

Richard Rhodes

Police and Crime Commissioner for Cumbria

Carleton Hall

Penrith CA10 2AU



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Our reference: DC

Date: 27 November 2015

AGENDA

TO: THE MEMBERS OF THE JOINT AUDIT AND STANDARDS COMMITTEE

CUMBRIA POLICE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY JOINT AUDIT AND STANDARDS COMMITTEE

A Meeting of the Joint Audit & Standards Committee will take place on **Tuesday 8th December 2015** in **Conference Room Two**, Police Headquarters, Carleton Hall, Penrith, at **10:15am**.

**S Edwards
Chief Executive**

Note: Members are advised that allocated car parking for the meeting is available in the Visitors Car Park to the left of the main Headquarters building.

Please note – there will be a presentation by the Assistant Chief Constable on Crime recording at 9.30am

COMMITTEE MEMBERSHIP

Mrs Fiona Daley (Chair)
Mr Andy Hampshire
Mr Jack Jones
Ms Fiona Moore

AGENDA

PART 1 – ITEMS TO BE CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC

1. APOLOGIES FOR ABSENCE

2. URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC

To consider (i) any urgent items of business and (ii) whether the press and public should be excluded from the Meeting during consideration of any Agenda item where there is likely disclosure of information exempt under s.100A(4) and Part I Schedule A of the Local Government Act 1972 and the public interest in not disclosing outweighs any public interest in disclosure.

3. DISCLOSURE OF PERSONAL INTERESTS

Members are invited to disclose any personal/prejudicial interest which they may have in any of the items on the Agenda. If the personal interest is a prejudicial interest, then the individual member should not participate in a discussion of the matter and must withdraw from the meeting room unless a dispensation has previously been obtained.

4. MINUTES OF MEETING AND MATTERS ARISING

To receive and approve the minutes of the committee meeting held on 3 September 2015 (copy enclosed)

5. ACTION SHEET

To receive the action sheet from previous meetings (copy enclosed)

6. CORPORATE UPDATE

7. JOINT ANNUAL AUDIT LETTER 2014-15

To receive from the External Auditors the Joint Annual Audit Letter and reports

8. ANNUAL REVIEW OF GOVERNANCE 2015-16

To review the COPCC and Constabulary arrangements for governance; cyclical review over three years covering:

- (a) Role of the PCC's Chief Finance Officer
- (b) Role of the Chief Constables Chief Finance Officer
- (c) Procurement Regulations
- (d) Scheme of Delegation
- (e) Arrangements for Anti-Fraud and Corruption
- (f) Arrangements for Integrity including Codes of Conduct, Complaints and Integrity protocols

9. ANNUAL GOVERNANCE STATEMENT DEVELOPMENT AND IMPROVEMENT PLAN UPDATE

To receive an update on progress against the development and improvement plan within the annual governance statement

10. HMIC REPORTS

This is an opportunity for the members to discuss any issues arising as a result of the HMIC Inspection Reports that were provided to them electronically

- Criminal justice joint inspections, Custody Suite
- Firearms Licensing
- Data
- Police Efficiency

11. OPCC VALUE FOR MONEY REVIEW

To receive a report from the PCCCFO reviewing the 2015 Value for Money profiles

12. INTERNAL AUDIT – PROGRESS REPORT

To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan (copy enclosed)

13. INTERNAL AUDIT REPORT

The following Internal Audit reports have been completed within the last quarter and have been reviewed by the Committee members. Copies of this audit reports will be available to view on the OPCC website.

- (i) Budget Management
- (ii) Mobile Device Project

14. MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS

To receive an updated summary of actions implemented in response to audit and inspection recommendations (copy enclosed)

15. TREASURY MANAGEMENT ACTIVITIES 2015/16 QUARTER 2 (JULY TO SEPTEMBER 2015)

To receive for information, reports on Treasury Management Activity (copy enclosed)

16. STRATEGIC RISK REGISTER – OPCC

17. STRATEGIC RISK REGISTER – CONSTABULARY

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**Agenda Item 4****CUMBRIA POLICE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY****JOINT AUDIT & STANDARDS COMMITTEE**

Minutes of a Joint Meeting of the Joint Audit & Standards Committee and the Police and Crime Commissioner's Executive Board held on Thursday 3rd September 2015 in Conference Room 2, Police Headquarters, Carleton Hall, Penrith, at 11.00 am

PRESENT

Mrs Fiona Daley (Chair)

Mr Jack Jones

Ms Fiona Moore

Also present:

Audit Manager, Cumbria Shared Internal Audit Service, Cumbria County Council (Emma Toyne)
Group Audit Manager, Cumbria Shared Internal Audit Service, Cumbria County Council (Niki Riley)

Engagement Manager, Grant Thornton (Richard McGahon)

Engagement Lead, Grant Thornton (Fiona Blatcher)

Chief Constable (Jeremy Graham)

Police and Crime Commissioner (Richard Rhodes)

Commissioner's Chief Finance Officer (Ruth Hunter)

Deputy Chief Finance Officer (Michelle Bellis)

Constabulary Chief Finance Officer (Roger Marshall)

Principal Financial Services Officer – Capital & Technical (Lorraine Holme)

Financial Services Assistant – Revenue and Systems (Dawn Cowperthwaite)

Governance & Business Services Manager (Joanne Head)

PART 1 – ITEMS CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC**184. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Andy Hampshire and the Deputy Chief Constable.

185. URGENT BUSINESS AND EXCLUSION OF THE PRESS AND PUBLIC

There are no items of urgent business or exclusions of the press and public to be considered by the Committee. It was decided that if further detail was required during the corporate update, the members would take a decision at that time if exclusions needed to be made

**186. DISCLOSURE OF PERSONAL INTERESTS**

There were no disclosures of any personal interest relating to any item on the Agenda.

187. MINUTES OF MEETING AND MATTERS ARISING

The minutes of the meeting held on 23 June 2015 had been circulated with the agenda. The minutes were first reviewed for factual accuracy and approved as a true record of the meeting by the committee.

RESOLVED, that, the minutes of the meeting held on 23 June 2015 be approved.

188. ACTION SHEET

The action sheet of the meeting held on 23 June 2015 had been circulated with the agenda. The following comments were made.

- Action 166 - The chair asked for confirmation in relation to the CFO's conducting further work to ensure assurance levels were where they needed to be. The Commissioner's CFO confirmed that along with the Chief Constable's CFO that they had undertaken a review that identified that there no changes required to this year's plan but that future year audit plans would adopt different cycles for different financial systems
- Action 167 - The chair confirmed that they had reviewed the amended annual report and that it would be presented at the next Police and Crime Panel meeting
- Action 178 – This should read 'due' not 'sue'

RESOLVED, that, the (i) report be noted,

189. CORPORATE UPDATE

The Commissioner's CFO advised that the main issue for the corporate update would deal with the Government announcement of the start of a consultation on formula funding.

In summary, the new simplified formula is proposed to apply to all main areas of police funding. This includes the Home Office Main Police Grant, Welsh Government and Top-up Grants, Ex DCLG Formula Grant and legacy Council Tax Grants. It would also include the Capital City allowances paid to GLA and City of London. These allowances are proposed to continue, but at a higher rate than currently. The balance of funding is proposed to be allocated on the basis of a simple formula comprising five elements: population (currently weighted at 24%), households with no adults employed and dependent children (currently weighted at 25%), hard pressed (a measure of deprivation and currently weighted at 25%), inverted band D equivalent properties per head of population (currently weighted at 16%) and bar density (currently



weighted at 10%). Whilst these are the currently proposed weightings, the consultation document states that further work will be completed to refine these weights before the model is introduced. The consultation also seeks views on other potential non-crime based indicators. The simplified model is proposed for introduction in the 2016-17 financial year. The government favours an enabled model of transition whereby the Home Office would work with individual policing areas experiencing a funding loss to determine the timescale over which the new formula grant would be reduced. The potential financial implications for Cumbria are significant but lack of clarity over the final weighting of the indicators and how some will be applied make it very difficult to estimate the impact with any degree of certainty.

A member asked if the information held by the Home Office was robust enough to allow them to make effective decisions. The Commissioner's CFO advised that they did not believe so as the Home Office acknowledged that there was insufficient reliable data for non-crime demand for modern police forces. The chair suggested that further more detailed discussion should wait until the December meeting when the position with regards to the formula funding should be clearer.

A member asked if the OPCC's submission to the Home Office would be made public. The Commissioner's CFO confirmed that it would and that they would ensure that the members received copies.

Note – The Commissioner and Chief Constable joined the meeting at this point.

The Chief Constable advised that there was currently a proposal looking into the potential of combining blue light services within the county. There were many issues involved with this, one of which being that Cumbria Fire and Rescue is currently a part of the County Council. The aim would be for there to be a one stop shop for emergency services for the people of Cumbria. Currently call handling for Cumbria Fire and Rescue is dealt with in Warrington the Cumbria Deal would involve moving all calls to the Constabulary call centre.

A member asked what the timescale for this was likely to be. The Chief Constable advised that there could potentially be a very fast turn-around with initial feedback coming as soon as September/October 2015.

190. THE JOINT AUDIT FINDINGS FOR THE POLICE AND CRIME COMMISSIONER FOR CUMBRIA AND THE CHIEF CONSTABLE FOR CUMBRIA CONSTABULARY

The Engagement Lead introduced the Audit Findings Report and stated that it was a very positive report for both the Commissioner and the Chief Constable. It was anticipated that an unqualified opinion would be given. In terms of the accounts they were very impressed that such good quality work with so few issues had been created in a much shorter timescale than in previous years. There was only one outstanding issue which would prevent the accounts being signed off as planned. This deals with a national issue around the calculation of pension lump sums and the extent to which this should be recognised within the accounts, they were

confident however that once clarification has been received the accounts will be signed off. The report also highlights a positive picture with regards Value for Money.

The Engagement Manager agreed with the Engagement Lead and stated that the quality and professionalism of the accounts was a credit to both organisations. High quality working papers were provided and the responses to all queries were very good. The Value for Money report highlighted that financial resilience was key and supported that reasonable assessments had been made. The comparative position of both organisations was very good.

Challenges over the last few years have centred around the holding of reserves, especially in light of underspends within that timeframe. Monitoring has suggested that the organisations will deliver on a commitment to be much closer to where they need to be and that there was a clear and structured plan in place for the use of reserves.

All members welcomed the report and comments and were very pleased, especially in relation to the quality of the accounts. The chair hoped that the Chief Constable and the Commissioner would agree that this was a very good report and gave their thanks to the Finance team. They stated that following discussions with External Audit the members were happy that the accounts were pending and asked that the members be given confirmation when the accounts were signed.

RESOLVED, that, the reports be noted

Note – The Engagement Lead left the meeting at this point.

191. ANNUAL STATEMENT OF ACCOUNTS – POLICE AND CRIME COMMISSIONER

The Commissioner's CFO presented a report to assist members with their role in reviewing the statement of accounts. It was planned that in future reports the key challenges section would be shorter as only new or emerging challenges would be recorded. They also confirmed that the points made by the members during the June meeting had been amended within the audited financial statements.

A member commented that both the Commissioner's and Chief Constable's reports were very comprehensive and thorough. They however had concerns with areas of the action plans where some of the updates read as though they had not been accurately updated. Item CP3/1 on page 141 stated that reporting was due again on 6 May 2015, they felt this should have been brought fully up to date. They asked that the action plan be reviewed with a mind to dates being updated.

With regards to the Annual Governance Statement (AGS) the chair was struck that the recommendations within it weren't being monitored in line with audit and other recommendations and asked if they should be included in the quarterly monitoring report, their main concern being that of slippage. The Commissioner's CFO advised that members would be receiving a formal report at the December meeting that would provide a full update



on AGS recommendations. At this point the members could review whether they wanted these recommendations to be added to the monitoring report.

RESOLVED, that, the report be commended as they were exceptional reports by anyone's standards and underpinned by strong governance processes
That, the accounts not be signed off until the outstanding national issue is resolved.

192. ANNUAL STATEMENT OF ACCOUNTS – CHIEF CONSTABLE

The Chief Constable's CFO presented a report to assist members with their role in reviewing the statement of accounts, highlighting that this report was broadly the same as the one for the Commissioner.

RESOLVED, that, the report be commended as they were exceptional reports by anyone's standards and underpinned by strong governance processes
That, the accounts not be signed off until the outstanding national issue is resolved.

The Chief Constable thanked finance staff for producing the accounts on his behalf.

Note – The Commissioner and the Chief Constable left the meeting at this point.

193. INTERNAL AUDIT REPORT – PROGRESS REPORT

The Audit Manager presented a progress report which summarised the outcomes of the work of internal audit for the period up to 20 August 2015. The key points of the report are given below:

- Two audits have been completed since the last progress report
 - Duty Management System
 - Performance Monitoring
- Progress of the audit plan is on schedule with 28% of planned days delivered, compared with 22% in 2014/15
- Fieldwork is underway on four audits
- Quarter 3 work has been scoped

A member commented that the title on page two read 'Council Plan' and they were disappointed that the report did not seem to be more tailored to the police service. The Audit Manager confirmed that this would be looked at.

RESOLVED, that, (i) the report be noted.

194. INTERNAL AUDIT REPORTS

(i) Duty Management System

Internal Audit undertook a review of the Duty Management System, an overall level of assurance of 'partial' was given. The following recommendations were made.

- High - The objectives of the Duty Management System should be defined, with clear links to strategic policing priorities. There should be periodic evaluation to system objectives
- High – Governance arrangements for the Duty Management System should be defined and clearly communicated to those involved
- Medium – Officers should be required to confirm the accuracy and validity of all overtime data entered to the Duty Management System, whether elected for payment of TOIL
- Medium – Duty Management procedures should be documented and made available to staff, with arrangements to subject the procedures to periodic management review. Relevant training should be provided
- Medium – The skill set requirement for Resourcing Co-ordinators across the force should be developed
- Medium – Arrangements should be in place for Resourcing Co-ordinators to receive formal, structured supervision on a regular basis, especially during this period of re-structure and change
- Medium – The blank option should be removed from the drop down list during the overtime input stage OR clear procedures should be issued in this area, with monitoring arrangements in place to pick up on and correct overtime entered against this option
- Medium – A suite of reports should be developed to give management assurance over the quality of data in the system and levels of TOIL in different functions / areas
- Medium – The Business Board decision to route all input of DMS overtime via Resourcing Co-ordinators should be implemented forthwith. On implementation:-
 - Sergeant and Inspector update access permissions should be removed OR
 - Sergeants and Inspectors should be made aware of the new procedures for routing all DMS overtime via Resourcing Co-ordinators and monitoring arrangements should be established to check adherence

The chair asked if the Constabulary were happy with the timescales agreed for the recommendations in particular were there any concerns around recommendation 7 for which there were two different timescales. The Chief Constable's CFO advised that arrangements had been put in place for the Duties Management Officer's (DMO's) to ensure that either overtime or TOIL was selected whenever they were inputting. Ultimately the hope is that an ICT system could be put in place that would not let a claim be submitted if all of the required fields were not completed. The chair asked if the committee would receive an update on this at the December meeting even though the deadline was set for after the meeting, the Chief Constable's CFO confirmed that they would.

A member commented that this audit report was a good example of the new approach and changes made in the reporting format, it was very clearly focussed and demonstrated understanding of the subject.

During the last quarter an audit report on Performance Monitoring was also completed and circulated to the members. They reported that it was pleasing to see the level of assurance that it provided.

RESOLVED, that, the report be noted.

195. MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS

The Chief Constable's CFO presented the updated Audit Monitoring Report stating that there were a large number of new recommendations. Eight of the new recommendations related to the OPCC Risk Management audit report, all of these actions had been actioned and signed off. The Commissioner's CFO advised that officers had taken on board the recommendations and that a lot of work had been completed to meet the deadlines set.

There were 19 recommendations to be carried forward, of these only one was overdue. The overdue recommendation related the proper authorisation of non-matched invoices. This work had been delayed but new delegations have now been put in place which should soon enable the recommendation to be signed off.

RESOLVED, that, the report be noted;

196. TREASURY MANAGEMENT ACTIVITIES 2015/16 QUARTER 1 (APRIL TO JUNE 2015)

The Deputy CFO presented to members the Treasury Management Activities for April to June 2015. They confirmed that all of the prudential indicators set as part of the annual Statement of Treasury Management Strategy had been complied with.

A member asked what interest rate was being earned on new investments, the Deputy CFO confirmed that they were receiving 0.45%. Another member asked if there was any risk that the government might impose restrictions on the amount of reserves that police forces could hold, like they have previously done in some other industries. The Commissioner's CFO advised that they believed that the government could not dictate on these matters and that the OPCC took guidance from the Chartered Institute Public Finance and Accounting (CIPFA). They also stated that the OPCC only received £800k a year in capital grants, this amount alone would make it impossible to fund projects such as the new build at Barrow if reserves were not held.

The chair asked if there was any greater clarity on the point at which it may become necessary to undertake external borrowing. The Commissioner's CFO advised that the Treasury Management Strategy for next year may very well contain detail on potential borrowing and

that the contract for external advisory services had been tendered to include external borrowing support.

RESOLVED, that, the report be noted

Note – The Governance and Business Services Manager joined the meeting at this point.

197. STRATEGIC RISK REGISTER

(i) OPCC

The Governance and Business Services Manager shared with the committee the OPCC's strategic risk register. Following on from their internal audit report everyone in the office undertook training on risk, followed by further training for the executive team with a CIPFA approved trainer. The approach of starting with a blank sheet was taken and they looked at all aspects of risk including registers, scoring and matrixes. They firstly moved from a 5 x 5 matrix to a 4 x 4 model, this decision was taken as it was felt that sometimes with a 5 x 5 matrix it was easy to keep risks in the middle ground without having to make the decision as to whether they should actually be graded higher or lower. It was hoped that the changes that were made to the risk register would make it more user friendly. When pulling together the register the focus had been on a four year period, in order to mirror the term of Police and Crime Commissioners.

Three risks have been identified; Strategic Finance, Efficient and Effective Policing and Delivery of the Police and Crime Plan. The executive team still need to determine the OPCC's risk appetite. The Commissioner's CFO advised that this was quite a complex area as there may need to be a different appetite for different risks and that further discussion was required.

A member commented that this was a good piece of work and that the end result was leaner and more fit for purpose. Another member asked for clarification on whether the mitigated scores reflected the current score or a point that they would hope to reach at some point in the future. The Commissioner's CFO confirmed that the mitigated scores given were the current scores but that the situation was very fluid and as a result they were being monitored constantly.

A member commented that they would have expected to see risks associated with Commissioned Services on the register as it was such a new activity within the office. The Commissioner's CFO advised that as the OPCC was such a small office their risk profile was very different to that of the Constabulary and that although commissioned services was a relatively new activity in the office it was well supported by the Constabulary's procurement department and overseen by the Head of Partnerships and Commissioning who had a wealth of previous experience in the required processes. The member suggested that the potential reputational risks may need to be considered. The Commissioner's CFO confirmed that historically this was something that would have been reflected in the strategic risk register but that following training it was decided that it would be more appropriate to recognise these risks within the



operational register and that due to the monitoring in place it could very promptly be escalated to the strategic register if this became necessary.

The chair shared their concern that the risk register did not correlate with this year's increase in audit days that had previously been reported. The Commissioner's CFO advised that the operational risk register also needed to be taken into account and the Group Audit Manager confirmed that the majority of the additional days were allocated for work with the Constabulary.

A member commented that it would be difficult to put into perspective some of the risks until the risk appetite had been decided and that once one was in place it should be possible to more accurately judge the risks and their progress.

The Commissioner's CFO asked if it would be useful for the members to receive a summary or front sheet for the operational risk register so that they could be assured that other areas had been considered and were being regularly monitored even if they didn't appear on the strategic register. All of the members agreed that this would help to aid their understanding.

(ii) Constabulary

The Chief Constable's CFO shared with the committee the Constabulary's strategic risk register and highlighted that there had been one main change. The change reflects the earlier discussions around the amendments to the formula funding and cuts to the Comprehensive Spending Review (CSR). As a result of these factors the risk had been escalated to the highest score by the Chief Officer Group (COG).

It was highlighted that there was a potential new risk around an increase in population related to the new nuclear power station in the county which would place an additional demand on the policing service.

A member commented that the Impact and likelihood on risk 22 should be 'very high' rather than 'high' according to the risk matrix, the Chief Constable's Chief Finance Officer confirmed that this would be corrected.

RESOLVED, that, the reports be noted

Meeting ended at 13.05 pm

Signed: _____

Date: _____

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Joint Audit & Standards Committee – Action Sheet

Minute Item	Action to be taken	Person Responsible	Target Date	Comments	Status
DATE OF MEETING: 10th March 2015					
155	Item 5 – OPCC Risk Management Monitoring Consideration to be given to changing the wording of ‘mitigated’ and ‘unmitigated’ on the risk register	Joanne Head	June 2015		
DATE OF MEETING: 6th May 2015					
162	Item 6 – OPCC Risk Management Monitoring Consideration to be given to the format of the RM Monitoring Report for next year to be clear about what action Members are recommended to take in response to the findings of the review	Joanne Head	June 2016		
163	Item 7 – OPCC Anti-Fraud and Corruption Corrections to be made to typo’s in this document – Fiona Moore to advise on specifics – update for next year	Joanne Head	June 2016		
163	Item 7 - OPCC Anti-Fraud and Corruption Consideration to be given to whether the report could be split as Members do not need to see the arrangements annually but feel that they would benefit from seeing the stats	Joanne Head	June 2016		
167	Item 11 – Annual Report of the Joint Audit and Standards Committee 2014/15 Members to consider possible areas for induction training	Members	December 2015		
169	Item 13 – Annual Governance Statement – OPCC Consideration to be given to producing a short summary AGS	Ruth Hunter	March 2016		
170	Item 13 – Annual Governance Statement – Constabulary Consideration to be given to producing a short summary AGS	Roger Marshall	March 2016		
DATE OF MEETING: 3rd September 2015					
193	Item 10 – Internal Audit – Progress Report Amendment required to page 2 – stating ‘Council Plan’. Members asked if report could be reviewed with a mind to tailoring it more to the police service	Emma Toyne	December 2015	December 2015 progress report amended to reflect comment made by Members.	
197	Item 14 (ii) – Strategic Risk Register – Constabulary Members asked that risk 22 be reviewed as it is currently rated as ‘high’ and they believe it should be considered as ‘very high’	Roger Marshall	December 2015	This has been updated in new risk 26 to encompass the funding formula review and the score increased to very high.	

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The Annual Audit Letter for the Police and Crime Commissioner for Cumbria and the Chief Constable for Cumbria Constabulary

Year ended 31 March 2015

October 2015

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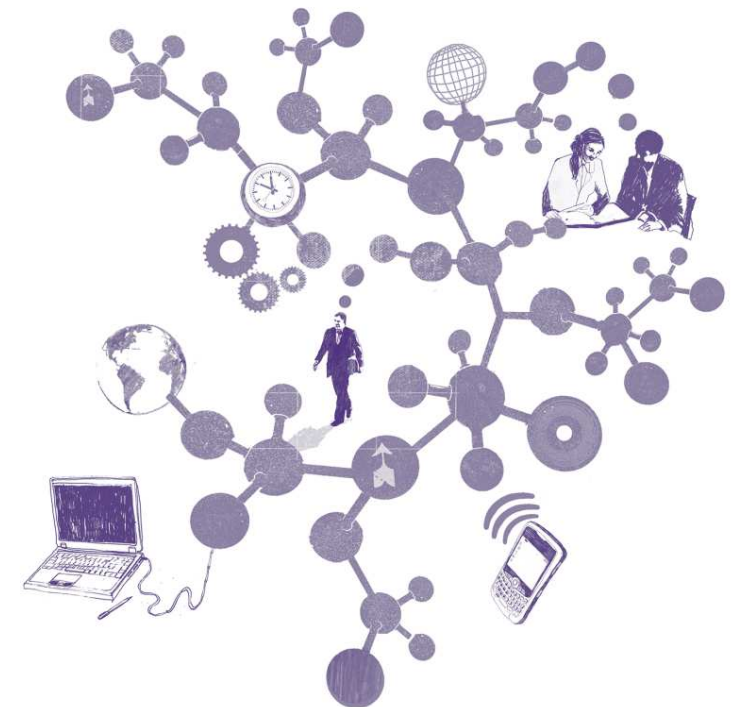
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Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at the Police and Crime Commissioner (PCC) for Cumbria and the Chief Constable for Cumbria Constabulary for the year ended 31 March 2015.

The Letter is intended to communicate key messages to the PCC, Chief Constable and external stakeholders, including members of the public. Our annual work programme, which includes nationally prescribed and locally determined work, has been undertaken in accordance with the Joint Audit Plan that we issued in February 2015 and was conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission and Public Sector Audit Appointments Limited.

Financial statements audit (including audit opinions)	<p>We reported our findings arising from the audit of the financial statements in our Joint Audit Findings Report on 3 September 2015 to the Joint Audit and Standards Committee, which was attended by the Police and Crime Commissioner and the Chief Constable as 'Those Charged with Governance'. The key messages reported were:</p> <ul style="list-style-type: none">• the finance team have made significant presentational changes to the financial statements in 2014/15 by moving technical accounting disclosures into an Annex to the accounts which has improved the readability of the accounts. In our view this has worked well in providing a clearer and easier to read set of accounts• no adjustments affecting the PCC's or Chief Constable's reported financial position• a contingent liability was added to both the PCC and Chief Constable's accounts to reflect the position that future payments will need to be made as the result of a decision by the Pension Ombudsman which affects all police bodies but will be funded by the Government. Additional disclosures have also been made in terms of critical judgements and events after the balance sheet date in relation to this issue• one change was made to the PCC's earmarked reserves note for the treatment of the three years upfront payment towards the pension fund deficit. A small number of other changes were made to the PCC's and Chief Constable's accounts to improve presentation and consistency. <p>Both the PCC and Chief Constable's draft accounts were authorised for issue on 28 May 2015 which was a significant achievement and demonstrates both bodies ability to meet the earlier statutory production of accounts deadline of 31 May which will come into effect for the 2017/18 accounts.</p> <p>We issued an unqualified opinion on the PCC's 2014/15 financial statements on 23 September 2015 and on the Chief Constable's 2014/15 financial statements on 23 September 2015, meeting the deadline set by the Department for Communities and Local Government. Our opinions confirm that the financial statements for each organisation give a true and fair view of the PCC and Chief Constable's financial position and of the income and expenditure recorded by the PCC and Chief Constable, respectively.</p>
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Key messages continued (continued)

Value for Money (VfM) conclusion	<p>We issued unqualified VfM conclusions for the PCC for 2014/15 on 23 September 2015 and for the Chief Constable for 2014/15 on 23 September 2015.</p> <p>On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects the PCC and Chief Constable put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources for the year ending 31 March 2015.</p> <p>The PCC continues to show strong financial resilience and good financial planning and management. Revenue reserves reduced in 2014/15 and although they remain high the medium term financial plan (MTFP) includes plans for future investment, making use of these reserves, to enable the PCC and CC to achieve efficiencies whilst continuing to respond to the police and crime needs of Cumbria. Both the PCC and Constabulary will face significant financial challenges going forward with the current healthy reserves position helping to plan for any further changes. The PCC reported a small overspend of £0.037 million for 2014/15 for the Commissioner's directly managed revenue budget and when the Constabulary underspend is considered the combined group revenue underspend was only £0.221 million. This represents a significant improvement on previous years where large underspends have been the norm. The capital budget for 2014/15 of £13.013 million was underspent by £3.554 million but by 31 July 2015 a substantial amount of the slippage on the capital programme had been spent. The PCC's priorities were updated in March 2015 and confirmed the Commissioner's view that the priorities in the Police and Crime Plan were the right ones. Delivery of the PCC's priorities has included the county CCTV network to be implemented in 2015 and funding to support an Independent Domestic Violence Advocacy and Support Service.</p> <p>The Chief Constable is working closely with the PCC to ensure that its finances are effectively managed. The Constabulary has a good track record of delivering savings plans and its 'Change Strategy' has continued to provide a good basis for its strategic approach to delivering spending reductions. Workforce planning within the Constabulary has improved over the last two years. This has resulted in a more robust workforce plan in place with clear emphasis on getting police officer numbers up to current establishment which has helped ensure staff expenditure is more in line with budget. Despite recent increases in crime, overall crime levels remain relatively low. Increases in the number of reported hate crimes, rape offences and other sexual offences in 2014/15 were expected as a result of the Constabulary encouraging more victims of these serious offences to come forward and report them.</p>
Audit fee	<p>Our fee for 2014/15 for the PCC 's audit was £40,500, excluding VAT which was in line with our planned fee for the year and was the same as the previous year. Our fee for 2014/15 for the Chief Constable's audit was £20,000, excluding VAT which was in line with our planned fee for the year and was the same as the previous year. Further detail is included within appendix A.</p>

Appendix A: Reports issued and fees

We confirm below the fees charged for the audit and non-audit services.

Fees for audit services

	Per Audit plan £	Actual fees £
Police and Crime Commissioner audit	40,500	40,500
Chief Constable audit	20,000	20,000
Total audit fees	60,450	60,450

Fees for other services

Service	Fees £
Audit related services	Nil
Non-audit related services	
• Annual tax helpline	2,500
• assist with the updating of the notice of dispensation for the PCC and Chief Constable	4,000

Reports issued

Report	Date issued
Audit Plan	February 2015
Audit Findings Report	August 2015
Annual Audit Letter	October 2015



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Police and Crime Commissioner for Cumbria

Role of the Chief Finance Officer (Core CFO Responsibilities)

Introduction

As part of the arrangements for reviewing governance within the OPCC the role of the PCCCFO has been formally assessed against the CIPFA role. The attached form documents the review and sets out how compliance is achieved with the CIPFA CFO responsibilities.

The internal assessment provided assurance that the OPCC is 100% compliant with the requirements of the CIPFA Role.

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
Principle 1 The Chief Finance Officer of the PCC and CC is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest.		
1.1	Contributing to the effective leadership of the PCC and CC, maintaining focus on its purpose and vision through rigorous analysis and challenge.	The PCCCFO is a member of the Commissioner's Executive Board and leads on arrangements for financial governance. The PCCCFO is a member of the Constabulary's Force Strategic Delivery Board (FSDB), contributing to the challenge and scrutiny of strategic recommendations to the Constabulary Chief Office Group. The PCCCFO contributes to other Constabulary processes where significant investment and business change is being delivered e.g. scrutiny of business cases, budget star chambers, project boards.
1.2	Contributing to effective corporate management, including strategy implementation, cross organisational issues, integrated business and resource planning, risk management and performance management.	The PCCCFO is a member of the OPCC Executive Team. The team meets on a regular basis with an agenda that incorporates cross cutting corporate and strategic issues. The PCCCFO leads on financial risks and under the arrangements for governance will be consulted on wider arrangements for risk management. The PCCCFO will contribute to scrutiny of the performance of the Constabulary at meetings of the Executive Board. Cross cutting issues between the OPCC and Constabulary are included on the agenda of meetings of the Accountability Board comprising Constabulary Chief Officers, the OPCC Chief Executive and Chief Finance Officer. The PCCCFO leads on the Annual Governance Statement (AGS) that includes an action plan incorporating key strategic actions and is monitored by the Joint Audit and Standard Committee (JASC).

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1.3	Supporting effective governance through development of: <ul style="list-style-type: none"> corporate governance arrangements, risk management and reporting frameworks; and corporate decision making arrangements. 	The PCCCFO leads on the arrangements for ensuring a Code of Corporate Governance and an AGS is reviewed/prepared on an annual basis and is compliant with codes/guidance. The PCCCFO leads on the arrangements for external audit, internal audit and the JASC and contributes to the arrangements for risk management. This includes ensuring the internal audit plan incorporates audit work covering key corporate and financial risks. The PCCCFO contributes to the arrangements for decision making and reporting as a member of the Commissioner's Executive Board.
1.4	Contributing to change programmes including identifying service efficiencies and value for money opportunities.	The PCCCFO is a member of the Constabulary's Force Strategic Delivery Board (FSDB) and the Accountability Board. Both boards operate as a forum to offer challenge and discuss change management proposals, efficiency and value for money. The PCCCFO leads on the scrutiny of all Constabulary investment proposals and the revenue and capital budgets providing challenge around the level of resource requirements and the assumptions made. This includes ensuring that discretionary investment decisions deliver a robust financial return or can demonstrate significant non-financial benefits. The PCCCFO provides independent advice to the Commissioner on HMIC value for money profiles.
1.5	Leading development of medium term financial strategies and the annual budgeting process to ensure financial balance and a monitoring process to ensure its delivery.	The PCCCFO leads on the arrangements for developing the Commissioner's medium term financial forecasts, advising on the robustness of the budgets and in-year management of the overall budget. This includes arrangements for Constabulary funding. The PCCCFO is supported in doing this by a shared financial support team lead by the deputy CFO.

Role of the Chief Finance Officer (Core CFO Responsibilities)

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1.6	Ensuring that there are sound medium and long term financial plans for both revenue and capital to support the development of PCC and CC plans and strategies and that these are subject to regular review to confirm the continuing relevance of assumptions used.	The medium term financial forecasts for revenue are projected over 4 years. The capital programme is developed over 10 years. The forecasts are reviewed in detail on an annual basis between October and February. Projections of formula funding income and other factors that may have a stepped impact on resources are re-modelled at the time of government announcements.
1.7	Ensuring that advice is provided on the levels of reserves and balances in line with good practice guidance. (PCC CFO responsibility in consultation with the CC CFO)	The PCCCFO produces an annual policy on reserves that sets out the reason for holding reserves and the amount of reserves set aside for specific purposes. This is recommended for approval annually as part of the Commissioner's budget process. The PCCCFO will make a formal statement on the level of reserves within the statutory 151 report on the robustness of the budget
1.8	Ensuring compliance with relevant CIPFA Codes including the Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code. (PCC CFO responsibility in consultation with the CC CFO)	The PCCCFO makes an annual statement to the external auditors as part of the letter of representation provided on behalf of the Commissioner in respect of compliance with relevant CIPFA codes. The Commissioner's Treasury Management Strategy confirms compliance with CIPFA's Treasury Management Codes and the prudential regime for capital financing. The requirement to comply with relevant codes is re-enforced through internal governance documents e.g. financial regulations, and is included with individual job roles for staff within the finance team. There is a level of independent assurance on Code compliance, e.g. external treasury management advisors will offer advice

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		on the treasury management strategy/external audit will monitor compliance with the code on local authority accounting/internal audit will provide advice as appropriate to specific audits.
1.9	Ensuring that budget calculations are robust and reserves adequate, as required by s25 of the Local Government Act 2003, and in line with CIPFA guidance. (PCC CFO responsibility in consultation with the CC CFO)	<p>The PCCCFO will develop the policy on reserves annually including setting the level of reserves. This includes a review of the requirement for the reserve and the adequacy of overall reserves given the financial risks faced by the OPCC/Constabulary.</p> <p>The substantial proportion of the Commissioner's budget comprises funding for the Constabulary. Arrangements for the budget include a number of analytical review checks made by the CCCFO prior to the Constabulary budget being submitted to the PCCCFO for consideration. The PCCCFO will then undertake a further level of analytical review assessing the differences in funding between years against known changes to costs and other planning assumptions. A more detailed comparison is undertaken by the deputy CFO for the purposes of presenting information to the PCP, further contributing to the level of assessment.</p> <p>Reserves are set at a level to mitigate areas of budget risk. Those areas where risks are highest and only a lower level of assurance can be given are highlighted in the S151 report.</p>
1.10	Ensuring the medium term financial strategy reflects joint planning with partners and other stakeholders.	The MTFF is the end result of work between the PCCCFO, CCCFO and deputy CFO to consider the requirements of the Constabulary and the Commissioner, including the Commissioner's wider partnership commissioning intentions that incorporates joint working with health, the county council, district councils and community safety partnerships.

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Principle 2 The CFO must be actively involved in, and able to bring influence to bear on, all material business decisions (subject to the operational responsibilities of the Chief Constable) to ensure immediate and longer term implications, opportunities and risks are fully considered, and align with the overall financial strategy.		
Responsibility for Financial Strategy		
2.1	Ensuring that a financial framework is agreed and delivery is planned against the defined strategic and operational criteria.	The PCCCFO agrees the financial strategy with the Constabulary prior to submitting budget proposals to the Commissioner. The strategy is developed over a number of months taking account of change management proposals, investment decisions and aligned capital strategies/asset management plans. Discussions will take place between the PCCCFO and Constabulary leads on the strategic and operational requirements that drive the overall resource requirements e.g. discussions with Head of Estates and Fleet/ mobile and digital leads. Joint agreement is reached on the approach to risk within the budget and financing choices in respect of capital.
2.2	Maintaining a long term financial strategy to underpin PCC and CC financial viability within the agreed performance framework.	The financial strategy drives the Constabulary change management programme and is based on 4 years (revenue) and 10 years capital. The change programme develops proposals well in advance of the savings requirement for any single financial year to ensure financial viability typically for up to 2 years. A funding agreement between the Commissioner and Constabulary sets out the basis on which funding can be used and the expectations of the Commissioner in respect of financial management, governance and performance/information requirements.
2.3	Ensure financial management policies underpin sustainable long-term financial health and reviewing performance against them.	The main financial management policies are for Treasury Management and Reserves. These are developed with a view to providing a balance between risk and prudence. The approach to treasury management is developed in conjunction with external advisors and includes benchmarked information regarding the balance of financial return and risk on investments. Quarterly reports on treasury management activity provide assurance that prudential indicators have been complied with and that transactions have been carried out in line with strategy. The policy on reserves takes account of

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		CIPFA guidance. The statement of accounts contain the financial policies used in respect of financial reporting and these are subject to annual review by the PCCCFO and CCCFO. The comments of the external auditors on financial resilience are taken into consideration by the PCCCFO when considering financial strategy. The capital programme is developed over a 10 year time line with a requirement that the first four years are fully funded.
2.4	Ensuring that commercial and collaborated opportunities are appraised and advising on financial targets and successful delivery.	The primary commercial and collaborative opportunities are in respect of the Constabulary. Some smaller collaborative/commercial arrangements exist within the OPCC, e.g. internal audit shared service. Collaborative arrangements between the Constabulary and OPCC provide for shared support services. Collaboration arrangements and major commercial procurements are subject to approval from the Commissioner and will be subject to scrutiny and challenge by the PCCCFO.
2.5	Ensuring that an effective resource allocation model is developed and maintained to deliver business priorities.	The process for resource allocation is based on initially producing a continuity budget against estimates of the available level of resources. Growth and savings requirements and then considered to ensure overall balance. The on-going requirement for savings means effectivity that the change management programme determines any stepped changes in resource allocation other than in respect of investments that provide an overall net return or are mandated. Change management proposals are based on value for money considerations using HMIC profiles and take account of the priorities within the police and crime plan. The PCCCFO/Commissioner will be consulted on the approach to any proposals with an impact on strategic priorities as part of the discussions on the budget and constabulary funding. The PCCCFO will scrutinise discretionary investment decisions to ensure a positive ROI as part of the budget process and under delegations from the Commissioner for the capital programme.

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2.6	Taking a leading role on asset and balance sheet management.	Governance arrangements delegate responsibility to the PCCCFO for balance sheet and asset management. The PCCCFO leads on behalf of the CE in respect of securing effective management of the Commissioner's estate. The PCCCFO takes part in Constabulary star chambers to challenge the capital programme and will scrutinise and advise the commissioner on the capital strategies proposed by the constabulary. Discussions with constabulary officers take account of operational requirements and value for money. The PCCCFO in conjunction with the CCCFO ensures assets are properly insured. The PCCCFO leads on the arrangements for financial regulations that set out requirements in respect of asset and balance sheet management within the OPCC and Constabulary. Requirements are also set out in the funding arrangements between the commissioner and chief constable.
2.7	Ensuring that the planning and budgeting processes are fully co-ordinated	The OPCC planning cycle is aligned to development of the police and crime plan. Consultation on the plan and the budget through the Police and Crime Panel is undertaken between October and January prior to approval in February. The financial implications of the Police and Crime Plan are set out in a multi-year commissioning strategy with the funding requirements mirrored in an aligned commissioning budget.
Influencing decision making		
2.8	Ensuring that opportunities and risks are fully considered and decisions are aligned with the overall financial strategy.	The PCCCFO attends the key strategic boards within the OPCC and Constabulary: Executive Board, Executive Team, Accountability Board, FSDB and specific project boards. Informal meetings outside the boards with project leads are held as necessary to discuss any specific delivery risks/financial implications that require more in depth consideration.
2.9	Providing professional advice and objective financial analysis enabling	The PCCCFO will provide the Commissioner with independent financial analysis where required and provides input to decision making through the Executive Board and informal briefing sessions prior to the Executive Board. Delegations to the PCCCFO are made where decisions are taken in principle but further analysis is required.

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
	decision makers to take timely and informed business decisions.	
2.10	Ensuring that efficient arrangements are in place and sufficient resources available to provide accurate, complete and timely advice to support strategy development.	The overall resources for the shared financial support team are considered on a regular basis to ensure the support needs of both businesses are met. The statutory responsibility of the PCCCFO to advise on this is set out in the arrangements for governance.
2.11	Ensuring that clear, timely, accurate information is provided as requested by the Police and Crime Panel.	The panel are consulted on their information requirements in respect of the precept decision each year and are offered an annual seminar supported by the Constabulary to consider more detailed financial, performance and value for money information. The panel are provided with financial monitoring information during the financial year in respect of constabulary and OPCC budgets.
2.12	Ensuring that all necessary information is provided to the PCC when the Police and Crime Panel considers the budget and proposed precept. (PCC CFO responsibility in consultation with the CC CFO)	The PCC is fully briefed ahead of the Police and Crime Panel precept meeting on the key issues regarding the council tax debate. The PCCCFO presents the budget papers to the panel and will answer technical questions. The Chief Constable is in attendance to respond on questions regarding the operational implications of resource constraints.
2.13	Ensuring that capital projects are chosen after evaluating a fully costed business case complied with input	The financial strategy requires the capital programme to be balanced for a minimum of 4 years. Schemes included within the programme are either supported by asset management strategies that provide the rationale for cyclical

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	from all relevant professional disciplines and can be funded in the financial strategy.	replacement/maintenance programmes or require a business case to commence. Professional oversight is provided as appropriate to business case decisions.
2.14	Checking, at an early stage, that innovative financial approaches comply with regulatory requirements.	The PCCCFO in conjunction with the CCCFO procures a range of specialist financial advisory services including treasury management, taxation including VAT/PAYE, pensions and insurance. This provides access to independent advisory services where more innovative approaches are being considered. Both organisations also work closely with the external auditors on compliance issues and liaise at the early stages of considering any changes to ways of accounting and financing transactions.
Financial information for decision makers		
2.15	Monitoring and reporting on financial performance that is linked to related performance information and strategic objectives that identifies any necessary corrective decisions.	Financial monitoring is undertaken on a monthly basis with formal reporting on a quarterly basis to the Executive Board and Police and Crime Panel. Regular discussions are held with the deputy CFO and CCCFO in order to ensure the on-going management of the budget in year and to minimise the impact of variances. The funding arrangement between the Commissioner and Chief Constable includes a schedule of information requirements.
2.16	Ensuring that timely management accounts are prepared.	Management accounts are prepared on a monthly basis typically within 14 days of the period end.
2.17	Ensuring the reporting envelope reflects partnerships and other	The Commissioner's financial reports include all partnership expenditure. A specific commissioning budget is established that supports the commissioning strategy/police and crime plan.

Role of the Chief Finance Officer (Core CFO Responsibilities)

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	arrangements to give an overall picture.	
Principle 3 The CFO must lead and encourage the promotion and delivery of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.		
Promotion of financial management		
3.1	Assessing financial management style and advising as to changes which may be needed to ensure it aligns with the PCC's strategic direction.	Close relationship exist between the finance budget support officers and individual budget holders to ensure ownership of the budgets. The financial planning cycle ensures alignment between the OPCC budget, commissioning budgets, the police and crime plan priorities and constabulary requirements. Budget items are included on Executive meeting agendas as appropriate.
3.2	Actively promoting financial literacy.	The PCCCFO has supported the procurement of CIPFA training that will enhance financial and business skills across the OPCC and Constabulary. The arrangements for financial governance ensure all key documents that support financial literacy are developed as far as is possible with a view to their accessibility to staff.
3.3	Assisting the development of a protocol which clearly sets out the roles and responsibilities for financial management, including delegated authority/powers.	The PCCCFO leads on the development of the financial regulations and procurement regulations that set out the responsibilities and role of key individuals including Chief Officers within the OPCC and Constabulary. The PCCCFO has also lead on the initial development of the existing OPCC scheme of delegation that documents all delegations from the Commissioner and Chief Executive and general principles of delegation. On-going changes to the scheme are subject to consultation with the CCCFO and the wider management team.

Role of the Chief Finance Officer (Core CFO Responsibilities)

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Value for money		
3.4	Challenging and supporting decision makers, especially on affordability and value for money, by ensuring policy and operational proposals with financial implications are notified to and as appropriate, for non-operational aspects, signed off by the finance function.	The PCCCFO will scrutinise all reports presented for decision to the Commissioner and advise on the financial implications/acceptability of recommendations. Where decisions are able to be made in principle but appropriate detail or assurance regarding financial implications are unable to be confirmed final decision making is delegated to the PCCCFO. The PCCCFO works closely with the shared finance support team to ensure financial implications have been reviewed and where appropriate are reflected in a revised budget.
3.5	Ensuring that appropriate asset management and procurement strategies are developed and maintained	The PCCCFO is the Commissioner's lead for asset management and procurement. The PCCCFO leads on developing the procurement regulations (overarching document including strategy/policy, rules procedures). Asset management strategies are presented by the Constabulary as part of the budget setting process and will be discussed and reviewed by the PCCCFO prior to presenting to the Commissioner for approval.
3.6	Taking a leading role on the identification of value for money opportunities.	The PCCCFO annually reviews HMIC VFM profiles and other relevant inspectorate reports to identify areas where value for money can be improved. Further detailed work has been undertaken to benchmark OPCC costs with statistical neighbours to identify opportunities to reduce the budget. The PCCCFO's understanding of Constabulary VFM supports the Commissioner in providing challenge and ensures effective judgements can be made on the change programme strategy for reducing costs. The Executive Board receives a regular report from the Constabulary on its VFM strategy.

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
Safeguarding public money		
3.7	Applying strong internal controls in all areas of financial management, risk management and asset control.	The PCCCFO leads on the Commissioner's financial regulations - these are adopted by the Constabulary. The OPCC adopts the financial rules led on by the CCCFO.
3.8	Explain the financial management arrangements within the Annual Governance Statement.	The Annual Governance Statement and Code of Corporate Governance set out the arrangements for financial management. The PCCCFO leads on the development of these documents.
3.9	Establishing budgets, financial targets and performance indicators to help assess delivery.	The PCCCFO leads on the development of an annual funding arrangement between the Commissioner and Chief Constable that sets out the financial management arrangements for Constabulary funding and an agreed performance framework. Grant regulations within the OPCC ensure any grant based funding has performance/outcome based measures attached and/or an evaluation report to assess the impact of delivery.
3.10	Ensuring that effective systems of internal control are implemented, these may include financial regulations, contract regulations, standing financial instructions, operating manuals, and compliance with codes of practice to secure probity.	The PCCCFO leads on the Commissioner's financial regulations - these are adopted by the Constabulary. The OPCC adopts the financial rules led on by the CCCFO. Financial rules are supported by a finance handbook and procedures. Internal audit will assess compliance as part of the cyclical audit of internal control and provide a judgement on the control environment. Job roles for finance posts include responsibility for ensuring compliance with codes. The PCCCFO leads on the production of joint procurement regulations for the OPCC.

Role of the Chief Finance Officer (Core CFO Responsibilities)

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3.11	Ensuring that the PCC and CC have put in place effective arrangements for internal audit of the control environment and systems of internal control as required by professional standards and in line with CIPFA's Code of Practice.	Shared Internal audit arrangements are in place and reviewed annually by the PCCCFO/CCCFO including compliance with CIPFA's code of practice and the Public Sector Internal Audit Standard. The PCCCFO sits on the shared service board that provides governance and shared management of the service.
3.12	Ensuring that delegated financial authorities are respected	The deputy CFO has a highly robust understanding of delegations as set out in the PCC/CC funding agreement and financial regulations and acts as a 'gate keeper' for financial delegations on behalf of the PCCCFO and CCCFO in respect of decision making and virement/budgets
3.13	Promoting arrangements to identify and manage business risks (except for operational responsibilities of the Chief Constable), including safeguarding assets, risk mitigation and insurance.	The PCCCFO leads on the funding arrangement between the Commissioner and Chief Constable. The terms of funding include the responsibility of the CC in respect of managing business risk and insurance and safeguarding assets. The financial regulations has a specific section covering assets and the responsibilities of officers.
3.14	Ensure that capital projects are managed with post completion reviews.	Where capital schemes are subject to a business case (largely ICT schemes) the project manager will produce a final project report reviewing the scheme and lessons learned. This is presented to the force strategic delivery board of which the PCCCFO is a member.

