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**Our reference: NC**

**Date: 13<sup>th</sup> November 2017**

## **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 **Wednesday 22<sup>nd</sup> November 2017** in **Conference Room Two**, Police Headquarters, Carleton Hall, Penrith, at **10:00am**.

In the afternoon, a development session will be held (2- 4 pm), providing updates in respect of Control Room, 101 and treasury management.

**Michelle Bellis**  
**Deputy Chief Finance Officer**

**Note:** Members are advised that allocated car parking for the meeting is available in the Visitors Car Park.

Please note – there will be a private members meeting from 9.30am – 10.00am

### **COMMITTEE MEMBERSHIP**

Mrs Fiona Daley (Chair)  
Mr Jack Jones  
Ms Fiona Moore  
Mr Malcolm Iredale

## **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 13<sup>th</sup> September 2017.

**5. ACTION SHEET**

To receive the action sheet from previous meetings.

**6. CORPORATE UPDATE**

To receive a briefing on matters relevant to the remit of the Committee.  
*(To be presented by the Joint Chief Finance Officer)*

**7. ANNUAL REVIEW OF GOVERNANCE**

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

- (i) Constabulary Arrangements for Anti-fraud and Corruption / Whistleblowing  
*(To be presented by Det. Chief Inspector, Head of Professional Standards Dept.)*
- (ii) Joint Procurement Regulations *(To be presented by the Director of Corporate Support)*
- (iii) The role of the Chief Finance Officer *(To be presented by the Deputy Chief Finance Officer)*
- (iv) OPCC Scheme of Delegation / Consent *(To be presented by the Deputy Chief Executive)*

- (v) OPCC Arrangements for Anti-fraud and Corruption / Whistleblowing *(To be presented by the Governance Manager)*

**8. 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.

*(To be presented by the Joint Chief Finance Officer)*

**9. ANNUAL AUDIT LETTER**

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

*(To be presented by Grant Thornton)*

**10. VALUE FOR MONEY**

To receive an annual report on value for money within:

- (i) The Office of the Police and Crime Commissioner *(To be presented by the Deputy Chief Finance Officer)*
- (ii) The Constabulary *(To be presented by the Director of Corporate Improvement)*

**Please note that this agenda item is being deferred to the March 2018 meeting as the final VFM profiles have not yet been released by HMICFRS.**

**11. 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. *(To be presented by the Joint Chief Finance Officer)*

**12. INTERNAL AUDIT – PROGRESS REPORT**

To receive reports from the Internal Auditors regarding the progress of the Internal Audit Plan. *(To be presented by the Audit Manager)*

**13. INTERNAL AUDIT REPORT(S)**

To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the committee. *(To be presented by the Audit Manager)*

- (i) Finances Funding Formula
- (ii) Fleet

The following Internal Audit report has been completed within the last quarter and has been reviewed by the Committee members. A copy of this audit report will be available to view on the OPCC website.

- (iii) Treasury Management

**14. STRATEGIC RISK REGISTER**

- (i) To consider the COPCC strategic risk register as part of the Risk Management Strategy. *(To be presented by the Deputy Chief Executive)*
- (ii) To consider the Constabulary strategic risk register as part of the Risk Management Strategy. *(To be presented by the Director of Corporate Improvement)*

**15. TREASURY MANAGEMENT ACTIVITIES**

To receive for information reports on Treasury Management Activity - Quarter 2.  
*(To be presented by the Deputy Chief Finance Officer)*

**Future Meeting Dates (For Information)**

21 March 2018 @ 10:00 - Conference Room 2

24 May 2018 @ 10:00 – Conference Room 2

19 July 2018 @ 10:00 – Conference Room 2

12 September 2018 @ 10:00 – Conference Room 2

22 November 2018 @ 10:00 – Conference Room 2

## Agenda Item 4

### CUMBRIA POLICE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY

#### JOINT AUDIT & STANDARDS COMMITTEE

Minutes of a Meeting of the Joint Audit & Standards Committee held on Wednesday 13<sup>th</sup> September 2017 in Conference Room 2, Police Headquarters, Carleton Hall, Penrith, at 10.00 am

#### **PRESENT**

Mrs Fiona Daley (Chair)  
Mr Malcolm Iredale  
Mr Jack Jones  
Ms Fiona Moore

#### **Also present:**

Director, Grant Thornton (Robin Baker)  
Financial Services Trainee (Neil Collins)  
Joint Chief Finance Officer (Roger Marshall)  
Head of Communications and Business Services & Deputy Chief Executive, Office of the Police and Crime Commissioner (Gillian Shearer)  
Deputy Chief Constable (Michelle Skeer)  
Temporary Chief Executive, Office of the Police and Crime Commissioner (Vivian Stafford)  
Audit Manager, Cumbria Shared Internal Audit Service, Cumbria County Council (Emma Toyne)

#### **PART 1 – ITEMS CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC**

It was agreed that agenda items would be considered in the following order: 1-7, 9, 11, 8, 10, in order to allow the Deputy Chief Constable (DCC) and Joint Chief Finance Officer (CFO) to leave after the items they were presenting.

#### **353. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Michelle Bellis (Deputy Chief Finance Officer) and Richard McGahon (Senior Manager, Grant Thornton).

#### **354. URGENT BUSINESS AND EXCLUSION OF THE PRESS AND PUBLIC**

There were no items of urgent business or exclusions of the press and public to be considered by the Committee.

### **355. DISCLOSURE OF PERSONAL INTERESTS**

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

### **356. MINUTES OF MEETING AND MATTERS ARISING**

The draft minutes of the meeting held on 21<sup>st</sup> July 2017 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 21<sup>st</sup> July 2017 be approved.

### **357. ACTION SHEET**

The action sheet of the meeting held on 21<sup>st</sup> July 2017 had been circulated with the agenda. The following comments were made:

- The revised target dates for action points 328 and 349 were noted.
- It was noted that action points 347 and 349 were completed by the previous Chief Executive, Stuart Edwards, not by Vivian Stafford.
- The JASC Improvement Action Plan will be discussed over lunch and tabled at the November meeting.

### **358. CORPORATE UPDATE**

The CFO advised that financial pressure is currently being experienced due to the recent announcement that the Police pay award must be funded from reserves. There are concerns over the potential impact if this award is not funded in the longer term. Short term budgetary pressures also exist due to higher than expected officer numbers (including specialist transferees) and overtime (primarily for public reassurance). An overspend is therefore expected at year end, which will be funded from contingencies.

In the longer-term, ICT Capital Programme costs are higher than expected due to the need for upgrades to systems nearing end of life. In future, it will be necessary to use revenue to fund these programmes. The balance between capital and revenue will be an ongoing issue. In response to a member's question, the CFO also advised that it has not been possible to replenish reserves used to cover last year's overspend.

The DCC advised that Vision 2025 will include a savings plan, including targets against capital investment projects. A very successful strategy day on the topic was held on 6<sup>th</sup> September, with a similar event for PCs, Sergeants and staff equivalents scheduled for later in the year. The new Corporate Plan should be available by October.

The HMIC report on Child Protection will be published during week commencing 18<sup>th</sup> September. The report is expected to be very positive and so a third HMIC visit on the subject is considered unlikely. The HMIC inspection of the Constabulary's effectiveness is scheduled for week commencing 18<sup>th</sup> September. Very positive feedback was also received from the Modern Slavery inspection. All three reports will be tabled at the November JASC meeting.

### **359. MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS**

The CFO stated that of 21 actions, six are new since the last report. Seven actions have been completed, with 14 to carry forward. More clarity regarding timescales has been provided.

The policy document on the use of stingers is expected to be approved by Operations Board on 15<sup>th</sup> September. Regarding Digital Case File Preparation, the DCC advised that a paper proposing the extension of the contracts for the trainer and temporary Sergeant for Bail Management had been presented to Chief Officers Group earlier in the month. It is anticipated that all actions will be finalised by the end of November.

All HMIC recommendations regarding the Multi-Agency Safeguarding Hub have been completed. In addition, the Police and Crime Commissioner funded an independent review, which reported in June and is currently under consideration. However, not all recommendations were agreed with by all partners and so are still being reviewed e.g. the recommendation that only acute cases should be considered by the hub.

Following a member's question, it was agreed that a further update would be provided in November. Following further questions regarding the Safeguarding Hub, the DCC advised that ongoing discussions centre on process and have gone beyond the original internal audit recommendation; however the full HMIC report cannot be tabled yet. It was agreed that JASC would await this latter report, but keep the situation under review.

A member commented that there still seems to be some confusion regarding responsibilities for information security. The DCC will provide further clarity on this.

**RESOLVED**, that the report be noted.

Robin Baker joined the meeting at 10.30 am.

### **360. INTERNAL AUDIT REPORT(S)**

During the last quarter, the audit report on Offender Management was circulated to members. Members asked for this to be included for discussion at the meeting. The report gives an assurance opinion of 'partial' with seven recommendations.

A member commented that the auditee's response seemed slightly dismissive of the recommendations, which appear also appear to have ambitious timescales for implementation, itself suggestive of dismissiveness. The Audit Manager assured the Committee that no pressure had been applied by the Constabulary to change the audit assurance opinion. The DCC added that the Constabulary was not dismissive of the report, but sought a dialogue to resolve the discrepancy between the HMIC (good) and internal audit ratings. Members commented that a delivery plan for the strategy was required, along with evidence of actions undertaken. The DCC agreed that more detail would be provided.

**RESOLVED**, that the report be noted.

### **361. TREASURY MANAGEMENT ACTIVITIES**

The CFO advised that cash balances have been maintained at low averages, but that due to current interest rates this has little effect. The average rate of return on investments is 0.48 per cent. The key priority remains security of all assets. Full compliance with prudential indicators is maintained, and interest receipts are still expected to be in line with budget.

**RESOLVED**, that the report be noted.

The CFO and DCC left the meeting at 10.55 am.

### **362. INTERNAL AUDIT – PROGRESS REPORT**

The Audit Manager informed the committee that work is progressing as planned, with all work for quarters 1 and 2 of 2017/18 now underway. A scoping meeting to determine the schedule of quarter 3 work will take place shortly. The audit of the Digital Media Investigation Unit has been deferred at the request of the Constabulary (due to work being done for College of Policing accreditation) but there will be no impact on the ability to give audit opinion. A review of audit services will follow, the findings of which will be shared with the Committee.

At the request of a member, the Audit Manager agreed to circulate an email regarding the outcome of Police and Crime Plan training session referred to on page 6.

**RESOLVED**, that the report be noted.

### **363. STRATEGIC RISK REGISTER**

The Temporary Chief Executive stated that a review of the OPCC Risk Register would take place on 15<sup>th</sup> September, with a meeting to consider the Constabulary Risk Register scheduled for the end of the month. A more complete update would therefore be provided at the November JASC meeting. An additional clause has been added to Operational Risk no 15 to reflect the reduction in governance knowledge.

It was agreed that a verbal corporate update from the OPCC would be provided at future meetings and that the detail of the Operational Risk Registers would be provided annually. The Strategic Risk Register and a summary of the Operational Risk Register would continue to be provided at every meeting. However, further information regarding the whether operational risks are currently increasing, decreasing or remaining static, was requested, along with information regarding any outstanding actions. As the registers will have been fully updated by November, it was agreed that the new approach would begin then.

Following comments from members, it was agreed that Strategic Risk 1 would be updated to take account of current budgetary pressures, with a further update to be provided in November. It was also agreed that the actions would be updated to reflect stress testing and other mitigation measures that are carried out.

Regarding Strategic Risk 2, it was agreed that greater emphasis should be given to the risks arising from the unique geographical situation and the actions that are already being undertaken to mitigate this.

Members commented that further consideration should be given to how best the reduction in senior governance resource and experience should be described and placed within the Operational Risk Register. It was also suggested that loss of capacity should be included, as well as loss of expertise. A member commented that this should sit as a strategic rather than as an operational risk, at least until the new arrangements are shown to be working. These issues will be discussed in more detail by the OPCC.

Other comments were made as follows:

- Risk 4 (and elsewhere) - JASC should not be seen as the control but as an oversight of control.
- Risk 7 – regarding staff handover, a protocol should be considered, rather than simply dates in diaries. This could include consideration of access to ICT systems.

- Risk 9 – more detail needed regarding mitigation for capacity considerations. This will be provided in the next iteration.
- Risk 11 – Collaborative Board should be included under mitigation measures.

**RESOLVED**, that the report be noted.

The date of the next meetings were confirmed as follows:

22 November 2017 @ 1000 – Conference Room 2

21 March 2018 @ 1000 – Conference Room 2

24 May 2018 @ 1000 – Conference Room 2

19 July 2018 @ 1000 – Conference Room 2

12 September 2018 @ 1000 – Conference Room 2

22 November 2018 @ 1000 – Conference Room 2

**Meeting ended at 12.10 pm.**

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

## Joint Audit & Standards Committee – Action Update and Plan

Minute Item	Action to be taken	Person Responsible	Target Date	Comments	Status
<b>DATE OF MEETING: 15<sup>th</sup> March 2017</b>					
302	Item 6 – Corporate Update Review of new CFO arrangements	Roger Marshall / Michelle Bellis	November 2017 / March 2018	A review of the CFO arrangements will be provided in March 2018, once arrangements have settled in. Verbal update to be provided at November 2017 meeting.	On-going
<b>DATE OF MEETING: 24<sup>th</sup> May 2017</b>					
328	Item 12 – Ethics and Integrity Governance Members to receive an update on what the Ethics and Integrity Panel thought about the control room review.	Joanne Head	<del>September 2017</del> November 2017	Paper to be submitted to the meeting in September.  The Ethics and Integrity Panel meeting for August has been delayed until 21/09/17 and as such the report on the Control Room Review will now come to JASC at the November meeting.	On-going
<b>DATE OF MEETING: 21<sup>st</sup> July 2017</b>					
349	Item 8 – Command and Control More detailed response to audit report to be provided	Michelle Skeer	<del>September 2017</del> November 2017	An update will be provided as part of the development session at the November meeting.	On-going
<b>DATE OF MEETING: 13<sup>th</sup> September 2017</b>					
359	Item 6 – Monitoring of Audit, Internal Audit and Other Recommendations and Action Plans Further clarity regarding responsibilities for information security to be provided.	Michelle Skeer	November 2017		On-going
360	Item 9 – Offender Management Delivery plan to be developed and evidence for completed actions to be provided	Michelle Skeer	November 2017		On-going

Minute Item	Action to be taken	Person Responsible	Target Date	Comments	Status
362	Item 8 – Internal Audit – Progress Report Email to be circulated regarding outcome of Police and Crime Plan training session referred to on page 6	Emma Toyne	November 2017	Email circulated to members 20/09/2017	Complete
363	Item 10 – Strategic Risk Register Risk 1 to be updated to take account of current budgetary pressures. Update to be provided at November meeting	Vivian Stafford	November 2017	Risk register updated.	Complete
363	Item 10 – Strategic Risk Register Risk 2 to be re-worded to emphasize unique geographical situation	Vivian Stafford	November 2017	Risk register updated.	Complete
363	Item 10 – Strategic Risk Register Consideration to be given to ‘upgrading’ loss of senior governance expertise to strategic risk. Capacity considerations to be incorporated into risk.	Vivian Stafford	November 2017	Risk register updated.	Complete
363	Item 10 – Strategic Risk Register Verbal corporate update to be provided by OPCC at future meetings	Vivian Stafford	November 2017 onwards	Update to be provided at the meeting.	Complete
349	Item 8 – Command and Control More detailed response to audit report to be provided	Michelle Skeer	<del>September 2017</del> November 2017	An update will be provided as part of the development session at the November meeting.	Ongoing

# Joint Audit & Standards Committee – Review of Effectiveness

## Improvement Action Plan 2017/18

Ref	Improvement Area	Planned Action	Action Owner	Target Date	Status
JASC1	Helping to improve the outcome focus of the new Police and Crime Plan so that delivery can be measured more effectively.	Consider the arrangements for monitoring delivery of the Police and Crime Plan	JASC	March 2018	
JASC2	Exploring ways to strengthen partnership working with the Police and Crime Panel and the Ethics and Integrity Panel where appropriate.	Increase awareness of the issues and concerns of the Police and Crime Panel to the extent that they might inform the work of the Joint Audit and Standards Committee.	JASC	March 2018	
JASC3	Support and monitor the OPCC and Constabulary plans to address the increasingly stringent funding environment.	Attend training session and consider as appropriate the arrangements flowing from significant changes in funding levels.	JASC	March 2018	
JASC4	Support and challenge any new governance arrangements, for example, from restructuring, greater collaboration with other organisations or joint working on delivery of services.	Consider the arrangements for the Joint Chief Finance Officer and the rotating appointment of Monitoring Officer.	JASC	March 2018	

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### **Overview of Anti-Fraud and Corruption Policy and procedure.**

The Procedure was last reviewed in March 2015

The policy was last reviewed in December 2014

I will ask Supt Jackson to take the revised Policy and procedure to the next BB. I have made slight amendments to both documents, namely:

- Ensured that both documents are marked accordingly
- Reflect any changes nationally and locally
- Update and identify those with specific roles ie Chief Constables Chief Finance Officer changed to Joint Chief Finance Officer
- Removed links or references to organisations or departments that no longer exist
- Added in details of supporting information or policy libraries
- Corrected spelling errors
- Added in the definition of Abuse of Authority for sexual gain - AASG

### **Policy**

The aim of the policy is ensure the highest standards of openness, probity and accountability in the affairs of the Constabulary ensuring a culture and philosophy of honesty and opposition to fraud and corruption characterises the organisation.

To apply the Principles and Standards of Professional Behaviour for the Policing Profession of England and Wales thus encompassing the seven guiding principles of Public Life (Nolan Committee) to the Policing Code of Ethics

### **Procedures**

Provide staff (all Police employees) definitions of Fraud, Corruption and AASG. There are references to the Nolan principles, the Code of Ethics and the expected Standards of Professional behaviour. There is guidance for staff, line managers, Senior Officers and other managers to assist with them should they witness a fraud or corrupt activity or if one is disclosed to them. Furthermore there are details of internal and external reporting lines, with clear guidance on who matters should be reported to and who investigates them. Guidance is also provided in relation to Gifts, gratuities, hospitality and the declaring of Special interests.

Not Protectively Marked



Policy

<b>Policy:</b>	Cumbria Constabulary Anti-Fraud and Corruption Policy	
<b>Approved by which board (or Chief Officer) and date:</b>	Business Board, 15 <sup>th</sup> December 2014	
<b>Owner</b>	Director of Professional Standards, <u>People</u> Department	
<b>For release under Freedom of Information?</b>	Yes	
<b>Supporting procedures</b>	Anti-Fraud and Corruption Procedure	
<b>Contact for advice</b>	For the Constabulary Director of Professional Standards <u>People</u> Department Cumbria Constabulary Carleton Hall Penrith CA10 2AU  Telephone: 60022 E-mail: <del>PSDadmin@cumbria.police.uk</del> PSD-ACUIntel@cumbria.police.uk	
<b>Review date</b>	<del>December 2017</del> November 2019	

**Commented [NF1]:** I have not protectively marked the policy as I am happy that there is no sensitive material within the policy. Thus if an FOI was made then the document could be released.

**Commented [NF2]:** I will ask Supt Jackson to take the revised policy and the supporting procedures to BB once it has been reviewed at Jasc.

**Commented [NF3]:** Owner is the Director, this has been done to avoid confusion as Professional standards comes under the People Department and we have a Head of people, thus if we had a Head of professional standards then people may think we have two separate departments.

**Commented [NF4]:** Professional standards is now part of the people department.

**Commented [NF5]:** Changed to Director

**Commented [NF6]:** Professional Standards is now part of the People Department

**Commented [NF7]:** This email address has been removed as this is a general admin email address, thus sensitive material may end up in the admin department.

**Commented [NF8]:** This email address goes straight into the Intel Unit, thus it is more sterile and the information (intelligence) is protected.

