any reliance on third parties in order to assess the controls operated by OPCC for Derbyshire & Derbyshire Police. Our opinion solely relies on the work we have performed and the results of the controls testing we have undertaken.

Internal Audit Opinion

On the basis of our internal audit work, our opinion on the framework of governance, risk management, and control is **Significant** in its overall adequacy and effectiveness. This opinion is provided on the basis that the framework of governance, risk management and control is adequate and effective.

We have issued one limited assurance opinion during the year 2022/2023, in respect of the Business Continuity audit, where certain weaknesses and exceptions were highlighted by our internal audit work.

These matters have been discussed with management, to whom we have made recommendations, of which one is classified as Priority 1 and several of which are categorised as Priority 2. All of these have been, or are in the process of being addressed, as detailed in our individual reports, and summarised in Section 04.

In reaching this opinion the following factors were taken into particular consideration:

Corporate Governance

Governance is a consideration in all our audit engagements, and we did not find any significant issues with governance across our audit plan. There were a few recommendations made in the year linked to governance, in particular the audit of Business Continuity where oversight of business continuity plans could be improved upon.

Risk Management

Risk management was directly assessed as part of the 2022/2023 audit programme, where we issued a 'Significant Assurance' grading. Our opinion was also informed by consideration of risk management aspects through our individual assignments, including reporting within our 'risk management' thematic as well as observing reports and discussion around the Force's and OPCC's Risk Management including the Risk Register at each JARAC meeting with no significant issues arising.

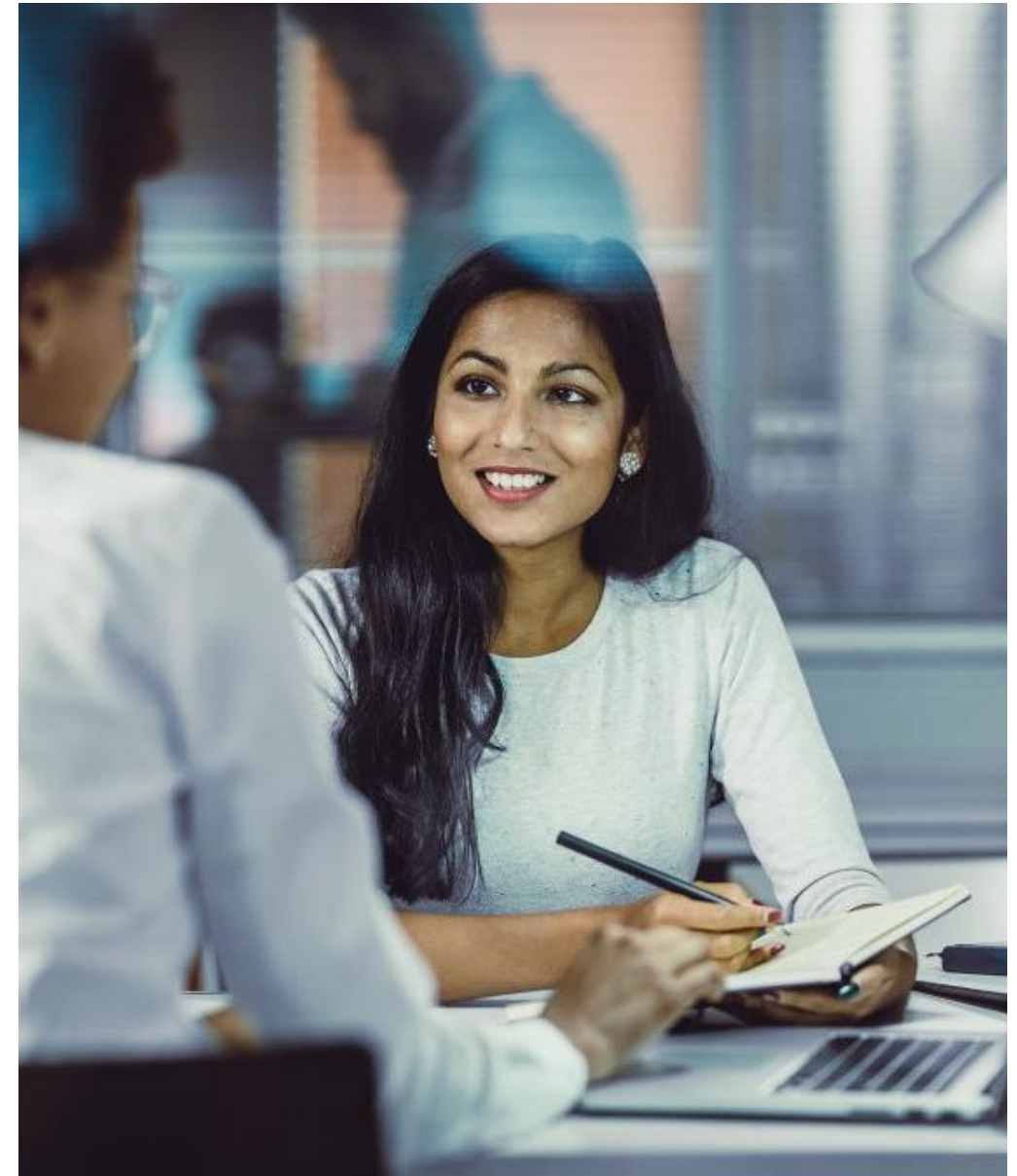
During the course of delivering the 2022/23 audit programme, a key element of each audit scope was to evaluate the control environment and, in particular, how key risks were being managed. As summarised in the 'Internal Control' section below, we were able to place reliance on the systems of internal control and the manner in which risks were being managed by the Force and OPCC.

Internal Control

Of the nine audits undertaken, where a formal assurance level was provided, five received a significant level of assurance and three audits received a satisfactory level of assurance. One audit has been issued with a limited level of assurance.

We have made a total of 20 new recommendations during the year at the Force and OPCC, with one recommendation categorised as Priority 1 and ten recommendations categorised as Priority 2. The number of Priority 2 recommendations raised during this year has almost halved, falling from 19 in 2021/22 to 10 in 2022/2023. Further analysis is provided within Section 06.

The number and priority of recommendations raised across the audit plan supports the overall assessment that the framework of governance, risk management and control is adequate and effective. The recommendations raised were done so to enhance the existing framework or highlight areas of weakness within the current control environments.



03 Internal Audit Work Undertaken in 2022/23

The Internal Audit Plan was for a total of 106 days. The audit findings in respect of each review, together with our recommendations for action and the management responses are set out in our detailed reports. In accordance with the approach set out within Derbyshire's internal audit plan, we undertook nine in-depth audit reviews, The results of this work are summarised below:

Ref	Audit Area	Risk Register	Assurance Level	Recommendations				Accepted	Not Accepted
				F	S	H	Total		
01.22/23	Core Financials	STR1192 Financial resources insufficient to fund development. STR0071 cost of policing.	Significant	-	-	2	2	2	-
02.22/23	Payroll	STR1192 Financial resources insufficient to fund development. STR0071 cost of policing.	Significant	-	1	1	2	2	-
03.22/23	Risk Management	<i>The internal audit plan is risk based and this audit will provide assurance to JARAC that an effective system is in operation.</i>	Significant	-	-	1	1	1	-
04.22/23	Business Continuity	STR1089 Business Continuity & Disaster Recovery. STR1090 Major Incidents & Disasters within the county.	Limited	1	4	1	6	6	-
05.22/23	Retention	IS0019 IS Resources. STR0073 Accredited Investigator Shortfall.	Satisfactory	-	1	1	2	2	-
06.22/23	Management of Policies and Procedures	<i>A particular focus on transparency obligations in context of governance and internal controls. A reoccurring audit recommendation regarding the review and update of policies</i>	Satisfactory	-	3	2	5	5	-
07.22/23	Contract Management	STR2020 Financial liability as contract-holder for Jointly Commissioned services.	Significant	-	-	1	1	1	-
08.22/23	Firearms Licensing	<i>National focus on firearms licensing after a high-profile incident in Plymouth. Moreover Covid-19 has led to changes in the process such as physical visits.</i>	Significant	-	-	-	-	-	-
09.22/23	IT: Agile Working	STR0051 Failure to secure or safeguard systems. STR1960 Cyber Attack.	Satisfactory	-	1	-	1	1	-
	Total			1	10	9	20	20	-