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3.15	Securing the application of appropriate discipline in financial management, including managing cash and banking, treasury management, debt and cash flow, with appropriate segregation of duties.	Financial management disciplines are set out in the financial regulations, rules and handbook supported by appropriate procedures and the treasury management statements of practice. These areas are subject to audit and a range of treasury management/other performance indicators. Segregation of duties operates within financial administrative procedures within the finance team and between the finance team and central services department who process a number of these transactions. Insurance arrangements provide some additional level of cover for any areas of risk, e.g. fraud risk within the finance team. Monthly reconciliations are in place to reconcile systems and banking transactions and reported through a framework of performance indicators.
3.16	Ensuring the effective management of cash flows, borrowings and investments of funds including those on behalf of others; ensuring the effective management of associated risks; pursuing optimum performance or return consistent with those risks. (PCC CFO responsibility in consultation with the CC CFO).	The arrangements are set out in the treasury management strategy and practices statements. This area is subject to independent advice from treasury management specialist in addition to internal audit. The strategy and practices are reviewed by JASC annually who also receive reports on treasury management activity and compliance with performance indicators and the control framework. The strategy and monitoring reports are approved by the commissioner at the executive board.
3.17	Ensuring that appropriate measures exist to prevent and detect fraud and corruption.	The OPCC has arrangements for anti-fraud and corruption including a strategy, policy, procedures and a fraud plan. Further work has been undertaken to promote whistleblowing following feedback from JASC. The PCCCFO and CCCFO are made aware of any instances of fraud where they arise and will review and discuss with internal audit any

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		implications for internal control. The Constabulary takes part in the national fraud initiative. Instances of fraud and the action taken is reported to the external auditors.
3.18	Ensuring that proportionate business continuity arrangements are established for financial processes and information.	The financial team have a business continuity plan which provides details of financial procedures to be adopted in the event of a business continuity event. The plan has been developed in consideration of a number of potential scenarios (principally loss of buildings, power, ICT or staff). The PCCCFO, Deputy CFO and CCCFO have mobile ICT provision and remote access.
3.19	Ensuring that any partnership arrangements are underpinned by clear and well documented internal controls.	Partnership arrangements involving funding are subject to a funding or grant agreement that stipulates requirements in respect of financial management and reserve the right of the Commissioner to subject those arrangements to audit.
Assurance and security		
3.20	Ensuring that financial performance of the PCC and CC and its partnerships is reported to the PCC and CC and other parties as required.	The PCC/CC funding agreement and financial regulations set out the requirements in respect of financial monitoring. Cyclical Reports are presented to the Chief Officer Team, Executive Board and Police and Crime Panel. Grant agreements for our wider partners set out performance requirements in respect of funded schemes.
3.21	Ensuring that financial and performance information presented to members of the public, the community and the media covering resources, financial strategy, service	The financial information in reports is reconciled to the position on the financial system. Staff producing reports are fully aware of the challenges in making financial reporting publically accessible and work hard to ensure reports present information in accessible formats e.g. treasury management reporting makes frequent use of graphs and charts to explain the arrangements. Annual budget information presented to the police and crime panel makes use of supporting

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	plans, targets and performance, is accurate, clear, relevant, robust and objective. Apart from operational matters which are the responsibility of the Chief Constable.	contextual data, graphs and pictures to enhance the narrative and figures. Specific focus is given to the accessibility of the financial statements.
3.22	Supporting and advising the Audit Committee.	The arrangements for the JASC, providing support/advice as necessary and producing the annual report on behalf of the Committee, are led on by the PCCCFO and supported by the Deputy CFO. The arrangements for the Committee provide for independent meetings with the external and internal auditors which provides a further opportunity for members to access support. From 2015-16 the work programme of the committee includes a corporate update and an agreed training and development plan.
3.23	Ensuring that clear, timely, accurate advice is provided on what considerations can legitimately influence decisions on the allocation of resources, and what cannot.	The PCCCFO works closely with the CCCFO and deputy CFO in developing the annual budget and medium term forecasts including discussions on resource allocations. The PCCCFO will brief the Commissioner as appropriate on any principles that underpin assessments of levels of reserves, the approach to constabulary funding and any issues with resource implications outside the on-going continuity budget prior to developing final reports for formal approval. The PCC/CC funding arrangement sets out the discretions available to the Chief Constable for in year resource allocation.
3.24	Ensuring that published budgets, annual accounts and consolidation	The PCCCFO ensures the publication of budget/monitoring information, including treasury management strategy and activity reports on the Commissioner's website within a dedicated budget and finance page. A separate page sets out the statement of accounts and associated governance statements and includes a copy of the audit commission's

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	data for government-level consolidated accounts are prepared.	document advising the public on their rights regarding information on the accounts and audit. The shared finance support team under the direction of the deputy CFO ensures the delivery of financial reporting requirements including ensuring the submission of government returns/WGA to the relevant department.
3.25	Ensuring that the financial Statements are prepared on a timely basis, meet the requirements of the law, financial reporting standards and professional standards as reflected in the Code of Practice on Local Authority Accounting in the United Kingdom developed by the CIPFA/LASAAC Joint Committee.	The PCCCFO provides an annual letter of representation to the external auditors on behalf of the Commissioner confirming all required standards have been met in respect of the published statement of accounts. Discussions took place with the external auditors with regards to changes in process for 2014-15 to facilitate preparation of the statements within the earlier statutory deadlines of the Local Audit and Accountability Act 2014. The 2014-15 unaudited financial statements were approved on 28 th May. Early discussions have taken place with the external auditors in preparation for the 2015-16 financial statements with a view to bringing forward the publication of the audited statements.
3.26	Certifying the annual Statement of Accounts (PCC CFO and CC CFO for their separate accounts) and the group accounts (PCC CFO)	The PCCCFO certifies the annual statement of accounts for the PCC/Group. The CCCFO certifies the annual statement of accounts for the CC.
3.27	Ensuring that arrangements are in place so that other accounts and grant claims (including those where the PCC is the accountable body for	The shared finance support team lead on ensuring the requirements of grant claims are adhered to and will liaise directly with the relevant government department where needed to ensure requirements are fully understood. Where funded expenditure is being managed by a partner the arrangements include a funding or grant agreement with terms

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	community led projects) meet the requirements of the law and of other partner organisations and meet the relevant terms and conditions of schemes	consistent with those issued from the relevant government department. Legal support is accessed as appropriate regarding terms and conditions of agreements.
3.28	Liaising with the internal and external auditor.	The PCCCFO leads on the arrangements for audit and will meet with the external auditors at the start and close out meetings for the accounts and periodically during the audit process to discuss any issues. The PCCCFO meets regularly with the internal auditors to discuss audit planning and as part of the shared audit service management board. The internal and external auditors and PCCCFO attend all meetings of the JASC.
Principle 4 The CFO must lead and direct, (as explained in this principle), a finance function that is resourced to be fit for purpose.		
4.1	Ensuring that the finance function makes a full contribution to and meets the needs of the business.	The finance function is a highly valued team and critical to ensuring the OPCC and PCCCFO can fulfil their statutory and professional responsibilities. The deputy CFO leads the team and is fully engaged in the business of the OPCC, and works very closely with the PCCCFO on ensuring the delivery of financial support including a full suite of budget, monitoring and treasury reports and the financial statements in order that the Commissioner and PCCCFO can demonstrate public accountability for its funding.
4.2	Ensuring that the resources, expertise and systems for the finance function are sufficient to meet	The resources within the finance function are regularly assessed to ensure a balance between meeting the needs of the business and cost. Demand on finance resources is likely to remain high for a number of years due to the extent of business change arising from reductions in funding. There will be a requirements to consider reducing the cost of the

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	business needs and negotiating these within the overall financial framework.	finance function going forward. The PCCCFO will be working very closely with the CCCFO/Deputy CFO and wider finance team to consider the implications for levels of financial support and risk to ensure these are fully understood by the business ahead of any decisions being made.
4.3	Ensuring that robust processes for recruitment of finance staff are implemented and/or outsourcing of functions.	The PCCCFO and the CCCFO will jointly consider resources and the recruitment of senior posts within the finance team. The PCCCFO/CCCFO and deputy CFO have jointly developed the role descriptions and person specifications for senior posts all of which were subject to review during 2014. There is currently no formal outsourcing of finance functions. Specialist advisory services are subject to procurement processes in line with procurement regulations. Internal audit is provided through a shared service with a management board attended by the PCCCFO.
4.4	Reviewing the performance of the finance function and ensuring that the services provided are in line with the expectations and needs of its stakeholders.	The PCCCFO is the primary stakeholder for the finance function under the shared service arrangements. The PCCCFO works closely with the deputy CFO, principal finance officers and other members of the team to communicate requirements and ensure the team is able to deliver. The team has an excellent track record of providing a qualitative and response service to the PCCCFO. The financial services plan incorporates a range of performance indicators and targets.
4.5	Seeking continuous improvement in the finance function.	The PCCCFO has worked with the deputy CFO and CCCFO to develop and fund a training and development policy for the finance function to incorporate an enhanced level of professional training. Staff are encouraged to attend regional and national seminars and events. This learning supports staff in improving the systems and processes for which they are responsible. Discussions are on-going between the PCCCFO/deputy CFO and CCCFO about improvements to annual cyclical processes including the statement of accounts and budget and ensuring changes in requirements from codes and regulations are adopted.

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
4.6	Ensuring that finance staff, managers and the Leadership Team are equipped with the financial competencies and expertise needed to manage the business both currently and in the future.	The PCCCFO has worked with the deputy CFO and CCCFO to develop and fund a training and development policy for the finance function. During 2014 CIPFA training was arranged for the wider workforce to develop finance and business skills in appropriate roles. The finance team liaise closely with budget managers to ensure relevant competencies.
4.7	Ensuring that responsibility for all finance staff is properly discharged.	The PCCCFO does not have direct staff responsibility but works closely/informally with the deputy CFO and CCCFO to ensure responsibility for staff within the finance function is properly discharged.
4.8	Acting as the final arbiter on application of professional standards.	The PCCCFO has statutory responsibility for the administration of financial affairs and is a professional member of CIPFA. As the sole post holder within the OPCC with a professional financial qualification, all financial responsibility including that for professional standards rests with the PCCCFO.
Principle 5 The CFO must be professionally qualified and suitably experienced.		
	In order to fulfil the aims of this Principle: <ul style="list-style-type: none"> Be a member of an accountancy body recognised by the International Federation of 	The PCCCFO is a full member of CIPFA and adheres to the requirements of that professional body including those for ethics and CPD. The PCCCFO is literate in the use of relevant office ICT systems (Microsoft Office) and has mobile access to office ICT. The PCCCFO has relevant experience including private sector, large metropolitan and city councils, police authority and police and crime commissioner entities. This includes 12 years at director level with finance and wider business/commercial responsibilities including a commercial strategic partnership covering highways, property, ICT and

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
	<p>Accountants (IFAC), qualified through examination, and subject to oversight by a professional body that upholds professional standards and exercises disciplinary powers.</p> <ul style="list-style-type: none"> Adhere to international standards set by IFAC on: <ul style="list-style-type: none"> Ethics Continuing Professional Development. Demonstrate IT literacy. Have relevant prior experience of financial management in the public services or private sector. Understand public service finance and its regulatory environment. Apply the principles of corporate finance, economics, risk 	<p>contact centre functions and wider support service delivery including administrative/transactional processing & HR.</p> <p>Financial management experience includes the full range of local authority departments – housing, education, social care, leisure, central/accounts, finance ICT systems, formula funding.</p> <p>The range of roles and breadth of experience of the PCCCFO has led to the development of a robust understanding of public service finance/regulatory requirements. More recently this has included the changes in legislation and regulations arising from the introduction of the police and crime commissioner including the Police Reform and Social Responsibility Act 2011, the policing protocol order 2011, relevant aspects of the Anti-social Behaviour, Crime and Policing Act 2014 and the changes to financial legislation arising from the Local Audit and Accountability Act 2014.</p> <p>The PCCCFO ensures that the principles of corporate finance, economics, risk management and accounting are applied through leading on robust standards of financial governance that are subject to review by an independent audit committee and internal and external audit.</p> <p>The PCCCFO has a certificate in coaching from the institute of leadership and management. Development of coaching skills and techniques has included participation in different methodologies and assessments that develop self-awareness in respect of personal and professional strengths. This has been supported by 360 degree assessments within current and former employing organisations and a leadership development programme run by Manchester Business School.</p> <p>The PCCCFO has been supported by a professional coach in current and former employing organisations to support development.</p>

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
	<p>management and accounting.</p> <ul style="list-style-type: none">▪ Understand personal and professional strengths.▪ Undertake appropriate development or obtain relevant experience in order to meet the requirements of the non-financial areas of the role.	

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Chief Constable for Cumbria Constabulary

Role of the Chief Finance Officer (Core CFO Responsibilities)

Introduction

As part of the arrangements for reviewing governance within the Constabulary the role of the CCCFO has been formally assessed against the CIPFA role. The attached form documents the review and sets out how compliance is achieved with the CIPFA CFO responsibilities.

The internal assessment provided assurance that the Constabulary is 100% compliant with the requirements of the CIPFA Role.

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
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Principle 1

The Chief Finance Officer of the PCC and CC is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest.

1.1	Contributing to the effective leadership of the PCC and CC, maintaining focus on its purpose and vision through rigorous analysis and challenge.	The CCCFO is a member of the Constabulary Chief Officer Group and leads on arrangements for financial management and governance. The CCCFO is also a member of the Constabulary's Force Strategic Delivery Board (FSDDB) and Business Boards, ensuring that all proposals for significant investment and business change are subject to robust scrutiny and challenge. Other members of the financial services team attend strategic boards in relation to operational policing and projects ensuring that all strategic decisions are subject to financial diligence.
1.2	Contributing to effective corporate management, including strategy implementation, cross organisational issues, integrated business and resource planning, risk management and performance management.	The CCCFO is a member of the Chief Officer Group. The group meets informally on a weekly basis and monthly on an extended basis with an agenda that incorporates cross cutting corporate and strategic issues. The CCCFO provides regular financial updates to the Chief Officer Group including the Constabulary's Medium Term Financial Forecast and ensures that these incorporate all elements of business planning. The CCCFO leads on financial risks and under the arrangements for governance will be consulted on wider arrangements for risk management. The CCCFO leads on the Annual Governance Statement (AGS) that includes an action plan incorporating key strategic actions and is monitored by the Joint Audit and Standard Committee (JASC).

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
1.3	Supporting effective governance through development of: <ul style="list-style-type: none"> corporate governance arrangements, risk management and reporting frameworks; and corporate decision making arrangements. 	The CCCFO leads on the arrangements for ensuring a Code of Corporate Governance and an AGS is reviewed/prepared on an annual basis and is compliant with codes/guidance. The CCCFO leads on the arrangements for external audit, internal audit and the JASC within the Constabulary. This includes ensuring the internal audit plan incorporates audit work covering key corporate and financial risks. The CCCFO also contributes to the development of wider strategies and policies, where there are resource or financial governance elements. The CCCFO contributes to the arrangements for decision making and reporting as a member of the Chief Officer Group and other Strategic Boards.
1.4	Contributing to change programmes including identifying service efficiencies and value for money opportunities.	The CCCFO is a member of the Constabulary's Force Strategic Delivery Board (FSDB), which operates as a forum to offer challenge and discuss change management proposals, efficiency and value for money. The CCCFO leads on the scrutiny of all Constabulary investment proposals and the revenue and capital budgets providing challenge around the level of resource requirements and the assumptions made. This includes ensuring that discretionary investment decisions deliver a robust financial return or can demonstrate significant non-financial benefits. The CCCFO provides independent advice to the Chief Constable on HMIC value for money profiles. The CCCFO works closely with the Constabulary's Director of Corporate Support to ensure that change plans are integrated with financial planning.
1.5	Leading development of medium term financial strategies and the annual budgeting process to ensure financial balance and a monitoring process to ensure its delivery.	The CCCFO leads on the arrangements for developing the Chief Constable's medium term financial forecasts, advising on the robustness of the budgets and in-year management of the overall budget and ensuring that key financial messages are communicated effectively within the Constabulary. The CCCFO works closely with other senior managers within the Constabulary to ensure that the budget and medium term financial forecasts are closely aligned to other

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
		business planning. This includes arrangements for Constabulary funding. The CCCFO is supported in doing this by a shared financial support team lead by the deputy CFO.
1.6	Ensuring that there are sound medium and long term financial plans for both revenue and capital to support the development of PCC and CC plans and strategies and that these are subject to regular review to confirm the continuing relevance of assumptions used.	The medium term financial forecasts for revenue are projected over 4 years. The capital programme is developed over 10 years. The forecasts are subject to a comprehensive update on an annual basis between October and February as part of the budget preparation process, but may be reviewed and adjusted in the intervening period in response to emerging events. Projections of formula funding income and other factors that may have a stepped impact on resources are re-modelled at the time of government announcements.
1.7	Ensuring that advice is provided on the levels of reserves and balances in line with good practice guidance. (PCC CFO responsibility in consultation with the CC CFO)	Under the funding agreement with the Police and Crime Commissioner the only reserves held by the Chief Constable are operational and budget contingencies. The circumstances when these can be utilised are set out in the funding arrangement. If the Chief Constable is granted more reserves to manage in his own right the CCCFO will produce a Constabulary Reserve Policy. The CCCFO advises the Chief Constable on the level and policy in relation to reserves held by the Commissioner.
1.8	Ensuring compliance with relevant CIPFA Codes including the Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code. (PCC CFO	The CCCFO makes an annual statement to the external auditors as part of the letter of representation provided on behalf of the Chief Constable in respect of compliance with relevant CIPFA codes. The requirement to comply with relevant codes is re-enforced through internal governance documents e.g. financial regulations, and is included with individual job roles for staff within the finance team. There is a level of independent assurance on Code compliance, e.g. external treasury management advisors will offer advice on the treasury management strategy/external audit will monitor

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
	responsibility in consultation with the CC CFO)	compliance with the code on local authority accounting/internal audit will provide advice as appropriate to specific audits.
1.9	Ensuring that budget calculations are robust and reserves adequate, as required by s25 of the Local Government Act 2003, and in line with CIPFA guidance. (PCC CFO responsibility in consultation with the CC CFO)	<p>The CCCFO supports the PCCCFO in developing a policy on reserves annually including setting the level of reserves. This includes a review of the requirement for the reserve and the adequacy of overall reserves given the financial risks faced by the OPCC/Constabulary.</p> <p>The substantial proportion of the Commissioner's budget comprises funding for the Constabulary. Arrangements for the budget include a number of analytical review checks and detailed financial scrutiny through a budget 'star chamber' process overseen by the CCCFO prior to the Constabulary budget being submitted to the PCCCFO for consideration. The PCCCFO will then undertake a further level of analytical review assessing the differences in funding between years against known changes to costs and other planning assumptions. A more detailed comparison is undertaken by the deputy CFO for the purposes of presenting information to the PCP, further contributing to the level of assessment.</p> <p>Reserves are set at a level to mitigate areas of budget risk. Those areas where risks are highest and only a lower level of assurance can be given are highlighted in the S151 report.</p>
1.10	Ensuring the medium term financial strategy reflects joint planning with partners and other stakeholders.	The MTFF is the end result of work between the PCCCFO, CCCFO and deputy CFO to consider the requirements of the Constabulary and the Commissioner, including the Commissioner's wider partnership commissioning intentions that incorporates joint working with health, the county council, district councils and community safety partnerships.

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
Principle 2 The CFO must be actively involved in, and able to bring influence to bear on, all material business decisions (subject to the operational responsibilities of the Chief Constable) to ensure immediate and longer term implications, opportunities and risks are fully considered, and align with the overall financial strategy.		
Responsibility for Financial Strategy		
2.1	Ensuring that a financial framework is agreed and delivery is planned against the defined strategic and operational criteria.	The CCCFO agrees the financial strategy with the Constabulary prior to submitting budget proposals to the Commissioner. The strategy is developed over a number of months taking account of change management proposals, investment decisions and aligned to workforce plans, capital strategies and asset management plans. Discussions take place between the CCCFO and Constabulary service leads on the strategic and operational requirements that drive the overall resource requirements e.g. discussions with Head of Estates and Fleet/ mobile and digital leads. Joint agreement is reached on the approach to risk within the budget and financing choices in respect of capital.
2.2	Maintaining a long term financial strategy to underpin PCC and CC financial viability within the agreed performance framework.	The financial strategy drives the Constabulary change management programme and is based on 4 years (revenue) and 10 years (capital). All strategic resource allocation decisions within the Constabulary are taken in the context of the medium term financial planning horizon. The change programme develops proposals well in advance of the savings requirement for any single financial year to ensure financial viability typically for up to 2 years. A funding agreement between the Commissioner and Constabulary sets out the basis on which funding can be used and the expectations of the Commissioner in respect of financial management and governance. The agreement includes information requirements and an agreed performance framework.
2.3	Ensure financial management policies underpin sustainable long-	The main financial management policies are for Treasury Management and Reserves. These are developed with a view to providing a balance between risk and prudence. The approach to treasury management is developed in conjunction with external advisors and includes benchmarked information regarding the balance of financial return and risk on

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
	term financial health and reviewing performance against them.	investments. Quarterly reports on treasury management activity provide assurance that prudential indicators have been complied with and that transactions have been carried out in line with strategy. The policy on reserves takes account of CIPFA guidance. The statement of accounts contain the financial policies used in respect of financial reporting and these are subject to annual review by the PCCCFO and CCCFO. The comments of the external auditors on financial resilience are taken into consideration by the CCCFO when considering financial strategy. The capital programme is developed over a 10 year time line with a requirement that the first four years are fully funded.
2.4	Ensuring that commercial and collaborated opportunities are appraised and advising on financial targets and successful delivery.	The primary commercial and collaborative opportunities are in respect of the Constabulary. All significant collaborative arrangements involving the Constabulary are subject to scrutiny by the CCCFO and the Constabulary Chief Officer Group. Some smaller collaborative/commercial arrangements exist within the OPCC, e.g. internal audit shared service. Collaborative arrangements between the Constabulary and OPCC provide for shared support services. Collaboration arrangements and major commercial procurements are subject to approval from the Commissioner and will be subject to scrutiny and challenge by the PCCCFO.
2.5	Ensuring that an effective resource allocation model is developed and maintained to deliver business priorities.	The process for resource allocation is based on initially producing a continuity budget against estimates of the available level of resources. Growth and savings requirements and then considered to ensure overall balance. The on-going requirement for savings means effectivity that the change management programme determines any stepped changes in resource allocation other than in respect of investments that provide an overall net return or are mandated. The change management team consider all elements of the Constabulary's service provision, are informed by value for money considerations using HMIC profiles and take account of the priorities within the police and crime plan. The CCCFO/Chief Constable are actively consulted on the approach to any proposals with an impact on strategic priorities as part of the discussions on the budget and constabulary funding. The PCCCFO will scrutinise discretionary investment

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
		decisions to ensure a positive ROI as part of the budget process and under delegations from the Commissioner for the capital programme.
2.6	Taking a leading role on asset and balance sheet management.	The CCCFO liaises closely with strategic leads in the development of Constabulary managed business and asset plans. Governance arrangements delegate responsibility to the PCCCFO for balance sheet and asset management. Discussions take account of operational requirements, affordability and value for money. The PCCCFO in conjunction with the CCCFO ensures assets are properly insured. The PCCCFO leads on the arrangements for financial regulations that set out requirements in respect of asset and balance sheet management within the OPCC and Constabulary.
2.7	Ensuring that the planning and budgeting processes are fully co-ordinated	Business planning processes within the Constabulary are timetabled to align with the budget preparation process. The Constabulary planning cycle is aligned to that of the OPCC and as such coincides with the development of the police and crime plan. Consultation on the plan and the budget through the Police and Crime Panel is undertaken between October and January prior to approval in February. The financial implications of the Police and Crime Plan are set out in a multi-year commissioning strategy with the funding requirements mirrored in an aligned OPCC commissioning budget.
Influencing decision making		
2.8	Ensuring that opportunities and risks are fully considered and decisions are aligned with the overall financial strategy.	The CCCFO attends the key strategic boards within the Constabulary: Chief Officer Group, Business Board, FSDB and there is financial representation at operational and specific project boards. Informal meetings outside the boards with project leads are held as necessary to discuss any specific delivery risks/financial implications that require more in depth consideration.
2.9	Providing professional advice and objective financial analysis enabling	The CCCFO will provide the Chief Constable with independent financial analysis where required and provides input to decision making through the Chief Officer Group and informal briefing sessions prior to the Chief Officer Group.

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
	decision makers to take timely and informed business decisions.	Delegations to the CCCFO are made where decisions are taken in principle but further analysis is required. All papers being presented to strategic boards require consultation with the Financial Services department.
2.10	Ensuring that efficient arrangements are in place and sufficient resources available to provide accurate, complete and timely advice to support strategy development.	The overall resources for the shared financial support team are considered on a regular basis to ensure the support needs of both businesses are met. The statutory responsibility of the CCCFO to advise on this is set out in the arrangements for governance.
2.11	Ensuring that clear, timely, accurate information is provided as requested by the Police and Crime Panel.	The panel are consulted on their information requirements in respect of the precept decision each year and are offered an annual seminar supported by the Constabulary to consider more detailed financial, performance and value for money information. The panel are provided with financial monitoring information during the financial year in respect of Constabulary and OPCC budgets.
2.12	Ensuring that all necessary information is provided to the PCC when the Police and Crime Panel considers the budget and proposed precept. (PCC CFO responsibility in consultation with the CC CFO)	The Chief Constable is fully briefed ahead of the Police and Crime Panel precept meeting on the key issues regarding the council tax debate. The PCCCFO presents the budget papers to the panel and will answer technical questions. The CCCFO supports the PCCCFO in providing relevant financial information. The Chief Constable is in attendance to respond on questions regarding the operational implications of resource constraints.
2.13	Ensuring that capital projects are chosen after evaluating a fully costed business case complied with input	The financial strategy requires the capital programme to be balanced for a minimum of 4 years. Schemes included within the programme are either supported by asset management strategies that provide the rationale for cyclical

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
	from all relevant professional disciplines and can be funded in the financial strategy.	replacement/maintenance programmes or require a business case to commence. Professional oversight is provided as appropriate to business case decisions.
2.14	Checking, at an early stage, that innovative financial approaches comply with regulatory requirements.	The PCCCFO in conjunction with the CCCFO procures a range of specialist financial advisory services including treasury management, taxation including VAT/PAYE, pensions and insurance. This provides access to independent advisory services where more innovative approaches are being considered. Both organisations also work closely with the external auditors on compliance issues and liaise at the early stages of considering any changes to ways of accounting and financing transactions.
Financial information for decision makers		
2.15	Monitoring and reporting on financial performance that is linked to related performance information and strategic objectives that identifies any necessary corrective decisions.	Financial monitoring is undertaken on a monthly basis, in conjunction with budget-holders, who have formal responsibility for managing budgets. Formal reporting of the financial position is undertaken to Chief Officers at a high level on a monthly basis and at a more detailed level on a quarterly basis. The Constabulary also provides reports on a quarterly basis to the Executive Board and Police and Crime Panel. Regular discussions are held with the deputy CFO and CCCFO in order to ensure the on-going management of the budget in year and to minimise the impact of variances. The funding arrangement between the Commissioner and Chief Constable includes a schedule of information requirements and the performance monitoring framework for the financial year.
2.16	Ensuring that timely management accounts are prepared.	Management accounts are prepared on a monthly basis typically within 14 days of the period end.
2.17	Ensuring the reporting envelope reflects partnerships and other	The Constabulary financial reports incorporate all partnership and collaboration activity. Where partnership activities have significant financial implications these are highlighted within Constabulary reports or are reported separately.

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
	arrangements to give an overall picture.	

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
Principle 3 The CFO must lead and encourage the promotion and delivery of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.		
Promotion of financial management		
3.1	Assessing financial management style and advising as to changes which may be needed to ensure it aligns with the PCC's strategic direction.	Collective responsibility for financial management is promoted through Chief Officer Group, and individual senior management team meetings (SMTs) where the budget is a standing agenda item. Financial services officers are an integral part of these SMT meetings to brief staff on their role and to improve understanding of when to engage financial support in new/developing areas of business. Closer relationships have been promoted between financial services staff and individual budget holders to ensure ownership of the budgets. The financial planning cycle ensures alignment between the Constabulary budget and business planning, change programme, police and crime plan priorities and the wider Commissioner's budget requirements.
3.2	Actively promoting financial literacy.	The CCCFO has supported the procurement of CIPFA training that will enhance financial and business skills across the OPCC and Constabulary. The arrangements for financial governance ensure all key documents that support financial literacy are developed as far as is possible with a view to their accessibility to staff.
3.3	Assisting the development of a protocol which clearly sets out the roles and responsibilities for financial management, including delegated authority/powers.	The CCCFO supports the PCCCFO in the development of the financial regulations and procurement regulations that set out the responsibilities and role of key individuals including Chief Officers within the OPCC and Constabulary. The CCCFO has lead responsibility for the financial rules and financial handbook with underpin the financial regulations. The CCCFO, in conjunction with the Director of Legal Services, has also lead on the development of the existing Constabulary scheme of delegation that documents all delegations from the Chief Constable and general principles of delegation. The CCCFO

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
		also leads on the production of annual budget protocols which set out the roles and responsibilities of budget holders and the wider Constabulary in relation to financial transactions.
Value for money		
3.4	Challenging and supporting decision makers, especially on affordability and value for money, by ensuring policy and operational proposals with financial implications are notified to and as appropriate, for non-operational aspects, signed off by the finance function.	The CCCFO will scrutinise all reports presented for decision to the Chief Constable and advise on the financial implications/acceptability of recommendations. The CCCFO works closely with the shared finance support team to ensure financial implications have been reviewed and where appropriate are reflected in a revised budget.
3.5	Ensuring that appropriate asset management and procurement strategies are developed and maintained	The CCCFO is the Constabulary's lead for asset management and supports the Head of Procurement in relation to the development of procurement strategy. The CCCFO works with the PCCCFO who leads on developing the procurement regulations (overarching document including strategy/policy, rules procedures. Asset management strategies are presented by the Constabulary as part of the budget setting process and will be discussed and reviewed by the PCCCFO prior to presenting to the Commissioner for approval as part of the annual budget process.
3.6	Taking a leading role on the identification of value for money opportunities.	The CCCFO works with the Constabulary Director of Corporate Improvement to annually review HMIC VFM profiles and other inspectorate reports to identify areas where value for money can be improved. Detailed work has been undertaken to benchmark Constabulary costs with statistical neighbours to identify opportunities to reduce the budget. The CCCFO's understanding of Constabulary VFM supports the Chief Constable in providing challenge and ensures effective

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
		judgements can be made on the change programme strategy for reducing costs. The Executive Board receives a regular report from the Constabulary on its VFM strategy.
Safeguarding public money		
3.7	Applying strong internal controls in all areas of financial management, risk management and asset control.	The PCCCFO leads on the Commissioner's financial regulations - these are adopted by the Constabulary. The OPCC adopts the financial rules led on by the CCCFO.
3.8	Explain the financial management arrangements within the Annual Governance Statement.	The Annual Governance Statement and Code of Corporate Governance set out the arrangements for financial management, which are formulated and agreed in conjunction with the Chief Officer Group.
3.9	Establishing budgets, financial targets and performance indicators to help assess delivery.	The CCCFO leads on the development of an annual budget and medium term financial forecast for the Constabulary. The budget setting process includes zero based budgeting exercises carried out by the financial services team and budget holders are held to account for financial performance and budget requirements in annual budget star chambers. Responsibility for managing all budgets is formally assigned to individual budget-holders through the Constabulary's Scheme of Devolved Resource Management (DRM). As part of the scheme of DRM, budget-holders are required to report on financial performance on a monthly basis and are subject to challenge at periodic command or directorate performance development conferences. The funding arrangement between the Commissioner and Chief Constable sets out the financial management arrangements for Constabulary funding and an agreed performance framework.
3.10	Ensuring that effective systems of internal control are implemented, these may include financial	The PCCCFO leads on the Commissioner's financial regulations - these are adopted by the Constabulary. The CCCFO leads on the financial rules – these are adopted by the OPCC. Financial rules are supported by a finance handbook and procedures. Internal audit will assess compliance as part of the cyclical audit of internal control and provide a judgement

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
	regulations, contract regulations, standing financial instructions, operating manuals, and compliance with codes of practice to secure probity.	on the control environment. Management assurances are provided in relation to major financial systems to supplement the internal audit process. The CCCFO undertakes an annual fraud risk assessment on behalf of the Constabulary which evaluates the strength of internal controls in protecting against fraud. Job roles for finance posts include responsibility for ensuring compliance with codes.
3.11	Ensuring that the PCC and CC have put in place effective arrangements for internal audit of the control environment and systems of internal control as required by professional standards and in line with CIPFA's Code of Practice.	Shared Internal audit arrangements are in place and reviewed annually by the PCCCFO/CCCFO including compliance with CIPFA's code of practice and the Public Sector Internal Audit Standard.
3.12	Ensuring that delegated financial authorities are respected	The deputy CFO has a highly robust understanding of delegations as set out in the PCC/CC funding agreement and financial regulations and acts as a 'gate keeper' for financial delegations on behalf of the PCCCFO and CCCFO in respect of decision making and virement/budgets. Delegated financial responsibilities are built into the financial system and financial processes to ensure that transactions are appropriately authorised.
3.13	Promoting arrangements to identify and manage business risks (except for operational responsibilities of the Chief Constable), including	The PCCCFO leads on the funding arrangement between the Commissioner and Chief Constable. The terms of funding include the responsibility of the CC in respect of managing business risk and insurance and safeguarding assets. The financial regulations has a specific section covering assets and the responsibilities of officers, which are re-enforced by

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
	safeguarding assets, risk mitigation and insurance.	budget protocols within the Constabulary. The Constabulary has a risk management strategy which is subject to scrutiny by the JASC. The CCCFO leads on a fraud risk evaluation as part of the closure of accounts process.
3.14	Ensure that capital projects are managed with post completion reviews.	Capital schemes are managed are largely managed through a recognised project management framework including initial scoping, business cases, board structure, dedicated project management and regular financial monitoring. Where capital schemes are subject to a business case (largely ICT schemes) the project manager will produce a final project report reviewing the scheme and lessons learned. This is presented to the FSDB.
3.15	Securing the application of appropriate discipline in financial management, including managing cash and banking, treasury management, debt and cash flow, with appropriate segregation of duties.	Financial management disciplines are set out in the financial regulations, rules and handbook supported by appropriate procedures and the treasury management statements of practice. These areas are subject to audit and a range of treasury management/other performance indicators. Segregation of duties operates within financial administrative procedures within the finance team and between the finance team and central services department who process a number of these transactions. Insurance arrangements provide some additional level of cover for any areas of risk.
3.16	Ensuring the effective management of cash flows, borrowings and investments of funds including those on behalf of others; ensuring the effective management of associated risks; pursuing optimum performance or return consistent	The arrangements are set out in the treasury management strategy and practices statements. This area is subject to independent advice from treasury management specialist in addition to internal audit. The strategy and practices are reviewed by JASC annually who also receive reports on treasury management activity and compliance with performance indicators and the control framework.

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
	with those risks. (PCC CFO responsibility in consultation with the CC CFO).	
3.17	Ensuring that appropriate measures exist to prevent and detect fraud and corruption.	The Constabulary has arrangements for anti-fraud and corruption including a strategy, policy, procedures and an annual fraud risk assessment. Further work has been undertaken to promote whistleblowing following feedback from JASC. The PCCCFO and CCCFO are made aware of any instances of fraud where they arise and will review and discuss with internal audit any implications for internal control. The Constabulary takes part in the national fraud initiative. Instances of fraud and the action taken is reported to the external auditors.
3.18	Ensuring that proportionate business continuity arrangements are established for financial processes and information.	The financial team have a business continuity plan which provides details of financial procedures to be adopted in the event of a business continuity event. The plan has been developed in consideration of a number of potential scenarios (principally loss of buildings, power, ICT or staff). The PCCCFO and CCCFO have mobile ICT provision and citrix remote access. The Constabulary's wider business continuity planning includes finance representation on logistic co-ordination cells.
3.19	Ensuring that any partnership arrangements are underpinned by clear and well documented internal controls.	Partnership arrangements involving the Constabulary are subject to governance arrangements appropriate to their size and risk as stipulated in the Financial Regulations and Rules.
Assurance and security		
3.20	Ensuring that financial performance of the PCC and CC and its	The PCC/CC funding agreement and financial regulations set out the requirements in respect of financial monitoring. Cyclical Reports are presented to the Chief Officer group, Executive Board and Police and Crime Panel.

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
	partnerships is reported to the PCC and CC and other parties as required.	
3.21	Ensuring that financial and performance information presented to members of the public, the community and the media covering resources, financial strategy, service plans, targets and performance, is accurate, clear, relevant, robust and objective. Apart from operational matters which are the responsibility of the Chief Constable.	The financial information in reports is reconciled to the position on the financial system. Staff producing reports are fully aware of the challenges in making financial reporting publically accessible and work hard to ensure reports present information in accessible formats e.g. treasury management reporting makes frequent use of graphs and charts to explain the arrangements. Annual budget information presented to the police and crime panel makes use of supporting contextual data, graphs and pictures to enhance the narrative and figures.
3.22	Supporting and advising the Audit Committee.	The CCCFO and deputy CFO provide support to the PCCCFO who leads on the arrangements for the JASC providing support/advice as necessary and support production of the annual report on behalf of the Committee. The arrangements for the Committee provide for independent meetings with the external and internal auditors, which provides a further opportunity for members to access support. Arrangements provide that members can request training seminars at the start of committee meetings.
3.23	Ensuring that clear, timely, accurate advice is provided on what	The PCCCFO works closely with the CCCFO and deputy CFO in developing the annual budget and medium term forecasts including discussions on resource allocations. The CCCFO will brief the Chief Constable as appropriate on any principles

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
	considerations can legitimately influence decisions on the allocation of resources, and what cannot.	that underpin assessments of levels of reserves, the approach to constabulary funding and any issues with resource implications outside the on-going continuation budget prior to developing final reports for formal approval. The PCC/CC funding arrangement sets out the discretions available to the Chief Constable for in year resource allocation.
3.24	Ensuring that published budgets, annual accounts and consolidation data for government-level consolidated accounts are prepared.	The Constabulary website includes a separate page which sets out the statement of accounts and associated governance statements and includes a copy of the audit commission's document advising the public on their rights regarding information on the accounts and audit. The shared finance support team under the direction of the deputy CFO ensures government returns including the WGA are complete and submitted to the relevant department. The production of statutory financial documents is a priority for the finance team and the process is planned, monitored and quality assured to ensure high standards and that relevant deadlines are achieved.
3.25	Ensuring that the financial Statements are prepared on a timely basis, meet the requirements of the law, financial reporting standards and professional standards as reflected in the Code of Practice on Local Authority Accounting in the United Kingdom developed by the CIPFA/LASAAC Joint Committee.	The CCCFO provides an annual letter of representation to the external auditors on behalf of the Chief Constable confirming all required standards have been met in respect of the published statement of accounts. In 2014-15 the earlier statutory deadline for producing the accounts was achieved three years ahead of schedule with no reduction in quality. Discussions on further measures to streamline the process have already taken place with the external auditors.

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
3.26	Certifying the annual Statement of Accounts (PCC CFO and CC CFO for their separate accounts) and the group accounts (PCC CFO)	The CCCFO certifies the annual statement of accounts for the Chief Constable. The PCCCFO certifies the annual statement of accounts for the PCC and group.
3.27	Ensuring that arrangements are in place so that other accounts and grant claims (including those where the PCC is the accountable body for community led projects) meet the requirements of the law and of other partner organisations and meet the relevant terms and conditions of schemes	The shared finance support team lead on ensuring the requirements of grant claims are adhered to and will liaise directly with the relevant government department where needed to ensure requirements are fully understood. Where funded expenditure is being managed by a partner the arrangements include a funding or grant agreement with terms consistent with those issued from the relevant government department. Legal support is accessed as appropriate regarding terms and conditions of agreements.
3.28	Liaising with the internal and external auditor.	The CCCFO leads on the arrangements for audit and will meet with the external auditors at the start and close out meetings for the accounts and periodically during the audit process to discuss any issues. The CCCFO meets regularly with the internal auditors to discuss audit planning and as part of the shared audit service management board. The internal and external auditors and CCCFO attend all meetings of the JASC.

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
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Principle 4 The CFO must lead and direct, (as explained in this principle), a finance function that is resourced to be fit for purpose.		
4.1	Ensuring that the finance function makes a full contribution to and meets the needs of the business.	The finance function is a highly valued team and critical to ensuring the Constabulary and CCCFO can fulfil their statutory and professional responsibilities. The deputy CFO leads the team and is fully engaged in the business the Constabulary, and works very closely with the CCCFO on ensuring the delivery of financial support including a full suite of budget, monitoring and treasury reports and the financial statements in order that the Chief Constable and CCCFO can demonstrate public accountability for its funding.
4.2	Ensuring that the resources, expertise and systems for the finance function are sufficient to meet business needs and negotiating these within the overall financial framework.	The resources within the finance function are regularly assessed to ensure a balance between meeting the needs of the business and cost. Resources were increased in 2014 by one post to reflect growing demands on the function and work pressures that have been created by the deletion of a number of senior level posts with financial responsibility. Demand on finance resources is likely to remain high for a number of years due to the extent of business change arising from reductions in funding. Although the Constabulary/PCC are forecast to face on-going financial challenges, resourcing of the finance team will be considered in the context of the statutory responsibilities of both the PCCCFO and CCCFO to provide effective financial governance.
4.3	Ensuring that robust processes for recruitment of finance staff are implemented and/or outsourcing of functions.	The CCFO and the PCCCFO will jointly consider resources and the recruitment of senior posts within the finance team. The CCCFO/PCCCFO and deputy CFO have jointly developed the role descriptions and person specifications for senior posts all of which were subject to review during 2014. There is currently no formal outsourcing of finance functions. Specialist advisory services are subject to procurement processes in line with procurement regulations. Internal audit is provided through a shared service with a management board attended by the PCCCFO.
4.4	Reviewing the performance of the finance function and ensuring that	The CCCFO is the primary stakeholder for the finance function under the shared service arrangements. The CCCFO works closely with the deputy CFO, principal finance officers and other members of the team to communicate requirements

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
	the services provided are in line with the expectations and needs of its stakeholders.	and ensure the team is able to deliver. The team has an excellent track record of providing a qualitative and responsive service to the CCCFO and works closely with budget-holders in the wider Constabulary to ensure that financial management requirements are met.
4.5	Seeking continuous improvement in the finance function.	The CCCFO has worked with the deputy CFO and PCCCFO to develop and fund a training and development policy for the finance function to incorporate an enhanced level of professional training. Staff are encouraged to attend regional and national seminars and events. This learning supports staff in improving the systems and processes for which they are responsible. Discussions are on-going between the PCCCFO/deputy CFO and CCCFO about improvements to annual cyclical processes including the statement of accounts and budget and ensuring changes in requirements from codes and regulations are adopted.
4.6	Ensuring that finance staff, managers and the Leadership Team are equipped with the financial competencies and expertise needed to manage the business both currently and in the future.	The CCCFO has worked with the deputy CFO and PCCCFO to develop and fund a training and development policy for the finance function. The training needs of the wider workforce to develop finance and business skills in appropriate roles are considered on an on-going basis.
4.7	Ensuring that responsibility for all finance staff is properly discharged.	The CCCFO has direct staff responsibility for the deputy CFO and works closely with the deputy CFO and PCCCFO to ensure responsibility for staff within the finance function is properly discharged.
4.8	Acting as the final arbiter on application of professional standards.	The CCCFO has statutory responsibility for the administration of financial affairs and is a professional member of CIPFA. As the sole post holder within the Constabulary Chief officer Team with a professional financial qualification, all financial responsibility including that for professional standards rests with the CCCFO.

Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
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Principle 5

The CFO must be professionally qualified and suitably experienced.

	<p>In order to fulfil the aims of this Principle:</p> <ul style="list-style-type: none"> Be a member of an accountancy body recognised by the International Federation of Accountants (IFAC), qualified through examination, and subject to oversight by a professional body that upholds professional standards and exercises disciplinary powers. Adhere to international standards set by IFAC on: <ul style="list-style-type: none"> Ethics Continuing Professional Development. Demonstrate IT literacy. 	<p>The CCCFO is a full member of CIPFA and adheres to the requirements of that professional body including those for ethics and CPD.</p> <p>The CCCFO is literate in the use of relevant office ICT systems (Microsoft Office) and has mobile access to office ICT.</p> <p>The CCCFO has relevant experience which includes a number of senior finance roles within the corporate finance department of a county council and a several years fulfilling the role of Head of Financial Services for the Constabulary. Specific accountabilities have included consolidating statutory accounts, producing multi service revenue budgets, capital strategy and medium term financial forecasts and treasury management. The range of roles performed by the CCCFO has led to the development of a robust understanding of public service finance/regulatory requirements. More recently this has included the changes in legislation and regulations arising from the introduction of the police and crime commissioner including the Police Reform and Social Responsibility Act 2011, the policing protocol order 2011, relevant aspects of the Anti-social Behaviour, Crime and Policing Act 2014 and the changes to financial legislation arising from the Local Audit and Accountability Act 2014.</p> <p>The CCCFO ensures that the principles of corporate finance, economics, risk management and accounting are applied through leading on robust standards of financial governance that are subject to review by an independent audit committee and internal and external audit.</p>
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Role of the Chief Finance Officer (Core CFO Responsibilities)

Ref	Core CFO Responsibility	OPCC arrangements and any required actions
	<ul style="list-style-type: none"> ▪ Have relevant prior experience of financial management in the public services or private sector. ▪ Understand public service finance and its regulatory environment. ▪ Apply the principles of corporate finance, economics, risk management and accounting. ▪ Understand personal and professional strengths. ▪ Undertake appropriate development or obtain relevant experience in order to meet the requirements of the non-financial areas of the role. 	<p>The CCCFO undertakes relevant training to ensure that his knowledge is updated on a continuous basis in order to fulfil the CFO role effectively. The CCCFO is participating in the Constabulary's Strategic Leadership Development Programme with the aim of increasing his personal effectiveness as a leader.</p>



Cumbria Office of the Police and Crime Commissioner

&

Cumbria Constabulary

Joint Procurement Regulations

V2 – January 2016

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Definitions

‘Authorised Officer’ – means any officer who by the nature of his or her job, or as directed by a manager, is authorised to place orders.

‘Award Criteria’ - means the criteria upon which the decision for the award of the contract is based.

‘Blue light’-means the Constabulary e-Tendering Portal

‘CCCFO’ – means the Chief Constable’s Chief Finance Officer.

‘Chief Constable’ – means the Chief Constable for Cumbria Constabulary.

‘Chief Executive’ – means the person appointed by the Commissioner to be head of the Commissioner’s staff as defined within the Police Reform and Social Responsibility Act 2011.

‘Code’ – means the Business Code of Conduct.

‘Commissioner’ – means the Police and Crime Commissioner for Cumbria.

‘Commissioners Monitoring Officer’ – means the Chief Executive.

‘Constabulary’ – means Cumbria Constabulary.

‘Consultancy Services’ – means the provision of expert or professional advice by a third party.

‘Contract Change Notice’ – means formal notice agreed by all parties recording a variation to the existing contract.

‘Contracting Authority’ – Local Authority Janet should this be the PCC for the purposes of these regulations

‘COPCC’ – means Cumbria Office of the Police & Crime Commissioner.

‘CSD’ – means Central Services Department.

‘Customer’ – means a person or organisation that buys goods, services, or works produced by another business.

‘DPA’ – means the Data Protection Act 1988 and 2003.

‘EU Procedure’ – means the set of established, detailed procedural rules which must be observed when awarding works, supplies, and services contracts which are intended to promote fair and open competition and a single European Market under The Public Contract Regulations 2015.

‘Existing Contract’ – means an existing agreement to purchase, goods, services or works from a supplier.

‘FOI’ – means The Freedom of Information Act 2000.

‘Framework Agreement’ – means an agreement between one or more contracting authorities and one or more economic operator(supplier), the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and where appropriate, the quantity envisaged (Regulation 2 (1) The Public Contract Regulations 2015).

‘Funding Arrangement’ – means the arrangement made between the Commissioner and the Chief Constable for the provision of funding.

‘ITT’ – means the Invitation to Tender.

‘ITQ’ – means Invitation to Quote.

‘Letter of Intent’ – means a document outlining the general plans of an agreement between two or more parties before a legal agreement is finalised.

‘MEAT’ – means most economically advantageous tender.

‘Officer’ – means an employee of the COPCC or Constabulary.

‘Organisation’ – means the Cumbria Office of the Police & Crime Commissioner or Cumbria Constabulary.

‘Organisations’ – means both the Cumbria Office of the Police & Crime Commissioner and Cumbria Constabulary.

‘PCCFO’ – means Police & Crime Commissioner’s Chief Finance Officer.

‘Relevant Contract’ – means a contract (not being a contract of employment) made by, or on behalf of, the Police and Crime Commissioner for Cumbria for the carrying out of works or for the supply of goods, materials or services.

‘SME’ – means Small and Medium sized Enterprises.

‘Specialist Procurers’ – means Authorised Officers that undertake procurement exercises that require specialist market knowledge.

‘Total Value’ – means the anticipated total spend over the lifetime of a requirement for goods, services or works. Depending on the nature of the contract, this may include implementation costs, ongoing operational costs, and end of life disposal.

‘Value for Money’ – means the optimum combination of whole life costs and quality (or fitness for purpose) to meet the user’s requirement.

Introduction

Welcome to the Joint Procurement Regulations for the Cumbria Office of the Police and Crime Commissioner (COPCC) and Cumbria Constabulary (Constabulary). This document sets out for our staff and suppliers the rules by which the COPCC / Constabulary spends money on the supplies, services and works needed in order to deliver our services. They apply to any contracts that result in a payment being made by the COPCC / Constabulary. These procedures ensure that those engaged in buying or providing goods and services can conduct business professionally in accordance with the procurement principles, which are:

- **Equal treatment:** that all processes of commissioning and procurement are fair, and non-discriminatory. A Breach of this for example would be if you discriminated against a supplier based on location, nationality or any other bias.
- **Transparency:** a duty to ensure all commissioning and procurement processes are transparent, so that all potential bidders can clearly see and understand the procurement process and the purpose and broad activity of the subsequent contract. As a part of this, public bodies must make available the criteria on which they will be evaluating bids/tenders in the tender documents -so that potential suppliers can respond accordingly.
- **Proportionality:** a duty to ensure procurement process, evaluative criteria for bids and contract terms are proportional to the size and technicality of the service and goods being purchased. For example, they cannot ask for financial standing well above the necessary level required to deliver the contract, or insist on qualifications and accreditations not necessary, or above national standards
- **Free movement and non-discrimination:** a duty not to discriminate between suppliers of member states. As a result of this, contracts cannot be awarded on the basis of a potential supplier being 'local'.

All contracts must be in the name of the **“The Police and Crime Commissioner for Cumbria”** (the Commissioner). Where appropriate the Commissioner may consent to the Chief Constable contracting and in those cases the contract must be in the name of **“the Chief Constable for Cumbria Constabulary”** (the Chief Constable). If there is any doubt, advice should be sought from the Procurement Department or Legal Services.

Public procurement is a complex process governed by rules and regulations. Procurement Regulations aim to ensure the freedom of opportunity to trade with the Organisations and to ensure that the Organisations are open and transparent in the way that business is undertaken. This helps to ensure that Value for Money is achieved and the right balance between quality, performance and price, when we purchase goods services and works and in doing so we ensure we make the best use of diminishing public resources.

The Procurement Regulations do not apply to the policy and procedures for issuing grants. For awards of grant agreements please refer to our [Grant and Funding Agreement Regulations](#). The Constabulary must adopt the standards within this document for the conduct of Constabulary business as part of the terms of the Funding Arrangement that exists between the Commissioner and the Chief Constable. The Joint Procurement Regulations are a collective document comprising:

- **The business code of conduct:** This sets out the principles that we will abide by when conducting business and covers issues such as gifts and hospitality. It aims to ensure high standards of integrity in all our business relationships.
- **Procurement & contracting policy and procedures:** These set out the detail of the procurement and contracting rules and processes including the level of authorisation, delegations and responsibilities that exist. They specify the minimum standards we expect our staff to comply with when purchasing goods and services and provide a guide to the steps they must follow as part of each step in the process. They ensure we maximise the opportunities for competition and value for money whilst providing a balance between the amount of administration involved and the value of the items being procured. Procurement and contracting may only be carried out by Authorised Officers. Authorisations are set out in the COPCC [Scheme of Delegation](#).

The Business Code of Conduct

Purpose

This is the Business Code of Conduct for the COPCC / Constabulary. The purpose of this document is to advise the minimum standards required of staff in any commercial relationships and also to ensure fairness and consistency of approach in line with sound commercial practice.

Application

All staff employed by the Commissioner must abide by this Code in the conduct of the business of the office. In addition, staff and police officers of Cumbria Constabulary are expected to abide by the standards within this code as part of the funding arrangement that exists between the Commissioner and the Chief Constable (CC).

Staff should regard the Code as the basis of best conduct. Staff should raise any matter of concern of an ethical nature with their line manager, the PCC Chief Finance Officer (PCCCF) or the Chief Executive, irrespective of whether it is addressed in this Code. Constabulary Officers and Staff should raise any concerns with their Line Manager, the Chief Constable's Chief Finance Officer (CCCFO) or the Chief Constable. Staff should also ensure that they comply with the relevant Organisations [Anti-Fraud and Corruption Arrangements/Policy](#) requirements in respect of gifts, gratuities and hospitality. Any matters arising which are outside the bounds of this Code should be referred immediately to line management.

Conduct

Staff shall always seek to uphold and enhance the reputation of the Organisation and always act professionally by:

- maintaining the highest possible standard of probity in all commercial relationships, inside and outside the Organisation;
- rejecting any business practice which might reasonably be deemed improper and never using authority for personal gain;
- enhancing the proficiency and stature of the Organisation by acquiring and maintaining current technical knowledge and the highest standards of ethical behaviour;

- ensuring the highest possible standards of professional competence, including technical and commercial knowledge
- optimising the use of appropriate resources to provide the maximum benefit to the Organisation

Complying both with the letter and the spirit of:

- all legislation governing the procurement activity and the Procurement and Financial Regulations;
- guidance and professional advice and contractual obligations

Prevention of Fraud and Corruption

Authorised Officers must comply with the COPCC / Constabulary Business Code of Conduct and [Anti-Fraud and Corruption Arrangements/Policy](#) and must not invite or accept any gift or reward in respect of the award or performance of any contract. It will be for the Authorised Officer to prove that anything received was not received corruptly. High standards of conduct are obligatory. Corrupt behaviour will lead to disciplinary proceedings.

The following clause should wherever possible be put in every written contract:

“The Commissioner may terminate this contract, under notice, and recover all its loss if the Contractor, its employees or anyone acting on the Contractor’s behalf commits any of the offences as stated in Regulation 57 (Mandatory Exclusion) of the public contract regulations 2015 ([click here](#))

[For example](#)

The offence of bribery, where the offence relates to active corruption;

The offence of cheating the Revenue

The offence of conspiracy to defraud

If in doubt please consult your procurement Business Manager

Any clause limiting the Contractor's liability shall not apply to this clause."

The Commissioner / Chief Constable could be liable where someone who performs services for example an employee or agent, accepts/pays a bribe specifically to get business, keep business, or gain a business advantage for the organisation.