**Commented [NF9]:** To be reviewed by Jasc Nov 2017, following review next review date will be Nov 2019 (2yrs later)

If changes have been made to an existing policy, you must complete the boxes below

<b>Amendments made</b>	Replaces and updates the December 2017 document (version <del>11 of the Joint Cumbria Police Authority and Cumbria Constabulary Anti-Fraud and Corruption Policy June 2012 3</del> ) following a review of the policy and supporting procedures.
<b>Date and Version Number</b>	Version <del>3</del> 4

**Commented [NF10]:** Wording changed to accurately reflect that this document Replaces the Dec 2017 reviewed document (which was version 3)

**Commented [NF11]:** New version ie 4 replaces 3

Not Protectively Marked

**1. Equality Analysis**

**What is the potential impact in relation to the General Duty of this proposal on each of the protected groups below?**

Protected characteristics	Positive Impact				Negative Impact (provide details and mitigating actions taken or proposed)	No Impact (v)
	Does the proposal:					
	eliminate unlawful discrimination (provide details)	advance equality of opportunity (provide details)	Foster good relations (provide details)	Other positive impact (provide details)		
Age	The policy will make sure that anybody of any age will be dealt with in the same way therefore eliminating discrimination	As all people that commit fraud/corruption will receive the same investigation, equality of opportunity would be afforded to all	A positive message is given to all staff/volunteers/contractors that all personnel no matter what position they hold within the force would be treated in the same way			
Disability	The policy will make sure that anybody with any disability will be dealt with in the same way therefore eliminating discrimination	As all people that commit fraud/corruption will receive the same investigation, equality of opportunity would be afforded to all	A positive message is given to all staff/volunteers/contractors that all personnel no matter what position they hold within the force would be treated in the same way			
Sex	The policy will make sure that anybody of any gender will be dealt with in the same way therefore eliminating discrimination	As all people that commit fraud/corruption will receive the same investigation, equality of opportunity would be afforded to all	A positive message is given to all staff/volunteers/contractors that all personnel no matter what position they hold within the force would be treated in the same way			

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Sexual orientation	The policy will make sure that anybody of any sexual orientation will be dealt with in the same way therefore eliminating discrimination	As all people that commit fraud/corruption will receive the same investigation, equality of opportunity would be afforded to all	As all people that commit fraud/corruption will receive the same investigation, equality of opportunity would be afforded to all			
Gender reassignment	The policy will make sure that anybody from the trans community will be dealt with in the same way therefore eliminating discrimination	As all people that commit fraud/corruption will receive the same investigation, equality of opportunity would be afforded to all	As all people that commit fraud/-corruption will receive the same investigation, equality of opportunity would be afforded to all			
Marriage and civil partnership	No impact					v
Pregnancy and maternity	The policy will make sure that anybody that is pregnant will be dealt with in the same way therefore eliminating discrimination	As all people that commit fraud/corruption will receive the same investigation, equality of opportunity would be afforded to all	A positive message is given to all staff/volunteers/contractors that all personnel no matter what position they hold within the force would be treated in the same way			
Race	The policy will make sure that anybody of any race will be dealt with in the same way therefore eliminating discrimination	As all people that commit fraud/corruption will receive the same investigation, equality of opportunity would be afforded to all	A positive message is given to all staff/volunteers/contractors that all personnel no matter what position they hold within the force would be treated in the same way			

Not Protectively Marked

Religion and belief including non-belief	The policy will make sure that anybody of any religious belief will be dealt with in the same way therefore eliminating discrimination	As all people that commit fraud/corruption will receive the same investigation, equality of opportunity would be afforded to all	A positive message is given to all staff/volunteers/contractors that all personnel no matter what position they hold within the force would be treated in the same way			
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**If there is no potential impact (positive or negative) please provide a brief explanation why this is the case, e.g. the data utilised in arriving at the decision, summary of responses to consultation etc.**

**Brief explanation of the 'no impact' decisions above**

## 2. Aim

- What is the overall aim of the policy?

To ensure the highest standards of openness, probity and accountability in the affairs of the Constabulary ensuring a culture and philosophy of honesty and opposition to fraud and corruption characterises the organisation.

- Why has it been written?

To apply the [Principles and Standards of Professional Behaviour for the Policing Profession of England and Wales thus encompassing the seven guiding principles of Public Life \(Nolan Committee\)](#) to the [Policing Code of Ethics](#) ~~working behaviours of the Constabulary.~~

**Commented [NF12]:** New wording added to reflect the procedures and capture Code of ethics.

- What will it achieve?

That opportunities for fraud ([any further references to fraud includes theft](#)) and corruption ([any further references to corruption includes Abuse of Authority for Sexual Gain – AASG](#)) are reduced to the lowest level of risk and that when fraud and corruption are identified it is dealt with swiftly and firmly.

**Commented [NF13]:** Added to give clarity

**Commented [NF14]:** Added the comments in as they then mirror the procedures.

Assurance that the individuals and organisations (e.g. suppliers, contractors, service providers) with whom the Constabulary come into contact can themselves be relied on to act with integrity and without motivations or actions involving fraud and corruption.

- Who is it for?

The policy is mandatory and applies to all ~~police officers, special constables, police~~ staff ([any further references to staff includes all police employees i.e. Officers, Specials, Volunteers, Agency staff](#)), ~~volunteers and agency staff~~ under the direction and control of the Chief Constable and assisting the Constabulary in pursuing its aims, and those third parties with whom the Constabulary have dealings.

**Commented [NF15]:** Staff refers to Police Officers, Specials, Volunteers, contractors, Agency staff and Police staff, the use of the word staff mirrors the wording in the procedures and other Policies and procedures the Force holds. I have added a sentence in, in brackets to explain the reference to staff.

**Commented [NF16]:** Again added the comment in to mirror the procedures.

- Who will be responsible for delivering the policy?

All personnel are responsible for the prevention of fraud and corruption. The policy is owned by the [Director of the Professional Standards, People](#) Department (~~PSD~~) and will be administered by the Anti-Corruption Unit ~~in~~ [in Professional Standards, PSD](#).

**Commented [NF17]:** Director

**Commented [NF18]:** People department, PSD removed as it is Professional Standards

## 3. Terms and Definitions

### **Fraud**

“An intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to

Not Protectively Marked

risk or loss". Public Sector Audit Appointments Ltd, National Audit Office, Financial Report Council and Cabinet Office (Audit Commission, Protecting the Public 2012).

**Commented [NF19]:** This body replaced the Audit Commission in 2015

**Commented [NF20]:** Audit Commission no longer exists, definition is still valid.

#### **Corruption**

"A Law Enforcement Official commits an unlawful act or deliberately fails to fulfil a role arising out of an abuse of their position, for personal or perceived advantage having the potential to affect a member of the public". (IPCC/ACCAG definition).

#### **Theft**

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

#### **Abuse of Authority for Sexual Gain (AASG)**

"Any behaviour by a police officer or police staff member, whether on or off duty, that takes advantage of their position as a member of the police service to misuse their position, authority or powers in order to pursue a sexual or improper emotional relationship with any member of the public" (IPCC definition)

**Commented [NF21]:** Spelling error

### **4. The Policy**

The Constabulary will not tolerate fraud or corruption in the administration of their responsibilities. It expects senior managers to take positive action whenever fraudulent or corrupt activity is suspected. The Chief Constable is clear that the Constabulary will invoke misconduct procedures as per The Police (Conduct) regulations 2012 and current Home Office Guidance wherever improper behaviour is indicated, and that if there is evidence of criminal behaviour, appropriate action will be taken.

**Commented [NF22]:** From a style point I have used a capital S

The nature of the Constabulary is such that the prevention and detection of fraud in society at large is part of the core business conducted by the Constabulary. Consistent with this, and intrinsic to the nature of the Constabulary, substantial additional measures over and above those normally associated with an ordinary government department are taken to ensure the regularity and integrity of actions taken by police officers and police staff. These flow not only from the general body of criminal law, but also the collection of regulation and practice which constitutes the standards and misconduct regime for the Police Service itself. The Constabulary will therefore discharge its duties and maintain a Professional Standards function to oversee its own officers and staff and to represent the Constabulary's oversight interests in these priorities.

**Commented [NF23]:** Changed to reflect earlier changes and to mirror the procedural document

**Commented [NF24]:** As comment above

This policy outlines the principles which will be pursued in respect of police officers, special constables, police staff, volunteers assisting the Constabulary in its aims, and those third parties with whom the Constabulary have dealings.

**Commented [NF25]:** As comment above

The Constabulary is committed to an effective Anti-Fraud and Corruption strategy. This attitude towards fraud and corruption is summarised below:

Not Protectively Marked

- 1) Cumbria Constabulary is determined that the fundamental culture and philosophy of their organisations is one of scrupulous honesty and principled opposition to fraud and corruption. It will not tolerate fraud and corruption in the administration of their responsibilities, whether from inside the organisation or externally.
- 2) The Constabulary's minimum expectations regarding propriety and accountability are that members and staff at all levels will themselves abide by the Code of Ethics, set the ~~standard and standard and~~ lead by example in ensuring proper adherence to legal requirements, rules, procedures and practices.
- 3) Senior managers are expected to deal swiftly and firmly with those who are suspected of fraud or corruption~~defraud the Constabulary who are corrupt. Because of those~~. The public quite rightly expects all Constabulary staff to display high higher standards of integrity which the public rightly expects of police which the organisation need to assure in order to fulfil their pre-eminent role in maintenance of the rule of law and prevention of crime, theThe Constabulary reserve the right to treat prima facie evidence of such behaviour as immediately constituting gross misconduct.
- 4) The Constabulary also expect that those external individuals and organisations (e.g. suppliers, contractors, service providers) that it comes into contact with on a business basis, will conduct their dealings with the Constabulary with integrity and without motivation or actions involving fraud and corruption.
- 5) Allegations or concerns that fall within the scope of other policies (e.g. child protection or discrimination issues) will normally be referred for consideration under those policies.
- 6) The IPCC has classed AASG as serious corruption. The Constabulary will record all intelligence/information linked to AASG as corruption.

**Commented [NF26]:** Added to reflect the Procedures and earlier changes made to this document

**Commented [NF27]:** Spelling error replaced

**Commented [NF28]:** Changes made as the para seemed a bit too wordy

**Commented [NF29]:** AASG has been added in as item 6, this is to reflect the procedures and the AASG delivery plan.

To support this policy it is confirmed that sufficient internal resources will be allocated towards the detection and prevention of fraud and corruption. Interrelated procedures designed to frustrate, detect and identify any attempted fraudulent or corrupt act will be put in place. All reports of Fraud or corruption are logged and subject of an assessment by the ACU, if criminal offences or potential breaches of Policing standards have been identified then a formal investigation will be commenced. ~~and a formal investigation of any instances or suspected instances of fraud and corruption which may arise will always be undertaken.~~ Details of the strategy supporting this policy and further guidance about what to do if you suspect fraud and corruption acts are taking place are outlined in the Anti-Fraud and Corruption Procedure document (which can be accessed via the Constabulary's Policy Library on the intranet).

**Commented [NF30]:** Changes made to reflect that everything is logged within the ACU and everything is subject of review and /or assessment.

Not Protectively Marked

## 5. Supporting Information

The College of Policing, Code of Ethics, July 2014.

The Police (Conduct) Regulations 2012.

[Police \(Complaints and Misconduct\) Regulations 2012](#)

[Police \(Performance\) Regulations 2012](#)

[Vetting Code of Practice](#)

Home Office Guidance July 2014.

**Commented [NF31]:** All of these support the Policy

## 6. Monitoring and Reviewing

This policy will be monitored by the Policy Owner<sup>s</sup> on an on-going basis for implementation issues, consistency of application and potential for discrimination.

**Commented [NF32]:** Plural I have changed this

Relevant statistics will be recorded against the [protected characteristics six strands](#) of diversity by the Director [of Professional Standards, PSD](#) in relation to all reports of suspected and/or actual incidents of fraud and corruption. The statistics will be reviewed annually in order to identify any trends, issues or concerns [where the matter has diversity implications](#) and the result reported to the Office of the Police and Crime Commissioner for Cumbria (OPCC).

**Commented [NF33]:** There are more than 6 strands now

**Commented [NF34]:** Changed to reflect the earlier changes

**Commented [NF35]:** Changed as this was repetitive

The policy will be reviewed in line with the published review schedule (every [23](#) years), unless there is a change in legislation or guidance which will have an impact on the implementation of this policy.

**Commented [NF36]:** Hanged to reflect the review period according to JASC work programme ie every 2 years.

The monitoring of this policy will be done by:

- Reviewing the policy and associated documentation to ensure the policy is still relevant.
- Reviewing the implementation of the policy by consultation with key personnel responsible for implementation of and adherence to it.
- Reviewing the *Diversity Implications* report prepared by the [Director of Professional Standards, PSD](#).
- Reviewing the relevant data in relation to any related matters pursued in accordance with the Fairness at Work policy.
- Consideration of any changes in legislation that need to be accommodated.
- Consideration of any feedback that has been received.

**Commented [NF37]:** Changes to reflect earlier changes

Restricted



Procedure

**Commented [NF1]:** Document is not protectively marked as it does not contain any sensitive information. Thus if an FOI is made then the Policy and procedure could be released

<b>Procedure:</b>	Cumbria Constabulary Anti-Fraud and Corruption Procedure
<b>Approved date:</b>	<del>June 2014 (Revised March 2015)</del> Revised <u>November 2017</u>
<b>Owner:</b>	Professional Standards, People Department
<b>For release under Freedom of Information?</b>	<del>No</del> <u>Yes</u>

**Commented [NF2]:** Should say November 2017

**Commented [NF3]:** New date added, I will ask Supt Jackson to take the revised Policy and procedure to business board, once JASC has reviewed it

**Commented [NF4]:** No sensitive material contained within the document

<b>Supporting information also in policy library:</b>	<ul style="list-style-type: none"><li>• Cumbria Constabulary Anti-Fraud and Corruption Policy</li><li>• <del>Constabulary</del> Professional Standards Confidential Reporting Policy.</li><li>• <u>Register of Interest Forms</u></li><li>• <u>Policies and procedures relating to: Hospitality, gifts and gratuities, Vetting, Secondary employment and business interests, Revelation of criminal misconduct and discipline findings to CPS, Reporting criminal procedures and other offences</u></li></ul>
<b>Contact for advice:</b>	<del>Head of Director of Professional Standards Department</del> People Department Cumbria Constabulary Carleton Hall Penrith CA10 2AU  Telephone: 60022 E-mail: <del>PSAdmin@cumbria.police.uk</del> <u>PSD-ACUIntel@cumbria.police.uk</u>
<b>Review date</b>	June 2017 REVIEW AT JASC NOVEMBER <del>2017</del> <u>2019</u>

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**Commented [NF5]:** Changed to reflect correct name of the Policy

**Commented [NF6]:** Details of other supporting docs added

**Commented [NF7]:** Professional standards is now part of the people dept

**Commented [NF8]:** Changes made to reflect correct structure of department and who to contact ie Director

**Commented [NF9]:** The ACU has its own dedicated e mail address

**Commented [NF10]:** E mail address for ACU, this means that information (Intelligence) is kept sterile

**Commented [NF11]:** Next review date is November 2019

If changes have been made to existing procedures you must complete the boxes below

Restricted

<b>Amendments made</b>	Slight amendments to reflect national changes and local approach
<b>Date and Version Number</b>	<a href="#">V4_V5 (7/11/17)</a>

**Commented [NF12]:** Next review date is November 2019  
ersion control added

## **Cumbria Constabulary Anti Fraud and Corruption Procedure**

This procedure has been written to support the Cumbria Constabulary Anti Fraud and Corruption Policy, which is available for further clarification and guidance in the Constabulary's Policy Library on the intranet.

Note: Cumbria Office of the Police and Crime Commissioner (COPCC) have a separate [arrangements for Anti-Fraud and Corruption Procedure](#) which applies to all COPCC staff.

**Commented [NF13]:** Changes made to reflect processes and correct spelling errors.

### **Contents**

- 1. THE CHIEF CONSTABLE** - summary of approach towards fraud and corruption.
- 2. WHAT IS MEANT BY FRAUD AND CORRUPTION?** – definition and examples of fraud [\(any further references to fraud include theft\)](#) and corruption [\(any further references to corruption includes Abuse of Authority for Sexual gain – AASG\)acts.](#)
- 3. POLICING CODE OF ETHICS (INCLUDING NOLAN PRINCIPLES of PUBLIC LIFE)**
- 4. YOUR DUTY**- role and responsibilities for individuals.
- 5. WHAT TO DO IF YOU SUSPECT FRAUD OR CORRUPTION** – practical guidance when a member of staff suspects fraud or corruption.
- 6. WHAT TO DO IF A MEMBER OF STAFF RAISES CONCERNS WITH YOU**- practical guidance for managers when a member of staff reports a concern regarding fraud and corruption.
- 7. ADVICE TO MEMBERS OF THE PUBLIC** – how to report concerns regarding fraud and corruption.
- 8. KEEPING OF RECORDS** – responsibilities of Commanders and Directors to maintain registers of interests declared by their staff.
- 9. SPECIAL INTERESTS** – Sec 117 of the Local Government Act 1972 responsibilities of individuals (in relation to contracts).
- 10. ~~LOCAL GOVERNMENT AND HOUSING ACT 1989 – POLITICALLY RESTRICTED POSTS (PORP)~~ [The LOCAL GOVERNMENT AND HOUSING ACT 1989 amended by the Police Reform and Social Responsibility Act 2011 – Sec 2 of the Local Government and Housing Act 1989The Act](#)** – identifies posts where the post holder is subject to certain political restrictions.

**Commented [NF14]:** I have added this in to reflect the Policy and the definitions.

**Commented [NF15]:** Changes made to reflect changes in the Act

11. **OFFERS and ACCEPTANCE OF GIFTS, GRATUITIES & HOSPITALITY** – guidance for members of staff.
12. **REVIEW OF THE ARRANGEMENTS** – Internal Audit review programme arrangements.
13. **ANTI FRAUD AND CORRUPTION STRATEGY** – details of the Anti Fraud and Corruption strategy in support of the policy.

## 1. THE CHIEF CONSTABLE

The Chief Constable has agreed a policy against Fraud and Corruption. In summary, the Chief Constable will not tolerate fraud or corruption in the administration of their responsibilities, and expect staff (includes all Police Officers, Police staff, Volunteers and agency staff) to take positive action wherever fraudulent or corrupt activity is suspected.

**Commented [NF16]:** Quite a few policies now refer to all employees as employees or staff rather than differentiating so I have put this in here then I refer to staff throughout the document.

The Chief Constable is clear that Misconduct Procedures will be invoked where improper behaviour is indicated, 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. A criminal investigation will always be pursued where evidence of criminal behaviour is evident.

The Anti Fraud and Corruption Procedure provide's guidance to all officers and staff to ensure adherence to the policy.

**Commented [NF17]:** As above

## 2. WHAT IS MEANT BY FRAUD AND CORRUPTION?

### Fraud

"An intentional false representation, including to failure declare information or abuse of position that is carried out to make gain, cause loss or expose another to risk or loss". Public Sector Audit Appointments Ltd, National Audit Office, Financial Report Council and Cabinet Office 2015 (Audit Commission Protecting the Public 2012)

**Commented [NF18]:** This body replaced the Audit Commission in 2015

### Corruption

"A Law Enforcement official commits an unlawful act or deliberately fails to fulfil a role arising out of an abuse of their position, for personal or perceived advantage having the potential to affect a member of the public". (IPCC/ACCAG definition)

Corruption includes This would also include a Abuse of a Authority for s Sexual g Gain – AASG as is defined as in the policy. "Any behaviour by a police officer or police staff member\*, whether on or off duty, that takes advantage of their position as a member of the police service to misuse their position, authority or powers in order to pursue a sexual or improper emotional relationship with any member of the public"

**Commented [NF19]:** This is the definition in our Force AASG delivery plan

Fraudulent or corrupt acts may include:

- **System Issues** ie where a process/system exists which is prone to misuse/abuse by either employees or public, (eg misuse of the Police National Computer).
- **Financial Issues** ie where individuals or companies have fraudulently obtained money from the Chief Constable/COPCC, (eg invalid invoices/work not done).
- **Equipment Issues** ie where Chief Constable/COPCC equipment is used for unauthorised personal use, (eg personal use of the organisation's assets - vehicles/computers/telephones etc).
- **Resource Issues** ie where there is a misuse of resources, (eg theft of cash/assets).
- **Abuse of Authority for Sexual Gain (AASG) ie Any behavior on or off duty, it is not just about sexual activity, behavior such as being over friendly, instigating contact, misusing police systems, exploiting your position** as per the definition given within the Anti-Fraud and Corruption policy. This is classed as serious corruption in its own right. The IPCC have defined AASG as serious corruption
- **Other Issues** ie activities undertaken by ~~Officers/Police Staff/Special Constables of the Constabulary~~ which may be: unlawful; against policies or procedures; fall below the expected standards of professional behaviour, as detailed in the Code of Ethics; or amount to improper conduct, (eg receiving unapproved hospitality).

**Commented [NF20]:** All of the other bullet points have an explanation of what the subject matter relates to so I have done the same here.

**Commented [NF21]:** Changes made to reflect previous references to staff

**Commented [NF22]:** Added to give clarity

### 3. POLICING CODE of ETHICS

Principles and Standards of Professional Behaviour for the Policing Profession of England and Wales encompassing the Nolan Principles of Public Life.

The recently developed Policing Code of Ethics sets out the principles and standards of behavior which applies to every individual who works in policing, whether a warranted officer, police staff, volunteer or someone contracted to work in a police force. The Code of Ethics contains the following (9) nine policing principles which in its self encompasses the (7) seven long standing Principles of Public Life (Nolan Principles) which have been embedded in policing since 1995. ~~See following link for further information:~~

<http://www.college.police.uk/en/20972.htm>

**Commented [NF23]:** Link and sentence no longer required due to posters and information readily available to all staff, information contains code of ethics and expected standards of behavior.

