



Protecting Communities,  
Fighting Crime



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## JOINT AUDIT RISK ASSURANCE COMMITTEE

### AGENDA

<b>DATE OF MEETING</b>	11 November 2021
<b>TIME OF MEETING</b>	0930 – 1300
<b>LOCATION</b>	Conference Room 3, Butterley Hall, Ripley DE5 3RS
<b>PCC CONTACT OFFICER</b>	Mrs Dawn Brown (0300 1227399)
<b>CONSTABULARY CONTACT OFFICER</b>	C/Supt. Wilson(101)
<b>DISTRIBUTION</b>	Commissioner A Foster Chief Constable R Swann Mr D Peet Mr A Dale Mr S Allsop Mr J Peatling Mr D Hoose (Mazars) Mr M Lunn (Mazars) Ms H Clark (EY) Ms N Ryan (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 11 November 2021*

**AGENDA: Reports attached**

<b>ITEM</b>	<b>SUBJECT</b>	<b>Presented by</b>
<b>1</b>	<b>APOLOGIES FOR ABSENCE</b>	<b>CHAIR</b>
<b>2</b>	<b>DECLARATIONS OF INTEREST (IF ANY)</b>	<b>ALL</b>
<b>3</b>	<b>MINUTES OF THE MEETING OF THE JARAC HELD ON 1 July and 30 September 2021</b>	<b>CHAIR</b>
<b>4</b>	<b>REVIEW OF ACTIONS</b>	<b>CHAIR</b>
<b>4A</b>	<b>FORWARD PLAN</b>	<b>CHAIR</b>
<b>CORE BUSINESS</b>		
<b>5</b>	<b>EXTERNAL AUDIT</b>	
5A	Update from EY (verbal)	<b>EY</b>
<b>6</b>	<b>INTERNAL AUDIT</b>	
6A	Progress Report – including revised POCA report (paper)	<b>MAZARS</b>
6B	Internal Audit Annual Report 2020/21 – (paper)	<b>MAZARS</b>
6C	Internal Audit Recommendation Monitoring (paper)	<b>CHAIR</b>
6D	Review of 2021/22 Internal Audit Plan – (verbal)	<b>AD/SA</b>
<b>7</b>	<b>FINANCIAL ASSURANCE</b>	
7A	Financial Monitoring (Revenue and Capital) – (paper)	<b>AD/SA</b>
7B	James Thompson and Karen Waldram to present on Policies and Procedures (verbal)	<b>James Thompson and Karen Waldram</b>
<b>8</b>	<b>INTERNAL CONTROL AND GOVERNANCE</b>	
8A	Risk Management – Force – (paper)	<b>ME</b>
8B	Risk Management – OPCC – (paper)	<b>AD</b>
8C	JARAC Member Self Assessment	<b>SS</b>
<b>END OF THE PUBLIC MEETING</b>		
<b>CLOSED SESSION</b>		

9A	Internal Audit Procurement Update	
9B	Financial Assurance Board – paper pack	
9C	Draft Force Management Statement (presentation)	<b>SA/KM</b>
<b>DEVELOPMENT</b>		
10A	Financial Scrutiny for Audit Committees – CIPFA Guidance	

**MINUTES** of a meeting of the **JOINT AUDIT, RISK ASSURANCE COMMITTEE**  
held remotely via Microsoft Teams on 1 JULY 2021

**P R E S E N T**

Ms S Sunderland (in the Chair) (SS)  
Mr A Jenkinson (AJ)  
Ms J Charlton (JC)  
Mr L Harrold (LH)  
Ms L Gelderd (LG)

**OPCC Present:** Mr A Dale, Mr D Peet  
PCC Foster attended the meeting initially before having to  
leave to attend a different meeting and returning at 15:25.  
Mrs L Kelly (notes)

**Constabulary Present:** CC R Swann , Mr S Allsop, Mr J Peatling  
Ms Watts (to present on Officer entry routes)  
Supt. Lambert (to present on OLCE summary of  
performance reporting)

**Internal Audit:** Mr M Lunn

**External Audit:** Ms H Henshaw, Ms H Clark

The Committee welcomed PCC Foster to the meeting and the JARAC introduced themselves and looked forward to working with PCC Foster moving forward.

**11/21** **APOLOGIES**

11.1 Mr B Mellor

**12/21** **DECLARATIONS OF INTEREST**

12.1 No declarations declared.

**RESOLVED:**

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

**13/21** **MINUTES OF THE MEETING OF THE JARAC HELD ON 25 MARCH 2021**

13.1 Members note an error at page 3 of the minutes. Which should read VfM Assessment (not VRM).

13.2 The minutes were agreed.

**RESOLVED:**

1. The Minutes of the meeting of the JARAC held on 25 MARCH 2021 were confirmed as a true record by the Committee.

**14/21      REVIEW OF ACTIONS**

- 14.1 **Assurance Map**. Recalling previous discussions of the Committee, Mr Dale suggested that a deep dive into thematic areas may be more beneficial for the Committee as an assurance map cannot adequately depict the complexities of policing.
- 14.2 Members elaborated on their requirements stating that they needed a better understanding of the overarching police structure to be able to understand where assurances would come from and what the first, second and third line assurances are.
- 14.3 CC Swann advised that the Force are establishing a revised governance structure which will incorporate the Force priorities and included in this will be the PCC Police and Crime Plan. The revised governance structure will include the performance framework to enable delivery of this and monitor progress. CC Swann suggested that DCC Meynell present this to members when complete and in addition, receive the Force Management Statement, both of which will provide members with a better understanding of the overarching structure. This was agreed as an action.
- 14.4 Members also commented that there appeared to be a disconnect between risks and reporting and Mr Allsop agreed that work was needed in this regard.
- 14.5 Mr Dale reflected on the assurance gained from first, second and third line assurances and stated that the OPCC Risk Register does show this, however, it may not be overly apparent. To highlight this, Mr Dale agreed to annotate the Risk register with 1, 2 or 3 graphically demonstrating the first, second and third line assurances and he suggested that the Force Risk Register be adapted in the same way. This was agreed as an action.
- 14.6 All other actions were noted as complete with the exception of the IA Plan 2021/22 and IA Charter, which it was agreed, remain on the action tracker to ensure the plan fits with the overall framework.

**RESOLVED:**

1. To update the Actions (minutes 14.3 and 14.5 above).

**15/21      FORWARD PLAN**

**RESOLVED:**

The forward plan was noted.

**16/21**      **EXTERNAL AUDIT – ANNUAL AUDIT LETTER**

- 16.1 Ms Henshaw (EY) presented the contents of the Annual Audit Letter.
- 16.2 Members voiced their disappointment at the scale fee and noted that this had been referred to the PSAA. The timescale to receive the determination from the PSAA was unknown, although it was thought that this would not be received soon.

**RESOLVED:**

- 1. The Annual Audit letter for year ended 31 March 2020 was received.

**17/21**      **20/21 EXTERNAL AUDIT PLAN**

- 17.1 Ms Henshaw introduced the item but advised that as she was leaving EY in September, the presentation of this report would be from Ms Clark.
- 17.2 Ms Clark presented the External Audit Plan covering the work that will be carried out to support the audit opinion for the Statements of Accounts for 2020/21.
- 17.3 Ms Sunderland expressed her disappointment that the audit will not commence until September. Ms Clark advised that recruitment plans have been put in place and it is hoped that being better resourced will mitigate any delays moving forward. Mr Allsop and Mr Dale understood and sympathised with the issues faced by EY, however, they stated that any increased costs as a result of the delayed start would not be acceptable.

**RESOLVED**

- 1. The External Audit Plan 2020/21 was received.

**THE AGENDA WAS REORDERED TO RECEIVE AGENDA ITEMS 8A AND 8C FIRST**

**18/21**      **NATIONAL ENTRY ROUTES INTO THE POLICE**

- 18.1 Ms Watts provided a verbal briefing on the national entry routes into the Police. This was an action arising from a previous meeting of the committee.
- 18.2 Mr Jenkinson said he had read an article from the CC in Northants stating that other routes into policing can be problematic due to a general lack of life experience and he asked if this was apparent in Derbyshire. CC Swann reassured the meeting that this was not an

issue for the Force and additionally, the NPCC welcome and encourage all entry routes.

- 18.3 Ms Sunderland thanked Ms Watts for a comprehensive presentation that provided assurances on alternative entry routes into policing.

**RESOLVED:**

1. The briefing was noted.

**19/21            ORGANISATIONAL LEARNING CULTURE AND ETHICS –  
SUMMARY OF PERFORMANCE REPORTING - PRESENTATION**

- 19.1 Supt. Lambert provided the committee with a presentation on OLCE and how complaints are resolved and handled in Derbyshire.
- 19.2 Ms Sunderland thanked Supt. Lambert for the presentation which provided a level of assurance around how the process works.
- 19.3 The Committee probed further to ask how learning from incidents is disseminated. Supt. Lambert advised that learning can be uploaded to the Force intranet, or, if it relates to a training issue then training can be modified to include this. Alternatively, if the learning affects a particular division or department then a presentation can be provided to a specific target audience. Additionally, Supt. Lambert was able to provide further reassurance advising that this is monitored and if a trend re-occurs it is re-visited.

**RESOLVED:**

1. The presentation was noted.

**20/21            INTERNAL AUDIT RECOMMENDATION MONITORING**

- 20.1 Property Management Recommendations - Policy review.  
It was noted that the update was provided in April. Mr Peatling was able to provide a further update stating that the policy has been re-written which reflects all the changes. To be marked as complete.
- 20.2 All recommendations highlighted as closed noted as being complete.
- 20.3 Data Quality. Mark as complete.
- 20.4 Collaboration Business Continuity.  
Update on Business Plans. Now complete.  
Business Continuity annual Testing/Exercises – final update expected for the next meeting.  
EMCJS. Now complete.
- 20.5 Final Internal Memo. Now complete.

20.6 Members requested that in the future, the tracker should show whether the action is complete.

**RESOLVED**

1. The Internal Audit Recommendations Monitoring was received and discussed.

**21/21      INTERIM AUDIT PROGRESS REPORT**

21.1 Mr Lunn presented the report, highlighting that 2 finalised reports were attached (Project Management and Budgetary Control). Mr Lunn advised that the Governance report had been issued in draft (issued mid May), with the POCA and IT still outstanding.

21.2 Mr Lunn also advised that the Collaboration workforce planning had been issued in draft and the finalised report would be scheduled for the meeting in July.

21.3 Mr Lunn advised that the process for Collaboration audits has been discussed with the Audit Committee Chairs and it is hoped that the new approach will improve the speed in delivery to the Committee.

21.4 Mr Lunn advised that Internal Audit Annual report would be ready to be presented to the next meeting of the JARAC scheduled to take place on 29 July.

21.5 Members noted that there was still more to do on the 2021 plan and as we are now already in Q2, asked what is being put in place to mitigate these delays occurring again next year. Mr Lunn advised that the 21/22 audits had already commenced and he will work with Mr Dale and Mr Allsop to ensure that the audits remain on track.

21.6 The two finalised reports attached both provided high levels of assurance which members were content to receive.

21.7 Ms Charlton commented that the scope of the audit is not covered in the report for the Project Management audit and it was suggested that narrative be included for the future to address this.

**RESOLVED:**

1. The Committee took assurance that the internal audit plan addressed relevant matters and is being delivered as expected, as detailed in the progress report.
2. The committee took assurance that the controls upon which the organisation relies to manage the functions detailed below are suitably designed, consistently applied and effective:
  - PROJECT MANAGEMENT



- BUDGETARY CONTROL

3. It was noted that the Internal Audit Annual Report will be provided in draft form at the forthcoming Finance Workshop.

**23/21      FINANCIAL ASSURANCE**

- 23.1 Mr Dale and Mr Allsop informed the Committee that as the publication date for the draft accounts will not be until 31 July this year the financial annual statements were not available for this meeting. A separate and specific meeting to focus on the draft accounts had been arranged (29 July).

**RESOLVED:**

1. The update was noted.

**24/21      HMICFRS OVERVIEW – VERBAL UPDATE**

- 24.1 CC Swann provided a generic overview of the HMICFRS work in force, which included recommendations to force inspections and thematic inspections.
- 24.2 The Chief Constable advised that the Force Improvement Board monitor whether recommendations have been implemented and track these to ensure they remain embedded, taking assurance activity when necessary.
- 24.3 The Chief Constable further advised that the operational areas of focus for the Force (which is governed by the risk assessment) is likely to be Domestic Abuse, ASB and burglary and robbery, although this is awaiting final sign off. CC Swann added that these areas are critical in terms of public confidence and people feeling safe. The force also has organisational areas of priority which need focus, these are currently CMARC, Cost of policing (savings and force model) and child abuse investigation (following a recent inspection in this area). These areas of operational and organisational focus are reviewed periodically to ensure relevance.
- 24.2 CC Swann advised that DCC Meynell will provide the Committee with a more detailed update on the child abuse investigation thematic inspection at the meeting scheduled to take place on 29 July.

**RESOLVED:**

1. The verbal update was noted.

**25/21      JARAC TERMS OF REFERENCE (ToR)**

- 25.1 The amended Terms of Reference (ToRs) were attached to the report at Appendix A for review.
- 25.2 It was highlighted that the specific change to the ToRs was a change in process to allow members to move to a second term without the need to engage in a full recruitment process. The continuance into a second term will instead be based on an assessment of performance and a willingness to continue.
- 25.3 Other minor amendments were also included in the revised ToRs.
- 25.4 Ms Sunderland also advised members that where dates have been changed or altered from the plan originally scheduled then this would not count as non-attendance.

**RESOLVED:**

1. The amended ToRs were received and discussed.
2. The Committee recommended the adoption of the ToRs to the PCC and Chief Constable.

**26/21      JARAC MEETING DATES**

- 26.1 The draft timetable of JARAC meeting dates 2021/22 was presented for agreement. Mr Dale added that there may be a need to be flexible on the year end position.
- 26.2 Mr Peatling added that the meeting proposed for 23 June will need to fall back in line with the publication of the Statement of Accounts. Meeting Planner proposals to be re-worked to accommodate this.
- 26.3 Mr Dale asked for members opinion on a return to holding face to face meetings moving forward. Ms Sunderland advised that a discussion had taken place during the pre-meeting and all were comfortable with a return to physical meetings should the position allow.
- 26.4 It was agreed that if physical meetings resume the room should have the ability to accommodate external speakers remotely. This was noted.

**RESOLVED:**

1. The draft dates for future JARAC meetings were considered and agreed.

**27/21      JARAC ANNUAL REPORT**

- 27.1 The draft Annual Report was attached at Appendix A for members' consideration prior to publication as a final document.

27.2 Two minor amends were noted; Rachel Swann was appointed as Chief Constable with effect from August 2020 (not July) and there were references to the CC as 'he' which should be amended to 'she'.

27.3 Amendments noted above to be incorporated, with no other amendments noted.

**RESOLVED:**

1. The draft JARAC annual report for 2020/21 was agreed for sign-off by the Chair.

**28/21            JARAC MEMBER SELF ASSESSMENT (CIPFA CHECKLIST) –  
VERBAL INTRODUCTION**

28.1 Ms Sunderland provided a verbal introduction to the JARAC member self assessment and advised that the CIPFA checklist will be circulated following the meeting and be added to the agenda for further discussion in September.

**RESOLVED:**

1. To note the verbal introduction to the JARAC member self assessment.

**29/21            FORCE RISK MANAGEMENT REVIEW**

29.1 Mr Allsop presented the report along with the attached Risk Register attached at Appendix A.

29.2 Ms Gelderd noted at 2.33 that remote working and virtual private network (VPN) stability had only just been added as a new risk which was queried as remote working had been in place since March last year. CC Swann advised that this is a new risk as it is connected with the Mobile Policing Project and the ability to sustain staff working remotely moving forward.

29.3 Ms Charlton raised a query on Appendix A, 'Financial resources insufficient to fund development and pressures' and noted that the risk status was 'pending controls'. Ms Charlton reflected that the modelling itself is a mitigation and therefore should be amended to show that high risks do have controls in place.

29.4 Ms Sunderland voiced concerns raised by Mr Mellor who was absent from the meeting.

29.5 The first concern was in relation to para 2.13 as he noted that fire doors had been wedged open to reduce human contact points. Mr Allsop reassured the meeting that regular messages to staff are being delivered to ensure this does not continue to happen.

29.6 The second concern was in relation to 2.14, noting that petrol reception training had been suspended until the cause has been established. CC Swann advised that that H & S Executive are investigating this incident and to date several factors have been highlighted which may have contributed to the event. To provide some reassurance CC Swann advised that all interim recommendations are being implemented and lots of work has already been undertaken to bring this to standard. Training has resumed to ensure the force can provide its Strategic Policing Requirement in this area of public order.

**RESOLVED:**

1. Direct assurance was gained that this area of business is being managed efficiently and effectively.

**30/21      ANY OTHER BUSINESS**

None.

Public Meeting closed at 16:05

**MINUTES** of a meeting of the **JOINT AUDIT, RISK ASSURANCE COMMITTEE** held remotely via Microsoft Teams on 30 September 2021

**P R E S E N T**

Ms S Sunderland (in the Chair)  
Mr A Jenkinson  
Ms J Charlton  
Ms L Gelderd  
Mr L Harrold  
Mr B Mellor

**OPCC Present:** Ms A Foster (part of meeting), Mr A Dale, Mr D Peet

**Constabulary Present:** ACC Shooter (part of meeting), Mr S Allsop, Mr J Peatling, Ms L Cresswell (notes)

**Internal Audit:** Mr M Lunn

**External Audit:** Ms H Clark, Ms N Ryan

**1/21** **APOLOGIES**

- 1.1 Apologies were received from CC R Swann and DCC K Meynell.

**2/21** **DECLARATIONS OF INTEREST**

- 2.1 A declaration of interest was noted by Ms Gelderd, regarding the Complaints Performance item and it was agreed that, as the paper was just an update, there was no conflict of interest.

**3/21** **MINUTES OF THE MEETING OF THE JARAC HELD ON 25<sup>th</sup> MARCH 2021 AND 29<sup>th</sup> JULY 2021**

- 3.1 The minutes of the meeting of the JARAC held on 25<sup>th</sup> MARCH 2021 had been approved at the JARAC held on 1<sup>st</sup> JULY 2021 so these were disregarded.
- 3.2 The minutes of the meeting of the JARAC held on 1<sup>st</sup> JULY 2021 were not included in the pack and will, therefore, be approved at the next JARAC meeting scheduled for 11<sup>th</sup> NOVEMBER 2021.

**Action:** **The minutes of the JARAC held on 1<sup>st</sup> JULY 2021 to be approved.**  
**PCC Office to add to the agenda.**  
**Completed Action Plan in the pack for the November meeting.**

- 3.3 The minutes of the meeting of the JARAC held on 29<sup>th</sup> JULY 2021 were agreed with the amendment wording on page 2 at 13.2 second paragraph of “staffing” to “data security”.

**4/21** **FORWARD PLAN**

- 4.1 Ms Sunderland reported that the Forward Plan for 2021/22 only has the next two meetings listed. Ms Sunderland suggests that there should be a meeting scheduled for March 2022 and also that it may be more effective if the plan showed a 12-month rolling plan. This will help when amendments and updates are requested, so that members know which meeting the reports will be taken to.
- 4.2 Ms Sunderland queried whether the External Audit Plan would be submitted to the January meeting as the work is currently being undertaken on last year's audit and asked for the Forward Plan to be updated.
- 4.3 Mr Harrold queried whether the Internal Audit Plan would be submitted to the January meeting given that the bulk of the audits are being delivered. Mr Lunn responded that he suggests the January is too early for the report.
- 4.4 Mr Dale raised the issue of capturing the minutes correctly and suggested that, going forward, the meetings are recorded. Mr Dale said that these meetings are technical in comparison to some of the meetings people are used to minuting.

**Action: All future meetings to be recorded.**

- 4.5 Mr Mellor said there are a few items he expected to see on the Forward Plan and will send these through to be discussed at the agenda setting meeting.