Staff must never allow themselves to be deflected from this Code. Failure to do so may result in disciplinary action. In abiding by this code, the rules set out below must be followed:

Declaration of Interest

Any personal interest which may affect or be seen by others to affect your impartiality in any matter relevant to your duties must be declared. Declarations must be made in any or all of: the register of interests, secondary employment register, and annual related party transaction employee declaration.

Code of Conduct Declaration Form

This Form must be completed by all parties involved in a procurement exercise prior to the commencement of the procurement exercise and a completed and signed copy(s) retained with the tender documents

Confidentiality and Accuracy of Information

The confidentiality of information received in the course of duty must be respected and must never be used for personal gain.

Information given in the course of duty should be honest and clear.

Competition

The nature and length of contracts and business relationships with suppliers can vary according to circumstances. These should always be constructed to ensure deliverables and benefits. Arrangements which might in the long term prevent the effective operation of fair competition should be avoided.

Business gifts

Gifts other than items of small value (not exceeding £10 for COPCC staff) should not be accepted but should be declined courteously. Where it may cause offence to decline a gift, the Chief Executive or relevant Commander / Director must be consulted who may make a decision with regard to accepting the gift on behalf of the COPCC/Constabulary. All such acceptances must be recorded in the Gifts and

Hospitality Register with a record maintained of where the gift is held.

Hospitality

The recipient should not allow themselves to be influenced, or be perceived by others to have been influenced, in making a business decision as a consequence of hospitality. The frequency and scale of hospitality accepted should be managed openly and with care. It should not be greater than that which the Organisation would reciprocate and which would be acceptable to the public as a use of public funds (not exceeding £25 for COPCC staff). Business hospitality must be recorded in the Gifts and Hospitality Register.

Supplier Contact Form

When purchasing from a new supplier or amending supplier details a supplier contacts form must be completed [\(Link\)](#)

Procurement & Contracting Policy and Procedures

Introduction

Procurement and Contracting Policy and Procedures aim to ensure that the supply of goods, services and works are procured in accordance with relevant legislation and in the most cost effective manner. They also aim to ensure that procurement activity is undertaken in a fair, transparent and consistent manner, ensuring the highest standards of probity and accountability. These procedures define the minimum processes expected of staff engaged in the procurement of goods, services or works on behalf of the COPCC. The Constabulary must adopt the standards within this document for the conduct of Constabulary business as part of the terms of the [Funding Arrangement](#) that exists between the Commissioner and the Chief Constable.

Purpose

The regulations seek to ensure that we:

- achieve best value for money for public money spent and support the corporate aims and policies of the COPCC / Constabulary
- be consistent with the highest standards of integrity and ensure fairness in allocating public contracts
- have due regard to the EU Treaty based principles of non-discrimination, equal treatment, transparency, mutual and proportionality
- comply with all legal requirements, particularly in relation to the EU Public Procurement Rules
- secure robust and transparent governance in respect of decisions to enter into contracts

Scope of the Regulations

All staff employed by the Commissioner must abide by the Procurement Regulations in the conduct of the business of the office. In addition, staff and police officers of Cumbria Constabulary are required to abide by the standards within the Procurement Regulations. Failure to comply may result in disciplinary action.

Procurement Responsibilities

The PCCCFO is responsible for maintaining the Procurement Regulations. The day to day activity of procuring goods, services and works is delegated to Authorised Officers in accordance with the Commissioner's and Constabulary's Scheme of Delegation and must be conducted in accordance with the principles and rules of this document and the COPCC Financial Regulations.

The Chief Executive will be responsible for:

- Ensuring that staff of the COPCC comply with these regulations and that only Authorised Officers are engaged in procurement.
- Securing the safekeeping of registers of contracts under seal and completed by signature and that records are maintained of contract exemptions.

The Director of Legal Services will be responsible for:

- Provision of advice on contracts including provision of standard terms and conditions.

The Head of Procurement will be responsible for the following:

- Maintaining a Contracts Register.
- Securely storing all contracts (including those under seal).
- Maintaining records of all contract exemptions.
- Advising Authorised Officers with regards to all aspects of procurement.
- Producing and maintaining procurement guidance.
- Developing and implementing a procurement strategy.
- Monitoring the use of contracts.
- Producing reports on procurement activity.
- Authorising all approved lists.

All Authorised Officers engaged in procurement and contracting activity are responsible for ensuring they comply with the regulations and that any agents, consultants and contractual partners acting on their behalf also comply. Procurement activity can only be conducted by Authorised Officers.

The Procurement Team will provide advice and leadership on procurement across both Organisations, undertaking the majority of procurement activity, with catalogue and hotel/car bookings services

undertaken by the Central Services Department and the business maintaining budgetary and decision making responsibilities in relation to procurement decisions.

A centralised 'category management' model has successfully been introduced along with the roles of Business Partner and Procurement Officer with clearly defined areas of responsibility aligning specific procurement expertise with different areas of the business. The Procurement Business Partner would normally be expected to undertake all technical processes and commercial aspects of the procurement cycle

Business Partner Categories

- ICT
- Operational
- Corporate

Procurement Policy

The procurement policy of the COPCC is that:

- Procurement activity is undertaken with the primary objective of supporting the COPCC / Constabulary to achieve its priorities and objectives and operate efficiently and effectively.
- All procurement should achieve best Value for Money both for outcomes and the efficiency and effectiveness of the procurement process.
- Procurement activity will achieve an appropriate balance between procurement risk, competition and the risks and requirements of the business. Where there are conflicts between procurement risk and business risk, decision making will be taken at an appropriate level of seniority within the Organisation.
- All procurement activity will be undertaken in a transparent, fair and consistent manner, ensuring the highest standards of probity and accountability.
- All procurement will operate under robust principles and procedures to ensure best value.
- Procurement activity will only be undertaken by staff authorised to do so within the Commissioner's [Scheme of Delegation](#).
- All staff involved in procurement activities will familiarise themselves with the Business Code of Conduct and consideration will be given to circumstances where members of staff would need to be excluded where their position may be compromised. Consideration will be given to the register of supplier contact.
- All staff will adhere to the policy and procurement procedure information and seek to achieve acceptance and operation of it among colleagues and stakeholders.
- All procurement activity shall comply with statutory requirements including, but not limited to, UK legislation, Directives of the European Community and relevant Government guidance.

- All procurement activity will comply with the Procurement Regulations and Financial Regulations and Financial Rules.

Procurement and Contracting Procedures

PROCUREMENT AND CONTRACTING PROCEDURES

Introduction

Procurement and contracting procedures provide information on how to procure goods, services and works on behalf of the COPCC. They also define the minimum processes expected of staff engaged in a procurement process. Before undertaking any procurement, staff are required to read through the Procurement Regulations and ensure they have appropriate professional, procurement, legal and financial advice. Further advice on procurement procedures and contracts is available from the Constabulary Procurement Team as part of the shared services arrangements between the Constabulary and Commissioner.

The Procurement Team contacts are available on the internet and intranet.

All Relevant Contracts must comply with these procurement and contracting procedures. A Relevant Contract includes arrangements for:

- the supply or disposal of goods
- the hire, rental or lease of goods or equipment
- the execution of works
- the delivery of services, including (but not limited to) those related to the recruitment of specialist staff, land and property transactions and/or financial and Consultancy Services

Relevant Contracts do not include:

- Contracts of employment which make an individual a direct employee of the Commissioner;
- Instruction of counsel and external legal advisors; or
- Grants and funding agreements

PROCUREMENT AND CONTRACTING PROCEDURES

Procedures

These procedures provide a roadmap of procurement routes and set out the rules that apply and the staff that have to be involved in the procurement process. They also cover how to deal with exemptions. This is when the rules may not apply. Exemptions are available for some categories of expenditure and for a number of other specific reasons.

Once procurement has begun, these procedures will also set out rules on how to manage the process including developing specifications, how to evaluate tenders, variations to contracts and the documents and records that need to be maintained.

Should these procedures not appear to provide the appropriate mechanisms at any stage of the procurement process, advice must be sought from line management or the Procurement Team before proceeding further. Information contained within the procedures refers to both procurement activity involving a tender process and to COPCC contracts regardless of how they were entered into.

Please note that these procedures do not apply to the issuing of grants. For information on policy and procedures for awarding of grant agreements please see our [Grant and Funding Agreement Regulations](#).

PROCUREMENT AND CONTRACTING PROCEDURES

Steps Prior to Purchase

Before undertaking any purchase it is important to ensure that appropriate due diligence is carried out to assess the need for the goods or services and understand any other factors that might be relevant to a purchasing decision. The amount of work undertaken should be proportionate to the complexity and value of the planned purchase.

Some factors that might be considered to help make the right purchasing decision are:

- Whether there is business need for the expenditure and prioritised
- Estimated Total value of the procurement
- What are the outcomes to be achieved from undertaking the purchase
- Assessing the risks associated with the purchase and how to manage them

- Considering what procurement method is most appropriate to achieve the purchasing objectives; having a clear understanding of these procedures will help to inform the method / procurement route
- Consulting stakeholders/commissioners of the supply or services about the proposed procurement method, and the standards, performance criteria and user satisfaction monitoring proposed for the contract
- Determining appropriate terms and conditions; these would usually be the Commissioner's standard terms and conditions but for complex procurements, bespoke terms and conditions may be required. Legal and procurement advice should be taken to ensure appropriate terms and conditions are applied to the proposed contract.
- Where a Framework Agreement is utilised the standard terms and conditions applicable to that framework will be followed.
- Considering how these matters can all be set out in writing to invite quotations or tenders. Further guidance on what information should be provided is set out later in these procedures.
- Ensuring that there is sufficient and authorised funding for the expenditure and that the proposed purchase complies with Procurement Regulations and Financial Regulations.
- Ensuring that the Transfer of Undertaking (Protection of Employment) (TUPE) issues are considered and obtain legal advice before proceeding with inviting tenders when an employee of the Commissioner, the Chief Constable or of a service provider may be affected by any transfer arrangement .

PROCUREMENT AND CONTRACTING PROCEDURES

Competition Requirements

There are a number of routes through which goods, services and works can be procured. These include using existing contracts that have already been negotiated and running a new competitive procurement, for which the process is dependent on the total value of spend. Procurement can also be carried out through Approved Lists and Framework Agreements. Whilst a range of considerations will influence the decision with regard to the procurement route, minimum requirements for competition are based on the Total Value of the proposed procurement.

Calculation of the estimated value of a procurement shall be based on the total contract value over the life of the contract, net of VAT, for example if the contract is for a period of 4 years and the annual cost is £50,000 then the total contract value would be £200,000 You must not enter into separate contracts nor select a method of calculating the total contract value in order to circumvent the application of these contract procedure rules.

PROCUREMENT AND CONTRACTING PROCEDURES: PROCUREMENT ROUTES

Procurement Routes

Early engagement with your Procurement Business Partner is recommended to quickly establish the most appropriate procurement route.

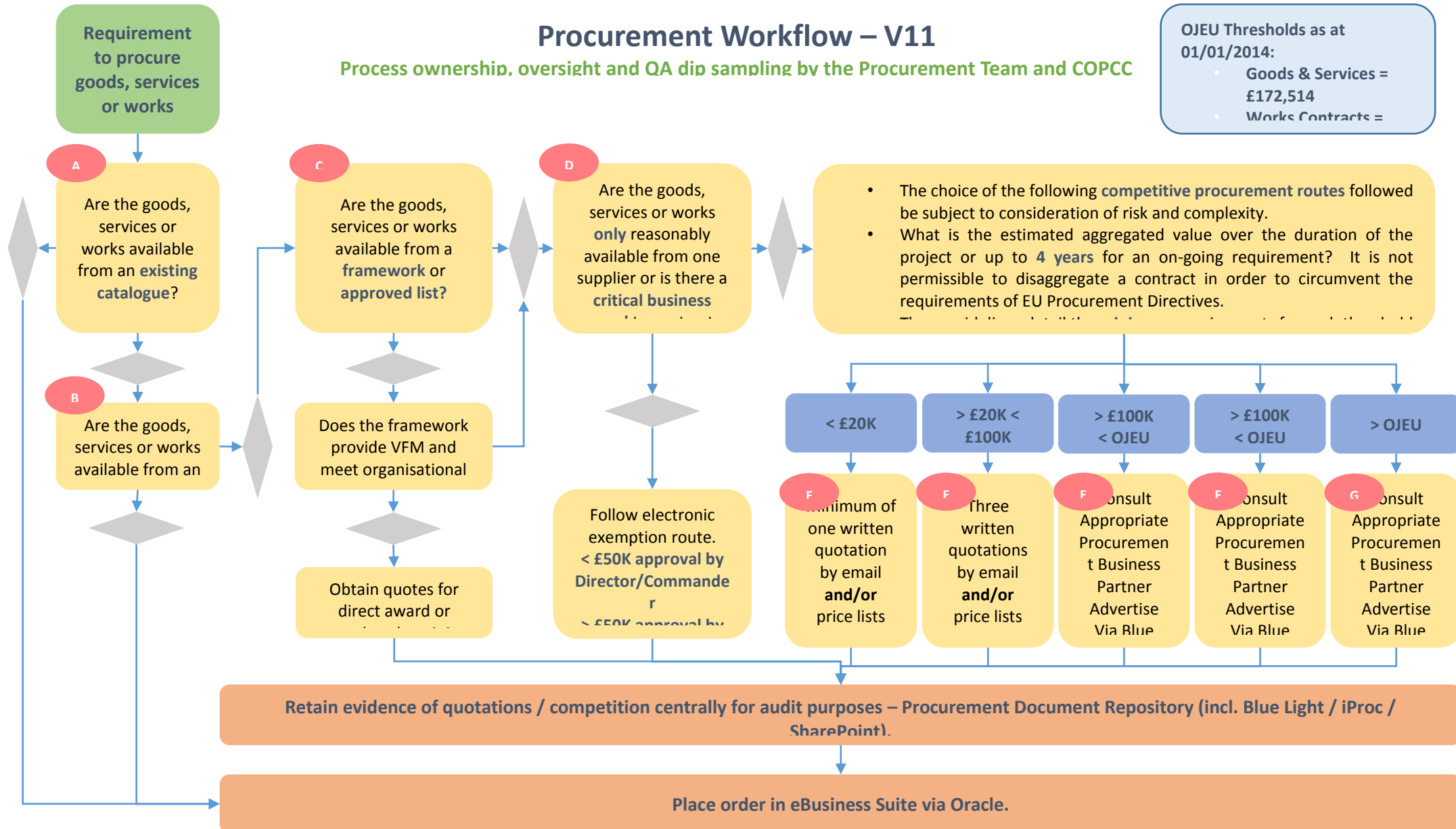
This section of the procedures will help to determine how you procure. There are a number of different routes through which procurement may take place. This section of the procedures provides instruction on which route you should take and what to do within each procurement route. A procurement procedure workflow chart is set out below. This has been developed to easily identify which procurement route should be followed. Once the procurement route has been identified, the relevant section of this document will explain the detailed procurement procedure.

Procurement Workflow – V11

Process ownership, oversight and QA dip sampling by the Procurement Team and COPCC

OJEU Thresholds as at 01/01/2014:

- Goods & Services = £172,514
- Works Contracts =



PROCUREMENT ROUTES

Under normal circumstances all procurement activity should be managed through the Procurement Team. Procurement requests for catalogue items will be processed through CSD.

All contracts with an estimated value of more than £100,000 should be advertised via the Constabularies E-Tendering portal (Bluelight) this will provide consistency of approach, transparency and full auditability. This will also serve to advertise the opportunity with the UK Government's tendering portal "Contracts Finder" in accordance with the Public Procurement Regulation 2015 ([click here](#)).

All procurements with an estimated value in excess of £100,000 will be supported and managed by the Procurement Team.

Utilising Existing Arrangements

A – Procuring from an Existing Catalogue

For goods which are required on a regular basis, a catalogue may be in place based on an existing contract. In these circumstances it may be appropriate to procure the goods by placing a requisition through CSD. The appropriate forms are available electronically on the CSD intranet site.

B – Procuring Goods through an Existing Contract

If an existing contract is in place then it may be possible to utilise the contract to meet the procurement requirement within the terms and conditions of that contract. A purchase order may be raised, however if the requirement falls outside the terms of the current contract then consideration should be given to the need for a Contract Change Notice. In order to identify the best route advice must be sought from Procurement and Legal Services.

A list of existing contracts is maintained by the Procurement Department and is available on the Procurement Intranet site ([click here](#))

C - Procuring Goods through Existing Framework Agreements or Approved Lists

Framework Arrangements

If a public sector organisation knows they are likely to require particular goods or services, but are unsure about exactly what they will need or when, they may decide to award a Framework Agreement that they can use when necessary on agreed terms relating to price, quality and quantity for a fixed period of time.

Framework Agreements can offer many benefits. The Framework Agreement will already be fully compliant with EU legislation and Procurement Regulations and there may be no requirement to run a further procurement process. Through the whole Organisation using the same contract we minimise the administrative costs associated with the use of multiple suppliers and achieve better value for money by being able to offer suppliers more business. In using Framework Agreements, we will usually also have assurance that the supplier has met expected standards including financial stability, health & safety, insurance, ethical and environmental standards etc. and that robust contract terms will be in place. Usually this assurance will be greater on higher value contracts. There are also some potential drawbacks to the use of Framework Agreements, in that they are relatively unresponsive to change and may not incorporate new developments or suppliers, that they tend to adopt a “one size fits all” approach which may make it difficult to meet specific requirements, and that because of the costs of getting included in the agreement they may exclude SME’s.

As noted in the section of this document relating to procurement routes A & B, many of our existing contracts are based on Framework Agreements. However in the circumstance that a required good or service is not available on an existing contract it may still be possible to participate in a Framework Agreement negotiated by another body, as such agreements can be open to multiple users. For this to be the case the Commissioner needs to be identified in the relevant OJEU notice and accordingly you must seek advice from your Procurement Business Partner to check whether we can participate. An example of Frameworks available to a wide variety of users are those procured by the Crown Commercial Service (formerly the Government Procurement Service). In addition there are collaborative purchasing groups in Local Authorities and other police forces which have established Framework Agreements, which could potentially be accessed.

- 1) If participation in a Framework Agreement which the COPCC / Constabulary have not previously used is proposed, the terms and conditions of the specific agreement need to be

considered. If the Framework is awarded to one provider, then the COPCC/ Constabulary can simply call-off the requirement from the successful supplier as and when it is needed. Where the Framework is awarded to several suppliers, there are two ways in which call offs might be made:

- a. Where the terms laid out in the framework are sufficiently detailed for the COPCC / Constabulary to be able to identify the best supplier for that particular requirement then the COPCC can award the contract without re-opening the competition (a “direct award”)
- b. If the terms laid out in the Framework Agreement are not specific enough for the COPCC / Constabulary to be able to identify which supplier could offer them the best value for money for that particular requirement, a further mini competition (a “mini-tender” exercise) would be held between all the suppliers on the Framework Agreement who are capable of meeting the need.

Mini Competition Procedures

The use of **mini competition tenders** may be adopted, where pre-tendered arrangements exist, such as National or Regional Frameworks, Crown Commercial Services (CCS)) or other consortia frameworks e.g. Yorkshire Purchasing Consortium (YPO). This involves identifying companies that are able to meet the requirement from those who have been pre-tendered and pre-qualified. These companies will usually be invited to express an interest in our requirement prior to issuing tenders. The tender documents and the time allowed can, due to the pre-qualification and pre-tendering aspects generally, be respectively less detailed and shorter than would be usual. Sometimes prices will be predetermined. A mini competition should operate in accordance with the following procedure:

- The Authorised Officer and the procurement business partner must review the framework PQQ to ensure that the financial standing and technical capabilities of the suppliers meet the requirements for the procurement. Where the PQQ response is dated more than 2 years prior to the procurement, advice must be taken from the CCCFO/PCCCFO in respect of conducting a current assessment for financial standing where the procurement is for services or works.
- Procurement and legal advice should be sought on the terms and conditions of the contract under the framework
- All organisations within the Framework Agreement that are capable of executing the subject of the contract must be invited to submit written Tenders

- A time limit must be fixed which is sufficiently long to allow Tenders for each specific contract to be submitted, taking into account factors such as the complexity of the subject of the contract
- The contract must be awarded to the tenderer who has submitted the most economically advantageous offer (M.E.A.T) on the basis of the Award Criteria set out in the specifications of the Framework Agreement.

Under the Police Act 1996 (Equipment) Regulations 2010, the use of specific framework agreements is mandated. These are set out on the Procurement Intranet pages.

Approved Lists

For certain types of expenditure the COPCC / Constabulary maintains approved lists. If the goods and services required are available under approved lists, usually the list should be used to undertake the procurement. Lists are used where recurrent transactions of a similar type are likely but where such transactions need to be priced individually and cannot easily be aggregated and priced in a single tendering exercise, for example trades services where each job needs to be priced up separately but it would be impractical to conduct a procurement process each time a requirement for service arose. Approved lists can only be used where the Total Value falls below the EU threshold. In these cases, the Procurement Team, in consultation with the relevant Authorised Officer, may draw up:

- Approved lists of persons ready to perform contracts to supply goods or services on the basis of agreed contract terms on which legal advice has been taken
- Criteria for shortlisting from the lists where appropriate

The development of approved lists must be undertaken with support from the relevant procurement business partner. The process to develop an approved list must ensure there is an evaluation of the financial standing, performance and technical ability of candidates to deliver the contract. The rules and further guidance within these regulations applicable to conducting a procurement process therefore apply to the development of approved lists.

Approved lists and any criteria for shortlisting must be reviewed at least annually, jointly by an Authorised Officer and Procurement Business Partner. The review process should involve:

- The reassessment of the financial and technical ability and performance of those persons on the list, unless this is part of the criteria for shortlisting
- The deletion of those persons no longer qualified, with a written record kept justifying the deletion.

Approved lists must be re-advertised at least every three years openly to provide new suppliers with the opportunity to be listed. On re-advertisement, a copy of the advertisement must be sent to each person on the list, inviting them to reapply.

There are approved lists that are maintained on behalf of central government which include registers of pre-qualified contractors and consultants (e.g. Constructionline, Exor Management Services). These lists can be used as approved lists by Authorised Officers without the requirement to carry out any further procedures. The relevant procurement business partner can provide more advice with regard to central government approved lists. Any approved lists must be held by the Procurement Team and published in accordance with the requirements of the Information Commissioner's publication scheme for policing bodies. Available approved lists are detailed on the Procurement Intranet site.

D - Procurement Exemptions

In certain limited cases it may be appropriate to apply for an exemption from the normal procurement procedures. All exemptions must be granted prior to the order being placed for the procurement of goods, services or works. Purchases made for reasons outlined below, but without prior approval of the Chief Executive (or Director/Commander subject to agreed thresholds) may be treated as breaches of Procurement Regulations, and subject to disciplinary action. Requests for exemptions to normal procedures will be considered under the following circumstances:

Single Tender exemption request

- where it can be evidenced that only one supplier is able to carry out the work or service or supply goods for technical reasons or because of exclusive rights or if it is demonstrated there is no real competition
- extensions to existing contracts where there is a genuinely justifiable case to use an existing contractor/supplier to maintain continuity of supply or site experience. Extensions will not be considered where to do so would breach EU Procurement legislation

- the contract has been classified as secret by the Chief Executive making the use of a particular contractor essential or a limited competition to a select list of contractors and the avoidance of advertising requirements in the public domain
- the contract is required so urgently that competition is impractical, for example a genuine unforeseeable operational need arises. NB. Failure to take action within appropriate timescales does not constitute grounds for an urgency exemption
- Professional Consultancy Services where continuity and quality of personnel/knowledge of the organisation is the most important consideration. This exemption will not be considered where to do so would breach EU Procurement legislation
- there are other circumstances which are genuinely exceptional and it is within the best interests of the organisation

The Single Tender Exemption Form ([click here](#)) must be completed by the Authorised Officer and submitted to the relevant procurement business partner for comments. The procurement business partner will provide advice to the Chief Executive (or Director/Commander subject to agreed thresholds) on the risks associated with the exemption application. A record of approval must be recorded on the Exemption Form and retained in the Procurement Document Repository. The Exemption Form is available from the Procurement Intranet site.

Supporting evidence is required to ensure the following:

- That best value is obtained at all times – cheapest is not always “best value”, it is a balance between cost and quality which needs to be affordable.
- That COPCC / Constabulary has been open and transparent and is not challenged because of unjustified supplier preference or avoidance of competition.
- That the terms and conditions of doing business with a supplier have been considered and are acceptable to the COPCC / Constabulary.

PROCUREMENT ROUTES

New Procurements

Where there is no existing contract, approved list or Framework Agreement available and procurement exemptions do not apply, it will be necessary to go through a new procurement process.

For a new procurement process there are two main choices and much will depend on the value of estimated expenditure.

Quotation (Procurement Route E)

This involves asking at least the minimum number of suppliers to provide a quotation. This route is usually most appropriate for lower value goods and services where a Framework is not already in existence and where it is possible to provide a very clear specification and make the purchase decision based on price. This quotation is available for purchasing services and works up to the value of £100,000 and for goods up to the value of the OJEU Threshold. This must be based on the estimated Total Value over the anticipated term of the contract. If you are procuring Good/Services and the total Contract value exceeds £172,514 for goods/services and £4,322,012 for works, you will need to apply the EU procurement directives.

If in doubt please contact your Category business manager for advice

It is still important that consideration is given to whether it may be more appropriate to undertake a procurement tender. This may be the case for goods, and particularly services, below the tender route value but where it may be possible for suppliers to respond with very different levels of quality and specification and this is important. If you are unsure which route would be most appropriate, you should seek further advice from the relevant Procurement Business Partner.

Tender (Procurement Route F and G)

This route is required for services and works above £100,000 and all contracts over the OJEU Threshold. Again, the rules to follow depend on the total contract value and take into consideration, where applicable, requirements of the EU procurement directive. You may also choose to conduct a tender process, including a mini tender, for lower value goods and services where this process is likely to deliver better outcomes. Tenders may also be used as part of Framework Arrangements where there is more than one supplier on the Framework who can provide the goods or services you need.

The following section sets out the different procurement routes and processes to be followed based on the value of estimated expenditure. For each level of expenditure, this section sets out the minimum requirement. You can choose to undertake a more robust process and may wish to seek advice from your Procurement Business Partner.

In all cases there will be a need to maintain records as there is a requirement to publish contract information as part of the Government's transparency agenda. For contracts over £10,000 the invitation to tender and contract must be published on the Commissioner's website.

PROCUREMENT ROUTES

E1 – Amounts under £20,000

If no suitable existing Framework exists, a minimum of one written quotation must be obtained either by e-mail or from a price list. A quotation may be initially requested by telephone but the supplier must then be asked to follow this up in writing by either of the above methods. Two Officers (normally this would be the Authorised Officer and their Line Manager) must undertake a procurement using this procedure. Should the minimum of one quotation be used particular care should be given to ensure Value for Money. The procurement must be recorded in accordance with the regulations for record keeping on the central register maintained by the Head of Procurement.

PROCUREMENT ROUTES

E2 – Purchasing procedure: amounts over £20,000 and under £100,000

If no suitable Framework exists, a minimum of three written quotations must be obtained either by e-mail or from a price list. A quotation may be initially requested by telephone but the supplier must then be asked to follow this up in writing by either of the above methods. The numbers of companies invited to submit quotes or otherwise offer to supply must be sufficient to ensure genuine competition to achieve Best Value for Money.. A minimum of two Officers (normally this would be the Authorised Officer and their Line Manager) must undertake a procurement using this procedure. The procurement must be recorded in accordance with the regulations for record keeping on the central register maintained by the Head of Procurement.

PROCUREMENT ROUTES-For Open Discussion

Contracts with a value in excess of £100,000 will require Category Business Manager Involvement who will manage and advise on the procurement

E3 – Procurement of Goods over £100,000 and under OJEU Threshold

If no suitable Framework exists, a minimum of three written quotations must be obtained either by e-mail or from a price list. The numbers of companies invited to submit quotes or otherwise offer to supply must be sufficient to demonstrate that there is genuine competition to achieve Best Value for Money. Should the minimum of three quotations be used particular care should be given to ensure Value for Money. A minimum of three Officers (one of which must be the Procurement Business Partner) must undertake a procurement using this procedure. The procurement must be recorded in accordance with the regulations for record keeping on the central register maintained by the Head of Procurement. The tender opportunity should be advertised via the Blue light portal.

In some instance it may be more appropriate to undertake a tender process for goods over £100,000 but below the OJEU Threshold in which case procurement route F should be followed below.

PROCUREMENT ROUTES

F – Tender Procedures: over £100,000 and under EU Threshold (Services & Works)

Contracts with a value in excess of £100,000 will require Category Business Manager Involvement who will manage and advise on the procurement

For services and works with an estimated value over £100,000 the procurement route must involve undertaking a tender process. A minimum of three Authorised Officers must be involved of which one must be the relevant Procurement Business Partner. There are different types of tender process that may be appropriate depending on the services and works you wish to procure. Tendering for services and works can be complex and there may be risk of legal challenge if the process is not conducted in accordance with our procedures and the requirements of the EU procurement directive. For this reason, where the value of the procurement is likely to exceed £100,000, the process must be overseen by the relevant Procurement Business Partner. This will ensure appropriate professional advice is provided and will help you to get the best outcomes. A tender process will involve developing a specification for your services and works, deciding how you are going to evaluate suppliers' bids in terms of cost and quality and the terms and conditions that will apply to your contract.

As detailed earlier, it may also be deemed most appropriate to follow a tender process for the procurement of goods over £100,000 and under the EU Threshold depending upon the complexity and risk of the requirement. The tender opportunity should be advertised via the Blue light portal.

A tender process can be undertaken in a number of ways including open, restricted, select and mini competition. Whichever process is used, the evaluation models, matrices and other tools used to assess and compare the tenders must be determined and provided to suppliers prior to receipt of bids.

An **open invitation to tender** places no limits on the number of suppliers who might respond. This route is therefore best used in situations where the supply market is limited and there is a lower risk of receiving more responses than are practically capable of being assessed. Where this process is being used an appropriate advertisement will be placed as agreed between the Procurement Business Partner and Authorised Officer. Expressions of interest are invited from companies who wish to receive tender documents. All companies expressing an interest are sent tender documents within the timescales set out. Such tenders shall include elements to assess the potential supplier's financial standing in addition to specific areas of technical ability which provide assurance as to the supplier's ability to fulfil the contract.

Restricted tenders require that **expressions of interest** are invited from the market through advertisement, jointly agreed between the Procurement Business Partner and Authorised Officer. On receipt of expressions of interest, a **pre-qualification questionnaire** ([click here](#)) will be forwarded to the interested companies and these, when completed, shall be assessed to determine which companies will be selected to be invited to tender. Tenders will be invited from those companies who match, or best match, the profile of a company suited to meet requirements. Selected companies will then be sent invitations to tender including instructions of how to participate in the tender exercise. Tender bids will be assessed against pre-determined award criteria.

Select tender lists may sometimes be drawn up where it can be satisfactorily demonstrated that the pool from which realistic or competitive bids could be received is limited. Such lists will be agreed between the Authorised Officer and the Procurement Business Partner. Having identified the companies from whom tenders would be considered, the companies shall be invited to express their desire to receive a tender by requiring them to respond to an appropriate brief. Companies invited to respond should be rotated whenever possible. On receipt of a satisfactory number of expressions, tenders may be invited. Limited numbers or repeated use of favoured companies must be avoided

wherever possible. However, the need to comply with EU legislation regarding open competition must be followed.

PROCUREMENT ROUTES

G – Procurement above EU Threshold

For procurement above EU thresholds, the EU Procurement Directive 2015 (The Regulations) should be followed. The Regulations provides for 5 award procedures. All EU procurement will be led by the relevant procurement business partner and will be undertaken based on either an open (Preferred Route) or restricted procedure. In addition it is open to undertake a **competitive negotiated procedure with negotiation or competitive dialogue**. This route may be used and is permitted under EU Legislation within strict guidelines. The competitive dialogue is suitable in exceptionally complex procurements, e.g. Private Finance Initiative (PFI).

Procurement Regulation 2015 procedures

- Open procedure
- Restricted procedure,
- Competitive dialogue procedure,
- Competitive procedure with negotiation
 - Innovation partnership procedure,

In all EU procurement the EU Directives require that consideration is given to “aggregation of demand” and that this is calculated as either the total annual expenditure multiplied by four or by the estimated value multiplied by the total number of years a contract would be in place for. If the value derived is over the EU threshold for the goods, service or works, then an EU Tender must be conducted. The Directives are clear that deliberate attempts to negate or circumvent the aggregation values are a breach of the E.U Directives.

The timescales for tendering under the EU Directives are prescriptive and may generally be longer than a non EU Tender. Failure to leave sufficient time to complete the tendering process is legislatively not an acceptable reason for avoidance of the regulations. All evaluation criteria must be agreed and signed off by both the Procurement Business Partner and the Authorised Officer and included in the ITT document.

A minimum of three Officers will be involved in the procurement process of which one must be the relevant Procurement Business Partner. Other professions, for example finance and legal staff will also be involved.

Public Procurement Regulation 2015 Timescales

The procurement should take no longer than **120 working days**. Measured from the publication of the OJEU notice to award of contract, except in the **case** of complex procurement typically a OJEU procurement process from start to finish can take up to **6 months** taking into account document preparation and contract terms its imperative that you contact your Procurement Business manager at the earliest opportunity

Time Scales (Calendar days)	Selection Stage	Tender Stage	If Electronic ITT accepted	Tender following publication of a Prior Invitation Notice (PIN)	Tender By agreement	If urgent Criteria Must comply with Comply with the Procurement regulation 2015	Standstill Period
Open Procedure	N/A	35	30	15	N/A	15	10
Restricted Procedure	30	30	25	10	Min 10	15/10	10
Competitive Procedure with negotiation	30	30	25	10	Min 10	Min 10	10
Competitive Dialogue	30	N/A	N/A	N/A	N/A	N/A	10
Innovation Partnership	30	N/A	N/A	N/A	N/A	N/A	10

PROCUREMENT ROUTES

Procurement of Professional Consultancy Services

The procurement of professional Consultancy Services should usually be undertaken in accordance with procurement procedures in the same way that all other services are procured. There are however existing exemptions for some categories of professional services. These are for instructions to counsel and legal advisors and for banking services. For other professional services a procurement exemption can be applied for in circumstances where continuity and quality of personnel and/or knowledge of the organisation is the most important consideration. This is providing the values are below the EU Procurement Directives threshold.

The engagement of a consultant shall follow the agreement of a brief that adequately describes the scope of the services to be provided and shall be subject to completion of a formal letter or contract of appointment. A record of the process and documentation used for appointment must be held by the Procurement Team.

Consultants shall be required to provide evidence of, and maintain professional indemnity insurance policies to the satisfaction of the Chief Executive for the periods specified in the respective agreement. Copies of insurance are provided and evaluated as part of the tender evaluation criteria

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PROCUREMENT ROUTES

Collaborative Procurement

In order to secure Best Value for Money or fulfil recently enhanced collaboration duties, the COPCC / Constabulary may enter into collaborative procurement arrangements. Collaborative and partnership arrangements are subject to all UK and EU procurement legislation and case law. Collaborative procurement is a process whereby a number of partners determine to undertake a procurement process collectively. In these cases procurement regulations must still be applied but the process will typically operate with one of the partners leading the procurement and an agreement will usually be made to adopt the procurement regulations of the lead partner. A collective procurement process could operate using any of the procurement routes explained in these procedures. It may be a simple purchasing arrangement for equipment within an existing Framework or a substantial new EU procurement process for shared services. Generally, the purpose of collaboration will be to achieve economies of scale to reduce prices and to achieve administrative efficiencies compared to all partners

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undertaking the procurement separately. This can be particularly beneficial for large service contracts where significant staffing resources are needed not only to undertake the procurement process but also to manage the contract once it has been awarded.

Procurement through a collaborative route may involve entering into a collaboration agreement and consideration may need to be given to the quality of the procurement regulations and proposed terms and conditions of the contract. For this reason, advice from the relevant Procurement Business Partner must be taken, and where necessary from the Legal Department, before agreeing any collaborative procurement process and the Chief Executive and PCCCFO must be consulted.

Any contracts entered into through collaboration with other policing bodies or other public bodies, where a competitive process has been followed that complies with the Procurement Regulations of the leading organisation, will be deemed to comply with these procurement regulations and no exemption is required. However, advice must be sought from the relevant Procurement Business Partner who will provide assurance with regard to the procurement regulations being used. Purchases above the EU Threshold must be let under the EU Procedure, unless the consortium has satisfied this requirement already by letting their contract in accordance with the EU Procedures on behalf of other consortium members.

In the case of private finance initiatives (PFI) and other public/private sector partnerships, such contracts must be approved and authorised in accordance with the Scheme of Delegation. If in doubt, Authorised Officers must first seek the advice of the Chief Executive.

PROCUREMENT AND CONTRACTING PROCEDURES: PROCUREMENT PROCESS

Procurement Process

This section of the procedures provides guidance on the different processes involved in operating procurement once the procurement route has been determined. It also sets out how to manage the process when procedures have not been followed, for example late tenders, seeking clarifications and the requirements for maintaining records. Authorised Officers should ensure they have read and understand all the requirements within this section of the procedures before commencing any procurement process.

PROCUREMENT PROCESS

Pre-Tender Market Research and Consultation

Depending on the complexity of the procurement exercise, the procurement process may benefit from consultation and market research with potential suppliers prior to the start of procurement. Research can help to facilitate the specification and gain a better understanding of the market and achieve better outcomes. Any consultation must be only in general terms about the nature, level and standard of the supply, contract packaging and other relevant matters, and should ensure that it does not provide any advantage to individual suppliers. Specifically, research and consultation must not seek or accept technical advice on the preparation of an Invitation to tender or quotation from anyone who may have a commercial interest in the procurement exercise. Care must be taken to ensure that any discussions do not disadvantage other potential suppliers or distort competition. Authorised Officers must seek advice from the relevant procurement business partner prior to commencing market research and consultation.

PROCUREMENT PROCESS

Specifications and standards

Specifications and standards are used to describe the requirements – goods, services and/or works – for which the procurement process is being conducted. They are included within the documents inviting suppliers to tender. Developing a specification for large value supplies and the provision of services can be difficult. In some cases relevant British, European or international standards will apply to the subject matter of the contract. The specification will need to include these standards where they apply and any other standards necessary properly to describe the required quality. In addition, the Chief Executive must be consulted if it is proposed to use standards other than European

standards. If the specification does not fully itemise all the requirements, including standards of service and quality expectations, the procurement process may be unsuccessful. There is also a risk of entering into a contract that performs poorly against your expectations. Specifications are therefore usually best developed by those with experience in this area. It is also helpful to try to research specifications for the same or similar goods and services that have been used previously or within other organisations. In writing specifications the standards adopted to identify minimum, maximum or other requirements must be in accordance with all current legislation and ensure prospective suppliers are treated equally and fairly. The Procurement Business Partner will provide as much assistance as possible to Authorised Officers to enable them to identify and express their requirements so that the market can respond appropriately.

PROCUREMENT PROCESS

Award Criteria

In addition to developing the specification, consideration must be given to how competing suppliers are going to be assessed as having met the requirements. This is usually based on a matrix where a proportion of a total score will be awarded on cost and a proportion on quality. The quality element means that the contract award is being based on the MEAT. This simply means that all factors will be considered in deciding the right supplier, not just price. Evaluation just on price will usually only be used where the goods or service can be identified in a highly prescriptive form and the only deciding factor is price. Where MEAT is used a decision will need to be made about the balance of the score between price and quality. The Evaluation Criteria should reflect the requirement and must be proportional and the rationale for the decision recorded. Price should usually be at least 40-60% of the total available score. Where it is considered that price should be less than 40%, approval must be sought from PCCCFO in writing. This can be by e-mail and a record must be retained by the Head of Procurement.

The Authorised Officer must define Award Criteria that are appropriate to the purchase and designed to secure an outcome giving Value for Money for the COPCC / Constabulary. A number of factors will be taken into account in determining the evaluation criteria for each procurement. For complex services, the quality and price evaluation criteria will need to be quite sophisticated and may comprise a number of elements and sub-categories with weighted scores. The criteria used may only refer to relevant considerations. These may include price, service, and quality of goods, running costs, technical merit, delivery date, cost effectiveness, quality, relevant environmental considerations, aesthetic and functional characteristics (including security and control features), safety, after-sales

services, technical assistance and any other relevant matters. Any criteria that is planned to be used to evaluate suppliers and the weightings of the criteria must be published with the ITT.

Award Criteria must not include:

- Non-commercial considerations
- Matters which discriminate against suppliers from the European Economic Area or signatories to the Government Procurement Agreement.

Your Procurement Business Partner will have significant experience in evaluation criteria and should be asked for advice. They will also ensure other relevant professions are engaged where appropriate. This may include a team of officers including those with technical and specialist skills including finance, technical ICT, health and safety and equality. Where professional support staff are involved with developing the evaluation criteria they will also usually support the process for evaluating the bids. Those Officers authorised to undertake the procurement will be responsible for approving the evaluation criteria and weighting and this should be agreed between the Procurement Business Partner and the Authorised Officer.

For supplies and works contracts over £100,000, the information requested from potential candidates must be sufficient to establish that the economic and financial standing is sound and that there is technical ability and capacity to fulfil the requirements of the tender.

Legal Services should be consulted, prior to publishing the ITT, to ensure the most appropriate terms and conditions are used.

PROCUREMENT PROCESS

Issuing an invitation to quote or tender

Prior to issuing an ITQ or ITT the Authorised Officer and relevant Procurement Business Partner must ensure that all relevant documentation is complete. This will include the specification for the service, relevant standards, the evaluation criteria against which bidders will be assessed and the terms and conditions that will apply to the contract. Once this documentation is complete, a decision can be taken to issue an ITQ or ITT. This will usually be undertaken by placing the invitation on the e-tendering system or directly contacting potential suppliers. Consideration should also be given to whether an advertisement is published. Generally, the greater the interest of the contract to potential bidders, the more appropriate it will be to consider advertising. Examples of where such advertisements may be placed include:

- The COPCC website
- Portal websites specifically created for contract advertisements
- National official journals, or
- Contract with a value of £100,000 or greater will be advertised via Blue Light Portal.
- All EU procurements should be advertised in the first instance via Journal of the European Union (OJEU)/ Tenders Electronic Daily (TED) and Contracts Finder (the Governments opportunities portal) to comply with EU Directive

Your Procurement Business Partner can provide further advice on the appropriateness of placing an advertisement.

All ITQ/ITT and supporting documentation must clearly state that no Quote/Tender will be considered unless it is received by the date and time stipulated in the ITQ/ITT. The full list of information that is included will depend on the complexity of the supply or service but as a minimum all ITQ/ITT should include the following:

- A specification that describes the requirements in sufficient detail to enable the submission of competitive offers.
- A requirement for bidders to declare that the tender content, price or any other figure or particulars concerning the tender have not been disclosed by the tenderer to any other party (except where such a disclosure is made in confidence for a necessary purpose).
- A requirement for bidders to complete fully and sign all Tender documents including a form of tender and certificates relating to canvassing and non-collusion
- Notification that tenders are submitted on the basis that they are compiled at the bidder's expense.
- A description of the award procedure and, unless defined in a prior advertisement, a definition of the Award Criteria in objective terms and in descending order of importance.
- Notification that no tender will be considered unless it is in accordance with the "Instructions to Tender".
- A stipulation that any tenders submitted by fax or other electronic means shall not be considered, unless they comply with the rules on tender submission.
- The method by which any arithmetical errors discovered in the submitted tenders is to be dealt with. In particular, whether the overall price prevails over the rates in the tender or vice versa.

All ITT or Quotations must state that the Commissioner / Constabulary are not bound to accept any Quotation or Tender. All candidates invited to tender or quote must be issued with the same information at the same time and subject to the same conditions. Any supplementary information must be given on the same basis.

PROCUREMENT PROCESS

Receipt, custody and opening of tenders

There are rules to follow in receiving, custody and opening tenders from suppliers to ensure the process is fair and transparent. This includes ensuring that tenders are not opened before the closing date and that there are no changes to the original electronic version of the tender after the closing deadline. Utilisation of the e-tendering system will make the process easier to manage and will ensure that information on our tender documents and contracts is open and accessible. The system will record and allow an audit of all transactions. This means that we can demonstrate that we are fully compliant with our own procedures and all relevant regulations and directives, reducing the risk of procurement challenge.

Candidates must be given an adequate period in which to prepare and submit a proper quotation or tender, consistent with the complexity of the contract requirement. This should normally be between one week and four weeks for less complex tenders and a min of four weeks for complex tenders. The EU Procurement Regulation 2016 lays down specific time periods for each process.

Electronic Tenders

The process for receipt, custody and opening of tenders should be managed where possible using the e-tendering system. All Tenders greater than £100,000 should be returned electronically via e-tendering

The e tendering system provides safeguarding to ensure that all tenders are securely managed prior to opening and the precise time and date of receipt are recorded.

Manual Tenders

The relevant officer must not disclose the names of candidates to any staff involved in the receipt, custody or opening of tenders. The Chief Executive shall secure through the Director of Legal Services that tenders are held safely until the appointed time of opening. Each tender must be:-

- adequately protected immediately on receipt to guard against amendment of its contents
- recorded immediately on receipt to subsequently verify the date and precise time it was received.

All Tenders

The Chief Executive shall secure through the Director of Legal Services, that all tenders are opened/released at the same time after the submission deadline has ended. Tenders must be opened in the presence of the Authorised Officer or his or her representative plus one officer from legal services. In some cases the Chief Executive may determine to be present at the opening of tenders.

Upon opening, a summary of the main terms of each Tender (i.e. significant issues that are unique to each tender submission and were not stated in the tender invitation documents such as tender sum, construction period, etc.) must be recorded in the Tender Record Book. The summary must be signed by those engaged in the opening of the tenders.

The process for receipt, custody and opening of tenders should be managed using the e-tendering system unless the system fails. In these cases the following manual process will should be adopted:

Companies should be notified in writing (this can be via e-mail) that the electronic system is not available:

- They should be reminded that failure to comply with instructions may invalidate their tender.
- They shall be instructed to return their bids in packages marked as instructed in the ITT.
- Companies shall be instructed to address tender packages to the Director of Legal Services.
- On receipt of “hard copy” tenders, these shall be appropriately marked and securely stored in a locked cabinet or room until the allotted opening date and time.
- Packages should not identify the sender and should be signed by the person receiving them with the date and time received
- Packaging should be retained as evidence of the time of receipt.

A minimum of one Authorised Officer and a Legal Services representative shall be required to open tenders. Each package will be opened in turn and the following information shall be recorded in the Tender Record Book.

- the names and signatures of the two staff responsible for opening the tenders
- the time, date and place of tender opening
- the name of the company who submitted the tender

- the total value of the tender submission
- in the event that this value cannot be identified (perhaps due to the complexity of the tender or because a range of options have been offered) the term “as per attached copy schedules” shall be entered

The Tender Record Book shall be ruled off to prevent further additional entries being made.

PROCUREMENT PROCESS

Late Tenders

Tenders that have been received following the closing time and date may only be considered under the following circumstances; where it can be proven beyond any reasonable doubt that, if received:

- In extreme exceptional circumstances where the late receipt of the tender does not entail any significant procurement risk and/or it is considered that the business risk of not accepting the tender is greater. A decision in exceptional circumstances can only be made by the Chief Executive with legal and procurement advice. The PCCCFO must be consulted. The reason for the decision including the legal and procurement advice taken and the comments of the PCCCFO must be recorded and maintained with the procurement records.

Technical Fault

If it is proven that there was a technical fault with the e-tendering system that prevented the upload of the tender submission by the bidder(s) then Head of Procurement must be consulted. The event and decision should be duly recorded and maintained with the procurement records for that particular tender.

PROCUREMENT PROCESS

Evaluation tenders

Authorised Officers are responsible for ensuring that all suppliers submitting a tender/quotation are suitably assessed against the specification and evaluation/award criteria documentation. For contracts above £100,000, or where a tender process has been conducted, the assessment process must include ensuring that the potential suppliers have sound economic and financial standing and the technical ability and capacity to fulfil the requirements. Relevant information requirements will have been included within the ITT documentation and the assessment process should ensure that the appropriate advice is taken from relevant professional support staff.

Where Framework Agreements are used advice should be sought from the relevant business partner to determine whether the above assessments should be carried out. This will depend on the robustness of the information provided by the suppliers in response to the Framework tender process and the length of time since that information has been subject to review.

Financial assessments should consider, in relation to subsidiary companies within a group, the soundness of the group together with the appropriateness of obtaining a bond or a 'guarantee' from the parent company.

Quotes/ tenders must be evaluated in accordance with the Award Criteria set out in the ITQ / ITT. During this process, Authorised Officers shall ensure that submitted quote/ tender prices are compared with any pre-tender estimates and that any discrepancies are examined and resolved satisfactorily.

The arithmetic in compliant quotes/ tenders must be checked. If arithmetical errors are found they should be notified to the bidder, who should be requested to confirm or withdraw their bid. Alternatively, if the rates in the tender, rather than the overall price, were stated within the tender invitation as being dominant, an amended tender price may be requested to accord with the rates given by the tenderer.

PROCUREMENT PROCESS

Clarifications affecting tenders received

In more complex procurements, following the receipt of tenders, it may be necessary to clarify certain aspects of a bid either in writing or by conducting discussions with suppliers to ensure the tender is properly understood. Any such discussions must be managed with care and must not go beyond achieving an understanding of the bid received. The process of doing this is referred to as clarification. All discussion must be conducted in a manner which is conducive to fairness and openness and provides equal opportunities for all bidders. Care must be taken during clarification meetings to ensure no indication is provided to any supplier as to the level of interest in the tender. Any communications issued to inform or assist any particular supplier must also be sent to all other participating suppliers and consideration should be given to whether any clarifications can be issued to all suppliers. Clarification must never seek to change or alter the prices of the bid unless there is evidence to suggest that figures are incorrect. Your Procurement Business Partner should always be engaged in clarification discussions and the outcomes must be clearly documented, signed off by the Authorised Officers and retained in accordance with the requirements for procurement records.

PROCUREMENT PROCESS

Post Tender Negotiations

Discussions with tenderers after submission of a tender and before the award of a contract with a view to obtaining adjustments in price, delivery or content (i.e. post-tender negotiations) must be the exception rather than the rule. In particular, they must not be conducted in an EU Procedure where this might distort competition, especially with regard to price which could result in a challenge.

If post-tender negotiations are necessary after a single-stage tender or after the second stage of a two-stage tender, then such negotiations shall only be undertaken with the bidder who is identified as having submitted the best tender and after all unsuccessful candidates have been informed. During negotiations tendered rates and prices shall only be adjusted in respect of a corresponding adjustment in the scope or quantity included in the tender documents. Approval must be sought from the Chief Executive to carry out post-tender negotiations. This approval must be confirmed in writing. The process for negotiation should ensure that there are recorded minutes of all meetings and that both parties agree actions in writing. Post-tender negotiation must be conducted by a team of at least two Authorised Officers, one of whom must be the relevant Procurement Business Partner. Where post-tender negotiation results in a fundamental change to the specification (or contract terms) the contract must not be awarded but re-tendered. The relevant procurement business partner will provide advice.

PROCUREMENT PROCESS

Alteration to Tenders

No alteration to tenders may be made after the closing deadline unless evidence has been provided that the amendment is to:

- provide completeness; or
- correct an arithmetical error

Any such amendment or change must be signed off by at least two Authorised Officers. Any changes which alter the final costs must be supported by documentation confirming the change from the company who submitted the bid.

PROCUREMENT PROCESS

Award of Contract and Debriefing Tenderers

No contract for the execution of works or for the supply of goods or services shall be made unless budgetary provision has been made in annual revenue or capital estimates approved by the COPCC or unless an estimate is reported to and approved by the PCCCFO. For contracts over £100,000, a 'contract signature request form' must be completed by the Authorised Officer and certified to confirm that budgetary provision exists and to enable the Chief Executive to sign the contract.

Authorised Officers may accept quotations and tenders received in respect of proposed contracts, provided they have been sought and evaluated fully in accordance with these contract procedure rules and, in respect of proposed contracts that are less than £100,000, the approval of the Director/Commander has been secured, and for contracts expected to exceed £100,000, the approval of the Chief Executive has been secured.