1. **Accountability.** You are answerable for your decisions, actions and omissions.
2. **Fairness.** You treat people fairly.
3. **Honesty.** You are truthful and trustworthy.
4. **Integrity.** You always do the right thing.

5. **Leadership.** You lead by good example.
6. **Objectivity.** You make choices on evidence and your best professional judgement.
7. **Openness.** You are open and transparent in your actions and decisions.
8. **Respect.** You treat everyone with respect.
9. **Selflessness.** You act in the public interest.

#### 4. YOUR DUTY

- Not to commit or connive at any fraudulent or corrupt act.
- To raise with a ~~sSenior eOfficer~~ or ~~mManager~~ or any persons or organisations the people listed in section 5 of this procedure (Contacts), any suspicion of improper activity which indicates fraudulent or corrupt behaviour on the part of a colleague or an external third party.
- The Public Interest Disclosure Act 1998 provides legal protection for employees who raise genuine concerns in relation to suspected fraud and corruption issues such as the following examples:
  - a) A criminal offence has been committed, is being committed or is likely to be committed.
  - b) A person has failed, is failing or is likely to fail to comply with any legal obligation to which he is subject.
  - c) A miscarriage of justice has occurred, is occurring or is likely to occur.
  - d) The health or safety of any individual has been, is being or is likely to be endangered.
  - e) The environment has been, is being or is likely to be damaged, or information tending to show any matter falling within any one of the preceding paragraphs has been, is being or is likely to be deliberately concealed.
- Not to discuss suspicions of improper practice other than with a ~~sSenior eOfficer or mManager~~ or the people listed in section 5 (Contacts).
- Senior ~~eOfficers~~ or managers must report the improper practice to ACU Intel and 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 Constabulary's procedural documentation, principally Police Regulations, the Police Staff Manual, ~~Standing Orders in Relation to Contracts~~ Joint Procurement Regulations and the Financial Regulations/Rules.

**Commented [NF24]:** Capitals used as a style preference

**Commented [NF25]:** Changes made to provide clarity and reflect section 5

**Commented [NF26]:** As mentioned above – capitals used due to a style preference

**Commented [NF27]:** Wording added to ensure that the ACU is aware of ALL matters and this is then captured onto intelligence systems held within Professional standards and organizational memory is retained

**Commented [NF28]:** This should be the "Joint Procurement Regulations". We no longer have standing orders

- Ensure any payments due to an employee are authorised by an independent member of staff
- Maintain controls that ensure functions involving the custody of resources are administered by two members of staff and other policies and procedures are adhered to (for example the order and certification of receipts of goods; or the receipt and banking of cash).
- 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 Cumbria Constabulary. (The test is – “can I justify my actions if they become public?” If in doubt, consult your manager/supervisor). Where there is a conflict then a self-referral should be made to the ACU Intel team.
- To adhere to the guidelines regarding ‘Special Interests’ and offers or acceptance of hospitality and gifts.

**Commented [NF29]:** I am pretty certain that any cash seized must be immediately double bagged and then opened and counted at a location whereby there is video recording and where possible cash counting machines are used.

**Commented [NF30]:** To ensure that information is shared with ACU and it is captured onto intelligence systems held within Professional standards thus retaining organizational memory

## 5. WHAT TO DO IF YOU SUSPECT FRAUD OR CORRUPTION

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

**Commented [NF31]:** Added to ensure all persons are captured

**Commented [NF32]:** Added to reflect previous changes and mirror the Policy document

	<u>CONTACT</u>	<u>TELEPHONE NUMBER</u>
Constabulary	The Deputy Chief Constable	41116
	The Director of Professional Standards	42544
	Director of Corporate Support	44092
	The Director of Legal Services	48401
Constabulary	The <u>Chief Constable's Joint Chief Finance Officer</u>	48591
	Director of Corporate Improvement	49943

**Commented [NF33]:** Telephone numbers within the Force are linked to Staff collar numbers, however all the numbers listed below will be intercepted by the relevant secretariat/PA etc

**Commented [NF34]:** Changed to Director to reflect previous changes and mirror the Policy

**Commented [NF35]:** Correct title used

Office of the Police and Crime Commissioner	The <del>Joint</del> Chief Finance Officer of the <del>Cumbria Office of the Police and Crime Commissioner</del>	<del>4859104768 21 7634</del>
	The Chief Executive (Monitoring Officer), Cumbria Office of the Police and Crime Commissioner	01768 21 7732
	The Office of the Police and Crime Commissioner Internal Auditor	<del>01228 60 628001228 226261</del>
Staff Associations	For Police Officers – Police Federation	64007
	For Police Staff – UNISON	01768 21 8000, 8002 or 49005
Confidential internal reporting to the Professional Standards <del>Department</del> is also available by ringing 03301240788 or by the confidential e-mail reporting system accessed via the PSD intranet site. <a href="http://cumbria.cumpol.net/Organisation/ProfStand/default.aspx">http://cumbria.cumpol.net/Organisation/ProfStand/default.aspx</a> <a href="mailto:PSD-ACUIntel@cumbria.police.uk">ACU e mail address is: PSD-ACUIntel@cumbria.police.uk</a>		

Commented [NF37]: Correct Phone number added

Commented [NF36]: As above, reflects correct title

Commented [NF38]: Changed to reflect departmental changes and mirror Policy

Commented [NF39]: New E mail address added

In ordinary circumstances, the above individuals are the normal points of contact for these issues in the Constabulary, 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. When contacting external organisations individuals must take care to ensure that **confidential information** is not disclosed.

<b><u>EXTERNAL CONFIDENTIAL HELPLINE</u></b>	
<b>CONTACT</b>	<b>TELEPHONE NUMBER</b>
Public Concern at Work - a registered charity.	0207 404 6609
External Auditors – Grant Thornton	0141 2230889
Internal Auditors – Cumbria Shared Audit Service	01228 226261
<del>Public Sector Audit Appointments Ltd, National Audit Office, Financial Report Council and Cabinet Office The Audit Commission – Fraud Hotline</del>	<del>020 7798 7999 0207 630 1019</del>

Commented [NF40]: Audit commission was replaced and there is a whistleblowing line

## 6. 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 ~~or Senior Officer of a~~ Manager the following personnel must be consulted with a view to determining the appropriate investigative response and whether the Internal Auditor should become involved or a criminal investigation undertaken.

**Commented [NF41]:** Changes to correct spelling error and use capital letters as a style preference

~~Police officers and police staff~~ All Police employees must contact either the Deputy Chief Constable, the Director of Professional Standards and or the Chief Constable's ~~Joint Chief Financial~~ Finance Officer (CCCFO). This can be done via the Anti Corruption Unit – Intel team.

**Commented [NF42]:** Changes to reflect those made previously and mirror the policy document

**Commented [NF43]:** Correct name used

Notwithstanding the above procedure the ~~line~~ manager, ~~Senior Officer or other 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 in section ~~4-5~~ above may be informed.

**Commented [NF44]:** Missing word added

**Commented [NF45]:** Details of others added to reflect changes within the document

**Commented [NF46]:** Should read 5, 4 has been deleted

Arrangements will then be made to:

- Deal promptly with the matter.
- Record all evidence received.
- Ensure the evidence is sound and adequately supported.
- ~~Ensure that criminal and or Conduct investigations are conducted~~
- Ensure the security of all evidence collected.
- Advise the ~~Joint Chief Finance CCCFO and~~ Officer and the Internal Auditor.

**Commented [NF47]:** Bullet point added to give clarity

**Commented [NF48]:** Correct name added

## 7. 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 Constabulary, the matter should be reported to the Director of Professional Standards Department in the first instance. Any information will be treated in confidence and can, if you wish, be provided anonymously. This policy is **NOT** a substitute for the normal process for complaints against the police under the Police Reform Act 2002, but complementary to them.

## 8. KEEPING OF RECORDS

~~The Professional Standards Standars Department~~ maintain a central electronic register of offers of hospitality and gifts (see section 11 below) and details of whether they are offered and declined. This is accessed through the Constabulary's intranet. All ~~recorded~~ ~~recorsed~~ offers of hospitality and gifts are monitored by supervisors as part of the electronic workflow.

**Commented [NF49]:** Changes made to reflect correct department and mirror policy document

**Commented [NF50]:** Spelling error corrected

For a number of Constabulary posts, ~~the police officer or member of police~~ staff will be required to complete a Register of Interests Form (*A copy of the form is located in the Constabulary's Form Library which can be found on the homepage of the intranet*). This will apply to ~~Senior~~ posts - all police officers

**Commented [NF51]:** Changes made to reflect other changes and the Policy document

**Commented [NF52]:** Change due to style preference

attaining the rank of Chief Inspector and above, police staff of grade SO 1 and above and police staff with procurement responsibilities. The forms will be completed by the individuals ~~to be and~~ submitted to ~~PSD~~ Professional Standards via their line manager. It is important that the responses on completion of the form is done honestly. ~~The forms must be filled in annually (by the end of the financial year 31 March) or if there has been a change in circumstances, whichever is the sooner. and that it is updated if changes to an individuals circumstances occur.~~

Commented [NF53]: Changed to read better

Commented [NF54]: Changed to reflect correct department

Commented [NF55]: Addition and change to provide clarity of when the form should be filled in

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Commented [NF56]: Changed to read better

Commented [NF57]: Changed to reflect previous changes

On an annual basis as part of the completion of the statutory statement of accounts, the Constabulary is required to ensure that ~~those in Senior posts senior officers and police staff~~ disclose transactions “between individuals or organisations who have the ability to influence or control the PCC or Constabulary (known as related parties) to declare the nature of such transactions”. The financial services team will circulate a form to those ~~officers and~~ staff required to complete this annual disclosure around the financial year end (31 March), this form must be completed and returned as specified in the covering letter. This annual disclosure is in addition to any other disclosures required as part of this anti-fraud and corruption procedure and gifts/hospitality (section 11).

## 9. SPECIAL INTERESTS

The law (Section 117 of the Local Government Act 1972) specifically requires ~~officers, employees and members staff~~ to disclose in writing any financial interest (direct or indirect) which they may have in any contract the Chief Constable or COPCC has entered into, or may enter into, and prevents the acceptance of any fees or rewards whatsoever other than proper remuneration from their employer. The standards expected from staff are set out in the Joint Procurement Regulations.

Commented [NF58]: As above

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. Again, 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, but 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 Chief Constable or 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. ~~Furthermore, a self-referral should be made to ACU Intel.~~

Commented [NF59]: Added in to ensure intelligence is recorded within Professional standards

The Constabulary policies and procedures re ‘Vetting’, ‘Secondary Employment’ and ‘Business Interests’, ‘Revelation of Criminal, Misconduct and Discipline and Findings to CPS’, ‘Reporting Criminal Proceedings and Other Offences’ together with the Professional Standards Confidential Reporting will be used to support the obligations of section 117.

10. LOCAL GOVERNMENT AND HOUSING ACT 1989 was amended by the Police Reform and Social Responsibility Act 2011 LOCAL GOVERNMENT AND HOUSING ACT 1989 - POLITICALLY RESTRICTED POSTS (PORP)

Commented [NF60]: This Act was amended in 2015

Under section 2 of the Local Government and Housing Act 1989, this Act a post will be designated as a PORP if it is either, where a post is politically restricted the holder shall not stand as a member of:

- a) The House of Commons;
- b) The European Parliament; or
- c) A local authority.

Act as an election agent or sub-agent for a candidate for Parliament, European Parliament or a local authority.

Be an officer of a political party or of any branch of such a party or a member of any committee or sub-committee of such a party or branch if his/her duties as such an officer or member would be likely to require him/her:

- a) to participate in the general management of the party or the branch; or
  - b) to act on behalf of the party or branch in dealings with persons other than members of the party or members of another political party associated with the party.
- Canvass on behalf of a political party or on behalf of a person who is, or proposes to be, a candidate for election to Parliament, European Parliament or a local authority.

PORP does not apply to the Police and Crime Commissioner and there is an exception for the the Deputy Police and Crime Commissioner

- A specified post;
- A post whose remuneration is or exceeds a specific level i.e. the equivalent of SCP44;
- A sensitive post.

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.

The political restrictions:

- 1) 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).
- 1) 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.

Commented [NF61]: Changes made to reflect the wording within the amended Act.

Police Officers are subject to the restrictions placed on their private lives in accordance with Police Regulations 2003, Regulation 6 - Schedule 1

## 11. OFFERS AND ACCEPTANCE OF GIFTS, GRATUITIES & HOSPITALITY

### Considerations

The over-riding principle is the presumption that any offer of gifts, gratuities or hospitality are declined; however, the following considerations should assist police officers and staff in determining the boundaries of acceptability of any gift or hospitality . Think **G.I.F.T.**

**Genuine:** is this offer made for reasons of genuine appreciation for something I have done. Why is the offer being made, what are the circumstances, have I solicited this offer in any way or does the donor feel obliged to make this offer?

**Independent:** Would the offer or acceptance be seen as reasonable in the eyes of the public? Would a reasonable bystander be confident I could remain impartial and independent in all of the circumstances?

**Free:** Could I always feel free of any obligation to do something in return? How do I feel about the propriety of the offer? What are the donor's expectations of me should I accept?

**Transparent:** Am I confident that my acceptance of this offer will be subject to scrutiny by my force, colleagues, and to the public or was reported publically? What could be the outcome for the force if this offer was accepted or declined?

### Applying consideration

To assist police officers and staff, line managers, the following guidance will assist in achieving a consistent approach in applying the considerations listed above, the following cases provide additional guidance.

#### A gift may be accepted if it is:

- of a trivial or inexpensive nature (for example, diaries, calendars, ~~stationary~~stationery or other small items offered during a courtesy visit or conference)
- a small commemorative items from visiting overseas law enforcement or governmental agencies or similar organisations
- a bona fide, unsolicited and inexpensive gifts of thanks from members of the public or victims of crime, which has been be offered to individual officers or teams in genuine appreciation of outstanding levels of service.

Commented [NF62]: Spelling error corrected

All such gifts should nonetheless be subject of a declaration in the force register.

**A gift should not be accepted if it is**

- from external contractors or companies tendering for work with the force or wider service cash payments (other than donations to specific police charities or police supported charities)
- a financial reward resulting from the publication of articles relating to the intended recipient's role or duties as a member of a police force
- a cash payment (other than donations to specific Police charities or Police supported charities).
- any alcoholic beverage

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.

**Commented [NF63]:** Change made to provide clarity by emphasizing

All such gifts should nonetheless be subject of a declaration in the force register.

**Examples of gifts include (but are not limited to):**

- Ceremonial gifts (for example, plaques, shields or glass or crystal ware)
- Confectionary
- Gift vouchers
- Stationery (for example, diaries, calendars, calculators, pens, etc)

**Gratuities**

**A gratuity may be accepted if it is:**

- an offer or discounts negotiated through the Police Federation, The Superintendents' Association, or other staff association or trade union
- discounts to public service workers including members of the police service offered on the basis that the organisation in question has a large customer base of a trivial or inexpensive nature (and the force has given explicit approval for such an offer)
- free travel arrangements for officers and staff if approved and formally negotiated through the Travel Concession Policy
- There is no requirement to declare or record any of the above gratuities onto the force register
- There should be no requirement to declare any such gratuity in the force register.

**Commented [NF64]:** Changes to provide clarity

Gratuities which amount to individual gain from a points scheme when purchasing items or fuel are not acceptable (such as using a store loyalty card when purchasing goods on behalf of the force).

### Accepting Hospitality

Hospitality may be accepted if it:

- extends to the impromptu provision of light refreshments during the course of policing duties
- is a conventional meal provided during the course of a working day by another police force or partner agency in either law enforcement or community safety. There should be no requirement to declare any such gratuity in the force register.
- is a conventional meal and is in accordance with the recipient's duties, for example attendees at meeting, seminar or conference organised by an external body; the annual dinner of a representative association or local authority which are limited to isolated or infrequent occasions and can be demonstrable in the interests of the force to attend. ~~Such offers of hospitality should be declared in the force register.~~

**All offers of hospitality must be declared and recorded onto the Force register.**

Commented [NF65]: Changes made to provide clarity.

Hospitality will not be acceptable if it:

- amounts to regular free or discounted food or refreshments whether on or off duty.
- Includes a degree of lavishness which is outside of the industry norm or is beyond any sense of common courtesy or reasonableness.
- includes any alcoholic beverage.

Such offers of hospitality should be ~~declared declined, but must also be declared and recorded onto the Force in the force~~ register.

Commented [NF66]: Changes made to provide clarity

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.

## 12. REVIEW OF THE ARRANGEMENTS

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

## 13. ANTI FRAUD AND CORRUPTION STRATEGY

To support the Policy appropriate resources will be committed to fraud and corruption prevention and detection (Anti-Corruption Unit, PSD Professional Standards). A series of interrelated procedures designed to frustrate any attempted fraudulent or corrupt act will be put in place by the Chief Constable and investigation of any instances or suspected instances of fraud and corruption which may arise will be undertaken in accordance with this policy.

Commented [NF67]: Changes made to reflect correct name

### 13.1. Measures

The Chief Constable will maintain appropriate procedures and documentation to assure the awareness of all staff as to the Chief Constable's requirements.

The Constabulary 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 these agencies in the legitimate pursuit of their interests and, in particular, it will maintain an Audit Committee to oversee the processes of audit of the Chief Constable's business.

The Constabulary will incorporate consideration of the risk of fraud in its risk management processes and risk registers.

### 13.2. Detection and Investigation

The Constabulary will always investigate any actual or suspected cases of fraud or corruption as potentially criminal activity, and implement misconduct procedures where appropriate.

Specifically:

1. ~~Officers and All~~ Staff are required by Financial Regulations to report all suspected irregularities to ~~the a sSenior mManager in their~~ Department/Area who must immediately report the matter to the Director PSD of Professional Standards and ~~or the~~ Chief Constable's Joint Chief Finance Financial Officer (CCCFO) who will instigate the necessary investigation.
2. Misconduct Procedures will be ~~instigated used where the outcome of the investigation indicates improper behaviour when there has been a potential breach of the Code of ethics or the Standards of Professional Behaviour identified by the Appropriate Authority.~~
3. Where financial or other impropriety is discovered and sufficient evidence exists to suspect that a criminal offence may have been committed, a criminal investigation will be pursued. ~~A misconduct investigation will run alongside a criminal case.~~

Commented [NF68]: Changes made to reflect previous changes and mirror Policy

Commented [NF69]: Changes made so that sentence reads better and style changes ie preference to use capital letters

Commented [NF70]: Changes made to reflect correct names of department or role

Commented [NF71]: Changes made to ensure Code of ethics and the Standards of Professional Behaviour are captured

Commented [NF72]: Changes made to provide clarity

### 13.3. Supporting the Strategy

### 13.3.1 External Bodies

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

- Externally appointed auditors ~~(Grant Thornton LLP) and the Audit Commission~~ Public Sector Audit Appointments Ltd, National Audit Office, Financial Report Council and Cabinet Office 2015
- HM Inspector of Constabulary/HMICFRS
- Independent Police Complaints Commission
- HM Revenue and Customs
- ~~Department of Social Security/ Contributions Agency~~ Department of Work and Pensions
- The Local Government Ombudsman
- The Courts
- The Crown Prosecution Service

**Commented [NF73]:** External auditor added

**Commented [NF74]:** Audit commission was replaced in 2015

**Commented [NF75]:** Hanged to reflect new body

**Commented [NF76]:** Replaced by Department for Work and Pensions in 2001

**Commented [NF77]:** Disbanded in 1999, now part of HMRC

### 13.3.2 Internal Bodies

The internal bodies set out below each have a responsibility to ensure that the the Constabulary complies with the respective elements of the Anti-Fraud and Corruption Policies:-

- a) **Professional Standards, People Department ~~Department (PSD)~~**  
Is made up of the following key areas as follows:-

**Commented [NF78]:** Changed to reflect correct departmental name

**Anti-Corruption Unit (ACU)** – The ACU has responsibility for the the proactive development of intelligence, prevention and investigation of all illegal, unethical and unprofessional behavior using the National Intelligence Model. It has responsibility for Information security, the security and protection of Constabulary assets and also to promptly report incidents to the Joint Chief Finance Officer ~~of both the Constabulary and the OPCC.~~ The ACU in partnership with the Procurement department have developed a process to ensure all procurement contracts are proactively accessed in respect of anti-fraud and corruption to protect the business management of procurement within the Constabulary.

**Commented [NF79]:** Correct role name added

**Public Complaints** -The Complaints and Misconduct Managers Section's chief responsibility is the investigation of public complaints. The focus being towards identifying trends, identifying staff that are subject of repeated complaints, disseminating learning and investigating complaints. The Head of People is responsible for reviewing and investigating appeals lodged by the public. and appeals against the police by members of the public but also includes focus towards preventative and proactive investigation of complaints.