04 Audits with Limited and Nil Assurance 2021/22

Audit Area	Assurance Level	Summary of Key Findings
Business Continuity	Limited	<p><u>One Priority 1 Recommendation:</u></p> <p>1 – The Force should implement an internal annual test programme for its business continuity plans. The Force should ensure the test programme covers all plans over a cyclical period, with those of highest priority tested on a more frequent basis.</p> <p><u>Four Priority 2 Recommendations:</u></p> <p>2 – The Force should implement appropriate training programmes for responsible individuals so key staff gain a full understanding of their roles and responsibilities. The Force should implement a technical guide for all responsible individuals to supplement training.</p> <p>3 – The Force should ensure outcomes, recommendations and remedial actions are tracked for multi-agency exercises. On the implementation of an annual test programme, the Force should collate all outcomes, remedial actions and recommendations from exercises, both Force specific and multi-agency, into a single tracker.</p> <p>4 – The OPCC should perform annual business continuity table-top exercises. Roles and responsibilities in relation to annual OPCC business continuity table-top exercises should be made clear.</p> <p>5 – The Force should ensure that business continuity plans are reviewed regularly in line with procedure. The CCT should ensure any non-compliance from SPOC's is reported to the appropriate governance forum.</p>

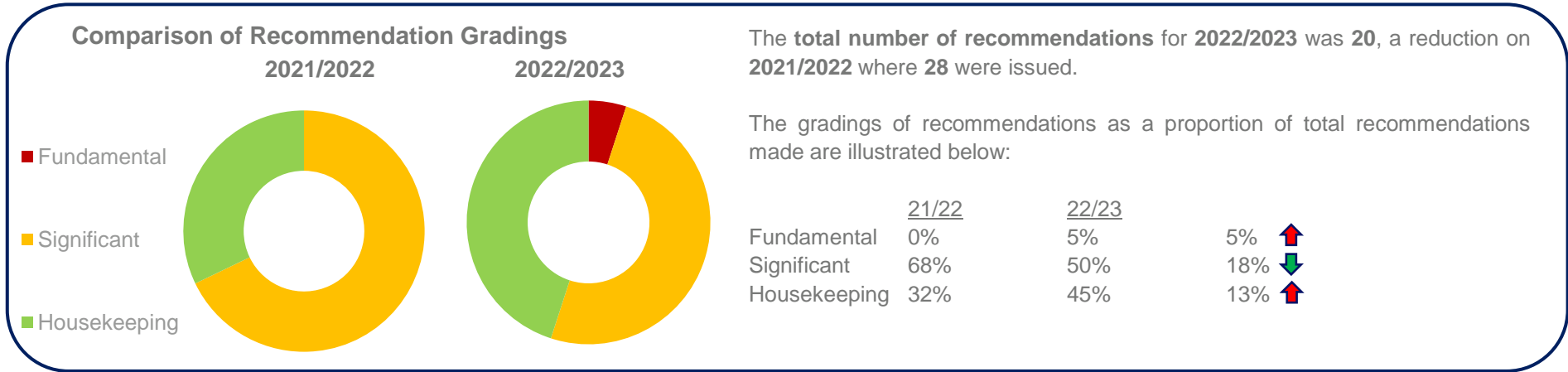
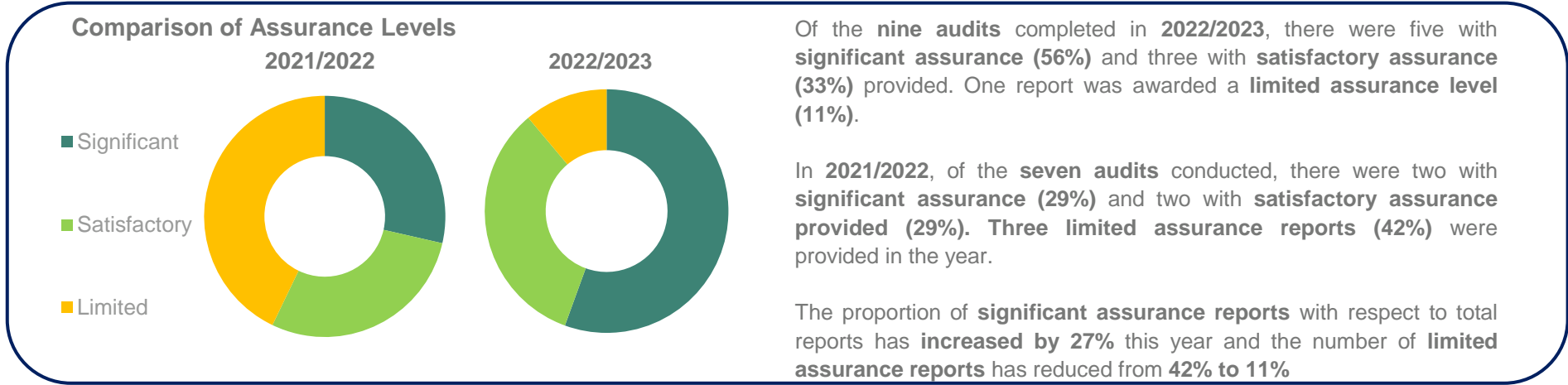
05 Internal Audit Plan 2022/23 vs Actual

The Internal Audit Plan was for a total of 106 days, with all reviews in the plan except two being completed during the period, resulting in 96 days of the plan being delivered.

Audit Area	Planned Days	Actual Days	Difference	Status
Core Financials	16	16	-	
Payroll	5	5	-	
Risk Management	8	8	-	
Business Continuity	8	8	-	
Recruitment and Retention	8	8	-	
Policy Review & Publication	8	8	-	
Contract Management (Commissioned Services)	6	6	-	
Firearms Licensing	8	8	-	
Procurement & Contract Management Follow Up	5	-	-5	Deferred into 23/24
Transport Follow Up	5	-	-5	Deferred into 23/24
Agile Working	15	15	-	
Management	14	14	-	
Collaboration	16.5	16.5	-	
Total	122.5	122.5		

06 Benchmarking

This section compares the Assurance Levels (where given) and categorisation of recommendations made at Derbyshire Police.



07 Performance of Internal Audit

We have provided some details below outlining our scorecard approach to our internal performance measures, which supports our overall annual opinion.

Compliance with Professional Standards

We employed a risk-based approach to determining the audit needs of Derbyshire at the start of the year and use a risk-based methodology in planning and conducting our audit assignments.

In fulfilling our role, we abide by the three mandatory elements set out by the Institute of Internal Auditors. Namely, the Code of Ethics, the Definition of Internal Auditing and the Standards for the Professional Practice of Internal Auditing.

Performance Measures

We have completed our audit work in accordance with the agreed Plan and each of our final reports has been reported to the JARAC. We have received positive feedback on our work from the Audit and Risk Committee and staff involved in the audits.

Regular planned discussions on progress against the Audit Plan have taken place with the Audit and Risk Committee. Similarly, performance measures initially agreed with by both the Force and OPCC have also been presented on a regular basis. .



Conflicts of Interest

There have been no instances during the year which have impacted on our independence and/or lead us to declare any interest.

Internal Audit Quality Assurance

In order to ensure the quality of the work we perform, we have a programme of quality measures which includes:

- Supervision of staff conducting audit work;
- Review of files of working papers and reports by Managers and Partners;
- Annual appraisal of audit staff and the development of personal development and training plans;
- Sector specific training for staff involved in the sector;
- Issuance of technical guidance to inform staff and provide instruction regarding technical issues; and
- The maintenance of the firm's Internal Audit Manual.