Apart from the debriefing required or permitted by the EU Remedies Directive, the confidentiality of quotations, tenders and the identity of suppliers must be preserved at all times and information about one supplier's response must not be given to another supplier.

Where provision has been made within the annual budget or formally approved capital programme, a tender may be accepted if it is within the estimate. Where a tender exceeds the estimated amount by more than the lower of £100,000 or 10%, the Chief Executive shall be advised accordingly.

Where the Total Value is over £100,000 the procurement business partner must notify all suppliers simultaneously and as soon as possible of the intention to award the contract to the successful supplier. For all contracts subject to EU Procurement Directives, the procurement business partner must ensure compliance with intent to award requirements under standstill rules. Failure to comply with the procedures can trigger serious penalties contained in the Remedies Directive. Unsuccessful candidates must be issued with an "award decision notice". This has to be done as soon as possible after making the decision and by the most rapid means possible. The notice must be issued by the relevant Procurement Business Partner and contain:

- the award criteria (including sub-criteria and weightings used)
- the score of the recipient and the winning bidder

- reasons for the decision, including the characteristics and relative advantages of the successful bid
- if the bid was not held to be compliant with any technical specification, the reasons for that decision
- the name of the successful bidder
- a precise statement of when the standstill period starts and ends, including how it may be affected by any “contingencies” e.g. complaints or challenges
- the date after which the contract may be entered into.

If the decision is challenged by an unsuccessful supplier then the contract shall not be awarded and the Authorised Officer shall immediately notify the Chief Executive who will seek legal and procurement advice as appropriate.

For all contracts where the total value exceeds £100,000 and a tender exercise or a mini-competition against a Framework Agreement has been undertaken a formal tender evaluation report shall be prepared for the attention of the Chief Executive. The report should detail the scoring matrix used, the tender bid scores, identify the winning bidder, and the justification for the winning bid (lowest price or MEAT).

Procurement and Contracting Procedures: Contract Formalities

Contract Formalities

This section of the procurement and contracting procedures sets out the formal arrangements that must be in place in respect of contracting including the procedures for contract extension, variation and termination.

CONTRACT FORMALITIES

Contract Documents

The COPCC order form or standard terms and conditions issued by a relevant professional body must be used wherever possible. In addition, every contract of purchase over £100,000 must also state clearly, and subject to reaching agreement with the contractor.

- that the contractor may not assign or sub-contract without prior written consent
- any insurance requirements
- health and safety requirements
- DPA requirements, if relevant
- that professional standards are to be met if relevant
- Equality Act requirements
- FOI requirements
- where agents are used to let contracts, that agents must comply with the COPCC Procurement Regulations
- a right of access to relevant documentation and records of the contractor for monitoring and audit purposes if relevant.

The Chief Executive is responsible for securing that all contracts that exceed £100,000 are prepared in writing by the Director of Legal Services and must clearly specify:-

- What is to be supplied (i.e. the works, goods, supplies, materials, services)
- the provisions for payment (i.e. the price to be paid and when)
- the time, or times, within which the contract is to be performed
- the provision for the Commissioner to terminate the contract

In order to appropriately protect the Organisation contracts may need to include a number of specific clauses in addition to standard terms and conditions. Such clauses may specify arrangements in the

event of a supplier failing to deliver (default clauses) including arrangements for penalties and liquidated damages. It may also be appropriate for some contracts, e.g. construction/works contracts, to include stage payments and/or retention payments that are released after a suitable period for identifying any defects. These types of contracts will typically also make provision for an examination of the final accounts presented for payment. Legal Services will advise on the need for any such clauses and provide a form of words for the contract terms.

The approval of the Chief Executive, who may seek legal and financial advice, must be sought for the following contracts:

- where the Total Value exceeds £50,000
- those involving leasing arrangements
- those that are complex in any other way

Agreement shall be completed as follows:

Total Value	Method of Completion	By
Up to £50,000	Signature	Director/Commander
Above £50,000	Signature or Sealing (as required)	Chief Executive

All contracts above £50,000 must be concluded formally in writing by Legal Services before the supply, service or construction work begins, except in exceptional circumstances, and then only with the written consent of the Chief Executive (or Deputy in his/her absence). An award letter is insufficient. Letters of Intent must be approved by the Chief Executive. The Authorised Officer responsible for securing signature of the contract must ensure that the person signing for the other contracting party has authority to bind it. It is important to ensure that the contract is in the name of the relevant legal entity.

CONTRACT FORMALITIES

Sealing

Where contracts are completed by each side adding their formal seal, such contracts shall be signed by a representative on behalf of the Commissioner, together with the fixing of the Commissioner's seal, and must be witnessed by a further Officer.

Every sealing will be consecutively numbered, recorded and signed by the person witnessing the seal. The seal must not be affixed without the authority of the Chief Executive acting under delegated powers. A contract must be sealed where:

- the Commissioner may wish to enforce the contract more than six years after its end
- the price paid or received under the contract is a nominal price and does not reflect the value of the goods or services,
- or is a 'Contract Variation' which has the effect of increasing the value of a contract which has already been subject to sealing

The Chief Executive shall secure that a register of sealed contracts shall be maintained on behalf of the COPCC by the Head of Procurement.

CONTRACT FORMALITIES

Bond and Parent Company Guarantees

Authorised Officers must consult the PCCCFO/CCCFO about whether a Parent Company Guarantee is necessary when a supplier is a subsidiary of the parent company and:

- the Total Value exceeds £250,000, or
- award is based on evaluation of the parent company

The relevant Authorised Officer must consult the PCCCFO/CCCFO about whether a Bond is required:

- where the Total Value exceeds £500,000.
- or where it is proposed to make stage or other payments in advance of receiving the whole of the subject matter of the contract.

CONTRACT FORMALITIES

Cancellations, variations or extensions of contracts

Cancellation: Advice must be taken from Legal Services for any cancellations. Contract terms are complex and any changes to them can be subject to challenge and be expensive. If there are difficulties with the contract or the service is no longer required, legal advice must be taken before contacting the supplier. The terms of the contract may allow for a different way of resolving the issue than termination and if cancellation costs are likely to be high it may be better to see if other areas of the business can use the supply or service. For some contracts, it may cost more to cancel than to continue with the service. Consideration must be given to all the terms and conditions of the contract before any decision is made to end a contract before the time period required to do this to ensure

that cancellation is the most appropriate choice. Where a decision is made to cancel it must be undertaken in accordance with the terms and conditions of the contract and ensure all notice periods are complied with. Wherever possible, it is good practice to convey the reasons for the cancellation, but in the event that this may not be possible additional advice may be sought from Legal Services in the first instance. Under no circumstances should employees verbally instruct suppliers, contractors or others engaged on behalf of contracted suppliers that their services or goods are no longer required. Inappropriate cancellation of contracts may result in legal action and subsequent costs being borne by the COPCC. Contract cancellations ahead of the normal expiry of the contract must be authorised by the Chief Executive. The decision to cancel must be recorded by the Head of Procurement on behalf of the COPCC with reasons and available for audit. All contract cancellations must be issued by Legal Services.

It is possible to include within contracts terms that allow for early termination, where this is considered a possible requirement. This will however introduce uncertainty for the supplier and will generally result in the contract being more expensive. Such terms should therefore only be used where absolutely necessary and legal advice should support any decision to use early termination clauses.

Contract Variations: Variations to contracts will generally not offer good Value for Money and can result in challenges to the contract where the variation is significant such that it changes the nature of the contract and/or it results in a substantially different contract price. For this reason, all variations to contracts can only be made after legal advice has been taken and the variation has been authorised by the Chief Executive. Advice and approval must be taken prior to contacting the contractor. In authorising a variation to contract, the value of the variation will be considered in line with the contract value to ensure that these procedures and the requirements of the EU directive have not been breached. A written Change Control Notification must be issued by Legal Services for any contract variation, which must be signed and agreed by both parties, and a copy of the signed document must be retained with the original contract. The approval for the variation must be recorded by the Head of Procurement on behalf of the COPCC with reasons and available for audit. Where the variation results in the contract value increasing to the level that is subject to sealing, the variation must be approved under seal.

Contract Extensions: Authorised Officers are responsible for ensuring that contracts for which they are responsible are renewed at an appropriate time and notice of the impending expiry of the current contract should be sent to the service or goods provider. Contracts should only usually be extended

where the terms allow for the extension or where the contract has been let on the basis that it is annually renewable, subject to price. Careful consideration should be given to the duration of contracts and options to extend when the tender is initially issued to avoid procurement challenge. A written Contract Change Notification must be issued by Legal Services for contract extensions. Where there is a need to extend a contract outside the contract term and provisions allow for extension, legal advice must be sought and the extension must be authorised by the Chief Executive. Any decision to authorise the extension must carefully balance the procurement risk against the business need to extend. The approval for the extension must be recorded by the Head of Procurement on behalf of the COPCC with reasons and available for audit.

PROCUREMENT AND CONTRACTING PROCEDURES: RECORD KEEPING AND DOCUMENT RETENTION

Record Keeping and Document Retention

The requirements in respect of record keeping depend on the amount or Total Value of the contract. The requirements of these regulations are based on the Total Value exclusive of VAT. For all procurement, including that managed through quotations, basic records must be maintained. This section of the procedures sets out the requirements for record keeping, document retention and FOI.

The Chief Executive shall secure that all records are maintained in accordance with these regulations. The Head of Procurement will maintain all records on behalf of the COPCC in accordance with the arrangements for shared services. Authorised Officers are responsible for ensuring that records are kept, the procurement process is documented and that all records are submitted to the Head of Procurement.

Where the Total Value is **less than £20,000**, records must be maintained of:

- The invitation to quote and the pre quote estimate of the expenditure.
- All quotations received and the award made.

Where the Total Value is **between £20,000 and £100,000**, the following records must be kept:

- Invitation to quote, quotations and the pre quote estimate of the expenditure
- any exemptions and the reason for them
- of the reason if the lowest price is not accepted
- Records of communications with the successful contractor

Where the Total Value **exceeds £100,000** or where a formal tender process has been conducted, the Authorised Officer must record:

- The method for obtaining bids
- Any contracting decisions and the reasons for it in the form of a formal tender evaluation report
- Any exemptions together with the reasons for it
- The Award Criteria in descending order of importance
- Tender documents sent to and received from candidates
- Pre-tender market research
- Clarification and post-tender negotiations (to include minutes of meetings)
- The contract documents
- Post-contract evaluation and monitoring

- Communications with candidates and with the successful contractor throughout the period of the contract.
- Pre tender estimate of the expenditure.

All documentation relating to contracts should be retained in accordance with the retention scheme. The scheme is:

Records of tenders and contracts must be kept for six years and four months after the end of the contract. Where a contract is made under seal, the records must be kept for twelve years and four months. Records that relate to unsuccessful candidates may be scanned or stored for 12 months from award of contract provided there is no dispute about the awarded.

The Head of Procurement shall maintain a register of all contracts let on behalf of the Commissioner and will provide contract reports for the COPCC / Constabulary. The content and frequency of reports will be agreed with the Chief Executive, some examples are:

- number and value of contracts awarded;
- contracts awarded other than lowest cost;
- contracts awarded as a Single Tender Action;
- breaches of procurement regulations; and

RECORD KEEPING AND DOCUMENT RETENTION

Freedom of Information (FOI)

Information may be requested at any time on any procurement process and the Elected Local Policing Bodies (Specified Information) Order requires that ITT and contracts are openly published on the Commissioner's website. It is therefore important that all information that forms part of the procurement process is retained and filed in a way that ensures it can be easily used at a later date. This is particularly important for tender submissions and any correspondence with suppliers.

Generally whilst the submission of a tender will be considered as confidential, under FOI legislation this is likely to be insufficient as grounds for not releasing the information under an FOI request. Should an FOI request arise, appropriate steps should be adopted to enquire of prospective suppliers what, if any, information they feel should be exempt from FOI legislation, although the decision as to potential release rests with the COPCC. Before any information is released appropriate advice must be sought from the Deputy Monitoring Officer.

PROCUREMENT AND CONTRACTING PROCEDURES: PROVIDING SERVICES AND ASSET DISPOSAL

Providing Services and Asset Disposal

This section of the regulations sets out the rules where third parties procure from the COPCC / Constabulary. This includes where we sell surplus assets to others or provide services to external purchasers.

The rules are:

The Chief Executive must be consulted in respect of contracts to work for organisations other than the COPCC. This ensures that consideration is given to the limited staffing resources within the office and the priorities for resource allocation against the outcomes that aim to be achieved through the provision of external services.

Assets for disposal must be sent to public auction except where better Value for Money is likely to be obtained by inviting quotations and tenders or other approved method. These may be invited by advertising on the COPCC internet site. In the latter event, the method of disposal of surplus or obsolete stocks / stores or assets other than land must be formally agreed by the PCCCFO in accordance with the COPCC Scheme of Delegation. In some circumstances the trade in of obsolete equipment may be included within the tender specification for replacements. The basis upon which obsolete stocks / stores are declared surplus to requirements shall be in accordance with the COPCC Financial Regulations.

The Waste Electronic and Electrical Equipment (WEEE) Regulations 2006 aim to reduce the amount of WEEE being disposed of and require Electronic and Electrical Equipment (EEE) producers to pay for its reuse, recycling and recovery.

The COPCC / Constabulary, where appropriate, will dispose of end of life ICT and electrical equipment in line with WEEE Regulations which will include, where necessary, the use of accredited companies to ensure secure information removal prior to disposal.

Further information regarding the WEEE Regulations can be found on the Environment Agency website at <http://www.environment-agency.gov.uk/business/topics/waste/139283.aspx>.

END OF DOCUMENT



Joint Audit & Standards Committee

Title: OPCC Governance Review

Date: 25 November 2015

Agenda Item No: 8d

Originating Officer: Stuart Edwards

CC:

1. Introduction & Background

- 1.1 Governance refers to the overall framework of controls, policies and systems and processes that we have in place to protect against fraud, legal challenge, provide standards of conduct, and that the organisation is well governed.

2. Issues for Consideration

- 2.1 The documents which support good governance are provided to the Committee for annual review. The documents included for review at the December meeting are:
- 2.2 The **Scheme of Delegation** sets out the key roles of the Commissioner, Chief Executive, Chief Finance Officer (CFO) & Chief Constable. It also sets out delegations from the Commissioner to the Chief Executive, CFO and the Commissioner's staff. (nb the legislation does not allow delegation to a Constable or staff of a Constable.) The document is based on a national model adapted to local circumstances. This is a significant document and there are a number of choices that can be made in respect of how the scheme works.
- 2.3 **Anti-Fraud and Corruption Strategy and Procedure**: This document supports the Policy and Procedure within financial regulations and provides a joint statement of intent from the Commissioner and Constabulary. It is to support confidential reporting requirements and ensure staff know how they can report any concerns. It also includes the key forms that must be completed by relevant staff for related party transactions, declaration of interests and the code of conduct undertaking.
- 2.4 The **Code of Conduct, PCC Ethical Framework, PCC/Officer Protocol** documents are a related set of standards, codes and protocols that govern behaviors and proper practices. They aim to provide clarity with regard to respective roles and ensure all business is

conducted appropriately and with integrity. They will be relevant to any issues the Committee considers as part of its Standards responsibilities.

- 2.5 The **OPCC Complaints Policy**, **ICV Complaints Policy** seek to ensure that there are clear statements of intent with regard to how complaints will be dealt with and provide assurance as to the processes that will be followed.
- 2.6 All documents will be subject to a fundamental review every 3 years to avoid all documents undergoing fundamental review in a single year. Any changes or amendments to the documents are planned to be presented to the Audit and Standards Committee at its December meetings.

Recommendation:

That the committee notes the changes regarding the OPCC's governance documents as detailed within the report.



Cumbria Office of the Police and Crime Commissioner

Scheme of Delegation

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Introduction

The Scheme of Delegation details the key roles of the Police and Crime Commissioner and those functions which he/she delegates to other officers. These are delegations to the Deputy Police and Crime Commissioner (Deputy PCC), the Chief Executive and the Chief Finance Officer of his/her office. It also sets out delegations by the Chief Executive to other officers who are given authority to carry out functions under the delegations within this scheme.

The Scheme of Delegation provides a framework which makes sure the business is carried out efficiently, ensuring that decisions are not unnecessarily delayed. It forms part of the overall Scheme of Governance and should be read along with other documents such as Procurement Regulations and Financial Regulations.

Procurement Regulations and Financial Regulations also specify powers given to the Chief Executive and the Chief Finance Officer. This Scheme of Delegation aims to clarify those powers. The Police and Crime Commissioner may limit these powers and/or remove delegation. This scheme, Procurement Regulations and Financial Regulations also set out the reporting arrangements in respect of any decisions or actions taken under authorised powers.

The delegations within this scheme are made under the powers are given to the Commissioner by laws, orders, rules or regulations and national conditions of employment. Legislation defines some functions that the Commissioner may not delegate and these are also clearly stated within this scheme.

All delegated functions should be exercised in line with this scheme of delegation, the law, standing orders and financial regulations. Internal policies, procedures, plans, strategies and budgets must also be complied with. This Scheme of Delegation does not identify all the statutory duties which are contained in specific laws and regulations. It is the responsibility of senior officers to ensure all business is fully compliant with all laws, regulations and codes of practice.

Notes

- I. Within this document there are references to significant financial implications. These are items of spending of £100,000 or more which have not been budgeted for.
- II. This document also refers to sensitive issues. These are unusual or exceptional circumstances which have arisen as a result of a risk assessment based on the PESTELO (Political, Economic, Social, Technological, Environmental, Legal, Organisational) method.
- III. The Police Reform and Social Responsibility Act 2011 prohibits delegation to, amongst others, a constable and a member of staff of a constable. A separate scheme of consent sets out those areas where the Chief Constable requires the authorisation of the Commissioner
- IV. The main body of this document sets out the key functions delegated to Senior Officers employed by the Police and Crime Commissioner.

Key Roles of the Police and Crime Commissioner

Introduction

The Police Reform and Social Responsibility Act 2011 established Police and Crime Commissioner's as elected officials with statutory functions and responsibilities for Policing and Crime within their area. The key roles of the Police and Crime Commissioner are:

Holding the Chief Constable to Account

The Police and Crime Commissioner must ensure that the Chief Constable is held to account for the exercise of his/her functions and the functions of the police officers and staff under their direction and control. In doing so the Commissioner must ensure that:

- Good value for money is obtained in exercising those functions
- The Chief Constable has regard to the police and crime plan and strategic policing requirement
- The Chief Constable in exercising duties has regard to Codes of Practice issued by the Secretary of State
- The Chief Constable's arrangements for co-operation and for engagement with local people are efficient and effective
- The Chief Constables exercises duties relating to equality and diversity, safeguarding children and the promotion of child welfare

Complaints and Conduct

The Police and Crime Commissioner will be responsible for handling complaints and conduct matters in relation to the Chief Constable, monitoring complaints against officers and staff, and complying with the requirements of the Independent Police Complaints Commission. The Commissioner will also appoint and if necessary dismiss the Chief Constable

Funding

The Police and Crime Commissioner has responsibility for securing the maintenance of the Police force. The commissioner will set the budget, and the precept (charges to be paid by the district councils in the Cumbria area), and allocate funds and assets to the Chief Constable.

The Police and Crime Commissioner will receive funding, including government grants and precept, and other sources of income, related to policing and crime reduction. Funding for the Force will come via the Commissioner. Funding from the Commissioner is agreed in consultation with the Chief Constable who must comply with any terms of that funding.

The Commissioner can also make crime and disorder reduction grants. These are grants to fund initiatives that contribute to reducing crime and disorder.

The Commissioner has overall responsibility for maintenance of the Police Fund including borrowing and investment decisions. The Commissioner is responsible for holding the Chief Constable to account for the arrangements for financial administration within the Constabulary. The Commissioner must appoint a Chief Finance Officer with statutory responsibility for the proper administration of financial affairs.

The Police and Crime Plan

The Commissioner will set the strategic direction and objectives of the Police Service in Cumbria through the Police and Crime Plan, monitoring the performance of the force against the agreed priorities. On an annual basis the Commissioner will issue a report that sets out the performance actually achieved against the objectives and priorities.

Custody Visiting Scheme

The Commissioner must maintain an effective 'independent custody visiting scheme'. The Custody Visiting Scheme enables independent members of the local community to visit police stations unannounced to check on the welfare of people in police custody.

Community Engagement

The Police and Crime Commissioner provides a local link between the police and communities, working to translate the legitimate desires and aspirations of the public into action. In doing this the Commissioner must seek the views of the community and the views of the victims of crime on policing. The views of people in the police area must be sought on the Commissioners proposals for expenditure ahead of the issuing of the police precept.

Wider Responsibilities

The Police and Crime Commissioner has a wider responsibility than those solely relating to the police force, namely:

- the delivery of community safety and crime reduction
- the ability to bring together Community Safety Partnerships at a force level
- a duty to ensure that all collaboration agreements with other local policing bodies and forces deliver better value for money and
- enhance the effectiveness of policing capabilities and resilience
- the enhancement of the delivery of criminal justice in their area

Accountability

The Police and Crime Commissioner in exercising these functions must have regard to statutory responsibilities i.e. Freedom of Information Act 2000, and all human rights and equality laws.

The Commissioner is the legal contracting body who owns all the assets and liabilities. He/she must appoint a Chief Executive to undertake the statutory role of Monitoring Officer.

The Police and Crime Commissioner must not restrict the operational independence of the police force and the Chief Constable who leads it.

The Commissioner is held to account by the Police and Crime Panel, who will scrutinise his/her decisions and the exercise of these functions.

Police and Crime Panel

The Panel has a check and balance role on the Commissioner, rather than the Chief Constable.

Audit Provision

The Police and Crime Commissioner is required under Home Office The Financial Management Code of Practice for the Police Service of England and Wales to appoint an independent audit committee. It is recommended that the Committee is a joint committee of the Commissioner and Chief Constable.

General Principles of Delegation

The following General Principles of Delegation apply to all specific delegations provided for within this scheme.

1. The Police and Crime Commissioner may ask that a specific matter is referred to him/her for a decision and not dealt with under powers of delegation.
2. The scheme does not attempt to list all matters which form part of everyday management responsibilities.
3. Giving delegation to officers under this scheme does not prevent an officer from referring the matter to the Police and Crime Commissioner for a decision if the officer thinks this is appropriate (for example, because of sensitive issues or any matter which may have a significant financial implication).
4. When a statutory officer is considering a matter that is within another statutory officer's area of responsibility, they should consult the other statutory officer before authorising the action.
5. All decisions statutory officers make under powers given to them by the Commissioner must be recorded and be available for inspection.
6. The Police and Crime Commissioner will want to be involved in any projects/areas of work which may have a significant impact on the people of Cumbria. He/she will want to be involved in the scope, tendering process and evaluation of any material business case.
7. In this document reference made to the statutory officers include officers authorised by them to act on their behalf.
8. The statutory officers are responsible for making sure that members of staff they supervise know about the provisions and obligations of this Scheme of Delegation.
9. The person appointed as the Chief Executive (who will also be the Monitoring Officer) and the Chief Finance Officer (section 151 officer) have statutory powers and duties relating to their positions, and therefore do not rely on matters being delegated to them to carry these out.
10. The Scheme of Delegation provides an officer with the legal power to carry out duties of the Commissioner. In carrying out these duties the officer must comply with all other statutory and regulatory requirements and relevant professional guidance including:
 - The Police and Social Responsibility Act 2011 and other relevant legislation issued under this Act
 - Financial Regulations
 - Home Office Financial Management Code of Practice
 - CIPFA Statement on the role of the Chief Finance Officer of the Police and Crime Commissioner
 - Contract Regulations
 - The Commissioner's governance framework

- Employment law, policies and procedures
- The Data Protection Act 1998 and the Freedom of Information Act 2000
- Health and safety at work legislation and codes

11. When carrying out any duties, the Police and Crime Commissioner and staff must have regard to the following:

- The views of the people in Cumbria
- Any report or recommendation made by the Police and Crime Panel on the annual report for the previous financial year
- The Police and Crime Plan and any guidance issued by the Secretary of State. (this list is a summary and is not exhaustive)

12. The Commissioner may appoint any officer to carry out any function, with the exception of those listed below:

- Issuing the Police and Crime Plan
- Determining objectives in the Police and Crime Plan
- Calculation of budget requirements
- Making recommendations to the Home Secretary in relation to the appointment of the Chief Constable
- Making representations in relation to the appointment of Chief Officer posts
- Being consulted in relation to the appointment or removal of Chief Officer posts
- Suspension of the Chief Constable, or asking him or her to resign or retire
- Attendance at the Police and Crime Panel for specified duties
- Preparing the annual report

13. The Police and Crime Commissioner may give additional delegation to his/her officers under section 18 of the Act.

This Scheme is a record of the formal delegations that are in effect at the time of its publication and will be reviewed annually. With the exception of those matters listed in paragraph 12, the scheme allows any person, with appropriate authority, to delegate that power further.

Delegations to the Deputy Police and Crime Commissioner

The Police and Crime Commissioner may delegate functions to the Deputy Police and Crime Commissioner other than those that are statutorily prohibited. The following functions may not be delegated to the Deputy Police and Crime Commissioner under the Police Reform and Social Responsibility Act 2011:

- Issuing a Police and Crime Plan
- Appointing the Chief Constable, suspending the Chief constable or calling upon the Chief constable to retire or resign
- Calculating a budget requirement

The Police and Crime Commissioner for Cumbria has determined not to appoint a person as the Deputy Police and Crime Commissioner.

Functions delegated to the Chief Executive, Office of the Police and Crime Commissioner

Introduction

The Chief Executive is the head of the Police and Crime Commissioner's office and staff, and is also the Monitoring Officer for the Commissioner. The formal delegations, listed below, are those given to the Chief Executive, which are in effect at the time of the publication of the scheme.

General

- Prepare the police and crime plan and draft an annual report in consultation with Cumbria Constabulary for submission to the Commissioner.
- Provide information to the Police and Crime Panel, as reasonably required to enable the panel to carry out its functions.
- To consider, with the Police and Crime Commissioner, any complaint made against the Chief Constable, and where appropriate, to make arrangements for appointing an officer to investigate the complaint.
- To make sure, in consultation with the Chief Constable, appropriate arrangements are made to gather the community's views on the policing of Cumbria and preventing crime.
- To respond to consultations on proposals affecting the Police and Crime Commissioner, if necessary, after first taking the views of the Commissioner, the Chief Finance Officer or the Chief Constable, as appropriate.

Finance & Governance

The detailed financial management responsibilities of the Chief Executive are set out in the financial regulations. Specifically the Chief Executive will:

- Manage the budget, in compliance with Financial Regulations and Procurement Regulations, and in consultation with the Chief Finance Officer.

- Ensure arrangements are in place for the management of risk and business continuity and where appropriate secure that arrangements are made to insure against risks. This includes arrangements for holding to account the Chief Constable for the management of risk within the Constabulary.
- Ensure that arrangements are in place for the management and security of assets in accordance with the requirements of financial regulations
- To consider whether, in consultation with the Chief Finance Officer, to provide indemnity and/or insurance to the Police and Crime Commissioner, individual staff of the Commissioner, Independent Members and Custody Visitors, in accordance with the Local Authorities (Indemnities for Members and Officers) Order 2004 and to deal with or make provision to deal with other matters arising from any proceedings relating to them.
- To approve non-significant ex-gratia compensation claims for damage caused by staff in the execution of their duties.
- Manage a scheme and distribute the proceeds out of the Police Property Act Fund and manage schemes for the administration of grants awarded by the Commissioner and Deputy Commissioner.
- Make arrangements for the accepting and reporting of sponsorship, gifts, gratuities and hospitality and for the reporting of arrangements and acceptances to the Audit and Standards Committee.
- To prepare and review a scheme of expenses for approval by the Police and Crime Commissioner.
- To designate officers as 'authorised officers' for the purposes of procurement regulations.

Human Resources

- To appoint and dismiss staff.
- To make recommendations to the Police and Crime Commissioner with regard to staff terms and conditions of service, in consultation with the Chief Finance Officer.
- To make arrangements for the management of staffing resources for all staff employed by the Police and Crime Commissioner. This to include specific working agreements and the application of all personnel policies and procedures and other policies and procedures with staffing implications.
- To approve all payroll arrangements including salary advances for no more than one month, travel and subsistence claims in accordance with policy, changes to conditions of service, honoraria, starting salary within the scale, extension of half pay and no pay sickness scheme, implementation of national pay awards
- The transfer of accumulated local government pensions into the local government pension scheme after the expiry of 12 months after joining the authority.
- To settle appeals in relation to the Local Government Pension Scheme, in line with the

Occupational Pension Schemes (Internal Dispute Resolution Procedures) Regulations 1996.

- To appoint Independent Custody Visitors, members of the Independent Audit and Standards Committee, Independent Tribunal Members and terminate appointments if necessary.
- To approve arrangements for the attendance of members and custody visitors at seminars and

training events and any other expenditure outside the scheme of expenses

- To exercise the statutory powers of the Police and Crime Commissioner for professional standards, as delegated to them on a temporary or permanent basis and such delegations to be documented with this Scheme.

Legal & Contracts

The delegations set out below cover legal and contractual matters. Further detail on procedure in respect of contracts can be found in the Procurement Regulations.

- To authorise people to make, defend, withdraw or settle any claims or legal proceedings on the Police and Crime Commissioner's behalf, having taken legal advice and in consultation with the Chief Finance Officer if there is significant financial implications.
- To approve settlement of any non-significant claim for damages against any individual police officer or special constable out of the police fund under section 88(4) of the Police Act 1996.
- To make arrangements to institute, defend or participate in any legal proceedings in any case where such action is necessary.
- To get legal or other expert advice and to appoint legal professionals whenever this is considered to be in the Police and Crime Commissioner's best interests and for his/her benefit.
- To approve financial assistance, in non-significant cases, to Police Officers involved in civil and criminal proceedings.
- To approve the entering into and administration of all contracts for works, goods and services in accordance with the delegated financial limits set out in the Financial Regulations and in accordance with the procurement Regulations
- To sign all contracts on behalf of the Commissioner in accordance with any decisions either has made. To approve the early termination of contracts in accordance with procurement regulations.
- To affix the common seal of the Police and Crime Commissioner or to approve the entering into framework agreements for contracts, agreements or transactions in accordance with procurement regulations

Other Delegations

- To deal with Freedom of Information Act requests and to prepare and issue Publication Schemes under the Freedom of Information Act 2000.
- To make arrangements for dealing with complaints against the Chief Constable, including the appointment of an investigating officer to investigate a recordable complaint in accordance with the appropriate regulations, and where an investigation has been undertaken, to ensure a suitable report is presented to the Commissioner to enable a decision to be made on the action to be taken.
- To review complaints of maladministration against the Commissioner and to approve the provision of any remedy, financial or otherwise.
- In relation to a grievance against the Chief Constable, to take the appropriate action to investigate the grievance, applying as appropriate the grievance procedure, and reporting the outcome to the Commissioner to enable appropriate action to be taken to resolve the grievance.
- To discharge functions and responsibilities in respect of Police Appeal Tribunals, on behalf of the Commissioner, including the appointment of members of the Tribunals.
- In relation to the Commissioner's land and property, to serve notices to quit and notices to terminate its use or occupation, and to institute court proceedings to recover arrears of rent and other payments or to recover possession from occupiers and users.
- To discharge the Commissioner's statutory duty for health and safety matters.
- To arrange for the provision of professional services as required by the Commissioner.
- In the absence of the Chief Executive, delegations can also be undertaken by the OPCC Chief Finance Officer/Deputy Chief Executive, excluding any matter that requires Monitoring Officer approval or decision.

Statutory Functions

The Chief Executive/Monitoring Officer has statutory duty in respect of the lawfulness of decision making. In the absence of the Chief Executive this duty can only be undertaken by the Deputy Monitoring Officer.

Functions delegated to the Chief Finance Officer, Office of the Police and Crime Commissioner

Introduction

The Chief Finance Officer is the financial adviser to the Police and Crime Commissioner and has statutory responsibility to manage his/her financial affairs as set out in sections 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2003 (as amended). Section 113 of LGFA 1988 requires the responsible officer to be a member of a specified accountancy body.

The Chief Finance Officer must ensure that the financial affairs of the Commissioner, and the force are properly administered having regard to their probity, legality and appropriate standards.

The formal delegations, listed below, are those given to the Chief Finance Officer, which are in effect at the time of the publication of this scheme. In the absence of the Chief Finance Officer, the Deputy Chief Finance Officer may undertake those functions that are authorised by the Chief Finance Officer within the shared services agreement between the Constabulary and Commissioner.

Delegations

- To ensure that the financial affairs of the Office of the Police and Crime Commissioner are properly administered having regard to probity, legality, and appropriate standards.
- To assist the Police and Crime Commissioner in planning their budget and determining the level of funding and funding conditions to be provided for the Constabulary budget and those of other partners.
- To approve the commencement of capital schemes and the virement of resources between budgets and reserves in accordance with the financial regulations and funding conditions applying to partner budgets.
- To approve the arrangements for the treasury management function, including the day to day management, the production of the treasury management strategy, prudential limits and supporting policies and procedures.
- Authority to bring forward capital funding for future years from planned schemes where these have been approved and there is a requirement or capacity to commence the schemes at an earlier date.
- To approve the arrangements for securing and preparing the Police and Crime Commissioner's accounts, and seek assurances that there are appropriate arrangements in place for the preparation of the Chief Constable's accounts.
- To seek assurances that there are appropriate arrangements in place within the Constabulary for its financial management.

- To make arrangements on behalf of the Chief Executive for insurance and to seek assurance that appropriate arrangements are made for insurance with the Constabulary.
- To approve settlement figures for insurance claims on motor vehicles recommended by the Commissioner's insurers subject to the insurer's subrogated rights.
- To be responsible for all banking arrangements, together with creating, closing or authorising all bank accounts and being signatory to cheques and other mandates for payments on PCC accounts.
- To manage the financial arrangements for grants awarded by the Police and Crime Commissioner.
- To authorise payments, without having to get approval and regardless of whether or not provision has been made in the revenue budget in relation to payments that have to be made by law; payments ordered by the court; payments due under any agreement entered into by the Police and Crime Commissioner.
- To prepare and annually review draft financial and procurement regulations, in consultation with the Chief Executive, for approval by the Police and Crime Commissioner. To approve designated exceptions to the regulations.
- To determine when goods are surplus to requirements or obsolete and arrange for disposal in line with financial regulations.
- To write off debt subject to the limits within the financial regulations
- Provide for an adequate and effective internal audit service and make arrangements for the commissioning of external audit.

Statutory Functions

- To report to the Police and Crime Commissioner and the external auditor any unlawful or potentially unlawful spending by his/her officers. In the absence of the Chief Finance Officer the Deputy Chief Finance Officer will undertake this function.

Chief Executive Delegations to Other Officers

Introduction

This section of the scheme of delegation sets out those functions delegated from the Chief Executive to other officers within the office of the Police and Crime Commissioner. Those officers may discharge these functions directly or secure their discharge through the arrangements for shared support services between the Commissioner and the Chief Constable. Where functions are discharged through the provision for shared support services, required authorisations are set out within the shared services agreement.

Delegations to the Chief Finance Officer/Deputy Chief Executive

Securing the arrangements for the **management and security of the Commissioner's assets**; this to include:

- The day to day management of the property function subject to the provision of financial regulations.
- The maintenance of a register of all property owned or leased by the Police and Crime Commissioner. The register to include a range of property data (value, condition, maintenance etc.)
- Ensuring all property owned or leased by the Police and Crime Commissioner is fully compliant with all legislation, regulations and best practice codes applicable to the purpose of the asset.
- The development on an annual basis of a planned maintenance programme and providing advice on the appropriate amount to be budgeted for planned and reactive maintenance.
- Arranging for the survey and inspection of all property in compliance with legislation, regulations and best practice.
- Reporting the findings of survey and inspection and making arrange for necessary works where these can be met within the approved budget
- Providing a draft medium term asset management strategies and plans for the Police and Crime Commissioner's property estate and assets acquired for use by the Constabulary.
- Providing an annual schedule for approval to be submitted to the Police and Crime Commissioner at the beginning of each financial year for all property to be developed, acquired and disposed of.
- Disposing of all assets which have previously been approved by the Police and Crime Commissioner, in accordance with approved methods of disposal, in accordance with the financial limits within the scheme of delegation.

- Acquiring and granting freeholds, leaseholds, leases, licences and wayleaves and make applications for planning permission in accordance with the agreed asset management plan, capital programme and revenue budgets.
- Providing regular reports to the Police and Crime Commissioner on the implementation of the agreed capital programme.
- Securing appropriate arrangements for the safeguarding of the Commissioner's assets including those used by the Constabulary in the delivery of policing in accordance with the requirements of Financial Regulations.

Securing the arrangements for the effective **management of procurement**; this to include:

- Securing the provision of procurement support and advice to the Chief Executive and those undertaking procurement including on the approval of contract exemptions and arrangements for the maintenance and recording of contracts and records
- To make arrangements for the purchase or lease the vehicles, machinery, equipment and services needed and to make arrangements for them to be used, disposed of, returned and replaced as appropriate in accordance with the agreed revenue budget and capital programme.

Securing arrangements for the accurate and reliable **payment of wages, pensions and salaries** ensuring transactions are submitted accurately and to deadlines.

Delegations to the Head of Communications and Business Services

Securing arrangements for the **provision of human resources support services**; including:

- To secure arrangements for the provision of advice and support to the Chief Executive in the undertaking of his/her personnel responsibilities.
- To secure arrangements for the development and implementation of human resource policies and other arrangements in accordance with legislation, regulations and applicable national and local agreements and terms including those for staff welfare, management, health and safety
- To make arrangements for the management of staffing resources in line with agreed policies and procedures. This to include specific working agreements and the application of all personnel policies and procedures and other policies and procedures with staffing implications.
- To secure arrangements for the provision of transactional HR processes including the issuing and recording of contracts and personnel records

Urgent matters

If any matter which would normally be referred to the Police and Crime Commissioner for a decision arises and cannot be delayed, the matter may be decided by the appropriate chief officer. The appropriate chief officers authorised to decide urgent matters are:

- the Chief Executive (all issues other than operational matters);
- the Chief Finance Officer (financial and related issues);

Urgent decisions taken must be reported to the Police and Crime Commissioner as soon as practicably possible.

1. Human Resources Functions				
Ref	Nature of Authority/Decision	Chief Executive Delegation To:	Functional Allocation Within OPCC	Comments
1.1	Approval of appointments <ul style="list-style-type: none"> All levels of staff Independent Custody Visitors 	Retained by Chief Executive	In consultation with line managers and senior line managers	In consultation with line managers and senior line managers
		Retained by Chief Executive	In consultation with ICV Administrator	
1.2	Termination – <ul style="list-style-type: none"> All levels of staff Independent Custody Visitors 	Retained by Chief Executive	In consultation with line managers and senior line managers	Appeals to JASC
		Retained by Chief Executive	In consultation with ICV Administrator	Appeals to JASC
1.3	Disciplinary Action resulting in dismissal:- <ul style="list-style-type: none"> All levels of staff Independent Custody Visitors 	Retained by Chief Executive	In consultation with line managers and senior line manager	Appeals to JASC
		Retained by Chief Executive	In consultation with ICV Administrator	Appeals to JASC
1.4	To approve the early retirement all levels of staff for:	Retained by Chief Executive		

	<ul style="list-style-type: none"> • Early retirement • On the grounds of ill-health 			Appeals to JASC
				Appeals to JASC
1.5	Re-grading /evaluation of all levels of staff:	Retained by Chief Executive	If post needs to be re-graded or evaluated this will be done via a Hay Panel / North West Employers	Appeals to JASC
1.6	Financial assistance for professional training	Retained by Chief Executive		
1.7	Time off to participate in staff associations, trade union duties/activities and for other public duties for part time staff association/trade union representatives.	Retained by Chief Executive		
1.8	Compensatory Time Off Scheme (CTO) – The agreed ceiling* for hours accumulated should not be exceeded – if CTO does exceed the agreed ceiling, individual must report this	Retained by Chief Executive	Recommendations by Line Managers and approval by Senior Line Managers	*Ceiling limit as per Section 1.9 of Staff Ts&Cs is 74 hours for full time staff, and part time staff can accumulate the equivalent of 2 weeks of their contracted hours
1.9	Carry-over of more than 5 days annual leave	Retained by Chief Executive	Recommendations by Line Managers and approval by Senior Line Managers	
1.10	Granting requests for unpaid leave	Retained by Chief Executive	Recommendations by Line Managers and approval by Senior Line Managers	
1.11	Granting requests for Compassionate /special leave in excess of 3 days	Retained by Chief Executive	Recommendations by Line Managers and approval by Senior Line	

			Managers	
1.12	Granting of annual leave	Line Manager	Senior Line Manager if Line Manager absent	
1.13	Granting of flexi leave	Line Manager	Senior Line Manager if Line Manager absent	
1.14	Granting of CTO within agreed limit (otherwise see 1.8)	Line Manager	Senior Line Manager if Line Manager absent	
1.15	Return to work interview following sick absence	Line Manager	Senior Line Manager if Line Manager absent	

2. Payroll Functions.				
Ref	Nature of Authority/Decision	Chief Executive Delegation To:	Functional Allocation Within OPCC	Comments
2.1	Responsibility for making all necessary arrangements for ensuring the accurate and reliable payment of wages, pensions and salaries.	Chief Finance Officer		Recommendations by Head of CSD (shared support services)
2.2	Temporary Acting Up	Retained by Chief Executive		See section 1.2 Police Staff Terms and Conditions Handbook
2.3	Agreeing starting salary within the scale	Retained by Chief Executive		See section 1.3f Police Staff Terms and Conditions Handbook
2.4	Agreeing accelerated pay increments	Retained by Chief Executive		
2.5	Delayed progression through the pay scales due to poor	Retained by Chief		

	performance	Executive		
2.6	Approval of extension of Half Pay and No Pay Sickness Scheme.	Retained by Chief Executive		As per PNB Circular 03/2 and 05/1
3. Finance Functions				
Ref	Nature of Authority/Decision	Chief Executive Delegation To:	Functional Allocation Within OPCC	Comments
3.1	To raise purchase orders up to value of £5000	All budget lines: Governance Manager Training Budget: Partnerships and Strategy Manager		
3.2	To raise purchase orders above value of £5000	Chief Executive, Chief Finance Officer, Head of Business Services and Comms		
3.3	To approve invoices for payment up to value of £5000	All budget lines: Governance Manager Training Budget: Partnerships and Strategy Manager		
3.4	To approve invoices for payment over the value of £5000	Chief Executive, Chief Finance Officer, Head of Business Services		

		and Comms		
3.5	To authorise expenses claims for all staff	Retained by Chief Executive	IT system automatically assigns claims to line managers to sign off	
3.6	To authorise expenses claims for Independent Custody Visitors	Governance Manager	ICV Administrator	

4. Procurement functions				
Ref	Nature of Authority/Decision	Chief Executive Delegation To:	Functional Allocation Within OPCC	Comments
4.1	<ul style="list-style-type: none"> Acting as an officer authorised to undertake procurement in accordance with the Procurement Regulations 	Chief Finance Officer Head of Partnerships and Commissioning Victims Advocate Partnership and Strategy Manager Governance and Business Services Manager Communication and Engagement Officer Head of Communication and Business Services		In line with Procurement Regulations
4.2	Commissioning of services within Office of Victim Services	Head of Partnerships and Commissioning		In line with Procurement Regulations

		Governance Manager		
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5. Gifts and Sponsorship to the Constabulary, Officers and Staff

Ref	Nature of Authority/Decision	Chief Executive Delegation To:	Functional Allocation Within OPCC	Comments
5.1	Acceptance of Gifts, Hospitality and Gratuities by staff	Individual decision subject to consultation with Line Manager	Governance Manager	Anti-Fraud and Corruption Policy and Procedures
5.2	Reporting of Gifts Hospitality and Gratuities by staff. (this does not relate to corporate mementoes etc)	Individual Officer or Staff	Governance Manager	Anti-Fraud and Corruption Policy and Procedures
5.3	Acceptance of Sponsorship and Loans for the benefit of the OPCC	Retained by Chief Executive	Governance Manager	
5.4	Reporting of Sponsorship and Loans for the benefit of the OPCC	Retained by Chief Executive	Governance Manager	

6. Complaints/Professional Standards

Ref	Nature of Authority/Decision	Chief Executive Delegation To:	Functional Allocation Within OPCC	Comments
6.1	Complaints from the public against: -Police and Crime Commissioner	Police and Crime Panel	Via Chief Executive	
	-Chief Constable (Conduct)	Police and Crime Commissioner	In liaison with Chief Executive and Governance Manager	
	-Officers below Chief Constable (Conduct)	PSD	In liaison with Governance Manager	
	-Quality of Service	Police and Crime Commissioner	In liaison with Governance Manager	

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Cumbria Office of the Police and Crime Commissioner

COPCC Arrangements for Anti-Fraud and Corruption

Distribution and Consultation Record

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Policy Approval

Approved By	Mr Richard Rhodes, Police & Crime Commissioner
Date	26 November 2012

Name	Position	Version no. consulted on	Date
Stuart Edwards	Chief Executive	Version No 1	October 2012
Stuart Edwards	Chief Executive	Version No 2	November 2015

Version Control

Version .01	
Department	Office of the Police & Crime Commissioner
Contact	Joanne Head, Governance & Business Services Manager

Version.02	
Department	Office of the Police & Crime Commissioner
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Anti-Fraud and Corruption Strategy

ANTI FRAUD AND CORRUPTION STRATEGY

Introduction

This strategy sets out the approach that will be adopted by the Cumbria Office of the Police and Crime Commissioner (COPCC) to ensure effective procedures and responsibilities are in place to deliver the Anti-Fraud and Corruption Policy. This strategy and the related procedures set out how the commitments and principles within that document are put into practice.

To support the Policy appropriate resources will be committed to fraud and corruption prevention and detection. A series of interrelated procedures designed to frustrate any attempted fraudulent or corrupt act will be put in place by the COPCC and investigation of any instances or suspected instances of fraud and corruption which may arise will be undertaken in accordance with those procedures.

ANTI FRAUD AND CORRUPTION STRATEGY

Measures

The COPCC will maintain appropriate procedures and documentation to assure that staff those organisations that we do business with are aware of the requirements of this strategy and related procedures.

The COPCC will maintain financial and other control measures, which will be subject to internal and external audit and scrutiny of its practices and their outcomes. It will co-operate with audit agencies in the legitimate pursuit of their interests and, in particular, it will maintain a Joint Audit and Standards Committee in partnership with the Constabulary to oversee the processes of audit of the COPCC business.

The Chief Executive is responsible, in consultation with the Chief Finance Officer, for ensuring effective Arrangements for Anti-Fraud and Corruption are in place.

Staff of the COPCC are responsible for ensuring they adhere to the requirements of the Arrangements for Anti-Fraud and Corruption.

ANTI FRAUD AND CORRUPTION STRATEGY

Terms and Definitions

FRAUD

“The intentional distortion of financial statements or other records by persons internal or external to the Authority which is carried out to conceal the misappropriation of assets or otherwise for gain”
(Audit Commission)

CORRUPTION

“The offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person” (Audit Commission)

THEFT

“The dishonest appropriation of property belonging to another with the intention of permanently depriving the other of it” (Theft Act 1968)

IRREGULARITY:

“The violation or non-observance of established rules and practices”

ANTI FRAUD AND CORRUPTION STRATEGY

Detection and Investigation

The COPCC will always investigate any actual or suspected cases of fraud, corruption, theft or irregularity and implement misconduct procedures where appropriate. Specifically:

- Staff are required to report all suspected irregularities to the Commissioner’s Chief Finance Officer (PCCFO), who will instigate the necessary investigation.
- Misconduct Procedures will be used where the outcome of the investigation indicates improper behaviour.
- Where financial or other impropriety is discovered and sufficient evidence exists to suspect that a criminal offence may have been committed, the matter may be referred to the Police.

ANTI FRAUD AND CORRUPTION STRATEGY

Supporting the Strategy

External Bodies

The COPCC will co-operate with the following external bodies, whose prerogatives extend over the conduct of the COPCC business. The list is not exhaustive.

- Externally appointed auditors and the Audit Commission
- Independent Police Complaints Commission
- HM Revenue and Customs
- Department of Social Security/ Contributions Agency
- The Local Government Ombudsman

Internal Bodies

The internal bodies set out below each have a responsibility to ensure that the COPCC comply with their respective elements of their Anti-Fraud and Corruption Policy and Procedures:-

Chief Finance Officer: The Commissioner must appoint a Chief Finance Officer who has statutory responsibility for the integrity of financial administration (including the legality of expenditure) and the provision of the Internal Audit function.

Monitoring Officer (Chief Executive to the Commissioner): This is the statutory officer whose role is to warn of illegality or maladministration, (whether actual or potential), in matters touching the business or responsibilities of the COPCC.

Internal (Management) Audit: Provided as part of a shared service agreement from Cumbria County Council, Internal (Management) Audit is responsible for compliance audits in respect of regularity and systems.

The Seven Principles of Public Life (Nolan Committee)

Selflessness

Holders of public office take decisions in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in their performance of the official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and

must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

All staff members of the COPCC are expected to comply with the principles of public life and the Arrangements for Anti-Fraud and Corruption. Failure to do so may result in disciplinary action.

Anti-Fraud and Corruption Policy and Plan

ANTI FRAUD AND CORRUPTION POLICY AND PLAN

Introduction

This statement has been prepared in response to the recommendations contained in the Audit Commission document "Protecting the Public Purse – Ensuring Financial Probity in Local Government 2001 Update, Promoting Good Governance."

In administering its responsibilities in relation to fraud and corruption, whether it is attempted on the OPCC or from within, the Commissioner is committed to an effective Anti-Fraud and Corruption policy designed to;

- encourage prevention
- promote detection; and
- identify a clear pathway for investigation

The expectation regarding propriety and accountability is that the Commissioner and staff at all levels will lead by example in ensuring adherence to rules, and that all procedures and practices are above reproach.

The Commissioner also demands that individuals and organisations that they come into contact with will act towards them with integrity and without thought or actions involving fraud or corruption.

This Anti-Fraud and Corruption policy is based on a series of comprehensive and inter-related procedures designed to frustrate any attempted fraudulent or corrupt act. These cover:-

- Culture (Section 2);
- Prevention (Section 3);
- Detection and Investigation (Section 4); and
- Training (Section 5)

The Commissioner is also aware of the high degree of external scrutiny of its affairs by a variety of bodies including:-

- Her Majesty's Inspector of Constabulary
- Internal Audit
- HM Customs and Excise
- Inland Revenue

- The General Public
- The Audit Commission
- The Police and Crime Panel

ANTI FRAUD AND CORRUPTION POLICY AND PLAN

Culture

The Commissioner is determined that the culture and tone of the organisation is one of honesty and opposition to fraud and corruption. To support this, the arrangements for whistleblowing will be clearly signposted for staff and others within COPCC offices.

There is an expectation and requirement that all individuals and organisations associated in whatever way with the OPCC will act with integrity, and that the Commissioner and staff at all levels will lead by example in these matters.

The Commissioner and staff are important in the stance on fraud and corruption and they are positively encouraged to raise any concerns that they may have on these issues where they are associated with the activities of the OPCC. Concerns may be about something that:

- is unlawful
- is against the Commissioner's Procurement Regulations, Financial Regulations or policies
- falls below estimated standards or practices
- results in waste or loss to the Commissioner
- amounts to improper conduct

Staff can do this in the knowledge that such concerns will be treated in confidence, properly investigated and without fear of reprisal and victimisation. If necessary, a route other than their normal line manager may be used to raise such issues. Examples of such routes are:

- The Chief Executive (01768 217732)
- The PCCCFO (01768 217631)
- External Auditors – Grant Thornton (0141 2230000)
- Internal Audit – (01228 606280)
- Audit Commission Whistle Blowers Hotline (03034448346)

The Public Interest Disclosure Act 1988 protects employees, who report suspected fraud or corruption activities, from any reprisals as long as they meet the rules set out in the Act. In simple terms the rules for making a protected disclosure are:-

- the information disclosed is made in good faith
- the person making the disclosure must believe it to be substantially true
- the person making the disclosure must not act maliciously or make false allegations
- the person making the allegation must not be seeking any personal gain

The designated officer required under the Act to receive disclosures is the PCCCFO. Members of the public are also encouraged to report concerns through any of the above avenues. Allegations/concerns can be made anonymously, however it should be noted that such cases can be more difficult to investigate. The likelihood of action will depend on:

- the seriousness of issues raised
- credibility of the concern
- likelihood of confirming the allegation from attributable sources

Senior management are responsible for following up on any allegation of fraud and corruption received and will do so by:

- dealing promptly with the matter;
- recording all evidence received;
- ensuring that evidence is sound and adequately supported;
- ensuring security of all evidence collected;
- notifying the PCCFO, and implementing disciplinary procedures where appropriate.