**Commented [NF80]:** Changes made to update the paragraph and reflect current processes

**Data Control Unit** - The Data Control Unit is made up of several units as below:-

- Vetting and Records
- Data Protection
- Freedom of Information
- Information Compliance, which includes:- MOPI Compliance, Information Sharing and Records Management including CRB/ ISA Disclosures

b) **Internal (Management) Audit**

Provided under service level agreement from Cumbria County Council, Internal (Management) Audit are responsible for compliance audits in respect of regularity and systems.

e) **Sickness Monitoring Group**

~~Assesses the use and abuse of the sickness and medical retirement processes.~~

**Commented [NF81]:** I am happy that this is covered within the ACU work above.

e)c) **Chief Finance Officer**

The Chief Constable must appoint a Chief Finance Officer (~~CCCFO~~) who has a statutory responsibility for the integrity of financial administration, (including the legality of expenditure) and the provision of the Internal Audit function. ~~The OPCC and Constabulary provide this through a shared Joint Chief Finance Officer.~~

**Commented [NF82]:** No longer exists

**Commented [NF83]:** Removed as correct role is Joint Chief Finance Officer

e)d) **The Director of Legal Services**

This is the officer whose role is to warn of illegality or maladministration, (whether actual or potential), in matters touching the business or responsibilities of the Chief Constable.

**Commented [NF84]:** Added to provide clarity in relation to the new role

f)e) **Chief Officer Group**

Leadership and Management of the Constabulary.



# Review of Governance Documents Joint Procurement Regulations

**Joint Audit & Standards Committee: 22 November 2017**

**Originating Officer: Chris Guest, Interim Head of Procurement,**

**Agenda Item 7ii**

## Introduction

As part of the arrangements for Governance, all major governance documents are subject to a cyclical review. Reviewed documents are considered by the Joint Audit and Standards Committee in accordance with the annual work programme at the November meeting of the Committee.

The Joint Procurement Regulations were last updated in November 2015 and are to be reviewed on a bi-ennial basis. The attached updated version of the Joint Procurement Regulations is a tracked changes version in order to facilitate identification of changes:

In the main the changes in the document are in relation to:

- Updates required to reflect the changes required to reflect the move to a Joint Chief Finance Officer.
- Changes in respect of the updated PCC logo
- Minor typographical changes

The changes made in the attached version of the Joint Procurement Regulations have been fairly minimal and represent more “housekeeping” type amendments. A more fundamental review is still required to address changes to publication requirements announced earlier in the year and to improve the readability/accessibility of the document. The Constabulary has recently appointed an Interim Head of Procurement (following the resignation of the previous Head of Procurement). The latter has referred to the previous External Procurement Audit and recommended that an interim reduction of the Quote figure should be no more than £50,000 (from the current £100,000) with Tenders and frameworks being applied all procurement above the £50,000 quote threshold. He

confirms this is more in line with current public sector procurement and notice publication guidelines. It is therefore proposed that subsequent to this initial update of the document, a further more thorough review is undertaken and the proposed amendments be brought to the March 2018 meeting of the committee.

## Recommendation

Members of the Joint Audit and Standards Committee are asked to note the changes in the attached updated version of the Joint Procurement Regulations. Members are also asked to note that a further amended set of Joint Procurement Regulations will be provided to the March 2018 meeting of the committee as set out above.

# CUMBRIA VISION 25



LOCAL POLICING / WORKFORCE / SPECIALIST CAPABILITIES / BUSINESS SUPPORT / DIGITAL POLICING



Cumbria Constabulary

Cumbria Office of the Police and Crime  
Commissioner

Joint Procurement Regulations  
(V3 November 2017)

Joint Procurement Regulations: V2 — March 2016

# CUMBRIA VISION 25



LOCAL POLICING / WORKFORCE / SPECIALIST CAPABILITIES / BUSINESS SUPPORT / DIGITAL POLICING

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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'** – means the State, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law, and includes central government authorities, but does not include Her Majesty in her private capacity;

**'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 1998 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.

~~'Joint CFO' – means the Joint Chief Finance Officer (a shares post between the Commissioner and Chief Constable).~~

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

'M.E.A.T.' – 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 Joint Procurement Regulations will be reviewed bi-annually by the Head of Procurement Any legislative changes that come into force during this period will be incorporated into the regulations at that point in time. The next review is scheduled for autumn 2017~~9~~.

The Joint Procurement Regulations do not apply to the policy and procedures for issuing grants. For awards of grant agreements please refer to our *Grant 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 (PCCFCFO)~~ Joint Chief Finance Officer 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~~ Joint Chief Finance Officer (~~CCFCFO~~) 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. Any clause limiting the Contractor’s liability shall not apply to this clause.”

For example, this would include the offence of bribery, where the offence relates to active corruption; the offence of cheating the Revenue, and the offence of conspiracy to defraud. If in doubt please consult your [Procurement Business Manager/Partner](#).

~~–For the Procurement Team organisational structure, please [\(click here\)](#).~~

For more information on the contract regulations mandatory exclusions, please [\(click here\)](#).

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.

## 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 [Joint](#) Procurement Regulations. Failure to comply may result in disciplinary action.

## Procurement Responsibilities

The ~~PCCFO~~Joint CFO ~~Head of Procurement~~ is responsible to the Director of Corporate Support and the Joint CFO 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 travel 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. The Procurement Business Partner Categories are:

- ICT
- Operational
- Corporate

[For the Procurement Team organisational structure, please \(click here\).](#)

## Procurement Policy

The procurement policy of the COPCC/Constabulary 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 Joint 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 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 ~~t~~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 [the Joint 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.

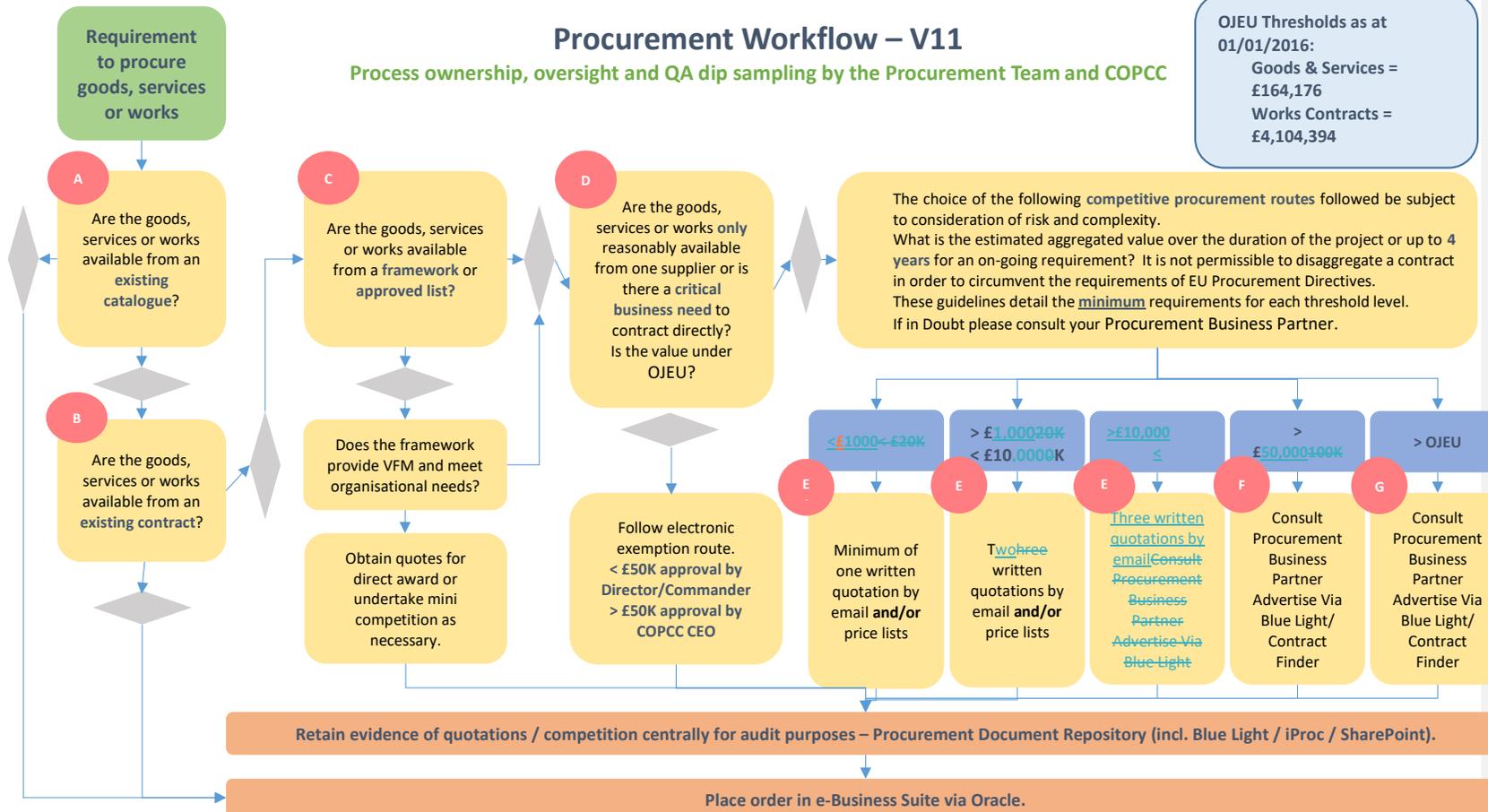
This section of the procedures will help to determine how you procure. There are a number of different routes through which procurement may take place. This section of the procedures provides instruction on which route you should take and what to do within each procurement route. A procurement procedure 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.

**You must complete the Code of Conduct Declaration before commencing any procurement.**

## Procurement Workflow – V11

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

OJEU Thresholds as at 01/01/2016:  
 Goods & Services = £164,176  
 Works Contracts = £4,104,394



## 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.~~

**Commented [BM1]:** As above, do CSD still do this bit or is it now Procurement?

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 Contracts Regulations 2015

**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.

**Commented [BM2]:** Still CSD?

### 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)~~.

**Commented [BM3]:** Links to a document on intranet that is out of date. Needs to be updated.

## 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.

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 ~~P~~rocurer ~~b~~usiness ~~p~~artner must review the framework SQ to ensure that the financial standing and technical capabilities of the suppliers meet the requirements for the procurement. Where the SQ response is dated more than 2 years prior to the procurement, advice must be taken from the ~~CCCFO/PCCCFO~~Joint CFO 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 participating in the mini competition bid and within the Framework Agreement that are capable of and eligible to execute ing the subject of the contract must be invited to submit written Tenders
- A time limit as defined in the framework mini competition rules -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 **P**rocurement **B**usiness **P**artner. 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.

**Commented [BM4]:** I could not see anything on procurement pages

**Commented [GC5]:** I'm not familiar with PA 1996 so will check current mandates tomorrow.

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.

**Commented [BM6]:** Does this happen in reality?

**Commented [GC7]:** I'm unaware of it happening or it being the norm in other parts of the Public Sector but I'll check in morning.

There are approved lists that are maintained on behalf of central government which include registers of pre-qualified contractors and consultants (e.g. Construction line, 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.

**Commented [BM8]:** I could not find any mention of approved lists on intranet site.

**Commented [BM9]:** Also, these procurement regs are included in Constabulary Intranet, Website and PCC website. Do all links to intranet pages still work on website versions?

## 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 the Joint Procurement Regulations, and subject to disciplinary action. Requests for exemptions to normal procedures will be considered under the following circumstances:

~~Single Tender~~ ~~Contract Standing Orders~~ ~~exemption~~ 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~~Contract Standing Orders Exemption Form ([click here](#)) must be completed by the Authorised Officer and submitted to the relevant ~~P~~Procurement ~~B~~Business ~~P~~Partner for comments. The ~~P~~Procurement ~~B~~Business ~~P~~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.

Field Code Changed

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 ~~£50400,000~~ [being the same maximum as the minimum required for Legal Services sign-off](#) and [below for goods up to the value of the OJEU Threshold.](#) [Any Quote value](#) 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 £164,176 for goods/services and £4,104,394 for works, you will need to apply the EU procurement directives [and the relevant Official Journal of European Union processes for publication of Notices.](#) If in doubt please contact your Procurement Business Partner 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.

**Commented [GC10]:** I would suggest this be £50k

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 a senior 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 ~~£50,000~~,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 a senior officer/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

Contracts with a value in excess of ~~£5,000~~ will require ~~Category Business Manager~~[Procurement Business Partner](#) Involvement who will manage and advise on the procurement.

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

In some instance it may be more appropriate to undertake a tender process for goods over ~~£50,000~~,000 but below the OJEU Threshold in which case procurement route F should be followed below.

#### PROCUREMENT ROUTES

#### F – Tender Procedures: over ~~£50,000~~,000 and under EU Threshold (Services & Works)

Contracts with a value in excess of £100,000 will require ~~Category Business Manager~~ Procurement Business Partner involvement who will manage and advise on the procurement. For services and works with an estimated value over ~~£50,000~~,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 ~~£50,000~~,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 ~~£50,000~~,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

**Commented [BM11]:** Should this be Procurement Business Partner?

**Commented [GC12]:** I think the reference is meant to be the Proc Business Partner.

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 **selection Questionnaire** 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 an OJEU procurement process from start to finish can take up to 6 months taking into account document preparation and contract terms. It is 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 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.

Procurement of professional consultancy that is neither undertaken in accordance with usual procurement procedures and is not in respect of banking or counsel/legal advisors, can only be undertaken following completion of a procurement exemption form. The form must state clearly the reason for the engagement of the consultant and the reason for the exemption request. Procurement must only commence following receipt of authorisation of the exemption.

The consultant must be contracted under a formal letter or contract of appointment. This must include our standard terms which can be found [here](#).

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. Copies of insurance must be provided and reviewed prior to issuing the letter or contract of appointment. The indemnity insurance must provide cover for a minimum amount of £250,000 (The amount will vary depending on the scope of services required and the risk associated with the provision of the services). If the consultant is unable to meet the requirements concerning indemnity insurance/contract terms or if the review of the insurance raises any concerns, further advice should be taken from your procurement business partner prior to confirming the appointment.

<sup>1</sup>The minimum level of insurance is £250,000. However, this will be dependent on the nature of the project and you should consult with procurement to determine the appropriate level of insurance that will be required.

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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 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 [PCCCFJO-Joint CFO](#) 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 M.E.A.T. 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 M.E.A.T. 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 PCCCFJO Joint CFO 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

Late tenders will normally be rejected unless there are exceptional circumstances where it can be proven that late receipt of the tender does not entail any significant procurement risk and that the principles of proportionality have been considered, which may or may not deem the acceptance of the tender.

In determining whether a late tender should be considered the principle of proportionality should be applied, on this basis, a late tender would only be considered if the late delivery occurred.

(1) As a result of a fault on the part of the PCC / Constabulary or

(2) If other exceptional circumstances exist which the PCC, in exercising reasonable discretion, deems sufficient to allow acceptance. Such reasonable discretion may for example be failure by a third party e.g. an electrical power failure at the supplier's premises. There should be a common sense and proportionate approach as to whether or not it constitutes an exceptional circumstance.

The sender has a duty to alert procurement that the tender will be late. If the sender notifies procurement prior to the deadline then under no circumstances should any other tender received be opened until the decision to accept or decline the late has been made and recorded. Any decision to accept the late tender must be approved by the Chief Executive with legal and procurement advice. The [PCCCFJO-Joint CFO](#) must also be consulted. The reason for the decision including the legal and procurement advice taken and the comments of the [PCCCFJO-Joint CFO](#) must be recorded and maintained with the procurement records. Legal Services will witness the opening of the tender in the usual manner but will also record on the form that the tender was received late, the reason for this, and that approval was received for its acceptance.

If however there is a failure to notify procurement and the tender is received and the deadline has passed the following actions should be taken (The portal records the date and time of the receipt of submission).

If tenders from other organisations have been opened after the deadline prior to receiving the late tender then the late tender cannot be accepted and will be declined.

If tenders from other organisations have not been opened after the deadline prior to receiving the late tender then the late tender can be accepted subject to the decision making process outlined in above.

-If approval is not received, the unopened tender will be held on the portal for Audit Purposes and recorded on the Tender Opening Form as part of the audit trail. Procurement will also inform the tenderer in writing that their tender has not been accepted, with the reason(s)

Any late tenders should be treated equally with regards to their acceptance or refusal.

#### PROCUREMENT PROCESS

##### Evaluation of 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, **have the appropriate levels of insurance** 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.

In relation to insurance cover, suppliers are required to have in place as a minimum the following levels of insurance

- 1 Public liability insurance: Min Cover £5 million
- 2 Employers' liability: Min Cover £5 million
- 3 Professional Indemnity: Min Cover £250,000

The level of cover required should be determined on a case by case basis. For high value / risk procurements the level of insurance cover required may be higher than the amounts specified above, however this should be proportionate and reflective of the nature of the work and the risk involved. Any reason for requiring insurance above that required by law should be justifiable

The level of insurance cover required must be stated in the procurement documents (Invitation to Quote)

#### 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 [PCCCFQ Joint CFO](#). 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 ~~p~~Procurement ~~b~~Business ~~p~~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 ~~p~~Procurement ~~b~~Business ~~p~~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 M.E.A.T.).

Where a Framework is being utilised for the procurement of Goods and Services and the total value exceeds the OJEU threshold (£164,176) and the framework has been in place for more than 2 years, appropriate financial and economic due diligence shall be undertaken in regards to the organisation(s) granted the award. This is to ensure that the organisation is financially secure and as a result reduce the risk to the OPCC of the contract failing

## 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/CCJoint\\_CFO](#) 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/CCCFOJoint\\_CFO](#) 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/exemptions granted;
- breaches of procurement regulations; and
- savings achieved and performance against the procurement strategy

## 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 ([OPCC Governance Manager](#)).

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 ~~PCCCF~~ Joint CFO 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**



# The Role of the Joint Chief Finance Officer (Core CFO Responsibilities)

**Joint Audit & Standards Committee: 22 November 2017**

**Originating Officer: Michelle Bellis, Deputy Chief Finance Officer,**

**Agenda Item 7iii**

## Introduction

Members will recall that in May 2017 a decision was taken by the Police and Crime Commissioner and the Chief Constable that the statutory requirement to have a Chief Finance Officer would be delivered through a shared post of Joint Chief Finance Officer and that Roger Marshall, who previously acted as the Chief Constable's CFO would take on the new Joint Role.

Section 151 of the Local Government Act 1972 requires local authorities (which include Chief Constables and Police and Crime Commissioners) to make arrangements for the proper administration of their financial affairs and appoint a Chief Finance Officer to have responsibility for those arrangements.

As part of the arrangements for reviewing governance within the OPCC and Constabulary the role of the Joint Chief Finance Officer 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. Members will recall that previously, the annual review formed two documents, one for the PCC CFO and the other for the CC CFO. Now that the role is shared between the two organisations the opportunity has been taken to streamline the annual review into a single document and reduce some duplication. Where arrangements differ, the measures in place to demonstrate compliance with the CIPFA standards are still documented for the separate entities within this single document.

In April 2016, CIPFA updated their guidance document “the role of the Chief Finance Officer” in relation to local government bodies, the police specific guidance document issued in March 2014 is currently being reviewed and an updated version has been expected for a number of months. Latest information is that the publication of the police specific guidance has been delayed to ensure harmony with the Home Office Financial Management Code of Practice, which has recently been updated to encompass changes in relation to Bluelight collaboration. At this stage the review of compliance against the CIPFA CFO responsibilities is based on the police specific guidance issued in March 2014 and will be subsequently updated once the updated guidance is issued.

The CIPFA guidance sets out the five principles that define the core activities and behaviours that belong to the Role of the CFO and the organisational arrangements needed to support them. Successful implementation of each of the principles requires the right ingredients in terms of:

- The Organisation, governance requirements
- The Role, Core CFO responsibilities
- The Individual, personal skills and performance standards.

This assessment deals solely with the Core CFO responsibilities.

## Conclusion

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

# CUMBRIA VISION 25



**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.**

Within the OPCC, the Joint CFO is a member of the Commissioner's Executive Team leads on arrangements for financial governance and contributes to all areas of corporate governance.

Within the Constabulary, the Joint CFO is a member of the Chief Officer Group and leads on arrangements for financial governance.

The Joint CFO is also a member of the Constabulary's Force Strategic Delivery Board (FSDB) and Collaborative Board (a joint board between the Constabulary and Office of the PCC), contributing to the challenge and scrutiny of strategic recommendations to the Constabulary Chief Officer Group. The Joint CFO contributes to other Constabulary strategic boards where significant investment and business change is being delivered e.g. mobile and digital, emergency services network and major estates schemes such as the Eden Deployment Centre.

**1.2 Contributing to effective corporate management, including strategy implementation, cross organisational issues, integrated business and resource planning, risk management and performance management.**

Within the OPCC, the Joint CFO is a member of the OPCC Executive Team. The team meets on a regular basis to discuss cross cutting corporate and strategic issues. The Joint CFO leads on financial risks and under the arrangements for governance is consulted on wider arrangements for non-financial corporate governance and risk management. The Joint CFO will contribute to scrutiny of the performance of the Constabulary at meetings of the Collaborative Board. Cross cutting issues between the OPCC and Constabulary are included on the agenda of meetings of the Collaborative Board comprising Constabulary Chief Officers, Directors, the OPCC Chief Executive and Joint Chief Finance Officer.