**Action: Mr Mellor to send through items for the Forward Plan.**

**5/21 EXTERNAL AUDIT – verbal update**

- 5.1 Ms Clark reported that there have not been any significant updates since the last one in July. The audit is still scheduled to run in the January to March period.
- 5.2 Ms Ryan reported that work has been undertaken over the last week and a half and will be continuing for the next couple of weeks. Planning and interim procedures are being looked at. Work is in place to be prepared for the final accounts audit. They have been trying to bring forward some of the work to mitigate some time during the final accounts. VFM queries have been shared with management as well so that they can start to take a look at them.
- 5.3 Ms Ryan reported that they will start to think about what 2021/22 will look like. Information around the MRP and has been forwarded to their specialist and once information has been received on this, it will be shared with management.
- 5.4 Ms Sunderland queried whether the formal letter has been received and published, which just says that we will not be able

to deliver the opinion by the set date and with some suggested wording. Mr Dale said that he has asked for this to be published.

- 5.5 Mr Harrold asked that it is minuted that the letter was raised at the pre-meet and that consideration will be given for any valuations that needs to take place before the fieldwork, given that it is a very tight deadline to prevent any delays.

**6/21**

## **INTERNAL AUDIT**

### **a. Internal Audit Annual Report 2020/21 (paper)**

- 6.1 Mr Lunn reported that this is the final version as the draft version was presented at the last meeting as there were a couple of issues outstanding.
- 6.2 Mr Lunn said that the reports haven't all been finalised so will just provide an update. There are no significant updates to report other than putting in the opinions and recommendations that will finally be agreed for those ones that were draft.
- 6.3 Ms Charlton raised the issue that it is quite internally focused, it talks about the impacts of COVID on the ability to conclude the plan rather than the impact it has on the Force and PCC. One of the things that could be on the opinion is how the significant assurance level was derived.
- 6.4 Mr Lunn replied that they can only provide the opinion on the work that they have completed so the opinion reflects that. Obviously there has been impact on the organisation and cross cutting in terms of the risks that have changed through the individual audits that have been completed throughout the year.
- 6.5 Ms Charlton raised the issue that there are some inconsistencies in the annual report in that, in some places it refers to the 100-day plan and other places it refers to a 64-day plan.
- 6.6 Mr Lunn said that the is happy to go through the details with Ms Charlton out of this meeting. Ms Sunderland asked that an update be provided at the next meeting.

**Action: Mr Lunn to respond on the queries raised by Ms Charlton at the next meeting.**

- 6.7 Mr Harrold has noticed some inconsistencies in the report in a few places where JARAC is referred to as JARAP, therefore, these errors need correcting.
- 6.8 Mr Harrold said that on Page 8, Section 4, the table referring to plan -vs- budget, it states that 97 days have been delivered but when the number of actual days are added up it comes to 90.

- 6.9 Mr Harrold also referred to the lines of ‘Partnerships’ and ‘Governance’ on the discrepancy of days used, stating that there is no explanation provided or any assurance on what those days are going to be used for.
- 6.10 Mr Lunn apologised for the errors and will amend and provide an updated version of the report.
- 6.11 Mr Harrold raised a query on what data is being shown on page 9, Section 5 Benchmarking. Mr Lunn said they are trying to show how their opinions are changing year on year in terms of numbers of recommendations. Mr Lunn agreed that they are looking at different areas but for example, ones like core financing are completed every year.

#### **b. Internal Audit Progress Report (paper)**

- 6.12 Mr Lunn said that in terms of finishing off 2021 reports there has been a knock on from the impact of COVID which has delayed the finalisation of these reports.
- **Governance** – a satisfactory audit opinion. Ms Sunderland queried about the first recommendation on the timescale for the updated version to be posted on the website and noted that should be completed by today. Mr Peet reported that this is with CC Swann to approve. The PCC office has discussed and agreed it.

Ms Gelderd raised a question on 4.5 Decision Making Policy which hasn’t been agreed as it is felt that there are sufficient procedures in place. Mr Lunn replied that it is more like a housekeeping recommendation.

Mr Dale reported that Ms Romano, Head of Compliance, is working on the final version of our decision-making policy. This can be brought to the JARAC to brief everyone on how the decision-making process work and obtain any feedback.

Ms Sunderland said that the tracker can be updated with this information.

Mr Harrold reported that the ‘‘Contents’’ page of all the reports have printed off over three pages which needs to be amended. Mr Lunn apologised for this and will make sure the reports are tidy before they are published.

Mr Mellor queried 4.2 – Policy and Procedure Review – when the draft was discussed, it was agreed that any control policies and procedures would come to JARAC to review, which is in our terms of reference and asked if the timetable of that rolling review is ready so that it can be discussed for the Forward Plan and what policies and procedures we are going to see at each meeting.



Mr Peet responded that he has been through this with Ms Romano and will make sure something is in place to pick up on this point.

- **IT Security** – significant assurance audit opinion. Mr Lunn reported that this area is usually an area of concern, given the kind of complexities and difficulties that organisations face and it is uncommon to receive significant assurance. It is nice to be able to present this to yourselves.

Mr Harrold raised the issue on what information should be in the public domain around this.

**Action: Mr Allsop to speak to the Force Security Manager for clarity on what information should be in the public domain.**

- **Proceeds of Crime Act & Seized Cash** – satisfactorily assurance audit opinion. There are two areas that needed consideration.

Mr Lunn referred to 4.1 around having a specific POCA implementation plan to set out maximising POCA receipts and a business case has been created and submitted.

Mr Lunn referred to 4.2 on Performance Information regarding reporting back to the appropriate governance forum. Mr Lunn thought that the strategy was a relatively new document and therefore still working on how they are going to report directly against that strategy.

Mr Lunn referred to 4.4 was around ensuring the insurance levels are adequate for the cash it holds.

Mr Mellor referred to Page 50 under Sector Comparison stating he was surprised that there isn't any benchmarking with the partnership forces showing the recovering of funds against some measure. Mr Lunn replied that this has been discussed previously and the outcome is that it is very hard to compare.

Mr Mellor referred to the Business Plan / Model on Page 51 with regard to the timescale noted as December 2021. Mr Peatling responded that there has been a small pilot that was undertaken to tackle the cash and that did show that with extra investment that there could be further opportunities through unexplained wealth orders or account freezing.

- **Partnerships** – significant assurance audit opinion. Mr Lunn reported that the recommendations are mainly just for housekeeping and to improve upon the good control framework that is already in place.

Ms Sunderland suggested that three of the four reports are accepted. The Proceeds of Crime and Seized Cash report to be brought back to the next JARAC meeting with an updated Action Plan.

**Action: Mr Lunn to bring the Proceeds of Crime and Seized Cash report to the next meeting.**

**c. Internal Audit Recommendation (paper)**

The dates agreed for the delivery of 2021/22 reports. Mr Lunn apologised that the final reports are not at this JARAC meeting.

Mr Harrold raised the issue of stock control and whether it is worth considering the review of this in February 2022.

**Action: Mr Lunn will discuss stock control with Mr Dale, Mr Allsop and Mr Peatling and provide an update at the next meeting.**

Ms Charlton said there would be a significant risk if the force is not given the appropriate time to address issues. Ms Sunderland said there had been limited reviews in the past. Mr Dale said he will discuss this with Mr Allsop and Mr Peatling.

**Action: Mr Dale to discuss with Mr Allsop and Mr Peatling the audit reports and appropriate time required to address any issues.**

**7/21 FINANCIAL ASSURANCE**

**a. Financial Monitoring (paper)**

Mr Peatling went through the Financial Monitoring Update 2021/22 in detail. Some key areas included an increase in the number of police officers who are retiring or leaving over and above what our original projections were.

Mr Mellor raised a query on the cancellation of the Call Centre Telephone Replacement Scheme and where the JARAC members need to see the results of the review. Mr Allsop reassured members that this is for the replacement programme rather than a failing system, mainly enhancing the system prior to an upgrade. Mr Allsop also said that although this particular piece of work has been cancelled, the core system with Capita has not changed.

**All Noted**

**8/21 INTERNAL CONTROL AND GOVERNANCE**

**a. Anti-Fraud and Corruption Update (practical demonstration of resources and guidance for officers/staff)**

Mr Allsop reported that a presentation was provided at the last meeting by Richard Lambert, Professional Standards Department, around how they deal with all complaints, investigations, etc for the Force.

Mr Allsop went through the Whistleblowing policy via screen sharing and went through in detail and questions were invited.

Ms Charlton queried if reports are made to staff's line manager for them to deal with and record on the system. Mr Allsop said it was his understanding that they did unless it was an anonymous complaint, if that option was felt the best way for staff to report. Mr Allsop reported there is also the grievance procedure which is the first port of call in most cases.

#### **b. Force Management Statement (incl. Data Quality) – Verbal**

Mr Allsop reported that the Force Management Statement is still in the final draft stage and has not as yet been circulated.

**Action: The Force Management Statement to be discussed at a future JARAC meeting.**

#### **c. Complaints Performance – Paper**

Mr Peet's report is to provide the JARAC with an update on how the PCC has oversight over the handling of complaints against the Force by members of the public. It also provides options for the JARAC to consider the frequency and types of reports they required going forward.

Mr Peet confirmed that any complaints relating to officers under the rank of Chief Constable are dealt with by the Chief Constable. Complaints against the Chief Constable are handled by the PCC as the appropriate authority.

Mr Peet reported that, as discussed at a previous JARAC, a meeting between the PCC and the IOPC was scheduled but this had to be cancelled due to sickness.

Mr Peet's report is hopefully giving members of the JARAC the level of assurance that the PCC are doing what they need to and also said that Mr Lunn has already made reference to this in the Internal Audit report, which is currently in draft form. Mr Peet said that conversations are also being held with Mazars. Mr Peet believes that the report on this is being brought to the next JARAC meeting.

Mr Jenkinson raised the issue on the report and Mr Peet said that the report from Mazars is looking at both the work that the OPCC are doing and also the work that the Force is undertaking.

Ms Gelderd suggested it would be useful to add in Section 4, data on benchmarking against other forces. Mr Peet replied that the

IOPC do produce some data which benchmarks our performance against nation performance, although the information isn't currently great.

Mr Mellor raised the issue on who deals with complaints against the PCC and Mr Peet reported that the Police and Crime Panel are involved.

Mr Mellor queried what data will be bought to JARAC and Mr Peet confirmed that both sets will be combined into one document covering serious complaints discussed with the IOPC and how the Force's complaints procedure is working.

**d. Governance Structure (presentation and discussion)**

ACC Shooter went through the presentation on screen which shows how the force is dealing with the priorities via the Force Improvement Board and the Performance Assurance Board.

Mr Mellor thanked ACC Shooter for the excellent presentation which provides sense behind the governance. Mr Mellor said that one of the things that the JARAC work is for is assurance of how well the organisation is being run.

Ms Sunderland asked ACC Shooter if it would be possible to share the entire slide pack with the members.

**Action: ACC Shooter to share the slides.**

**e. JARAC Member Self-Assessment - paper**

Ms Sunderland said that this report will be deferred to the next meeting.

**Action: PCC Office to add to the agenda.**

**END OF PUBLIC MEETING**

**JOINT AUDIT, RISK AND ASSURANCE COMMITTEE**

**REVIEW OF ACTIONS**

Agenda Item	Report Title and Action Required	Responsible Officer	Progress
6B	<p><b>Interim Audit Progress Report</b></p> <p><b>Collaboration Business Continuity</b>                      To include progress of the management response to Priority 3 recommendations.</p> <p><b>Final Internal Audit memo – Payroll</b>                      Recommendation should say Leicestershire and not Derbyshire.</p> <p><u>6B Interim Audit Progress Report</u></p> <p>06.3 Mr Lunn advised the process for Collaboration audits had been discussed at a meeting of all five Force Audit Committee Chairs. A further discussion had also taken place at a regional Chief Finance Officer meeting. Mr Dale confirmed that the 21/22 plan would be more focussed and specific than the previous thematic approach.</p> <p>06.6 <u>Collaboration Business Continuity</u> – Mr Harrold asked for clarity around the business continuity for EMSOU. Mr Dale confirmed that the findings in the report were justified but he gave assurance to the Committee that most of the actions in Section 4 of the report have been completed. This assurance was echoed by Mr Lunn.</p>	M Lunn	<p>Completed</p> <p>Completed</p>

Meeting of JARAC held on 29 July 2021			
14.2	<p>Group accounts – covering report with these – regs unchanged from previous no change for CIPFA code. Narrative hopefully a more engaging visual report around funding spend and capital programme. Outlook 21/22 – been updated since papers went in. No new risks and accounting requirements.</p> <p>Mr Mellor asked whether the further 35 officers were employed? Mr Allsop agreed to check this and report back.</p> <p><b>Action: Mr Allsop</b></p>	<b>SA</b>	Completed
14.2	<p>Ms Sunderland raised a query regarding the previous year's non distributary costs (page 27) and asked why this had not been repeated.</p> <p>Mr Allsop and Mr Peatling agreed to investigate this and respond to the group</p> <p><b>Action: Mr Allsop and Mr Peatling</b></p> <p><b>Update:</b></p> <p>There were past service gains in 2019/20 on both the LGPS and Police Pension schemes relating to the McCloud judgement, as set out at Note 9. This was because following the 2018/19 accounts process the government announced their proposals for the eligibility criteria for scheme members to receive 'remedy'. These criteria were more restrictive than had been assumed for calculating the costs for 2018/19.</p>	<b>SA/JP</b>	Update provided – see left
14.2	<p>Ms Sunderland commented on the change of position on short term investments where there had been a notable change in the year.</p>	<b>JP</b>	Update provided - see left

	<p>Mr Sunderland commented that on page 41 there is an increase in agency and contracted services between the two years. Mr Peatling to check this detail and feedback to Ms Sunderland</p> <p><b>Action: Mr Peatling</b></p> <p><b>Update:</b></p> <p>Less cash was available to invest at the 31<sup>st</sup> March 2021 compared to 31<sup>st</sup> March 2020. As at 31<sup>st</sup> March 2020, we had short term investments of £7m and £6.56m invested in the Barclays Business Premium Account (BPA). At 31<sup>ST</sup> March 2021 we had no Short Term Investments but £10.2m in Barclays BPA. A reduction of £3.36m in available cash to invest.</p>		
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14.2	<p>Ms Sunderland queried regarding East Midlands Joint Controlled Operations and the significant increase. Mr Peatling to consider and feedback.</p> <p><b>Action: Mr Peatling</b></p> <p><b>Update:</b></p> <p>Derbyshire’s agreed contribution to the regional SOC unit is 26 officers (24 DC’s, 2 DSgts).</p> <p>Prior to 1 April 2020 the costs of SOC unit officers were accounted for under an ‘Officers in-kind’ model. This meant that each force paid for their own establishment of SOC officers, with a once a year cash adjustment to share the costs/benefits of any over- or under-establishments during the year across all 5 forces. The arrangement meant that the cost of Derbyshire’s SOC officers were included as a force cost within the accounts, not a Jointly-Controlled cost. The cost of Derbyshire’s SOC unit officers in 2019/20 was £1,567k.</p> <p>As from 1 April 2020 the region agreed to move to a full cost-sharing/recharging model for the SOC unit, meaning all its operating costs are pooled and recharged back to forces on a formula basis. It was felt that this dealt with any over- or under-resourcing more equitably. Under this arrangement Derbyshire’s contribution to the unit is included within its share of Jointly Controlled Operations costs as from 2020/21.</p>	JP	Update provided – see left
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Meeting of JARAC held on 30 September 2021			
3.2	<p>The minutes of the meeting held on 1 July 2021 were not included in the pack and will, therefore, be approved at the next JARAC meeting on 11 November 2021</p> <p>Action: D Brown for papers</p>	DB	Added to the papers for 11 November meeting
3.2	<p>Completed Action Plan in the pack for November</p> <p>To be added to the next agenda and a completed Action Plan to be sent out for the next meeting</p> <p>Action: D Brown</p>	DB	Added to the Agenda and Action Plan
4.4	<p>Mr Dale raised the issue of capturing the minutes correctly and suggested that going forward the meetings are recorded</p> <p>Agreed that all future meetings to be recorded</p>	AD/DB	Meetings to be recorded
6.6	<p>Ms Charlton raise the issue that there are some inconsistencies in the annual report that in some places refer to the 100 day plan and in other places to the 64 day plan</p> <p>Mr Lunn to respond on the queries raised by Ms Charlton at the next meeting</p> <p>Action: M Lunn</p> <p>Update:</p> <p>M Lunn liaised with Ms Charlton outside the meeting to run through specific to ensure there were addressed n the updated annual report.</p>	M Lunn	Complete

6.12	<p><b>IT Security – Mr Harrold raised the issue on what information should be in the public domain surrounding this.</b></p> <p><b>Mr Allsop to speak to the Force Security Manager for clarity on what information should be in the public domain</b></p> <p><b>Action: S Allsop</b></p>	SA	Completed
6.12	<p><b>Mr Lunn to bring Proceeds of Crime and Seized Cash report to next meeting</b></p> <p><b>Action: M Lunn and D Brown for agenda</b></p>	ML/DB	Added to agenda
6.12	<p><b>Mr Lunn will discuss stock control with Mr Dale, Mr Allsop and Mr Peatling and provide an update at the next meeting</b></p> <p><b>Action: M Lunn, S Allsop and A Dale</b></p>	AD/ML/SA	
6.12	<p><b>Mr Dale to discuss with Mr Allsop and Mr Peatling the audit reports and appropriate time required to address any issues</b></p> <p><b>Action: A Dale, S Allsop, J Peatling</b></p>	AD/SA/JP	Completed
8/21.b	<p><b>The Force Management Statement to be discussed at a future meeting</b></p> <p><b>Action: D Brown to add to agenda</b></p>	DB	Added to agenda for 11 November
8/21.d	<p><b>Governance Structure Presentation – ACC Shooter to share the slides with the group</b></p>		M Shooter on annual leave
8/21.e	<p><b>JARAC Member Self Assessment report to be deferred to the next meeting</b></p> <p><b>Action: D Brown for agenda</b></p>	DB	On agenda for 11 November meeting

**FORWARD PLAN 2021/22**

<b>NOVEMBER 2021</b>		
	IA Progress Report	
	EA Annual Audit Letter	
	Force Risk Management	
	OPCC Risk Management	
	HMIC Activity	
	Financial Monitoring and Planning	
<b>JANUARY 2022</b>		
	Budget Setting Process and Assumptions	
	HMIC Value for Money	
<b>MARCH 2022</b>		
	Internal Audit Progress Report and Confirmation of Internal Audit Opinion 2020/21	
	Strategy for IA and IA Plan 2022/23	
	External Audit ISA 260 Report on 2020/21 Accounts	
	Financial Accounts 2020/21	
	External Audit (EA) Plan 2021/22	
	HMIC Value for Money	
	Year End Accounting Arrangements & Accounting Policies 2021/22	
	Financial Monitoring and Planning	
	HMIC Activity	
	Complaints Performance – Update on meetings with IOPC Rep	
	Force Risk Management	
	OPCC Risk Management	

<b>JULY 2022</b>		
	IA Progress Report	
	EA Progress Report	
	EA Annual Audit Letter 2020/21	
	EA Fees	
	PCC Annual Governance Statement 2021/22	
	CC Annual Governance Statement 2021/22	
	Draft PCC and CC Financial Statements 2021/22	
	Financial Monitoring and Planning	
	HMIC Activity	
	JARAC Terms of Reference	
	JARAC Meeting dates	
	JARAC Annual Report	
<b>SEPTEMBER 2022</b>		
	IA Progress Report	
	HMIC Activity	
	Financial Monitoring and Planning	
	Update on the Complaints Procedure	
	Work Force and Planning	
	Fraud and Corruption Condensed version of the performance pack	
	JARAC Member Self-Assessment (CIPFA Checklist)	
<b>NOVEMBER 2022</b>		
	EA Report ISA 260	
	Draft Letters of Representation	
	Final PCC & CC Financial Statements	



Office of the Police & Crime Commissioner  
for Derbyshire & Derbyshire Police  
Internal Audit Progress Report

Presented to JARAC: 11<sup>th</sup> November 2021

**mazars**

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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 A1 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 ended 31st March 2022, which was considered and approved by the JARAC at its meeting on 25<sup>th</sup> March 2021.