The Commissioner will deal swiftly and thoroughly with any member of staff who attempts to defraud the OPCC or who are corrupt. The Commissioner will be robust in dealing with financial malpractice.

ANTI FRAUD AND CORRUPTION POLICY AND PLAN

Prevention

The Commissioner recognises that a key preventative measure in the fight against fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential staff in terms of their propriety and integrity. Staff recruitment is therefore required to be in accordance with procedures laid down by the Chief Executive and in particular to obtain written references regarding known honesty and integrity of potential staff before employment offers are made

All employees are expected to follow any Code of Conduct related to their personal professional qualifications and also to abide by the internal Codes of Conduct, policies and procedures. This policy and the role that appropriate staff are expected to play in the Corporate Governance framework and systems of internal control will be featured in staff induction procedures.

The Commissioner and Deputy Commissioner are required to adhere to the Code of Conduct relating to the declarations of interest. Staff are also required to declare pecuniary interests.

The Commissioner and all staff are required to declare in a public register any offers of gifts, gratuities or hospitality which are in any way related to the performance of their duties. Records of supplier contact are also required as part of these arrangements and the procurement regulations. Gifts, gratuities, hospitality and supplier contact disclosure forms are circulated to staff on a monthly basis with entries reviewed by the Chief Executive. The Chief Finance Officer reviews entries in respect of the Chief Executive. The Deputy Monitoring Officer undertakes an annual dip sample between the gifts, gratuities and hospitality registers, the supplier contact register and contracting activity undertaken within the COPCC.

Significant emphasis has been placed on the thorough documentation of financial systems, and every effort is made to continually review and develop these systems in line with best practice to ensure efficient and effective internal controls. The adequacy and appropriateness of the financial systems used for the Commissioner's financial transactions is independently monitored by both Internal Audit and External Audit. Senior Management place great weight on being responsive to audit recommendations

The Joint Audit and Standards Committee provides an independent and objective view of internal control by receiving and considering audit plans, reports and management letters and reports as appropriate.

As part of the prevention approach the Commissioner will participate in National Fraud Initiatives organised by the Audit Commission. The Audit Commission and External Audit will also assist in prevention with the issue of warning bulletins and outcomes from surveys on fraud and corruption.

ANTI FRAUD AND CORRUPTION POLICY AND PLAN

Detection and Investigation

The array of preventative systems, particularly internal control systems within the OPCC, has been designed to provide indicators of any fraudulent activity. Although generally they should be sufficient in themselves to deter fraud, it is often the alertness of staff and the public to such indicators that enables detection to occur and the appropriate action to take place when there is evidence that fraud or corruption may be in progress.

Despite the best efforts of financial managers and auditors, many frauds are discovered by chance or 'tip off', and arrangements are in place to enable such information to be properly dealt with.

Depending on the nature and anticipated extent of the allegations, Internal Audit will normally work closely with management and other agencies such as the police to ensure that all allegations and evidence is properly investigated and reported upon.

The OPCC's Disciplinary Procedures will be used where the outcome of the Audit Investigation indicates improper behaviours.

The Commissioner may wish the police to prepare a case for the CPS regarding the prosecution of offenders where financial impropriety is discovered.

ANTI FRAUD AND CORRUPTION POLICY AND PLAN

Training

The Commissioner recognises that the continuing success of its Anti-Fraud and Corruption Policy and its general credibility will depend largely on the effectiveness of programmed training and responsiveness of staff throughout the organisation.

To facilitate this, the Commissioner supports the concept of induction and training particularly for staff involved in internal control systems to ensure that their responsibilities and duties in this respect are regularly highlighted and reinforced.

ANTI FRAUD AND CORRUPTION POLICY AND PLAN

Conclusion

The Commissioner has in place clear networks of systems and procedures to assist it in the fight against fraud and corruption. These arrangements will keep pace with any future developments in both preventative and detection techniques regarding fraudulent or corrupt activity that may affect its operation.

To this end there is continuous overview of such arrangements, in particular, by the PCCCFO, through the Chief Internal Auditor and External Auditor.

ANTI FRAUD AND CORRUPTION POLICY AND PLAN

Fraud Response Plan

All instances of fraud and corruption will be investigated in accordance with this plan.

Fraud and corruption may be reported through a range of channels including direct to a line manager, by another manager or by means of external reports. The means of reporting fraud will be publicised within the OPCC and will be made known to partners and those individuals and organisations that we come into contact with.

The arrangements for detection and investigation are set out in the Anti-Fraud and Corruption Policy. The PCCCFO and the Chief Internal Auditor will agree the approach to any investigation and ensure all parties are aware of reported fraud and corruption. Any investigation will ensure any weaknesses in internal control are identified and that corrective action is taken in order to minimise the risk of any reoccurrence. Issues considered will be reported to the Joint Audit and Standards Committee.

Disciplinary procedures are likely to be invoked where the outcome of any investigation indicates misconduct. Proven cases of gross misconduct may result in dismissal of the employee. Misconduct includes fraud committed by a member of staff against the organisation.

Where financial impropriety is discovered arrangements may be made where appropriate for the prosecution of offenders by the CPS.

In instances where the misconduct takes another form such as the misuse of systems and equipment that does not result in financial loss then the outcomes will be monitored by the Commissioner through the processes in place to oversee Human Resources issues.

The Commissioner will seek to ensure that lessons are learned from any mistakes made that allowed any instances of fraud or corruption to be perpetrated or to have gone unnoticed. This will be achieved by ensuring that system weaknesses or other contributory factors are identified and addressed. This will normally be achieved through an Internal Audit investigation, report and action plan to ensure that audit recommendations are implemented.

The External Auditor also has the powers to investigate fraud and corruption independently and the Commissioner will make use of these services in appropriate cases.

The PCCCFO will determine if a matter needs to be brought to the attention of the Chief Executive and Commissioner.

In the event that the Commissioner is involved the matter will be brought to the attention of the Monitoring Officer.

The PCCCFO and the Chief Internal Auditor will maintain a link with the Audit Commission in order to keep them apprised of developments in serious cases.

Anti-Fraud and Corruption Procedure

This procedure has been written to support the Police and Crime Commissioner's Anti-Fraud and Corruption Policy.

ANTIFRAUD AND CORRUPTION PROCEDURE

Introduction

The COPCC has a policy against fraud and corruption. In summary, the COPCC will not tolerate fraud or corruption including theft and irregularity in the administration of their responsibilities, and expect staff to take positive action wherever fraudulent or corrupt activity is suspected.

The COPCC is clear that Misconduct Procedures will be invoked where improper behaviour is indicated, and that if there is evidence of criminal behaviour this is prima facie gross misconduct requiring immediate action to be taken where suspension or summary dismissal are likely. Where there is evidence of criminal behaviour the matter may be referred to the Police.

The Anti-Fraud and Corruption Procedure provides guidance to all staff to ensure adherence to the policy.

ANTIFRAUD AND CORRUPTION PROCEDURE

What is meant by Fraud and Corruption?

Fraudulent or corrupt acts may include:

- **System Issues:** where a process/system exists which is prone to misuse/abuse by either employees or public, (e.g. misuse of the order processing systems).
- **Financial Issues:** where individuals or companies have fraudulently obtained money from the Authority, (e.g. invalid invoices/work not done).
- **Equipment Issues:** where Authority equipment is used for unauthorised personal use, (e.g. personal use of the organisation's assets - vehicles/computers/telephones etc.).
- **Resource Issues:** where there is a misuse of resources, (e.g. theft of cash/assets).
- **Other Issues:** activities undertaken by Staff, which may be: unlawful; against policies or procedures; fall below established standards or practices; or amount to improper conduct, (e.g. receiving unapproved hospitality).

ANTIFRAUD AND CORRUPTION PROCEDURE

Your Duty

It is the duty of everyone:

- Not to commit or connive at any fraudulent or corrupt act.
- To raise with a senior officer or manager or the people listed in the contacts section of this procedure, any suspicion of improper activity which indicates fraudulent or corrupt behaviour on the part of a colleague or an external third party
- Not to discuss suspicions of improper practice other than with a senior officer or manager or the people listed as Contacts.
- Senior officers or managers must investigate or cause to be investigated, any such suspicion which has been raised with them.
- To maintain and constantly monitor the necessary controls to guard against fraud and corruption, which are laid out in the COPCC's procedural documentation, principally the Procurement Regulations and the Financial Regulations/Rules.
- Ensure any payments due to an employee are authorised by an independent member of staff.
- Always maintain controls that ensure functions involving the safe guarding of resources are administered by two members of staff (for example the order and certification of receipts of goods).
- As a public servant, to assess the needs of the public, partners and our suppliers impartially, professionally and without personal prejudice and to determine the outcome of competitive situations with these same qualities.
- When private or personal interests arise in any matter which presents when at work, not to let those interests influence actions on behalf of the Commissioner. (The test is – “can I justify my actions if they become public?” If in doubt, consult your manager/supervisor).
- To adhere to the guidelines below regarding ‘Special Interests’ and offers or acceptance of hospitality and gifts and gratuities.
- To record supplier contact

ANTIFRAUD AND CORRUPTION PROCEDURE

What to do if you suspect Fraud or Corruption

The Public Interest Disclosure Act 1998 provides legal protection for employees who raise genuine concerns in relation to suspected fraud and corruption issues.

If you have reason to suspect fraud or corrupt activity on the part of a colleague, you should raise the matter discreetly and as soon as possible with your line manager. If you feel that immediate contact with your manager is inappropriate under the circumstances, the following people are also directly approachable.

Contacts

- The Chief Executive (Monitoring Officer) (01768 217732)
- The PCCCFO (01768 217631)
- Internal Audit – (01228 606280)

In ordinary circumstances, these are the normal points of contact for these issues in the COPCC, however in an exceptional case if an individual feels that concerns cannot be raised through any of the above routes, then the following external organisations offer alternative confidential ‘helpline’ services. .

- External Auditors – Grant Thornton (0141 2230000)
- ~~Audit Commission Whistleblowing Hotline (03034448346)~~
- National Audit Office (020 7798 7999)
- Action Fraud (0300 123 2040)

ANTIFRAUD AND CORRUPTION PROCEDURE

What to do if a member of staff raises concerns with you

If an allegation of fraud or corruption is made to you as a line manager you must raise the matter with the Chief Executive and/or the PCCCFO. They will determine the appropriate investigative response and whether the Internal Auditor should become involved or a criminal investigation undertaken.

Notwithstanding the above procedure the manager may feel, due to the nature of the allegation, that it is inappropriate to inform the personnel listed and in such exceptional circumstances any other of the contacts listed above may be informed. Arrangements will then be made to:

- Deal promptly with the matter
- Record all evidence received
- Ensure the evidence is sound and adequately supported
- Ensure the security of all evidence collected
- Advise the PCCCFO and the Internal Auditor

ANTIFRAUD AND CORRUPTION PROCEDURE

Advice to members of the public

In the event of a member of the public becoming suspicious of fraudulent or corrupt administrative or financial activity within the COPCC, the matter should be reported to the Monitoring Officer in the first instance. Any information will be treated in confidence and can, if you wish, be provided anonymously.

Contact Details

01768 217734

commissioner@cumbria-pcc.gov.uk

ANTIFRAUD AND CORRUPTION PROCEDURE

Special Interests

Employees must disclose in writing any financial interest (direct or indirect) which they may have in any contract the COPCC has entered into, or may enter into. They must not accept of any fees or rewards whatsoever other than proper remuneration from their employer. The standards expected from staff in commercial transactions are set out in the Business Code of Conduct.

Interests other than financial can be equally as important – and include for example, kinship, friendship, membership of a society or association, or trusteeship and so on. The individual must judge whether the interest is sufficiently close as to give rise to suspicion, or create a perception that a transaction can give rise to suspicion. It is always better to err on the side of caution than to deal with a challenge after the event. If a matter which involves such intangible interests arises at a meeting of the COPCC in which you are a participant, you must orally disclose that interest and ensure that it is minuted in the record of the meeting.

The Chief Executive and Monitoring Officer to the COPCC will maintain a Register of Interests for the Commissioner and COPCC staff. These are available for public inspection on the COPCC website. Policies and procedures for vetting, secondary employment and business interests will be used to support obligations in respect of declarations of interest.

Members of OPCC staff will be required to complete the register of interests form, forms for secondary employment and related party transactions. The forms will be countersigned by the individual's line manager following a meeting. It is important that the responses and completion of the form is done honestly and that it is updated if changes to an individual's circumstances occur. Forms are completed by all members of OPCC staff. Forms for the Commissioner and COPCC staff will be held by the Chief Executive. The forms for related

party transactions and secondary employment will remain confidential subject to inspection by Senior Managers, internal / external audit or other persons undertaking approved investigations.

ANTIFRAUD AND CORRUPTION PROCEDURE

Politically Restricted Posts (PORP)

All posts within the Office of the Police and Crime Commissioner will be designated as a PORP.

Posts that have been designated as PORPs will include reference to this fact in the job description and post holders will be informed of the restrictions which apply.

Designation as a PORP means that the post holder is disqualified from election to a Local Authority or National and European Parliaments. (This does not include Parish or Community Councils). Designation as a PORP also restricts PORPs from:

- Candidature for public elected office (other than to a Parish or Community Council);
- Holding office in a political group;
- Canvassing at elections;
- Speaking or writing publicly (other than in an official capacity) on matters of party political controversy.

In addition to the specific restrictions placed on an individual who is nominated as a PORP, the organisations of the COPCC and Constabulary should not issue material which is likely to affect public support for a legally-constituted political party.

ANTIFRAUD AND CORRUPTION PROCEDURE

Gifts, Gratuities, Hospitality and Supplier Contact Records

The Chief Executive is responsible for ensuring a register is maintained to record all interests and of all gifts, gratuities and hospitality offered and declined or retained. The Chief Executive is responsible for ensuring records are maintained of supplier contact.

ANTIFRAUD AND CORRUPTION PROCEDURE

Offers and Acceptance of Hospitality

It is essential when dealing with organisations or individuals likely to benefit from the goodwill of the COPCC or existing/potential contractors that:

- You are never placed in the position of owing favours.

- Your conduct does not allow for any suspicion that you could be unfairly favouring any particular third party over others.
- Invitations of hospitality should only be accepted if they do not exceed £25. Invitations to events should only be accepted if: You are participating (e.g. speaking) or attending as part of your duties and responsibilities, and attendance has been properly authorised by the Chief Executive. The Chief Executive's attendance must be authorised by the Commissioner.
- Hospitality that could be considered excessive or might give the perception of influence should be avoided. Any hospitality received should not be greater than that which the organisation would reciprocate and which would be acceptable to the public as a use of public funds.

Whilst a working lunch is often an acceptable part of normal working relations, the following should be avoided:

- Hospitality received which constitutes more of a social function.
- An excess of hospitality, both in terms of frequency or lavish meals. Meals should not exceed £25.
- Hospitality which could give rise to suspicions of favour.

If there is any doubt as to whether an invitation should be accepted or declined, your line manager should be consulted.

The Commissioner and COPCC staff should record offers of Hospitality (accepted or declined) on the Gifts and Hospitality and Gratuities Declaration form available in the OPCC/Governance/Gifts and Hospitalities folder. Staff will be reminded on a monthly basis to complete the relevant forms and quarterly at team meetings of their obligations. Forms will be monitored by the Chief Executive and published on the OPCC website.

The Gifts and Hospitality Register for the Chief Constable will be countersigned by the COPCC Chief Executive. The Register is to be reviewed by the Chief Executive on a quarterly basis and published on the COPCC and force website.

ANTIFRAUD AND CORRUPTION PROCEDURE

Offers and Acceptance of Gifts and Gratuities

Gifts other than small value, not exceeding £10, should be courteously declined, other than where this may cause offence. In these circumstances the Chief Executive may be consulted and can determine to accept the gift on behalf of the COPCC. Such gifts must be recorded by the Chief Executive in the gift, gratuity and hospitality register with a record of where the gift is held.

Examples of gifts which could be accepted are:

- Modest promotional gifts provided to staff at seminars and conferences (pens, diaries, calendars, office requisites, mugs and coasters).
- Small commemorative items from visiting overseas law enforcement or governmental agencies or similar organisations.
- Unsolicited and inexpensive gifts of thanks from members of the public or victims of crime may be offered to individuals in genuine appreciation of outstanding levels of service.

Gifts of a modest nature (below £10) should not be accepted where the volume/frequency of the gift is excessive. In cases of uncertainty the Deputy Monitoring Officer should be asked for advice.

A gratuity may be accepted if it is:

- An offer or discount negotiated through a staff association or trade union.
- Discounts to public service workers including members of the police service, offered on the basis that the organisation has a large customer base and explicit approval has been given.

Donations to the organisation as a whole (e.g. sponsorship of an event or a piece of equipment) are acceptable but must be dealt with in accordance with the Financial Regulations. The Chief Executive must determine whether the donation will be accepted.

As a general rule all gifts and gratuities should be graciously declined. Gifts delivered should be returned to the sender with an appropriately worded letter, and your line manager must be informed.

Gifts can include loans, legacies, favours such as trading discounts and free or discounted admission to sporting or other events. In the event of a legacy from clients or others who have benefited from the services of the COPCC, the Chief Executive must be informed immediately. Where refusal of a gift might cause actual offence, steps are likely to be taken to transfer the value of the gift to a charity as a gift from the COPCC.

If there is any doubt, the items should be refused, and the principles outlined here apply equally if gifts are offered to your immediate family but might be perceived as being an inducement, given your relationship with the donor.

COPCC staff should record offers of gifts and gratuities (accepted or declined) on the Gifts, Gratuities and Hospitality Declaration form available in the OPCC/Governance/Gifts and Hospitalities folder. Staff should also

record on supplier contact forms any contact, other than unsolicited mail, irrespective of whether a gift, gratuity or hospitality has been offered. Forms will be monitored by the Chief Executive. Audits of this register will be carried out on a quarterly basis by the Deputy Monitoring Officer. Any issues or trends identified from the review will be reported to the Chief Executive.

ANTIFRAUD AND CORRUPTION PROCEDURE

Reward Points

The Commissioner and COPCC staff should not accept, retain or utilise any reward points accrued through business purposes for private or personal gain, e.g. points accrued at a petrol station, air miles. Gratuities which amount to individual gain from a points scheme when purchasing services, items or fuel are not acceptable.

ANTIFRAUD AND CORRUPTION PROCEDURE

Review of the Arrangements and Risk

These arrangements will be included in the list of Risk Items from which the recurring review programmes of Internal Audit are selected.

Fraud risk will be considered as part of the COPCC's wider strategic and operational risk management. Any identified risks will be classified to the possible type of offence; assessed for each area and process of business and the potential members of staff this could affect.



Cumbria Office of the Police & Crime Commissioner OPCC Staff Register of Interests

Cumbria Office of the Police and Crime Commissioner (COPCC) has adopted an Anti-Fraud and Corruption Policy and Code of Conduct consistent with the highest levels of conduct from its employees.

In accordance with this policy (which includes the avoidance of suspicion of fraudulent or corrupt behaviour), you are asked to indicate or disclose any interest which may give rise to any suspicion of favouritism or other breach of the seven principles of public life (Nolan Committee) of this policy.

PERSONAL / POST DETAILS

Name

Job / Title

Grade / Rank

FINANCIAL INTERESTS

It is important that employees are seen not to have a financial interest in any aspect of procurement carried out by the Organisation.

Do you have secondary employment or trade on a self-employed basis or as a partner in a firm? If so indicate your role and the employer's / firm's address and nature of business.

Tick the appropriate response.

	No I do not.
	Yes I do.
	Details:

--	--

Do you hold any paid or unpaid directorships? If so indicate the companies or charity concerned and the nature of their business.

Tick the appropriate response.

	No I do not.
--	---------------------

	Yes I do.
	Details:

Are you a member of an unlimited company or a company limited by guarantee (which may include a charity that has been set up in accordance with *company rules*)? If so name the company and the nature of its business.

Tick the appropriate response.

	No I do not.
--	---------------------

	Yes I do.
	Details:

Do you through shareholding or your nominees hold a significant financial interest in a company? 'Significant' means a shareholding in excess of 10% of the nominal issued share capital of the company – normal shareholding in companies quoted on the Stock Exchange are therefore most unlikely to fall under this heading.

Tick the appropriate response.

	No I do not.
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--	--

	Yes I do.
	Details:

To your knowledge do you – spouse / partner have an interest declarable under the above?
If so give details of the individual, their relationship to you and the nature of the interest.

Tick the appropriate response.

	No I do not.
--	---------------------

	Yes I do.
	Details:

OTHER INTERESTS

It is important that staff in influential positions should not be perceived as being open to 'influence' in the provision of the COPCC service.

Indicate below your membership of any societies / associations / clubs, which in your opinion give rise to unwarranted suspicions of partiality in the discharge of the duties of your post.

Tick the appropriate response.

	I do not belong to a society / association /club that could give rise to suspicions about my partiality in the discharge of my post.
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	Yes, I do belong to the following society(s) / association(s) / club(s) that could give rise to unwarranted suspicion about my partiality in the discharge of my
--	---

	post.
	Details:

Indicate below if you are a member of a Local Authority or statutory undertaking (including ministerial appointee to any statutory body or undertaking) which is constituted to discharge or assist in discharging a statutory function (e.g. member of a statutory working group [i.e. Food & Drink Advisory Panel], lay-minister etc.).

Tick the appropriate response.

	I am not a member of a Local Authority or statutory undertaking constituted to discharge or assist in the discharging a statutory function.
--	--

	Yes, I am a member of a Local Authority or statutory undertaking constituted to discharge or assist in the discharging a statutory function.
	Details:

Indicate below any relationships you have with current or potential suppliers to the OPCC, which in your opinion may give rise to unwarranted suspicions of partiality in the discharge of the duties of your post.

	I do not have any relationships with current or potential suppliers to the OPCC
--	--

	Yes, I have a relationship with current or potential suppliers to the OPCC
	Details:

--	--

Signed:

Line Manager

Date

The forms will be forwarded to the Chief Executive (Monitoring Officer) when complete for retention.



CUMBRIA OFFICE OF THE POLICE AND CRIME COMMISSIONER

Declaration of Related Party Transactions 200+ / ++

Name:

In answering each question please state the dates, amounts and any other relevant details.

Have you or any partnerships, companies, trusts or any other entities in which you have a controlling interest undertaken any transactions with Cumbria Office of the Police and Crime Commissioner during the 200+ / 200+ financial year, which should be disclosed under the criteria specified in the covering letter?

Have any of your close family, members of your household or any partnerships, companies, trusts or any other entities in which they have a controlling interest undertaken transactions with Cumbria Office of the Police and Crime Commissioner in the 200+ / 200+ financial year, which should be disclosed under the criteria specified in the covering letter?

Are you involved with any interest groups which have undertaken transactions with Cumbria Office of the Police and Crime Commissioner in the 200+ / ++ financial year, which should be disclosed under the criteria specified in the covering letter?

Have you or any partnerships, companies, trusts or any other entities in which you have a controlling interest undertaken any transactions with Cumbria Constabulary during the 200+ / 200+ financial year, which should be disclosed under the criteria specified in the covering letter?

Have you received any services free of charge to which a charge is normally levied?

Any other relevant information should be disclosed in the space below.

Signed:-

Date:-

Please return the signed form to the Monitoring Officer by 4 April 20++.
Please note that nil returns should still be submitted.



CUMBRIA OFFICE OF THE POLICE AND CRIME COMMISSIONER

CODES OF CONDUCT UNDERTAKING

I,having become a Member of the COPCC and Constabulary Audit and Standards Committee, declare that I will duly and faithfully fulfil the requirements of this role according to the best of my judgement and ability and within codes adopted by the COPCC / Constabulary:

I undertake to observe and comply with the model Code of Conduct (1) expected from Members, as adopted by the COPCC / Constabulary; of which I am supplied with a copy.

I confirm receipt of a form (2) for notification by a member of their financial and other interests under which I will complete and return to the Monitoring Officer for entry in the COPCC's Register. I undertake to update the Monitoring Officer on any changes to those notifiable interests.

I further undertake to observe and stand by the Anti-Discrimination Code of Conduct (3) adopted by the COPCC for its members and staff, of which I am also supplied with a copy.

I finally undertake to observe and stand by the Member-Officer Protocol (4) adopted by the COPCC / Constabulary, of which I am additionally supplied with a copy.

Signed Date

This undertaking was made and signed before me

Signed Date

Proper Officer



CUMBRIA OFFICE OF THE POLICE AND CRIME COMMISSIONER

CODES OF CONDUCT UNDERTAKING

I,as a Member of staff of Cumbria Office of the Police and Crime Commissioner, declare that I will duly and faithfully fulfil the requirements of this role according to the best of my judgement and ability and within codes adopted by the COPCC.

I undertake to observe and comply with the model Code of Conduct (1) expected from members of staff, as adopted by the COPCC; of which I am supplied with a copy.

I confirm receipt of a form for notification by a member of staff of their financial and other interests under which I will complete and return to the Monitoring Officer for entry in the COPCC's Register. I undertake to update the Monitoring Officer on any changes to those notifiable interests.

I further undertake to observe and stand by the Anti-Discrimination Code of Conduct adopted by the COPCC for its members and staff, of which I am also supplied with a copy.

I finally undertake to observe and stand by the Commissioner-Officer Protocol adopted by the COPCC, of which I am additionally supplied with a copy.

Signed Date

This undertaking was made and signed before me

Signed Date

Proper Officer

RELATED PARTY TRANSACTIONS PROCESS

Cumbria Office of the Police & Crime Commissioner (COPCC) must prepare its annual accounts in accordance with the applicable reporting standard (IAS24: Related Party Transactions) and the requirements set out in the Chartered Institute of Public Finance and Accountancy Code of Practice.

Staff within the COPCC above a certain pay scale are requested to complete a 'Declaration of Related Party Transactions' Form for each financial year they are employed by either organisation.

Information regarding Related Party Transactions is retained within the OPCC IT System. A process has been developed to deal with Related Party Transactions as follows –

- Within the relevant year there is a procedures log to complete when actions have been carried out.
- Create covering letter which the Chief Finance Officer (CFO) will approve.
- Send covering letter and form to be completed to Printing to print. (The form must be printed on a different coloured paper from the previous year – eg 2011 forms were pink)
- Update the list of who is to receive the letter with whether they have left or been appointed during the financial period.
- The recipient will receive a copy of the letter, form to complete and a stamped addressed envelope.
- They are given approximately 1 month to complete the form and return it to the COPCC.
- If the form is not received within the time given then contact the individual and also sent out a chase up letter. This will include a follow-up letter, the original letter and a blank form to complete.
- Upon receipt of completed forms, check to see if there are any 'positive' returns. These are then given to the CFO and Monitoring Officer to look at.
- The OPCC will undertake to review the constabulary's completed forms as part of its oversight and scrutiny role on an annual basis.
- All returned forms are kept in alphabetical order with any 'positive' returns placed in a separate section at the top of the pile.
- A copy of the completed procedures log is printed off and attached to the top of the pile.
- The forms will be viewed by the Auditors on an annual basis.

Cumbria Office of the Police and Crime Commissioner

Register of Gifts, Hospitality and Gratuities – Police & Crime Commissioner / OPCC Staff

Date of Offer	Date of Event	Offered To	Description of Offer and Reason	Estimated /Actual Value £	Action Taken Accepted Refused Returned	Reasons for Accepting / Declining

Reviewed by OPCC Chief Executive on - xxxxxxxx 2014
Updates to this document will be provided following the end of the calendar month.

Cumbria Office of the Police and Crime Commissioner

Register of Supplier Contacts – Police & Crime Commissioner / OPCC Staff

Date of Contact	Supplier Name	Contact With	Description of contact

Reviewed by OPCC Chief Executive on - xxxxxxxx 2014

Updates to this document will be provided following the end of the calendar month.



CUMBRIA OFFICE OF THE POLICE AND CRIME COMMISSIONER

CUSTODY VISITING SCHEME

MEMORANDUM OF UNDERSTANDING

You will be issued with a copy of the full guidance for the Scheme, but you should particularly note the following points, which highlights the expectations of each Custody Visitor.

1. ROLE AND RESPONSIBILITIES

The purpose of your role is to observe and report upon the conditions under which persons are detained at Police Stations. Your concern is for the welfare of the person in custody and the operations in practice of the statutory and other rules governing their welfare including a consideration of their welfare in regard to equality.

2. APPOINTMENT

Your appointment is initially for a period of three years.

After three years and six years you will be eligible for re-appointment for a further three years subject to the approval of the Chairman of the panel to which you are appointed and the Scheme Administrator. No visitor may serve more than three terms of appointment.

3. IDENTITY CARDS

Your Custody Visitor identity card will be valid for the period that you are appointed as a Custody Visitor. The identity card authorises you to visit police stations within your Panel area. The identity card should only be used for the purpose of making visits. If it is used for any other purpose, it will be withdrawn and your appointment as a Custody Visitor may be terminated. Identity cards must be returned on termination of appointment as a Custody Visitor.

4. UNDERTAKING VISITING

You are required to make visits in pairs at all times. There are no exceptions to this requirement, and custody staff are aware that they should not allow anyone who is unaccompanied to make a visit. You can only make a visit when accompanied by another Custody Visitor from your Panel.

5. VISITS

You are expected to make a minimum of six visits per year; if there are exceptional circumstances, which prevent you from fulfilling this requirement, you should ensure that the Scheme Administrator is aware of these. If you have not made a visit within a four month period, the Chair of your Panel will advise the Scheme Administrator who will write to you to ascertain the reason and seek an explanation.

6. DOCUMENTATION

You are required to complete reports for every custody visit made (even when there were no detainees in custody) and submit them promptly to the Office of the Police and Crime Commissioner.

7. CHANGE IN CIRCUMSTANCES

You are expected to notify the Scheme Administrator of any change in circumstances which will affect your position as a Custody Visitor, e.g. if you are charged with a criminal offence or become a Magistrate, Special Constable, Police Officer or undertake any other work which may present you with a conflict of interest.

8. ATTENDANCE AT TRAINING SEMINARS

You will be expected to attend the training events arranged by the Office of the Police and Crime Commissioner and encouraged to attend regional or national conferences where appropriate. Induction training will cover the following areas Diversity, Equality and Human Rights training.

9. ATTENDANCE AT PANEL MEETINGS

You will be expected to attend the periodic Panel meetings. If you have not attended any Panel meetings within a twelve month period, the Chair of your Panel will advise the Scheme Administrator who will write to you to ascertain the reason and seek an explanation.

10. IMPARTIALITY AND CONFIDENTIALITY

During the course of your duties, you may acquire considerable personal information about persons connected with police enquiries, the majority of whom will not at that time have appeared in Court. Some will never appear in Court. That information must be protected against improper or unnecessary disclosure. You should be aware that improper disclosure of information acquired during the course of a visit may attract civil or criminal proceedings. Additionally, unauthorised disclosure of facts concerning police operations or the security of police stations may constitute an offence under the Official Secrets Act 1989.

You must undertake not to disclose any information related to persons connected with police enquiries or police operations that you may acquire as part of your duties as a Custody Visitor.

11. QUERIES

Queries on any aspect of the scheme should be addressed to the Scheme Administrator, on 01768 217734 or e-mail custodyvisitors@cumbria-pcc.gov.uk

You should sign below to indicate your agreement to be bound by the guidance for the Cumbria Independent Custody Visiting Scheme. A copy of this agreement will be returned to you for your reference.

Scheme Administrator
Cumbria Office of the Police and
Crime Commissioner
Carleton Hall
PENRITH
Cumbria
CA10 2AU

www.cumbria-pcc.gov.uk

Name:
(BLOCK CAPITALS)

Signed:

Date:

Appointed to : Panel

COMMISSIONER AND OFFICER **PROTOCOL - DECLARATION**

I agree to conduct myself in accordance with and abide by the Police & Crime Commissioner and Officer Protocol whilst conducting duties of the Office of the Police and Crime Commissioner for Cumbria.

Signed: **Date:**

Police & Crime Commissioner/ Deputy Police & Crime Commissioner/Appointed
Person/Member of staff of the Office of the Police & Crime Commissioner for
Cumbria

(Delete as not applicable)



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Agenda Item 8f



Cumbria Office of the Police and Crime Commissioner

**Police & Crime Commissioner and
Deputy Police & Crime Commissioner
Code of Conduct**

Distribution and Consultation Record

Date	23 November 2012
Version	01
Authors	Joanne Head
	01768 217734
	Joanne.head@cumbria.police.uk

Policy Approval

Approved By	Mr Richard Rhodes, Police & Crime Commissioner
Date	26 November 2012

Name	Position	Version no. consulted on	Date
Stuart Edwards	Chief Executive	Version No 1	October 2012
Stuart Edwards	Chief Executive	Version No 2	November 2015

Version Control

Version .01	
Department	Office of the Police & Crime Commissioner
Contact	Joanne Head, Governance & Business Services Manager

Version.02	
Department	Office of the Police & Crime Commissioner
Contact	Joanne Head, Governance & Business Services Manager

Version	
Department	
Contact	

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- 6.** General Obligations
- 7.** Register of Disclosable Interests
- 7.** Conflict of Interests
- 8.** Disclosure of Information
- 8.** Transparency
- 9.** Complaints
- 10.** Appendix 1 - Schedule of Disclosable Interests

Introduction

This Code applies to me in the office of Police and Crime Commissioner when acting or representing to act in that role. It also applies to my deputy when acting or representing to act in that role.

1. This code does not apply when I am acting in a purely private capacity.
2. I have adopted this code and have agreed to abide by its provisions.
3. The Policing Protocol¹ provides that all parties will abide by the seven principles set out in Standards in Public Life: First Report of the Committee on Standards in Public Life known as — the Nolan Principles.
4. I agree to abide by the “Nolan Principles which are set out below:

THE SEVEN PRINCIPLES OF PUBLIC LIFE

SELFLESSNESS

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

INTEGRITY

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

OBJECTIVITY

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

ACCOUNTABILITY

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

OPENNESS

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

¹ The Policing Protocol Order 2011 No. 2744

HONESTY

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

LEADERSHIP

Holders of public office should promote and support these principles by leadership and example.

General Obligations

I agree:-

- (a) To treat others with dignity and respect.
- (b) Not discriminate, use bullying behaviour or harass any person.
- (c) Not to conduct myself in a manner which:-
 - (i) is contrary to the policing protocol.
and/or
 - (ii) could reasonably be regarded as bringing my office into disrepute.

Use of Resources

I agree:-

- (a) Not to use the resources of the elected local policing body for my personal benefit or for the benefit of myself, my friends, or any other person in relation to any business interest of mine.
- (b) Not to use the resources of the elected local policing body improperly for political purposes (including party political purposes).
- (c) To claim expenses and allowances only in accordance with the published expenses and allowances scheme of the elected local policing body.

Register of Disclosable Interests

(including those arising in relation to gifts and hospitality and those of a pecuniary nature)

The Police & Crime Commissioner will agree to:-

1. Act solely in the public interest and in exercising the functions of my office not act to gain financial or other benefits for myself, my family, my friends, or any person in relation to any business of mine or use or attempt to use my office to confer or secure for any person, including myself, an advantage or a disadvantage.
2. Within 28 days of taking office to enter in the register of disclosable interests maintained by the monitoring officer of the elected local policing body every disclosable interest as set out in the Schedule.
3. Within 28 days of any change in circumstances to enter in the register of interests the changes in so far as are related to disclosable interests.
4. If the nature of the interest is such that I and the Monitoring Officer consider that disclosure could lead to me or a person connected with me being subject to violence or intimidation, then any entry in the register should not include details of the interest but should indicate that the interest has been disclosed and is withheld by virtue of this section.

Conflict of Interests

In any case where the interests of exercising the functions of my office may conflict with any disclosable or other interest, which has become known to me, I shall as soon as possible declare such conflict as is required in accordance with the policy issued under Paragraph 3 of the Elected Local Policing Body (Specified Information) Order 2011 and determine whether the conflict of interest is so substantial that the function should not be exercised personally but should be delegated or dealt with in some other manner to ensure the conflict of interest does not arise.

Disclosure of Information

The Police & Crime Commissioner will

1. Agree not to disclose information given to me in confidence or information acquired by me which is of a confidential nature, unless I have the consent of a person authorised to give it or I am required by law to do so or for the lawful purposes of my office provided that I shall not be prevented from disclosure to a third party for the purpose of obtaining professional legal advice where the third party agrees not to disclose the information to any other person;
2. Any disclosure made by me shall be reasonable, be in the public interest and made in good faith.
3. I agree not to prevent another person from gaining access to information to which that person is entitled by law.
4. I understand that when handling sensitive information its dissemination should be no wider than is necessary and within the guidelines of any protective markings

Transparency

Register of Interests

The Chief Executive and Monitoring Officer to the COPCC will maintain a Register of Interests which will be available for public inspection on the Commissioner's website.

Gifts & Hospitality Records

Invitations of hospitality and invitations to events should only be accepted if all of the following criteria are met:

- You are participating (e.g. speaking) or attending as part of your duties and responsibilities, you are representing the COPCC, the connection to policing and crime is significant.
- It is for charity, but attendance should not be free unless the recipient is invited as a valued dignitary (e.g. part of the attraction of the event). The Commissioner would be advised to pay as part of their contribution to the charity.
- Hospitality that could be considered excessive or might give the perception of influence should be avoided. Any hospitality received should not be greater than

that which the organisation would reciprocate and which would be acceptable to the public as a use of public funds.

Whilst a working lunch is often an acceptable part of normal working relations, the following should be avoided:

- Hospitality received which constitutes more of a social function.
- An excess of hospitality, both in terms of frequency or lavish meals.
- Hospitality which could give rise to suspicions of favour.

The Chief Executive and Monitoring Officer to the COPCC will maintain a register of hospitality and gifts received above a certain level. These are available for public inspection.

When considering the offer of any gifts of hospitality consideration should be given to the guidance held in the Joint Anti-Fraud & Corruption Policy.

Complaints

Any complaints about the conduct of the Police and Crime Commissioner or Deputy Police and Crime Commissioner shall be referred to the Police & Crime Panel for Cumbria to deal with. An initial assessment of the complaint will be carried out by the Chief Executive of the Office of the Police and Crime Commissioner:-

Chief Executive
Office of the Police and Crime Commissioner
Carleton Hall
Penrith
CA10 2AU

Schedule of Disclosable Interests

In this Schedule:

“body in which the relevant person has a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;

“director” includes a member of the committee of management of an industrial and provident society;

“land” includes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income;

“elected local policing body” means the elected Local Policing Body to which the relevant person has been elected.

“relevant period” means the period of 12 months ending with the day on which the relevant person makes an entry amendment or deletion to the register of disclosable interests.

“relevant person” means the person(s) who is/are elected/appointed Police and Crime Commissioner and Deputy Police and Crime Commissioner.

“securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000(b) and other securities of any description, other than money deposited with a building society.

Appendix 1**Subject****Disclosable Interest**

Employment, office, trade, profession or vacation

Any employment, office, trade, profession or vocation carried on for profit or gain.

Sponsorship

Any payment or provision of any other financial benefit (other than from the elected local policing body) made or provided within the relevant period in respect of any expenses incurred in carrying out duties and responsibilities, as of a Police or Deputy Police and Crime Commissioner, or towards the election expenses of the PCC or Deputy PCC. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992(a)

Contracts

Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the elected local policing body:-

(a) under which goods or services are to be provided or works are to be executed; and

(b) which has not been fully discharged

Land

Any beneficial interest in land which is within the area of the elected local policing body.

Subject**Disclosable Interest**

Licences

Any licence (alone or jointly with others) to occupy land in the area of the elected local policing body.

Corporate tenancies

Any tenancy where (to the knowledge of the relevant person)

(a) the landlord is the elected local policing body; and

(b) the tenant is a body in which the relevant person has a beneficial interest

Securities

Any beneficial interest in securities of a body where –

(a) that body (to the relevant person's knowledge has a place of business or land in the area of the elected local policing body; and

(b) either –

(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body, or

(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

Gifts & Hospitality

The interests of any person from whom the relevant person has received a gift or hospitality with an estimated value of at least £10.



Cumbria Office of the Police and Crime Commissioner

Police and Crime Commissioner's Ethical Framework

Distribution and Consultation Record

Date	0
Version	01
Authors	Joanne Head
	01768 217734
	Joanne.head@cumbria.police.uk

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Approved By	Mr Richard Rhodes, Police & Crime Commissioner
Date	22 April 2014

Name	Position	Version no. consulted on	Date
Stuart Edwards	Chief Executive	Version No 1	April 2014
Stuart Edwards	Chief Executive	Version No 2	November 2015

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Department	
Contact	

Cumbria Police and Crime Commissioner's Ethical Framework

As Cumbria's Police and Crime Commissioner I have agreed to abide by seven standards of conduct recognised as the Nolan Principles. This Ethical Framework allows transparency in all areas of my work as a Police and Crime Commissioner. These principles encompass my work locally and whilst representing my communities in national forums. The codes are listed below with examples of how these are achieved. I wish to demonstrate how I am working to provide a public voice to Policing in Cumbria.

Selflessness

Police and Crime Commissioners should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends. It is important that local communities remain at the heart of my work and that I stand up for local people and principles.

Gifts and hospitality that are accepted as well as declined are fully noted on my website in a clear spreadsheet so that the public are fully aware of any gifts and engagements I attend. This makes the process open and transparent and avoids any misrepresentation. This is continually updated by my office, and scrutinised by the monitoring officer.

[Register of Gifts and Hospitality](#)

Integrity

Police and Crime Commissioners should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

On my appointment 22 November 2012 I pledged my oath to represent 'all sections of the public without fear or favour.' In the eventuality where the interests of exercising the functions of my office might conflict with any disclosable or other interest, which has become known to me, I shall as soon as possible declare such conflict and take necessary action.

[Register of Interests](#)

Objectivity

Police and Crime Commissioners carry out public business, including making public appointments, awarding contracts or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

All appointments to office have been made following an open and transparent process.

The people of Cumbria play a key role as to how my 2013-17 Police and Crime Plan is put into practice. My plan lays out how I and the Chief Constable aim to make the communities of Cumbria Police safer.

I hold public surgeries across the county; the surgeries are open to all and ensure I hear from a broad spectrum of communities. The surgeries are routinely advertised online. Arrangements for attending can also be made through the Office of the Police and Crime Commissioner.

[2013-17 Cumbria Police and Crime Plan](#)

[Surgeries news](#)

Accountability

Police and Crime Commissioners are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

The strategic decisions I make are published in the form of decision logs on my website. Decision logs are a concurrent record of the development of policing services and the reasons for those decisions made. In every decision I make, I confirm that I have considered whether or I have any personal or prejudicial interest in the matter and take the decision in compliance with the NOLAN principles for conduct in Public Life.

I have established an Executive Board which allows myself and the Chief Constable to exercise our respective roles in a transparent manner. All meeting minutes are published. This promotes transparency and allows the public to be aware of the developments within the force.

[Commissioner's Decisions](#)

[Executive Board](#)

Openness

Police and Crime Commissioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

My website is compliant with the Local Policing Bodies (Specified Information Order) 2011. There is a range of information accessible on the website, including confidential reporting policy and information disclosure.

My office came third nationally for its efforts to share information in accordance with the 2011 Order.

[Transparency](#)

I keep my communities informed through a newsletter, social media as well as through public engagements. My office issues regular proactive press releases about the work I conduct and responds rapidly to other media enquiries.

[Newsletter](#)

[Latest News](#)

Honesty

Police and Crime Commissioners have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

I act solely in the public interest whilst exercising the functions of my office. My website is accessible to members of the public and I openly publish a register of disclosable interests and a register of gifts and hospitality. I also publish information regarding resources and assets, contracts and invitations to tender.

[Contracts and Spending](#)

Leadership

Police and Crime Commissioners should promote leadership and support the Nolan Principles by leadership and example. When entering office I undertook to abide by a Code of Conduct and recently adopted the Ethical Framework for Police and Crime Commissioners which has been developed by the Association of Police and Crime Commissioners (APCC).

[Code of Conduct](#)

Complaints Process

Complaints about the behaviour of Police and Crime Commissioners are dealt with by local Police and Crime Panels. If the matter is a serious complaint (an allegation of criminal behaviour against the PCC), the Panel will refer it on to the Independent Police Complaints Commission to deal with. If it is a less serious matter, the Panel is responsible for resolving the problem and seeking a satisfactory outcome. For instance, this might be an explanation or apology from the PCC, or an agreement to prevent or improve a problem in the future.

The administration of the complaint is dealt with by the Monitoring Officer for the Police and Crime Panel. The Monitoring Officer handles the paperwork about the complaint and may be asked to provide advice about the law in relation to complaints. Monitoring officers need to ensure the details of the complaint are recorded properly, but they are not involved in making any decision about the outcome of the complaint. They are under a statutory duty to act fairly and objectively when undertaking this role.

Information on how to make a complaint about myself as Police and Crime Commissioner, a member of my staff, independent custody visitors or an officer or member of staff of the Constabulary is available on the OPCC website.

[Complaints](#)

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Cumbria Office of the Police and Crime Commissioner

Complaints Policy

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	01768 217734
	Joanne.head@cumbria.police.uk

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12. How to make a complaint about an Independent Custody Visitor
13. Complaints involving Financial Administration of the Police & Crime Commissioner
14. Quality of Service
15. Complaints involving Victims of Crime
16. What to do if you are not happy with how your complaint has been handled
17. General Principles
18. Monitoring of Complaints
19. Appendix 1 – Flow Chart of Complaint Process

Introduction

The Office of the Police and Crime Commissioner (OPCC) for Cumbria is committed to delivery high standards of professionalism and behaviour at all times and takes all complaints seriously.

This policy sets out the duties and responsibilities of the OPCC imposed by the Police Reform and Social Responsibility Act 2011 and the Elected Local Policing Bodies (Complaint and Misconduct) Regulations 2012 in dealing with complaints. This ensures that any complaint is dealt with in an efficient and effective manner, by the appropriate authority and that the public receive the highest standards of public service.

In this policy we will explain how to make complaints and what help is available to enable you to make a complaint. We will explain the Office of Cumbria Police & Crime Commissioner's role with regard to complaints and what to do if you are not happy with how your complaint was handled.

Ethical Standards

The Office of Cumbria Police & Crime Commissioner prides itself on upholding the highest ethical standards in all its practices and work. Our staff and volunteers are committed to working within agreed guidelines and to the relevant Codes of Conduct.

What can I make a complaint about?

Policing and crime reduction relies upon communities having trust and confidence in the police service and those who are elected to oversee it.

Members of the public can make a complaint about:

- A person's conduct or attitude
- A decision or policy which has affected them
- The policing service they have received

A conduct complaint is defined within the Independent Police Complaints Commission (IPCC) statutory guidance as - *an expression of dissatisfaction by a member of the public about the **conduct** of a person serving with the police.* Members of the public may also be dissatisfied with the conduct of the Police and Crime Commissioner or a member of his staff.

The Police and Crime Commissioner and his staff all adhere to a Code of Conduct. All police officers and staff must adhere to the published Code of Ethics which defines the nine policing principles:

Accountability Integrity Openness Fairness Leadership

Respect Honesty Objectivity Selflessness

These principles underpin and strengthen the existing procedures and regulations for ensuring standards of professional behaviour for both police officers and police staff. A person may be affected by a policing decision, how certain police powers were exercised, operational management decisions regarding the police force, including force-wide crime initiatives or policies. These are known as Direction and Control complaints.

Where a member of the public is unhappy with how the police dealt with them but don't want to make a formal complaint or they would like the police to learn from their experience, these can be dealt with using the Quality of Service process.

If you are dissatisfied with the conduct of a police officer, member of police staff, the Police and Crime Commissioner or a member of his staff, this policy will advise you how to make a complaint and who to.

How to Make a Complaint

The OPCC appreciates that making a complaint can be stressful and the prospect can be daunting. If you want advice on how to complain, you can contact the Office of Cumbria Police & Crime Commissioner for assistance. Alternatively you may want to consider approaching your local MP, County or District Councillor or the Citizens' Advice Bureau.

Complaints against different people or groups have to be made and handled in different ways. How to make the various different types of complaint are set out below.

The Office of Cumbria Police & Crime Commissioner is responsible for investigating complaints about the Chief Constable, any appointed Deputy Police & Crime Commissioners, the Office of Cumbria Police & Crime Commissioner's own staff and Independent Custody Visitors. Any complaints received regarding the Police and Crime Commissioner will be forwarded to the Police & Crime Panel to deal with.

By law the Office of Cumbria Police & Crime Commissioner is not allowed to investigate complaints about Police Officers under the rank of Chief Constable, or members of Police Staff working for the Chief Constable. This is the statutory responsibility of the Chief Constable to deal with.

How to complain about the Police & Crime Commissioner

As a representative of the local community, the Police & Crime Commissioner signs up to a Code of Conduct. This includes the ten principles of conduct in public life:

- Selflessness
- Honesty and Integrity
- Objectivity
- Accountability
- Openness
- Personal Judgement
- Respect for Others
- Duty to Uphold the Law
- Stewardship
- Leadership

The responsibility for considering complaints that the Police & Crime Commissioner may have breached their Code of Conduct sits with the Police & Crime Panel. This

panel is made up of representatives from district councils and the county council, plus 2 independent people who are not councillors. What this means to you –

If you want to complain about the conduct of the Police & Crime Commissioner, you must submit your complaint to:

The Monitoring Officer
Cumbria County Council
The Courts
Carlisle
CA3 8LZ

They will make an initial assessment of the complaint. Following this the complaint will be sent to the Police and Crime Panel. Details of how to make a complaint are also available on the Police & Crime Panel's website - www.cumbriapcp.org.uk

The Police & Crime Panel can only deal with complaints about the behaviour of the Police & Crime Commissioner. It will not deal with complaints about things that are not covered by the Police & Crime Commissioner's Code of Conduct. If you make a complaint to the Police & Crime Panel, you must explain fully the reasons for your complaint against the Police & Crime Commissioner.

If you feel that the Police & Crime Commissioner has committed a criminal offence then this should be reported to the Police & Crime Panel. They will then refer the matter to the Independent Police Complaints Commission (IPCC) who will investigate the matter. Alternatively such a criminal offence could be reported to the Constabulary who will then deal with the matter appropriately.

How to complain about decisions made by the Police & Crime Commissioner

If you wish to make a complaint about the decisions of the Police & Crime Commissioner, you must first approach the Police & Crime Commissioner to ask them to review their actions.

If you are not satisfied with the outcome of that process, you can then make a complaint to the Local Government Ombudsman on 0845 602 1983. The Ombudsman's website can be accessed www.lgo.org.uk.

How to complain about a member of staff of the Office of Cumbria Police & Crime Commissioner

While the Office of Cumbria Police & Crime Commissioner's staff are not representatives of the community, they are still expected to maintain the highest standards of conduct.

The staff of the Office of the Police & Crime Commissioner have adopted a code of ethics which includes:

- Honesty and integrity
- Authority, respect and courtesy
- Equality and diversity
- Ensuring Confidentiality

The Office of the Police & Crime Commissioner's staff all undertake to adhere to an anti-discrimination code. They also follow a Police & Crime Commissioner-Officer Protocol which ensures good relations between the Police & Crime Commissioner, any appointed deputies and the staff who work for them.