Within the Constabulary, the Joint CFO 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 Joint CFO leads on financial risks and under the arrangements for governance will be consulted on wider arrangements for risk management.

The Joint CFO leads on the Annual Governance Statement (AGS) for both organisations that includes an action plan incorporating key strategic actions and is monitored by the Joint Audit and Standard Committee (JASC).

### 1.3 Supporting effective governance through development of corporate governance arrangements, risk management and reporting frameworks; and corporate decision making arrangements.

The Joint CFO leads (for both organisations) 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 Joint CFO leads on the arrangements for external audit, internal audit and the JASC. This includes ensuring the internal audit plan incorporates audit work covering key corporate and financial risks.

Within the OPCC, the Joint CFO contributes to the arrangements for decision making and reporting as a member of the Commissioner's Executive Team.

Within the Constabulary, the Joint CFO contributes to the arrangements for decision making and reporting as a member of the Chief Officer Group.

### 1.4 Contributing to change programmes including identifying service efficiencies and value for money opportunities.

The Joint CFO is a member of the Constabulary's Force Strategic Delivery Board (FSDB) and the Collaborative Board. Both boards operate as a forum to offer challenge and discuss change management proposals, efficiency and value for money. The Joint CFO 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 Joint CFO provides independent advice to both the Commissioner and Chief Constable 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.

Within the OPCC, the Joint CFO 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.

Within the Constabulary, the Joint CFO 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. The Joint CFO 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 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.

The Joint CFO 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 Joint CFO will make a formal statement on the level of reserves within the statutory 151 report on the robustness of the budget.

Under the funding arrangement with the Police and Crime Commissioner the only reserve held by the Chief Constable is an operational contingency. The circumstances when this 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 Joint CFO will produce a Constabulary Reserve Policy. The Joint CFO 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.

The Joint CFO makes an annual statement to the external auditors as part of the separate letters of representation provided on behalf of the Commissioner and Chief Constable 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 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.

The Joint CFO 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.

The substantial proportion of the Commissioner's budget comprises funding for the Constabulary. Within the Constabulary, arrangements for the budget include a number of analytical review checks made by the Joint CFO prior to the Constabulary budget being submitted to the PCC for consideration. Within the OPCC, the Joint CFO 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.

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.

### 1.10 Ensuring the medium term financial strategy reflects joint planning with partners and other stakeholders.

The Medium Term Financial Strategy is the end result of work between the Joint CFO 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.

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 Joint CFO agrees the financial strategy within 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 will take place between the Joint CFO 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 Constabulary budget proposal is consolidated with the Commissioner's budget and a strategy agreed with the Joint CFO. The financial strategy drives the Constabulary and OPCC 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 arrangement 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. The Joint CFO advises on the adequacy and provides scrutiny of the change programme.

### **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 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 Joint CFO and Deputy CFO. The comments of the external auditors on financial resilience are taken into consideration by the Joint CFO 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 Joint CFO. The wider remit of the Commissioner which encompasses victims, provides an increased level of commissioning. 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 Joint CFO.

#### 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 are then considered to ensure overall balance. The on-going requirement for savings means effectively 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 Joint CFO 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.

Within the OPCC, the Joint CFO/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.

Within the Constabulary, the Joint CFO/Chief Constable 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.

## 2.6 Taking a leading role on asset and balance sheet management.

Within the OPCC and Constabulary, governance arrangements delegate responsibility to the Joint CFO for balance sheet and asset management.

Within the OPCC, the Joint CFO leads on behalf of the Chief Executive in respect of securing effective management of the Commissioner's estate. The Joint CFO meets with the Head of Estate and Fleet to discuss and informally agree the approach to asset management strategy ahead of formal budget decision making and development of the capital programme. Discussions take account of operational requirements and value for money.

Within the Constabulary, the Joint CFO liaises closely with strategic leads in the development of Constabulary managed business and asset plans. Discussions take account of operational requirements, affordability and value for money.

The Joint CFO ensures assets are properly insured.

The Joint CFO 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

Within the OPCC the 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.

Within the Constabulary the planning cycle is aligned to the budget and that of the OPCC and as such coincides with the development of the police and crime plan as set out above.

## Influencing decision making

### 2.8 Ensuring that opportunities and risks are fully considered and decisions are aligned with the overall financial strategy.

The Joint CFO attends the key strategic boards within the OPCC and Constabulary: Executive Team, Chief Officer Group, Collaborative Board, FSDB, Business Board and specific project boards e.g. mobile and digital/ESN, Eden Deployment Centre. 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 decision makers to take timely and informed business decisions.

Within the OPCC, the Joint CFO will provide the Commissioner with independent financial analysis where required and provides input to the process for decision making and through formal and informal briefing sessions. Delegations to the Joint CFO are made where decisions are taken in principle but further analysis is required.

Within the Constabulary, the Joint CFO 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. Delegations to the Joint CFO are made where decisions are taken in principle but further analysis is required.

Under the revised arrangements for a shared Chief Finance Officer between the two organisations it has been determined that if a conflict arises in relation to the provision of independent financial advice, that the Joint CFO will advise the Commissioner and the Deputy CFO will advise the Chief Constable.

## 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 Joint CFO 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.

The Commissioner and Chief Constable are fully briefed ahead of the Police and Crime Panel precept meeting on the key issues regarding the council tax debate. The Joint CFO 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 compiled with input from all relevant professional disciplines and can be funded in the financial strategy.

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 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 Joint CFO 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.

Within the OPCC financial monitoring is undertaken on a monthly basis with formal reporting on a quarterly basis to the Public Accountability Conference (Constabulary Reports) and briefing sessions (OPCC reports). The Police and Crime Panel meet five times a year and receive a financial update at each meeting. The Commissioner's monitoring reports include detail of schemes and expenditure with partners and third sector organisations aligned to the commissioning strategy and police and crime plan priorities.

Within the Constabulary financial monitoring is undertaken on a monthly basis with formal reporting to Chief Officers at a high level on a monthly basis and at a more detailed level on a quarterly basis. As set out above, the Constabulary also provides reports on a quarterly basis to the Public Accountability Conference and Police and Crime Panel.

Regular discussions are held with the Joint CFO and Deputy CFO 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 arrangements to give an overall picture.

The Commissioner's financial reports detail all partnership expenditure. The Commissioned Services budget is included as a separate line on the monitoring report with a link to further information on the Commissioner's website detailing all grant expenditure.

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.

**Principle 3 - The Chief Finance Officer 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.**

Within the OPCC collective responsibility for financial management is set out in job roles from the Chief Executive through to specific budget holders. Financial Services Officers have also attended full OPCC team meetings to brief staff on their role and to improve understanding of when to engage financial support in new/developing areas of business. Close relationships are promoted between the Financial Services Officer 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.

Within the Constabulary 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, change programme, police and crime plan priorities and the wider Commissioner's budget requirements.

#### **3.2 Actively promoting financial literacy.**

The Joint CFO has previously 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 Joint CFO oversees on the development of the financial regulations and joint procurement regulations that set out the responsibilities and role of key individuals including Chief Officers within the OPCC and Constabulary.

Within the OPCC, the Joint CFO also inputs into the development of the existing OPCC scheme of delegation that documents all delegations from the Commissioner and Chief Executive and general principles of delegation.

Within the Constabulary, the Joint CFO has lead responsibility for the financial rules and financial handbook with underpin the financial regulations. The Joint CFO 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 Joint CFO also leads on the production of annual budget protocols which set out the roles and responsibilities of budget holders and 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.**

Within the OPCC, the Joint CFO will scrutinise all reports presented for decision to the Commissioner with financial implications (other than those operating with approved budgets), and advise on the 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 Joint CFO.

Within the Constabulary, the Joint CFO will scrutinise all reports presented for decision to the Chief Constable and advise on the financial implications/acceptability of recommendations.

The Joint CFO 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 Joint CFO is the lead for asset management and procurement for both the Commissioner and Constabulary. The Joint CFO leads on and works collaboratively with the Constabulary developing the joint 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 Joint CFO 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 Joint CFO annually reviews HMIC VFM profiles and other inspectorate reports to identify areas where value for money can be improved for both organisations.

Within the OPCC, further detailed work is undertaken annually to benchmark OPCC costs with statistical neighbours to identify opportunities to reduce the budget. The Joint CFO'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.

Within the Constabulary, further detailed work has been undertaken to benchmark Constabulary costs with statistical neighbours to identify opportunities to reduce the budget. The Joint CFO's understanding of Constabulary VFM supports the Chief Constable 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.

## Safeguarding public money

### 3.7 Applying strong internal controls in all areas of financial management, risk management and asset control.

The Joint CFO leads on the Commissioner's financial regulations and financial rules.

The financial regulations are owned by the OPCC and are adopted by the Constabulary. The financial rules are owned by the Constabulary and are adopted by the OPCC.

### 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.

### 3.9 Establishing budgets, financial targets and performance indicators to help assess delivery.

Within the OPCC, the Joint CFO 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. This is accompanied by an annually 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.

Within the Constabulary, the Joint CFO leads on the development of an annual budget and medium term financial forecast for the Constabulary. Performance within the Constabulary, which includes financial performance, is examined in periodic individual command or directorate performance development conferences. 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. The funding arrangement between the Commissioner and Chief Constable that 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 regulations, contract regulations, standing financial instructions, operating manuals, and compliance with codes of practice to secure probity.

The Joint CFO leads on the Commissioner's financial regulations - these are adopted by the Constabulary. The OPCC adopts the financial rules which are produced by the Constabulary and are also led on by the Joint CFO. 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.

### 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 Joint CFO 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 funding arrangement between the Commissioner and Chief Constable and financial regulations and acts as a 'gate keeper' for financial delegations on behalf of the Joint CFO 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 Joint CFO leads on the funding arrangement between the Commissioner and Chief Constable. The terms of funding include the responsibility of the Chief Constable 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 budget protocols (which sit alongside the financial regulations and financial rules)

within the Constabulary. The Joint CFO is consulted and plays an active part in the development of strategic risk registers with particular emphasis on financial risks.

### 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 FSDB. Work is ongoing to improve benefits realisation processes within the Constabulary.

### 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 with those risks.

The arrangements are set out in the treasury management strategy and practices statements. The Commissioner is responsible for Treasury Management and this function is managed by the Joint CFO supported by the Deputy CFO and the wider finance team. 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.

### 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 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 Joint CFO is 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 are 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 Joint CFO and wider finance team all have mobile ICT provision.

### 3.19 Ensuring that any partnership arrangements are underpinned by clear and well documented internal controls.

Within the OPCC, partnership arrangements involving funding are subject to a funding or grant agreement that stipulates requirements in respect of financial management and reserves the right of the Commissioner to subject those arrangements to audit.

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 partnerships is reported to the PCC and CC and other parties as required.

The funding arrangement between the Commissioner and Chief Constable and financial regulations set out the requirements in respect of financial monitoring. Cyclical Reports are presented to the Chief Officer Group, Public Accountability Conference and Police and Crime Panel.

### 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. OPCC budget monitoring reports provide additional information on the purpose of grant funds and the organisations receiving grants in response to this being an area of interest for the panel.

### 3.22 Supporting and advising the Audit Committee.

The Joint CFO provides support to the Deputy CFO who leads on the arrangements for the JASC providing support/advice as necessary and producing 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. Members agree an annual programme of development sessions and corporate updates. 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 considerations can legitimately influence decisions on the allocation of resources, and what cannot.

The Joint CFO works closely with the Deputy CFO in developing the annual budget and medium term forecasts including discussions on resource allocations. The Joint CFO will brief the Commissioner and Chief Constable 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 funding arrangement between the Commissioner and Chief Constable 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 Deputy CFO, on behalf of the Joint CFO 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. The Joint CFO also ensures that 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, is maintained and up to date . 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 government 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 Joint CFO provides separately an annual letter of representation to the external auditors on behalf of the Commissioner and Chief Constable confirming all required standards have been met in respect of the published statement of accounts.

Under The Accounts and Audit Regulations (2015) the date by which the Chief Constable and Commissioner are required to publish the draft (subject to audit) statement of accounts has been brought forward to 31 May (previously 30 June) and the required date to publish the final (audited) statement of accounts has been brought forward to 31 July (previously 30 September). The requirement for these accelerated dates comes into effect for the statement of accounts for the 2017/18 financial year.

Preparations for the accelerated deadlines are well advanced. For both the 2015/16 and 2016/17 financial statements, a dry run exercise was undertaken which resulted in the publication of the un-audited statements by 23 May 2016 and 31 May 2017 and the audited statements by 28 July 2016 and 21 July 2017 respectively. This work was well received by the external auditors.

### 3.26 Certifying the annual Statement of Accounts.

The Joint CFO certifies the annual statement of accounts for the PCC/Group and the single entity accounts for the Chief Constable.

### 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 Joint CFO leads on the arrangements for audit for both the OPCC and Constabulary 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 Joint CFO 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 Joint CFO 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, Constabulary and Joint CFO can fulfil their statutory and professional responsibilities. The Deputy CFO leads the team and is fully engaged in the business of the OPCC and constabulary, and works very closely with the Joint CFO 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, Chief Constable and Joint CFO 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 between the two entities were reduced overall in 2017 when the decision to move to a shared Joint CFO was made. The changes resulted in a restructure of the finance team which led to a 0.6 FTE increase in the Financial Services Officer Role and the replacement of a 0.60 FTE Financial Services Assistant with a full time Financial Services Trainee. The financial services review is to be subject to a re-evaluation at the end of the financial year. Early indications are that whilst demands on the team and work pressures remain high, resources within the team are felt to be adequate on a day to day basis. There is however limited capacity (without backfill) to facilitate additional work for example if there was a requirement to support an upgrade to the finance system.

### 4.3 Ensuring that robust processes for recruitment of finance staff are implemented and/or outsourcing of functions.

The Joint CFO and Deputy CFO will jointly consider resources and the recruitment of senior posts within the finance team. The finance team were subject to a mini restructure in April 2017 when the decision was made for the Commissioner and Chief Constable to share a Chief Finance Officer. The Joint CFO and Deputy CFO have jointly developed the role descriptions and person specifications for all post. 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 Joint CFO.

#### 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 Joint CFO is the primary stakeholder for the finance function under the shared service arrangements. The Joint CFO 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 OPCC and Constabulary.

#### 4.5 Seeking continuous improvement in the finance function.

The Joint CFO has worked with the Deputy CFO 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.

#### 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 Joint CFO has worked with the Deputy CFO to develop and fund a training and development policy for the finance function. During 2016 CIPFA training was arranged for the wider workforce to develop finance and business skills in appropriate roles, in addition the team members have undertaken risk management awareness training, procurement fraud training and specific training on the Bankline system.

#### 4.7 Ensuring that responsibility for all finance staff is properly discharged.

The Joint CFO has direct staff responsibility for the Deputy CFO and works closely with the Deputy CFO to ensure responsibility for staff within the finance function is properly discharged.

#### 4.8 Acting as the final arbiter on application of professional standards.

Within both the OPCC and Constabulary, the Joint CFO has statutory responsibility for the administration of financial affairs and is a professional member of CIPFA. As the sole post holder within the OPCC and Chief Officer Team with a professional financial qualification, all financial responsibility including that for professional standards rests with the Joint CFO.

## Principle 5 - The CFO must be professionally qualified and suitably experienced.

5.1 In order to fulfil the aims of this Principle, the CFO must:

- 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: Ethics and 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 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.

In April 2017, the decision was taken by the Commissioner and Chief Constable that the role of Statutory Chief Finance Officer (S151 Officer) would be performed by a shared post between the organisations. In May 2017, Roger Marshall was appointed to this new shared position.

The Joint CFO, Roger Marshall is a full member of CIPFA and adheres to the requirements of that professional body including those for ethics and CPD.

Roger is literate in the use of relevant office ICT systems (Microsoft Office) and has mobile access to office ICT.

Roger has relevant experience which includes a number of senior finance roles within the corporate finance department of a county council and several years fulfilling the roles of Head of Financial Services and Chief Finance Officer 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 Roger 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.

Roger 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.

Roger undertakes relevant training to ensure that his knowledge is updated on a continuous basis in order to fulfil the Joint CFO role effectively.

# Joint Audit & Standards Committee



## Title: OPCC Governance Review

**Date:** 6 November 2017

**Agenda Item No:** 7 iv & v

**Originating Officer:** Vivian Stafford, Chief Executive

**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 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 November 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 Constable 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 Commissioner's 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 the Home Office “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 for 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.
14. This Scheme is a record of the formal delegations that are in effect at the time of its publication and will be reviewed bi-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 Police Reform and Social Responsibility Act 2011 specifies three roles for the Chief Executive –

- Head of the paid service;
- Ensuring an efficient and effective OPCC; and
- Fulfilling the role of Monitoring Officer.

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

- 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.

## 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 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 prepare and review a scheme of expenses for approval by the Police and Crime Commissioner.

## Human Resources

As Head of the Paid Service for the OPCC the Chief Executive has delegated authority -

- 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, members of the Ethics and Integrity Panel, Independent Tribunal Chairs and 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 consider, with the Police and Crime Commissioner, any complaint made against the Chief Constable.
- 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.
- 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.

- 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 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 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 2015 (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 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 Deputy Chief Executive

In the absence of the Chief Executive all functions of the Chief Executive, with the exception of the function of Monitoring Officer, can be undertaken by the designated Deputy Chief Executive. The functions are set out in the section of the Scheme of Delegation detailing delegations to the Chief Executive.

The function role of Deputy Monitoring Officer is undertaken by the Governance Manager.

## Delegations to the Chief Finance Officer

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 surveys and inspections and making arrangements 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.
- 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 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

### General

- Prepare an Annual Report in consultation with Cumbria Constabulary for submission to the Commissioner.
- 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

### Finance & Governance

The detailed financial management responsibilities are set out in the Financial Regulations. Specifically the Head of Communications and Business Services will:

- 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.
- 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.

### Human Resources

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

## 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 discharge the Commissioner's statutory duty for health and safety matters.

## Delegations to the Head of Partnerships and Commissioning

### General

- Prepare the Police and Crime Plan and 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 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 are set out in the Financial Regulations. Specifically the Head of Partnerships and Commissioning will:

- 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.
- To manage the financial arrangements for grants awarded by the Police and Crime Commissioner.
- To designate officers as 'authorised officers' for the purposes of procurement regulations.

## Procurement

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.

## Delegations to the Governance Manager

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

## Police and Crime Commissioner's Executive Team

The Police and Crime Commissioner has established an Executive Team composed of his Chief Executive, Chief Finance Officer, Head of Communications and Business Services and Head of Partnerships and Collaboration. Other OPCC officers may occasionally be required to attend. The Executive Team does not have any decision making powers delegated to it, but discussion at meetings of the Executive Team will inform the decisions made by the members of the Executive Team when using their delegated powers.

The Commissioner meets with all the Members of the Executive Team on a regular basis. This meeting does not have any decision making powers delegated to it, but it is the forum in which the Commissioner or members of the Executive Team will discuss matters and, using their individual delegated powers, make any significant decisions that are not undertaken in a public forum. This arrangement is set out in the Commissioner's Decision Making Policy.

## 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



# Cumbria Office of the Police and Crime Commissioner

COPCC Arrangements for Anti-Fraud and Corruption

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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 in 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 Joint 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 Joint Chief Finance Officer (CFO), 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
- 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 Revenue and Customs
- Inland Revenue

- The General Public
- Public Sector Audit Appointments Ltd
- 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 expected 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 Joint Chief Finance Officer (01768 217734)
- External Auditors – Grant Thornton (0141 2230000)
- Internal Audit – (01228 606280)

The Public Interest Disclosure Act 1998 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 Joint CFO. 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 Joint CFO, 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 is 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 Joint 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 Cabinet Office. The Cabinet Office 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 Joint CFO, 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 Joint CFO 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 Joint CFO 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 Joint CFO and the Chief Internal Auditor will maintain a link with the external auditors 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.

## ANTI-FRAUD 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).

## ANTI-FRAUD AND CORRUPTION PROCEDURE

## Your Duty

It is the duty of everyone:

- Not to commit or connive in 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

## ANTI-FRAUD 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 217734)
- The Joint Chief Finance Officer (01768 217734)
- 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)
- National Audit Office (020 7798 7999)
- Action Fraud (0300 123 2040)

## ANTI-FRAUD 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 Joint CFO. 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 Joint CFO and the Internal Auditor

## ANTI-FRAUD 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](mailto:commissioner@cumbria-pcc.gov.uk)

## ANTI-FRAUD 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 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.