Please see next page for further details.

08 Internal Audit Quality Assurance

Our commitment on quality and compliance with the IIA's standards

Mazars is committed to ensuring our work is delivered at the highest quality and compliant with the Global Institute of Internal Auditors' International Professional Practices Framework (IPPF), which includes the International Standards for the Professional Practice of Internal Auditing (Standards). Our public sector work also conforms with the UK Public Sector Internal Audit Standards (PSIAS), which are based on the mandatory elements of the IPPF.

Our quality assurance and quality control requirements are consistent with the Standards and PSIAS. These requirements are set out within our internal audit manual covering internal audit assurance and advisory work and which is structured to ensure our approach/methodology is compliant.

All internal audit staff conduct an annual declaration confirming awareness and compliance with the IPPF and PSIAS.

All work undertaken must have met the requirements of our manual before it can be signed out and issued to a client.

We have agreed delegated authorities that set out the levels at which various client outputs, including deliverables such as internal audit reports, must be reviewed and approved before being issued to our clients.

Our work is structured so that on-site auditors are supervised and are briefed on specifics relating to the client and internal audit work. Each review is overseen by a management team member, responsible for undertaking first-line quality reviews on working papers and reports and ensuring quality service provision by our team.

All reports must be reviewed and signed out by the engagement Partner, in line with the specific requirements set out within our delegated authorities. Evidence of this sign out is retained.

We have a formal system of quality control that our Advisory and Consulting Quality Board leads. There is a specific Mazars methodology for quality review of internal audit work. This is structured to cover the work of all engagement managers, directors, and partners during each year.

Our quality process takes a two-fold approach:

1. In-depth qualitative reviews assess specific audit engagements against all auditable elements of the Standards and many specific Mazars policies.
2. We also undertake quarterly compliance reviews of the work of all engagement managers, directors, and partners, which ensure that critical elements of compliance (such as evidence of report reviews and sign-outs) are present.

The results of our compliance reviews are discussed with the firm's Executive Board, which demonstrates the importance that the firm's partners attach to this exercise. The results of an individual partner's work review are considered in the reward system for equity partners. The central Technical Department is available for more specialist areas and alerts partners and team members to forthcoming technical changes. In this way, we seek to minimise the prospect of problems arising with internal audit files.

External quality assessment (EQA)

As noted above, we can confirm that our internal audit work is undertaken in line with the IPPF and PSIAS. Under this there is a requirement for internal audit services to be subject to an independent EQA every five years. Our most recent assessment took place over the summer of 2019. The review concluded that Mazars "conforms to the requirements of the International Professional Practices Framework for Internal Audit and the Public Sector Internal Audit Standards".

Appendices

A1 Definitions of Assurance



A1 Definitions of Assurance

Assurance Gradings

We use categories to classify our assurance over the processes we examine, and these are defined as follows:

Assurance level	Definition
Significant	There is a sound system of internal control designed to achieve the Organisation's objectives. The control processes tested are being consistently applied.
Satisfactory	While there is a basically sound system of internal control, there are weaknesses which put some of the Organisation's objectives at risk. There is evidence that the level of non-compliance with some of the control processes may put some of the Organisation's objectives at risk.
Limited	Weaknesses in the system of internal controls are such as to put the Organisation's objectives at risk. The level of non-compliance puts the Organisation's objectives at risk.
No	Control processes are generally weak leaving the processes/systems open to significant error or abuse. Significant non-compliance with basic control processes leaves the processes/systems open to error or abuse.

Recommendation Gradings

To assist management in using our reports, we categorise our recommendations according to their level of priority, as follows :

Recommendation Level	Definition
Priority 1 (Fundamental)	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.
Priority 2 (Significant)	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
Priority 3 (Housekeeping)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

Annual Opinion Gradings

We use categories to classify our assurance over the processes we examine, and these are defined as follows:

Assurance level	Definition
Significant	The framework of governance, risk management and control is adequate and effective.
Moderate	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.
Limited	There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.
Unsatisfactory	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

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We take responsibility to The Office of the Police & Crime Commissioner for Derbyshire & Derbyshire Police for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

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JOINT AUDIT RISK ASSURANCE COMMITTEE

REPORT TITLE	FINANCIAL EXCEPTION REPORTING – BREACHES OF FINANCIAL REGULATIONS
REPORT BY	JON PEATLING – CHIEF FINANCE OFFICER
DATE OF MEETING	4 TH JULY 2023

PURPOSE OF THE REPORT

To provide assurance to the Committee on the monitoring and reporting of any breaches of Financial Regulations during 2022/23.

ATTACHMENTS

None

DECISIONS REQUIRED

None – update to JARAC members.

CONTACT FOR ENQUIRIES

Name: Jon Peatling, Chief Finance Officer

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1. BACKGROUND

- 1.1 Financial Regulations provide the framework for managing the Constabulary's financial affairs. The Regulations apply to all Police Officers and Staff and any contractors or agents acting on behalf of the Constabulary. The regulations identify the financial responsibilities of all Officers and Staff with a general responsibility for taking reasonable action to provide for the security of assets under their control and for ensuring that the use of resources is legal and is appropriately authorised.
- 1.2 Any breaches of Financial Regulations shall be reported to the Chief Finance Officer and the Chief Operating Officer, who shall determine, after consulting with the Monitoring Officer, whether the matter should be reported to the PCC and/or Chief Constable. It is the responsibility of the Chief Finance Officer and the Chief Operating Officer to ensure that appropriate action is taken in the event of any breaches.
- 1.3 Financial Regulations should not be seen in isolation, but rather as part of the overall regulatory and governance framework of Derbyshire Police that includes the Policing Protocol, codes of conduct, and any schemes of consent or delegation. The Constabulary demands high standards to maintain integrity and confidence within the organisation. Employees can confidentially report matters of concern relating to colleagues' behaviour and internal corruption via the online system, Bad Apple, or the Crimestoppers Police Integrity Line. This area is currently subject to an Internal Audit as part of the Counter Fraud and Whistleblowing Audit and is not covered within this report.

2. FINANCIAL REGULATIONS

- 2.1 Financial Regulations cover a broad range of responsibilities and key controls to uphold compliance and accountability of policies and procedures, including for example:
 - a) any unlawful, or potentially unlawful, expenditure by the CC or officers/staff of the CC; or
 - b) when it appears that any expenditure of the CC is likely to exceed the resources available to it to meet that expenditure.
 - c) ensuring that bank reconciliations and other key control accounts are reconciled on a timely and accurate basis.

- d) To ensure that all transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis.
- e) To ensure that all purchases made through e-procurement follow the rules, regulations and procedures, as set out in contract regulations.

2.2 Internal Control mechanisms exist to detect and prevent any breaches in Financial Regulations. These controls are regularly tested as part of the Internal Audit procedures and reported accordingly. This report does not replicate any findings from previous Internal Audit reports but seeks to identify any other type of breaches reported through our own internal reporting and internal control mechanisms.

3. BREACHES IN FINANCIAL REGULATIONS

3.1 To ensure all areas of Financial Regulations were considered, the following Managers were consulted for any breaches in Financial Regulations during the past twelve months (2022/23).