If your complaint is about the actions of the staff of the Office of the Police & Crime Commissioner, your complaint must be referred to the Chief Executive, by writing to them at the Office of the Police & Crime Commissioner, Carleton Hall, Penrith CA10 2AU, or telephoning 01768 217734 or e-mailing commissioner@cumbria-pcc.gov.uk

If you wish to complain about the Chief Executive, you should address your complaint to the Police and Crime Commissioner, by writing to them at the Office of the Police & Crime Commissioner, Carleton Hall, Penrith CA10 2AU, or telephoning 01768 217734 or e-mailing commissioner@cumbria-pcc.gov.uk

How to complain about a member of the Joint Audit & Standards Committee or a member of the Ethics and Integrity Panel

If your complaint is about the actions of either a member of the Joint Audit & Standards Committee or the Ethics and Integrity Panel, your complaint must be referred to the Chief Executive, by writing to them at the Office of the Police & Crime Commissioner, Carleton Hall, Penrith CA10 2AU, or telephoning 01768 217734 or e-mailing commissioner@cumbria-pcc.gov.uk

How to make a complaint about a Police Officer

Who can complain?

A complaint may be made by any of the following:

- a member of the public who claims that the conduct took place in relation to him or her
- a member of the public who claims to have been *adversely affected* by the conduct, even though it did not take place in relation to him or her (see annex)
- a member of the public who claims to have *witnessed the conduct*
- a person acting on behalf of someone who falls within any of the three categories above.

A person can only be considered as having been authorised to act on behalf of another for the purposes of making a complaint if he or she has and is able to produce written consent from that person. Written consent should be clear and unambiguous. It need not be in English.

Police Officers and Staff

Under the Police Reform Act 2002 Police Officers and staff are not able to submit a complaint if:

- he or she was on duty at the time of the conduct he or she claims to have been a victim of, adversely affected by or to have witnessed; or
- the complaint relates to the conduct of a person who, at the time of the alleged conduct, was under the direction and control of the same chief officer as themselves.

Should they have any issues or wish to complain there are internal systems which can be used in these circumstances.

Partners and relatives

A partner or relative of someone who has served or is serving with the police force will not be able to make a complaint on that person's behalf if the person is serving or who has served with the police.

Alternatively, a partner or relative might legitimately claim to have witnessed or been adversely affected by the conduct alleged and so may become a complainant in his or her own right.

How to complain about the Chief Constable

The Police & Crime Commissioner is responsible for investigating complaints against the Chief Constable. All complaints must be made in writing to the Police and Crime Commissioner at the following address:

Office of the Police & Crime Commissioner

Carleton Hall

Penrith

Cumbria

CA10 2AU

or by e-mail to commissioner@cumbria-pcc.gov.uk

How to complain about the Deputy Chief Constable or Assistant Chief Constables

The Chief Constable is responsible for investigating complaints against the Deputy Chief Constable and Assistant Chief Constable. All complaints must be made in writing to the following address:

Professional Standards Department

Cumbria Constabulary

Carleton Hall

Penrith

Cumbria, CA10 2AU

Telephone: (01768) 217133

or by Email to: PSDAdmin@cumbria.police.uk

How to complain about a Police Officer; Special Constable; PCSO and/or Constabulary Staff.

If you wish to make a complaint about the conduct or behaviour of a police officer, a police community support officer, a member of police staff or a special constable, then you can do so either by writing to the address below, telephoning or e-mailing .

Professional Standards Department

Cumbria Constabulary

Carleton Hall

Penrith, CA10 2AU

Telephone: (01768) 217133; Fax: (01768) 217638

Email: PSDAdmin@cumbria.police.uk

Alternatively the Police Complaints system is overseen by the Independent Police Complaints Commission (IPCC) and governed by the Police Reform Act 2002. You can visit the IPCC website – www.ipcc.gov.uk - for further information and to make a complaint.

If you wish you can direct your complaint to the Office of the Police & Crime Commissioner. While the Office of the Police & Crime Commissioner is not allowed to

investigate complaints against police officers, if you wish we will re-direct your complaint to the Professional Standards Department for them to investigate. We could then monitor the progress of your complaint.

Schedule 14 Section 7 of the Police Reform and Social Responsibility Act 2011 introduces a power for the Police & Crime Commissioner to direct Chief Officers to comply with their obligations with regards to complaints.

Where it appears to the local policing body that

- (a) an obligation to act or refrain from acting has arisen by or under this part,
- (b) that obligation is an obligation of the chief officer of police of the police force which is maintained by the local policing body; and
- (c) the chief officer has not yet complied with that obligation, or has contravened it.

The local policing body may direct the chief officer to take such steps as the local policing body thinks appropriate. The Chief Officer must comply with any direction given under the above.

The Professional Standards Department have also established Complaint Access Points (C.A.P), who will receive details of your complaint and forward them to us on your behalf, e.g. AWAZ (The voice and social network of the black and Minority Ethnic Community in Cumbria), Eden Rural Foyer (Old London Road, Penrith CA11 8ET), or Citizen Advice Bureau.

A further C.A.P. has been established with the Furness and South Cumbria Branch of the National Autistic Society.

The point of contact for this C.A.P. is Janet Rigg, e-mail address:

paulandjanet@supanet.com

You can also use your local library if you wish to make a complaint

You can download the Constabulary's leaflet "Your Guide to Complaints", which is currently available in English and Polish. This leaflet will give you more information on how to make a complaint and what will happen if you do.

[Your Guide to Complaints \(English\)](#) [Your Guide to Complaints \(Polish\)](#)

The IPCC produce leaflets in different languages, namely Arabic, Bengali, Punjabi, Gujarati, Urdu, Hindi, Chinese, Vietnamese, Greek, Welsh, Spanish, French, Portuguese, Somali, Turkish and English. They are also available in audio, Braille, large print and easy to read format.

If your query is about the progress of a case or investigation you may be involved in, then you should have been provided with a Help Desk telephone number, but if you are experiencing difficulties, contact the Professional Standards Department and they will chase it up for you.

How to complaint about an Independent Custody Visitor

The Office of the Police & Crime Commissioner operates an Independent Custody Visiting Scheme which is operated by volunteers. Independent Custody Visitors make random, unannounced visits to police stations to check on the welfare of detainees in police custody. On appointment they agree to abide by a Code of Conduct and they have a separate complaints policy.

If you want to make a complaint about an Independent Custody Visitor, please do so by contacting the Independent Custody Visiting Scheme Administrator:

The Independent Custody Visiting Scheme Administrator
Office of the Police & Crime Commissioner
Carleton Hall
Penrith
Cumbria CA10 2AU
Telephone: 01768 217734
or by e-mail to commissioner@cumbria-pcc.gov.uk

Complaints involving Financial Administration by the Police & Crime Commissioner

Under certain circumstances you may complain to the Office of the Police & Crime Commissioner's Internal Auditors (Management Audit Unit) or external auditors (Grant Thornton UK LLP)) particularly if the matter relates to fraud, financial misconduct or financial irregularity. For example if there is concern regarding irregularities within the Statement of Accounts for the Police and Crime Commissioner.

Internal Auditors:

Management Audit Unit
Cumbria County Council
The Courts
Carlisle
CA3 8NA
Tel: 01228 226254

Email: emma.toyne@cumbriacc.gov.uk

Please make it clear that your complaint refers to Cumbria Police & Crime Commissioner

External Auditors:

Grant Thornton UK LLP
C/o Cumbria County Council
Lower Gaolyard
The Courts
Carlisle
Cumbria
CA3 8NA
Tel: 01228 227267

Email: www.grant-thornton.co.uk

Please make it clear that your complaint refers to Cumbria Police & Crime Commissioner.

Complaints involving Victims of Crime

The Code of Practice for Victims of Crime (the Victims' Code) places a statutory obligation on criminal justice agencies to provide a standard of service to victims of crime or, where the victim died as a result of the criminal conduct, their relatives.

If you are a victim of crime in England and Wales and believe a criminal justice agency has failed to provide you with the service set out in the Victims' Code, you should first make your complaint direct to the organisation concerned. If you remain unhappy after that then you should contact an MP and ask them to refer your complaint to the Ombudsman.

The Parliamentary and Health Service Ombudsman can investigate complaints in relation to the Victims' Code. If you have any questions about making a complaint under the Victims' Code then you can contact the Ombudsman via their Helpline on 0345 015 4033.

Quality of Service

If you are not happy with how the police dealt with you but don't want to make a formal complaint or you would like the police to learn from your experience without having to talk to them directly, then you should talk to the Office of Cumbria Police & Crime Commissioner.

As the person charged with the governance of the police force in Cumbria, the Police & Crime Commissioner's job is to ensure that the police are delivering an effective and professional service. One of the ways we do this is by talking to members of the public about their experience of dealing with the police. This then allows feedback to be provided to the police to enable them to improve the way in which they provide policing services.

If you want to give feedback on your experiences:

- You can contact us by phone, email, letter or by talking to the Police & Crime Commissioner at one of our events.
- If it is appropriate, then we can arrange to meet you in person at a venue you both agree. We will agree with you who this will be.
- We will listen to your concerns and, if it is appropriate and you wish us to do so, raise them with the Chief Constable or other relevant organisation."
- If you wish, we will contact the police to find out more about what happened but will never pass on your personal details to them unless you want us to.
- We will let you know what happens as a result.

Contact us on:

Telephone: 01768 217734 (Office hours 8:30- 5pm Monday- Thursday, 8:30- 4pm Fridays; please leave a message on our voicemail at other times.

Email - commissioner@cumbria-pcc.gov.uk

Write to:

Office of Cumbria Police & Crime Commissioner for Cumbria
Carleton Hall
Penrith
Cumbria
CA10 2AU

We aim to acknowledge receipt of your correspondence within 5 working days. Any letters, telephone or e-mail messages will only be accessible to the Office of the Police & Crime Commissioner's own staff.

What to do if you are not happy with how your complaint has been handled

If you are not happy with how we have dealt with your concerns, you may contact one of the following organisations –

Independent Police Complaints Commission

1st Floor
Oaklands House
Washway Road
Sale
M33 6FS

Telephone: 08453 002 002
Mincom: 020 7404 0431
email: enquiries@ipcc.gsi.gov.uk

The Local Government Ombudsman

PO Box 4771
Coventry CV4 0EH
Telephone: 0300 061 0614 or 0845 602 1983
E-mail: advice@lgo.org.uk

General Principles

The OPCC when dealing with complaints will always –

- Take your complaint seriously
- Treat you with dignity and respect
- Acknowledge receipt of your complaint
- Only pass on your details to the Constabulary if you agree that we can or they are the relevant body to deal with the complaint
- Keep you informed about progress on your complaint
- Inform you of the outcome of your complaint
- Advise you if you have a right of appeal against our final decision
- Contact you using your preferred means of communication, usually the way you have first contacted us
- Learn lessons from your complaint to help improve the quality of service provided

Monitoring of Complaints

The Office of the Police & Crime Commissioner has a legal duty to investigate complaints against the Chief Constable.

Any complaints made against the, Deputy Chief Constable, Assistant Chief Constables, Police Officers, or Police Staff, are investigated by the Constabulary's Professional Standards Department, or the Independent Police Complaints Commission (IPCC). The Professional Standards Department is a separate part of Cumbria Constabulary that has no direct working links with any of the other departments. They deal impartially with all the complaints they receive and part of the Office of the Police & Crime Commissioner's role is to ensure that this is the case. The IPCC is completely independent from the Cumbria Constabulary. The Office of the Police & Crime Commissioner will case sample complaints made against Cumbria Constabulary.

Performance Monitoring

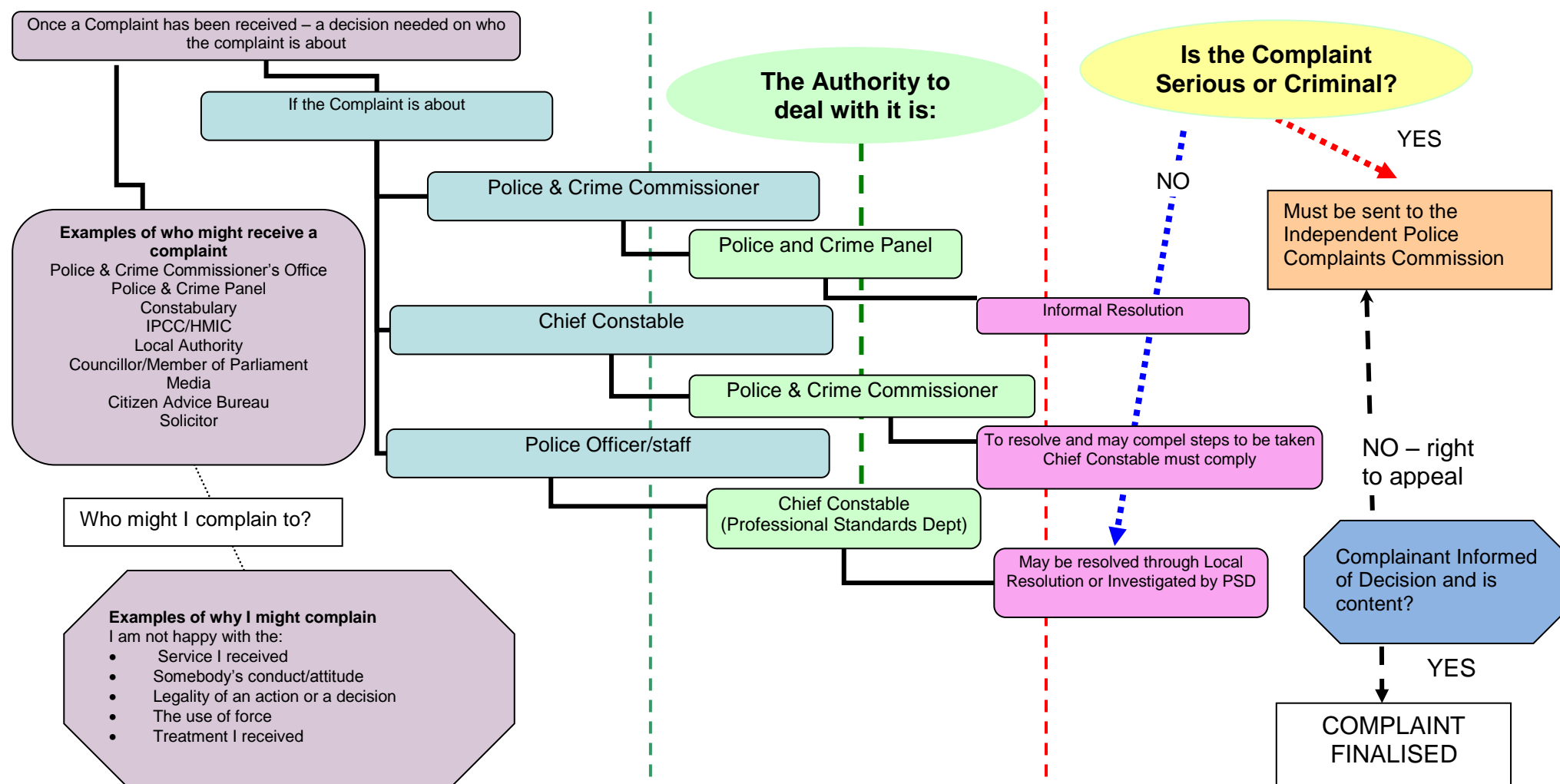
The Police and Crime Commissioner in conjunction with the Chief Constable has appointed an Ethics and Integrity Panel. They receive reports from the Professional Standards Department on all complaints received within a quarter, and how that information compares with previous years. This is broken down by type of complaint and Territorial Policing Area and includes information on which groups within the community are, or are not, making complaints. Both the Police & Crime Commissioner and Constabulary welcome complaints as they provide valuable feedback from the community and enable lessons to be learnt to enable a higher standard of service to be provided in the future.

In addition, members of the Ethics and Integrity Panel undertake spot checks (referred to as dip-sampling) of complaint files. This process provides an independent check that the correct process has been followed, and in particular looks for:

- Whether it has been dealt with according to agreed procedures
- That they are being investigated to agreed timescales
- Treatment of the complainant
- Treatment of the officer
- Proportionality
- Clarity of investigative findings
- Justification for the outcome

Following this process a report is presented to the Police & Crime Commissioner at their public Executive Board meeting to advise of the files that have been sampled and inform of any issues which have been identified.

Appendix 1



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Cumbria Office of the Police and Crime Commissioner

Independent Custody Visitor Scheme Complaints Policy

Distribution and Consultation Record

Date	23 November 2012
Version	01
Authors	Joanne Head
	01768 217734
	Joanne.head@cumbria.police.uk

Policy Approval

Approved By	Mr Richard Rhodes, Police & Crime Commissioner
Date	26 November 2012

Name	Position	Version no. consulted on	Date
Stuart Edwards	Chief Executive	Version No 1	October 2012
Stuart Edwards	Chief Executive	Version No 2	November 2015

Version Control

Version .01	
Department	Office of the Police & Crime Commissioner
Contact	Joanne Head, Governance & Business Services Manager

Version.02	
Department	Office of the Police & Crime Commissioner
Contact	Joanne Head, Governance & Business Services Manager

Version	
Department	
Contact	

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- 4.** Introduction
- 5.** Resolution of Disagreements/Complaints about Improper Practice.
- 6.** Phase 1: Informal Resolution
- 8.** Phase 2: Formal Resolution
- 9.** Phase 3: Appeals Procedure

Introduction

The Office of the Police & Crime Commissioner operates an Independent Custody Visiting Scheme which is operated by volunteers. Independent Custody Visitors make random, unannounced visits to police stations to check on the welfare of detainees in police custody. On appointment they agree to abide by a Code of Conduct

The following policy provides clear guidelines for the Police & Crime Commissioner, Independent Custody Visitors and Police Staff to adhere to when a complaint against an Independent Custody Visitor following a disagreement or complaint about improper practice is made.

Resolution of Disagreements or Complaints about Improper Practice

The nature of the voluntary work undertaken by an Independent Custody Visitor (ICV) is such that they are required to comment on the practice and procedures of Police Custody staff and personnel. This is the very basis of the task that the ICV's as representatives of the wider public, with a degree of training to inform them of good practice carry out within a detention suite.

An ICV should be able to present a view fresh from potential institutionalization of internal Police observations. As such this role arises directly from the concerns expressed in the Scarman Report 1981 and in line with the UK Government's implementation of the Human Rights Act 1998. The work of the ICV is highly valued by the Government, the Police & Crime Commissioner and the Police Inspectorate; and is covered by the ICV's Code of Practice.

Aim

- To provide guidance to Independent Custody Visitors, the Police & Crime Commissioner and Constabulary on how to make a formal complaint.
- To set out an achievable time frame for completing the process. The time frames set out in the policy are ambitious, however when consulted ICV's felt that the timings outlined in the policy provide a good practice guide which all parties should attempt within (practical ability) to adhere to.
- To provide a fair and balanced process to all parties concerned.
- To ensure that lessons are learnt following the outcome of a complaint.

Phase 1: Informal Resolution

In the event of there being a disagreement about points recorded of any unusual practice on the part of an ICV the Custody Sergeant should raise the issue during the visit so that any misunderstanding can be immediately rectified.

In the event of a disagreement between the Custody Sergeant and the ICV over the interpretation of an observation made, the Custody Sergeant has the opportunity to append in writing such a view on the ICV's report form. In the case of extreme pressure of business at the time of the visit any further comment must be recorded in writing and forwarded to the Scheme Administrator within **twenty four hours** of the visit. Copies should be sent on to the ICV, the ICV Panel Chair and Vice Chair by email and a hard copy should be forwarded by first class post immediately on receipt by the Scheme Administrator.

If the issues raised are of such immediate concern and have serious implications for the safety of any individual, detainee, Custody staff or ICV a report should be sent directly to the Scheme Administrator who will consult jointly with the OPCC Chief Executive, ICV Panel Chair and Vice Chair and the Chair or Vice Chair from any of the other panels. This should be done as soon as possible and no later than **twenty four hours** after a serious reported concern. In the absence on any named individual in this process the person designated as Duty Inspector should be informed.

Following receipt of a complaint against an ICV, s/he will be informed in writing of the nature of the complaint, within **forty eight hours**, with copies sent to the ICV Panel Chair, Vice Chair, ICV Scheme Administrator and Chief Executive.

The identity of who has made the complaint should be kept confidential from the rest of the panel members with the exception to those directly involved.

Upon receipt of a complaint, the Chair should postpone the ICV's next visit until the matter has been resolved.

The Chair and Vice Chair of the panel should meet the ICV within **5 working days** of the receipt of the complaint to discuss the issue and notes made where appropriate. A meeting with the other ICV who was present at the visit should take place with notes taken where appropriate.

If at this time the matter cannot be resolved then the following action should be taken.

The Chair, Vice Chair and the Chair or Vice Chair from another panel should meet with the ICV, the Inspector of the Custody Suite and Scheme Administrator within **ten working days** of the receipt of the complaint, to discuss the matter informally with a view to seeking an early resolution.

The Criminal Justice Unit Inspector should be informed at this stage.

In the event of an unresolved outcome Phase two of the process should begin.

Phase 2: Formal Resolution

The ICV will be informed in writing that they are formally suspended from visits, pending the outcome of an Independent Investigation.

An Independent Investigation should be organised by the Office of the Police and Crime Commissioner (OPCC) and carried out by an Independent Panel, they will conduct the investigation.

The independent investigation should be completed within **thirty working days** from the outset of the date the investigator is identified.

The ICV should be informed in writing about the Independent Investigation and offered any support they may need from a fellow panel member or other individual of their choice, who may attend their interview should they wish. Copies of the letter should be sent to the –Chief Executive, Custody Suite Inspector and the Criminal Justice Unit Inspector.

All statements taken from witnesses should be face to face and should be agreed and signed by them after a copy has been provided for agreement and signature.

Interviews should not exceed **ninety minutes** in duration, and interviewees are permitted a friend or colleague to attend who may request a recess if appropriate recommendations have not been made.

Upon receipt of the independent investigation the OPCC will forward a copy to the ICV, Panel Chair and Vice Chair and Chief Executive

The Authority will organize a meeting the ICV, Panel Chair and Vice Chair and Scheme Administrator to discuss the outcomes of the Independent investigation and the action to be taken.

The ICV has **fourteen working days** from the date of the meeting to appeal against any recommendations made.

Phase 3: Appeals Procedure

The ICV will remain suspended until a conclusion has been made.

The will organise a meeting with the ICV, Panel Chair and Vice Chair and Scheme Administrator to discuss the outcomes of the Independent investigation and the action to be taken.

The OPCC will appoint an Independent Appeals Committee from independent members who are appointed by the Authority to serve on misconduct panels who will hear the evidence from the Independent Investigation and the appeal from the ICV.

The ICV and a representative if requested will be invited to attend the Appeals Committee Meeting to answer any questions and present any written evidence or supporting documents relevant to their appeal.

The ICV will be asked to withdraw from the meeting while the appeal is considered.

The ICV will be invited to stay until the Appeals Committee has reached a decision so they can be informed straight away of the outcome or alternatively will be contacted by telephone

If the appeal is upheld the ICV will be reinstated immediately as a visitor and will be added back onto the rota.

The ICV will be formally notified in writing of the outcome of the Appeals Committee, copies will be sent to ICV, Panel Chair and Vice Chair and Scheme Administrator.

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Cumbria Office of the Police and Crime Commissioner

**Police & Crime Commissioner,
Deputy Police & Crime Commissioner
And Officer Protocol**

Distribution and Consultation Record

Date	23 November 2012
Version	01
Authors	Joanne Head
	01768 217734
	Joanne.head@cumbria.police.uk

Policy Approval

Approved By	Mr Richard Rhodes, Police & Crime Commissioner
Date	26 November 2012

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Version Control

Version .01	
Department	Office of the Police & Crime Commissioner
Contact	Joanne Head, Governance & Business Services Manager

Version.02	
Department	Office of the Police & Crime Commissioner
Contact	Joanne Head, Governance & Business Services Manager

Version	
Department	
Contact	

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- 5.** Roles of the Police & Crime Commissioner and Employees
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- 9.** If Things Go Wrong
- 10.** Appendix 1 - Declaration Form

Introduction

The relationship between the Police & Crime Commissioner (Commissioner), Deputy Police & Crime Commissioner (Deputy Commissioner), an Appointed Person (AP) and employees is an essential ingredient in the successful working of this organisation. The relationship within the Office of Cumbria Police & Crime Commissioner (OPCC) is one which is characterised by mutual respect, informality and trust. The Commissioner/Deputy Commissioner/AP and employees of the Office of the Police & Crime Commissioner should feel free to speak to one another openly and honestly.

Nothing in this Protocol is intended to change this relationship nor relate to officers or employees under the direction and control of the Chief Constable. The purpose of this Protocol is rather to help the Commissioner/Deputy Commissioner/AP and employees to perform effectively by giving clearer guidance on their respective roles and expectations and about their relationship with each other. The Protocol also gives guidance on what to do on those rare occasions when things might go wrong. Responsibility for the operation of this Protocol in the case of employees lies with the Chief Executive and in the case of the DPCC and AP with the PCC.

The Protocol must be read and operated in the context of any relevant legislation and national and local Codes of Conduct and any procedure for confidential reporting.

Roles of the Commissioner and Employees

Respective roles can be summarised as follows:

The Police & Crime Commissioner, Deputy Police & Crime Commissioner, Appointed Persons and employees are servants of the public and they are indispensable to one another. But their responsibilities are distinct. The Police & Crime Commissioner/ Deputy Police & Crime Commissioner / Appointed Person are responsible to the public and serve only so long as their term of office lasts.

Employees are responsible to the Office of the Police & Crime Commissioner. Their job is to give advice to the Police & Crime Commissioner/Deputy Police & Crime Commissioner/Appointed Person whilst carrying out the Police & Crime Commissioner for Cumbria's work under the direction and control of the Office of the Police & Crime Commissioner's Chief Executive.

Mutual respect between the Police & Crime Commissioner/Deputy Police & Crime Commissioner/Appointed Person and employees is essential to good local governance and successful public administration.

Police & Crime Commissioner/ Deputy Police & Crime Commissioner / Appointed Person

Subject to the overriding legal duties of the Police & Crime Commissioner for oversight of policing, as framed in the Police Reform and Social Responsibility Act 2011, the Police & Crime Commissioner/Deputy Police & Crime Commissioner have three main areas of responsibility:

- determining the policy of the Office of the Police & Crime Commissioner and giving it leadership;
- representing the Office of the Police & Crime Commissioner externally; and
- acting as advocates on behalf of the public of Cumbria in matters affecting the legal responsibilities of the Police & Crime Commissioner.

Importantly, it is of course not the role of the Commissioner or Deputy Commissioner to involve themselves in the day-to-day management of the Office of the Police & Crime Commissioner or the Constabulary.

Employees

The role of employees is to give advice and information to the Police & Crime Commissioner/Deputy Police & Crime Commissioner/Appointed Person and to implement the policies determined by the Office of the Police & Crime Commissioner for Cumbria. Certain employees e.g. Monitoring Officer, Chief Financial Officer (Section 151 Officer) and the Statutory Chief Officers have responsibilities in law over and above their obligations to the OPCC that they must be allowed to discharge.

Expectations

**The Police & Crime Commissioner/Deputy Police & Crime Commissioner/
Appointed Person can expect from employees:**

- (a) A commitment to the OPCC as a whole and not to any political group
- (b) A working partnership
- (c) An understanding of and support for respective roles, workloads and pressures
- (d) Timely response to enquiries and complaints
- (e) Professional advice, not influenced by political views, partiality or preference, which does not compromise the political neutrality of employees.
- (f) Regular, up-to-date information on matters and to an extent that can reasonably be considered appropriate, proportionate and relevant to their needs, having regard to any individual responsibilities that they have and positions that they hold.
- (g) Awareness of and sensitivity to the political environment
- (h) Respect, dignity and courtesy
- (i) Training and development in order to carry out their role effectively
- (j) Integrity, mutual support and appropriate confidentiality
- (k) Not to have personal issues raised with them by employees outside the agreed procedures
- (l) That employees will not use their relationship with the Commissioner/Deputy Commissioner/AP to advance their personal interests or to influence decisions improperly
- (m) That employees will at all times comply with their relevant professional Codes of Conduct.

Employees can expect from the Police & Crime Commissioner / Deputy Police & Crime Commissioner / Appointed Person:

- (a) A working partnership
- (b) An understanding of and support for respective roles, workloads and pressures
- (c) Strategic leadership and direction, where appropriate
- (d) Respect, dignity and courtesy
- (e) Integrity, mutual support and appropriate confidentiality
- (f) Not to be subject to bullying or to be put under undue pressure. The Police & Crime Commissioner/Deputy Police & Crime Commissioner should have regard to the seniority of employees and the capacity of the organisation in determining what are reasonable requests, having regard to the power-relationship between the Police & Crime Commissioner/Deputy Police & Crime Commissioner and employees, and the potential vulnerability of employees, particularly at junior levels.
- (g) That the Commissioner/Deputy Commissioner will not use their position or relationship with employees to advance their personal interests or those of others or else to influence decisions improperly. The Commissioner/Deputy Commissioner will not provide a reference for an appointment with the OPCC.
- (h) That the Commissioner/Deputy Commissioner will at all times comply with their Code of Conduct and associated Declarations signed on appointment.

If Things Go Wrong

Procedure for employees

From time to time it may occur that the relationship between the Commissioner/Deputy Commissioner/Appointed Person and employees becomes strained or even breaks down. Whilst it will always be preferable to resolve such matters informally, whether through conciliation by an appropriate senior manager, employees will have recourse to the Grievance Procedure or to the Office of the Police and Crime Commissioner's Monitoring Officer, as appropriate to the circumstances. One male and one female manager will be identified to whom an initial approach may be made by a concerned employee if necessary.

In the event of a grievance or complaint being upheld, such a matter will be referred to the Chief Executive who will decide on the course of action to be taken on the grievance or complaint following consultation with the Chair of the Audit and Standards Committee.

Procedure for the Police & Crime Commissioner/Deputy Police & Crime Commissioner/Appointed Person

In the event that the Commissioner/Deputy Commissioner/AP is dissatisfied with the conduct, behaviour or performance of an employee, and in view of the small size of the OPCC's establishment, the matter should normally be raised with the Chief Executive directly. Where the employee concerned is the Chief Executive, the matter should be raised with the Chair of the Audit Committee. If the matter cannot be resolved informally, it may be necessary to invoke the Office of the Police and Crime Commissioner's Disciplinary Procedure.

Appendix

COMMISSIONER AND OFFICER **PROTOCOL - DECLARATION**

I agree to conduct myself in accordance with and abide by the Police & Crime Commissioner and Officer Protocol whilst conducting duties of the Office of the Police and Crime Commissioner for Cumbria.

Signed: **Date:**

Police & Crime Commissioner/ Deputy Police & Crime Commissioner/Appointed Person/Member of staff of the Office of the Police & Crime Commissioner for Cumbria

(Delete as not applicable)





Annual Governance Statement 2015/16

Update on Action Plan

Introduction

This report is designed to provide members with an update on the progress made to date in respect of the action plans developed for both the Constabulary and the Office of the Police and Crime Commissioner as part of the production of the Annual Governance Statement (AGS).

The update is being provided to provide members with information regarding progress on the implementation of the AGS action plan for the OPCC and Constabulary.

The following appendices provide details of the actions included in the action plan, the target timescale for completion, current progress against the action and the lead officer responsible for that action.







- Appendix A – Annual Governance Statement Action Plan 2015/16 – Constabulary
- Appendix B – Annual Governance Statement Action Plan 2015/16 – OPCC

Report Summary






Summary of Actions	Constabulary	OPCC	Total
Actions included in the AGS	23	15	38
Actions completed since last report	13	8	21
Open Actions C/fwd	10	7	17

Summary of Total Actions by Status	Constabulary	OPCC	Total
☀ Completed	13	8	21
☀ Ongoing	8	7	15
☀ timescale exceeded	1	0	1
☀ not yet due	1	0	1
Total	23	15	38

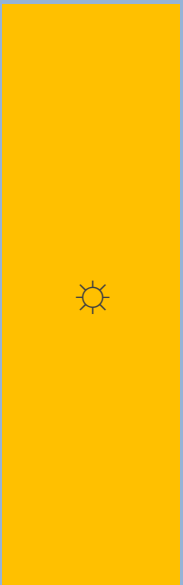
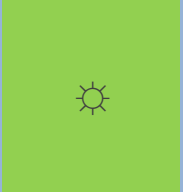
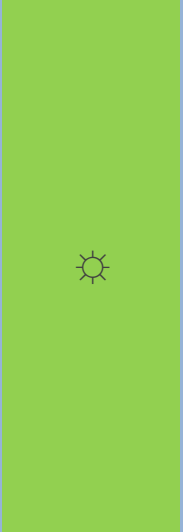
Constabulary AGS Action Plan 2015/16

Action	Lead Officer	Update November 2015	Implementation by	Status
Core Principle 1: Focusing on the purpose of the Chief Constable, and on outcomes for the community, and creating and implementing a vision for the local area.				
Complete its evaluation of the effectiveness of its revised governance arrangements including the board structure, making recommendations for improvement where appropriate.	Director of Corporate Improvement	As a result of major change being undertaken across many functions in the force, two further meetings have been included in the governance framework: Gold Implementation Group: chaired by DCC weekly to troubleshoot critical issues and manage resources across all portfolios to deliver change and ICT Tactical Implementation Group: chaired by Chief Superintendent weekly to coordinate implementation. Fix tactical issues or escalate; identify additional resources / money required & escalate to GIG	31-May-15	
Evaluate the revised performance management arrangements, making recommendations for improvement where appropriate.	Director of Corporate Improvement	Likely to be started in 2016, subject to resources being available.	31-Mar-16	
Review the Constabulary's public bi-monthly performance management reports, improving the information provided to the public to support transparency and help understanding of policing issues.	Director of Corporate Improvement	The internal information reports have been redesigned and expanded to provide a more comprehensive picture of performance for senior management, ensuring that real performance issues are tackled. The main external public facing report has been redesigned for simpler and easier access to information. However, the pictorial representation of performance is not 100% popular - this is being reviewed in the next few months and will be changed subject to available resource.	31-Mar-16	
Write an Annual Report to support the Commissioner's 2016 -17 budget submission to the Police and Crime Panel.	Director of Corporate Improvement	On-track.	31-Dec-15	
Further develop the strategic resource management performance framework to drive improvements in our use of resources and our productivity, including development of a Productivity Strategy. This will complement the Constabulary's Continuous Improvement, Efficiency and Value for Money Strategy and will ensure that the benefits of significant investment in change and IT are delivered.	Director of Corporate Improvement, CFO, Director of Corporate Support	<ul style="list-style-type: none"> The productivity strategy that has been developed and implemented. The strategic resource management performance framework is under development. The Police Funding Formula consultation has significantly impacted the progress in some areas of work. Other actions are ongoing but are subject to prioritisation in light of national and corporate pressures. 	31-Mar-16	
Develop a Plan on a Page to help all officers and staff focus on the Constabulary's priorities and support internal communications.	Director of Corporate Improvement	This was promoted and is available to staff via a number of ways: on noticeboards across the Constabulary, handed out at the Chief Officers' Road Shows, accessible via the intranet	30-Apr-15	




Constabulary AGS Action Plan 2015/16

Action	Lead Officer	Update November 2015	Implementation by	Status
Develop internal and external communications strategy to support delivery of operational policing and its outcomes, including effective demand reduction activity.	Director of Corporate Improvement	Completed and being actioned. Part of operational Tasking and coordination every month to ensure that operational relevance is maintained.	30-Sep-15	
Develop an Improvement Action Plan based on all HMIC actions and recommendations to deliver improvements to services and, to publish this plan on its website.	Director of Corporate Improvement	The action plan is managed through Operations Board and Business Board.	30-Sep-15	
Core Principle 2: Leaders, officers and partners working together to achieve a common purpose with a clearly defined functions and roles.				
The Constabulary will complete its update of the financial rules and ensure that these are promoted and training provided.	Chief Finance Officer	Progress on updating the financial rules has been delayed due to work on responding to the Government's review of the Police Funding Formula. This remains a priority and a revised implementation date of the 31st March 2016 is proposed.	30-Sep-15	
The Constabulary will continue to develop business plans and strategies for non-operational policing functions including production of a Procurement Strategy to ensure that activity is directed to supporting delivery of effective policing services and meet the requirements of the OPCC.	Director of Corporate Support & Functional Heads of Service.	January 2016 timescales for all strategy updates have been agreed with the Office of the Police & Crime Commissioner. <ul style="list-style-type: none"> • A procurement strategy is under development. • The existing & still current ICT strategy has been refreshed and will be presented to Constabulary Chief Officers for consideration during December. • The existing & still current Estates and Fleet strategies are in the process of being reviewed to reflect changing operational requirements with updates to be provided in January 2016. 	31-Dec-15	
Schemes will be developed to review the contribution of police officers on restricted duties to front line policing in and adjust pay in accordance with Police Regulations introduced from 1 April 2015 to implement the recommendations of the Winsor Review.	Head of HR	A new Limited Duties Policy/Procedure has been devised. This was approved for consultation by the Business Board in September 2015. The Policy and Procedure was circulated for wider consultation during October and will be presented to the Business Board for final sign off in November 2015. The Policy and Procedure incorporates all features of Police Regulations and related Home Office guidance, following Winsor.	31-Mar-16	



Constabulary AGS Action Plan 2015/16

Action	Lead Officer	Update November 2015	Implementation by	Status
The Constabulary's current scheme of Performance Development Review (PDR) has been suspended for 2014-15 with a view to incorporating Winsor changes and streamlining the process. A new scheme is anticipated to be designed and in place during 2015-16, following new Regulations applicable from 1 April 2015. The Constabulary will be developing a more streamlined assessment process for incremental progression for police officers linked to satisfactory performance in the PDR as soon as national guidance has been provided. Police staff PDR will follow the development of police officer PDR.	Head of HR	PDR remains suspended. The College of Policing has been unable to finalise guidance as quickly as anticipated. PDR will contain a behavioural Competency Framework, an element of CPD and a method of confirming satisfactory performance on an annual basis, linked to incremental pay progression. This provides for an annual assessment of officers competence. However, a report is to be presented to the Business Board by December 2015 making some recommendations for mandatory PDR for police officers and a recommended process for police staff from 1 April 2016. Associated processes for delivery recording re to be developed. This exercise is being jointly conducted with the Head of Learning and Development.	31-Mar-16	
Update the National Police Promotion Framework in line with national guidance.	Head of HR	The NPPF has been incorporated into a revised Police Officer Promotion and Development Policy and Procedure. Following Formal consultation, this was given final approval for implementation by the Business Board in October 2015.	31-Mar-16	
Core Principle 3: Promoting values for the Chief Constable and demonstrating the values of good governance through upholding high standards of conduct and behaviour.				
The Constabulary will continue to embed the National College of Policing Code of Ethics.	Chief Constable, Deputy Chief Constable and Head of PSD	Code of Ethics is embedded within Policing, some examples to are: <ul style="list-style-type: none"> It is included within the staff review process. There are references to the Code of Ethics in letters that are sent to the public in relation to complaints. All best practice and lessons learnt as a result of Code of Ethics is circulated to the relevant departments. PSD continue to monitor and deal with breaches,. PASS newsletters are circulated to enhance awareness, thus acting as both a preventative measure and signposting staff to support networks and/or agencies. 	31-Mar-16	





Constabulary AGS Action Plan 2015/16

Action	Lead Officer	Update November 2015	Implementation by	Status
The Constabulary will embed its Ethics and Integrity Panel and seek to promote good practice as a result of its recommendations.	Chief Constable, Deputy Chief Constable and Head of PSD	<p>The Ethics and Integrity Panel review public complaints and conduct matters on a regular basis. The feedback has been transferred onto action plans, these have been shared within PSD and with the OPCC's office. The feedback is used to improve the service provided to members of the public and Officers/staff. Some recent examples have been:</p> <ul style="list-style-type: none"> • Changes to wording used within letters that are sent to complainants when we are giving them their monthly update • Not apologising to a complainant unless there is a reason or need to do • Lesson learnt to be captured within the final file, they were being sent to the relevant department but not necessarily captured within the complaint or conduct file • When Officers receive management action the "action/wording" is captured within the file before closure, some files just stated that the Officer had received management action <p>It has been agreed with the OPCC that the Ethics Panel can review complaints made by complainants that regularly contact the OPCC to ensure that the correct process has been followed.</p>	31-Mar-16	
Core Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risks.				
The Constabulary's risk management arrangements will be reviewed to ensure that up to date practices and approaches are reflected in its risk management policy and procedures.	Director of Corporate Improvement	Some report changes have been made to improve wider understanding of the portfolio of risks held in the Constabulary. Internal Audit has reviewed the management arrangements and found no issues, delivering a Substantial judgement.	31-Mar-16	
As part of the improvement to the Constabulary's internal website, the access and search capability of the policy library on the intranet will be modernised and updated to ensure that it is easier for officers and staff to access the right information	Director of Corporate Improvement	On track	31-Mar-16	






Constabulary AGS Action Plan 2015/16

Action	Lead Officer	Update November 2015	Implementation by	Status
Core Principle 5: Developing the capacity and capability of the Chief Constable and Officers and Staff of the Chief Constable.				
<p>Design and Implement a Core Skills and Leadership Programme.</p> <p>The design stage of the Core Skills and Leadership Programme is well advanced, implementation will begin in early 2015-16.</p>	Director of Corporate Support & Head of Learning & Development.	<p>The design stage of the Core Skills & Leadership programme is now completed. Delivery of this programme began early in 2015 with a focus on Street Skills such Missing from Home, Critical Incidents and dealing with Mental Health issues. This were delivered through a mixture of Aide Memories, face to face training and video inputs.</p> <p>15 Leadership Modules have been designed to support first and second line management in areas of such as Managing People, Managing Team Performance, Developing Your Staff and Leading Teams. These modules are designed to support the National Police Promotion Framework</p> <p>Significant training programmes will be delivered in 2015-16 in support of Change Programme reviews, which will fundamentally change the ways in which officers work. Specific training includes Command & Control, implementation of Mobile Working and the new Case & Custody system. Senior leadership Development is being delivered in partnership with Lancaster Uni Mgt School. Delivery of this programme will continue throughout 2016</p>	On-going Update 31 March 2016	
Significant training programmes will be delivered in 2015-16 in support of Change Programme reviews, which will fundamentally change the ways in which officers work. Specific training includes Command & Control, implementation of Mobile Working and the new Case & Custody system.	Director of Corporate Support & Head of Learning & Development.	The 2015/16 training plan is on target with 95% of the planned training for the period April – Sept delivered. This has included specific training for Command & Control, implementation of Mobile Working and the new Case & Custody system. Additional nationally mandated training is also being accommodated within the plan later in 2015/16	31-Mar-16	







Constabulary AGS Action Plan 2015/16

Action	Lead Officer	Update November 2015	Implementation by	Status
Core Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability.				
The Constabulary will continue to develop its internet site to enhance accessibility and relevance to the public and media.	Director of Corporate Improvement	The new website is operating	30-Sep-16	
The Constabulary will review its current arrangements for engagement and further develop its Engagement Strategy to improve trust and confidence in policing services and to identify policing priorities which need to be addressed in their local area. This will include provision of police desks across the county.	Director of Corporate Improvement	The Engagement Strategy was approved at Operations Board in October.	31-Mar-16	
On behalf of the Commissioner, the Constabulary will undertake a survey to find out the public's key policing priorities for the PCC's 2016 – 17 Police and Crime Plan and the Constabulary's Strategic Assessment.	Director of Corporate Improvement	Completed and has informed both of these	31-Mar-16	
The Constabulary will carry out a staff engagement exercise, working with academia to undertake a cultural survey, over a number of years. The aim is to deliver improvements that support, for example, staff wellbeing, performance, training delivery - and ultimately, improve services to the public.	Director of Corporate Improvement	Underway and, although slightly delayed, it will be completed by the end of the financial year.	31-Mar-16	

Office of the Police and Crime Commissioner Action Plan 2015/16

Ref	Action	Responsibility	Update December 2015	Deadline	Status
CP1	Focusing on the purpose of the PCC and the Force, and on outcomes for the community, and creating and implementing a vision for the local area.				
CP1/1	Preparation for earlier financial accounts deadlines: Achieve unaudited publication by 4 th June/audited publication by 10 th September.	Chief Finance Officer	Publication of the unaudited financial statements was achieved on 28th May, one week ahead of the target deadline. Audited publication was delayed until 17th September as a result of a uncertainty regarding the proper accounting treatment and audit approach in respect of a police pension liability. The external auditors advised the JASC that this was a national issue and beyond our control.	Sep-15	
CP1/2	Work to develop financial models to respond to the funding announcements expected following the general election will continue during 2015-16 as further information is received on the new police funding formula and the 2015 comprehensive spending review	Chief Finance Officer	A number of financial models were progressed over the summer/early autumn in response to consultation documents on formula funding. Our final option with the most likely funding model was consistent with funding allocation from the final model proposed by the Home Office. Responses have been prepared in respect of the consultation questions and the OPCC/Constabulary continue to advocate for an improved settlement for Cumbria.	Dec-15	
CP1/3	During 2015-16 The Head of Partnerships and Commissioning will be tasked with developing and implementing a Strategy to support collaborative and partnership working.	Head of Partnerships and Commissioning	A Strategy to support collaborative and partnership working has been drafted. Consultation with partners will take place in January 2016.	Mar-16	
CP1/4	Arrangements for scrutiny of Constabulary performance reports will be reviewed to facilitate OPCC officer input and review prior to presentation at the Executive Board	Head of Partnerships and Commissioning	The Accountability Board is the formal vehicle through which arrangements have been put in place to scrutinise and review Constabulary performance reports prior to presentation at Executive Board.	Mar-16	
CP2	Leaders, officers and partners working together to achieve a common purpose with a clearly defined functions and roles.				
CP2/1	Work with partners to deliver a sexual assault referral centre and joined-up system of follow-up health and emotional support services.	Head of Partnerships and Commissioning	The Bridgeway Sexual Assault Support Service is due to formerly launch on 15 December 2015. The service provides a joined –up system for victims and includes: o The Sexual Assault referral centre o Counselling and ISVA support	Mar-16	

Office of the Police and Crime Commissioner Action Plan 2015/16

Ref	Action	Responsibility	Update December 2015	Deadline	Status
CP2/2	Building on the work of the OPCC and partners, develop Victim led Restorative Services	Head of Partnerships and Commissioning	RJ services have been developed and are delivered through Cumbria's RJ Hub. Managed by the Cumbria and Lancashire Community Rehabilitation Company (CRC) this is made up of partners from the Youth Offending Service, police, Your Housing and HMP Haverigg, NPS and the CRC.	Mar-16	
CP2/3	Work with partners to develop and deliver a Victim and Witness Strategy to deliver improvements in services to victims and develop compliance with the Victims' Code of Practice.	Head of Partnerships and Commissioning	A victims needs assessment has been drafted in partnership with the Victims Consultation group and Victims and Witnesses group. This will inform the Victims and Witness Strategy that will deliver improvements in services to victims and develop compliance with the recently updated Victims' Code of Practice.	Mar-16	
CP3	Promoting values for the PCC and demonstrating the values of good governance through upholding high standards of conduct and behaviour.				
CP3/1	Update and develop policy and guidance arrangements for complaints to ensure arrangements are accessible and to encourage a positive culture for receiving and addressing issues that have given rise to a complaint.	Head of Communications and Business services	The OPCC complaints policy is due for review. It will be presented to JASC on 8 December 2015 and has been updated to include members of the Ethics and Integrity Panel.	Mar-16	
CP3/2	Develop arrangements for complaints in respect of national proposals regarding changes to the police complaints system	Head of Communications and Business services	The Policing and Criminal Justice Bill is still to be passed through parliament. Upon being granted Royal Ascent any changes in relation to the complaints process involving the PCC and how complaints will be handled in Cumbria will be amended.	Mar-16	
CP4	Taking informed and transparent decisions which are subject to effective scrutiny and managing risks.				
CP4/1	Establish a training and development programme for Joint Audit and Standards Committee Members within the Committee's annual work programme.	Chief Finance Officer	Members of JASC were presented with a training programme at the start of the financial year as part of the annual work programme. This will continue as part of the annual arrangements for the committee.	Jun-15	
CP4/2	Further develop arrangements for risk management including review of risk registers, scoring methodology, risk appetite and the risk management strategy	Chief Executive	The OPCC has reviewed its arrangements for risk management, facilitated by a CIPFA trainer. As part of this exercise both the risk appetite and the scoring matrix were reviewed. The decision was taken to move from a 5x5 matrix to a 4x4 matrix, removing the ability to potentially score risks on an average. A fundamental review of both the strategic and operational risk registers was undertaken, resulting in a reduction in the number of strategic risks which more accurately reflects the strategic risks faced by the OPCC	Sep-16	

Office of the Police and Crime Commissioner Action Plan 2015/16

Ref	Action	Responsibility	Update December 2015	Deadline	Status
CP4/3	Arrangements will be made to formally codify all elements of the Commissioners business continuity arrangements and initiate a programme for updating and testing the business continuity plan.	Head of Communications and Business services	The BCP has been approved by the PCC and implemented within the OPCC. Testing of the plan has taken place, with the plan being updated following any lessons learnt being identified. The Plan will be reviewed on an annual basis and an unannounced test.	Sep-16	
CP5	Developing the capacity and capability of the PCC, officers of the PCC and the Force to be effective.				
CP5/1	Complete work supported by North West employers to implement a bespoke suite of Human Resource Policies appropriate to the management of the Commissioner's office	Head of Communications and Business services	There is just one outstanding policy awaiting consultation before all the relevant HR policies will be in place. This is one track to be completed by March 2016.	Mar-16	
CP6	Engaging with local people and other stakeholders to ensure robust public accountability.				
CP6/1	During 2015-16 work will be undertaken to improve the quality of engagement with and reporting to the Police and Crime Panel, with a focus on member's contribution to the development of priorities for the new Police and Crime Plan.	Head of Partnerships and Commissioning/ Head of Communications and Business services	Detailed consideration has been given and an outlined draft strategy has been formulated, and shared with the Police and Crime Panel, which are ready to be implemented. This has not been progressed further to date as there are a number of strategic decisions that may take place before Christmas that could affect the timescales.	May-16	
CP6/2	During 2015-16 wider engagement activity will take place with a range of partners/stakeholders as part of the process to develop the new Police and Crime Plan.	Head of Partnerships and Commissioning/ Head of Communications and Business services	Wider engagement activity has taken place with The Constabulary and Victims and Witnesses group as part of the process for developing the new Police and Crime Plan. However committee members should note the comment in CP6/1 relating to strategic decisions affecting timescales.	May-16	

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Cumbria Office of the Police and Crime Commissioner

Agenda Item 11

Report of the Chief Finance Officer

Review of Value for Money

1 Introduction

1.1 The terms of reference of the committee include the consideration of arrangements to secure value for money and reviewing assurances and assessments on the effectiveness of those arrangements. The external auditors provide an annual value for money conclusion that provides an opinion on value for money as part of their annual audit opinion. This was received by members at their September 2015 meeting, where the overall conclusion was positive in respect of the Commissioner's arrangements for value for money. This report provides further detail in respect of value money regarding the Commissioner's directly managed budgets, as benchmarked by HMIC. It also provides members with an update on the position in respect of reserves.

2 Report

2.1 Appendix one sets out a review of value for money within the Police and Crime Commissioner's directly managed budgets, as benchmarked by HMIC. The review compares the costs of the political arrangements (PCC/Deputy PCC/special advisors), costs of the office and costs of commissioned services. The statistical neighbours for Cumbria are Norfolk, North Wales and Lincolnshire. In addition to review of the HMIC profiles further analysis has been undertaken on staffing structures using statistical neighbour websites.

2.2 Appendix two sets out the current position regarding reserves. This is provided at a high level as a result of the number of decisions that are in the process of being made that will impact on the overall use of reserves and which result from the expected impact of the CSR/formula funding changes. An update will be provided to members in the New Year as part of the briefing session on the medium term financial forecast.

3 Recommendations

- a) Members are asked to consider the value for money benchmark information and the conclusions from that review.
- b) Members are asked to note the current plans for the use of reserves

Ruth Hunter

23rd November 2015.

Appendix One

Value for Money: Police and Crime Commissioner

1 Introduction and Background

1.1 This report sets out an analysis of the expenditure incurred by the Police and Crime Commissioner for Cumbria, as evaluated annually within the HMIC value for money (VFM) profiles. The profiles compare expenditure in Cumbria with that of North Wales, Norfolk and Lincolnshire, our statistical neighbours or most similar group (msg). They compare the cost of the Commissioner, the costs of the office and the amount spent on commissioning. Information within the Cumbria profile sets out expenditure (£m) and a comparator based on £/head of population for the msg average. Use has been made of the profile for North Wales, Norfolk and Lincolnshire to facilitate comparison of budgeted expenditure (£m) and £/head for each individual statistical neighbour to better understand where expenditure is different. Use has also been made of OPCC websites to understand differences in staffing structures that may drive cost variations.