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

### 2020-2021

Per the discussions undertaken at the last JARAC meeting we have liaised with Force to discuss Recommendation 4.2 within the POCA & Seized Cash Audit report, a verbal update will be provided to the committee in the meeting.

The one remaining audit for 20-21 is in relation to the Collaboration Workforce Planning audit, per the last update to the committee the new Head of Occupational Health has had discussions with both internal audit and the lead Chief Finance Officer in regard to the recommendation and subsequent management response. An updated draft report has been provided and the Head of Unit is currently preparing the updated management response before finalisation of this report.

### 2021-2022

We are pleased to present the final report in respect of the 21-22 internal audit plan this being in respect of Complaints Management, see Appendix A4 for full details.

The Core Financial audit at Derbyshire is due to take place during November with the Transport audit planned for delivery in December, the terms of reference have been agreed and key contacts have been identified to ensure the audits remain on schedule for completion.

Furthermore, the dates & scopes for the remaining audits to be completed have been provided to management for agreement, with further details provided in Appendix A1 below.

Since the last meeting of the JARAC where concerns were raised around delivery of the audit plan before end of March 22 a meeting has taken place between Audit, Force & OPCC Chief Finance Officers and the Chair of JARAC to discuss how improvements can be made to the current ways of working. A number of actions have been agreed by management and audit to support the timely delivery of audits and audit reports to JARAC.

Per the last update to the committee the dates for each of the Collaboration Internal Audits have now been agreed with each of the respective collaboration units. Please see Appendix A3 below for full details.



## 03 Performance 21/22



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.	0% (1/1)
5	Issue of final report	Within 5 working days of agreement of responses.	100% (1/1)
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% (7/7)
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	-% (-/-)

## 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)
Complaints Management	06-May-21	23-Jun-21	33	19-Aug-20	24-Sep-21	26	08-Nov-21	31	08-Nov-21	0
Core Financials	06-Oct-21	15-Nov-21	28							
Transport	22-Oct-21	8-Dec-21	33							
Procurement & Contract Management	22-Oct-21	4-Jan-22	49							
Counter Fraud	02-Nov-21	17-Jan-22	51							
Stock Management	02-Nov-21	21-Feb-22	76							
IT Disaster Recovery	27-Oct-21	TBC								

\*Working Days

## A1 Plan overview



21-22

Audit area	Fieldwork Date	Draft Report Date	Final Report Date	Target JARAC	Comments
Complaints Management	23-Jun-21	Sept 21	Nov-21	Nov 21	Final Report Issued
Core Financials Audit	15-Nov-21			Jan 22	Dates Agreed
Transport	13-Dec-21			Mar 22	Dates Agreed
Procurement & Contract Management	03-Jan-22			Mar 22	Dates Agreed
Counter Fraud	10-Jan-22			Mar 22	Proposed Dates & Terms of Reference Issued
Payroll	14-Feb-22			Mar 22	Date aligned to Leicestershire's availability
Stock Control	21-Feb-22			Mar 22	Proposed Dates & Terms of Reference Issued
Information Security	Q4			TBC	IT Manager has reached out to arrange
IT Disaster Recovery	TBC			TBC	ToR Sent, trying to finalise exact date of work

## A2 Reporting Definitions

Definitions of Assurance Levels		
Assurance Level	Adequacy of system design	Effectiveness of operating controls
<b>Significant Assurance:</b>	There is a sound system of internal control designed to achieve the Organisation's objectives.	The control processes tested are being consistently applied.
<b>Satisfactory Assurance:</b>	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.
<b>Limited Assurance:</b>	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.
<b>No Assurance:</b>	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
<b>1 (Fundamental)</b>	Recommendations represent fundamental control weaknesses, which expose the Organisation to a high degree of unnecessary risk.
<b>2 (Significant)</b>	Recommendations represent significant control weaknesses which expose the Organisation to a moderate degree of unnecessary risk.
<b>3 (Housekeeping)</b>	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 21/22

Proposed Summary Operational Plan for Approval				
Audit Area	Days	Forces	Reasoning	Target Start Date
EMSOT Risk Management	6	Leics, Lincs, Northants	As a newly formed unit to get assurance they have this in hand would be beneficial. I can see RR's have been completed which is a good start but reviewing how Risks are managed by the unit as a whole would be beneficial	23 <sup>rd</sup> Mar 22
ESMOT Business Plan	6	Leics, Lincs, Northants	As a newly formed unit having a Business Plan that has been approved and embedded in the way they are working and reporting against would provide assurance	24 <sup>th</sup> Mar 22
EMSLDH Governance	7	Derby, Leics, Northants, Notts	In line with their Strategy a new governance structure is being formed, so audit will seek to get assurance this has been effectively established.	28 <sup>th</sup> Feb 22
EMCJS Performance Management	7	Leics, Lincs, Northants, Notts	Follow up on previous recommendation in this area and a number of risks on their register relate to ability to review performance & relevant MI	6 <sup>th</sup> Apr 22
EMSOU - Business Continuity	5	Five Force	Linked to limited assurance in 19/20 audit in this area for EMSOU.	8 <sup>th</sup> Mar 22
EMSOU - Wellbeing	12	Five Forces	EMSOU: Risks on their register in relation to this. Also due to structure of EMSOU, consideration of how Wellbeing support is aligned/co-ordinated with each Force.	3 <sup>rd</sup> Nov 21
EMSOU Risk Management	8	Five Forces	How does each unit within the EMSOU banner manage risks, how are they escalated and coordinated into an overall EMSOU Risk Register & how are these fed back to home Forces.	27 <sup>th</sup> Mar 22
Asset Management (EMCJS)	6	Leics, Lincs, Northants, Notts	Originally on the outline plan for 21/22. Might need to consider which unit to focus this on though. EMCJS would be my suggestion just looking at current audits outlined above	6 <sup>th</sup> Apr 22
<b>Management and Reporting Activities</b>				
Management	8	N/a	Ongoing	N/A
<b>Total</b>	<b>65</b>			

## A4 Draft Reports

Below we provide the reports issued in draft.



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

## **Final Internal Audit Report 21/22**

**Complaints Management**

**November 2021**

## 01. Introduction

As part of the Internal Audit Plan for 2021/2 for Derbyshire Office of the Police and Crime Commissioner (OPCC) and Derbyshire Police, we have undertaken an audit of the controls and processes in place in respect of Complaints Management. The specific areas that formed part of this review included: Governance Arrangements, Processing of Complaints & Appeals and Performance Reporting.

The fieldwork for this audit was completed whilst government measures were in place in response to the coronavirus pandemic (Covid-19). The fieldwork for this audit has been completed 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 screen sharing functionality to enable us to complete the work

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

## 02. Background

The Policy for handling complaints about the Force is outlined in law under the Police Reform Act 2002 and the Police (Complaints and Misconduct) Regulations 2012. In addition, there is statutory guidance to the police service on the handling of complaints (last update February 2020).

The Police Reform Act advises that complaints can be handled in and outside of Schedule 3. Where complaints are handled outside of Schedule 3, it is usually where the complainant only requires an

explanation or for their concerns to be noted, therefore no set procedure is required to be followed, nor are decisions required to be made in writing.

Where complaints are handed in accordance with Schedule 3, there should be an appointed complaint handler, an audit trail should be maintained of actions taken, terms of reference should be provided, written confirmation of the decision / outcome of the complaint, and the complainant has a right to apply for a review of the outcome.

Whether complaints are dealt with outside of, or, in accordance with Schedule 3, complainants should be updated on the progress every 28 days.

The OPCC handle complaints that are directed towards the Chief Constable, with the Force handling the remainder. Additionally, the OPCC should conduct small scale dip sampling on complaints resolved by the Force. All complaint details are uploaded and managed through the Centurion system. The system has the facility to store relevant correspondence and to create workflows and tasks to ensure that steps in the complaint process are met.

Sample testing was conducted by audit, reviewing complaints received into the Force from January 2021 to date. For the OPCC, all complaints received since January 2021 were reviewed.



### 03. Key Findings

Assurance on adequacy and effectiveness of internal controls	
	<b>Satisfactory Assurance</b>

Priority	Number of Recommendations
<b>1 (Fundamental)</b>	-
<b>2 (Significant)</b>	2
<b>3 (Housekeeping)</b>	2

#### Examples of areas where controls are operating reliably

##### Governance Arrangements

- Complaints management within the Force is governed by statutory guidance, primarily from the IOPC. The OPCC and Force have opted to use Model One<sup>1</sup>.

<sup>1</sup> Defined in the Independent Office for Police Conduct’s ‘Guidance on capturing data about police complaints’ January 2021 as: “All local policing bodies are responsible for carrying out reviews where they are the relevant review body; this is referred to as ‘model one’. Model one is the default model.”

#### Processing of Complaints and Appeals

- The recording, management and processing of complaints is undertaken through the use of the Centurion software, which allow for an audit trail to be maintained.
- The Force and OPCC ensures complaints can be received in a number of forms including via call, letter or via the website.
- Force complaints are initially assessed by the Administration Team using a proforma template (PCR1). This initial assessment outlines how the case handler intends to proceed with each case and ensures segregation of duties for each complaint.
- Before proceeding with a complaint, a decision will initially be made by the Learning and Service Recovery Manager to ascertain if the communication reaches the threshold then it should be categorised as a complaint.
- Complaints within the Force can either be sent for Service Recovery, Local Handling or for Investigation. Complaints received by the OPCC will be initially managed by the Head of Compliance and escalated, if needed, to the Chief Executive.

#### Sample Testing - Force

- Audit performed sample testing of ten complaints resolved through local handling and confirmed that in all instances, where appropriate:

- The complaint was reviewed and recorded on the Centurion system following receipt of the complaint (average of 5.3 days).
- there was acknowledgement made to the complainant,
- the contact details of the complaint handler were provided.
- An outcome letter addressing all allegations was sent prior to the closure of the complaint.
- Audit performed sample testing of five complaints resolved through service recovery and confirmed that in all instances, where appropriate:
  - The complaint was reviewed and recorded on the Centurion system following receipt of the complaint (average of 2.4 days).
  - there was acknowledgement made to the complainant,
  - the contact details of the complaint handler were provided.
  - updates were made in a timely manner.
- Audit performed sample testing of five complaints handled by the Counter Corruption Unit and confirmed that in all instances, where appropriate:
  - The complaint was reviewed and recorded on the Centurion system following receipt of the complaint (average of 8 days).
  - there was acknowledgement made to the complainant,

- a Terms of Reference was provided to the complainant,
- the contact details of the complaint handler were provided.
- Updates were made in a timely manner.
- An outcome letter addressing all allegations was sent prior to the closure of the complaint.

### Sample Testing - OPCC

- Audit performed sample testing of five complaints regarding the Commissioner and confirmed that in all instances, they were processed and resolved in line with statutory guidance.
- Audit performed sample testing of five complaint appeals, (two upheld, three not upheld) that were reviewed by the OPCC confirmed that:
  - The complainant was contacted promptly and every 28 days,
  - The outcome of the decision was communicated, and each allegation was addressed within the outcome letter.
  - Identified learning and actions were communicated to relevant parties.

### Risk Mitigation

- Monthly performance reports are presented at the monthly managers meeting. Derbyshire has a 'no target' culture, whilst internal performance is monitored for trends and fluctuations, no formal target is in place for resolving complaints.

- A review of the internal performance document confirmed that the performance information presented at these meetings is detailed. Further to this, supporting narrative is included within the minutes report that ensures transparency is provided over the reported areas.
- Complaints performance information is also included within the PCC Strategic Assurance Board Report, a document publicly available.

### Risk Management

While there is a basically sound system of internal control, 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.

An overall assessment has been made over the control systems in place for the OPCC and the Force as a whole, however recommendations that have been raised are directed to one of the specific organisations within **section 04** of this report.

### 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.

Through use of the Centurion system, the Force have a software that allows for all information and data in respect of the complaint to be located centrally and in a secure and effective manner. A recommendation has been raised for the Force in respect of not fully utilising this capacity. When fully adopted, there should be benefits through improved efficiency in the complaint management process.

### 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.

Through review of the complaints management systems in place at other Forces, it has been noted that Derbyshire face similar difficulty in ensuring that all relevant and applicable complaints information is recorded on one system. The common theme noted is that communication made with complainants is not consistently recorded, nor sufficiently detailed in the instance that telephone conversations are held.

## 04. 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><b>Local Handling - Regular contact</b></p> <p><i>Observation:</i> The statutory guidance states that complainants should be updated every 28 days. Moreover, when an outcome assessment letter is provided it should include a response to all allegations within the complaint.</p> <p>We reviewed 10 complaints resolved through local handling and identified:</p> <ul style="list-style-type: none"> <li>- One complaint (CO/00875/20) received on the 29<sup>th</sup> October 2020, and initial contact was made on 2<sup>nd</sup> November. The complainant was spoken to on the phone on the 30<sup>th</sup> November 2020, but the complainant was next contacted on the 19<sup>th</sup> January 2021 by letter, a period of 51 days later.</li> </ul> <p>From a review of the outcome assessment letters sent to complainants we identified for two complaints (CO/00970/20 and</p>	<p>The Force should remind staff of the importance of maintaining regular contact with complainants.</p> <p>The Force should ensure that outcome letters address all the allegations included within a complaint.</p>	2	<p>Accepted.</p> <p>Monitoring of responses and contact with complainants is part of the performance pack produced by professional standards and performance is good but a reminder will be issued.</p>	<p>Immediate Professional standards</p>

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	<p>CO/01042/20) that all the allegations raised within their complaint were not included within the outcome letter.</p> <p><i>Potential Risk:</i> The Force does not comply with the statutory guidance when handling complaints.</p>				
4.2	<p><b>Needs Assessment</b></p> <p><i>Observation:</i> Across all testing completed at both the Force and OPCC we identified that Derbyshire do not conduct needs assessments for complainants or confirm that section 6.15<sup>2</sup> of the statutory guidance has been considered.</p> <p><i>Potential Risk:</i> Complainants who may need additional assistance are not suitably supported as per 2.10- 2.20 and 6.15 of the statutory guidance<sup>3</sup>.</p>	All complainants should have either a needs assessment or evidence that the statutory guidance has been considered on record.	3	The OPCC does not conduct a needs assessment as such however, as part of the complaint review acknowledgement we make complainants aware that if they have an additional needs under the Equality Act 2010, they should make us aware so that we can consider those additional needs and where reasonable make appropriate adjustments for complainants.	Immediate

<sup>2</sup> 6.15 – ‘Complaint handlers should consider whether a complainant has any additional needs to enable them to participate effectively in the process (see Chapter 2), and, should, where possible make any adjustments reasonably required.’

<sup>3</sup> Statutory guidance on the police complaints system 2020

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
				The Force do not currently needs assess complainants. However, PSD have confirmed that they will also put the same paragraph in their complaint letters and include a reminder to officer in the complaint handling guidance so that officers consider the needs of complainants when handling complaint investigations.	
4.3	<p><b>Service Recovery</b></p> <p><i>Observation:</i> We sample tested five complaints resolved through service recovery and identified that for one complaint (CO/00536/21) an outcome letter was not sent to the complainant prior to the closure of the complaint.</p> <p>The Force stated that a call had been made to the complainant to resolve the case, but no evidence of what was discussed in this call could be provided.</p>	Staff should be reminded that all complainants should receive an outcome letter prior to the closure of their complaint.	3	Accepted. Monitoring of responses and contact with complainants is part of the performance pack produced by professional standards and performance is good but a reminder will be issued.	Immediate Professional standards

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	<i>Potential Risk:</i> The complainant is not formally notified that their complaint is resolved, and the allegations are not clearly addressed.				
4.4	<p><b>OPCC – Dip Sampling</b></p> <p><i>Observation:</i> Dip sampling should be performed by the OPCC over complaints that are processed by the Force. The dip sampling considers various aspects of the statutory guidance and assesses the compliance to this, as part of the complaint’s management process.</p> <p>We identified that dip sampling is not currently being completed by the OPCC and was last completed in early 2020.</p> <p><i>Potential Risk:</i> Insufficient evidence that complaint handling guidance is followed by the Force.</p>	The OPCC should complete Dip sampling from finalised complaints to ensure that the relevant statutory and internal guidance has been followed.	2	Dip sampling of closed Stop Search and Discrimination are now back to being conducted on a monthly basis. Dip sampling did cease temporarily due to staffing issues within the Constabulary’s PSD but this issue has now been resolved fully.	Immediate.

## Audit Information

Audit Control Schedule	
<b>Client contacts:</b>	Marie Romano, Head of Compliance
<b>Internal Audit Team:</b>	David Hoose, Partner
	Mark Lunn, Internal Audit Manager Eva Tibbits, Senior Internal Auditor
<b>Finish on Site / Exit Meeting:</b>	19 <sup>th</sup> August 2021
<b>Draft report issued:</b>	24 <sup>th</sup> September 2021
<b>Management responses received:</b>	8 <sup>th</sup> November 2021
<b>Final report issued:</b>	8 <sup>th</sup> November 2021

### Scope and Objectives

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

#### Governance Arrangements

- There are effective governance arrangements in place for the investigation and resolution of complaints that includes defined

roles and responsibilities, senior oversight and reporting arrangements.

- There are clear procedures in place that support the complaints handling process and these are in line with the Police Reform Act 2002, Police (Complaints & Misconduct) Regulations 2012 and any other relevant legislation and good practice.

#### Processing of Complaints & Appeals

- There is a mechanism for accurately recording complaints information and adequate information is collected from the complainants.
- Complaints are correctly assessed and dealt with in accordance with the relevant legislative and procedural requirements.
- The complaints management process meets the objective of addressing the concerns of the complainants and/or satisfies them that they have been listened to and treated fairly, even if the outcome is not what they were seeking.

#### Performance Reporting

- There are key performance indicators and internal targets in place for the complaint's management process.
- There are processes in place to review closed complaints cases to confirm they have been completed accurately and correctly.
- Robust performance information is produced that enables the Force and OPCC to effectively manage the complaints process and provide assurance that complaints have been handled in line with requirements.



The objectives of our audit were to evaluate the adequacy and effectiveness of the Complaint Management system 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 Complaint 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.

## A5 Statement of Responsibility

We take responsibility to the Office of the Police & 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.

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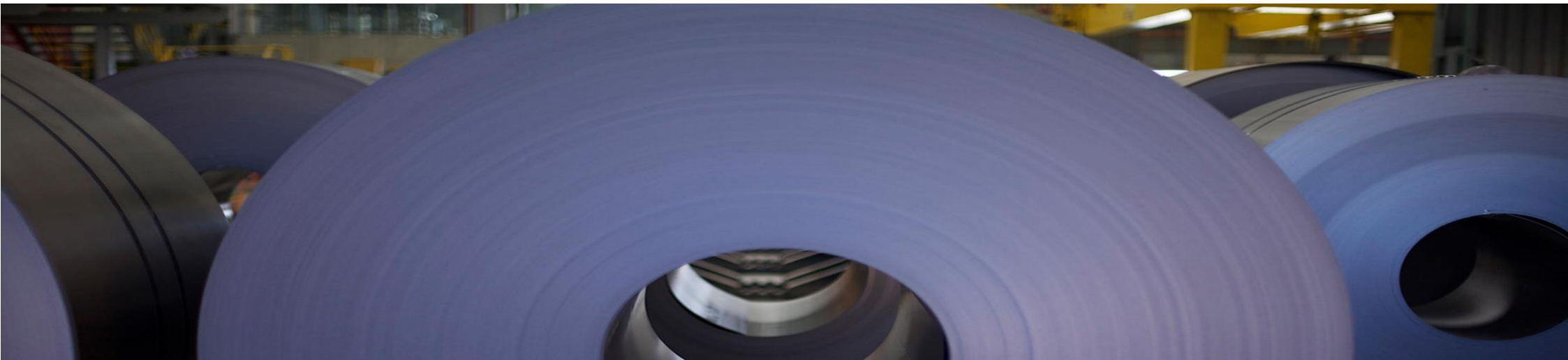
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Office of the Police and Crime Commissioner for Derbyshire and  
Derbyshire Police

**Final Internal Audit Report**

**Proceeds of Crime Act & Seized Cash**

**September 2021**

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## 01. Introduction

As part of the Internal Audit Plan for 2020/21 for the Office of the Police and Crime Commissioner for Derbyshire and Derbyshire Police, we have undertaken an audit of the controls and processes in place in relation to the proceeds of crime handling.