#### ANTI-FRAUD 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.

#### ANTI-FRAUD 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.

#### ANTI-FRAUD 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.

#### ANTI-FRAUD 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.

#### ANTI-FRAUD 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.

#### ANTI-FRAUD 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.*

	<b>No I do not.</b>
--	---------------------

	<b>Yes I do.</b>
	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.*

	<b>No I do not.</b>
--	---------------------

	<b>Yes I do.</b>
	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.*

	<b>No I do not.</b>
--	---------------------

	<b>Yes I do.</b>
	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.*

	<b>No I do not.</b>
--	---------------------

	<b>Yes I do.</b>
	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.*

	<b>No I do not.</b>
--	---------------------

	<b>Yes I do.</b>
	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.*

	<b>I do not belong to a society / association /club that could give rise to suspicions about my partiality in the discharge of my post.</b>
--	---

	<b>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.</b>
	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.*

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

	<b>Yes, I am a member of a Local Authority or statutory undertaking constituted to discharge or assist in the discharging a statutory function.</b>
	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.

	<b>I do not have any relationships with current or potential suppliers to the OPCC</b>
--	--

	<b>Yes, I have a relationship with current or potential suppliers to the OPCC</b>
--	---

	Details:

**Declaration:**

**I confirm that I have disclosed all of my financial and non-financial interests and those of my immediate family to the best of my knowledge and belief. I understand that it is my responsibility to disclose to the Monitoring Officer any additional interests as they arise.**

**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

Peter McCall

### 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



Peter McCall

## 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 Joint 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 Joint 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.



# Independent 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 able to be considered for re-appointment for a further three years. This is subject to the approval of the Scheme Administrator in consultation with the Chair of the panel to which you are appointed. No visitor may serve more than three terms of appointment (ie a maximum of 9 years).

### 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. Should an unsatisfactory explanation be provided the Scheme Administrator may remove them from the scheme.

## **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 and conferences arranged by the Office of the Police and Crime Commissioner for Cumbria. You are also 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 4 monthly Panel meetings, with a minimum requirement of one meeting per year. 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. Dependent upon the outcome the Scheme Administrator may remove you from the scheme.

## **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, who can be contacted on 01768 217734 or via e-mail [custodyvisitors@cumbria-pcc.gov.uk](mailto: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](http://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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# Annual Governance Statement 2017/18 Development and Improvement Plan Update

## 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 2017/18 – Constabulary
- Appendix B – Annual Governance Statement Action Plan 2017/18 – OPCC

## CUMBRIA VISION 25



LOCAL POLICING / WORKFORCE / SPECIALIST CAPABILITIES / BUSINESS SUPPORT / DIGITAL POLICING

### Report Summary – Constabulary AGS

Summary of Actions	Constabulary	
	No	%
Actions included in the AGS	34	100%
Actions completed since last report	12	35%
<b>Open Actions C/fwd</b>	<b>22</b>	<b>65%</b>
<b>Summary of Total Actions by Status</b>		
⚙️ Completed	12	35%
⚙️ Ongoing (within original timescale)	12	35%
⚙️ Ongoing (original timescale exceeded)	8	24%
⚙️ Overdue/ timescale exceeded	0	0%
⚙️ Not yet due	2	6%
<b>Total</b>	<b>34</b>	<b>100%</b>

### Report Summary – OPCC AGS

Summary of Actions	Constabulary	
	No	%
Actions included in the AGS	12	100%
Actions completed since last report	6	50%
<b>Open Actions C/fwd</b>	<b>6</b>	<b>50%</b>
<b>Summary of Total Actions by Status</b>		
⚙️ Completed	6	50%
⚙️ Ongoing (within original timescale)	5	42%
⚙️ Ongoing (original timescale exceeded)	1	8%
⚙️ Overdue/ timescale exceeded	0	0%
⚙️ Not yet due	0	0%
<b>Total</b>	<b>12</b>	<b>100%</b>

## Constabulary AGS Action Plan 2017/18

Ref	Action	Lead Officer	Action Update at 31 October 2017	Implementation by	Revised Implementation Date	Status
Core Principle A: Focusing on behaving with integrity, demonstrating strong commitment to ethoical values and respecting the rule of law.						
CPA/1	Embed the delivery plans for vetting enhancement, the abuse of authority for sexual gain and the Code of Ethics	Head of People	<p>The Constabulary has progressed significantly with the implementation of all three plans:</p> <p><b>Vetting</b> - An additional 1.5 FTE has been secured and the additional resource has already reduced the identified backlog, forecasting a return to normality within the next 6-8 months. A reviewed position statement and update report has been recently prepared and will be presented to COG imminently. Due to delays in recruiting the additional resource, the finalisation date for implementation has been extended to ensure the force is completely compliant prior to filing the action. In addition, there will be changes to the legislative requirement with regard to vetting, and the Constabulary will have to ensure we adapt to deliver standards, hence the extension request.</p> <p><b>Code of Ethics</b> – this plan has been embedded throughout the constabulary, with ongoing training and awareness sessions planned. Almost weekly communications messages are disseminated from the Professional Standards Unit to ensure continued organisational learning is cascaded following case hearings or upon the finalisation of complaints.</p> <p><b>AASG:</b> This plan was recently reviewed by HMIC and graded as good. Significant effort has been invested in progressing the implementation, with AASG being included in force wide comms, recruitment and selection exercises and the association changes to vetting being included. The Anti-Corruption policy and procedure has been updated to reflect this type of criminality. There is ongoing work with Constabulary partner agencies who work with vulnerable people and a specific reporting line has been shared to encourage reporting. The constabulary have also invested in the development of an audit tool as a means of rooting out this type of corruption.</p>	31st March 2018	1st September 2018	⚙ Ongoing (original timescale exceeded)
Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.						
CPB/1	Develop an external communications strategy for 2017-18 to support delivery of operational policing and its outcomes, including effective demand reduction activity.	Director of Corporate Improvement	This action is complete. The strategy is reviewed every month at Force Tasking and Coordination to align with local and national themes	31st March 2018		⚙ Completed
CPB/2	Deliver the internal programme of communications to support performance, standards, integrity and operational effectiveness.	Director of Corporate Improvement	The Internal Communications programme, now re-vamped, streamlined and aligned with training, is being delivered. Changes are coordinated via FSDB	31st March 2018		⚙ Completed

## Constabulary AGS Action Plan 2017/18

Ref	Action	Lead Officer	Action Update at 31 October 2017	Implementation by	Revised Implementation Date	Status
CPB/3	The Constabulary's internal website will continue to be developed in particular to improve the access and search capability which will make it easier for officers and staff to access the information they need.	Director of Corporate Improvement	This project is being scoped and seeks to maximise functionality provided by Office 365- subject to security constraints	31st March 2018		⚙ Ongoing (within original timescale)
CPB/4	A review of the policy management arrangements will be undertaken with a view to streamlining the process, the products and their accessibility.	Director of Corporate Improvement	This work is scheduled to start in January 2018	31st March 2018		⚙ Not yet due
CPB/5	As part of openness and transparency about decision making within the Constabulary, a Chief Officer Group decision log will be placed on the intranet and made available to all officers and staff. In particular, decisions about people and finance will be made available to relevant practitioners to speed up the processes required to deliver agreed actions.	Joint Chief Finance Officer	A COG decision log from January 2017 has been published. To further aid transparency of decision making it has been agreed that in most cases the associated papers will also be published and there will be greater publicity regarding the availability of the log.	30th June 2017		⚙ Completed
CPB/6	The Constabulary will continue to develop its internet site to enhance accessibility and relevance to the public and media.	Director of Corporate Improvement	This work is ongoing throughout the year. In addition, a new approach to providing an iterative search for the public (which will support demand management) is being scoped and costed and a business case will be developed	31st March 2018		⚙ Ongoing (within original timescale)
CPB/7	On behalf of the Commissioner, the Constabulary will undertake a survey to find out the public's key policing priorities to support the PCC's Police and Crime Plan and the Constabulary's Strategic Assessment.	Director of Corporate Improvement	Analysis on the results is being done and a report will be presented in early November 2017 via COG and PAC in December.	31st October 2017	31st December 2017	⚙ Ongoing (original timescale exceeded)
CPB/8	The Constabulary will review the Independent Advisory Group arrangements at strategic and local level with a view to strengthening their impact.	Director of Corporate Improvement	This work is scheduled to start in January 2018	31st March 2018		⚙ Not yet due
CPB/9	The Constabulary will improve the Citizens Panel to expand the number of people on and the representation of all types of communities. (The Citizens Panel is a large group of people who have volunteered to be consulted on a range of police issues.)	Director of Corporate Improvement	This is being progressed by a Police Volunteer.	31st March 2018		⚙ Ongoing (within original timescale)

## Constabulary AGS Action Plan 2017/18

Ref	Action	Lead Officer	Action Update at 31 October 2017	Implementation by	Revised Implementation Date	Status
CPC/1	Develop a forward looking corporate plan to 2025 that encompasses all change activities across the Constabulary. This includes changes to operational working, workforce and people, collaborations, ICT, fleet and estate as well as change to deliver savings and continuous improvement activities. The plan will underpin our recruitment, succession, training and development plans and will be supported by a comprehensive communications programme.	Deputy Chief Constable	Critical to the success and ambition of the CV25 Strategy is the inclusion and engagement of staff and key stakeholders in its design. Initial consultation took place during the July PDC's. This was followed by Focus Groups, led by Supt Kennerley, involving Officers and staff throughout June, July & August, along with one-to-one meetings with senior managers and key stakeholders (some external). At the end of August CC and DCC visited all three areas to engage with Sgts/DS's and Insp/DI's, before the Strategy Day on 6th September, which included those who took part in the focus groups. A joint CC & OPCC Strategy session was held on 11th September and a final Constabulary strategy day takes place on the 23rd November for practitioners, both staff and officers, facilitated by Chief Officers. Chief Officer Roadshows were held in all areas in early October. All this activity will culminate in a final Cumbria Vision 25 overall plan, complimented with a robust delivery plan being agreed at the joint strategy day between the Constabulary and the OPCC in December as part of the budget setting process.	30th September 2017		Completed
CPC/2	Review the governance arrangements to ensure effective delivery of the 2025 plan, making recommendation for improvement where appropriate.	Deputy Chief Constable	Formal governance for CV25 will be provided through the Force Strategic Delivery Board Chaired by DCC and attended by ACC, Crime and TP Commanders, Directors, Chief Finance Officer and Superintendents, with Executive representation from the OPCC.	30th September 2017		Completed
	Continue to develop the Demand Reduction Strategy including:-					
CPC/3	Continue to develop the annual process to evaluate resource allocation to ensure that resources are aligned to demand, threat, risk and harm.	Director of Corporate Improvement	Completed and utilised for 17/18 resource allocation. Further work will be done as part of Force Management Statement (FMS) preparedness	31st March 2018		Completed
CPC/4	Extend the use of Vulnerable Locations Indexing approach to multi agency working across the county.	Director of Corporate Improvement	Work has started as part of the Business Intelligence project. Timescales for products have yet to be determined- this will be one of those products	31st March 2018		Ongoing (within original timescale)
CPC/5	Develop the Blue Light collaboration by working with fire and ambulances services to trail the five tactical operational strands of work .	Superintendent North	Work is ongoing in relation to BlueLight collaboration with fire and ambulance. See specific actions CPD/3, .4, 5, 6 & 7 below.	31st March 2018		Ongoing (within original timescale)

## Constabulary AGS Action Plan 2017/18

Ref	Action	Lead Officer	Action Update at 31 October 2017	Implementation by	Revised Implementation Date	Status
CPC/6	Continue to deliver the MACAC pilot programme to deliver improved outcomes for people with mental health problems who come into contact with the police	Superintendent Operational Support	The three key strands in the MACAS pilot programme, namely a) A 24/7 single point of access for professional to access information from specialist mental health practitioners b) The provision of respite beds at Carleton Clinic c) The 'Lighthouse' place of safety  are all now in place. An evaluation will take place at end of the financial year.	31st March 2018		⚙ Ongoing (within original timescale)
CPC/7	The People Strategy (2017-20) and associated action plan will be delivered.	Head of People	The People Department was established in April 2017, and has been focussed on delivering in line with the strategy and action plan. Key areas under current development are Talent Management, Business Futures (incorporating resource planning, skills capture, sickness management) the launch of wellbeing ambassadors, staff term and conditions review, positive action to encourage underrepresented groups, development of the Constabulary PDR, grievance and performance management and the development of the Citizens in Policing programme. The People action plan has just been reviewed, all actions updated and will be migrated into the CCIP master plan. Extension required to facilitate the full implementation of the PDR. Further extension is anticipated at the point of next review in order to reflect longer term strategic workforce planning issues and the development of PEQF / apprenticeship levy	31st March 2018	1st September 2018	⚙ Ongoing (original timescale exceeded)
Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended outcomes.						
CPD/1	Review our performance management arrangements, making recommendations for improvement where appropriate.	Director of Corporate Improvement	Proposals have been developed and are being submitted to COG in early November to start in January 2018	30th September 2017	31st January 2018	⚙ Ongoing (original timescale exceeded)
CPD/2	Work with the new Police and Crime Commissioner to develop performance management arrangements to hold the Chief Constable to account effectively.	Director of Corporate Improvement	Completed - Accountability Framework has been approved and is operational	30th September 2017		⚙ Completed

## Constabulary AGS Action Plan 2017/18

Ref	Action	Lead Officer	Action Update at 31 October 2017	Implementation by	Revised Implementation Date	Status
	Develop the delivery plan for the tactical operations for Blue Light Collaboration. This includes:					
CPD/3	Emergency Medical Response pilot in Walney and Wigton	Superintendent North	The terms of reference and operating framework have been agreed but implementation has been delayed following withdrawal of Fire Brigade's Union support for trials pending national pay negotiations.	30th September 2017	31st March 2018	⚙️ Ongoing (original timescale exceeded)
CPD/4	Forced Entry/Concern for safety memorandum of Understanding between fire, ambulance and police	Superintendent North	MOU agreed and trial to commence 1st December 2017.	30th September 2017		⚙️ Completed
CPD/5	RESIP Joint Emergency Services Interoperability Programme Incident Command Vehicle - joint branding and management of vehicles that will have the capability to be forward command points in an incident.	Superintendent North	Vehicles now in operation and available for deployment throughout the county.	30th September 2017		⚙️ Completed
CPD/6	Urgent Care desk - NWAS support to Police Officers at the scene to triage any medical aspects of an incident	Superintendent North	MOU agreed and trial commenced 1st November 2017. Training roll out continues throughout November and December 2017.	30th September 2017	31st December 2017	⚙️ Ongoing (original timescale exceeded)
CPD/7	Tri-Service Officer pilot	Superintendent North	Legal agreement reached between Constabulary and County Council and go live date set for 1st December 2017.	30th September 2017	1st December 2017	⚙️ Ongoing (original timescale exceeded)
Core Principle E: Focusing on developing the entity's capacity, including the capability of its leadership and individuals within it.						
CPE/1	Embed a formal performance development and review (PDR) process for all officers and staff during 2017-18, in accordance with College of Policing guidance.	Deputy Chief Constable	A formal Performance Development Review has been implemented and utilised by officers and staff during 2017/18. This is complimented by the 15 week review. An updated version of the Kalidus system that manages PDR will be introduced during 2018 which will further enhance the Constabularies approach to performance and talent management.	31st December 2017		⚙️ Completed
CPE/2	The Constabulary will work with academia and, using good practice from other organisations, will develop an action plan based on the information from the cultural survey which will be incorporated into the Well-Being Strategy.	Director of Corporate Improvement	On track The Constabulary is involved in N8 and is writing a strategy on how to embed this across the organisation.	31st December 2017		⚙️ Ongoing (within original timescale)

## Constabulary AGS Action Plan 2017/18

Ref	Action	Lead Officer	Action Update at 31 October 2017	Implementation by	Revised Implementation Date	Status
CPE/3	During 2017-18 the Apprenticeship Levy will be introduced across England & Wales which will result in a 0.5% levy be paid by Cumbria Constabulary into a digital Apprenticeship account. As a result of this an Apprenticeship framework is being devised which will promote the use of apprenticeships within the Constabulary including leadership, initial learning skills and technical development.	Head of Learning & Development	A new apprenticeship manager post has been advertised and recruited into with the successful applicant to join the Constabulary on 4.12.17 and this role is then responsible for writing the Constabulary apprenticeship strategy in conjunction with the learning and standards manager who is currently working on and aware of current developments around the PEQF.	31st March 2018		⚙ Ongoing (within original timescale)
CPE/4	Significant training programmes will be delivered in 2017-18 in support of the new Intelligence System Red Sigma and a focus on Vulnerability (Mental Health). In addition there is continuing focus on new entrant training for recruits.	Head of Learning & Development	During 2017 to date Red Sigma was successfully rolled out. Stop and search for all frontline officers was delivered as well as supervisors stop and search which included Community resolutions and currently a CJ day is being rolled out to cover disclosure, Police Works and the new S28 CJA. The forward plan for the new year will be a day on NCRS which took priority over the mental health day which will go back into the plan for 2018, hence the amber rating.	31st March 2018		⚙ Ongoing (within original timescale)
CPE/5	A formal protocol for the identification and handling of conflicts of interest in relation to the joint CFO role will be put in place.	PCC Chief Executive	Completed and discussed at JASC and Police and Crime Panel.	30th June 2017		⚙ Completed
CPE/6	A formal review of the effectiveness of the Joint CFO role will be undertaken against the CIPFA standard on the role of the CFO.	PCC Chief Executive	Ongoing, will be completed in May/June 2018 when arrangements have been in place for full year and when annual cycle of financial products is complete	31st March 2018	30th June 2018	⚙ Ongoing (within original timescale)
<b>Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.</b>						
CPF/1	Review and refresh the audit and improvement plan every quarter, reporting to Force Strategic Delivery Board on outcomes and successes from Quality Counts. This will incorporate a programme of Crime Data Integrity audits, that will be improved by extending their scope and frequency, with learning and feedback to officers and supervisors so that quality and performance can be enhanced.	Director of Corporate Improvement	Completed - this is now part of business as usual.	31st March 2018		⚙ Completed
CPF/2	Further develop the strategic resource management performance framework to drive improvements in our use of resources, and ensure that the benefits of significant investment in change and ICT are delivered.	Director of Corporate Improvement	Work has started - this will be part of FMS preparedness	31st March 2018		⚙ Ongoing (within original timescale)

## Constabulary AGS Action Plan 2017/18

Ref	Action	Lead Officer	Action Update at 31 October 2017	Implementation by	Revised Implementation Date	Status
CPF/3	Further develop the Business Intelligence Strategy to inform future ICT developments, improve the information available to managers for effective decision making, to support improvements in services for the public and, develop and improve the dashboards available to officers and staff.	Director of Corporate Improvement / Director of Corporate Support	The business case is being developed and will be presented to COG in early December 2017	31st March 2018		⚙️ Ongoing (within original timescale)
CPF/4	Finalise the delivery of training on the financial regulations, financial rules and procurement regulations.	Joint Chief Finance Officer	A training package has been developed and training delivered to a number of stakeholder groups. Due to diary commitments a small number of training events have yet to take place but will be scheduled as soon as practicable.	30th September 2017	31st December 2017	⚙️ Ongoing (original timescale exceeded)

## Office of the Police and Crime Commissioner Action Plan 2017/18

Ref	Action	Lead Officer	Action Update at 31 October 2017	Implementation by	Revised Implementation Date	Status
<b>Core Principle A: Focusing on behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.</b>						
CPA/1	Continue to develop the scope and remit of the Ethics and Integrity Panel will be reviewed to maximise its on-going impact in improving arrangements for Ethics and Integrity. The subjects for in depth pro-active scrutiny will be determined during the course of the year.	PCC Chief Executive	Scoping work has commenced	30-Mar-18		⚙ Ongoing (within original timescale)
CPA/2	In January 2017 the Police and Crime Bill received Royal Assent and was enacted into law. The Act provides Commissioners with an explicit responsibility for the performance of the complaints system locally, responsibility for appeals currently heard internally by police forces and the ability to take on further functions in relation to public complaints. The OPCC will be working to develop a process to deal with appeal files utilising guidance to be produced by the Home Office and the Independent Police Complaints Commission. The implementation of the appeals process will take place in June 2018	Governance Manager	Scoping work is underway. Options will be considered by the OPCC Executive at the end of November 2017.	30-Jun-18		⚙ Ongoing (within original timescale)
<b>Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.</b>						
CPB/1	During 2017-18 the OPCC will seek to establish an annual programme of work with the Police and Crime panel	Head of Partnerships and Commissioning	Complete	30-Sep-17		⚙ Completed
CPB/2	During 2017-18 the Head of Partnerships and Commissioning will seek to commission a provider to establish and embed a Cumbria Youth Commission	Head of Partnerships and Commissioning	Complete. Young Cumbria have been awarded the grant.	30-Sep-17		⚙ Completed