2 HMIC Profiles

2.2 Table one below sets out the comparison of expenditure by police area to Cumbria on a per head of population basis. The first line shows the population, in thousands, for each police area and the average for the msg. Cumbria has a population of 498k, which is 202k less than the group average of 700k. This will make any fixed costs comparatively more expensive on a per head of population basis. Costs that are primarily driven by population or geography should be proportionate. Costs within the profiles are allocated across three areas:

- Costs of the PCC/Deputy include the salary and associated expenses of the PCC, deputy and any special advisors. The salary costs of the PCC are set nationally.
- Costs of the office include the salary and associated costs of statutory (required) officers (the Chief Executive and Chief Finance Officer) and any other staff employed to support the PCC. It also includes office running costs, external audit and the costs of council tax leaflets. External audit fees are set nationally.
- Commissioned services includes community safety services, victims and witness services including restorative justice (RJ), and other services directly commissioned by the PCC.

Table one: Comparator Expenditure £/head	Cumbria	Lincs	Norfolk	NWales	msg average	Var to msg
	000	000	000	000	000	000
Population (000)	498	732	878	694	700	-202
	£/head	£/head	£/head	£/head	£/head	£/head
Cost of PCC/Deputy	0.23	0.16	0.19	0.21	0.20	0.03
Office of PCC/local policing body/other costs	1.39	0.98	0.91	0.98	1.07	0.32
Total	1.62	1.14	1.10	1.19	1.27	0.35
Commissioned Services						
Community Safety	0.20	1.11	1.16	1.68	1.04	-0.84
Victims/Witnesses/Restorative Justice/Other	5.22	1.10	1.10	1.11	2.13	3.09
Total	5.42	2.21	2.26	2.79	3.17	2.25

- The table shows that the costs of the PCC/deputy are £0.03 higher than the msg on a per head basis.
- Combining the costs of the PCC and the cost of the office, expenditure for Cumbria is £0.35 (28%) per head higher than the group average. Population is 29% lower than the group average suggesting that the variation is primarily about the differences in population than actual costs. To achieve group average costs on a per head of population basis, the Commissioner would need to reduce expenditure by £170k.
- The Commissioner does not have a deputy so there is no scope to reduce the costs of the PCC. To achieve the average msg cost all reductions would therefore need to come from the office.
- Commissioning expenditure is also much higher per head of population. The HMIC profile identifies that Cumbria's commissioning expenditure is £2.25 per head higher than the equivalent per head figure for the msg average.

2.3 Table two below analyses the budgets (£m) for each police area to provide further information on where actual costs vary independently of the population figures.

Table Two: Comparator Expenditure £m	Cumbria £m	Lincs £m	Norfolk £m	NWales £m	msg average £m	Var £m to msg
Cost of PCC/Deputy	0.11	0.12	0.17	0.15	0.14	-0.03
Office of PCC/local policing body/other costs	0.69	0.72	0.80	0.68	0.72	-0.03
Total	0.80	0.84	0.97	0.83	0.86	-0.06
Commissioned Services						
Community Safety	0.10	0.81	1.02	1.17	0.78	-0.68
Victims/Witnesses/Restorative Justice/Other	2.60	0.80	0.97	0.77	1.3	-1.3
Total	2.70	1.62	1.98	1.94	2.06	-0.64

- Table two identifies that the costs of the PCC and Office are lower than the msg average when comparing actual expenditure.
- Costs for the PCC are £0.11m and the lowest for the group.
- Costs for the core office are £0.69m. This is higher than costs for North Wales by £0.01m. North Wales spends less on the core office but has a deputy PCC resulting in higher costs in the PCC/Deputy category. Core office costs are lower than the costs for Lincolnshire and Norfolk and lower than the average for the group.
- When comparing total costs of the office and PCC, Cumbria's costs are lower than the average and the lowest of the group at £0.8m. This results from an exercise conducted in 2014-15 to review expenditure and reduce costs with the aim of achieving the lowest actual cost within msg given the low population numbers.
- Further work is being undertaken during 2015-16 to reduce costs further as a result of the wider funding pressures within Cumbria. An existing staff vacancy will not be filled and further consideration is being given to how expenditure can be reduced. The office is however a small team and irrespective of population size has the same statutory responsibilities and requirements as the other OPCC offices. This will make further substantial reductions challenging.
- Commissioned services expenditure remains the highest of the group at £2.7m compared to an average of £2.06m and continues to reflect the high level of expenditure on victim's services and the establishment of the Bridgeway. Comparison on community safety expenditure appears low however a number of perpetrator programmes and wider community safety initiatives have now been commissioned and this will result in a more balanced level of expenditure between the two commissioning categories in future years.

2.4 To better understand the difference in the costs of the Commissioner and the Office, a comparison has also been undertaken of structures, to understand where staffing costs may vary. The table below sets out the establishment grouped by area followed by a summary of the key differences.

Table Three: Comparison of Statistical Neighbour Staffing Structures and Funding

Cumbria £799k 15-16 £850 14-15	Lincolnshire £864k 15-16 £887k 14-15	Norfolk £975k 15-16 £964k 14-15	North Wales £830k/£731k # 15-16 £800k 14-15
Posts Funded from PCC/Office Budget			
Police & Crime Commissioner	Police & Crime Commissioner	Police & Crime Commissioner	Police & Crime Commissioner
		Deputy Police and Crime Commissioner	Deputy Police and Crime Commissioner
Chief Executive/ Monitoring officer	Chief Executive/ Monitoring officer	Chief Executive/ Monitoring officer	Chief Executive/ Monitoring officer
Chief Finance Officer/ Deputy Chief Executive	Chief Finance Officer	Chief Finance Officer (0.6 fte)	Chief Finance Officer (0.6fte)
	Deputy Chief Executive & Head of Communications		Deputy Chief Executive
	Deputy Chief Finance Officer		
Executive Support Officer (PCC)	Personal Assistant (PCC)	Personal Assistant (PCC/Deputy/CEO)	Personal Assistant (PCC)
			Personal Assistant (CE)
Head of Communications and Business services		Business/Media Manager	Executive Officer
Communication and Engagement Officer		Media and Communications Officer	
Governance and business services manager	Corporate Administration Officer	Senior Business Support Officer	Research and Information Officer
Administrative Assistant	Support Services Officer	Business Support Officer	Information Assistant
Head of Partnerships and Commissioning		Senior Policy and Commissioning Officer	Policy Officer Performance
Partnership and Strategy Manager	Research and Performance Officer	Performance and Compliance Office	Policy Officer Diversity
Assistant Policy Officer			
Posts Funded from Commissioning Budgets			
Victims Advocate		Commissioning Coordinator DV/SV	Commissioning Officer
		Commissioning Coordinator mental health/drugs/alcohol	
		Commissioning Coordinator veterans *	
		Commissioning Coordinator community relations/equality*	
		Rehabilitation co- ordinator secondees *	

North Wales reported costs in the vfm profiles for 2015-16 are £0.83m. The budget on the website is £0.73m. All other offices show a budget on the website that is consistent with the budget for the vfm profiles.

*posts funded from county council/other sources

- Commissioners: Norfolk and North Wales have a police and crime commissioner and a deputy police and crime commissioner. Cumbria and Lincolnshire do not have deputy commissioners.
- Statutory Posts: All have a post of chief executive (CE)/monitoring officer and chief finance officer (CFO). In Cumbria the CFO role is combined with a deputy CE role. In Norfolk and North Wales the CFO posts are part time (3 days). North Wales also has a deputy Chief Executive Post. Lincolnshire has a full time CFO and a non-statutory post of deputy Chief Executive/Head of Communications. Lincolnshire also has a deputy CFO post. The difference in senior officer structure in Lincolnshire may reflect the requirements around the strategic partnership which has a value of over £22m in 2015-16.
- PA: All have a PA post supporting the PCC/Deputy. North Wales is unique with two PA posts, one supporting the PCC and one supporting the CE.
- Media/Communications & Business: Cumbria, Norfolk and Lincolnshire all have a senior post overseeing media/business and communications. In Lincolnshire this post also serves as deputy CFO. Norfolk and Cumbria also employ a supporting communications/media post. North Wales had a communications officer in 2014 but this has been deleted from the structure in 2015-16. North Wales has an executive officer to oversee the business functions.
- Support and Administration: Lincolnshire, Norfolk and Cumbria each have two posts to provide business support and administration. North Wales has three posts if the additional PA post is included but two of these posts are classed as research and information posts so the function may be slightly different. Cumbria has reduced its costs in this area over the last year with the deletion of 2 part time posts.
- Commissioning/Partnerships/Policy/Performance: Cumbria has 3 posts covering this area. Norfolk and North Wales have 2 posts in this area and Lincolnshire have one following the deletion of a seconded post of strategic lead for victims. There are inter-relationships between this section of the office budget and the commissioning budgets. Norfolk has 4 commissioning posts, North Wales has one. Cumbria has one post and charges a proportion of the Head of Partnership and Commissioning post (25%) to the commissioning budget. Cumbria has a significantly higher commissioning budget than our msg neighbours. This will also influence the staffing resources needed to deliver commissioned services.

2.6 Lincolnshire has the leanest structure with an establishment of 9 (1 PCC & 8 posts within the core office. Despite the lower establishment figure, Lincolnshire's total budget for the Commissioner

and Office at £864k is the second highest in the group. This suggests a stronger orientation towards procuring services rather than direct delivery.

2.7 Norfolk has the largest establishment in terms of both posts and costs, with a budget of £975k and 16 posts (2 PCC/Deputy PCC and 9 core office staff & 5 commissioning posts).

2.8 North Wales has a budget of £830k within the VFM profiles but reports a budget of £731k on its website. The website budget is insufficiently detailed to understand the difference between the two. All other offices have consistent budgets on the website and within the VFM profile. Total costs for North Wales are therefore unclear but a comparison of salary costs suggests that the budget of £731k may not fully incorporate all costs being compared in the VFM analysis. North Wales has the 2nd highest number of posts with 13 in total (2 PCC/Deputy PCC, 10 core office and 1 member of staff grant funded).

2.9 Cumbria has the lowest budget at £799k, and the second lowest number of posts: 12 posts, (1 PCC/10 core office and 1 commissioning/grant funded). The budget of £799k includes the costs of one vacant post that will be deleted as part of the 2016-17 budget process.

Overall Conclusions

- On a per head basis Cumbria's costs are the highest of the statistical neighbour group at £0.35 per head or 28% higher than the group average. Cumbria's population is the lowest within the group and 29% below the group average meaning that population differences are the main reason for the variances on a per head of population basis. To achieve group average costs on a per head basis the office would need to reduce expenditure by £170k against a budget of £690k.
- Analysis of structures and budgets identifies that Cumbria's actual costs are the lowest within the group for the PCC and office costs. Staff numbers and structures are broadly consistent across the group and 2nd lowest. Comparison of budgets against staff numbers suggests that the msg partners have differences in the services directly delivered and those that are either commissioned or shared with the constabulary. The office with the 2nd highest costs has the lowest number of staff.

Ruth Hunter

23rd November 2015

Appendix Two

Reserves 2015-16

1. Introduction

1.1 It is a statutory requirement for Chief Finance Officers to have regard to the level of reserves estimated to be needed to meet future expenditure requirements when setting the budget. This paper sets out the approach to reserves including the purpose for which reserves are held and the current position on reserves to 2015-16.

2. The Purpose of Reserves

2.1 Reserves can be held for three main purposes. These are:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves
- a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves
- means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities

2.2 The level of reserves should take into account the medium term financial plan and not be based solely on short term considerations. Set out below is a description of the reserves held by the Commissioner and the purpose for which they are held.

3. General Reserves

3.1 The level of balances or general reserve held by the Commissioner is £5.149m. The amount represents approximately 5% of the net recurrent budget (after specific grants & fees and charges) and is the main contingency for unexpected events, emergencies and the management of cash flow. The general reserve was historically increased from 3% to 5% in the context of the risk of damping. The biggest risk the general reserve provides for is in respect of the funding settlements. There are no proposals to either increase or decrease the general reserve for the next financial year. Further consideration will be given to the level of the general reserve from 2016/17 and the amount of any

specific reserves needed to manage the potential impact of the likely police funding formula settlement from 2017-18.

4. Earmarked Reserves

- 4.1 Earmarked reserves comprise the most substantial area of reserves. The Commissioners' earmarked reserves (revenue and capital) were £22.39m at the 31st March 2015. This was £5.6m higher than planned at the time of setting the budget. The reason for the higher level of reserve at year end was primarily due to a change in the payment profile on the Barrow capital scheme and timing of some specific revenue projects into 2015-16 that meant planned draw down on the reserves did not need to take place until the following financial year. The significant proportion of the additional reserve balance has now been fully utilised as the Barrow new build has completed
- 4.2 Even with the delay in reserve draw down past the year end, the reduction in earmarked reserves was £5.3m during 2014-15. This as a proportion of total reserves was over 19%, the third highest percentage decrease across Police and Crime Commissioners. The table at the end of this paper sets out a comparison on levels of reserves and changes in reserves during the last financial year. The majority of Police and Crime Commissioners are still in a position to increase their level of reserves. During the 2015-16 financial year we currently expect to draw down around £6.2m of capital and revenue reserves to support expenditure. The text below sets out the main reserves and their balance at year-end 2015.
- **Insurance Reserve £522k:** This reserve is earmarked to offset insurance losses not covered by insurance policies. The amount of the reserve is set based on actuarially assessed known uninsured liabilities and the level of the insurance provision provided for within the budget.
 - **Management of Change £1,683k:** This reserve has been established to meet the one off costs arising from reductions in staffing estimated over the medium term budget. It is based on the savings programme and experience to date of costs of redundancy and early retirement. It is likely that this reserve will require an increase as part of the budgeting setting process as a result of the anticipated scale of reduction in Cumbria's formula funding share and the CSR.
 - **Operational Reserves £1,000k:** The Home Office Financial Management Code recommends that a level of operational reserve needs to be set to meet unplanned in year costs. The

budget includes an operational reserve for the Chief Constable (£750k) and for the Commissioner (£300k). The reserve for the Chief Constable was increased during 2014-15 by £500k in response to the approach taken to zero basing revenue budgets. This approach has removed recurrent funding from budgets where the amount of that budget has historically been set to provide some level of capacity to manage a higher level of demand in areas where resource requirements are volatile. The funding capacity to meet volatility above an average baseline has been removed. The potential funding requirements have been assessed and allocated as a one off resource within the Chief Constable's reserves. The level of required reserve will be assessed annually and replenished where needed. This approach aims to create some recurrent level of savings whilst providing the ability to supplement revenue funds to meet those areas where volatility creates a financial strain. It will however result in a higher level of operational reserve being retained.

- **PFI Reserves £1,863k:** Reserves were budgeted to meet future funding requirements in respect of the costs of the PFI building at Workington. A transfer between the reserve and the capital budget is planned during the current year for £500k to provide resources for funding the capital programme. By 2016-17 it is anticipated that the balance of the reserve is planned to be released to support management of change costs, based on the risk in respect of contract payment variations having been reduced.
- **Investment Fund £5,707k:** The investment fund reserve will meet the cost of commissioned services and investment projects over the medium term financial plan and is planned to be fully utilised over the medium term forecast. Whilst there are plans to invest this reserve, these will have to be reassessed during the 2016-17 budget process in view of the potential impact of the CSR and formula funding settlements.
- **Public Holidays and Body Armour £0k:** These are areas of cyclical revenue expenditure funded by making an annual contribution to reserves that are then drawn down as the costs fall due within the budget. The reserve serves to even the amount of budget contribution annually.
- **Short Term Projects £2.819k:** Reserves have been set aside to meet the revenue costs of approved projects. These are typically capital schemes where the full cost of the project is unable to be capitalised and a specific revenue provision is created to meet the one off revenue costs at the time the scheme is approved.

- **Formula Funding/Autumn Statement Risk: £200k:** This reserve was established during 2014-15 at a balance of £200k and increased to £2,691k as part of the 2015-16 budget process in readiness for the increasing likelihood of an adverse formula funding settlement. Actual loss of formula is currently estimated to be £9.5m from formula changes, now expected to be implemented in 2017-18 but with total funding losses expected of around £20m when also taking into account the CSR. The reserve aims to support the budget by either meeting higher levels of management of change costs arising from redundancy and other exit/change costs and may also provide a short term resource to balance the budget where funding reductions are higher than the savings that can be delivered in any one financial year. As a result of the extent of the financial impacts, work on the 2016-17 budget will aim to increase this reserve if it is possible to do so.
- **Capital Reserve: £8,543k:** The capital reserve is set at a level to ensure a balanced medium term financial plan. This means all expenditure in the capital programme must be fully funded for a period of 4 years. The Home Office general capital grant is annually around £700k and capital programme currently has an average annual cost over the 10 years from 2015-16 of £4.5m. Whilst work is on-going to reduce that cost, there is always likely to need to be a substantial revenue contribution to capital. The profile of expenditure within the capital programme over the immediate 4 years of the medium term forecast influences the overall balance on capital reserves. This balance is high at March 2015 as a result of the Barrow capital scheme. It is expected that around £4.7m of capital reserves will be drawn down during 2015-16. Work on the capital programme from 2016-17 has identified that capital reserves are currently insufficient to balance the programme in full over four years. Targets have therefore been set to reduce capital expenditure and generate capital receipts in order to secure a fully funded capital programme.

4.2 Earmarked reserves are subject to scrutiny on an annual basis to ensure that the purpose for which the reserves are held and the anticipated timing of the draw down from reserves continues to be in line with original estimates. Where any earmarked reserve is no longer required or the amount of the requirement is estimated to have reduced, the balance of funding will be transferred to Formula Funding/Autumn Statement Risk reserve and planned for use to support future year budgets.

Annex A

Other Earmarked Reserves				Unallocated Reserves				Total Reserves			
	01-Apr-14	31-Mar-15	% Change		01-Apr-14	31-Mar-15	Change		01-Apr-14	31-Mar-15	Change
Northumbria Police	10,953	5,611	-48.80%	Cambridgeshire Police	9,205	7,196	-21.80%	North Yorkshire Police	-	1,275	n/a
Merseyside Police	38,629	31,163	-19.30%	Dorset Police	4,507	3,844	-14.70%	Avon & Somerset Police	-	5,308	n/a
Cumbria Police	27,664	22,388	-19.10%	Essex Police	18,046	15,943	-11.70%	Suffolk Police	12,500	11,155	-10.80%
South Yorkshire Police	33,821	28,379	-16.10%	South Yorkshire Police	13,808	12,456	-9.80%	Dorset Police	12,485	12,478	-0.10%
Derbyshire Police	18,584	15,652	-15.80%	Humberside Police	5,404	5,189	-4.00%	Cleveland Police	13,828	15,190	9.80%
Essex Police	7,417	6,396	-13.80%	Lancashire Police	12,538	12,416	-1.00%	Staffordshire Police	13,886	16,438	18.40%
Gloucestershire Police	25,884	22,608	-12.70%	Wiltshire Police	3,153	3,149	-0.10%	Durham Police	18,109	16,830	-7.10%
Humberside Police	31,564	28,156	-10.80%	Northumbria Police	21,786	21,786	0.00%	Lincolnshire Police	14,779	16,963	14.80%
Suffolk Police	12,500	11,155	-10.80%	Bedfordshire Police	3,000	3,000	0.00%	Bedfordshire Police	16,026	17,809	11.10%
Durham Police	12,183	10,904	-10.50%	Cumbria Police	5,149	5,149	0.00%	Northamptonshire Police	17,624	18,355	4.10%
Cleveland Police	6,797	6,346	-6.60%	Devon & Cornwall Police	6,198	6,198	0.00%	Essex Police	25,463	22,339	-12.30%
Sussex Police	63,548	59,875	-5.80%	Durham Police	5,926	5,926	0.00%	Surrey Police	19,489	22,708	16.50%
West Midlands Police	144,676	141,271	-2.40%	Hertfordshire Police	4,915	4,915	0.00%	Wiltshire Police	24,689	25,544	3.50%
Norfolk Police	32,364	32,721	1.10%	Leicestershire Police	6,000	6,000	0.00%	Cambridgeshire Police	25,708	26,992	5.00%
Northamptonshire Police	13,565	13,775	1.50%	Norfolk Police	4,475	4,475	0.00%	Northumbria Police	32,739	27,397	-16.30%
Thames Valley Police	32,657	33,808	3.50%	Warwickshire Police	6,000	6,000	0.00%	Cumbria Police	32,813	27,537	-16.10%
Wiltshire Police	21,536	22,395	4.00%	Greater Manchester Police	12,475	12,497	0.20%	Gloucestershire Police	30,952	28,708	-7.20%
Leicestershire Police	21,597	22,729	5.20%	Cheshire Police	5,875	5,964	1.50%	Leicestershire Police	27,597	28,729	4.10%
Dorset Police	7,978	8,634	8.20%	Lincolnshire Police	5,699	5,873	3.10%	Humberside Police	36,968	33,345	-9.80%
Greater Manchester Police	54,580	59,274	8.60%	Thames Valley Police	16,483	17,616	6.90%	Cheshire Police	31,143	34,114	9.50%
Warwickshire Police	27,164	29,511	8.60%	Derbyshire Police	24,643	26,969	9.40%	Warwickshire Police	33,164	35,511	7.10%
Kent Police	61,502	67,303	9.40%	Merseyside Police	9,574	10,486	9.50%	Norfolk Police	36,839	37,196	1.00%
Cheshire Police	25,268	28,150	11.40%	Sussex Police	9,807	10,807	10.20%	South Yorkshire Police	47,629	40,835	-14.30%
West Yorkshire Police	61,287	68,550	11.90%	Surrey Police	11,142	12,422	11.50%	Merseyside Police	48,203	41,649	-13.60%
Devon & Cornwall Police	55,176	62,410	13.10%	Northamptonshire Police	4,059	4,580	12.80%	Derbyshire Police	43,227	42,621	-1.40%
Bedfordshire Police	13,026	14,809	13.70%	Gloucestershire Police	5,068	6,100	20.40%	Hertfordshire Police	36,657	47,406	29.30%
Staffordshire Police	13,886	16,438	18.40%	Cleveland Police	7,031	8,844	25.80%	Lancashire Police	35,763	49,314	37.90%
Cambridgeshire Police	16,503	19,796	20.00%	West Yorkshire Police	25,921	33,561	29.50%	Thames Valley Police	49,140	51,424	4.60%
West Mercia Police	53,141	63,898	20.20%	West Midlands Police	-	-	n/a	West Mercia Police	53,141	63,898	20.20%
Lincolnshire Police	9,080	11,090	22.10%	Avon & Somerset Police	-	5,308	n/a	Kent Police	61,502	67,303	9.40%
Surrey Police	8,347	10,286	23.20%	Hampshire Police	n/a	n/a	n/a	Devon & Cornwall Police	61,374	68,608	11.80%
Hertfordshire Police	31,742	42,491	33.90%	Kent Police	-	-	n/a	Sussex Police	73,355	70,682	-3.60%
Lancashire Police	23,225	36,898	58.90%	North Yorkshire Police	-	-	n/a	Greater Manchester Police	67,055	71,771	7.00%
Avon & Somerset Police	-	-	n/a	Nottinghamshire Police	n/a	n/a	n/a	West Yorkshire Police	87,208	102,111	17.10%
Hampshire Police	n/a	n/a	n/a	Staffordshire Police	-	-	n/a	West Midlands Police	144,676	141,271	-2.40%
North Yorkshire Police	-	1,275	n/a	Suffolk Police	-	-	n/a	Hampshire Police	n/a	n/a	n/a
Nottinghamshire Police	n/a	n/a	n/a	West Mercia Police	-	-	n/a	Nottinghamshire Police	n/a	n/a	n/a
Total	1,017,844	1,056,145	3.80%	Total	267,887	284,669	6.30%	Total	1,285,731	1,340,814	4.30%

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JOINT POLICE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY AUDIT AND STANDARDS COMMITTEE	Paper No.
Meeting date: 8 December 2015	
From: Audit Manager (Cumbria Shared Internal Audit Service)	

INTERNAL AUDIT: PROGRESS REPORT TO 20 NOVEMBER 2015

1.0 EXECUTIVE SUMMARY

1.1 *This report provides a review of the work of Internal Audit for the period to 20 November 2015.*

1.2 *Key points are:*

- *Progress with the audit plan is on schedule. The percentage of planned days delivered compares favourably to the same period last year (48% compared to 34% in 2014/15), and 30% of audits have been delivered (compared with 23% at the same point in 2014/15).*
- *All internal audit reports completed have been well received by management with completed action plans in place.*
- *Planning meetings for the 2016/17 Internal Audit plan are underway and we will consult on draft plans early in 2016.*

2.0 POLICY POSITION AND BUDGETARY AND EQUALITY IMPLICATIONS

2.1 *Internal Audit's work is designed to provide assurance to management and members that effective systems of governance, risk management and internal control are in place in support of the delivery of the PCC and Constabulary's priorities.*

- 2.2 ***The Audit Plan aims to deliver a programme of internal audit reviews designed to target the areas of highest risk as identified through the corporate risk registers together with management and internal audit view of key risk areas.***
- 2.3 ***The Accounts and Audit Regulations March 2015 impose certain obligations on the PCC and Chief Constable, including a requirement for a review at least once in a year of the effectiveness of their systems of internal control.***
- 2.4 ***Internal Audit must conform to the Public Sector Internal Audit Standards which require the preparation by the Head of Internal Audit of an annual opinion on the overall systems of governance, risk management and control. Regular reporting to Audit and Standards Committee enables emerging issues to be identified during the year.***

3.0 *RECOMMENDATION*

- 3.1 ***Members are asked to note the report.***

3.2 BACKGROUND

- 3.3 The PCC and Chief Constable must make proper provision for internal audit in line with the 1972 Local Government Act. The Accounts and Audit Regulations 2015 require that the PCC and Chief Constable must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.
- 3.4 Internal audit is responsible for providing independent assurance to the PCC and Chief Constable's senior management and to the Joint Audit and Standards Committee on the systems of governance, risk management and internal control.
- 3.5 It is management's responsibility to establish and maintain internal control systems and to ensure that resources are properly applied, risks appropriately managed and that outcomes are achieved. Management is responsible for the system of internal control and should set in place policies and procedures to ensure that controls are operating effectively.
- 3.6 The internal audit plan for 2015/16 was prepared using a risk-based approach and following consultation with senior management to ensure that internal audit coverage is focused on the areas of highest risk to both organisations. The plan has been prepared to allow the production of the annual internal audit opinion as required by the PSIAS.
- 3.7 This report provides an update on the work of internal audit for the period to 20 November 2015. It reports progress on the delivery of the 2015/16 audit plan and includes a summary of the outcomes of audit reviews completed in the period.

Status of internal audit work as at 20 November 2015

The table below shows the number of internal audit reviews completed, in progress and still to be started for the 2015/16 audit plan. Further detail on this is included at Appendix 2.

Audit plan year	Audit Status	Number of reviews
2015/16	<u>Audits completed:</u>	<u>6</u>
	Risk based audits	4
	Governance work	2
	<u>Audits in progress:</u>	<u>7</u>
	Risk based audits	6
	Follow up	1

	<u>Audits to be started</u>	<u>7</u>
	Risk based audits	5
	Financial systems	2
	<u>Audits in plan</u>	<u>20</u>

Outcomes from Final Audit Reports to 20 November

- 3.8 Three finalised risk based audits have received substantial assurance with one having partial assurance. The partial assessment was in an area where management requested an audit as there were known issues.
- 3.9 We consider that the management response to internal audit reports during the year to date has been positive with agreed action plans in place for all audit recommendations.
- 3.10 The detailed outcomes from each finalised audit are shown in Appendix A.

Draft Reports Issued to 20 November

- 3.11 This section provides an early indication of the outcomes of internal audit reviews. Should additional information or evidence be received through the close out process, the initial assessment may be revised prior to finalisation of the report.

Audit	Date of issue of draft report	Initial audit assessment
ICT strategy	02/11/15	Substantial
Safeguarding assets	29/10/15	Reasonable

Emma Toyne
Audit Manager
20 November 2015

APPENDICES

Appendix 1: Final reports issued to 20 November 2015

Appendix 2: Progress on all risk based audits from the 2015/16 plan

Appendix 3: Internal audit performance measures to 30 September 2015

Contact: Emma Toyne, 01228 226261, emma.toyne@cumbria.gov.uk

Appendix 1 – Final reports issued to 20 November 2015

Assignments	Main Points	Assessment	Current Status
Annual report 14/15	Presented to Audit and Standards Committee 6 May 2015.	N/A	Complete
Annual Governance Statement 14/15 – PCC	Presented to Audit and Standards Committee 6 May 2015.	N/A	Complete
Annual Governance Statement 14/15 - Constabulary	Presented to Audit and Standards Committee 6 May 2015.	N/A	Complete
Duty Management System	<p>The purpose of the audit was to provide assurance over the use of the Duty Management System in relation to recording overtime and TOIL.</p> <p>Areas of good practice identified were:</p> <ul style="list-style-type: none"> • involvement in the Origin user group at a national level; • high standards of integrity, conduct and ethical behaviour promoted within the organisation; • commitment to developing and improving the Strategic Resourcing Unit and addressing issues within the Duty Management System; • requirement for officers to confirm the accuracy and validity of data contained in iTrent overtime claim forms. <p>Two high priority issues were identified relating to a need to define:</p> <ul style="list-style-type: none"> • the objectives of the Duty Management System and links to relevant service plans or policing priorities; 	Partial assurance	Report presented to Joint Audit & Standards Committee 03/09/15

Appendix 1 – Final reports issued to 20 November 2015

Assignments	Main Points	Assessment	Current Status
	<ul style="list-style-type: none"> governance arrangements for the Duty Management System with appropriate lines of communication. <p>Nine medium priority issues were identified:</p> <ul style="list-style-type: none"> officers are not required to declare the validity and accuracy of overtime data uploaded to the Duty Management System; there are no formal procedures in place within the Strategic Resourcing Unit to guide staff involved in updating and maintaining data within the Duty Management System; There has been no formal identification of the skill set requirement or preparation of a formal training plan to effectively deliver training to Resourcing Co-ordinators across the force. Resourcing Co-ordinators are not subject to regular, structured supervision and feedback regarding their performance. The Duty Management System does not make the selection of pay or time for each entry of overtime mandatory during the input stage. The reporting function for DMS is under-utilised for data quality assurance activity. Users with update access permissions can input overtime against their own records. There is currently no mechanism in place to identify all overtime recorded in DMS and give assurance that it is either paid or rolled forward correctly as TOIL. Arrangements to ensure DMS access permissions are adjusted / removed for staff who change jobs within the organisation are not currently in place. 		
Performance monitoring	<p>The purpose of the review was to provide assurance that the arrangements in place to improve data quality are robust.</p> <p>A number of strengths were identified</p>	Substantial assurance	Report circulated to Joint Audit &

Appendix 1 – Final reports issued to 20 November 2015

Assignments	Main Points	Assessment	Current Status
	<ul style="list-style-type: none"> • Policing priorities are cascaded down from the Policing Plan into other plans and strategies. • An approved, up to date Performance Management Framework is in place that clearly supports the delivery of strategic policing objectives, as set out in the Policing Plan. • There is a nominated Director who is accountable for performance management at a strategic level. • Bi-monthly reporting by the Constabulary to the OPCC Executive Board on the performance framework. • Effective challenge of progress in achieving priorities from the Police and Crime Commissioner and internally via Performance Development Conferences. • Actions to address performance issues are documented and tracked with clear ownership. • Clear definitions of performance measurement, performance monitoring and a performance management framework within performance documentation. • Regular opportunities to share good practice and achievements. • Involvement in regional performance groups to scrutinise performance, share best practice and identify opportunities for improvement. • A quality assurance process is in place to ensure the reliability and integrity of performance information provided to senior management and the OPCC. • Benchmarking of Cumbria's performance against most similar forces. <p>There were no recommendations arising from this audit.</p>		Standards Committee

Appendix 1 – Final reports issued to 20 November 2015

Assignments	Main Points	Assessment	Current Status
Budget management – constabulary payroll	<p>The purpose of the audit was to provide assurance over the methodology for preparing the police officer payroll budget and monitoring and reporting on the budget.</p> <p>The following strengths were identified:</p> <ul style="list-style-type: none"> • Responsibility for developing the police officer payroll budget methodology has been clearly defined. • A zero based approach is taken to budget setting, with budgets being built up from the bottom based on existing post and staff data; • There is clarity over finance staff and budget holder responsibilities, which is annually restated through the use of a budget book; • There is ongoing and effective dialogue between the finance team, budget managers, HR and the change team which informs the budget model. • There is a challenge process in place over budget setting at various hierarchical levels. This challenge includes independent recalculation by the Chief Finance Officer with a commitment to further develop this process in the future; • There is a detailed forecast of spend by extrapolating existing staff costs, and incorporating the implications of decisions of the Workforce Development Group. • There are clear explanations for forecasts and variances in narrative reports signed off by the budget holder. • There is a clear reporting framework and consolidation process. • There is an appropriate escalation process to keep senior management fully informed. <p>No recommendations were made.</p>	Substantial	Report circulated to Joint Audit and Standards Committee

Appendix 1 – Final reports issued to 20 November 2015

Assignments	Main Points	Assessment	Current Status
Mobile devices – project management	<p>The purpose of the audit was to provide assurance over the governance arrangements and project management for Tranche 1 of the mobile devices project.</p> <p>The audit identified a number of areas of good practice:</p> <ul style="list-style-type: none"> • There is an approved business case for the Mobile and digital Programme with clear links to service & organisational objectives. • Approval for the project was based on a full understanding of the benefits against cost outlined in the Business Case • There is a project risk register reflecting current risks, with details of mitigating actions. • There is a link between the project risk register and the organisational risk register which enables higher category project risks to be escalated as necessary. • A Project Steering Group has been appointed to oversee the programme. • A sound project governance structure is in place. There is a clearly defined project team including a named Project Manager and roles & responsibilities have been clearly defined and allocated to all members of the team. • Standard project control methodologies have been adopted (PRINCE2 & MSP). • The Project methodologies ensure that there is a timetable with stage deadlines. • Compliance with the project methodology is rigorously enforced by the Project Team. • A budget has been set in accordance with the Business Case. • Actual expenditure is regularly compared to budgeted expenditure and results are reported monthly to the Project Steering Group. • Mechanisms are in place to ensure appropriate action would be 	Substantial	Report circulated to Joint Audit and Standards Committee

Appendix 1 – Final reports issued to 20 November 2015

Assignments	Main Points	Assessment	Current Status
	<p>taken on any overspends at key stages of the project.</p> <ul style="list-style-type: none"> • Comprehensive testing was undertaken to ensure the equipment and applications purchased complied with the requirements set out in the Business case. • The Project Manager holds regular project meetings where progress and delivery at various stages is discussed. • The Project Manager ensures stage deadlines are achieved and takes appropriate action where a stage deadline may not been achieved. • The Project Manager reports monthly to the Project Steering Group and the OPCC on progress made against timetable. • A post implementation review was carried out at the end of Tranche 1 with lessons learnt to be applied to future stages. <p>No recommendations were made.</p>		
<p>In addition to the above, the Audit Manager attended the Police Audit Group Conference in July. The event was a useful networking opportunity and provided an overview on a number of areas including:</p> <ul style="list-style-type: none"> • Current developments and hot topics in risk based internal auditing • The role of the Independent Police Complaints Commission • HMIC Inspection Programme • Cybersecurity and Assurance • Embedding an effective risk management culture • Developing an integrated assurance framework • Governance and Policing – CIPFA update. <p>These areas are being taken into account in the 2016/17 planning process.</p> <p>Planning meetings for the 2016/17 Internal Audit plan are underway. Our meetings with Senior Managers at the PCC and Constabulary will inform the audit universe for both organisations. We will consult with the OPCC and Constabulary in January 2016 to consider the areas to be included in the plan which will be approved by Management. The plan will be presented to Joint Audit</p>			

Appendix 1 – Final reports issued to 20 November 2015

Assignments	Main Points	Assessment	Current Status
and Standards Committee in March 2016.			

Appendix 2 – Progress on 2015/16 Audit Plan

PCC / Constabulary Review	Audit	Stage	Feedback form returned
Constabulary	ICT strategy	Draft report issued for Director comments 19/11/15.	n/a
Constabulary	Complaints handling	Fieldwork underway.	n/a
OPCC	Complaints handling	Fieldwork underway.	n/a
Constabulary	Cumbria Safeguarding Hub	Initial scoping discussions held, scope yet to be finalised.	n/a
Constabulary	Mobile devices (project management)	Complete – Final report issued	No Issued 12/11/15 Reminder 20/11/15
Constabulary	Data protection and Freedom of Information Act	Fieldwork underway.	n/a
OPCC	Data protection and Freedom of Information Act	Fieldwork underway.	n/a
Constabulary	Performance monitoring and reporting, including data quality	Complete – Final report issued	Yes
Constabulary	Safeguarding assets	Draft report issued. Closeout meeting to take place on 25/11/15	n/a
Constabulary	Budget management (payroll)	Complete – Final report issued	Yes
Constabulary	Duty Management System	Complete – Final report issued	Yes
Constabulary	Code of ethics / organisational values	Scoping meeting arranged for 17/11/15	n/a

Appendix 2 – Progress on 2015/16 Audit Plan

PCC / Constabulary Review	Audit	Stage	Feedback form returned
Constabulary	Firearms and tasers	Scoping meeting arranged for 15/12/15	n/a
Constabulary	Governance (procurement & commissioning)	Scoping meeting held with OPCC officers on 12/11/15.	n/a
OPCC	Governance (procurement & commissioning)	The scope of the work will require additional audit days. It was agreed with the Commissioner's CFO that this work would be completed and reported from the 16/17 audit plan with work being delivered in quarter 1. Scoping meeting to be held with Constabulary officers in January 2016.	n/a
OPCC & Constabulary	Financial system review - Pensions	Scoping meeting arranged for 25/11/15	n/a
OPCC & Constabulary	Financial system review - Creditors	Scoping meeting arranged for 25/11/15	n/a
Constabulary	Follow up – property handling	Management update statement completed. Dates of testing on site to be agreed.	n/a
Constabulary	Annual Governance Statement 2014/15	Complete	n/a
OPCC	Annual Governance Statement 2014/15	Complete	n/a

Appendix 3 – Internal audit performance measures

Measure	Description	Target	Actual	Explanations for variances / remedial action required
Completion of audit plan	% of audits completed to final report	95% (annual target)	30%	<p>The plan is progressing as intended. It is not unexpected that few reviews have been finalised in the period due to the lead in time inherent in the risk based approach.</p> <p>We are confident that all audit work will be delivered in the year.</p>
	Number of planned days delivered	232	111	Planned days delivered is on track based on profiling of audit work specified by the OPCC and Constabulary.
Audit scopes agreed	Scoping meeting to be held for every risk based audit and client notification issued prior to commencement of fieldwork.	100%	100%	
Draft reports issued by agreed deadline	Draft reports to be issued in line with agreed deadline or formally approved revised deadline where issues arise during fieldwork.	70%	100%	
Timeliness of final reports	% of final reports issued for corporate director comments within five working days of management response or closeout meeting.	90%	100%	

Appendix 3 – Internal audit performance measures

Measure	Description	Target	Actual	Explanations for variances / remedial action required
Recommendations agreed	% of recommendations accepted by management	95%	100%	
Assignment completion	% of individual reviews completed to required standard within target days or prior approval of extension by audit manager.	75%	100%	
Quality assurance checks completed	% of QA checks completed	100%	100%	
Customer Feedback	% of customer satisfaction survey scoring the service as good.	80%	75%	Figure is based on three returned client satisfaction forms.
Chargeable time	% of available auditor time directly chargeable to audit jobs.	80%	74%	Chargeable time has been impacted on in Q2 by a finance team restructure and training. The figure is being closely monitored by the audit management team.

Monitoring Key Audit Recommendations





Introduction

This report is designed to monitor the implementation of recommendations and actions arising from Audit and Inspection.

If fulfills the assurance responsibilities of the Audit and Standards Committee with regards to the implementation of control recommendations and best practice arising from Audit and Inspection work.

Report Summary

Summary of Actions	PCC	CC	Joint	Total
Open actions b/fwd from last report	0	18	1	19
New actions since last report	0	0	1	1
Total actions this report	0	18	2	20
Actions completed since last report	0	5	1	6
Open actions c/fwd to next report	0	13	1	14

Summary of Total Actions by Status	PCC	CC	Joint	Total
 Completed	0	5	1	6
 Ongoing	0	13	0	13
 timescale exceeded	0	0	1	1
 not yet due	0	0	0	0
Total	0	18	2	20

Key to Grade:

Cumbria Shared Internal Audit Service

The shared internal audit service have recently changed the format of their reports and the grading applied to audit recommendations. The table below provides a key to both the new and old grading.

New Grade/Priority		Previous Grade/Priority	
High	Significant risk exposure identified arising from a fundamental weakness in the system of internal control.	1	Major recommendation that indicates a fundamental control weakness that must be addressed
Medium	Some risk exposure identified from a weakness in the system of internal control.	2	Recommendation to be addressed in order to establish a satisfactory level of internal control
Advisory	Minor risk exposure/suggested improvement to enhance the system of control.	3	Minor recommendation made to improve the system under review

Members have requested that this summary of recommendations report provides an update on actions where the recommendation was graded High/Medium (previously 1 or 2) only. Minor Advisory (previously grade 3) recommendations are monitored by individual managers.

External Audit – Grant Thornton

Grade/Priority	
High	Significant effect on control system
Medium	Effect on control system
Low	Best practice

Audit Report	Recommendation	Grade	Person Responsible	Agreed / Intended Action / Progress Update	Target Date	Revised Target Date	Status
Budget Management (OPCC & CC)	R2 Non-matched invoices should only be approved by authorised signatories.	Medium	Principal Financial Services Officer , Revenue & Systems Mark Carter	<p>The Central Services Department (CSD) processes will be reviewed.</p> <p>A monthly check on the accuracy of the approvals listing will be carried out to ensure that changes are enacted promptly. CSD will be alerted to the updated list.</p> <p>August 2015 - A spreadsheet is currently being developed. This will be made available to CSD for them to check non-matched invoices are appropriately authorised. This work has been delayed due to a number of late returns of delegations. The work is now scheduled to be completed and available to CSD by the end of September 2015.</p> <p>November 2015 - The approvals list for CSD is a work in progress (currently 90% complete). Additional spot checking invoice signatures as part of the pay run approval process have also been implemented.</p>	30/06/2015	30/09/15	
Business Continuity Planning (CC)	<p>R1 We recommend that a business continuity management policy is developed and signed off by an appropriate senior management forum. Consideration should be given to including within the policy:</p> <ul style="list-style-type: none"> • The constabulary's commitment to effective business continuity management • The requirement of department heads to consider business continuity requirements for all areas within their control • The scope of the policy (including its application to third party arrangements and contracts) • The review frequency (of the policy) and approval mechanism • Key roles and responsibilities • Linkages with other functions and policies 	Medium	<p>Chief Superintendent, Territorial Policing</p> <p>Steven Johnson</p>	<p>A Business Continuity Planning Policy will be developed.</p> <p>August 2015 - Please see ACC Martland's response to R3. The specific actions have all been tasked and will be closely monitored via Operations Programme Board.</p> <p>November 2015 - The Business Continuity Management (BCM) Policy has been drafted and approved by ACC Martland. The policy addresses the recommendation R1 and its constituent bullet points.</p> <p>Annual update and 3 yearly policy review is also in place.</p>	30/11/2015	-	
Business Continuity Planning (CC)	R2 We recommend that the strategy is reviewed in line with best practice and formally approved by senior management and communicated as appropriate.	Medium	<p>Chief Superintendent, Territorial Policing</p> <p>Steven Johnson</p>	<p>A Business Continuity Management Strategy will be developed in line with the Policy.</p> <p>August 2015 - Please see ACC Martland's response to R3. The specific actions have all been tasked and will be closely monitored via Operations Programme Board.</p> <p>November 2015 - Authorised Professional Practice (APP) has been consulted and the BCM policy has also been bench marked against Merseyside Police BCM policy.</p> <p>The BCM strategy is in the process of being reviewed in line with the 13 critical activities proposed by ACPO guidance. Once this has been considered by Ops Board it will be uploaded to the Force BCM SharePoint site for access by all staff.</p>	30/11/2015	-	
Business Continuity Planning (CC)	R3 We recommend that a mechanism is established to provide assurance to the Chief Constable that all business continuity plans have been prepared, are in line with organisational requirements and the approved business continuity policy and strategy, and are updated in line with the organisations agreed timescales.	High	<p>Assistant Chief Constable</p> <p>Darren Martland</p>	<p>Business continuity management arrangements will be reviewed 6 monthly at Operations Board. Operations Board will report to Chief Officers' Group.</p> <p>August 2015 - The ACC has confirmed that the 7 audit recommendations in relation to business continuity planning have been 'actioned' to the relevant 'owners' and progress will be actioned / monitored at the monthly Operations Programme Board, which is chaired by the ACC. Although the 'target dates' are set for 11/2015, the ACC is keen to progress asap, and will discuss at the next meeting of operations board, which is scheduled to take place on Sept. 4th 2015.</p> <p>November 2015 - The Constabulary Business Continuity Policy is set for formal review on a 3 yearly cycle as part of the normal policy review mechanisms. Business Continuity Strategy is currently being developed and when published will be set and reviewed annually by Operations Board. Operations Board will own the annual review process for departmental business continuity plans and a standing item created on the Operations board agenda. Civil Contingencies Unit will provide the monitoring function on behalf of Operation board in respect of business continuity arrangements and conduct a 6 monthly audit of business continuity plans to ensure all departments plans are current and compliant with the policy and strategy. Issues identified will be raised with the departmental head and Operations board (where appropriate).</p>	30/11/2015	-	

Audit Report	Recommendation	Grade	Person Responsible	Agreed / Intended Action / Progress Update	Target Date	Revised Target Date	Status
Business Continuity Planning (CC)	R4 We recommend that arrangements are introduced to ensure that emerging legislation and best practice is reflected in the constabulary's arrangements. The current plan template should be updated to refer to the current Standards for BCM.	Medium	Chief Superintendent, Territorial Policing Steven Johnson	Checks will be made to ensure that legislation is up to date when Policy is updated. August 2015 - Please see ACC Martland's response to R3. The specific actions have all been tasked and will be closely monitored via Operations Programme Board. November 2015 - Command Support Unit (CSU) have assumed responsibility for policy review. Links between CSU and the BCI re-emerging legislation and best practice to be established. Policy now reflects current BCM standards and will be kept updated by CSU and Civil Contingencies Unit (CCU). Once strategy is finalised as per R2 then current plan templates will be updated to reflect the revised constabulary critical activities.	01/12/2015	-	
Business Continuity Planning (CC)	R5 We recommend that a corporate review of critical activities and functions is undertaken to ensure that these are priorities across the constabulary. ACPO guidance has suggested 13 critical activities for police forces which may be a useful reference for this work.	High	Chief Superintendent, Territorial Policing Steven Johnson	Critical activities will be reviewed as part of the Policy review. August 2015 - Please see ACC Martland's response to R3. The specific actions have all been tasked and will be closely monitored via Operations Programme Board. November 2015 - As per R2 update above	31/05/2016	-	
Business Continuity Planning (CC)	R6 We recommend that the constabulary determines what its requirements are for testing of business continuity arrangements in order to ensure that they work effectively and to support the assurances given to the Chief Constable over the robustness of the arrangements.	Medium	Chief Superintendent, Territorial Policing Steven Johnson	Testing and training regimen will be part of the Policy. August 2015 - Please see ACC Martland's response to R3. The specific actions have all been tasked and will be closely monitored via Operations Programme Board. November 2015 - Testing and exercising is owned by CCU. Nov 2015 saw BCM tested throughout the Command Corridor at Police HQ by virtue of a Strategic Command Centre exercise which involved relocated of all staff from key estate.	30/12/2015	-	
Business Continuity Planning (CC)	R7 We recommend that consideration is given to the frequency that the constabulary expects business continuity plans to be reviewed and that this is documented and communicated to all plan owners. Consideration should also be given to amending the template to incorporate the date of next review.	Medium	Chief Superintendent, Territorial Policing Steven Johnson	Policy will dictate how often it is to be reviewed and by whom. August 2015 - Please see ACC Martland's response to R3. The specific actions have all been tasked and will be closely monitored via Operations Programme Board. November 2015 - Plan owners are now clearly instructed to review annually and submit updated plans to CCU for uploading onto the corporate SharePoint BCM site. CCU assume responsibility for ensuring that this is completed. The BCM policy will be reviewed by Chief Officers every 3 years and any interim amendments in light of changes to legislation or best practice will be updated immediately by the command support team as per R4	30/12/2015	-	
Duty Management System (CC)	R1 The objectives of the Duty Management System should be defined, with clear links to strategic policing priorities. There should be periodic evaluation of system objectives.	High	Superintendent, Operational Support Mark Pannone	We will locate objectives within the Cedar system. We will then proceed to map these objectives against what we want the system to do moving forward. November 2015 Work is progressing with ICT and HR to ensure that strategic objectives of DMS are understood, incorporated within the system and matched to strategic policing priorities.	31/12/2015	-	

Audit Report	Recommendation	Grade	Person Responsible	Agreed / Intended Action / Progress Update	Target Date	Revised Target Date	Status
Duty Management System (CC)	R2 Governance arrangements for the Duty Management System should be defined and clearly communicated to those involved.	High	Superintendent, Operational Support Mark Pannone	We will define governance arrangements for the Duty Management system and will communicate these arrangements accordingly. November 2015 - Ownership of DMS rests with HR with operational management under the resource co-ordination team. Development and maintenance of DMS through Head of HR and DMS Strategy Group.	31/12/2015	-	🔴
Duty Management System (CC)	R3 Officers should be required to confirm the accuracy and validity of all overtime data entered to the Duty Management System, whether elected for payment or TOIL.	Medium	Inspector Lee Skelton	A pre-formatted electronic form will be used with the necessary declarations included. November 2015 Communications have gone out in force orders to: i) Reiterate to officers roles and responsibilities regarding claims – Audit trail currently in place through email. ii) Reiterate that No one other than DMOs to put on the duty system any extensions of duty which incur overtime. In the longer term, options to improve the DMS system/processes and links to the overtime system are being considered.	31/12/2015	-	🔴
Duty Management System (CC)	R4 Duty management procedures should be documented and made available to staff, with arrangements to subject the procedures to periodic management review. Relevant training should be provided.	Medium	Inspector Lee Skelton	Standard operating procedures will be put in place for the Duty Management System. Procedures will be consolidated into one document to allow for clarity and consistency. (There is a new shift system in the pipeline with an implementation date of 28/09/15). November 2015 - Standard operating procedures currently being produced. Staff currently aware where the information is stored.	31/12/2015	-	🔴
Duty Management System (CC)	R5 The skill set requirement for Resourcing Co-ordinators should be formally identified and a training plan to effectively upskill Resourcing Co-ordinators across the force should be developed.	Medium	Inspector Lee Skelton	We are currently in the process of implementing training to Resourcing Co-ordinators using a recent new recruit as a starting point. November 2015 Work is progressing on an update of the DMO role profile and skills requirements. A training programme to ensure that individual DMOs have all the requisite skills to undertake their role is being put in place.	31/12/2015	-	🔴
Duty Management System (CC)	R6 Arrangements should be in place for Resourcing Co-ordinators to receive formal, structured supervision on a regular basis, especially during this period of re-structure and change.	Medium	Inspector Lee Skelton	There is a model for Police staff already in place which we will review. We will implement diarised one to one's with an agreed agenda template. November 2015 - Meetings have been implemented and recorded comments maintained with dates set for further meetings on a team and personal one to one basis.	30/09/2015	-	🟢
Duty Management System (CC)	R7 a) The blank option should be removed from the drop down list during the overtime input stage OR	Medium	Inspector Lee Skelton	We will set option b in place as an interim until option a is achieved. DMO's will be the only employees able to action this until option a is implemented. November 2015 a) ICT Request has been submitted to have the blank field removed. The implications of this are currently being investigated within the ICT department. b) Part of the new procedures of inputting overtime is to ensure that the only persons permitted to put on overtime are DMO's. c) Discoverer report to identify duties where the choice of PAY or TIME has not been selected is being developed. d) Staff have been instructed not to amend any duties for overtime, this should be done through DMO's.	31/07/2016	-	🔴
	R7 b) Clear procedures should be issued in this area, with monitoring arrangements in place to pick up on and correct overtime entered against this option.				31/12/2015	-	🔴

Audit Report	Recommendation	Grade	Person Responsible	Agreed / Intended Action / Progress Update	Target Date	Revised Target Date	Status
Duty Management System (CC)	R8 A suite of reports should be developed to give management assurance over the quality of data in the system and levels of TOIL in different functions / areas.	Medium	Inspector Lee Skelton	We will consider our requirements and seek to develop reports to present the information in an appropriate manner. Where reports cannot be prepared we will need to accept the risks around this. November 2015 - A set of reports to provide checks and balances within the system have been requested.	31/12/2015	-	🔴
Duty Management System (CC)	R9 The Business Board decision to route all input of DMS overtime input via Resourcing Co-ordinators should be implemented forthwith. On implementation- a) Sergeant and Inspector update access permissions should be removed. OR b) Sergeants and Inspectors should be	Medium	Inspector Lee Skelton	We have chosen option b and this will be included in procedures and implemented accordingly. November 2015 a) Message disseminated to all supervisors regarding their responsibilities in respect of DMS b) Supervisor training amended through Andrew Simmons in ICT training c) Force orders to reflect roles and responsibilities of all supervisors d) Checks to ensure that overtime is recorded accurately on DMS will be enhanced.	31/12/2015	-	🔴
Duty Management System (CC)	R10 Overtime data in DMS should be cleansed with any outstanding issues followed up. Thereafter a mechanism should be established to give management ongoing assurance that all overtime is either paid or rolled forward accurately as TOIL.	Medium	Superintendent, Operational Support Mark Pannone	We will discuss this issue with HR and Finance. The responsibilities will be determined as part of the governance arrangements detailed in recommendation 2. November 2015 Checks on anomalies have been carried out for an 8 month period. However, periodic reviews are still required to resolve ongoing outstanding issues. Discoverer reports to provide checks between the DMS and overtime systems have been requested.	31/03/2016	-	🔴
Duty Management System (CC)	R11 Arrangements should be in place to ensure DMS access permissions are adjusted / removed so that they correctly reflect job roles and responsibilities.	Medium	Inspector Lee Skelton	We will ensure that IT extend the established monthly routines involving assignment changes being checked and adjustments made to incorporate the Duty Management system. November 2015 - note an additional role has been created with limited permissions – work is still required to ascertain if this suitably assists supervisors requiring access to DMS but removing the ability to grant overtime as per orders.	30/09/2015	-	🟢
Audit Findings Report - 2014/15 SoA (OPCC & CC)	Undertake a review in 2015/16 of all assets in the ICT and technology category to confirm they are still in use and if not they should be removed from the asset register.	Medium	Michelle Bellis Deputy Chief Finance Officer	A meeting took place between finance and the Head of ICT to assess all ICT assets on the asset register that had been fully depreciated at 31/03/15. A schedule has been prepared of all assets and decision as to whether each should remain on the asset register or be deleted and the rationale for each decision. Fully depreciated assets totalling £10m are to be written out of the asset register during 2015/16. A similar review will be carried out at year end 31/03/16 to ensure nothing has changed. An audit note has been prepared for Grant Thornton and they have agreed the approach.	31/12/2015	-	🟢

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Item 15 - TM Activities 2015-16 Quarter 2 (July to Sep 2015)



Cumbria Office of the Police and Crime Commissioner

Title: Treasury Management Activities 2015/16 Quarter 2 (July to September 2015)

PCC Executive Board: 04 November 2015

Joint Audit & Standards Committee: 08 December 2015

Originating Officers: Michelle Bellis, Deputy Chief Finance Officer & Lorraine Holme, Principal Financial Services Officer.