The specific areas that formed part of this review included: policies and procedures; training; cash and assets processing and storage; funds reconciliations; and performance monitoring.

The fieldwork for this audit was completed whilst government measures were in place in response to the coronavirus pandemic (Covid-19). The fieldwork for this audit has been completed and the agreed scope fully covered. Whilst we had to complete this audit almost entirely remotely, we have been able to obtain all relevant documentation and/or review evidence via screen sharing functionality to enable us to complete the 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.

## 02. Background

The Proceeds of Crime Act (POCA) 2002 was enacted following the publication on 14 June 2000 of new government policy as set out in the Performance and Innovation Unit's report "Recovering the Proceeds of Crime". It deals with a wide range of matters relevant to UK law on proceeds of crime issues. These include confiscation orders against convicted individuals (requiring payment to the State based

upon the benefit obtained from their crimes), civil recovery of proceeds of crime from unconvicted individuals, taxation of profits generated from crime, UK anti-money laundering legislation, powers of investigation into suspected proceeds of crime offences, and international co-operation by UK law enforcement agencies against money laundering.

The Act has been amended since 2002, most particularly by the Serious Organised Crime and Police Act 2005, the Serious Crime Act 2007 and the Serious Crime Act 2015.

The money laundering provisions in Part 7 of the Act are supported by the UK Money Laundering Regulations 2007.

Amongst other things, the 2002 Act simplified the conviction of criminals suspected of money laundering because prior to it being enacted prosecutors had to work with two different statutory regimes: the Drug Trafficking Act 1994 for laundering of the proceeds of drug trafficking, and the Criminal Justice Act 1988 as amended by the Criminal Justice Act 1993 and the Proceeds of Crime Act 1995 for proceeds of other crimes. In essence, prior to the implementation of the 2002 Act, a prosecuting lawyer had to prove that the monies or assets were the proceeds of crime and also what 'type' of crime the proceeds came from (i.e. either drug crime or non-drug crime). The 2002 Act removed the need to make a distinction between these types as the source of the proceeds in relation to alleged money laundering in the UK commencing after 24 February 2003.

The Proceeds of Crime Act 2002 (POCA) creates opportunities to remove cash (and other assets) from criminals. POCA contains the 'money laundering' offences (Sections 327, 328 and 329 POCA) along

with establishing separate civil powers for the search, seizure, detention and forfeiture of cash to the value of £1,000 or more, suspected of being the proceeds of crime, or intended for use in criminal activity (Sections 289, 294 and 295 POCA).

The Home Office operates the Asset Recovery Incentivisation Scheme (ARIS) where a proportion of the recovered assets is returned to the agency(ies) that recovered it.


Under ARIS guidance, POCA funding received from the Home Office should be used by police forces to drive up performance on asset recovery and, where appropriate, to fund local crime fighting priorities for the benefit of the community. There are two routes for securing POCA monies under the ARIS scheme, Confiscation Orders and Cash Forfeitures.

A Confiscation Order is made following a criminal prosecution leading to conviction and any assets that are owned by the criminal that are from the benefits of crime can be confiscated and monies generated are split between the Government (50%), Force or Agency (18.75%), Prosecution Service (18.75%) and Enforcement (12.5%). There are two types of Confiscation Order, the first is a defined benefit and the second is a lifestyle benefit.

The defined benefit order is the total value of the benefit derived from the crime and maybe the total value of the one crime that the individual was convicted of. If the Force have secured these funds as part of the investigation then they confiscate under this order. The lifestyle confiscation order is a calculation made by the court in view of proceeds of crime over the last six years and can be a figure in the millions.

The Force's Financial Investigations Unit has a mandate to pursue, under POCA, individuals potentially benefiting from the proceeds of crime. The Unit currently comprises of a Detective Inspector, Detective Sergeant, four Detective Constables, six Police Staff Financial Investigators and one Police staff Financial Intelligence officer.

### 03. Key Findings

Assurance on adequacy and effectiveness of internal controls	
	<b>Satisfactory Assurance</b>

Priority	Number of Recommendations
<b>1 (Fundamental)</b>	-
<b>2 (Significant)</b>	2
<b>3 (Housekeeping)</b>	2

#### Examples of areas where controls are operating reliably

##### Strategy

- The Economic Crime Unit, responsible for POCA, have a five year strategy in place. The strategy caters for the organisational approach to Fraud / Financial Crime and the investigation and intelligence capability across the organisation in line with our purpose, principles and priorities.
- The strategy highlights that the ECU, is split into three sub-units with the Financial Investigation Unit (FIU), being responsible for dealing with civil asset seizure, confiscation

and restraint powers under The Proceeds of Crime Act 2002 (POCA).

- The Strategy has a four ‘P’ approach – Pursue, Prevent, Protect & Prepare under which it sets out the activities and measures that will be utilised by the Force.

##### Policies & Procedures

- The Force have a Proceeds of Crime – Seizure of Cash Policy in place the aims are clearly stated to ‘*maximise operational efficiency in relation to the seizure and recovery of cash that is derived from unlawful conduct*’.
- The policy sets out the relevant legislation that is applicable and provides officers with procedures to be followed in specific situations such as – finding large amounts of cash and actions following immediate seizure of cash.

##### Security handling of Seized Cash

- The Proceeds of Crime – Seizure of Cash Policy instructs the officers on how the cash should be handled before being brought into Polices stores for secure storage.
- A separate Seized Cash Procedure is in place that instructs officers on the processing of the seized cash under the POCA or PACE legislation.

##### Communication & Training

- The FIU have provided training to front line officers including as part of new officer induction process. Moreover, they have carried out an exercise to train officers within divisions to carry



out some of the initial checks normally done by the FUI to try increase efficiency and effectiveness of operations.

- Guidance is also available for all staff and officers via the intranet system where a section for financial investigation support has been created.

#### Management / Performance Information

- A monthly and quarterly information report is produced by the ECU that summarises the POCA cases being worked by the unit.

#### Governance Structure

- The ECU is part of the Crime Support directorate at the Force that is overseen by a detective chief superintendent. The POCA stats are emailed across the directorate for oversight.

#### Continuous Improvement / Collaboration

- There is a regional fraud and money laundering tactical group that is attended by the other Forces in the region and the regional collaboration EMSOU unit so best practice and issues can be shared.

## Risk Management

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.

The Force receive a portion of income back via the ARIS scheme for confiscating monies under the Proceeds of Crime Act, therefore there is a financial incentive for the Force to maximise its POCA receipts. Whilst a unit at the Force takes responsibility for POCA we noted no focused plan or approach to maximise these receipts and therefore there is an opportunity risk of not securing as many receipts as possible (Rec 4.1).

Through lack of performance management this increases the risk that poor performance is not identified and addressed in a timely manner by the Force. We noted that some management information is produced but is not widely reviewed and that delivery of the strategy is not being reported against (Rec 4.2).

The Force has put in place a policy and procedure for how it will deal with the seizure of cash, however audit noted that improvements could be made in communicating the approach and ensuring it is adhered too, therefore reducing the risk of holding inappropriate levels of cash in stores (Rec 4.3).

Whilst the Force has insurance levels in place for the cash it holds, there is an increased risk of breaching the insurance levels when cash is held for longer than necessary. Moreover, the Force need to

consider the impacts of holding any cryptocurrencies within their stores (Rec 4.4).

## 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 noted that the Financial Investigation Unit provide detailed training to officers including how to carry out some preliminary checks that would normally be done by the officers in FIU. This is an efficient way of working and speeds up the processing of some cases.

## Sector Comparison

From our experience across our client base, we are seeing pressure put on resources and finances. These restraints have placed even greater pressure to secure value for money in key activities.

It is difficult to compare this topic across the Forces in region as the approach to POCA can vary. However, the Force are part of a regional tactical group that provides the opportunities to discuss any best practices that are identified.

## 04. 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><b>Specific POCA Plan</b></p> <p>The ECU have a 5 year strategy document that does includes activities and measures for delivery.</p> <p>However, audit note that there is not currently an implementation plan or agreed strategy that is to be used for pursuing and maximising POCA receipts.</p> <p>It is noted that resources / capabilities within the ECU could restrict the desired approach and audit were informed a business case is being prepared to increase resources.</p> <p><i>Potential Risk:</i> The Force misses' opportunities to secure POCA receipts</p>	<p>The Force should put in place a specific POCA implementation plan that sets out the approach to maximising POCA receipts.</p> <p>Once in place this should be reported against to ensure delivery.</p>	3	<p>A Business Plan / Model has been created and submitted for consideration. This demonstrates the opportunities for additional receipts through Unexplained Wealth Orders. The Unit would require additional resources but would be a spend to save initiative to produce a net saving.</p> <p>This will be reviewed as part of the Cost of Policing Programme.</p>	<p>DI Jim Carver</p> <p>ECU Unit</p> <p>Dec 2021</p>
4.2	<p><b>Performance Information</b></p> <p>It has been noted that the ECU produce a monthly and quarterly set of POCA stats for the Force that are emailed internally within the</p>	<p>The performance stats should be regularly reported to the</p>		<p>POCA stats are distributed within ECU and to the Senior leadership team on both</p>	<p>Current reporting arrangements are considered appropriate with</p>

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	<p>ECU as well as other departments and to all senior leadership teams on both BCU's and Crime Support.</p> <p>However, to ensure effective oversight this should be reviewed at the appropriate governance forum to ensure scrutiny of performance takes place.</p> <p>It was also noted that whilst the ECU Strategy sets activities and measures, there has been no performance reports on delivery of the strategy to date.</p> <p><i>Potential Risk:</i> Poor performance is not identified and addressed in a timely manner</p>	<p>appropriate governance forum.</p> <p>An annual report on delivery of the ECU Strategy should be produced and presented to the appropriate governance forum.</p>		<p>BCU's and Crime Support. ACC SHOOTER is also included. This allows individual departments to monitor how much work their teams are putting through to FIU and take appropriate action if need These updates go to all three BCU command teams including the ACC, to allow senior leaders to monitor the performance of their departments. This would include performance reporting against the ECU Strategy with Exception reports escalated to the Performance Assurance Board</p> <p><u>Update November 2021</u></p> <p>It has been agreed that the POCA Performance</p>	<p>suitable escalation where necessary</p>

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
				<p>reports will be within the Divisional Performance Reports and quarterly updates to the Performance Assurance Board for a strategic overview. Work has commenced to review the contents of these reports.</p> <p>The ECU Strategy is to be reviewed and a new Delivery Plan will be included to set out and strengthen the governance and performance reporting framework. An update and presentation will be given to a future Audit Committee meeting to provide the appropriate assurance to members that the recommendations made within the audit have</p>	<p>December 2021 DI Jim Carver</p> <p>March 2022 Chief Inspector Emlyn Richards DI Jim Carver</p>

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
				been adequately addressed - this will include an update on the work undertaken on the plan to maximise the POCA receipts.	
4.3	<p><b>Seized Cash Policy &amp; Procedure</b></p> <p>The Force have a Proceeds of Crime – Seizure of Cash Policy which provides guidance on the legislation used in the seizure of cash. In addition, a Seized Cash Procedure document has been produced by Finance to ensure a consistent approach is followed.</p> <p>To ensure cash is held under the right legislation and can be banked accordingly, thus preventing large amounts of cash from being held in stores, it requires a coordinated approach by officers, the stores, FIU and the finance department.</p> <p>Per rec 4.4, it was noted cash can be held longer than necessary therefore this indicates the guidance isn't always being adhered to.</p>	<p>The Seized Cash Procedure documented should be communicated to key staff to remind them of the correct process to be followed.</p> <p>Consideration should be given to combining the policy and procedure into a single document for ease of use.</p>		<p>A draft flow chart has been issued setting out the guidance for the treatment of seized cash This has been agreed and is being implemented across the ECU</p>	<p>DI Jim Carver Economic Crime Unit October 2021</p>

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility
	<i>Potential Risk:</i> The Force do not process seized cash in a timely manner				
<b>4.4</b>	<p><b>Insurance &amp; Cryptocurrency</b></p> <p>The Force currently has an insurance limited in place for the cash that it holds once seized. However, as cash can be seized uncounted at times it is unclear if the Force are breaching their insurance limit with the cash that it holds.</p> <p>Audit were informed that a new saferoom store is being developed and once this is established the insurance will be reconsidered.</p> <p>Audit also noted through discussion with key contacts during the review that seizure of cryptocurrency is on the rise. These seizures are on digital devices but could have a very large value. There is currently no guidance on how the Force should handle and store cryptocurrency.</p> <p><i>Potential Risk:</i> The Force are not covered for any losses of cash from its stores</p> <p>The Force do not adequately protect high value items that are seized</p>	<p>The Force should review it insurance levels to ensure it is adequately covered for the cash it holds.</p> <p>The Force should review and consider appropriate storage for digital devices that hold Cryptocurrency. An agreed approach should be documented and then communicated.</p>	2	<p>This is being reviewed as part of the new strong room – a site visit with the Insurers is arranged for Sept to establish the security requirements and levels of insurance for cash held on site.</p> <p>Crypto currency held in digital wallets can be either hardware based or web-based. Guidance on the safe storage of devices holding crypto currency will be undertaken and where appropriate incorporated into working practices and policy.</p>	<p>Jon Peatling Head of Finance November 2021</p>

## A1 Audit Information

Audit Control Schedule	
<b>Client contacts:</b>	Andrew Dale, Chief Finance Officer OPCC
	Simon Allsop, Chief Finance Officer Force
	Jon Peatling, Head of Finance & Business Support
	Det Insp Jim Carver, Economic Crime Unit
<b>Internal Audit Team:</b>	David Hoose, Partner
	Mark Lunn, Internal Audit Manager
	Moosa Bahadur, Senior Internal Auditor
	Jack Sanderson, Internal Auditor
<b>Last Information / Exit Meeting:</b>	22 <sup>nd</sup> July 2021
<b>Draft report issued:</b>	23 <sup>rd</sup> July 2021
<b>Management responses received:</b>	17 <sup>th</sup> September 2021
<b>Final report issued:</b>	21 <sup>st</sup> September 2021

### Scope and Objectives

The audit objectives are to provide assurance that:

- The Force have an appropriate strategy or delivery plan in place for maximising POCA receipts.
- Policies and procedures are in place for maximising POCA receipts via cash forfeiture and confiscation orders.
- There are appropriate procedures in place for the secure handling of seized cash and it is safely stored and banked in line with the relevant guidance.
- Effective communications and training arrangements are in place in respect of Officers so that opportunities for cash forfeitures and confiscation orders under POCA are maximised. Moreover, Officers are aware of the correct seized cash handling procedures.
- Management information is complete and timely and supports the objective of driving up POCA performance.
- The Force has appropriate governance structure in place for the effective oversight and scrutiny of POCA performance including alignment to strategies or plans.
- The Force takes all opportunities for sharing best practice with other Forces, including ensuring lessons are learnt from their own cases to ensure continuous improvements can take place.
- The Force has clear and consistent arrangements in place for liaising with the regional collaboration units and its neighbouring Forces in respect of the POCA approach.

The objectives of our audit were to evaluate the adequacy and effectiveness of the management of POCA & Seized Cash 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 Governance 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.

Definitions of Assurance Levels		
Assurance Level	Adequacy of system design	Effectiveness of operating controls
<b>Significant Assurance:</b>	There is a sound system of internal control designed to achieve the Organisation's objectives.	The control processes tested are being consistently applied.
<b>Satisfactory Assurance:</b>	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.
<b>Limited Assurance:</b>	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.

<b>No Assurance:</b>	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.
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Definitions of Recommendations	
Priority	Description
<b>Priority 1 (Fundamental)</b>	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.
<b>Priority 2 (Significant)</b>	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
<b>Priority 3 (Housekeeping)</b>	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

## A2 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.

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

Internal Audit Annual Report

Prepared by: Mazars LLP

Date: November 2021

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### 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.

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# 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 2020/21, the scope and outcome of work completed, and incorporates our annual statement on internal controls assurance.

Despite the restrictions imposed as a result of Covid-19, the Police & Crime Commissioner for Derbyshire & Derbyshire Police retained a full scope internal audit service for 2020/21 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.

As a result of the government restrictions from March 2020, we were unable to conduct internal audit engagements on site. We therefore undertook visits during 2020/21 remotely. In some cases, this has impacted on the scope of work undertaken. Detail of this has been provided where applicable in Section 02.

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 2020/21 was considered and approved by the JARAC on 2<sup>nd</sup> April 2020. In total the Plan was for 100 days, including 14 days of Audit Management.

The impact of the Covid-19 lockdown(s) has posed several challenges to the internal audit process and the move to remote auditing has caused some initial delays in setting dates when the audits will be carried out. Both parties have worked hard to ensure the audits could be completed and Mazars have regularly communicated with the Force and OPCC, which has enabled us to make good progress against the plan to date.

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 in addition appendix A1 also 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 OPCC Chief Executive, 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.

## Reliance Placed on Third Parties

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.

## Impact of COVID-19

During the year, we have consulted and informed management through regular liaison with the Force & OPCC CFO's and the Joint Audit, Risk & Assurance Committee (JARAC) about changes to the plan and internal audit reviews to take account of the impact of Covid-19 on the organisation and the changing risk landscape. There was an impact on our ability to conduct a number of audits in the Plan over the period, as highlighted above.

During 2020/21, the Covid-19 pandemic impacted on the provision of internal audit services as follows:

- Our fieldwork testing and interviews were conducted remotely, specifically via video conferencing, screen sharing and email, with no onsite testing completed due to national restrictions.
- Our interaction with management and attendance at JARAC has been via video conferencing, again due to national restriction; and
- Our ability to complete all audits in the original plan

The Force had to deal with a changing risk environment during 2020/21 as it dealt with the Covid-19 pandemic. Operationally it had to deal with availability of officers but through our observations at the JARAC the risks of not having enough officers available did not crystallise and in fact saw decreases in levels of unavailable officers.

Audit communicated regularly during the pandemic to discuss changing working environment and associated changes to control environments. For example discussion were held around the controls for moving to electronic signatures from physical due to remote working. Moreover the JARAC also raised concerns around the increasing risks around IT in light of remote working and the IT Audit originally planned (Disaster Recovery) was re-scoped to cover Cyber Security.

It was agreed with management that the rest of the original plan remained aligned to current risks and through the scoping of each audit the control environment changes due to covid-19 were discussed and it was ensured these were covered during each audit.

## 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.

Certain weaknesses and exceptions were highlighted by our internal audit work, these matters have been discussed with management, to whom we have made recommendations, some 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 Sections 03.

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

### Corporate Governance

In respect of Corporate Governance, we have undertaken an audit of Governance as part of this years plan. The audit covered Corporate Governance Framework, policies and procedures, roles and responsibilities; and decision-making. A satisfactory opinion was provided and whilst some improvements could be made we did not find any wholesale issues with governance in this audit. Moreover, 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 housekeeping recommendation's made in the year linked to governance in particular the audits of POCA/Seized Cash and Victim Support where oversight of performance information could be improved upon.

### Risk Management

In respect of Risk Management while not directly assessed as part of the Plan, this was informed by consideration of this area through our individual assignment. Our opinion was 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.

Audit observed regular discussions on the changing risk landscape through the JARAC meetings with a focus on the impacts of Covid-19 across the organisations, with regular updates from the DCC on how the Force were dealing with the situation and it was noted risk mitigation actions take meant risks had not crystallised.

During the course of delivering the 2020/21 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 9 audits undertaken, where a formal assurance level was provided, 5 received a significant level of assurance and 4 audit received a satisfactory level of assurance. To date no audits have been issued with limited assurance.