- Malcolm Turner - Head of Legal Services.
- Rob Atkinson – Head of Procurement
- Superintendent Jed Keen – Head of Professional Standards
- Claire Widdowson – Finance Support Manager
- Philip Sheldon – Strategic Finance Manager
- Andrew Dale – Chief Operating Officer & S151 Officer (PCC)
- Jon Peatling – Chief Finance Officer & S151 Officer (CC)

3.2 From the responses obtained from the above, there have been **no** recorded instances of any breaches in Financial Regulations during the reporting period. Whilst there have been occasions where minor breaches may have occurred e.g., missing receipts, these have been dealt with appropriately and satisfactorily rectified. Whilst the above testimonials cannot be an absolute assurance of any breaches, when considered alongside the Annual Internal Audit Report (22/23), it provides a significant level of assurance that no material breaches have taken place. This position is supported by the Chief Finance Officer (CC) and the Chief Operating Officer (PCC)



JOINT AUDIT RISK ASSURANCE COMMITTEE

REPORT TITLE	FINANCIAL UPDATE – UPDATE ON SAVING PLANS & FINANCIAL OUTLOOK
REPORT BY	JON PEATLING – CHIEF FINANCE OFFICER
DATE OF MEETING	4 TH JULY 2023

PURPOSE OF THE REPORT

To provide an update to the Committee on the Final Outturn Position for 2022/23 and the Force Savings Plan.

ATTACHMENTS

None

DECISIONS REQUIRED

None – update to JARAC members.

CONTACT FOR ENQUIRIES

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1. FINANCIAL OUTTURN 2022/23

1.2 The final outturn position for 2022/23 was an underspend of **£6,688,820**. The major variances against budget are shown below:

a) Police Officer Pay and Oncosts	£2.364m overspend
b) Police Staff Pay and Oncosts	£3.675m underspend
c) Other Employee Expenses	£0.189m overspend
d) Premises Costs	£1.138m overspend
e) Transport Costs	£0.917m overspend
f) Supplies and Services	£0.718m overspend
g) Investment Fund	£1.859m underspend
h) Government Grants	£2.195m additional income
i) General Income	£2.008m additional income
j) Interest Receipts	£0.958m additional income
k) Contributions to National Policing	£0.667m underspend

1.3 The underspends have been reviewed and are to be allocated to the following Reserves:

*Allocation of the 2022/23 Revenue Underspend	
Force Carry-Forwards	2,842,200
OPCC Underspend	163,289
Desgn Boiard	1,531,000
Investment Fund	1,863,500
Sub-Total - Earmarked Allocations	6,399,989
Balance - to Operational Funding & Investment Reserve	288,831
TOTAL REVENUE UNDERSPEND	6,688,820

1.4 This movement increases our Reserves from £21,327,792 to £24,947,536, as set out in the following table:

	2022 / 23 workings					
	Balances at 1/04/22	Allocations to/from Revenue within the Outturn	Allocations to Capital	Transfers Between Reserves	Allocation of 2022/23 Underspend	Estimated Balances at 31/03/23
	£	£		£	£	£
GENERAL RESERVES	6,500,000	-			-	6,500,000
EARMARKED RESERVES						
Useable:-						
Operational Funding and Investment Reserve	3,742,886	(211,800)		546,900	288,831	4,366,817
Contribution to Capital	550,689		(550,689)			0
Carry-forwards	1,122,300	(372,800)		(247,600)	2,842,200	3,344,100
PCC Grants & Commissioning	1,118,578	(100,000)			163,289	1,181,867
Covid-19 Funding	299,153	(180,300)				118,853
Workforce Resilience & Well-Being	997,000	(497,000)				500,000
IT Equipment	500,000		(500,000)			-
Design Board Funding	1,000,000				1,531,000	2,531,000
Planning Day Initiatives	1,254,500	(462,700)		(299,300)		492,500
Productivity & Efficiency	500,000					500,000
Investment Fund	-				1,863,500	1,863,500
Local Council Tax Support	1,311,401					1,311,401
Total Useable:-	12,396,507	(1,824,600)	(1,050,689)	0	6,688,820	16,210,038
Non-useable:-						
PFI - Ilkeston	822,335	(76,259)				746,076
PFI - Derby	1,460,688	(177,663)				1,283,025
Insurance	148,262	60,135				208,397
Total Non-useable:-	2,431,285	(193,787)	0	0	0	2,237,498
TOTAL EARMARKED RESERVES	14,827,792	(2,018,387)	(1,050,689)	0	6,688,820	18,447,536
TOTAL RESERVES	21,327,792	(2,018,387)	(1,050,689)	0	6,688,820	24,947,536

2. FINANCIAL OUTLOOK

2.1 The 2023/24 Budget Report included the future financial outlook and the assumed budget requirements as part of the Medium Term Financial Plan. This identified a potential budget gap of **£5.219m** in 24/25 and a further **£3.115m** in 25/26. The budget assumptions included a £4m increase in the cost of Police Officer Pension costs and future precept increases at the maximum allowed level of £10 (Band D property).

Medium-Term Forecast 2023/27	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Previous Year's Gross Expenditure	212.258	219.471	231.077	236.271
less: One-off investment fund expenditure	(2.531)	-	-	-
Previous Year's Gross Expenditure	209.728	219.471	231.077	236.271
Pay Awards and Inflation increases	9.793	8.706	3.991	4.074
Other Changes to the Committed Budget	(0.276)	2.436	2.014	1.797
Identified Savings Income Generation	(1.943)	0.000	0.000	0.000
New Business Cases and Investment	3.767	0.464	(0.811)	0.000
Budget Reduction Measures to meet deficit	(1.598)	0.000	0.000	0.000
Net Revenue Budget	219.471	231.077	236.271	242.142
Projected Funding	(218.934)	(225.858)	(233.156)	(240.628)
Forecast Base Budget (Surplus) / Deficit	0.536	5.219	3.115	1.514

2.2 Since the MTFP was reported in January, it has since been indicated that the Pension increase will now be met from Home Office departmental budgets and whilst this will ease the budget pressures, there still remains uncertainty in relation to the level of Precept increase and Police Grant funding for 24/25. These uncertainties combined with continued inflationary pressures, and the potential outcome of the 2023 pay award, increase the likelihood of further challenges to balance the budget over the medium term.

2.3 In response to these budget pressures, a Savings Plan was commissioned by the Productivity and Efficiency Board to identify cashable savings without impacting on the efficiency and effectiveness of the force.

3. Savings Plan Update

3.1 A small Savings Team was established to oversee a range of potential money saving ideas including a review of police officer overtime and software licenses amongst others. The team worked with Heads of Department to identify options and risks for 2%, 5% and 10% budget reductions and to consider areas where additional income could be generated. A Force Planning Day was held with the Chief Officer Team and Heads of Departments in April where options were considered in further detail.

3.2 During the Planning Day a total of 152 proposals were considered, which were RAG rated to consider their impact and risk. The proposals covered a broad spectrum of options across numerous services and functions which has resulted in budget reductions of £512,150 and a further saving in staff related costs of £196,221. These savings have been removed from the 2023/24 budget and earmarked to cover any in-year budget pressures arising from pay, inflation and other unbudgeted costs.

FORCE SAVINGS EVENT HELD	152 Proposals Considered:	
	<ul style="list-style-type: none"> 73 related to budget reductions/income 	<ul style="list-style-type: none"> 53 supported = £512,150 (passed to Finance) 5 require work = £134,552
	<ul style="list-style-type: none"> 48 related to staff posts 	<ul style="list-style-type: none"> 21 not supported 15 require work/consultation 12 no staff impact/vacancies £196,221 (passed to Finance)
	<ul style="list-style-type: none"> 31 required more research 	<ul style="list-style-type: none"> 11 workstreams generated (18 proposals)

3.3 In addition to these savings, the Plan has also identified further potential budget reductions in 2024/25 and 2025/26. These proposals have been developed into workstreams and will be subjected to further review and consideration. Each workstream is shown below.