## Office of the Police and Crime Commissioner Action Plan 2017/18

Ref	Action	Lead Officer	Action Update at 31 October 2017	Implementation by	Revised Implementation Date	Status
<b>Core Principle C: Focusing on defining outcomes in terms of sustainable, economic, social and environmental benefits</b>						
CPC/1	The Commissioner is working with health and local government partners to improve services for victims with mental health issues. Phase 2 of the project the a multi-agency assessment centre is now scheduled for Sept 2017.	Head of Partnerships and Commissioning	The three strands of the project are now in place. A full project evaluation is due April 2018.	30-Sep-17		Completed
CPC/2	During 2017-18 the OPCC will monitor delivery against the objectives laid out in the Police and Crime plan and refresh the underpinning delivery plan on an annual basis	Head of Partnerships and Commissioning	Ongoing	31-Mar-18		Ongoing (within original timescale)
<b>Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended outcomes.</b>						
CPD/1	During 2017-18 The Head of Partnerships and Commissioning will continue to take forward work to develop and implement a Quality framework to support collaborative and partnership working in delivering improvements in services to victims and develop compliance with the Victims' Code of Practice.	Head of Partnerships and Commissioning	Complete	31-Dec-17		Completed
CPD/2	Develop a joint Social Value Policy with the constabulary	Head of Partnerships and Commissioning	The policy has been developed. The process for implementation is underway.	30-Sep-17	30-Jan-18	Ongoing (original timescale exceeded)

## Office of the Police and Crime Commissioner Action Plan 2017/18

Ref	Action	Lead Officer	Action Update at 31 October 2017	Implementation by	Revised Implementation Date	Status
<b>Core Principle E: Focusing on developing the entity's capacity, including the capability of its leadership and the individuals within it.</b>						
CPE/1	A formal protocol for the identification and handling of conflicts of interest in relation to the joint CFO role will be put in place.	PCC Chief Executive	Completed and discussed at JASC and Police and Crime Panel.	30-Jun-17		☀ Completed
CPE/2	A formal review of the effectiveness of the Joint CFO role will be undertaken against the CIPFA standard on the role of the CFO.	PCC Chief Executive	Ongoing, will be completed in May/June 2018 when arrangements have been in place for full year and when annual cycle of financial products is complete	31-Mar-18	30-Jun-18	☀ Ongoing (within original timescale)
CPE/3	Review the leadership structure of the OPCC and related job descriptions	PCC Chief Executive	Complete. New arrangements in place for CEO and CFO	30-Sep-17		☀ Completed
<b>Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.</b>						
CPF/1	During 2017/18 the Head of Partnerships and Commissioning will undertake a review of the systems and processes that underpin open grant arrangements	Head of Partnerships and Commissioning	Near completion	31-Dec-17		☀ Ongoing (within original timescale)

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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 2017**

October 2017

**Robin Baker**

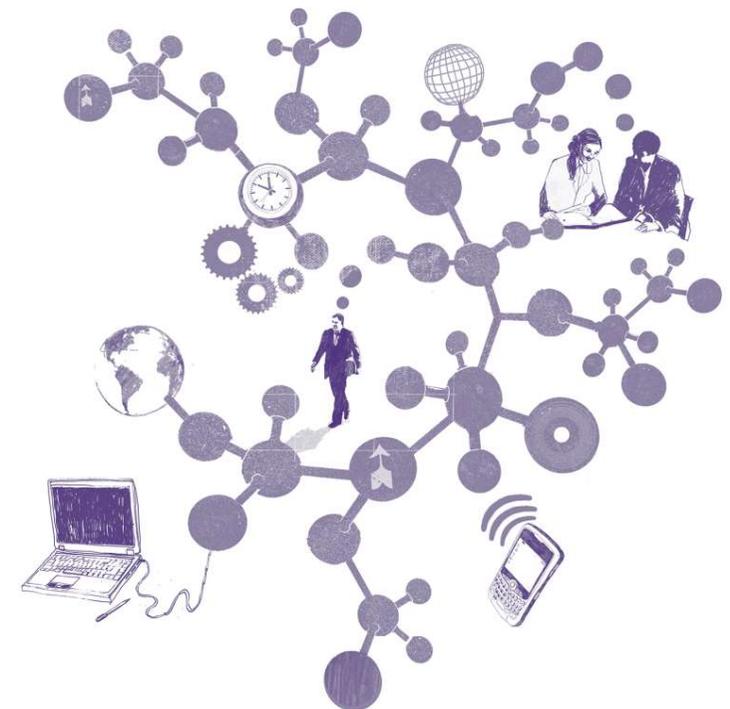
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# Executive summary

## **Purpose of this letter**

Our Annual Audit Letter (Letter) summarises the key findings arising from the work 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 2017.

This Letter provides a commentary on the results of our work to the PCC, the Chief Constable and its external stakeholders, and highlights issues we wish to draw to the attention of the public. In preparing this letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice (the Code) and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'.

We reported the detailed findings from our audit work to the PCC's and Chief Constable's Joint Audit and Standards Committee in our Joint Audit Findings Report on 21 July 2017. The Police and Crime Commissioner and Chief Constable (as those charged with governance) also attended this meeting to hear our findings.

## **Our responsibilities**

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the PCC's and Chief Constable's financial statements (section two)
- assess the PCC's and Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the PCC's and Chief Constable's financial statements, we comply with International Standards on Auditing (UK and Ireland) (ISAs) and other guidance issued by the NAO.

## **Our work**

### **Financial statements opinion**

We gave an unqualified opinion on the PCC's and Chief Constable's financial statements on 21 July 2017.

### **Value for money conclusion**

We were satisfied that the PCC and the Chief Constable put in place proper arrangements to ensure economy, efficiency and effectiveness in their use of resources during the year ended 31 March 2017. We reflected this in our audit report on 21 July 2017.

### **Certificate**

We certified that we had completed the audit of the accounts of the Police and Crime Commissioner for Cumbria and the Chief Constable for Cumbria Constabulary in accordance with the requirements of the Code on 21 July 2017.

## **Working with the PCC and Chief Constable**

Over the coming twelve months, the PCC and Chief Constable will continue to deal with some significant challenges. In particular, dealing with the continued funding uncertainties around potential changes to the Police Funding Formula. Arrangements are in place to deal with this and the Constabulary has continued to work on various scenarios and how it might address any impact. We look forward to working with the PCC and Chief Constable as they respond to these challenges.

We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the PCC's and Chief Constable's staff.

**Grant Thornton UK LLP**  
**October 2017**

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# Audit of the accounts

## **Our audit approach**

### **Materiality**

In our audit of the PCC's and Chief Constable's accounts, we applied the concept of materiality to determine the nature, timing and extent of our work, and to evaluate the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for our audit of the PCC's and Chief Constable's accounts to be £2.75 million, which is 2% of the PCC's (Single Entity) gross revenue expenditure. We used this benchmark, as in our view, users of the PCC's and Chief Constable's accounts are most interested in how they have spent the income raised from taxation and grants during the year.

We also set a lower level of specific materiality for senior officer remuneration, exit packages and related party transactions.

We set a lower threshold of £137,000, above which we reported errors to the Joint Audit and Standards Committee, the PCC and the Chief Constable, in our Audit Findings Report.

### **The scope of our audit**

Our audit involves obtaining enough evidence about the amounts and disclosures in the financial statements to give reasonable assurance they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the PCC's and Chief Constable's accounting policies are appropriate, have been consistently applied and adequately disclosed;
- significant accounting estimates made by the Joint Chief Finance Officer are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the narrative report and annual governance statement to check they are consistent with our understanding of the PCC and Chief Constable and with the accounts included in the Statement of Accounts on which we gave our opinion.

We carry out our audit in line with ISAs (UK and Ireland) and the NAO Code of Audit Practice. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the PCC's and Chief Constable's business and is risk based. We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

# Audit of the accounts

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	Relevant to PCC / Chief Constable / Both?	How we responded to the risk	Findings and conclusions
<p><b>Valuation of pension fund net liability</b></p> <p>The Local Government Pension Scheme (LGPS) pension net liability as reflected in the balance sheet, and asset and liability information disclosed in the notes to the accounts, represent significant estimates in the financial statements.</p> <p>The Police Officer Pension Schemes pension fund liability as reflected in its balance sheet and notes to the accounts represent significant estimates in the financial statements.</p> <p>These estimates by their nature are subject to significant estimation uncertainty, being very sensitive to small adjustments in the assumptions used.</p>	<p>Both</p>	<ul style="list-style-type: none"> <li>• Documented the key controls that were put in place by management to ensure that the pension fund liability was not materially misstated.</li> <li>• Walked through the key controls to assess whether they were implemented as expected and mitigated the risk of material misstatement in the financial statements.</li> <li>• Reviewed the competence, expertise and objectivity of the actuaries who carried out the pension fund valuations. This was Mercer for the LGPS and the Government Actuary Department (GAD) for the Police Officer Pension Scheme.</li> <li>• Gained an understanding of the basis on which the IAS 19 valuations were carried out and undertook procedures to confirm the reasonableness of the actuarial assumptions made.</li> <li>• Reviewed the consistency of the pension fund asset, (LGPS only) and liability and disclosures in notes (LGPS and Police Officer Pension Scheme) to the financial statements with the actuarial reports from your actuaries (Mercer and GAD).</li> </ul>	<p>Our audit work did not identify any issues in respect of the valuation of the pension fund net liability.</p> <p>We were satisfied that the entries and disclosures in the PCC, PCC Group and Chief Constable's accounts for pension fund asset (LGPS only), liability and disclosures in notes (LGPS and Police Officer Pension Scheme) were consistent with the actuarial reports from Mercer and GAD.</p>

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# Audit of the accounts

## **Audit opinion**

We gave an unqualified opinion on the PCC's and Chief Constable's accounts on 21 July 2017, in advance of the 30 September 2017 national deadline.

The PCC and Chief Constable made the accounts available for audit in line with the agreed timetable, and provided an excellent set of supporting working papers. The finance team responded promptly and efficiently to our queries during the audit.

## **Issues arising from the audit of the accounts**

We reported the key issues from our audit of the accounts of the PCC and Chief Constable to the Joint Audit and Standards Committee, the Police and Crime Commissioner and the Chief Constable on 21 July 2017.

The financial statements of both the PCC and Chief Constable were of a very high standard. No adjustments were required to the primary statements and only a few minor amendments were required to other disclosures to improve the overall presentation of the financial statements and ensure consistency.

## **Annual Governance Statement and Narrative Report**

We are required to review the PCC's and Chief Constable's Annual Governance Statement and Narrative Report. They published them on their website with the draft accounts in line with the national deadlines.

Both documents were prepared in line with the relevant guidance and were consistent with the supporting evidence provided by the PCC and Chief Constable and with our knowledge of the PCC and Chief Constable.

## **Other statutory duties**

We also have additional powers and duties under the Act, including powers to issue a public interest report, make written recommendations, apply to the Court for a declaration that an item of account is contrary to law, and to give electors the opportunity to raise questions about the PCC's and Chief Constable's accounts and to raise objections received in relation to the accounts. In the period, we have not had to use any of these other powers.

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# Value for Money conclusion

## Background

We carried out our review in accordance with the NAO Code of Audit Practice (the Code), following the guidance issued by the NAO in November 2016 which specified the criterion for auditors to evaluate:

*In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.*

## Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the key risks where we concentrated our work.

The key risks we identified and the work we performed are set out in table 2 overleaf.

Our key findings were:

- The PCC and Chief Constable have appropriate arrangements in place to manage their financial position and the Constabulary has considered the potential impact of changes to the Police Funding Formula and how it would respond.
- The Constabulary has been assessed overall as ‘Good’ in Her Majesty's Inspectorate of Constabulary's (HMIC's) Police effectiveness, efficiency and legitimacy (PEEL) review 2016. It has arrangements in place to respond to HMIC reports and ensure recommendations and agreed actions are implemented.

## Overall VfM conclusion

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 2017.

# Value for Money

**Table 2: Value for money risks**

Risk identified	Work carried out	Findings and conclusions
<p><b>Financial sustainability</b></p> <p>The PCC set a balanced budget for 2017/18 but even so there was still a need to find around £2 million of savings between 2018/19 and 2020/21. At the end of December 2016 the Constabulary was projecting an overspend for 2016/17 of £1.079 million. Even though Cumbria Police had a good record of delivering savings through its 'Change Strategy' delivering further savings of £2 million and ensuring that the Constabulary could continue to delivery policing services but within budget represented a significant challenge.</p>	<p>We reviewed the PCC's and Chief Constable's arrangements for updating, agreeing and monitoring their financial plans including the assumptions within them. We also considered the arrangements in place to monitor the delivery of the Change Strategy and how the Constabulary planned to ensure it stayed within budget in future years.</p>	<p>The PCC and the Constabulary continue to face financial challenges but the Medium Term Financial Strategy (MTFS) 2016 – 2020 and updated forecasts 2018/19 to 2020/21 demonstrates their long-term financial viability. Key planning assumptions were reasonable and there is a sound process in place to produce the MTFS and update projections.</p> <p>As part of the budget setting for 2017/18, the projections for 2018/19 to 2020/21 were updated and showed that savings of £2.09 million were required between 2018/19 and 2020/21. This excludes the potential impact of any changes to the Police Funding Formula (PFF) as the timing, amount and transitional arrangements for any PFF changes are still to be confirmed. Both the PCC and Chief Constable are well aware of the potential impact and the PCC Chief Finance Officer provided briefings to the Joint Audit and Standards Committee (JASC) members on progress on the funding formula and potential impact. Due to uncertainty around the PFF the MTFS wasn't updated in year. However, the Constabulary has continued to work on various scenarios and how it might address any impact. This approach is reasonable and provides evidence of on-going updating of financial plans.</p> <p>Previously the Constabulary specifically monitored progress on delivery of the 'Change Strategy 2010' to ensure it remained on track. However, for 2016/17 approximately £2.5 million was removed from the base budget for Change Programme savings and a further £1.5 million was removed from non-pay budgets identified through the star chambers and zero based budget exercises. This meant that no specific monitoring of the delivery of savings was required as they were now part of the Constabulary's regular arrangements for budget monitoring, which was also reported to the PCC.</p> <p>The Constabulary overspent its 2016/17 budget by £1.129 million of which £0.354 million related to core budgets and a further provision of £0.775 million for historic employee claims. The Constabulary has looked in detail at its budgets and the 2017/18 budget includes provision to resource the 2016/17 overspend and, where required, the 2017/18 budget has increased for areas such as Criminal Justice where a combination of new systems and legislation has required an additional staffing.</p> <p><b>We concluded the risk was sufficiently mitigated and that the PCC and Chief Constable have proper arrangements in place for ensuring they plan finances effectively to support its strategic functions and their arrangements for ensuring informed decision making.</b></p>

# Value for Money

**Table 2: Value for money risks (Continued)**

Risk identified	Work carried out	Findings and conclusions
<p><b>Police effectiveness, efficiency and legitimacy (PEEL) review</b></p> <p>The PEEL review 2016 assessed Cumbria Constabulary overall as 'Good' with individual assessments for effectiveness, efficiency and legitimacy all rated as 'Good'. This represented an overall improvement in respect of effectiveness which was assessed in 2015 as 'Requires improvement'. However, the key area within Her Majesty's Inspectorate of Constabulary's (HMIC's) effectiveness inspection still requiring improvement related to protecting vulnerable people. The Constabulary has arrangements to monitor the delivery of the required improvements. The risk is that these arrangements are not sufficiently robust to deliver the required improvements.</p>	<p>We reviewed how the Constabulary monitored delivery of plans to address the findings of Her Majesty's Inspectorate of Constabulary (HMIC) reviews.</p>	<p>Cumbria Constabulary has a clear process in place to respond to the outcome of HMIC inspections. Overall, the Constabulary has a strategic HMIC improvement plan in place with progress against it monitored monthly by the Operations Programme Board and reported every two to three months to the Force Strategic Delivery Board. For high-risk areas the Business Improvement Unit reality checks actions identified as complete to confirm that actions have been implemented. The processes put in place have been key in delivering the improved PEEL assessment for 2016. The areas in the 2015 PEEL review in respect of vulnerable people were shown as 'being progressed' in the Constabulary's March 2017 improvement plan so it was not unexpected that these were raised in the 2016 PEEL review as still requiring improvement.</p> <p><b>We concluded that the PCC and Chief Constable have proper arrangements in place for acting in the public interest through demonstrating and applying the principles of good governance.</b></p>

# Appendix A: Reports issued and fees

We confirm below our final fees charged for the audit and provision of non-audit services.

## Fees

	Proposed fee £	Actual fees £	2015/16 fees £
Statutory audit of the Police & Crime Commissioner	30,338	30,338	30,338
Statutory audit of the Chief Constable	15,000	15,000	15,000
<b>Total fees (excluding VAT)</b>	<b>45,338</b>	<b>45,338</b>	<b>45,338</b>

The proposed fees for the year were in line with the scale fee set by Public Sector Audit Appointments Ltd (PSAA).

## Reports issued

Report	Date issued
Audit Plan	2 March 2017
Joint Audit Findings Report	10 July 2017
Annual Audit Letter	October 2017

## Fees for other services

Service	Fees £
<b>Non-audit related services:</b>	
• Provision of tax helpline	2,500
• VAT healthcheck / review of VAT Manual	8,700

## Non-audit services

- For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Police and Crime Commissioner for Cumbria and the Chief Constable for Cumbria Constabulary. The table above summarises all other services which were identified.
- We have considered whether other services might be perceived as a threat to our independence as the PCC's and Chief Constable's auditor and have ensured that appropriate safeguards are put in place, as reported in our Audit Findings Report.

The above non-audit services are consistent with the PCC's and Chief Constable's policy on the allotment of non-audit work to your auditor.

# Reports issued and fees continued

We have considered whether other services might be perceived as a threat to our independence as the PCC's and Chief Constable's auditor and have ensured that appropriate safeguards have been applied to mitigate these risks.

Non-audit services	Service provided to	Fees	Threat identified	Safeguards
Provision of tax helpline	The Police and Crime Commissioner for Cumbria	2,500	We have considered the possible threats to our independence in respect of self-interest, self review, management, advocacy, familiarity and intimidation. We concluded that no threats exist.	None required.
VAT healthcheck / review of VAT Manual	The Police and Crime Commissioner for Cumbria	8,700	We have considered the possible threats to our independence in respect of self-interest, self review, management, advocacy, familiarity and intimidation. We concluded that no threats exist.	None required.
	<b>TOTAL</b>	£11,200		

The above non-audit services are consistent with the PCC's and Chief Constable's policy on the allotment of non-audit work to your auditor.



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## Monitoring Key Audit Recommendations

### Introduction

This report is designed to monitor the implementation of recommendations and actions arising from Audit and Inspection.

It 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	14	0	14
New actions since last report	0	6	0	6
<b>Total actions this report</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>20</b>
Actions completed since last report	0	6	0	6
<b>Open actions c/fwd to next report</b>	<b>0</b>	<b>14</b>	<b>0</b>	<b>14</b>

Summary of Total Actions by Status	PCC	CC	Joint	Total
Completed	0	6	0	6
Ongoing (within original timescale)	0	1	0	1
Ongoing (original timescale exceeded)	0	7	0	7
Overdue/ timescale exceeded	0	0	0	0
Not yet due	0	6	0	6
<b>Total</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>20</b>

### Key to Grade:

#### *Cumbria Shared Internal Audit Service*

Grade/Priority	
High	Significant risk exposure identified arising from a fundamental weakness in the system of internal control.
Medium	Some risk exposure identified from a weakness in the system of internal control.
Advisory	Minor risk exposure/suggested improvement to enhance the system of control.

Members have requested that this summary of recommendations report provides an update on actions where the recommendation was graded High/Medium only. Minor Advisory recommendations are monitored by individual managers.