We have made a total of 26 new recommendations during the year at the Force and OPCC, with 7 recommendations categorised as Priority 2 and 16 were Priority 3.

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 as the recommendations raised were done so to improve the existing frameworks or highlight areas of non-compliance within the current control environments. One key area of risk was in relation to IT Security given the reliance placed on new remote working practices and it was pleasing to see a Significant level of assurance during our audit of this area.





## 03 Internal Audit Work Undertaken in 2020/21

The Internal Audit Plan was for a total of 100 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		
01.20/21	Core Financials	STR1192 Financial resources insufficient to fund pressures	Significant	-	-	3	3	3	-
02.20/21	Governance	STR1422 Organisational Resilience	Satisfactory	-	2	3	5	4	1
03.20/21	IT Security	STR1960 Cyber Attack	Significant	-	-	1	1	1	-
04.20/21	Partnerships	STR0016 Partner disinvestment in key services, STR1979 working to provide strong and effective partnership working	Significant	-	-	3	3	3	-
05.20/21	Payroll	STR1192 Financial resources insufficient to fund pressures	Significant	-	1	-	1	1	-
06.20/21	POCA & Seized Cash	STR1192 Financial resources insufficient to fund pressures, STR1088 Corruption or inappropriate actions of police officers and staff	Satisfactory	-	2	2	4	4	-
07.20/21	Project Management	STR1088 Corruption or inappropriate actions of police officers and staff	Significant	-	1	-	1	1	-
08.20/21	Victim Support	STR1978 Failure to deliver single CORE Victim Service	Satisfactory	-	1	2	3	3	-
09.20/21	Workforce Planning	STR108 Insufficient Staffing Levels to meet demand, IS00013 Skills & Staffing Shortages	Satisfactory	-	-	2	2	2	-
	<b>Total</b>			-	<b>7</b>	<b>16</b>	<b>23</b>	<b>22</b>	-

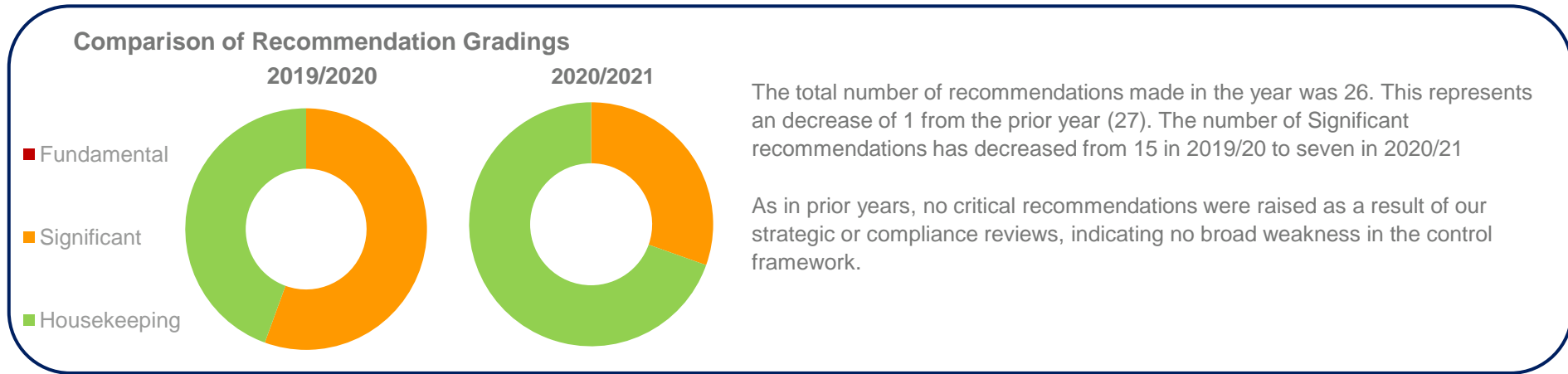
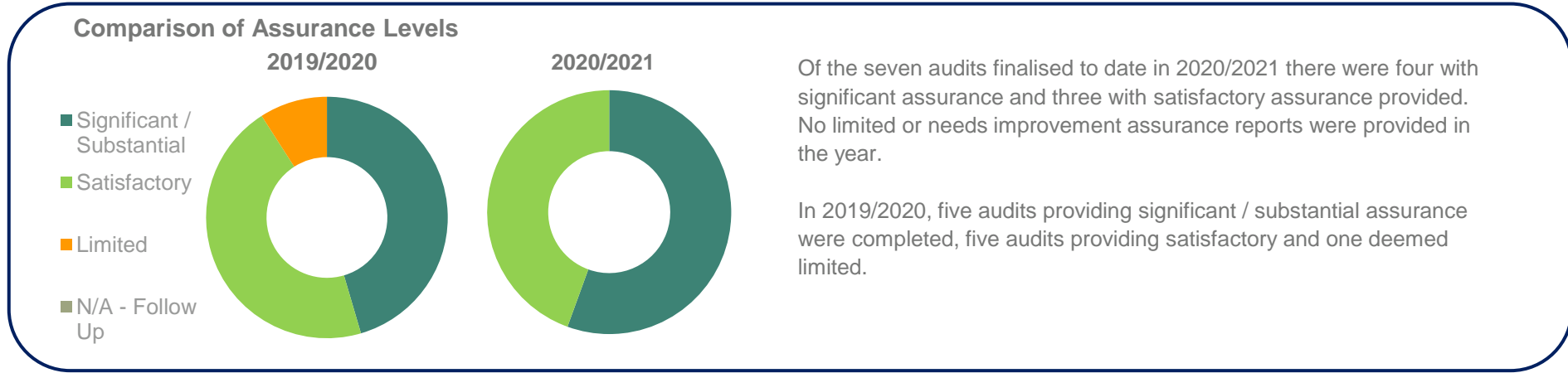
## 04 Internal Audit Plan 2020/21 vs Actual

The Internal Audit Plan was for a total of 100 days, with all reviews in the plan except one being completed during the period, resulting in 97 days of the plan being delivered.

Audit area	Planned days	Actual Days	Difference	Status
POCA & Seized Cash	7	7	-	
Project Management	8	8		
Workforce Planning	8	8		
Victim Support	8	8		
Partnerships	7	7		
Core Financials	14	14		
Payroll	5	5		
Governance	8	8		
IT Audit	8	8		
Collaboration	10	7	3	3 days rolled forward into 21/22 IA Plan
Follow Up	3	3		
Management	14	14		
<b>Total</b>	<b>100</b>	<b>97</b>		

# 05 Benchmarking

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



# 06 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

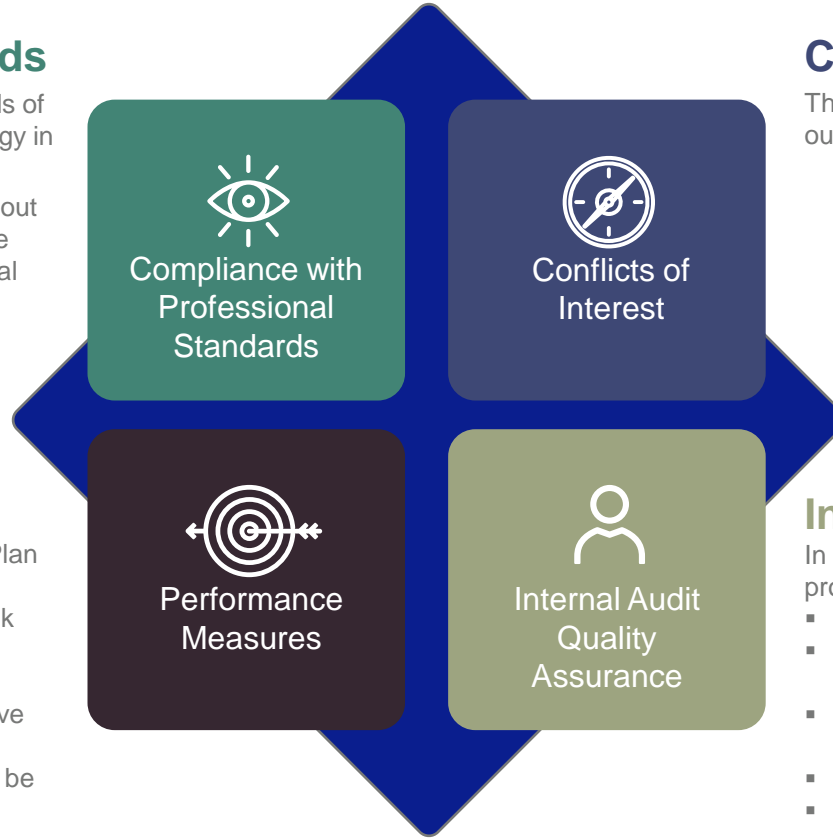
We employed a risk-based approach to determining the audit needs of Derbyshire at the start of the year and use a risk-based methodology in planning and conducting our audit assignments.

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. A number of new performance measures were agreed at the April 21 JARAC and will be continued to be monitored.



## 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.

## 06 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.



# Contact us

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## JARAC – INTERNAL AUDIT RECOMMENDATION MONITORING

Contact	REF NO.	Audit / Recommendation	Priority	Recommendations		Update date	Update
				Agreed Implementation Date	Responsible Officer confirmed not Implemented		
<b>Craig Myhill</b>	<b>4.2</b>	<p><b>Policy Review</b>                      The Evidential Property Policy review should be completed and the updated version reviewed and approved by the relevant body/senior officer.                      Transportation from temporary stores at outlying sites to the permanent stores should also be covered in the guidance in order to set out clear processes for this.                      In addition the various Niche guides should be made available to staff via the intranet.</p>	P2	October 2020		<p>August 2020 (J Peatling)</p> <p>Update to meeting 15 October</p> <p>Update J Peatling 30/10/21</p>	<p>Falls under the remit / ownership of Head of Finance and Business Support but due to staff issues this has not been completed. 4 major changes to workloads / ownership have taken place in the last 12months within the Operational Dept (Major Crime, Forensics, Drugs, Large Warrants) which means the policy cannot be simply amended but will have to be re-written in large parts.                      Target date of end Oct for first draft.</p> <p>The Policy review will be delayed by approx. 1 month. Update to be provided at next meeting.</p> <p>The Evidential Property Policy has been reviewed and revised for changes in working practices. A national NPCC Guidance Paper was issued in February relating to the Management and Retention of Physical and Digital Evidence. Our Property Policy is therefore being reviewed further to ensure compliance with the national guidance.</p> <p>The expected timescale for completion and circulation of the new policy is within the next 4 to 6 weeks.</p> <p>The evidential property policy has been updated and is awaiting publication on connect. <b>ACTIONED AND CAN BE CLOSED</b></p>

	<p><b>4.3</b></p>	<p>The Exhibits Team should work with the Digital Forensics Unit to update the property items listed in Niche as 'tagged' to ensure the system is correctly stated.</p> <p>For the items identified through audit testing, the Niche system should be updated to ensure the system is correctly stated.</p>	<p>P2</p>	<p>31 December 2020</p>		<p>Update J Peatling</p>	<p>Agreed that there are issues with the use of Niche by the Digital Forensic Unit.</p> <p>The responsibility lies with The Digital Forensics Unit and the Forces policy is that Niche should be the Primary recording system. This is also being picked up regionally as part of the 2020/21 audits. The Joint Director of Finance and the Assistant Chief Constable will be looking to develop the Force Strategy in this area.</p> <p>As a department everything Property send to DFU is accurately recorded, however, as the DFU do not use the regional Niche system as an exhibit</p> <p>recording tool the exhibits teams have no idea if / when these items will come back into their possession or if items have been return to owners or destroyed.</p> <p>The lack of Niche use, and a lack of timely return of exhibits is creating the challenges.</p> <p>The DFU exhibits are not tracked on Niche once they leave the Evidential Property Store</p>

					30/10/21	- an audit process has been introduced to regularly review the location and status of these exhibits. <b>ACTIONED AND CAN BE CLOSED</b>
Muhammad Patal	4.2	<b><u>Business Continuity Plans - EMSOU</u></b>  EMSOU should ensure that BC Plans across the unit are in place and up to date. Once the Plans are up to date the unit should ensure that they are regularly reviewed and updated, it should be considered that the Risk, Assurance & Compliance Meeting are provided with oversight to ensure that the review and updates take place.	P2	April 2021		Update M Patel 30/10/21  BC Plans have now been written and approved by Notts BC Manager. A test exercise has taken place and we have requested for EMSOU to be included in the Notts testing timetable  <b>ACTIONED AND CAN BE CLOSED</b>
Muhammad Patal	4.3	<b><u>Business Continuity annual testing/exercises</u></b>  EMSOU SOC, EMCJS and EMCHRS OHU should carry out testing/exercising of all Business Continuity Plans on a regular basis to ensure they remain fit for purpose. Consideration should be given for the Force BC Managers to assist all the collaboration units with	P2	April 2021  April 2021		Update M Patel 30/10-21  <b>EMSOU</b> As above we have introduced testing for BC plans. The EMSOU Support Manager will coordinate the testing for EMSOU SOC in consultation with Notts Police. The frequency of testing will also be consistent with Notts police  Once the initial test exercise (as above) has taken place and the plans are confirmed regular tests will take place. The EMSOU BSU Manager will manage this process in conjunction with Notts Police.

<p>Mark Harrison</p>		<p>appropriate tests of their plans e.g. desktop-based exercises.</p>				<p>Update M Harrison 30/10/21</p>	<p><b>EMCJS:</b>                  A review of business continuity, including who is responsible for the testing of it and the frequency required forms part of the wider EMCJS review which is being undertaken. This is due to be completed by the end of April 2021 and assesses if the service that EMCJS is providing remains in line with the individual Force's needs. The findings will be considered by the Strategic Management Board.</p> <p>EMCJS review was completed in March 2021 and has been circulated for consideration. Members of the Strategic Management Board will be considering the report and recommendations early in June at which time a decision will be made on the business continuity functions.</p> <p><b>ACTIONED AND CAN BE CLOSED</b></p>
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# JOINT AUDIT, RISK & ASSURANCE COMMITTEE

<b>REPORT TITLE</b>	FINANCIAL MONITORING UPDATE 2021/22
<b>REPORT BY</b>	CHIEF FINANCE OFFICER
<b>MEETING DATE</b>	3 <sup>RD</sup> NOVEMBER 2021

## **PURPOSE OF THE REPORT**

To provide the latest update in relation to the 2021/22 budget and projected outturn position to March 2022.

## **ATTACHMENTS**

None

## **RECOMMENDATIONS**

- 1.1 The Committee is asked to note the contents of this report and to review the current forecast in relation to the projected outturn position for 2021/22.

## **CONTACT FOR ENQUIRIES**

Name: Jon Peatling, Head of Finance & Business Services  
Tel: 0300 122 5440  
Email: [Jon.peatling@derbyshire.police.uk](mailto:Jon.peatling@derbyshire.police.uk)

## Overall Financial Performance

The financial position for Derbyshire Police has been reviewed as at the end of September (period 6), the mid-point of the financial year. The assessment made of the likely outturn captures all known budget pressures, areas of underspending and additional income streams identified to date. In particular a detailed review has been undertaken of expected spend and commitments against 3 key provisions included in the base budget:

- Police Officer Uplift Implementation
- Design Board business case funding
- Operational Priorities Fund.

Variances shown in the below table have been measured against the Revenue Budget within the Precept Report approved at the Strategic Priorities Assurance (SPA) Board on 1 February 2021.

Overall Financial Performance	Revenue Budget & Precept Report £000	Expected Year-end Projection £000	Variance £000
Office of the PCC	1,273	1,151	( 122)
Grants & Commissioning (incl MOJ)	2,045	2,150	105
Income & Accounting	3,548	3,276	( 271)
Derbyshire Constabulary	195,765	193,119	( 2,646)
<b>Position Against Approved Budget</b>	<b>202,630</b>	<b>199,697</b>	<b>( 2,934)</b>

The projected underspend has increased by **£1.449m** from the previous month. The largest changes to outturn estimates that have occurred since the last monitoring are: -

Projected Underspend	£000
<b>As at 27th August 2021</b>	<b>(1,485)</b>
Amount within central provisions assessed as not needed in year	
Police Officer Uplift Implementation	(684)
Operational Priorities Fund	(252)
TOTAL	(936)
Police Staff Salaries	(536)
Police Officer Salaries – increase in the number of leavers	(141)
Insurance Excess - reduction in forecast to reflect spend to date	(105)
Surplus Income from Mutual Aid Operations	(88)
One-off contribution to self-insurance provision, approved at FAB	335
Various	22
<b>As at 1st October 2021</b>	<b>(2,934)</b>

The original amounts and the allocations made to date against the 3 provision are as follows:

Provisions within 2021/22 Budget	Start-of-Year Allocation		Actioned to date	Earmarked	Uncommitted
	£000	Description	£000	£000	£000
Police Officer Uplift Implementation	500	Training - Staff, Premises, Laptops, Vehicles		( 316)	
	500			-	684
	1,000		0	( 316)	684
Revenue Business Cases (Design Board)	1,000	Assumed all will be spent - DEMS £250,000		( 1,000)	0
Operational Priorities Fund	1,334	CCMC Staff - 14 Additional Operators Tackling Speed, Police Visibility, Gym, ANPR	( 628)	( 454)	
					252
<b>Total Provisions within 2021/22 Budget</b>	<b>3,334</b>		<b>( 628)</b>	<b>( 1,770)</b>	<b>936</b>

The forecast position against the Police Office Uplift Implementation budget is partly influenced by the fact that £331k of uplift-related costs are being absorbed within other budgets which are underspending for other reasons.

The majority of initiatives identified to be funded from the Operational Priorities Fund are now progressing as planned but it is expected that the 9 additional Neighbourhood Investigation Officers will not be in post until March. Some of the in-year savings from this has been re-directed to other priorities such as the refurbishment of the force's gyms.

It is expected that the £250k earmarked for the DEMS business case will be spent this financial year from the Design Board funding leaving £750k to be allocated. Any business cases will be considered against the force priorities and their ability to reduce risks and threats.

There are further items that could impact on the final outturn position but as yet are not quantified. These include:

- Any further underspends from the Design Board Business Cases (up to £750k)
- Potential changes to the Minimum Revenue Provision (up to £1.258m)

The projected impact on force usable reserves from the projected outturn proposed, is as follows: -

Usable Reserves	Balances at 31/03/21	Projected Movements 2021/22	Proposed Allocation of Underspends	Projected Contributions to Capital 2021/22	Estimated Balances at 31/03/22
	£000	£000	£000	£000	£000
<b>2021/22 Precept Report</b>					
General Reserve	5,500	-	-	-	5,500
Earmarked Reserve					
- Usable	4,271	621	-	-	4,893
-Non-usable	2,907	( 439)	-	-	2,468
<b>TOTAL RESERVES</b>	<b>12,678</b>	<b>182</b>	<b>-</b>	<b>-</b>	<b>12,861</b>
<b>2021/22 Period 6 - September 2021</b>					
General Reserve	5,500	-	-	-	5,500
Earmarked Reserve					
- Usable	6,143	3,229	-	-	9,372
-Non-usable	2,825	( 440)	-	-	2,385
<b>TOTAL RESERVES</b>	<b>14,468</b>	<b>2,790</b>	<b>-</b>	<b>-</b>	<b>17,258</b>

A more detailed analysis of the key variances worthy of note, which make up a significant proportion of the overall underspend are detailed in the following tables: -



## Key Variances

Anticipated Savings	£000	Additional Spending	£000
<b>Police Officer Salaries</b>	( 1,145)	<b>Police Officer Overtime</b>	248
<b>Police Pensions</b>	( 106)		
		<b>Other Employee Expenses</b>	41
<b>Police Staff Pay</b>			
Police Officer Uplift Implementation	( 500)		
South Division	( 252)	CCMC	166
Assets	( 174)		
Information Services	( 298)		
Finance & Business Support	( 118)		
Various	( 202)		
		<b>Premises Costs</b>	
Fire Precaution Work	( 35)	Cleaning Contract	309
Central Maintenance Contracts	( 54)	Utilities	72
		PFI	38
		Repairs and Maintenance	145
		Various	22
<b>Transport Costs</b>			
Travel costs	( 99)	Fuel	65
Hire of Vehicle	( 37)		
Insur XS	( 105)		
Various	( 21)		
		<b>Supplies &amp; Services and Agency Costs</b>	
Police Uplift Implementation	( 184)	IS Costs	254
Printing & Stationery	( 57)	Special Expenses Re Crime	66
Insurances	( 40)	Recovery of Vehicles Police	70
Interpreters	( 41)	Vehicle Recovery Contract	55
Various	( 105)	Agency	65
		Boarding Up	45
		Professional Fees	181
<b>Regional &amp; National Operations</b>	( 286)		
<b>OPCC</b>	( 17)		
<b>Operational Priorities Fund</b>	( 252)		
<b>Income</b>			
Court Compensation	( 195)		
Costs Recovered	( 99)		
Drugs Profit Income	( 50)		
Various	( 7)		
<b>Debt Charges</b>	( 224)		
<b>Grants &amp; Partnerships</b>			
Partnerships - Force	( 19)		
<b>Contribution to Reserves</b>	( 54)		
<b>TOTAL</b>	<b>( 4,776)</b>	<b>TOTAL</b>	<b>1,842</b>

**Police Officers (£1.003m) underspend:**

Police Officer Salaries (£1.145m): The budget allows for an average strength of 1893 officers during the year, with a phased increase to its Uplift target of 1918 officers by March 2022. As at the start of October 2021 the force was 28 officers under the budgeted strength. Due to the number of leavers per month increasing and the November intake of transferees having to be cancelled, the full establishment of 1918 will now be reached at a later date than previously forecast.