EXISTING WORKSTREAMS PROGRESSED		
TEXT MESSAGE REPLACEMENT	BC going to next DAG recommending Blackberry Athoc. Savings likely to be limited.	
SOFTWARE LICENSE REVIEW	In early stages with just a few licences reviewed so far. Target date for completion July 23	
PROFESSIONAL SUBS REVIEW	Most subscriptions reviewed & are legitimate spends. Around 40 still to work through. Target date for completion July 23.	
CENTRAL/MANAGED BUDGETS REVIEW	Further meeting due with finance in June to resolve a few remaining queries though savings opportunities appear unlikely	
VACANT/TEMPORARY POST REVIEW	Most vacant posts have been identified through the 2, 5 & 10% proposals & will be removed to deliver savings	
BOARDING UP COSTS	Research suggests that savings will be minimal (around £3k). CCMC developing an SLA with EMAS to be enforced as part of BAU	
ESSENTIAL MILEAGE REVIEW	Some progress made though work has stalled due to outstanding responses from some departments	

EXISTING WORKSTREAMS PROGRESSED		
SPEED AWARENESS COURSES	Long term piece of work. Review progress July 23.	
CANNABIS GROWS	Pending decision from Op Resolve Board	
AIRWAVE TRANSMISSIONS	Supt Mcaughtrie to hold first T&F Group May.	
PARTNERSHIP FUNDING REVIEW	Nearing completion. Report expected June 23	
DUTY PLANNING PROJECT	Outline business case being prepared. Due date July 23.	
OVERTIME REVIEW	Review completed & recommendations report circulated. Now needs overseeing through P&E. On agenda later.	
DANGEROUS DOGS	Review completed & budgets reduced. Will now need monitoring through Finance meetings	

NEW WORKSTREAMS IDENTIFIED (additional to 2, 5 & 10% proposals)		
SOLAR PANELS	Long term workstream to be <u>lead</u> by ACO Price. Will require significant up front capital investment. Decision to proceed not yet made.	
REVIEW OF EMSLDH	Initial discussions held by Phil Mason. To be looked at in November 23.	
DFU INCOME GENERATION	Verbal update	
WITHDRAW FROM NPAS SERVICES	Long term workstream to be <u>lead</u> by CC Swann. If agreed, savings would not be realised until 4/25	
PROPERTY REVIEW	Long term workstream to be <u>lead</u> by ACO Price. May require significant up front capital investment.	
POSTAGE REVIEW	Review to commence shortly (Insp. Chambers) – target date for completion is end of July	
PRINTING REVIEW	Review to commence shortly (Insp. Chambers) – target date for completion is end of July	
JTC DEVELOPMENT - TRAINING FACILITY	Outline Business Case expected July 23.	

NEW WORKSTREAMS IDENTIFIED (linked to 2, 5 & 10% proposals)		
CCTV/DFU ACCREDITATION	Verbal update	
ID UNIT/SYSTEM REVIEW	Workstream lead not yet identified. Review should be completed for November 23	
24/7 TWIF TEAM SHIFTS	Review almost completed. Recommendations to be presented in June.	
CDO SHIFT PATTERN	Links to work of Custody Gold Group. Put on hold. Next review Sept 23	
FIREARMS LICENSING LINE MANAGEMENT	Verbal update	
CORPORATE SERVICES STRUCTURE REVIEW	Review has commenced though a <u>longer term</u> piece of work. Next review date suggested Dec 23	
PROCESS AUTOMATION	Long term workstream to be <u>lead</u> by ACO Price. May require up front capital investment. Decision to proceed not yet made.	
BCU FUNDING	Links to partnership funding workstream. Nearing completion. Report expected June 23	
SECTION SUPPORT – N&S CONSISTENCY	Work commenced. Findings expected June 23.	
COMMUNITY SPEED WATCH - FUNDING	Work commenced. Findings expected July 23.	
NEIGHBOURHOOD REVIEW	Already allocated from another Board to the FIT. Review due to commence in the next 1-2 months	

- 3.4 The Savings Plan is also considering options for Reverse Workforce Modernisation, which would release further cashable savings through the reduction in Police Staff roles. Each of these options are being considered to review the impact on operational policing, the risks and benefits, and with a clear mandate to avoid any compulsory redundancies and to make better use of Officers on Restricted Duties. Unions and staff associations will be consulted on any proposals.
- 3.5 The combined savings from the additional workstreams and the workforce modernisation have the potential to save up to £2.5m. Updates and progress on the Savings Plan will be reported through the Productivity and Efficiency Board along with the monitoring of 23/24 financial performance and any emerging in-year budget pressures.



**Derbyshire
Police and Crime
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AGENDA ITEM

8F

JOINT AUDIT RISK ASSURANCE COMMITTEE

REPORT TITLE	OPCC RISK MANAGEMENT
REPORT BY	CHARLOTTE RADFORD
DATE	20.06.23

PURPOSE OF THE REPORT

To update JARAC on the current assessment of Strategic Risks faced by the PCC together with both planned and existing mitigations. This report should be considered in conjunction with the Force Risk report to provide a full view of risks across the group.

ATTACHMENTS

None

RECOMMENDATIONS

- i. To note the update on the OPCC Risk Register
- ii. To note that risks related to the previous Police & Crime Plan have been closed unless they remain relevant

CONTACT FOR ENQUIRIES

Name:

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
1. INFORMATION AND ANALYSIS


1.1 CURRENT OPCC RISKS


Following the publication of the Police and Crime Plan in 2021 there has been an annual review to refresh and update the plan to make it current and ensure it identifies the areas for improvement and address strategic risks identified across the OPCC and Force activities.


The review of all risks is now embedded within the OPCC. Starting with identifying day-to-day risks which are discussed and managed within the office teams and part of regular team meetings. Where these operational risks need to be escalated, as they could have strategic impact, this is done with all other OPCC strategic risks, through the weekly Senior Leadership Team meetings and then the OPCC Management Board (Chaired by the Commissioner).

- 1.2 The Management Board have regularly reviewed strategic risks with the PCC. In descending order of residual 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
STR0016 Partner disinvestment in key services Owner: COO	3 High	2 Medium	6 Amber	6 Amber	
Description: <ul style="list-style-type: none"> Financial implications for the PCC due to the impact of austerity on partner agencies and their budgets. Where cuts have been made to key services, this may pass the burden to other partners including the PCC and Police (by extension). This continues to be an ongoing risk considering the high rate of inflation impacting available resources. 					
Existing Controls: <ul style="list-style-type: none"> OPCC Commissioning Strategy provides for partnership solutions to service sustainability OPCC Commissioning Teams have strong links to partner agencies PCC able to take ownership and control of critical services where partners have disinvested (provided it remains relevant to the Police & Crime Plan) Ongoing budget management in OPCC to track impact of partner disinvestment on finite PCC funds PCC has key focus on victims and the needs of the public Commissioning Strategy has created a strategic partnership board where leadership teams can discuss emerging threat and risk associated with financial constraints and service priorities Formal partnerships are underpinned by Partnership agreements that provide reassurance to all partners 					
Additional/Planned Controls: <ul style="list-style-type: none"> Partnership working with both major councils is developing at an officer-level and will explore areas of mutual benefit and gain 					

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR0017 Policing Uplift places pressure on existing MTFP Owner: COO	3 High	2 Medium	6 Amber	6 Amber	
Description: <ul style="list-style-type: none"> Whilst we have (at a macro level) a three-year spending review, we only have detail for annual budgets, although have improved confidence that the financial implications of the Police Uplift Programme will continue to be funded. 					
Existing Controls: <ul style="list-style-type: none"> APCC and NPCC coordinated effort to lobby Home Office for multi-year settlements and therefore certainty – a three-year spending review has provided some degree of confidence Careful public messaging to help people understand that the Policing Uplift still leaves a funding shortfall for policing Chief Officer commitment to develop savings strategy whilst being aware of emerging financial landscape due to (a) High inflation impact on costs, (b) on-going impact of Brexit on trade and (c) funding settlement announcements Force Chief Finance Officer linked into the NPCC national debate from operational side Enhanced role for JARAC looking at financial planning and budgeting to provide further assurance Frequent 1-2-1 discussions between PCC and COO regarding the financial landscape to maintain awareness and clarity of message Ongoing close working relationship between the Force CFO and COO to ensure progress is made against the MTFP and savings plans Ongoing discussions between OPCC and Chief Officers to ensure savings plans are updated and considered Ongoing discussions with Chief Constable and PCC regarding the financial landscape and need for coordinated response to finding savings Ongoing strategic conversations with Workforce Planning colleagues to ensure that key decision-points are known should funding be impacted by future government decisions (to avoid incurring cost that can't be funded) COO and Force CFO both work with their respective bodies (APACE and PACCTS ad NPCC) and are close to the national debate Oversight role of the COO will ensure progress continues to be made against the MTFP and need for a savings strategy Strong, highly competent Finance team will support and challenge MTFP and savings agenda Financial Assurance Board established, chaired by the PCC with the CC, COO and Force CFO present. 					
Additional/Planned Controls: <ul style="list-style-type: none"> Savings Team work being carried out in-Force to understand and establish an affordable baseline whilst finding areas for savings to be made. 					