1. Purpose of the Report

- 1.1. The purpose of this paper is to report on the Treasury Management activities, which have taken place during the period July to September 2015 in accordance with the requirements of CIPFA's Code of Practice on Treasury Management.
- 1.2. Treasury Management activities are undertaken in accordance with the Treasury Management Strategy Statement and Treasury Management Practices approved by the Commissioner in February each year.

2. Recommendation

- 2.1. The Commissioner is asked to note the contents of this report. The report will also be presented to the Joint Audit and Standards Committee meeting of 8 December as part of the arrangements to ensure members are briefed on Treasury Management and maintain an understanding of activity in support of their review of the annual strategy.

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Item 15 - TM Activities 2015-16 Quarter 2 (July to Sep 2015)

- 2.2. JASC Members are asked to note the contents of this report. The report is provided as part of the arrangements to ensure members are briefed on Treasury Management and maintain an understanding of activity in support of their review of the annual strategy. The report was presented to the Commissioner at his Executive Board meeting on 4 November.

3. Economic Background

- 3.1. As the year began, economic data was largely overshadowed by events in Greece. Markets' attention centered on the never-ending Greek issue stumbled from turmoil to crisis, running the serious risk of a disorderly exit from the Euro. On 12th July, following a weekend European Union Summit, it was announced that the terms for a third bailout of Greece had been reached. The deal amounting to €86 billion was agreed under the terms that Greece would see tax increases, pension reforms and privatisations. A new coalition government must now continue with the unenviable task of guiding Greece through the continuing economic crisis – the Greek saga is far from over.

The summer also saw attention shift towards China as the Shanghai composite index (representing China's main stock market), which had risen a staggering 50%+ since the beginning of 2015, dropped by 43% in less than three months with a reported \$3.2 trillion loss to investors, on the back of concerns over growth and after regulators clamped down on margin lending activity in an effort to stop investors 'borrowing to invest' and feeding the stock market bubble. Chinese authorities intensified their intervention in the markets by halting trading in many stocks in an attempt to maintain market confidence. They surprised global markets in August as the People's Bank of China changed the way the yuan is fixed each day against the US dollar and allowed an aggressive devaluation of the currency. This sent jitters through Asian, European and US markets impacting currencies, equities, commodities, oil and metals. On 24th August, Chinese stocks suffered their steepest one-day fall on record, driving down other equity markets around the world and soon becoming known as another 'Black Monday'. Chinese stocks have recovered marginally since and are trading around the same level as the start of the year. Concerns remain about slowing growth and potential deflationary effects.

- 3.2. UK Economy: The economy has remained resilient over the last six months. Although economic growth slowed in Q1 2015 to 0.4%, year/year growth to March 2015 was a relatively healthy 2.7%. Q2 2015 GDP growth bounced back and was confirmed at 0.7%, with year/year growth showing slight signs of slowing, decreasing to 2.4%. GDP has now increased for ten consecutive quarters, breaking a pattern of slow and erratic growth from 2009. The annual rate for consumer price

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inflation (CPI) briefly turned negative in April, falling to -0.1%, before fluctuating between 0.0% and 0.1% over the next few months. In the August Quarterly Inflation Report, the Bank of England projected that GDP growth will continue around its average rate since 2013. The Bank of England's projections for inflation remained largely unchanged from the May report with them expecting inflation to gradually increase to around 2% over the next 18 months and then remain there in the near future.

- 3.3. Market reaction: Equity markets initially reacted positively to the pickup in the expectations of global economic conditions, but were tempered by the breakdown of creditor negotiations in Greece. China led stock market turmoil around the globe in August, with the FTSE 100 falling by around 8% overnight on 'Black Monday'. Indices have not recovered to their previous levels but some improvement has been seen. Government bond markets were quite volatile with yields rising (i.e. prices falling) initially as the risks of deflation seemingly abated. Thereafter yields fell on the outcome of the UK general election and assisted by reappraisal of deflationary factors, before rising again. Concerns around China saw bond yields dropping again through August and September. Bond markets were also distorted by the size of the European Central Bank's QE programme, so large that it created illiquidity in the very markets in which it needed to acquire these bonds, notably German government bonds (bunds) where yields were in negative territory.

4. Treasury Management Operations and Performance Measures

- 4.1. The Commissioner's day to day treasury management activities are undertaken on behalf of the Commissioner's Chief Finance Officer/Deputy Chief Executive by the financial services team under the management of the Chief Constable's Chief Finance Officer. Responsibilities and requirements for treasury management are set out in the financial regulations and rules. Treasury management practices are approved annually setting out the arrangements as part of the Treasury Management Strategy Statement (TMSS).

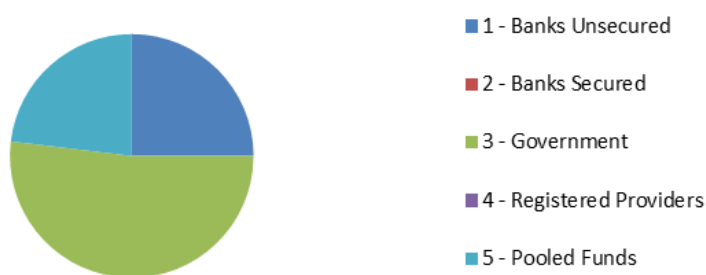
The TMSS sets maximum limits for investments according to category. The categories and overall limit per category is illustrated in the table below together with the actual investments outstanding as at 30 September 2015. Within each category there are further limits to the total amount and duration of investments that can be placed with individual counterparties, these vary depending on the credit rating of the counterparty at the time the investment is made.

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Category	Category Limit	Actual Investments at 30 September	Compliance with Limit
	(£m)	(£m)	
1 - Banks Unsecured	20	6.005	Yes
2 - Banks Secured	20	0.000	Yes
3 - Government	unlimited	12.482	Yes
4 - Registered Providers	10	0.000	Yes
5 - Pooled Funds	15	5.552	Yes
Total		24.040	

Analysis of Outstanding Investments at 30 September 2015 by Category



A schedule detailing the individual investments that make up the £20.040m total invested at 30 September 2015 is attached at **Appendix 2**. A further illustrative analysis is provided of the balance outstanding at **Appendix 3**, where the first chart analyses the outstanding balance by the credit rating of the investment counterparty and the second shows the maturity structure of investments by the credit rating of the counterparty.

4.2. Management of Cash Balances

The aim of the Treasury Management Strategy is to invest surplus cash and minimise the level of un-invested cash balances, whilst limiting risks to the Commissioner's funds. Actual un-invested balances for the months of July to September 2015 for the Commissioner's main bank account are summarised in the table below:

	Number of Days	Average Balance	Largest Balance
		£	£
Days In Credit	91	1,522	26,317
Days Overdrawn	1	(2)	(2)

The largest un-invested balance occurred on the 20 August as a result of an overseas pensions transfer being returned to our account as it could no longer be accepted by the overseas scheme. We are advised by the bank that transactions being posted during the day are subject to checking

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and can be removed, therefore, we do not invest these sums until the following day to limit the risk of being overdrawn.

The largest overdrawn balance occurred on the 3 September and was the result of a foreign transfer in respect of an invoice payment (£800.15). The exact timing of when foreign transfers leave the bank is unknown.

Within the Treasury Management Strategy a target is set to achieve a daily balance of +/- £2k on the Commissioner's main bank account. Whilst the daily treasury management process always calculates the anticipated balance within these limits, daily transactions through the bank of which we are not aware (e.g. banking of cash/cheque receipts) can alter the closing balance for the day. During the months July to September 2015, the balance was within the £2k limit for 76 out of 92 days (83%). This statistic is skewed by our policy to ensure that all cash and cheques are banked on a Friday, as a minimum, more often if large sums are received. If cash is banked it clears our account on the same day and we will be over our £2k limit for 3 days over the weekend not just the day it is banked. This occurred on three weekends during this quarter.

An estimate of the interest forgone on un-invested balances over £2k during this three month period is £13.

4.3. Investment Activity

The table below illustrates the number and value of investments made with banks (category 1 unsecured & 2 secured) and Government (category 3) of the approved investment counterparties during the months of July to September 2015:

Month	Number of Investments	Total Value of Investments £m
July 2015	9	17.5
August 2015	2	3.0
September 2015	1	1.0

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In addition to the above there are regular smaller investments made via money market funds (category 5 pooled funds).

The Commissioner sets a limit for “non-specified” investments of over 364 days at the time of investment. The maximum of all investments with outstanding maturities greater than 364 days is set at a limit of £5m for 2015/16. The Commissioner currently has no investments that have an outstanding maturity of greater than 364 days. However, as at 30 September, there were two investments which at the time of investing, were for a period of just over 364 days. These are set out in the table below:

Borrower	Value £m	Investment Period (Days)	Date Invested	End Date	Period Remaining to maturity (days)	Actual Rate (%)
Lloyds Bank PLC	2.0	366	11/08/2015	11/08/2016	316	1.00%
Lancashire County Council	2.0	365	08/05/2015	06/05/2016	219	0.50%
Total	4.0					

4.4. Interest Earned

Interest earned for the period of the report and the average return on investment that it represents is set out in the table below:

Month	Interest Amount (£)	Average Total Investment (£)	Average Return on Investment (%)
July 2015	12,046	31,241,856	0.45%
August 2015	12,335	30,444,174	0.48%
September 2015	11,687	28,786,752	0.49%
	36,068	30,172,494	0.47%

Total interest earned during April to September 2015 amounted to £61.8k. A simple pro-rata of this figure would suggest a full year effect of interest in the region of £124k. The current forecast is that interest receipts for 2015/16 will be £122k. This figure is slightly lower than the budget for the year which was set at £125k, the reduction reflects the lower rates currently being achieved on investments as a result of their short duration, which is in line with current policy and advice.

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A comparison of this figure against the budget is outlined in the table below:

	Amount (£000's)
Original Estimate 2015/16	125
Forecast Position June 2015	125
Forecast Position September 2015	122
Increase/(Decrease) compared to estimate	-3
Increase/(Decrease) as a percentage	-2%

4.5. Investment Performance

As a performance measure for the quality of investment decisions, the rate achieved on maturing longer term investments of over three months in duration is compared with the average Bank of England base rate over the life of the investment. The table below provides details of the individual performance of investments (of over 3 month's duration at time of investment) for the months July to September 2015:

Borrower	Value £m	Period (Months)	Actual Rate (%)	Average Base Rate (%)
Barclays Bank PLC	2	12	0.98%	0.50%
Lloyds Bank PLC	1.5	12	0.95%	0.50%
Dumfries and Galloway	2	3	0.35%	0.50%

The above table illustrates that, for two of the three maturing investments that were for a duration of over 3 months, the return exceeded the bank base rate.

5. Compliance with Prudential Indicators

- 5.1. All treasury related Prudential Indicators for 2015/16, which were set in February 2015 as part of the annual Statement of Treasury Management Strategy, have been complied with. Further details can be found at **Appendix 4**.

NOT PROTECTIVELY MARKED

Item 15 - TM Activities 2015-16 Quarter 2 (July to Sep 2015)

6. Implications

- 6.1. Financial – As detailed in the main body of report above.
- 6.2. Legal – None
- 6.3. Risk – The report advises the Commissioner/members about treasury activities. Given the large unsecured sums invested with financial institutions treasury management can be a risky area. Nevertheless, procedures are in place to minimise the risks involved, including limits on the sums to be invested with any single institution and reference to credit ratings are set down in the PCC's treasury strategy and in particular the treasury management practices (TMP1 Treasury Risk Management).
- 6.4. HR / Equality – None
- 6.5. I.T – None
- 6.6. Procurement – None

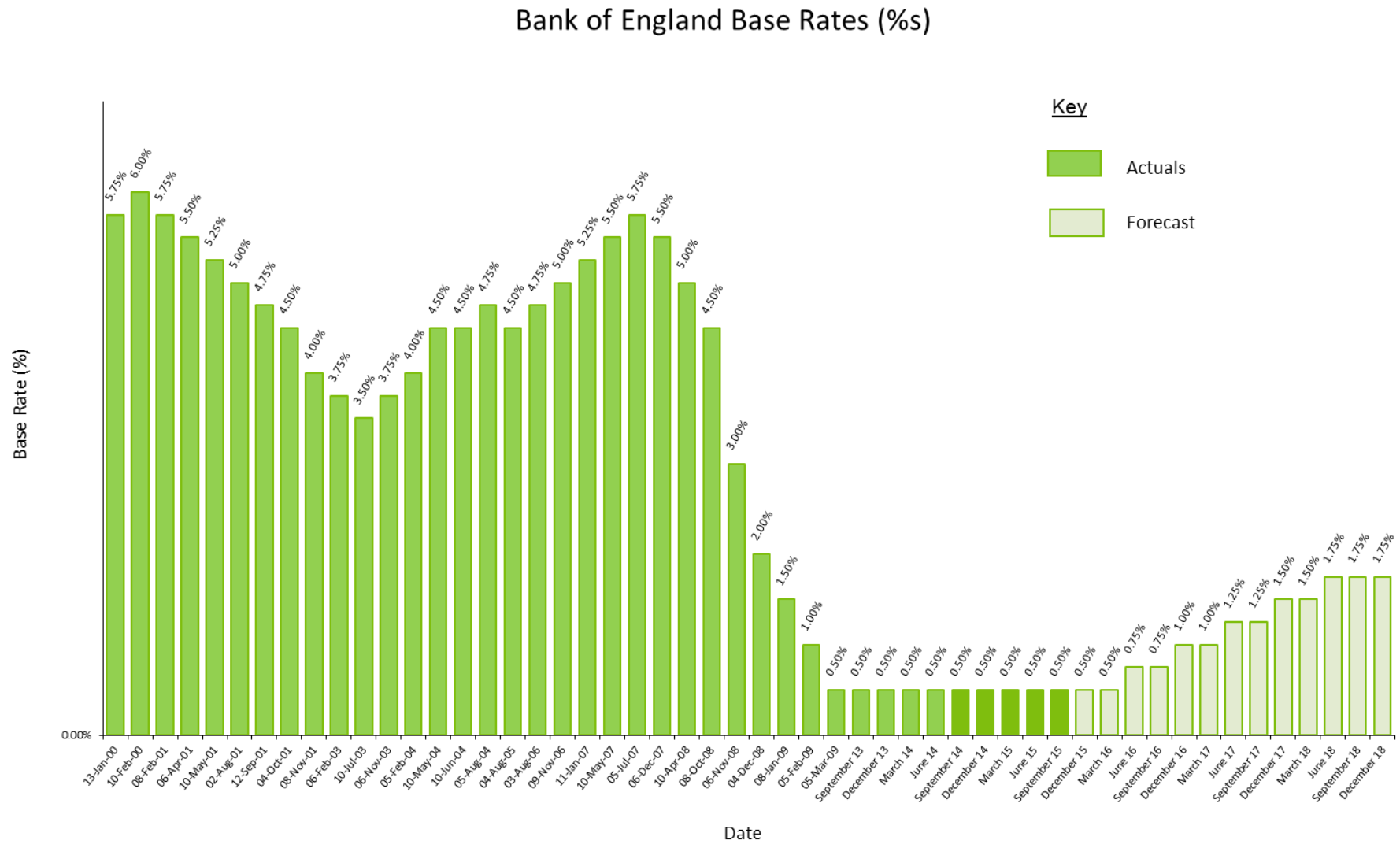
7. Supplementary informationAttachments

- Appendix 1 Recent history and projections of Bank Base Rates
- Appendix 2 Schedule of Investments as at 30 September 2015
- Appendix 3 Analysis of Investments as at 30 September 2015
- Appendix 4 Prudential Indicator Compliance

NOT PROTECTIVELY MARKED

Item 15 - TM Activities 2015-16 Quarter 2 (July to Sep 2015)

Appendix 1



NOT PROTECTIVELY MARKED

Item 15 - TM Activities 2015-16 Quarter 2 (July to Sep 2015)

Appendix 2**Schedule of Investments as at 30 September 2015**

Category/Institution	Credit Rating	Investment Date	Investment Matures	Days to Maturity	Rate (%)	Amount (£)	Counterparty Total (£)
Category 1 - Banks Unsecured (Includes Banks & Building Societies)							
LEEDS	A	03/07/2015	05/10/2015	5	0.41%	2,000,000	2,000,000
LLOYDS BANK PLC	A+	11/08/2015	11/08/2016	316	1.00%	2,000,000	2,000,000
Svenska	AA-	Various	On Demand	N/A	0.35%	1,910,372	1,910,372
NatWest (Liquidity Select Account)	BBB+	30/06/2015	01/07/2015	O/N	0.25%	95,000	95,000
						6,005,372	6,005,372
Category 2 - Banks Secured (Includes Banks & Building Societies)							
None							0
						0	0
Category 3 - Government (Includes HM Treasury and Other Local Authorities)							
West Dunbartonshire Council	NR	24/07/2015	22/01/2016	114	0.40%	2,000,000	2,000,000
Lancashire County Council	NR	08/05/2015	06/05/2016	219	0.50%	2,000,000	2,000,000
DMO - Treasury Bills	NR	06/07/2015	05/10/2015	5	0.470%	1,997,659	
DMO - Treasury Bills	NR	20/07/2015	19/10/2015	19	0.450%	499,440	
DMO - Treasury Bills	NR	06/07/2015	04/01/2016	96	0.490%	4,987,813	
DMO - Treasury Bills	NR	01/09/2015	29/02/2016	152	0.510%	997,477	8,482,390
						12,482,390	12,482,390
Category 4 - Registered Providers (Includes Providers of Social Housing)							
None							0
						0	0
Category 5 - Pooled Funds (Includes AAA rated Money Market Funds)							
Aberdeen Asset Management	AAA	Various	On demand	O/N	Various	1,300,000	1,300,000
AIM	AAA	Various	On demand	O/N	Various	0	0
BlackRock	AAA	Various	On demand	O/N	Various	0	0
Fidelity	AAA	Various	On demand	O/N	Various	352,290	352,290
Goldman Sachs	AAA	Various	On demand	O/N	Various	1,400,000	1,400,000
Standard Life (Formally Ignis)	AAA	Various	On demand	O/N	Various	2,500,000	2,500,000
						5,552,290	5,552,290
Total						24,040,052	24,040,052

Note – the credit ratings shown in the above table relate to the standing as at 30 September 2015, as discussed in the main body of the report, the ratings are constantly subject to change.

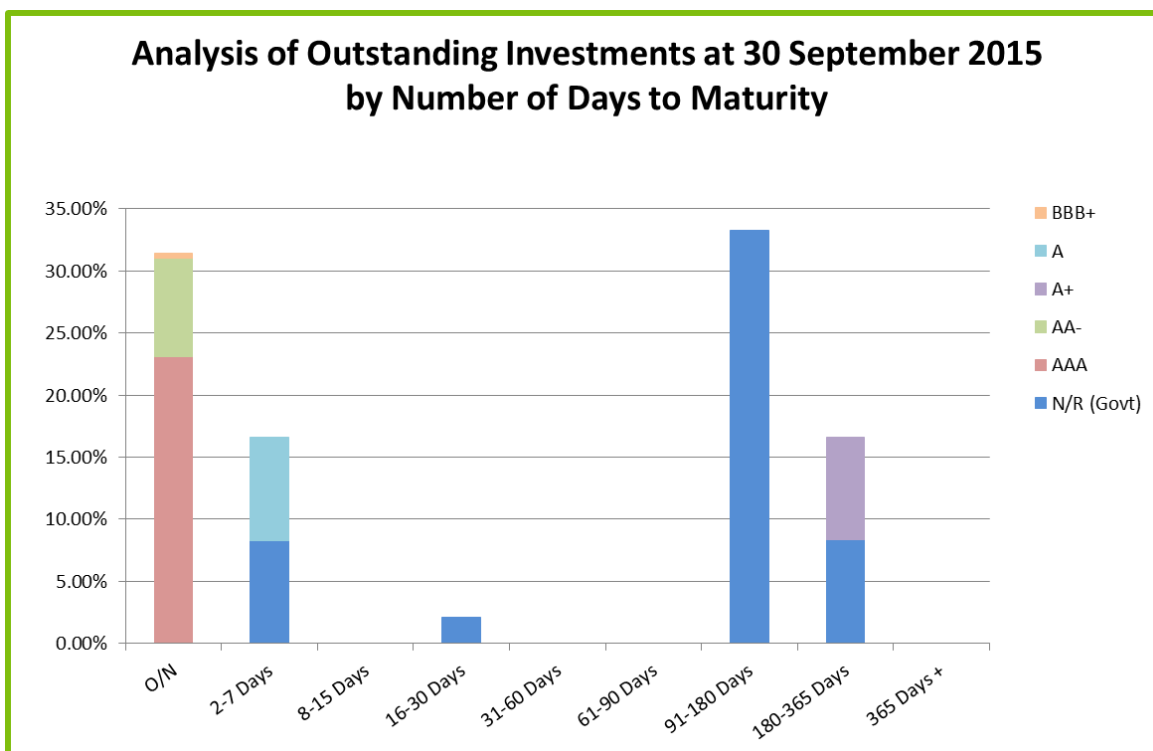
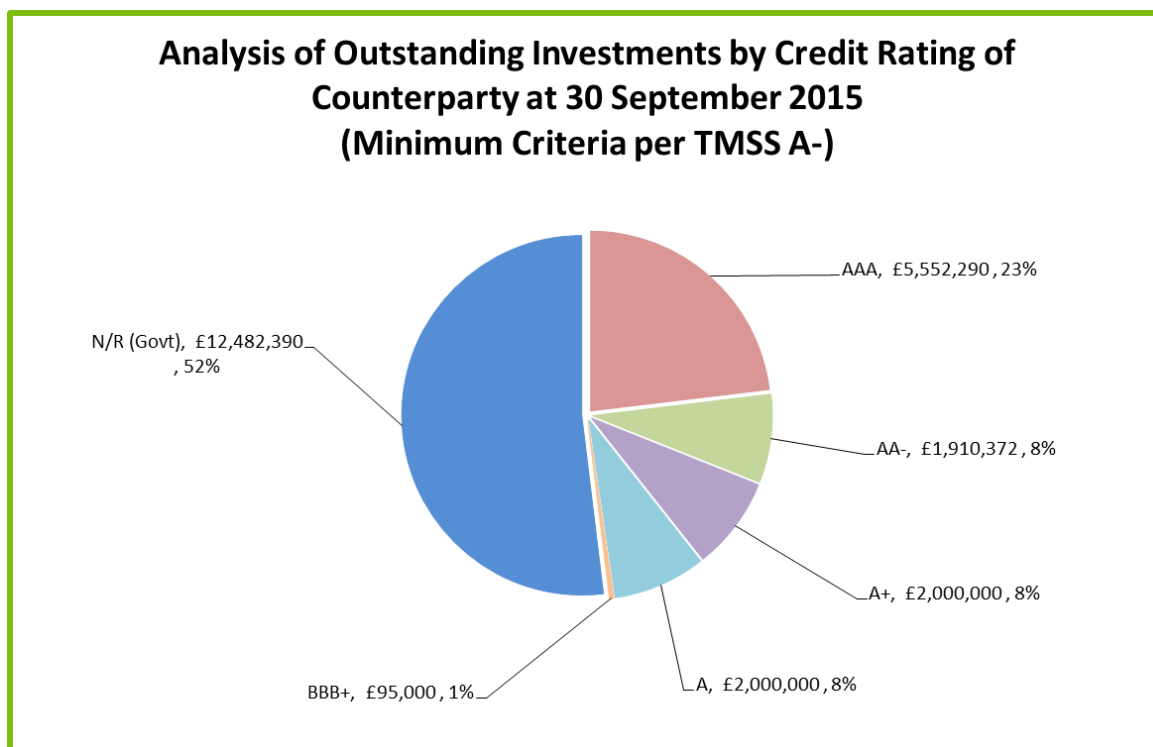
The TMSS sets limits for maximum investment with counterparties. These limits vary depending on the credit rating of the counterparty at the time the investment was placed. The TMSS also places a limit on the total investments per category.

NOT PROTECTIVELY MARKED

Item 15 - TM Activities 2015-16 Quarter 2 (July to Sep 2015)

Appendix 3

Analysis of Outstanding Investments as at 30 September 2015



Note – the credit ratings shown in the above charts relate to the standing as at 30 September 2015, as discussed in the main body of the report, the ratings are constantly subject to change.

Appendix 4

Prudential Indicator Compliance**(a) Authorised Limit and Operational Boundary for External Debt**

- The Local Government Act 2003 requires the Commissioner to set an Affordable Borrowing Limit, irrespective of their indebted status. This is a statutory limit which should not be breached during the year. The Affordable Borrowing Limit is made up of two components; the *Authorised Limit* and the *Operational Boundary*.
- The Authorised Limit represents an upper limit for external borrowing that could be afforded in the short term but may not be sustainable. The figure includes a risk assessment of exceptional events taking into account the demands of revenue and capital cash flows. The Commissioner's Authorised Limit was set at £25.31m for 2015/16.
- The Operational Boundary is based on the same estimates as the Authorised Limit but reflects the most likely, prudent but not worst case scenario without the additional headroom included within the Authorised Limit. The Operational Boundary for 2015/16 was set at £23.81m.
- The actual amount of external borrowing as at 30 September 2015 was £Nil which is well within the above limits. No new external borrowings have been undertaken in the current financial year.

(b) Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

- These indicators allow the Commissioner to manage the extent to which it is exposed to changes in interest rates.
- The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.

	Limits for 2015/16	Actual Borrowing at 30 Sep'15	Compliance with limits
	£m	£m	
Upper Limit for Fixed Rate Exposure	25.31	0.00	Yes
Upper Limit for Variable Rate Exposure	1.50	0.00	Yes

NOT PROTECTIVELY MARKED

Item 15 - TM Activities 2015-16 Quarter 2 (July to Sep 2015)

(c) Maturity Structure of Fixed Rate Borrowing

- This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

Maturity Structure of Fixed Rate Borrowing	Upper Limit	Lower Limit	Actual Fixed Rate Borrowing as at 30 Sep '15 £m	% Fixed Rate Borrowing as at 30 Sep '15 %	Compliance with Set Limits?
	%	%			
Under 12 months	100	0	0.00	0	Yes
12 months and within 24 months	100	0	0.00	0	Yes
24 months and within 5 years	100	0	0.00	0	Yes
5 years and within 10 years	100	0	0.00	0	Yes
10 years and above	100	0	0.00	0	Yes

(d) Total principal sums invested for periods longer than 364 days

- This indicator allows the Commissioner to manage the risk inherent in investments longer than 364 days.
- The limit for 2015/16 was set at £5m.
- As at 30 September 2015, the PCC had two investments totalling £4.0m which were for a duration greater than 364 days at the time of investment. Neither of which now have outstanding maturities greater than 364 days. Please see additional details within paragraph 4.3 above.

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Joint Audit & Standards Committee

Title: OPCC Risk Management Monitoring

Date: 25 November 2015

Agenda Item No: 16

Originating Officer: Stuart Edwards

CC:

Executive Summary:

The Office of the Police and Crime Commissioner (OPCC) is responsible for providing policing services within Cumbria. This takes place in a constantly changing and challenging environment and the OPCC must ensure that it has robust systems and processes in place to monitor and react appropriately to risk.

Recommendation:

That, the committee note the changes regarding the OPCC's strategic risk register, the oversight undertaken of the Constabulary's risk management; and the front sheet of the OPCC's operational risk register.

1. Introduction & Background

- 1.1 The Office of the Police and Crime Commissioner (OPCC) is responsible for providing policing services within Cumbria. To enable it to carry out this function effectively it must monitor and react appropriately to risks. The Joint Audit and Standards Committee as part of their role, ensures that the OPCC is actively managing strategic risks and one member of the committee has been appointed as the lead member for risk.

2. Issues for Consideration

- 2.1 Appended to this report at Appendix 1 is the OPCC's strategic risk register which has been reviewed and updated since the last meeting of the Committee in September. There is one identified risk which is:
 - Strategic Finance

- 2.2 The committee will note that two previously identified strategic risks – Efficient and Effective Policing (R2) and Delivery of the Police and Crime Plan (R3) have been removed from the strategic risk register. Following review the mitigated scoring for R2 and R3 each gave a total score of 6, and would mean that the risk would be reviewed again within 6 months. These two risks are now incorporated within the operational risk register at risk number 7 and 17 and the strategic risk register has been notated to illustrate the move.
- 2.3 The OPCC has undertaken to review its operational risk register, rationalising it to appropriately reflect the operational risks it faces. At the Committee's September meeting the members asked for reassurance that where appropriate operational risks which were scoring highly would be escalated to the strategic risk register. It was agreed that the front sheet of the operational risk register would be presented to the Committee to provide assurance that other areas of risk were being considered and regularly monitored. A copy of the front sheet is attached at Appendix 2.
- 2.4 The Governance and Business Services Manager met with the Constabulary's lead for Risk Management, the Director of Corporate Improvement Ms Jane Sauntson, on Monday 16 November 2015. This was as part of the OPCC's quarterly oversight of the Constabulary's strategic risks.
- 2.5 Discussions took place in relation to the two separate risk registers, the risks identified therein and any risks which may impact upon the other organisation which may need to be recorded within the relevant strategic risk register if it does not already appear.
- 2.6 One risk was to be removed and two new risks were to be incorporated within the Constabulary's strategic risk register. Risk No 22 – Funding Gap was to be removed as the risk had now changed. This would be replaced with a risk which related to achieving the level of savings required. The second new risk related to a potential increase in service demands and threats along the West Coast of Cumbria resulting from the development of the nuclear industry.
- 2.7 Further information with regard to both of these new risks will be included within the Constabulary's reports to the Committee. The Commissioner/OPCC will need to consider the likelihood and impact of these risks when setting future budgets and developing any future police and crime plan.

3. Implications

- 3.1 Financial - the inability of the OPCC to successfully identify and manage its organisational and strategic risks could impact financially on not only the OPCC but Cumbria Constabulary and other partner organisations which are financially dependent.
- 3.2 Legal - the OPCC could face legal challenge on some areas of its business, therefore it is essential that these are identified at an early stage and effectively mitigated and managed.
- 3.3 Risk - if the OPCC does not identify and mitigate risks then it may mean that the OPCC cannot carry out its statutory function efficiently and effectively.

OFFICE OF THE POLICE & CRIME COMMISSIONER – STRATEGIC RISK REGISTER

Risk Mitigation Strategies:	
Avoid	Stop the risk completely or stop it having an impact.
Reduce	Reduce the likelihood and/or impact of the risk
Transfer	Outsource, use contractors or insure against things going wrong
Accept	The risk is tolerable/accepted

Risk Score		Likelihood – over the next 4 years
1	Low	Not expected to happen, but is possible
2	Medium	May happen occasionally
3	High	Will probably happen, but not a persistent issue
4	Very High	Will undoubtedly happen, possibly frequently

			Risk Owner		Actions		Reviews
Risk No.	Risk Title	Total Score	Risk Owner	Action Owner	Any outstanding actions YES/NO	Date for actions to be completed	Date of next review
R1	Strategic Finance	12	Chief Executive	Chief Finance Officer	No		Jan 2016
R2	Efficient and Effective Policing	6	Chief Executive	Chief Executive	No		August 2015
R3	Delivery of the Police and Crime Plan	4	Chief Executive	Head of Partnerships and Commissioning	No		August 2015

Moved to the operational register – 18.11.15

Moved to the operational register – 18.11.15

Scores:

8 – 16	Review within 3 months
4 - 6	Review within 6 months
3 or less	Review within 12 months

Risk No: R1	Risk Title: STRATEGIC FINANCE	The Police and Crime Commissioner is required to set a balanced budget. Resources from central Government formula grant provide the significant majority of funding to deliver police services. Reductions in that funding will have a substantial impact on the level of policing that can be provided and on the potential to deliver the Commissioner's wider responsibilities.
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Risk Mitigation Strategies:	
Avoid	Stop the risk completely or stop it having an impact.
Reduce	Reduce the likelihood and/or impact of the risk
Transfer	Outsource, use contractors or insure against things going wrong
Accept	The risk is tolerable/accepted

Risk Score		Likelihood – over the next 4 years
1	Low	Not expected to happen, but is possible
2	Medium	May happen occasionally
3	High	Will probably happen, but not a persistent issue
4	Very High	Will undoubtedly happen, possibly frequently

		Unmitigated Score			Mitigated Score				Actions					
What is the cause of the risk? (Lack offailure to.....)	What is the consequence of the described risk? (Results in.....leads to.....)	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Risk Owner & Mitigation Strategy (Avoid, reduce, transfer, accept)	Current Controls in Place to Mitigate the Risk	Assurances	Future or further actions to be taken	Action Owner(s)	Review Date	
Lack of resources within the medium term budget to provide sufficient funding for the Constabulary to deliver current levels of policing service. High levels of funding uncertainty are impacting on this risk from 2016/17 (CSR) and 2017/18 (expected implementation date for the new formula)	This risk may lead to a reduction in the level of police services and/or result in Cumbria Constabulary not being viable as an independent force. Alternative options for delivering a police service in Cumbria may have to be considered. This may impact on the extent to which services respond to local needs in Cumbria. During the period of change there may be reductions in public assurance/confidence.	4	4	16	3	4	12	Chief Executive (Reduce)	Reserves are being held at a higher level than would otherwise be the case. The constabulary is implementing a scalable model of policing. Work is on-going to establish a minimum funding requirement. The Constabulary and OPCC have responded to the government funding consultation and made representations regarding the impact of current proposals.	Annual external audit of the financial statements provides verification of the level of available reserves. Budget monitoring processes and internal controls ensure that financial commitments do not exceed planned expenditure. The financial control environment is tested annually by internal and external audit. HMIC Peel inspections and external auditors review overall financial resilience and the track record of delivering savings.	Work is being undertaken to develop a potential future operating model for policing in Cumbria The Commissioner and Chief Constable will fully engage in the on-going process for formula review	Chief Finance Officer	February 2016	

OFFICE OF THE POLICE & CRIME COMMISSIONER – OPERATIONAL RISK REGISTER

Risk Mitigation Strategies:	
Avoid	Stop the risk completely or stop it having an impact.
Reduce	Reduce the likelihood and/or impact of the risk
Transfer	Outsource, use contractors or insure against things going wrong
Accept	The risk is tolerable/accepted

Risk Score	Impact	Likelihood – over the next 4 years
1	Low	Not expected to happen, but is possible
2	Medium	May happen occasionally
3	High	Will probably happen, but not a persistent issue
4	Very High	Will undoubtedly happen, possibly frequently

8 – 16	Review within 3 months
4 - 6	Review within 6 months
3 or less	Review within 12 months

			Risk Owner		Actions		Reviews
Risk No.	Risk Title	Total Score	Risk Owner	Action Owner	Any outstanding actions YES/NO	Date for actions to be completed	Date of review
FINANCE							
01	Budget Management	6	Chief Finance Officer	Deputy CFO	No		May 16
02	Investment Counterparty Risk	3	Chief Finance Officer	Deputy CFO	No		Nov 16
03	Financial Governance	2	Chief Finance Officer	Deputy CFO	No		Nov 16
04	Shared Services	2	Chief Executive	Deputy Chief Executive	No		Nov 16
05	Asset Management	2	Chief Executive	Chief Finance Officer	No		Nov 16
06	Insurance	4	Chief Executive	Chief Finance Officer	No		May 16
PARTNERSHIPS & COMMISSIONING							
07	Performance / delivery of the police and crime plan	4	Head of Partnerships & Commissioning	Partnerships and Strategy Manager	No		May 16
08	Partnerships & Collaboration	6	Head of Partnerships & Commissioning	Partnerships and Strategy Manager	No		May 16
09	Commissioning of Services	6	Head of Partnerships & Commissioning	Partnerships and Strategy Manager	No		May 16
COMMUNICATION AND BUSINESS SERVICES							
10	Reputation	8	Head of Communications & Business Services	Engagement Officer	No		May 16
11	Public Engagement / Consultation	4	Head of Communications & Business Services	Engagement Officer	No		May 16
12	Complaints	4	Head of Communications & Business Services	Governance & Business Services Manager	Yes	May 16	May 16
13	Diversity	3	Head of Communications & Business Services	Governance & Business Services Manager	No		Nov 16
14	Independent Custody Visiting Scheme & Animal Welfare Scheme	6	Head of Communications & Business Services	Governance & Business Services Manager	No		May 16
CHIEF EXECUTIVE / MONITORING OFFICER							
15	Non-Financial Governance	2	Chief Executive	Head of Communications & Business Services	No		Nov 16
16	PCC Elections 2016 / Transition	2	Chief Executive	Head of Communications & Business Services	No		Nov 16
R2	Efficient and Effective Policing	6	Chief Executive	Chief Executive	No		May 16



Joint Audit and Standards Committee

Agenda Item 17

TITLE OF REPORT:	Constabulary Quarterly Risk Management Update
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DATE OF MEETING:	8th December 2015
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ORIGINATING OFFICER:	Strategic Development, Corporate Improvement
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PART 1 or PART 2 PAPER:	PART 1 (OPEN)
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Executive Summary:

The purpose of this paper is to provide the Joint Audit and Standards Committee with the quarterly update to the Constabulary's risk management arrangements, including a review of the current strategic risk register.

Corporate Improvement has carried out a quality assurance check of all the departmental and operational risk registers to ensure that risk is effectively managed across the organisation. The Strategic Risk Register has been updated to reflect the latest situation, following consideration at Chief officer Group on 16th November 2015.

Recommendations:

That the Audit and Standards Committee:

1. Note the Constabulary's current strategic risks and that the quarterly review was completed on 18th November 2015.
2. Note Risk 22 has been closed and replaced with Risk 26 to better reflect the implications associated with a reduction in funding and the level of savings required.
3. Note the work being undertaken to formulate a new risk regarding the potential increase to the population along the West Coast of the county.

MAIN SECTION

1. Introduction and Background

1.1 Strategic Risks

Risk is the threat that an event or action will affect the Constabulary's ability to achieve its organisational aim and objectives.

Each risk is managed at the level where the control to manage the risk resides. Therefore strategic risks are managed by the Chief Officer Group, significant operational risks are managed by Operations Board (Joint Crime and Territorial Policing Board) and significant strategic business risks are managed in the relevant business department and via the Business Board. Projects and programmes also have their own risks that are managed by the project / programme teams.

Strategic risks are those affecting the medium to long term objectives of the Constabulary and are the key, high level and most critical risks that the Constabulary faces. Best practice indicates that the number should be between 5 and 10.

The Chief Constable in his 'Annual Statement of Corporate Governance' determines the strategic direction for the Constabulary which is 'Keeping Cumbria Safe'. Following consultation, the annual review of the Constabulary's Strategic Assessment (based on operational intelligence), performance results, recommendations from independent inspections and audits and a review of the organisations' strategic risks, the following objectives have been identified as key in reducing 'threat, risk and harm' and tackling our communities' concerns :

- Dealing with the issues related to vulnerable children - child abuse and child sexual exploitation.
- Responding to vulnerable adults and children who go missing from home.
- Reducing the harm caused by domestic abuse, violent and sexual offenders, encouraging people to report to the police.
- Preventing and detecting violence against the person offences, sexual offences and acquisitive crime.
- Preventing and dealing with antisocial behavior.
- Tackling alcohol and drug related crime and disorder.

The strategic risks identified by the Constabulary are concerned with:

1. The implications of longer-term reduction in budget and the level of savings required.
2. Uncertainty over cost and coverage of the Emergency Service Mobile Communications Programme.
3. Failure to deliver required change.
4. The significant increase in the number of reported rape and sexual offences.
5. Performance and productivity of police officers.
6. The integrity of police officers and staff.

The table on page 3 outlines the Constabulary's six strategic risks and provides the RAG rating (Red, Amber, and Green) for each risk (**RAG risk rating = impact x likelihood**). It also indicates which Constabulary objectives the risks link to.

Strategic Risk Register

Risk Ref No	Responsible Officer(s)	Risk Description	Impact	Likelihood	Initial Score	Latest Score	Link to Strategic Objectives	Update
22	The Chief Constable & Chief Financial Officers	<p>The current funding gap continues to increase due to:</p> <ul style="list-style-type: none"> local and national financial sources reducing and/or, greater than projected increases in expenses (for example pay and inflation), and the removal of the police allocation damping mechanisms, and revision of funding allocation the Government's statement about austerity continuing until early 2020s. <p>If this risk occurs, the Constabulary would have to find and deliver further savings in addition to those already planned, resulting in a significantly reduced number of officers and staff and significant detrimental impact on police services delivered to the public.</p>	Very High	Very High	25	20	All	<p>CLOSED</p> <p>On the 16th November 2015, the Chief Officer Group agreed to close this risk and replace it with a new risk (risk 26 (below) to capture in more detail the full implications of the continued reduction to the Constabulary's budget.</p>
26	The Chief Constable & Chief Financial Officers	<p>As a result of the potential changes to police funding formula, the removal of dampening funding and the 2015 CSR, there will be a detrimental and significant impact on the available budget and a requirement for substantially increased savings. This would result in a compromise to public safety, significant loss of public confidence and serious damage to the Constabulary's reputation.</p> <p>If this risk occurs, the Constabulary may have to focus on responsive reactive policing and maintaining public protection functions, but reducing investigative capacity</p>	Very High	Very High	25	25	All	NEW

Risk Ref No	Responsible Officer(s)	Risk Description	Impact	Likelihood	Initial Score	Latest Score	Link to Strategic Objectives	Update
		to focus on serious crime only; any volume crime where there is no public safety risk will only be investigated if there is spare capacity.						
25	The Chief Constable and Head of ICT	The Constabulary may be unable to fulfil its key strategic objectives because the new Emergency Services Network has potential to breach the Constabulary's risk capacity and appetite in terms of cost and acceptable levels of service provision. This would result in a compromise to public safety, significant loss of public confidence and serious damage to the Constabulary's reputation.	High	High	16	16	All	
2	Director of Corporate Improvement & Director of Corporate Support	The Constabulary may not have the capacity to deliver the Change Programme and Corporate Support Business Plan, in particular the reliance on IT to deliver systems which improve officer productivity and reduce manual intervention in processes. If this risk occurs the Constabulary would have to find further savings.	High	Medium	10	12	All	
24	The Deputy Chief Constable and Detective Chief Superintendent Crime Command	There is potential reputational damage to the Constabulary because of the significant increase it has seen the number of reported rape and sexual offences caused by the large number of high profile cases reported in the media which has positively encouraged more victims to come forward and report these serious offences.	Medium	High	15	10	1,2,3 & 4	
11	Assistant Chief Constable and Director of Corporate Improvement	The Constabulary's performance may be adversely affected due to the significant level of change across the Constabulary as a whole. This may result in adverse publicity and reputational damage, and potential direct	Medium	Medium	20	9	All	

Risk Ref No	Responsible Officer(s)	Risk Description	Impact	Likelihood	Initial Score	Latest Score	Link to Strategic Objectives	Update
		intervention from Her Majesty's Inspector of Constabulary (HMIC).						
23	The Deputy Chief Constable and Head of Professional Standards	There may be reduced public confidence in the Constabulary and reduced engagement with frontline police officers and staff due to a perceived (because of current national media focus and government communication) or actual lack of integrity amongst police officers and staff. This would result in significant reputational damage and a potential drop in performance because of less public support.	Medium	Low	9	6	All	

Risk Tolerance Levels		
<u>Risk Score 1-4</u> Acceptable. No action is required but continue monitoring.	<u>Risk Score 5-12</u> Tolerable risks but action is required to avoid a Red status. Investigate to verify and understand underlying causes and consider ways to mitigate or avoid within a specified time period.	<u>Risk Score 15-25</u> Unacceptable. Urgent attention is required. Investigate and take steps to mitigate or avoid within a specified short term.

Changes identified at COG on 16th November include:

Risk 22 – It was agreed to replace this with risk 26 to reflect the current financial situation facing Cumbria following changes to the police funding formula and the awaited outcome of the Comprehensive Spending Review to be announced on the 25th November 2015.

COG also discussed a potential risk which has arose from concerns associated with the development of the nuclear industry along the west of the county and how this may cause an increase in population. It is likely this will have on impact on policing. A risk has been formulated but further work is required to assess the score and the approach to be taken by the Constabulary should this occur. The risk will be included on the Strategic Risk Register once it is finalised.

1.2 Drivers for Change

Effective risk management is a key component of effective corporate governance. Managing risk will contribute towards delivery of the strategic priorities. There are potential significant consequences from not managing risk effectively.

Robust risk management will help improve decision-making and drive corporate activity that represents value for money.

Effective risk management will help protect the reputation of the Constabulary and the Office of the Police and Crime Commissioner, safeguard against financial loss and minimise service disruption.

1.3 Consultation processes conducted or which needs to be conducted

Individual risk owners have been consulted as part of the standard risk management arrangements. Extended COG reviewed and approved the strategic risk register on 16th November 2015.

1.4 Impact assessments and implications on services delivered

Not applicable- described in the risk register where appropriate.

1.5 Timescales for decision required

Not applicable to this report.

1.6 Internal or external communications required

In relation to risk 26 (future funding and the level of savings required) extensive communication has been carried out internally and externally to raise awareness of the serious implications associated with this risk.

2. Financial Implications and Comments

Any financial implications are described in the relevant risks outlined within this report. However, the implications of the Comprehensive Spending Review will not be known until after this report is submitted to Audit and Standards Committee for consideration. This may change risk 26 slightly and therefore the discussion that takes places at the meeting on 8th December 2015.

3. Legal Implications and Comments

Any legal implications are described in the relevant risks outlined within this report.

4. Risk Implications

The Constabulary's risks are described in section one of this report.

5. HR / Equality Implications and Comments

Any HR / Equality implications are described in the relevant risks outlined within this report.

6. ICT Implications and Comments

Any ICT implications are described in the relevant risks outlined within this report.

7. Procurement Implications and Comments

Any procurement implications are described in the relevant risks outlined within this report.

8. Supplementary Information

9.1 List any relevant documents and attach to report

Appendix 1	Risk Scoring Matrix
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9.2 List persons consulted during the preparation of report

- All Departmental Risk Owners.
- Territorial Policing and Crime Command Risk Owners.
- Extended Chief Officer Group.

Risk Scoring Matrix

Impact Score	Description					
		IMPACT ON SERVICE PROVISION	FINANCIAL IMPACT	IMPACT ON PEOPLE	DURATION OF IMPACT	IMPACT ON REPUTATION
5	Very High	Unable to function, inability to fulfil obligations	Severe financial loss > £3M	Multiple fatalities	In excess of 2 years	Highly damaging, severe loss of public confidence or being declared a failing Force
4	High	Significant impact on service provision	Major financial loss £1M to £3M	Fatality	Between 1 year - 2 years	National publicity, major loss of confidence or serious IPCC complaint upheld
3	Medium	Service provision is disrupted	Significant financial loss £500k to £1M	Serious injury, RIDDOR reportable	Between six months to 1 year	Some adverse local publicity, legal implications, some loss of confidence
2	Low	Slight impact on service provision	Moderate financial loss £100k to £500k	Slight medical treatment required	2 to 6 months	Some public embarrassment, or more than 1 complaint
1	Very Low	Insignificant impact, no service disruption	Insignificant financial loss < £100k	First Aid treatment only No obvious harm/injury	Minimal - up to 2 months to recover	No interest to the press, internal only

Likelihood Score	Tolerance Levels – Likelihood Assessment	
5	Very High	A risk has a very high score if there is a 90% or more chance of it happening every year. This means that it is almost certain to happen regularly.
4	High	A risk has a high score if there is a 65% to 90% likelihood of it happening at some point over the next 3 years. Basically, it probably will happen but it won't be too often.
3	Medium	A risk has a medium score if the likelihood of it happening is between 20% and 65% over the next 10 years. This means it may happen occasionally.
2	Low	A risk has a low score if the likelihood of it happening is between 5% and 25% at some point in the next 25years. This means it is not expected to happen but it is possible.
1	Very Low	A risk has a very low score if the likelihood of it happening is less than 5% over 100 years. Basically, it could happen but it is most likely that this would never happen.

		Impact	Impact	Impact	Impact	Impact
		Very Low (1)	Low (2)	Medium (3)	High(4)	Very High (5)
Likelihood	Very High (5)	5	10	15	20	25
Likelihood	High (4)	4	8	12	16	20
Likelihood	Medium (3)	3	6	9	12	15
Likelihood	Low (2)	2	4	6	8	10
Likelihood	Very Low(1)	1	2	3	4	5
		Impact	Impact	Impact	Impact	Impact