Police Pensions (£0.106m): The current estimate is for 7 Ill Health Retirements during 2021/22 against a budget of 10. A portion of the underspend will be used to offset a forecast overspend on Injury Allowance due to a large backdated payment.

**Police Staff Pay (£1.378m) underspend:**

Police Staff Salaries (£1.737m): (£0.500m) is uncommitted spend from the Police Uplift Implementation Provision. Information Services (£0.298m) and South Division (0.252m) have the largest underspends, South Division is a result of vacancies in PCSO and DSI posts and Information Services currently have 10 vacant posts. The underspend excluding the (£0.500m) from the provision represents 2.5% of the salaries budget which indicates the current vacancy factor is 6.5% compared to the 4% allowance that is budgeted for.

Police Staff Overtime £0.359m overspend: The overspend on overtime offsets the forecast underspend on salaries with the majority being incurred in Contact Management.

**Premises £0.497m overspend:**

The largest overspend in Premises is £0.309m on the Cleaning Contract, the forecast includes the cost of the new contract and is based on an implementation date of September. A review of the LLP costs is currently being undertaken to establish a fair share of the charges across both Fire and Police for areas of shared occupancy.

**Income: (£0.351m) surplus**

The surplus income for Court Compensation is based on the income received to date, the force has already received £0.261m against a budget of £0.300m. For Costs Recovered there is £0.028m additional income for the Apprenticeship incentive and £0.050m income received for the Traffic Cops television series. The force does not budget for Drugs Profit Income.

**Debt Charges: (£0.224m) underspend**

It has been assumed that the profit share on joint ventures will increase based on the actuals received in the last two years, the increase of (£0.150m) has allowed for the increase in some costs allocated to the LLP e.g. the cost of the new cleaning contract.

The external borrowing costs are also forecasting an underspend of (£0.078m). No external borrowing was taken out in 2020/21 due to delays in capital projects and a healthier cash flow position at the end of the year than envisaged. This has reduced borrowing costs in 2021/22. A review of our revised borrowing requirement for 2021/2022 is to be undertaken as part of the Financing of the Capital Programme.

Please see the Treasury Management section for comments regarding the variance on interest receipts.

## Treasury Management

	Previous Year £m	Original Budget £m	This Month £m	Last Month £m
PWLB	12.923	24.878	12.502	12.738
PFI Liabilities	7.618	6.364	6.991	7.096
<b>Total Borrowing</b>	<b>20.541</b>	<b>31.242</b>	<b>19.493</b>	<b>19.834</b>
Total Average Investments	18.731	11.500	18.630	17.565
Total Investment Income	(0.020)	(0.010)	(0.0012)	(0.0011)
Average Interest Earned to date	0.121%	0.090%	0.022%	0.019%
Average LIBID Rate to date	-0.071%		-0.083%	-0.083%
Average Base Rate to date	0.100%	0.100%	0.100%	0.100%

### Borrowing

The budget of £24.878m for borrowing was based upon the assumption of £6m borrowing in the final quarter of 20/21 and a further £7.290m of new borrowing during 21/21. Due to delays in the Capital Programme this borrowing has not yet been required. The amount and timing of new external borrowing will be dependent on spend in the capital programme, the interest rates for borrowing and cashflow. This is currently being reviewed.

### Investment Income

The bank rate until the 10 March 2020 was 0.75%, it was then reduced twice to a record low of 0.10% in an emergency response to COVID-19. In response to the financial climate, investments have also been taken out for shorter periods. This has had an impact on investment income. The expected investment income for the whole year is likely to be £0.003m if interest rates remain low compared to a budget of £0.010m.

## Capital

	Buildings £m	Equipment & vehicles £m	IT £m	Design Board £m	EMCTIU £m	Regional lead force £m	Total £m
Actual to Period 06 - 01st October 2021	3,481	290	805	10	127	17	4,729
Commitments & Contracts to be paid	932	916	647	67	135	60	2,758
<b>Total to Period 06 - 01st October 2021</b>	<b>4,413</b>	<b>1,206</b>	<b>1,452</b>	<b>78</b>	<b>262</b>	<b>76</b>	<b>7,487</b>
<b>Revised Capital Programme (incl slippage)</b>	<b>10,791</b>	<b>1,575</b>	<b>4,410</b>	<b>1,985</b>	<b>175</b>	<b>0</b>	<b>18,936</b>
<b>Budget remaining</b>	<b>6,378</b>	<b>369</b>	<b>2,958</b>	<b>1,907</b>	<b>(87)</b>	<b>(76)</b>	<b>11,449</b>

### Capital Programme

The Capital Programme was approved at SPA Board on the 1st February 2021, the capital programme has been revised to include slippage from 2020/21 which has been approved by the Financial Assurance Board.

### **Building Schemes**

Co-locations with Fire – No new schemes have progressed in 2021/22. Options for Police only SNT bases are being considered rather than shared facilities.

Derby East LPU Accommodation and North East and North West Division Accommodation – Construction works on the Derby East LPU reached practical completion stage in July, internal furniture and IS fit out is complete, the building will be occupied in October/November. It is likely to be over budget mainly due to increase to specification requirements for both CCTV and UPS installations. The North East Division Accommodation is no longer going ahead. Options are still being considered for the North West Division Accommodation.

Wyatts Way Locker Room – Main works have been completed.

Contact Management Centre Extension – The main works commenced in April and are due to complete in January 2022.

Vehicle Compound – Phase 1 resurfacing works were completed in December 2020 and Phase 2 works were completed in July 2021. A planning application has been submitted for the training rig scheme.

Other schemes – Competitive tenders are being sought by the PFI provider for the Custody works at Derby DHQ. Tenders have been received for the Plant room works at Wyatts Way and consultants are working on the design for Chesterfield Air Handling Unit. Other new schemes are being considered by the Estates Board.

### **Equipment and Vehicles**

Vehicles – Some orders have been placed. Delays in the sign off of the national vehicle contract may have an impact on lead times for the delivery of vehicles, there is a potential risk of some deliveries being 2022/23.

Equipment – £0.095m of unbudgeted spend will be funded from CREST.

### **IS Schemes**

IS replacement schemes – Most of the budget for end user devices has been committed to support agile working. Storage upgrade works have been completed. Budget is also included for Firewall replacements and ANPR replacements. The firewall replacements are likely to take place in 2022/23.

IS Infrastructure Projects – Budget is included for an equipment refresh for NICHE, upgrade of the corporate telephone system and replacement of the old network. Some of these works may not be completed until next year.

Call Centre Telephone Replacement Scheme – the Force and Capita have agreed to stop the project. A review will take place to understand the impact of this decision and to address any urgent issues.

### Design Board Capital Projects

Provision of £1.985m (including slippage from customer projects in 2020/21) is included for projects to be approved by the Design Board. £0.076m of this budget relates to commitments on customer projects last year. New business cases totalling £0.172m for a laser scanner, Tactical rifle night vision lenses and kit for agile working have been approved to date.

Due to delays and changes in schemes, the Capital Programme is being reviewed so that the 2021/22 programme reflects a more realistic spend profile and a Revised Capital Programme will be presented to a future Financial Assurance Board.

## Savings

Procurement Savings are monitored and reported on a quarterly basis. The table below shows the savings that have been achieved during the first four months of this financial year.

Police Commercial Savings Tracker 2021/22

Contract / Service	Total Savings (£000)	Recurring / One Off	Cashable Savings (£000)
Custody Medical Services	27	Recurring	27
IT Hardware, Software & Consumables	178	One Off	178
Digital Barriers	2	One Off	2
Insurance Cover & Associated Service	37	Recurring	37
IT Telecommunications	49	Recurring	49
	<b>293</b>		<b>293</b>

A procurement saving is where the organisation has managed to affect a lower unit price against a baseline unit price through negotiation/positive intervention. Spend reduction (or increase) is simply that, a reduction/increase in overall spend.

It is feasible to make individual procurement savings even though overall spend has increased, it really means that, had the procurement savings not been made, then spend would have gone up by even more.

## Detailed Budget Analysis

## Annex A

Derbyshire Police		Revenue Budget & Precept Report £000	Expected Year-end Projection £000	Variance £000	
	Crime & Territorial Policing	21,789	21,798	9	●
	Operational Support	18,910	19,180	270	●
	Corporate Services	19,177	18,768	( 409)	●
	Finance & Business Services	7,862	7,895	33	●
	Force	118,300	115,862	( 2,438)	●
	Contributions to Regional Units	9,727	9,616	( 111)	●
	Office of the PCC	1,273	1,151	( 122)	●
	Grants & Commissioning (incl MOJ)	2,045	2,150	105	●
	Income & Accounting	3,548	3,276	( 271)	●
	<b>TOTAL</b>	<b>202,630</b>	<b>199,696</b>	<b>( 2,934)</b>	●
Subjective Analysis		Precept Original Budget £000	Expected Year-end Projection £000	Variance £000	
	Police Officers & Pensions	108,897	107,894	( 1,003)	●
	Police Staff	50,731	49,353	( 1,378)	●
	Other Indirect Officer/Staff Costs	725	766	41	●
	Premises	10,283	10,780	497	●
	Transport	3,908	3,711	( 197)	●
	Supplies & Services, Agency, Pay and Price	23,634	23,719	85	●
	Contingency, Debt Charges				
	Regional Units	9,727	9,616	( 111)	●
	Secondment	0	-	-	●
	Contribution to National Policing	54	-121	( 175)	●
	BCU Funds	321	321	-	●
	Partnerships & Other Grants	667	648	( 19)	●
	Contribution to/(from) Reserves	( 403)	( 457)	( 54)	●
	Office of the PCC	1,273	1,151	( 122)	●
	Grants & Commissioning (incl MOJ)	2,045	2,150	105	●
	Income (Including Interest Receipts)	( 9,930)	( 10,281)	( 351)	●
	Operational Priorities Fund	698	446	( 252)	●
	<b>TOTAL</b>	<b>202,630</b>	<b>199,696</b>	<b>( 2,934)</b>	●
( )	<b>Underspend</b>				
●	Low risk/no action required				
●	Medium risk/management review required				
●	High risk/management attention required				

Detailed Capital Analysis					Annex B
Scheme	Total Original Budget £000	Total Revised Budget £000	Actual, Commitments & Contracts to be paid £000	Budget Remaining £000	Spend %
<b>Expenditure</b>					
Co-locations with Fire	400	554	0	554	0%
Major New/Replacement Buildings	4,999	5,595	2,376	3,219	42%
Other Building Work/Land	2,982	4,642	2,037	2,605	44%
IS/Communications	3,382	4,410	1,452	2,958	33%
Vehicles	1,500	1,540	997	543	65%
Equipment	35	35	209	-174	597%
Design Board	1,735	1,985	78	1,907	4%
EMCTIU	175	175	262	-87	0%
<b>TOTAL</b>	<b>15,208</b>	<b>18,936</b>	<b>7,411</b>	<b>11,525</b>	<b>39%</b>
Regional Projects (to be recharged)	0	0	76	-76	
<b>TOTAL</b>	<b>15,208</b>	<b>18,936</b>	<b>7,487</b>	<b>11,449</b>	

Reserves -					Annex C
	Balances at 31/03/21 £000	Projected Movements 2021/22 £000	Proposed Allocation of Underspends £000	Projected Contributions to Capital 2021/22 £000	Estimated Balances at 31/03/22 £000
<b>GENERAL RESERVES</b>	<b>5,500</b>				<b>5,500</b>
<b>EARMARKED RESERVES</b>					
<b>Useable :-</b>					
Operational Funding & Investment	2,883	2,344			5,227
Covid Fund	757	( 163)			594
Uplift Fund	497	-			497
Carry-forwards	840	( 109)			731
PCC Grants & Commissioning Reserve	1,166	( 100)			1,066
Local Council Tax Support		1,257			1,257
	<b>6,143</b>	<b>3,229</b>	<b>-</b>	<b>-</b>	<b>9,372</b>
<b>Non-useable :-</b>					
PFI - Ilkeston	924	( 84)			840
PFI - Derby	1,754	( 361)			1,393
Insurance	147	5			152
Carry-forwards non Force	-	-			0
	<b>2,825</b>	<b>( 440)</b>	<b>0</b>	<b>0</b>	<b>2,385</b>
<b>TOTAL EARMARKED RESERVES</b>	<b>8,968</b>	<b>2,790</b>	<b>-</b>	<b>-</b>	<b>11,758</b>
<b>TOTAL RESERVES</b>	<b>14,468</b>	<b>2,790</b>	<b>-</b>	<b>-</b>	<b>17,258</b>



# JOINT AUDIT RISK ASSURANCE COMMITTEE

<b>REPORT TITLE</b>	FORCE RISK MANAGEMENT
<b>REPORT BY</b>	CHIEF CONSTABLE
<b>DATE</b>	11 NOVEMBER 2021

## **PURPOSE OF THE REPORT**

To provide a summary report to the Joint Audit, Risk and Assurance Committee (JARAC) of the arrangements with regards to the management of risk and to update the committee on work being undertaken to mitigate those risks.

## **ATTACHMENTS**

Appendix A – Property Survey Agenda

## **RECOMMENDATIONS**

To determine if the PCC can gain direct assurance that this area of business is being managed efficiently and effectively.

## **CONTACT FOR ENQUIRIES**

Name: C/Supt Steve Wilson  
Tel: 101  
Email: [spaenquiries@derbyshire.police.uk](mailto:spaenquiries@derbyshire.police.uk)



**1. INFORMATION AND ANALYSIS**

- 1.1 The Chief Constable is responsible for the management of the Force’s operational and strategic business risks and is supported by an executive team which determines the Force’s appetite for risk.
- 1.2 The Corporate Risk Register (CRR) is a key governance document and under the Risk Management Strategy 2019-21, the CRR captures the key strategic risks and major challenges faced by the Force. The register continues to be refreshed with risk owners, so it remains focused and relevant.
- 1.3 It is important to note that risks are liable to change as circumstances alter and the CRR presents the position at a particular point in time.
- 1.4 The remainder of this report focuses on changes that have been made in the latest review.

**2. FINDINGS - STRATEGIC RISK REGISTER REVIEW**

- 2.1 Appointed risk owners have reviewed their risks via an intranet-based software system in consultation (where applicable) with their respective Command or Senior Management teams.
- 2.2 Our risk registers are managed electronically via the corporate risk management system and risks held on behalf of the OPCC are not included in this force report.
- 2.3 Our key risks have been assessed, analysed, and re-scored using the risk matrix and a total of 48 risks now exist following the latest review. Currently, there are 9 risks with high (Red) residual scores, 11 risks with medium (Amber) residual scores and 28 risks with low (Green) residual scores. The latest review provided an opportunity for risk owners to archive 3 risks including 7 new risks for consideration subject to board approval. The re-scored and archived risks are briefly outlined below:

**2.4 Loss of Estate through lack of maintenance**

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
<b>STR1035 Infrastructure and Assets</b>	<b>4 Very High</b>	<b>4 Very High</b>	<b>16 Red</b>	<b>12 Red</b>	
<b>Risk Owner: Head of Joint Strategic Assets</b>					

Increased the likelihood risk scoring to 4 which takes the overall risk scoring to 16 (Red) the basis of this decision is in respect of legislative compliance particularly for hard-wire testing as part of our electrical inspection and testing regime. Currently, the Forces appointed Electrical Engineer is on long-term sick leave (in-excess of 12 months). To address this shortfall in support other non-electrical engineers within the department have attempted to maintain a service level to ensure legislative compliance. However, given their limited knowledge and demands being placed upon them in their own business areas it has meant the departments resources are stretched to capacity. In order to mitigate the risk, we are attempting to recruit a Senior Engineer post to provide some resilience. However, given the overall condition of the Force estate is poor with some exceptions, it has prompted us to implement for the foreseeable future a monthly inspection monitoring regime of our operationally critical buildings which has recently led to the closure of Chesterfield Custody suite following consultation with our Criminal Justice Department.

2.5 **Primary 999 Calls not connecting through to Capita ICCS/CW (FCR)**

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
<b>STR0059 Information Systems/ Technology</b>	<b>4 Very High</b>	<b>3 High</b>	<b>12 Red</b>	-	<b>NEW RISK</b>
<b>Risk Owner: Head of Contact Management</b>					

In May, it was reported that 999 call delivery via the primary ISDN circuit into Ripley had failed to deliver several 999 calls. The root cause of this issue is still under investigation and it is not known whether its related to BT or CPE (managed by Capita). BT in Glasgow are unable to route emergency calls to operators via primary route, despite the BT line being up. This issue not only presents a risk to the safety of the public/officers but also has the potential of significant reputational damage and financial implications for the organisation. In the event of loss of primary and secondary route for 999 call delivery, there is an option of delivering calls directly into the Alcatel PBX.

2.6 **CCMC Performance**

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
<b>STR0056 Operational</b>	<b>3 High</b>	<b>3 High</b>	<b>9 Red</b>	-	<b>NEW RISK</b>
<b>Risk Owner: Head of Contact Management</b>					

In 2020, it was identified that 101 Call Handling performance was very poor and began work to solve this. The problems were staff overwhelmed by very long queues and a high call abandonment rate including meeting 101 SLA being below 20%. To mitigate this risk the department is undertaking an extensive range of control measures with a delivery plan now formulated. A staff recruitment campaign has been undertaken as part of our 'Cost of Policing' measures with a new operating model, improved software, and the creation of a Crime Incident Management Team. This will also enable us the option of increasing what types of crime are screened out with a Force goal of 40%. A pilot was run for three months with the new operating model adopted in October 2021 although some issues encountered are not fully functional and are still being worked on.

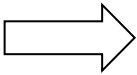
2.7 **HMICFRS Inspection (Child Protection)**

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
<b>STR0060 Operational</b>	<b>3 High</b>	<b>3 High</b>	<b>9 Red</b>	-	<b>NEW RISK</b>
<b>Risk Owner: Head of Crime Support</b>					

In May 2021 Her Majesty's Inspectorate of Constabulary and Fire and Rescue Service (HMICFRS) inspected Derbyshire Constabulary's child protection arrangements highlighting significant areas for improvement. A total of 12 of recommendations/Areas for Improvement (AFIs) have been issued to the force with delivery timelines ranging from immediate to within 6 months. An action plan has been developed to address AFIs with progress updates governed by the Strategic Vulnerability Board. Child protection areas also feature within both

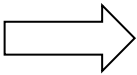
Performance Assurance Board and Force Tasking mechanisms. In addition, a media plan has also been drawn up to limit impact on public confidence from the publication of the report. Our partners and PCC have been briefed and are fully engaged. A further re-inspection is anticipated in May 2022.