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR1977 The Development of strong local policing Owner: COO	4 Very High	1 Low	4 Green	4 Green	
Description: <ul style="list-style-type: none"> Failure to develop neighbourhood policing, increasing the visible presence of officers within neighbourhoods, ensuring officers are adequately trained and increasing the public's confidence in the police. 					
Existing Controls: <ul style="list-style-type: none"> Police and Crime Plan AND Police & Crime Delivery Plan published Establishment of a PCC Commissioning Partnership Group Continual review of this priority within the public assurance meeting Periodic review of the PCC delivery plan Oversight by the Police and Crime Panel Review of the Chief Constables delivery plan Review of the delivery against the 'Beating Crime plan' Understanding the survey results from the Forces Public Confidence Survey and British Crime Survey OPCC Performance Officer with broad remit for statistical analysis, interpretation and advice to the PCC Feedback and consultation with partners including occasional attendance at the PCC's public assurance meeting 					
Additional/Planned Controls: <ul style="list-style-type: none"> N/A 					

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR0067 Driving Efficiencies Owner: COO	4 Very High	1 Low	4 Green	4 Green	
Description: <ul style="list-style-type: none"> The failure to ensure taxpayers money is being spent wisely and resources are being managed effectively 					
Existing Controls: <ul style="list-style-type: none"> Police and Crime Plan AND Police & Crime Delivery Plan published Establishment of a PCC Commissioning Partnership Group Continual review of this priority within the public assurance meeting Periodic review of the PCC delivery plan Oversight by the Police and Crime Panel Implementation of the Financial Assurance Board Treasury and Home Office expectations regarding Police savings and efficiency 3 year spending review provides some opportunity for longer term strategic planning PCC oversight of Force savings work Robust oversight by PCC of asset management plan Investment in technology to delivery long term efficiencies (eg PCIP) Understanding the national review of PCC and general power of competence 					

<ul style="list-style-type: none"> Ongoing work with Chief Constable to identify other ways to fund necessary investment in Policing (e.g. Savings, central grants etc.)
Additional/Planned Controls: <ul style="list-style-type: none"> N/A

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR0065 Neighbourhood Crime & ASB Owner: COO	4 Very High	1 Low	4 Green	4 Green	
Description: <ul style="list-style-type: none"> Failure to monitor levels of crime and anti-social behaviour, ensuring partnerships between the Force and Local Authorities effectively drives down ASB within communities and providing sustainable solutions to local issues, supporting and resourcing community initiatives to aim to cut crime. 					
Existing Controls: <ul style="list-style-type: none"> Police and Crime Plan AND Police & Crime Delivery Plan published Establishment of a PCC Commissioning Partnership Group Continual review of this priority within the public assurance meeting Periodic review of the PCC delivery plan Oversight by the Police and Crime Panel Partnership working in Derby City – Safe Space Initiative Safer Streets Fund Bespoke grants round for ASB delivered by the OPCC Continued engagement with Derbyshire CSP's Specific oversight of Force performance with Burglary/Theft and Robbery Specific support and engagement with Neighbourhood Watch Specific ongoing support for Derbyshire Alert 					
Additional/Planned Controls: <ul style="list-style-type: none"> Develop and embed the PCC's Young People's strategy. Pilot force area for Government ASB initiative (patrols and reparative service) 					

Joint Audit Risk and Assurance Committee: Policy Overview

1. Introduction

This report outlines the overview of policies requested for review by JARAC. The following policies have been requested:

1. Information Security Policy Ref 06/067
2. Claiming Travel Expenses Ref 19/355
3. Business Continuity Planning Legislative Compliance Ref 13/321
4. Procurement Policy Ref 06/051
5. Fraud Policy Ref 19/359
6. Information Sharing Policy Ref 06/101
7. Data Protection Policy Ref 07/171
8. Contract Management Policy Ref 15/331

2. Overview

2.1 Information Security Policy – Pending Review

This policy remains under review. This is a large policy with 16 supporting appendices. A new Information Security Officer is in post and is completing a wide scale review. At this time, this review has been extended and there may be benefit in inviting relevant leads to provide a brief overview once the revised policy is published. A target date for completion has been set for the end of April. This policy will still have to be seen by the Policy Advisory Group and Governance Board for approval. This Policy will be sent for the JARAC November meeting.

2.2 Claiming Travel Expenses – Reviewed

This policy has been reviewed and updates have been made to the policy. This is still to be seen by the Policy Advisory Group and Governance Board for approval. The policy will be sent for the JARAC September meeting.

2.3 Business Continuity Planning Legislative Compliance

This Legislative Compliance is still under review. A completion date is being sought. The policy will be sent for the JARAC September meeting.

2.4 Procurement Policy - Review due in October.

Agreed at the JARAC meeting that they would see this policy in the July meeting.

2.5 Fraud Policy – Review due in October

This policy is due for review in October. Once reviewed it will go to the Policy Advisory Group and the Governance Board for approval. The estimated date to be provided to the JARAC meeting is January 2024.

2.6 Information Sharing Policy – Review due in November

This policy is due for review in November. Once reviewed it will go to the Policy Advisory Group and the Governance Board for approval. The estimated date to be provided to the JARAC meeting is January 2024.

2.7 Data Protection Policy – Review due in November

This policy is due for review in November. Once reviewed it will go to the Policy Advisory Group and the Governance Board for approval. The estimated date to be provided to the JARAC meeting is January 2024.

2.8 Contract Management Policy

Agreed at JARAC meeting that they would see this policy in the July meeting.



Force Policy

Document title: Procurement Policy
Document Reference: 06/051

Owner: Director of Finance

Review date: May 2023
Next Review date: May 2025

Publication:

Is this Force policy suitable for public disclosure under the Freedom of Information Act 2000? Yes

Do you wish for this Force Policy to be published on Connect? Yes

Do you wish for this Force Policy to be published on the Force Website? Yes

Introduction

The Police and Crime Commissioner (PCC) for Derbyshire and Derbyshire Constabulary, collectively referred to below as Derbyshire Police, spend approximately £30 million per year on Goods, Services, and Works to support the strategic and operational requirements of Derbyshire Police.

In determining the Procurement Policy, care has been taken to ensure that compliance with Procurement legislation, for example the Public Contracts Regulations 2015 and also the Financial Regulations is maintained throughout the Procurement process.

Policy Objectives

To ensure that the Procurement service meet the needs of Derbyshire Police whilst complying with Standing orders and Procurement legislation.

To ensure the procurement of Goods, Works and Services is based on obtaining value for money throughout the life of the contract, having due regard for propriety, regularity and transparency. Opportunities for savings both cashable and non-cashable will be sought and when identified, considered as part of the procurement evaluation process.

That the Procurement team convey a professional, supportive 'can do' image which reflects their Procurement knowledge, experience, and the standards and values of Derbyshire Police.