**2.8 Financial resources insufficient to fund development and pressures**

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
<b>STR1192 Finance</b>	<b>3 High</b>	<b>3 High</b>	<b>9 Red</b>	<b>9 Red</b>	
<b>Risk Owner: Director of Finance and Business Services</b>					

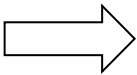
The position has not changed since the previous update. However, would add that the medium-term financial plan continues to be modelled against several scenarios. The mid-point of our latest assumptions shows a budget deficit for 2022/23 of between £2.6m and £4.9m. Briefings with the Chief Constable and Police and Crime Commissioner will continue as we await further updates in relation to Spending Review announcements and as we begin to build the budget requirement for the next financial year.

**2.9 High Risk Properties - Risk Based Reviews**

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
<b>STR2014 Operational</b>	<b>3 High</b>	<b>3 High</b>	<b>9 Red</b>	<b>9 Red</b>	
<b>Risk Owner: Head of Joint Strategic Assets</b>					

The latest high-risk building property inspections are now complete and disappointingly the inspections have highlighted some poor housekeeping practices in many buildings including some areas which are key to force operations. This is potentially due to Covid-19 restrictions and limited inspections being conducted in 2020. However, both Assets and H&S are working with the relevant departments in order raise standards and reduce risk in the areas under their control.

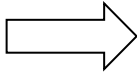
**2.10 IS resources (Finance and Staff) are insufficient to meet the demands of the organisation**

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
<b>IS0019 Information Systems/ Technology</b>	<b>3 High</b>	<b>3 High</b>	<b>9 Red</b>	<b>9 Red</b>	
<b>Risk Owner: Head of Information Services</b>					

The current resourcing and financial situation have been reported on in the Force Management Statement (FMS) with the budget challenges arising from 2020 being partially resolved. This will also be reflected in the IS departments financial approach for 2021/22. However, there is still a resource gap in meeting the force's expectations

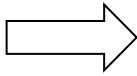
and a further programme planning is happening within IS to highlight this back to the force.

**2.11 Public Order Training Incident**

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
<b>OPS0050 Operational</b>	<b>3 High</b>	<b>3 High</b>	<b>9 Red</b>	<b>9 Red</b>	
<b>Risk Owner: Head of Operational Support</b>					

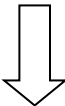
The force has not been able to fully comply with College of Policing requirements for PSU training since the health and safety incident occurred in February in which three officers sustained burn injuries during a Level 2 refresher training. The incident was reported to the Health and Safety Executive (HSE) by South Yorkshire Police. In March, the HSE served the Force with a health and safety Breach Notice identifying inadequacies within our risk assessment governing petrol reception. The concerns highlighted are not connected to the actual incident itself and our subsequent reply has addressed all concerns raised. However, under the HSE's cost recovery scheme 'Fee for Intervention' (FFI) we are liable for the enforcement agencies investigative costs. In terms of the HSE's investigation we are nearing a conclusion and in October permission was granted for the Force to resume petrol reception training given our forthcoming operational commitment to COP26.

**2.12 Major Incidents and Disasters and/or Civil Emergencies within the County**

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
<b>STR1090 Operational</b>	<b>3 High</b>	<b>3 High</b>	<b>9 Red</b>	<b>9 Red</b>	
<b>Risk Owner: Head of Operational Support</b>					

Last year we increased the likelihood category for this risk following the experience of 2019. This has been borne out via the ongoing pandemic which has required continuing Strategic Coordinating Group (SCG) and Tactical Coordinating Group (TCG) meetings with the Chief Constable, Deputy Chief Constable and Civil Contingencies Team heavily engaged in the multi-agency responses. All this activity has meant that there is an urgent need at Local Resilience Forum (LFR) level to catch up with routine plan updates, training and exercising which had been curtailed during the pandemic. This will be the focus of work over the remainder of the year.

**2.13 Op TALLA – Wuhan Corona Virus (renamed COVID-19)**

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
<b>STR0035 People</b>	<b>4 Very High</b>	<b>2 Medium</b>	<b>8 Amber</b>	<b>12 Red</b>	
<b>Risk Owner: Deputy Chief Constable</b>					

The risk continues to be frequently updated based on the work of both Silver and Gold groups who now meet monthly. Following government guidance and a change to restrictions in August and with infection rates remaining low the decision has been taken to further reduce the risk score.

2.14 **Capita – Control Works Issues**

	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
<b>STR0048 Operational</b>	<b>3 High</b>	<b>2 Medium</b>	<b>6 Amber</b>	<b>6 Amber</b>	<b>RISK CLOSED</b>
<b>Risk Owner: Head of Contact Management</b>					

Several patch fixes and upgrades have been applied by the supplier to both the Control Works system and DSX ICCS system of which we now have fully integrated communications for all control room roles. To date, the system appears stable and no additional issues identified therefore the risk is considered to be closed subject to board approval.

2.14 **Funding of Regional Organised Crime Unit (ROCU)**

	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
<b>STR0048 Operational Confidential Risk</b>	<b>3 High</b>	<b>2 Medium</b>	<b>6 Amber</b>	<b>6 Amber</b>	<b>RISK CLOSED</b>
<b>Risk Owner: Assistant Chief Constable (Crime and Territorial)</b>					

No change in circumstances since the last risk update. The budget has been set for 2020/21 and therefore the funding is stable, enabling the East Midlands Special Operations Unit (EMSOU) modernisation work to continue. Given the risks continuing stability with no indication of any forthcoming change on the horizon the risk can be considered closed subject to board approval.

2.15 **Chesterfield Custody Block - Safe Cell Compliance**

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
<b>CRIMJ0055 Operational</b>	<b>2 Medium</b>	<b>2 Medium</b>	<b>4 Green</b>	<b>-</b>	<b>NEW RISK</b>
<b>Risk Owner: Head of Criminal Justice</b>					

Chesterfield custody block has undergone extensive refurbishment and associated defect-related repairs on numerous occasions. In May 2021, the cell block was temporarily closed to facilitate paintwork repairs within the cells. However, the system employed for repairing the paintwork has proved ineffective as the semi-ridged membrane when applied adheres to the cell walls non-flat surface (render) but in places creates a void/blister and when dry it allows the paint to crack/flake when any sort of impact is applied to an affected area. This has resulted in paint shards coming away creating a self-harm weapon for a detainee who managed to inflict an injury to themselves. On inspection the paint appears to be suffering a 'bonding issue' possibly attributed to the product itself being either incorrectly applied or onto a damp surface.

The Head of Criminal Justice has closed the suite until a solution can be found, in addition, inspections at Derby and Ripley suites have revealed that the same issue has not occurred.

#### 2.16 Legacy Telecoms and Uninterruptable Power Supply (UPS) Equipment

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
<b>STR0053 Information Systems / Technology</b>	<b>2 Medium</b>	<b>2 Medium</b>	<b>4 Green</b>	-	<b>NEW RISK</b>
<b>Risk Owner: Head of Information Services</b>					

Following a reported near-miss incident Information Services attended Peartree Police Station following a report of smoke emanating from the secured data room located within the Parade Room. The source was identified as a British Telecom SDH Add/Drop Mux Equipment Rack, specifically the Uninterruptable Power Supply (UPS) and associated batteries located in the base which had overheated. It is thought the equipment was possibly installed in the early 1990s and according to records available was last serviced by BT in 2004. A small working group has been established comprising of IS, Assets, H&S and BT. A survey has been conducted by IS Department/BT which has identified multiple sites across the county (St Mary's Wharf, Cotton Lane, Ripley Station, C Division HQ, B Division, Matlock) containing BT legacy equipment and UPS systems. Decommissioning works will commence on 10 August with BT removing all legacy equipment from these sites.

#### 2.17 Replacement Operational Vehicles

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
<b>STR0057 Operational</b>	<b>2 Medium</b>	<b>2 Medium</b>	<b>4 Green</b>	-	<b>NEW RISK</b>
<b>Risk Owner: Head of Joint Strategic Assets</b>					

Due to delays being incurred in the award of national vehicle contracts the replacement of some operational vehicles is likely to be affected meaning vehicles may have to be retained longer than is expected. Potentially, we could have increasing numbers of vehicles off the road and see an escalation in maintenance costs. With national delays in deliveries from vehicle manufacturers this is also likely to impact on the specialist vehicle conversion supply chain meaning we could incur a further delay in delivery lead times. Our Transport Steering Group will receive updates and monitor any potential concerns and in terms of business continuity we will consider retaining a small number of marked operational vehicles to provide some resilience for vehicles off the road. In addition, the semi-conductor chip shortage is also impacting heavily on the automotive sector as the microchip shortage has affected vehicle production globally.

#### 2.18 St Mary's Wharf (PFI Project) - Exit Strategy

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
<b>STR0052 Operational</b>	<b>2 Medium</b>	<b>2 Medium</b>	<b>4 Green</b>	-	<b>NEW RISK</b>
<b>Risk Owner: Head of Joint Strategic Assets</b>					

Our largest operational policing base in Derbyshire is a private finance initiative (PFI) whereby a private company (BAM) was contracted to complete and manage this public project. Under the terms of our agreement the building's lease period is for 30 years (from 26 February 1999 to 26 February 2029). Therefore, in terms of our working timeline the Force needs to formulate an 'Exit Strategy' as we are required to provide a notice of intention to either continue (28 August 2025 – 26 February 2026) or purchase (by mutual agreement) at any time but no later than (26 February 2028). The site hosts our 999 Disaster Recovery site, Special Branch, EMSOU and Custody Suite.

The relationship with BAM has been difficult and at times strained and has constantly provided both contractual and financial challenges and on occasions has also required Home Office representation to resolve contractual disputes. Given the buildings projected replacement cost is approximately £60 million in terms of affordability it presents a significant financial risk to the Force estate given our shrinking revenue budget and limited borrowing capacity. We also currently have no realistic alternative to fall-back on. Timescales will also narrow our options ie extend contract, lease, buy or build?

The PFI Agreement is heavily drafted in Derby SPV Limited's (the Service Provider) favour including in respect of any acquisition of the freehold reversion. Given that the PFI Agreement is heavily stacked in their favour we do not believe PCCD's negotiating position is strong. Serving notice in advance in accordance with Schedule 10 is counter intuitive in respect of holding SPV Limited to task in terms of maintenance of the building. The more intensive the contract management, the less likely the negotiations will prevail.

**2.19 Policing Protests – capacity to meet operational deployments**

	<b>Impact Score</b>	<b>Likelihood Score</b>	<b>Residual Score</b>	<b>Previous Score</b>	<b>Movement</b>
<b>STR0047 Operational</b>	<b>2 Medium</b>	<b>2 Medium</b>	<b>4 Green</b>	<b>4 Green</b>	<b>RISK CLOSED</b>
<b>Risk Owner: Assistant Chief Constable (Crime and Territorial)</b>					

This long-standing risk was originally identified following the required savings being imposed by Government on the police service including our key partners. However, any concerns in terms of partnership funding being withdrawn by key partners (local authorities) for them to make their own requisite savings leaving the remaining partners to pick up the additional costs ie staffing etc. has not materialised. In addition, the force has appointed a Chief Superintendent for Partnerships, Prevention and Collaboration who actively monitors our partnership/collaboration activities including having regular dialogue with our key partners. This risk is therefore considered closed subject to board approval.

**3. OPERATIONAL AND REPUTATIONAL RISK**

3.1 The Chief Constable continues to be provided with a monthly risk management report for one to one discussion with the Police and Crime Commissioner so the Board is assured from a governance perspective that risks in these areas are being captured, namely:-

- **Summary of Operational Risks (Crime Support)** – emerging criminalities and issues facing the Force.
- **Summary of Reputational Risks (Organisational Learning)** – adverse judgements, specifically from the Coroner and opportunities for capturing organisational learning.

- **Summary of Operational Risks (Operational Support)** – emerging criminalities and issues facing the Force.

3.2 The reports are scanned by the Risk Manager who informs the board on items for further consideration and inclusion onto the forces risk register. Due to operational sensitivity these risk summaries will not feature within this JARAC report.

#### **4. FORCE EXECUTIVE - BI-MONTHLY RISK REGISTER REVIEW**

4.1 The strategic risk register now features as a bi-monthly standing agenda item on the Force Executive meetings, so they are assured that all organisational risks are being captured.

#### **5. NEW INSURERS - FHQ INSPECTION**

5.1 On 23 September 2021 the forces new insurers (Protector Insurance) undertook a review of the Force Headquarters site to gather site-specific information to assist the underwriter in setting terms and premiums (Appendix 1 – Survey Agenda). This was achieved by reviewing the physical protection and managerial aspects of the site including observing site-specific conditions. The primary objective is to advise and support the client in the overall risk management in the control of property and business interruption exposures. The inspection comprised of both Surveyor and Engineer representatives from Assets, and the Forces Risk and Business Continuity Managers. A narrative report will be produced by the insurer with recommendations (if applicable) aimed at eliminating, reducing, or mitigating risk. The report's findings when available will be presented to the Risk Management Board.

#### **6. FLEET RISK MANAGEMENT REVIEW**

6.1 On 6 December 2021 Gallaher Bassett will undertake a Fleet Risk Management review including Telematics as part of our allocated risk control days. The review will be conducted by Dr McDonald-Ames, Fleet Risk Consulting Manager and will cover Health and Safety, responsibilities, and culture; Driver Management – Competence, Capability and Training; Vehicle management; Journey Planning and Risk Assessments; Incident Management. A formal report will be issued on their findings and this will be presented for actioning as appropriate to our Transport Steering Group.

#### **7. SUMMARY**

7.1 Our Strategic Risk Register has been reviewed to ensure that our risks are accurately recorded. This report combined with tracking and monitoring the forces highest risks via our software solution is a record of the principal risks that the force faces and the existing/planned controls to address these risks as far as is reasonably practicable. The board is ultimately responsible for considering and accepting the risks and agree any further actions or controls it deems appropriate regarding the risks reported on.



## Property Survey Agenda

Client	Police and Crime Commissioner for Derbyshire
Location	Police HQ, Ripley, DE5 3SU
Date of Visit	23 <sup>rd</sup> September 2021. 9.00am

### Objectives

The visit has two fundamental objectives:

- To support the overall risk management of your organisation in the control of property damage and business interruption exposures.
- To gather business and site-specific information to assist the Protector underwriter in setting terms and premiums.

The primary objective will be achieved by reviewing physical protection and managerial aspects of your business and by observing site-specific conditions. The outcome from this may be a number of recommendations aimed at eliminating, reducing or mitigating risk. The secondary objective will be achieved by the production of a narrative report.

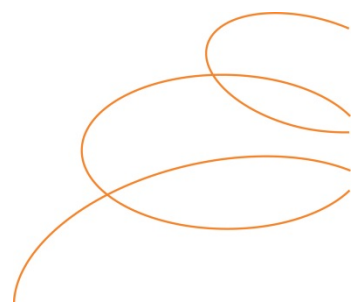
### Agenda

The duration of the survey will be very much dependent upon the size and complexity of the premises and processes therein. However, as a guide, the visit will normally take a full day to complete and will typically comprise:

- **Opening meeting** - for the consultant to fully explain the purpose of the visit, outcomes and likely subsequent activities. Senior management should ideally be present for the opening meeting as general business issues such as turnover, supply chains and business continuity will be discussed.
- **Collation of risk information** – this aspect of the visit will generally involve operational staff e.g. engineers, maintenance personnel and health and safety managers. The scope of this aspect is detailed in “topics to be covered” below.
- **Site tour** – a **full tour of the premises** covering external areas, production, storage and all major support and utility areas to assess the general risk condition from a physical, human element and natural hazard perspective.
- **Closing conference** – To discuss findings and any recommendations arising. Senior management should, ideally, be available for the close-out meeting.

### Topics to be Covered

Please note that whilst most common topics for discussion are detailed below other areas may be discussed on the day as circumstances dictate.



- **Occupancy details** – activities carried out, hours, staff, review of specific fire hazards (if any), information systems and back up arrangements.
- **Building details** – analysis of building elements including structural frame, walls, floors, roofs, internal compartment walls and doors
- **Management procedures** – self inspection regimes, contractor controls, permits to work, change management, incident / emergency response, staff training, crisis management and business continuity planning.
- **Utilities** – arrangement, layout and maintenance of electrical, gas, water, heating and air systems
- **Fire protection systems** – design and maintenance of systems including fixed fire protection, fire detection, manual fire-fighting appliances and water supplies.
- **Security** – personnel, physical and electronic systems.
- **Water related hazards** – exposure to water damage from weather related incidents, site specific conditions and natural water courses
- **Incident history** and future plans.

## Preparation

To ensure that the best use is made of the limited time on site the following information, where relevant or applicable, should be made ready in advance:

- **Site plans** - general layout plans and any others containing specific information relating to construction, compartmentation, fire systems, location of utility and plant rooms etc. A copy of the site fire plan should be made available.
- **Maintenance and inspection records** – fire safety systems / appliances, electrical maintenance regimes, inspection records, permits to work.
- **Specifications** – the building's fire strategy, fixed fire protection system, intruder alarm / CCTV.
- **Business Continuity** – policy, business impact analysis, plans, exercise reports and any other supporting documentation.

If you have any queries prior to the visit please do not hesitate to contact

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AGENDA ITEM

**8B**

# JOINT AUDIT RISK ASSURANCE COMMITTEE

<b>REPORT TITLE</b>	OPCC RISK MANAGEMENT UPDATE
<b>REPORT BY</b>	ANDREW DALE
<b>DATE</b>	11 NOVEMBER 2021

## PURPOSE OF THE REPORT

To update JARAC on the current assessment of Strategic Risk faced by the PCC (including specific operational risks related to the OPCC) together with both planned and existing mitigations.

## ATTACHMENTS

None

## RECOMMENDATIONS

- i. To note the update on the OPCC Risk Register
- ii. To note that the OPCC Risk Register has been updated to take account of the draft Police & Crime Plan due for publication in the coming weeks
- ii. To note that risks related to the previous Police & Crime Plan have been closed unless they remain relevant

### CONTACT FOR ENQUIRIES

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
### CURRENT OPCC RISKS


In May 2021, following the Police & Crime Commissioner elections, a new Commissioner took office. During the intervening months the Commissioner has consulted with the public and her partners to arrive at the priorities for her Police & Crime Plan that covers the term of office and the first year of the next term.

In updating this Risk Register the draft priorities have been used (at the time of writing the Police & Crime Plan is to be considered by the Police & Crime Panel during November 2021) and, insofar as is possible currently, the current and planned controls have been identified. Once the Police & Crime Plan is published there will be a delivery plan associated with it that can and will lead to further risk controls. A further update will be provided once that work is complete.

Some legacy risks no longer appear in the OPCC Risk Register. Where appropriate, assurance will be gained by the Police & Crime Commissioner directly from work undertaken by the Chief Constable and her team as opposed to owning and overseeing the risk. No inference should be taken about thematic issues from the previous Police & Crime Plan being a lesser priority, as they are simply now 'business as usual' in how the Commissioner holds the Chief Constable to account.