To ensure that collaboration and sharing best practice is considered in all procurement projects and adopted where benefits are identified.

That Procurement processes are undertaken without unnecessary bureaucracy and that practices will be reviewed based on the principle of continual improvement in order to reduce the overall cost of Procurement.

Delivering the Policy

Achievement of the policy is the responsibility of all parties involved in Procurements for Derbyshire Police; however the lead in delivering the policy is the responsibility of the Force Procurement team. The team is dedicated to ensuring that contracting for Goods, Services and Works is undertaken in an efficient and effective manner, that sourcing decisions are always made based on the needs of Derbyshire Police.

Core to the ethos of the team is a high ethical standard and a desire to build close relationships with both internal customers and external bodies. Early engagement with customers at project development stage will maximise opportunities to add value from procurement activity. Relationships with external organisations can provide opportunities to share best practice and provide collaboration opportunities.

Procedures

Policy Application

4.1	<p>The Constabulary Procurement team will aim to influence all external expenditure, by early engagement with budget holders and stakeholders to ensure that sourcing decisions meet organisational objectives, comply with internal Financial regulations and all relevant legislation and reduce 'off contract' spend.</p> <p>The team will provide guidance to Officers and staff to ensure Procurement procedure is understood.</p>
4.2	<p>Derbyshire Police will act and conduct business with its suppliers with honesty and integrity and will maintain high ethical standards and consistency in all processes and actions. Procurement team members will commit to the Chartered Institute of Purchasing and Supply Code of Conduct in addition to Derbyshire Constabulary standards.</p>
4.3	<p>The Procurement team will ensure that activity is directed to effectively support the delivery of the PCC priorities contained in the PCC's Police and Crime Plan and Force strategic objectives.</p>
4.4	<p>The Procurement team will collaborate where possible to participate in national and regional Police contracts and the wider public sector to maximise economies of scale, share knowledge and reduce administration.</p> <p>The team will also where appropriate, participate with the initiatives of the National Commercial Board, Home Office Commercial Directorate, National Police Procurement Executive and the Bluelight Commercial Organisation, in developing Police procurement and to deliver the Home Office Policing Savings Plan.</p> <p>The team will continue to foster strong relationships with neighbouring forces (and the wider public sector) in order to share best practice, training opportunities and collaboration opportunities. For example the East Midlands Procurement group meet quarterly in Derbyshire, and there is also a wider Midlands Group that also meets on a regular basis. These groups also include representatives from Fire and Rescue Procurement teams. In addition a joint Derbyshire Police and Fire Procurement Board will work to ensure Collaboration opportunities between the two organisations are identified and adopted where appropriate.</p>
4.5	<p>In developing Sourcing strategies for individual requirements the following factors will be considered in order to deliver acceptable quality, and economical solutions in a timely manner:</p> <ul style="list-style-type: none"> • The availability of pre-established regional or national arrangements • The possibility of collaboration with other forces or public bodies to reduce administration and generate economies of scale. • The whole life cost of the product or service including environmental and sustainability issues. • Identifying Savings opportunities. • Force contract regulations, specifically the thresholds which determine requirements for quotes / tenders. • The establishment of evaluation criteria such that an appropriate balance between price and quality criteria is established to ensure the most economically advantageous proposal is selected. • The requirements of all legislations, regulations regarding advertising opportunities and minimum timescales for processes.

4.6	The procurement team will review procurement processes to ensure bureaucracy and administration is maintained at the minimum for effective performance and good governance. The use of Electronic tendering and other e-solutions is to be continued and developed.
4.7	The Procurement team will work closely with the ordering team to support shared objectives for example: <ul style="list-style-type: none"> • Reducing supplier numbers • Reducing the administration in the ordering process • Increasing the number of orders covered by Force contracts. • Increasing the first time match rate for invoices when compared to the order. • Eliminating the number of invoices received where no order has been raised. (For commodities not on the order exemption list)
4.8	Ensure that effective and appropriate Contract Management and review is built into all new contracts and undertaken in all high value or high risk contracts in order to ensure contract compliance and agree supplier performance.
4.9	The risks associated with the Procurement process and specific procurement projects are identified at an early stage and steps taken to mitigate these risks where possible. Health and Safety risks will be considered and mitigated in conjunction with the Force Health and Safety team.
4.10	All Contracts will meet the requirements of diversity legislation and the East Midlands Police Procurement Diversity guide.
4.11	Economic, Social and Environmental wellbeing will be considered when arranging contracts. Specific actions in support of this include: <ul style="list-style-type: none"> • Open tenders will be advertised on the 'EU-Supply' e-sourcing portal, Find A Tender (Contracts finder), and where appropriate 'Source Derbyshire' to attract local businesses. • Where appropriate requirements will be split into lots to enable small and medium sized enterprises (SMEs) to bid for the work. • The procurement team will support local 'meet the buyer' events to encourage local businesses. • Contracts terms specifically state that suppliers should ensure that their supply chains do not involve practices such as modern slavery or human trafficking.
4.12	Sustainability and Environmental considerations Sustainable solutions will be considered throughout the entire procurement cycle; from defining the initial requirement, evaluating service options, designing specifications, supplier selection and tender evaluation through to contract management. The aim being to minimise the environmental impact of our activities.
4.13	Transparency. The Procurement process will be conducted in an open, fair and transparent way. Feedback will be offered to all suppliers bidding for supply contracts and details of Force contracts are made available on the website of the PCC.
4.14	The Constabulary Procurement team will maintain close links with the regional Legal team to ensure contract documentation is robust and continues to protect the interests of the Force and PCC in the light of developing legislation and case law.
4.15	The Procurement team will strive to develop personal and collective Procurement skills in order to continually improve the service offered to customers and other stakeholders and enhance commercial outcomes for the organisation. For example raising awareness of good practice in ongoing Contract management with colleagues, participating in regional procurement events, sharing best practice and learning from each procurement project.

4.16	Single Tender Applications / Waivers to Financial Regulations. The procurement team will provide the initial review and appropriate challenge to applications, it is however recognised that in some cases approval is necessary to meet the particular need.
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Reporting

The Head of Procurement will report on Procurement activity and Compliance with this Policy to the Constabulary Chief Finance Officer.

Part 1: Version Control

Version Control				
Date	Version	Reason for Amendment	Completed by	Impact Assessment Score
31.05.23	V1	Policy updated to reflect wider public sector and Fire Service working practices	Rob Atkinson	2

[Insert narrative – What the process is and guidance to support leads]

Policy Implementation and Change Assessment Matrix				
0	1	2	3	4
No significant Change: The Policy change can be managed within existing skills and knowledge with no training communication	Business Only Change: The Policy change involves a process change with no requirement for training	Minimal Change: A change in process that can be managed through simple communication and briefing	Moderate Change: A change or implementation of a process that requires targeted communication and training to ensure the change is delivered.	Significant Change: A change in process that requires project support and would require significant behaviour and process change. Executive sign off required
Indicators				
The change involves a reword or subtle change in processes to update terminology or clarify ambiguity (as examples).	Process changes that involve systems or clearly defined processes that are contained within the process without the need for additional training.	A minimal change in process that can be managed by a given lead, and potentially supported by the Communication and Engagement Team.	A moderate change that may require training and a clear communication and engagement plan, supported by assurance that change has been embedded.	A significant change that reworks or implements a completely new or different process that requires dedicated in-depth support in respect of project management, training and communication.