The Chief Executive and Chief Finance Officer have reviewed strategic risks facing 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: CFO	3 High	2 Medium	6 Amber	6 Amber	
<b>Description:</b> <ul style="list-style-type: none"> <li>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)</li> </ul>					
<b>Existing Controls:</b> <ul style="list-style-type: none"> <li>OPCC Commissioning Strategy provides for partnership solutions to service sustainability</li> <li>OPCC Commissioning Teams have strong links to partner agencies</li> <li>PCC able to take ownership and control of critical services where partners have disinvested (provided it remains relevant to the Police &amp; Crime Plan)</li> <li>Ongoing budget management in OPCC to track impact of partner disinvestment on finite PCC funds</li> <li>PCC has key focus on victims and the needs of the public</li> <li>Commissioning Strategy has created a strategic partnership board where leadership teams can discuss emerging threat and risk associated with financial constraints and service priorities</li> <li>Formal partnerships are underpinned by Partnership agreements that provide reassurance to all partners</li> </ul>					
<b>Additional/Planned Controls:</b> <ul style="list-style-type: none"> <li>Partnership working with both major councils is developing at an officer-level and will explore areas of mutual benefit and gain</li> </ul>					

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR0017 Policing Uplift places pressure on existing MTFP Owner: CFO	3 High	2 Medium	6 Amber	6 Amber	
<b>Description:</b> <ul style="list-style-type: none"> <li>Whilst we have (at a macro level) a three year spending review, we only have detail concerning 2022/23 although have improved confidence that the financial implications of the Police Uplift Programme will be funded beyond 2022/2023.</li> </ul>					
<b>Existing Controls:</b> <ul style="list-style-type: none"> <li>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</li> <li>Careful public messaging to help people understand that the Policing Uplift still leaves a funding shortfall for policing</li> <li>Chief Officer commitment to develop savings strategy whilst being aware of emerging financial landscape due to (a) Brexit long-term impacts, (b) Pandemic economic legacy and (c) funding settlement announcements</li> </ul>					

<ul style="list-style-type: none"> <li>• Director of Finance linked into the NPCC national debate from operational side</li> <li>• Enhanced role for JARAC looking at financial planning and budgeting to provide further assurance</li> <li>• Frequent 1-2-1 discussions between PCC and CFO (together with wider Executive team) regarding the financial landscape to maintain awareness and clarity of message</li> <li>• Ongoing close working relationship between Director of Finance and CFO to ensure progress is made against the MTFP and savings plans</li> <li>• Ongoing discussions between OPCC Exec and Chief Officers to ensure savings plans are updated and considered</li> <li>• Ongoing discussions with Chief Constable and PCC regarding the financial landscape and need for coordinated response to finding savings</li> <li>• 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)</li> <li>• OPCC Chief Exec and CFO both work with their respective bodies (APACE and PACCTS) and are close to the national debate</li> <li>• Oversight role of the OPCC CFO will ensure progress continues to be made against the MTFP and need for a savings strategy</li> <li>• Strong, highly competent Finance team will support and challenge MTFP and savings agenda</li> <li>• Finance Assurance Board established, chaired by the CC with the PCC and both CFOs present</li> </ul>
<p><b>Additional/Planned Controls:</b></p> <ul style="list-style-type: none"> <li>• Cost of Policing work being carried out in-Force to understand and establish an affordable baseline</li> </ul>

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

<ul style="list-style-type: none"> <li>Feedback and consultation with partners including occasional attendance at the PCC's public assurance meeting</li> </ul>
<b>Additional/Planned Controls:</b> <ul style="list-style-type: none"> <li>N/A</li> </ul>

Risk (NEW)	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR0067 Driving Efficiencies Owner: CFO	4 Very High	1 Low	4 Green	N/A	N/A
<b>Description:</b> <ul style="list-style-type: none"> <li>The failure to ensure taxpayers money is being spent wisely and resources are being managed effectively</li> </ul>					
<b>Existing Controls:</b> <ul style="list-style-type: none"> <li>Police and Crime Plan AND Police &amp; Crime Delivery Plan published</li> <li>Establishment of a PCC Commissioning Partnership Group</li> <li>Continual review of this priority within the public assurance meeting</li> <li>Periodic review of the PCC delivery plan</li> <li>Oversight by the Police and Crime Panel</li> <li>Implementation of the Financial Assurance Board</li> <li>Treasury and Home Office expectations regarding Police savings and efficiency</li> <li>3 year spending review provides some opportunity for longer term strategic planning</li> <li>PCC oversight of Force cost of policing work</li> <li>Joint strategic procurement board for Police and Fire</li> <li>Robust oversight by PCC of asset management plan</li> <li>Investment in technology to delivery long term efficiencies</li> <li>Understanding the nation review of PCC and general power of competence</li> <li>Ongoing work with Chief Constable to identify other ways to fund necessary investment in Policing (e.g. Savings, central grants etc.)</li> <li></li> </ul>					
<b>Additional/Planned Controls:</b> <ul style="list-style-type: none"> <li>N/A</li> </ul>					


Risk (NEW)	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR0065 Neighbourhood Crime & ASB Owner: CEO	4 Very High	1 Low	4 Green	N/A	N/A
<b>Description:</b> <ul style="list-style-type: none"> <li>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.</li> </ul>					
<b>Existing Controls:</b> <ul style="list-style-type: none"> <li>Police and Crime Plan AND Police &amp; Crime Delivery Plan published</li> <li>Establishment of a PCC Commissioning Partnership Group</li> <li>Continual review of this priority within the public assurance meeting</li> <li>Periodic review of the PCC delivery plan</li> <li>Oversight by the Police and Crime Panel</li> <li>Partnership working in Derby City – Safe Space Initiative</li> <li>Safer Streets Fund (Round 3)</li> <li>Bespoke grants round for ASB delivered by the OPCC</li> <li>Continued engagement with Derbyshire CSP's</li> <li>Specific oversight of Force performance with Burglary/Theft and Robbery</li> <li>Specific support and engagement with Neighbourhood Watch</li> <li>Specific ongoing support for Derbyshire Alert</li> </ul>					
<b>Additional/Planned Controls:</b> <ul style="list-style-type: none"> <li>Comparison between current approach in Derbyshire and that of other OPCCs nationally (work is ongoing in this area)</li> <li>Formally launch the PCC's Young People's strategy that builds on considerable work already in place plus further initiatives (this is approved internally to guide the team's work and will be revisited post-election with the newly elected PCC to consider and approve publication)</li> </ul>					





Risk (NEW)	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR0066 Road Safety Owner: CEO	4 Very High	1 Low	4 Green	N/A	N/A
<b>Description:</b> <ul style="list-style-type: none"> <li>Failure to dealing with the Fatal Four – speeding, drugs/alcohol, seatbelts &amp; mobile phones and improve road safety for all</li> </ul>					
<b>Existing Controls:</b> <ul style="list-style-type: none"> <li>Police and Crime Plan AND Police &amp; Crime Delivery Plan published</li> <li>Establishment of a PCC Commissioning Partnership Group</li> <li>Continual review of this priority within the public assurance meeting</li> <li>Periodic review of the PCC delivery plan</li> <li>Oversight by the Police and Crime Panel</li> <li>Bespoke grant round for Road Safety initiatives delivered by the OPCC</li> <li>Specific support and engagement with Community Speedwatch</li> <li>Reviewing the PCC's role and Strategic relationship with Derby and Derbyshire Road Safety Partnership</li> </ul>					
<b>Additional/Planned Controls:</b> <ul style="list-style-type: none"> <li>N/A</li> </ul>					


Risk (NEW)	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR0067 Victim Support & Safeguarding Owner: CEO	4 Very High	1 Low	4 Green	N/A	N/A
<b>Description:</b> <ul style="list-style-type: none"> <li>The failure to ensure all victims of crime have access to appropriate support services the most vulnerable are protected</li> </ul>					
<b>Existing Controls:</b> <ul style="list-style-type: none"> <li>Police and Crime Plan AND Police &amp; Crime Delivery Plan published</li> <li>Establishment of a PCC Commissioning Partnership Group</li> <li>Continual review of this priority within the public assurance meeting</li> <li>Periodic review of the PCC delivery plan</li> <li>Oversight by the Police and Crime Panel</li> <li>Active engagement with Derby/Derbyshire Safeguarding arrangements</li> <li>Priority policy area (Violence against Women and Girls)</li> <li>Moving to 'Opt Out' model with regards to victim referrals</li> <li>Rebranding of 'CORE' and communication plan.</li> </ul>					
<b>Additional/Planned Controls:</b> <ul style="list-style-type: none"> <li>N/A</li> </ul>					


Risk (NEW)	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR0067 Rural Crime Owner: CFO	4 Very High	1 Low	4 Green	N/A	N/A
<b>Description:</b> <ul style="list-style-type: none"> <li>Failure to increase police presence with more officers trained to deal with rural crime and ensuring specific support services are available for victims</li> </ul>					
<b>Existing Controls:</b> <ul style="list-style-type: none"> <li>Police and Crime Plan AND Police &amp; Crime Delivery Plan published</li> <li>Establishment of a PCC Commissioning Partnership Group</li> <li>Continual review of this priority within the public assurance meeting</li> <li>Periodic review of the PCC delivery plan</li> <li>Oversight by the Police and Crime Panel</li> <li>Commissioning of specific services within rural communities</li> <li>The PCC;'s estate strategy will include key focus on rural communities</li> <li>Chief Constables plans to provide more officers that are trained to handle rural crime issues</li> <li>PCC established the Illegal Encampment Taskforce</li> <li>Active engagement with rural partners</li> </ul>					
<b>Additional/Planned Controls:</b> <ul style="list-style-type: none"> <li></li> </ul>					

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR2020 Financial liability as contract-holder for Jointly Commissioned services Owner: CFO	3 High	1 Low	3 Green	3 Green	
<b>Description:</b> <ul style="list-style-type: none"> <li>Financial liability of holding contracts for Jointly Commissioned services where financial input is not solely from the PCC</li> </ul>					
<b>Existing Controls:</b> <ul style="list-style-type: none"> <li>Strong partnership and relationship links underpin the joint arrangements</li> <li>Funding/Partnership agreement supported by Legal Services</li> <li>Reciprocal arrangements where PCC contributes but does NOT hold the contract</li> <li>Contracts are jointly managed with all participating organisations</li> </ul>					
<b>Additional/Planned Controls:</b> <ul style="list-style-type: none"> <li>N/A</li> </ul>					

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR1978 Failure to deliver single CORE victim service Owner: CFO	2 Medium	1 Low	2 Green	2 Green	
<b>Description:</b> <ul style="list-style-type: none"> <li>Failure to bring contracted services together to deliver a single CORE (Cope and Recover) victim service in accordance with specifications and compliance with the Victims Code of Practice (VCOP)</li> </ul>					
<b>Existing Controls:</b> <ul style="list-style-type: none"> <li>Facilitating joint publicity raising events, sharing of governance and reporting systems</li> <li>Joint Victims working group chaired by Superintendent attended by service providers</li> <li>Regular contract management meetings with all providers, with an enhanced rigour and grip from the Commissioning Team</li> <li>Regular thematic reports considered at SPA</li> <li>Co-location of key victims services providers at FHQ</li> <li>Service delivery partners increasing inter-organisational communication</li> <li>Strategic Victims Pathway Board (SVPB) established</li> <li>Force-led "Think Victim" campaign</li> <li>User satisfaction surveys</li> <li>Implement CORDIS Bright Quality Assurance for CORE</li> <li>Marketing strategy to improve public awareness of victim services</li> <li>Continued review of the Victim Triage Unit successes and opportunities</li> <li>Compliance with VCOP monitored by the OPCC in response to MOJ requirements</li> <li>Significant Assurance (internal audit) for Victim Services / Commissioning area of business</li> </ul>					
<b>Additional/Planned Controls:</b> <ul style="list-style-type: none"> <li>Understand referral levels and look to boost numbers (longer-term piece of work)</li> </ul>					

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR1985 Impact/success of the Police & Crime Plan Owner: CEO	2 Medium	1 Low	2 Green	2 Green	
<b>Description:</b> <ul style="list-style-type: none"> <li>Failure to demonstrate impact or success against the six Police &amp; Crime Plan objectives</li> </ul>					
<b>Existing Controls:</b> <ul style="list-style-type: none"> <li>Increased robustness of Grants process in linking to Police &amp; Crime Plan objectives</li> <li>Publication of PCC's Annual Report</li> <li>JARAC oversight</li> <li>Specific report to SPA on impact and value of the grants process</li> <li>Internal Audit review of grants process</li> <li>OPCC Business Plan used to monitor work of the office</li> <li>Police &amp; Crime Panel scrutiny</li> <li>Police &amp; Crime Delivery Plan published by the Force</li> <li>Regular reports to SPA on achievement against objectives</li> </ul>					
<b>Additional/Planned Controls:</b> <ul style="list-style-type: none"> <li>N/A</li> </ul>					

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR1984 VFM re commissioned services and grants Owner: CFO	2 Medium	1 Low	2 Green	2 Green	
<b>Description:</b> <ul style="list-style-type: none"> <li>Failure to achieve VFM and meaningful outcomes from commissioned services or grants</li> </ul>					
<b>Existing Controls:</b> <ul style="list-style-type: none"> <li>Regular Internal Audit review of Commissioning/Grants (incl. recent significant assurance)</li> <li>Victim &amp; User Satisfaction reviews embedded within contractual arrangements</li> <li>Experienced Head of Commissioning and Commissioning Team</li> <li>Established Commissioning Strategy</li> <li>Commissioning Team has oversight of and manages grants process</li> <li>Potential opportunities around Social Value Act provisions</li> <li>Strategic Victims Pathway Steering Group</li> <li>Thematic reports into SPA</li> <li>Police &amp; Crime Panel scrutiny</li> <li>Scrutiny of VFM arrangements by JARAC</li> <li>External Audit assessment of VFM</li> <li>Comprehensive dashboard and pragmatic data-analysis approach to managing contracts, grants and outcomes – useful statistics to understand impact and effectiveness</li> </ul>					
<b>Additional/Planned Controls:</b> <ul style="list-style-type: none"> <li>N/A</li> </ul>					

Risk	Impact Score	Likelihood Score	Residual Score	Previous Score	Movement
STR1979 Working to provide strong and effective partnership working Owner: CFO	2 Medium	1 Low	2 Green	2 Green	
<b>Description:</b> <ul style="list-style-type: none"> <li>Failure to manage and develop key relationships with partners and demonstrate due regard to their strategic plans</li> </ul>					
<b>Existing Controls:</b> <ul style="list-style-type: none"> <li>OPCC interfaced with the Force's annual consideration of strategic priorities</li> <li>Annual review of the Engagement Strategy</li> <li>Regular reports to SPA</li> <li>Scrutiny by Police &amp; Crime Panel</li> <li>Ongoing review within OPCC of partners' agendas and strategic policy</li> <li>OPCC Partnership &amp; Stakeholder management a key part of the OPCC's work at both executive and senior management level</li> <li>PCC Engagement Programme &amp; #D383</li> <li>Publication of Police &amp; Crime Plan 2016-2021</li> <li>Partners included in discussions around threat, risk and priorities</li> <li>PCC represented on main partnership boards</li> <li>Internal Audit scrutiny into Partnership working (OPCC)</li> </ul>					

<ul style="list-style-type: none"><li>• Ongoing review of Police &amp; Crime Plan during the term of office</li><li>• Policy &amp; Partnerships Officer within OPCC</li><li>• Chief Finance Officer provides Executive leadership for the OPCC's partnership working alongside the responsibilities of the Chief Executive</li><li>• Formal partnerships underpinned with Partnership agreement either when new or renewed</li><li>• Informal partnerships underpinned by shared and agreed visions in addition to an MOU when appropriate</li><li>• Strong commitment within the OPCC Executive and Senior Management team to build, develop and sustain relationships with key partners</li><li>• Safer Streets (3 grant rounds so far) government-funded initiative with City Council and other partners within Derbyshire</li><li>• City-centre multi-agency hub</li></ul>
<b>Additional/Planned Controls:</b> <ul style="list-style-type: none"><li>• Strategic Partnership Board with Derbyshire partners (incl. LA, PH and CCG)</li></ul>

## **HOW THE OPCC WILL MANAGE RISKS AND REPORT BACK**

1. Both the Chief Executive (CEO) and CFO have ownership of risks as set out above. The CFO, in particular, leads on risk management for the PCC (including oversight of the Force's arrangements) and maintains the OPCC's risk register in conjunction with the CEO.
2. The Risk Register features as a standing item on the agendas for the key meetings within the OPCC (Team meeting, Heads of Department and Exec Team) to ensure that the opportunity to discuss the risk register, including any emerging risks, is available.
3. Political, reputational and financial risks in particular are embedded in how the Exec Team (PCC, Chief Executive, CFO and Communications Adviser) work. They meet regularly and jointly consider strategic risk areas and agree suitable mitigations or responses.
4. The CFO attends the Force's Risk Management Board and will keep any possible cross-over or duplication of risks under review. Where the Force is already managing a given risk, the CFO will seek assurance from that process rather than duplicate the work. In addition to this, the Chief Constable provides an overview of operational risk areas to the PCC at their regular catch-up meeting which is also attended by the OPCC's Exec Team.

5. A strong line of communication already exists with the Chair of JARAC. Where the CFO identifies an area of concern or risk that the Chair needs to be urgently made aware of, a briefing will be provided to the Chair (confidentially if necessary) and consideration made to how the JARAC should be updated in due course.

## JARAC self assessment questions based on CIPFA guidance for Audit Committees

Good practice questions	Yes/partly/No	Comments
<b>Purpose &amp; Governance</b>		
Does the authority have a dedicated audit committee?	Yes	
Is the role and purpose of the JARAC understood and accepted by the PCC & CC?	Yes	
Does the JARAC provide assurance to the PCC & CC in meeting the requirements of good governance?	Yes	Comments to discuss
Are the arrangements to hold the JARAC to account for its performance operating satisfactorily?	Yes	
Do the JARAC's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?	Yes	
<ul style="list-style-type: none"> <li>• good governance</li> </ul>	Yes	
<ul style="list-style-type: none"> <li>• assurance framework</li> </ul>	Yes/partly	Discuss
<ul style="list-style-type: none"> <li>• internal audit</li> </ul>	Yes	
<ul style="list-style-type: none"> <li>• external audit</li> </ul>	Yes	Comments to discuss
<ul style="list-style-type: none"> <li>• financial reporting</li> </ul>	Yes/partly	Comments to discuss
<ul style="list-style-type: none"> <li>• risk management</li> </ul>	Yes	
<ul style="list-style-type: none"> <li>• value for money</li> </ul>	Yes/questionable	Discuss
<ul style="list-style-type: none"> <li>• counter fraud &amp; corruption</li> </ul>	Yes	
Is an annual evaluation undertaken to assess whether the JARAC is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	Yes	
Where coverage of core areas has been found to be limited, are plans in place to address this?	Partly	Comments to discuss
Has the committee maintained its non-advisory role by not taking on any decision-making powers that are not in line with its core purpose?	Yes	

Good practice questions	Yes/partly/No	Comments
<b>Membership &amp; support</b>		
<p>Has an effective audit committee structure and composition of the committee been selected? This should include: ☐</p> <ul style="list-style-type: none"> <li>• separation from the executive ☐</li> <li>• an appropriate mix of knowledge and skills among the membership</li> <li>• a size of committee that is not unwieldy ☐</li> <li>• where independent members are used, that they have been appointed using an appropriate process.</li> </ul>	Yes	
Does the chair of the committee have appropriate knowledge and skills?	Yes	
Are arrangements in place to support the committee with briefings and training?	Partly	Comments to discuss
Does the committee have good working relations with key people and organisations, including PCC, CC, external audit, internal audit and the chief financial officers?	Yes	Comments to discuss
Is adequate secretariat and administrative support to the committee provided?	Yes	Comments to discuss



Good practice questions	Yes/partly/No	Comments
<b>Effectiveness</b>		
Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	Partly/Unknown	Discuss
Has the committee evaluated whether and how it is adding value to the organisation?	Yes/unknown	Discuss
Does the committee have an action plan to improve any areas of weakness?	Partly	Discuss
<p>Has the committee continued to operate effectively during its virtual meetings, in particular in relation to:</p> <ul style="list-style-type: none"> <li>• coverage of core functions</li> <li>• appropriate level of constructive challenge by members</li> <li>• attendance &amp; contribution from appropriate officers from both the OPCC &amp; Force</li> <li>• attendance &amp; contribution from both EA &amp; IA</li> <li>• attendance &amp; contribution from PCC &amp; CC (or deputies)</li> </ul>	Yes	Comments to discuss
<p>Has the committee spent an appropriate balance of time between:</p> <ul style="list-style-type: none"> <li>• core functions</li> <li>• development briefings</li> </ul>	Yes/No	Discuss
Have you any additional comments that you would like to make?	Yes	Comments to discuss