Force Policy

Document title: Contract Management Policy
Document Reference: 15/331

Owner: Head of Procurement, Finance and Business Services

Review Date: May 2023
Next Review date: May 2025

Publication:

Is this Force policy suitable for public disclosure under the Freedom of Information Act 2000? Yes

Do you wish for this Force Policy to be published on Connect? Yes

Do you wish for this Force Policy to be published on the Force Website? Yes

Introduction

Background

The purpose of this policy is to set out the aims and objectives of the Procurement Department, particularly the Contracts and Engagement Officer (CO), in relation to Contract Management as well as the roles and responsibilities it entails, including the Operational Contract Owners (OCOs), day to day responsibilities and the strategic role played by the Procurement Department of Derbyshire Constabulary. The policy is supported by the Contract Management Guidance. The CO's (supported by the OCO) role includes managing contract meetings, ensuring compliance against contract deliverables, monitoring Key Performance Indicators (KPIs), Managing performance issues and disputes.

Aims and Objectives

Good contract management will assist Derbyshire Constabulary in reviewing the performance of key strategic suppliers by: -

- Ensuring value for money is achieved as part of the contract delivery.
- Tracking service delivery against milestones, KPIs, Service Level Agreements (SLAs), which include those linked to quality.
- Monitoring and managing key risks and issues.
- Challenging and looking for continuous improvement in service delivery.

The policy identifies two parts to contract management: -

- **Service delivery management** – to ensure that the service is being delivered as agreed to the required level of performance and quality.
- **Contract administration** – to manage the formal governance of the contract, changes to the contract documentation and to develop open and transparent relationships with suppliers.

Contracts will be registered on the Keto system with all the relevant information available to the OCO.

Policy Statement

Derbyshire Constabulary will ensure a consistent approach to Contract Management with the aim of delivering cashable and efficiency savings across the Force, supporting the force values, and adding value to the business.

Procedures

Procurement Department

Part of the remit of the Procurement Department is to lead and manage all engagement with suppliers. That includes creating procedures to ensure OCOs know at which point they should seek support from the Contracts and Engagement Officer. The Procurement Department will also identify all key suppliers based on contract value/risk/complexity with whom they will develop strategic relationships alongside the respective OCOs, based on partnership working that encourages innovation. The Procurement Department will also undertake market intelligence to establish whether current contracts continue to represent value for money. As an overview OCOs should seek advice and guidance from the Procurement Department when: -

- Escalation is required when a supplier persistently delivers poor performance, or a significant performance issue raised.

- Information about a supplier becomes available that could have a negative impact on the Chief Constable's or Police and Crime Commissioner's reputation.
- Information becomes available in relation to the financial position of the supplier.

The list above is not exhaustive.

Operational Contract Owner (OCO)

The day to day service delivery management of a contract sits with an identified OCO. They should be involved in the procurement process from drafting the contract specification to holding suppliers to account for performance against the contract terms and conditions. The OCO should be identified by the Senior Management Team and work with the Procurement Department, to actively manage the contract. The OCO is not a unique, separate role, but will fall within the responsibility and scope of the nominated individual's role. The OCO role is key to ensuring successful implementation and management of the contract ensuring the Chief Constable and the Police and Crime Commissioner achieves added value over the life of the contract. The role of the OCO includes, but is not limited to: -

- Act with the upmost integrity at all times.
- Comply with the Commissioners Standing Orders and Contract Procedure rules.
- Monitor supplier performance against agreed deliverables and standards.
- Use contractual procedures and remedies to tackle any performance issues.
- Remain professional and objective when discussing supplier issues.
- Ensure contracts represent value for money.
- Ensure they have the most up to date version of the contract.
- Participate in commercial awareness training, delivered by the Procurement Department, to understand the requirements of contract management.

Expectations of the OCO Role

The OCO will be required to fulfil certain obligations when managing the various contracts. The OCO should consider the following points in their dealings with the contract: -

- Understanding and knowledge of the relevant contract.
- Ability to interpret key parts of the contract into real service delivery.
- Arrangement of face to face supplier meetings.
- Interpretation and evaluation of management information provided against stated contract performance indicators.
- Early identification of service issues.
- Early identification of potential disputes and grievances.
- Supply chain development.
- Identification of potential efficiencies or savings with the contract.
- Communication with the Procurement Department over the life of the contract.

Scope

This policy considers contract management to be a direct activity within the Force and OPCC and their respective suppliers covering both service delivery management and robust contract administration. The policy covers all areas of business and all contracts across the Force and OPCC. The contract administration activity should include: -

- Face to face meetings.
- Telephone calls.

- Receipt of management of information reports.
- Involvement in supplier events.
- Evaluation of management information.
- Escalating concerns and issues to the Procurement Department.

Monitoring and Review

The monitoring and review of this policy is the responsibility of the Head of Procurement, Finance and Business Services.

The policy will be reviewed on a bi-annual basis.

Appeals Process

If any person takes issue with any aspect of this policy they should contact the Head of Procurement, Finance and Business Services.

DRAFT

Part 1: Version Control

Version Control				
Date	Version	Reason for Amendment	Completed by	Impact Assessment Score
31.05.23	V1	Updated to reflect introduction of Contract and Engagement Officer role within Force	Rob Atkinson	1

[Insert narrative – What the process is and guidance to support leads]

Policy Implementation and Change Assessment Matrix				
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Part 2: Policy Sign Off

Relevant Lead	Sign Off	Date
Executive Lead (for new policy and change impact of four)		
Head of Department		
Policy Author		
Other		

Part 3: Impact on any Other Policy

Name	Impact

DRAFT

Part 4: Human Rights

<p>1. What is the policy or procedure title, what is its purpose or objective and who will be affected by it?</p>
<p>Contract Management Policy Derbyshire Constabulary staff and officers, Police and Crime Commissioner for Derbyshire and existing and potential suppliers will be affected by the policy.</p>
<p>2. Will the policy or procedure restrict anyone's Convention rights?</p>
<p>No</p>
<p>If the answer to Q2 was Yes proceed to Q3. If the answer to Q2 was No proceed to Part 2, Equality Impact Assessment. However, be alert to any possibility that your policy or procedure may restrict someone's Convention rights, things may change and you may need to reassess.</p>
<p>3. What Convention rights are restricted? Are they absolute rights or limited rights?</p>
<p> </p>
<p>4. What is the legal basis for the restriction?</p>
<p> </p>
<p>5. What is the legitimate aim for the restriction?</p>
<p> </p>
<p>6. Are the actions that restrict the right proportionate? Are you sure you are not using a sledgehammer to crack a nut?</p>
<p> </p>
<p>7. Are the actions that restrict the right fair, non-discriminatory and least intrusive?</p>
<p> </p>
<p>8. Does the policy or procedure specify that a record of any decisions that affect someone's rights are documented?</p>
<p> </p>
<p>9. Has legal advice been sought on the policy or procedure?</p>
<p> </p>

Part 5: Consultation

1. What departments, individuals and organisations have been consulted in the development of this policy or procedure? At the very least you should consult with the below. It may also be beneficial in some cases to consult with the Force Staff Network co-ordinator and Legal Services.		
Name	Department / Organisation	Date
Police Federation		
Unison		
Data Protection		
Legal Services	Legal Services colleagues consulted to ensure the Policy complies with any mandatory requirements relating to content.	31.05.23

Part 2: Policy Sign Off

Relevant Lead	Sign Off	Date
Executive Lead (for new policy and change impact of four)		
Head of Department		
Policy Author		
Other		

Part 3: Impact on any Other Policy

Name	Impact

DRAFT

Part 4: Human Rights

<p>1. What is the policy or procedure title, what is its purpose or objective and who will be affected by it?</p>
<p>18/051 Procurement Policy Derbyshire Constabulary staff and officers, Police and Crime Commissioner for Derbyshire and existing and potential suppliers will be affected by the policy.</p>
<p>2. Will the policy or procedure restrict anyone's Convention rights?</p>
<p>No</p>
<p>If the answer to Q2 was Yes proceed to Q3. If the answer to Q2 was No proceed to Part 2, Equality Impact Assessment. However, be alert to any possibility that your policy or procedure may restrict someone's Convention rights, things may change and you may need to reassess.</p>
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