#### *External Audit – Grant Thornton*

Grade/Priority	
<b>High</b>	Significant effect on control system
<b>Medium</b>	Effect on control system
<b>Low</b>	Best practice

Audit Report	Report Date	Report emailed to JASC Members	Report considered by JASC Meeting	Report Of	Recommendation	Grade	Person Responsible	Agreed / Intended Action / Progress Update	Target Date	Revised Target Date	Status
Cumbria's Multi-Agency Safeguarding Hub (CC)	04/11/2016	04/11/2016	24/11/2016	Shared Internal Audit Service	R1 Hub resources should be fully considered in terms of the skills, qualifications and experience required to fulfil defined responsibilities, operate the Hub effectively and deliver improvements. The agreed requirements and individual partner contributions should be formally reflected in a signed funding agreement that is properly communicated, including to individual partner leadership boards.	Medium	Chair of the Programme Board  DI Dan StQuintin	The Programme Board, which met on 27th October, established a Task and Finish Group which met on 27th October 2016 and will ensure that the updated MOU is in place by 5th January 2017 and is agreed / endorsed by the Board. The MOU will capture the issue regarding multi-agency resourcing.  February 2017 - Issues of Hub governance are dealt with by the programme board. the MOU is currently under discussion. This is not yet complete because health are a statutory partner and are currently undergoing significant restructure under the strengthening families programme of which their contribution to the hub is part.  June 2017 - The partnership has commissioned an external review of the hub process and model which is currently under way, the company doing the review are Ad Esse and their report is expected to be available around mid-July.  August 2017 - Ad Esse have completed their assessment and we are awaiting the full report back from them. However, they have shared list of recommendations for the safeguarding hub. These recommendations are wide ranging and have triggered significant discussion by LSCB partners. These discussions will move forwards over the next few months at various LCSB programme board meetings. Once decisions on these recommendations have been made. Decisions on resourcing can be made once the future role and structure of the hub has been agreed. A 3 month extension to the deadline has been requested.  October 2017 - Discussions around the Ad Esse recommendations continue at a senior level within Cumbria Constabulary. The discussions continue at a senior level within the LSCB. Request a further 3 month extension to allow decisions to be made and action to be started.	31/01/2017	31/08/2017 31/10/2017 31/01/2018	Ongoing (Original timescale exceeded)
Digital Case File Preparation (CC)	08/05/2017	08/05/2017	24/05/2017	Shared Internal Audit Service	R1 Arrangements to ensure the robustness of digital case files at an earlier stage should be strengthened taking into consideration the outcomes of the Strategic Development Unit's review.	High	Temp Supt CJU/Partnerships  Gordon Rutherford	The Chief Officer commissioned review will report to COG in May 17.  The evidence-gathering phase took place from January to March, with the team now considering data analysis and findings.  Once recommendations as to future structure of CJU and the file checking function are considered and approved by Chief Officers, then they will be implemented before September 30th 2017.  June 2017 - The primary causes of file quality issues was identified as a training/knowledge gap, together with a number of national developments. To address this gap, Chief Officers approved a number of measures, increased in staffing within CJ, introduced Area Compliance Teams and a CJ trainer post. The trainer has worked to deliver a comprehensive package of training for all front line officers. This training is informed by issues raised in the file quality process. A recent example, raised by CPS, relates to lack of understanding about disclosure of undermining material. The trainer has developed a package of learning material on the subject that is being rolled out now. Further to that there will be a day's file quality training given to all officers from September 2017.  August 2017 - No change since June update apart from the review paper will be taken to COG on September 4th.  October 2017 - Due to staffing changes within Strategic Development the CJU review has not been completed. Chief Officers extended the period for the review to be completed until December 31st 2017. A further temporary extension was also approved for the CJU and Compliance Team staffing.	June 2017 to 30 Sept 2017	31/12/2017	Ongoing (Original timescale exceeded)
Digital Case File Preparation (CC)	08/05/2017	08/05/2017	24/05/2017	Shared Internal Audit Service	R3 (1) Management should ensure that digital case file training is rolled out to all appropriate officers across the force.	Medium	Temp Supt CJU/Partnerships  Gordon Rutherford	The Constabulary Training Panel has approved the file quality training proposal and this will be delivered Sept to Nov 17 to all staff. In the meantime, the CJU trainer is continuing to deliver training across the force utilising Area Training Days.  June 2017 - The trainer has worked to deliver a comprehensive package of training for all front line officers. This training is informed by issues raised in the file quality process. The trainer has developed a package of learning material on the subject that is being rolled out now. Further to that there will be a day's file quality training given to all officers from September 2017.  August 2017 - No change to June review.  October 2017 - Chief Officers extended the CJ Trainers role for a further 6 months at Septembers COG. A days's classroom based training for all front line officers commenced at the end of September 2017. This training is being delivered Monday-Thursday each week until 18th December 2017. The expectation is that all officers who submit files will receive this input. Areas of focus within the training include writing skills in terms of MGS (summary's), a legal input on the rules of disclosure, an update on new legislation and general file quality hints and tips.	30/09/2017	31/12/2017	Ongoing (Original timescale exceeded)
Digital Case File Preparation (CC)	08/05/2017	08/05/2017	24/05/2017	Shared Internal Audit Service	R4 Defined policies and procedures should be prepared and approved in accordance with the Constabulary's established process.	Medium	Temp Supt CJU/Partnerships  Gordon Rutherford	The National Manual of Guidance is currently being redrafted to reflect changes in national digital file transfer processes. The Constabulary work needs to take cognisance of the national requirement. This work can be picked up via the ACTs and CJU Trainer. Embedded processes exist but for new recruits and staff it is accepted that these need to be made explicit in the form of written documentation.  June 2017 - The national Manual of Guidance (MOG) is the single reference document for how to prepare court cases. This document is under national review at this time. To simplify basic file submission processes an electronic reference document is being created. This in principle will condense the requirements within the MOG in an easier to understand and navigate, reference document. This is a considerable task but will prove to be a valuable resource for officers. This should be available by September 2017.  August 2017 - No change to June review.  October 2017 - action now completed	30/09/2017		Complete
Digital Case File Preparation (CC)	08/05/2017	08/05/2017	24/05/2017	Shared Internal Audit Service	R5 Management should continue to explore the reason for the error rate and explore options for improving the efficiency of the oversight / review mechanisms.	Medium	Chief Officer Group	Chief Officers have commissioned Strategic Development Unit to undertake an activity analysis of the file QA process covering Area Compliance Teams, training and CJU structure. This review will report to COG in May with recommendations for implementation before the end of September 2017.  July 2017 - A report is due to be presented to COG in July 2017.  August 2017 - A report is due to be presented to COG in early September, a verbal update will be provided to the JASC meeting on 13th September.  October 2017 - A report was considered by COG at its November meeting. A range of recommendations including training, roles and responsibilities, a performance framework and arrangements for review of the function were agreed. Recommendations with regard to the future staffing establishment were remitted to the Deputy Chief Constable to agree.	30/09/2017		Complete

Audit Report	Report Date	Report emailed to JASC Members	Report considered by JASC Meeting	Report Of	Recommendation	Grade	Person Responsible	Agreed / Intended Action / Progress Update	Target Date	Revised Target Date	Status
Use of Stingers (CC)	08/05/2017	08/05/2017	24/05/2017	Shared Internal Audit Service	R1 A mechanism should be developed to give management assurance that stingers are being deployed in accordance with national guidance.	High	Superintendent Operations  Mark Pannone	A policy document will be prepared to be agreed at Executive level. The document will incorporate the areas identified as part of the audit.  We will implement systems to ensure compliance with the policy document and national guidance.  June 2017 - In order to formalise activity taking place a procedural document is being completed. This will provide a clear process for procedures, roles, responsibilities and review of the use of stingers.  August 2017 - The policy document has been prepared and will be considered at TP SMT w/c 4/9/17 before being approved at Operations Board on 15/09/17. Once approved the new policy document will be circulated.  October 2017 - TP SMT approved the aforementioned procedural document which was then presented to Ops Board on 15/9/17. This was agreed and is now county wide practice.	31/08/2017	30/09/2017	Complete
Use of Stingers (CC)	08/05/2017	08/05/2017	24/05/2017	Shared Internal Audit Service	R2 The wider arrangements around stinger usage should be clearly defined and communicated to those involved and give greater clarity around procedures, roles and responsibilities.	High	Superintendent Operations  Mark Pannone	An operational framework for stingers will include named roles and responsibilities and will be communicated to officers.  June 2017 - In order to formalise activity taking place a procedural document is being completed. This will provide a clear process for procedures, roles, responsibilities and review of the use of stingers.  August 2017 - As above, the policy document has been prepared and will be considered at TP SMT w/c 4/9/17 before being approved at Operations Board on 15/09/17. Once approved the new policy document will be circulated.  October 2017 - As per R1 above, TP SMT approved the aforementioned procedural document which was then presented to Ops Board on 15/9/17. This was agreed and is now county wide practice.	31/08/2017	30/09/2017	Complete
Use of Stingers (CC)	08/05/2017	08/05/2017	24/05/2017	Shared Internal Audit Service	R4 There should be mechanisms in place to review pursuit information involving stingers so that management can be assured that improvement opportunities are maximised.	Medium	Superintendent Operations  Mark Pannone	The extent and frequency of debriefs will be outlined and delivered as part of driver training. Specific expectations on when debriefs will take place and in what format will be documented.  June 2017 - In order to formalise activity taking place a procedural document is being completed. This will provide a clear process for procedures, roles, responsibilities and review of the use of stingers.  August 2017 - As above, the policy document has been prepared and will be considered at TP SMT w/c 4/9/17 before being approved at Operations Board on 15/09/17. Once approved the new policy document will be circulated. This document includes guidance in relation to briefing and de-briefing.  October 2017 - TP SMT approved the aforementioned document which was presented to Ops Board on 15/9/17. This was agreed and is county wide practice. The briefing and debriefing aspects found within the audit were not extracted from the Police Pursuits APP, but the Police Driving – Health and Safety module. This is highlighted as the requirements for debriefing are not specific as suggested, but subjective and dependent upon the individual circumstances within each incident. Guidance has therefore been provided within the document as to circumstances where a hot debrief should be undertaken; and where a full debrief has occurred, the mechanisms for sharing that learning.	31/08/2017	30/09/2017	Complete
Information Security (CC)	13/04/2017	13/04/2017	-	Shared Internal Audit Service	R1 The responsibility of managers to adjust the access permissions of staff who change jobs in the constabulary should be clearly defined and communicated.	Medium	The Head of People (incl Professional Standards)  Supt. Sarah Jackson	The responsibility of managers to adjust the access permissions of staff who change jobs within the constabulary will be defined within the Information Security Policy. June 2017 - These responsibilities are not currently included in Policy, and are dealt with on behalf of the business only sporadically in that the removal of access is largely reliant on ICT Dept picking up requirements for changes where they are able: (a) ICT Dept have created a weekly task to identify and amend permissions for leavers / role-changers for some systems, or as part of service requests relating to other matters. However, the only core systems currently covered by this are: PoliceWorks, SLEUTH, STORM, Duties Management System (b) Caroline Patterson is now formalising these processes such that ICT Dept will continue to act as a back-stop for these systems, but this is a supplementary process and does not replace the need for effective management of change by the business. Actions Taken 1. Responsibilities will be documented in Section 4.3 of Information Management Strategy at next revision in Nov 2017, reflecting the following improvements to current processes: Make clear that managing access permissions is an IAO (i.e. business) responsibility, not ICT Dept or HR. 2. Revised processes have been introduced for supervisors within the business to own responsibility for managing access permissions for all personnel under their command, and to ensure that permissions for role-changers and leavers are revoked where no longer needed, in a timely fashion. Specifically: (a) Internal staff and officer moves into new roles or new departments happen frequently. Managers inform the HR Department of moves by submitting an establishment change form. A section has been added on to this form requiring current managers to check the permissions of their officers / staff and remove any which are not relevant to their new role. Where appropriate, requests to remove permissions are to then be submitted by the manager direct to the ICT Service Desk portal. (b) Any internal staff recruitment into new roles will be captured by CSD Employee Services who will send an email to new line managers requiring them to review permissions and check if previously held permissions are required in their new role. This will specifically include reviewing: i. Access to group e-mail accounts, ii. Access to shared Sharepoint folders, iii. Access to G (Group) drives  August 2017 - The changes to the responsibilities will be incorporated at the next revision in November 2017. The new process for the Records and Security Information Manager role to review personnel access permissions to core systems managed by IAOs is now under way. The CSD processes have been updated, forms revised and changes communicated.  October 2017 - The Constabulary is currently in the process of updating the Information Management Strategy to reflect the changes to internal procedures governing access permissions. This will be ratified at the November Information Security Board meeting. This should conclude the action and allow closure	31/05/2017	31/12/2017	Ongoing (within original timescale)

Audit Report	Report Date	Report emailed to JASC Members	Report considered by JASC Meeting	Report Of	Recommendation	Grade	Person Responsible	Agreed / Intended Action / Progress Update	Target Date	Revised Target Date	Status
Offender Management (CC)	01/08/2017	02/08/2017	13/09/2017	Shared Internal Audit Service	R1 Management should ensure that the actions and outcomes to assess and manage the delivery of the IOM aims and priorities are clearly defined. Arrangements should include regularly monitoring and reporting progress on these.	High	Detective Chief Inspector – Public Protection Dave Pattinson	Annual IOM Strategy to be drawn up and agreed. It will include the actions and outcomes to assess and manage the delivery of the aims and priorities detailed in the 2016-2020 IOM Strategy.  Detective Chief Inspector will obtain assurance that the progress on actions and outcomes are regularly monitored and reported.  October 2017 - A first draft document has been reviewed and some further work has been requested to improve the document. An extension period of a further 4 weeks is requested to complete the task.  Please could I request an extension of 4 weeks to ensure its' completion	30/09/2017	30/11/2017	Ongoing (Original timescale exceeded)
Offender Management (CC)	02/08/2017	02/08/2017	13/09/2017	Shared Internal Audit Service	R2 Arrangements should be put in place to demonstrate discussions, decisions taken and actions arising relating to the: • review of risks including MAPPA risks for inclusion in the Crime Command and TPA's risk register; and • regular review of the PVP monthly performance report and progress on delivering MAPPA strategic aims.	Medium	Detective Inspector – MOSOVO Helen Harkins	PVP Forum is currently under review to incorporate this and other risk management processes. Risk Register is now a standing item at the Crime Command SMT and a record of decisions taken will be documented.  MAPPA SMB records the details. It was recognised that they are not formally recorded by police (only as stated) they will now go to Crime Command SMT where a record of decisions taken will be documented.  This is being considered as part of the on-going PVP Forum review. A record of decisions relating to review and challenge of performance reports will be documented.  Decisions taken at these meetings will be documented and fed into Crime Command SMT and MAPPA SMB as appropriate.  August 2017 - The PVP forum format is now being finalised and the Crime Command Risk Register will be a standing item. As will the progress of MAPPA strategic aims. The outcomes will be highlighted to Crime command SMT and MAPPA SMB. The target date is still current, a further update will be provided after Sept PVP.  October 2017 - The PVP is now the "Vulnerability meeting", within the meeting themes will be looked at through the year depending on what is an issue for the constabulary for example MAPPA SFO's. Only by exception will MAPPA be discussed at the meeting. MAPPA nominals again are by exception introduced into T and CG. The risk register is a standing item for the vulnerability and Crime Command SMT meetings. Any issues highlighted at Vulnerability meeting will either be fed back to SMB or escalated via Ops Board /FSDB/COG depending on the nature of the issue.	30/09/2017		Complete
Offender Management (CC)	04/08/2017	02/08/2017	13/09/2017	Shared Internal Audit Service	R4 A timescale should be set for the review and updated of the Police Staff Offender Manager's job description including its approval.	Medium	Detective Inspector – MOSOVO Helen Harkins	Job description currently being reviewed and expected to be complete by 09/2017.  August 2017 - The job description is currently being reviewed by DS Andy Myers.  October 2017 - The role profile has been reviewed by DS Myers, liaison with occ health and training re Personal safety training took place but the advice was to continue doing a RA on a case by case basis and no need for PST. This has gone to HR (2.11.17) to ensure no change re Hay profile (police staff) then it will require decision re designation certificate at CC level. Please extend to Jan 2018.	30/09/2017	31/01/2018	Ongoing (Original timescale exceeded)
Offender Management (CC)	06/08/2017	02/08/2017	13/09/2017	Shared Internal Audit Service	R6 Arrangements should be in place for regularly reviewing and updating the Constabulary's responsibilities and accountabilities detailed in the MOU to ensure that they accurately reflect its current working arrangements and to fulfil its statutory requirements for sharing information.	Medium	Detective Inspector – MOSOVO Helen Harkins	MAPPA Coordinator to ensure that the Constabulary's responsibilities and accountabilities detailed in the MOU are reviewed as part of their core role. This will be done annually in line with the review of the MOU  The Chief Superintendent PPU will obtain assurance that MOU is annual reviewed.  August 2017 - The MAPPA coordinator has had a long term absence she is due back to work on 14th August, this is her priority piece of work please extend target date to end Dec 2017  October 2017 - The MOU update is ongoing, unfortunately MAPPA coordinator has gone off long term sick again so I will need to reassign this work please can you extend again to Jan 2018.	30/06/2017	<del>31/12/2017</del> 31/01/2018	Ongoing (Original timescale exceeded)
Fleet (CC)	03/11/2017	03/11/2017	22/11/2017	Shared Internal Audit Service	R1 Management should ensure there is sufficient resilience in the team in respect of Tranman report production.	Medium	Head of Estates & Fleet Phil Robinson	We accept that resilience is a risk due to the size of the team. We will introduce some work shadowing to reduce the risk but some residual risk will remain which we accept.	Immediate & ongoing		Not yet due
Fleet (CC)	03/11/2017	03/11/2017	22/11/2017	Shared Internal Audit Service	R2 Arrangements should be in place for: • The Tranman system administrator to be notified of staff changes affecting access permissions. • Management to periodically confirm access permissions within the Tranman system.	Medium	Head of Estates & Fleet Phil Robinson	We will implement a process map to ensure that staff changes are notified to the team.	31/05/2018		Not yet due
Fleet (CC)	03/11/2017	03/11/2017	22/11/2017	Shared Internal Audit Service	R3 The Strategic Vehicle Group should define its expectations regarding the nature and frequency of fleet benchmarking data required to support decision making.	Medium	Head of Estates & Fleet Phil Robinson	We are currently completing the National Association of Police Fleet Managers (NAPFM) benchmarking exercise in tandem with all forces. This is being undertaken through CIPFA and the results will be shared with senior officers and the OPCC. This will be the first full benchmark exercise undertaken by NAPFM for a number of years, and the first whilst the fleet portfolio has sat within estates. We have not therefore been able to share such information.	01/06/2018		Not yet due

Audit Report	Report Date	Report emailed to JASC Members	Report considered by JASC Meeting	Report Of	Recommendation	Grade	Person Responsible	Agreed / Intended Action / Progress Update	Target Date	Revised Target Date	Status
Finances Funding Formula (CC)	06/11/2017	06/11/2017	22/11/2017	Shared Internal Audit Service	R1 Arrangements should be put in place to demonstrate Extended COG's discussions, decisions taken and action arising from the review and approval of annual budgets including financial forecasts.	Medium	Joint Chief Finance Officer	Extensive evidence of senior management review of budget proposals were provided during the course of the audit, much of which takes place in Budget Star Chambers. Nevertheless, it is recognised that the required documentation to evidence Chief Officer Group review of the final consolidated budget was inadequate although this did take place and was formally signed off by the Chief Constable. The need for more transparency with regard to COG decision making has been generally recognised, prompting the publication of a COG decision log. Specific attention will be paid in future to ensure that COG review and approval of the Constabulary's budget proposal is fully recorded.	31/12/2017		Not yet due
Finances Funding Formula (CC)	06/11/2017	06/11/2017	22/11/2017	Shared Internal Audit Service	R2 Arrangements should be put in place to demonstrate how the informal COG's discussions, decisions taken and actions arising are part of the governance arrangements and formal decision making process.	Medium	Joint Chief Finance Officer	Over recent years the role of informal COG as a decision making body has evolved organically, principally as a result of the need for speedier decisions. The membership of both informal and extended COG are very similar. The Constabulary's governance arrangements are currently being reviewed including in its committee and decision making structures. This audit recommendation will be considered as part of the review to ensure that the decision making structure and role of Informal COG within it are clarified. An update on the new structure will be provided to future meetings of JASC.	31/12/2017		Not yet due
Finances Funding Formula (CC)	06/11/2017	06/11/2017	22/11/2017	Shared Internal Audit Service	R3 Arrangements should be made to ensure the Financial Regulations and Financial Rules accurately reflect the Joint CFO's responsibilities.	Medium	Joint Chief Finance Officer	As an interim measure, until the Joint Chief Finance Officer role is fully embedded, an insertion has been included in the financial regulations and rules to recognise the new arrangements as follows:- 'Please note – In May 2017 the Police and Crime Commissioner and Chief Constable decided that the role of Chief Finance Officer would be shared between the two organisations and the position of Joint Chief Finance Officer was created. The arrangement is subject to further review at the end of 2017/18. The Financial Rules and Regulations contain references to the PCC CFO and CC CFO, at the current time such references should be assumed to mean the Joint Chief Finance Officer, although some responsibilities will fall to the Deputy Chief Finance Officer. Once the review of the arrangements for a shared CFO have been completed the Financial Rules and Regulations will be updated.' It is proposed that the financial regulations and rules will be fully amended as required at their next scheduled review in November 2018.	30/11/2017 (Interim Measure) 30/11/2018 (Full Update)		Not yet due

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<b>JOINT POLICE &amp; CRIME COMMISSIONER AND CUMBRIA CONSTABULARY AUDIT AND STANDARDS COMMITTEE</b>	<b>Paper No.</b>
<b>Meeting date: 22 November 2017</b>	<b>12</b>
<b>From: Audit Manager (Cumbria Shared Internal Audit Service)</b>	

## **INTERNAL AUDIT: PROGRESS REPORT TO 6<sup>TH</sup> NOVEMBER 2017**

### **1.0 EXECUTIVE SUMMARY**

**1.1 This report provides a review of the work of Internal Audit for the period to 6th November 2017.**

**1.2 Key points are:**

- **Work is progressing as planned.**
- **All audits from the 2017/18 plan identified for the first three quarters are underway.**
- **The External Quality Assessment (EQA) for the Shared Internal Audit Service took place in October 2017. We have received a draft report for consideration and will work with the OPCC / Constabulary to agree an action plan. We will report the outcome at the March 2018 JASC meeting.**

### **2.0 POLICY POSITION, BUDGETARY AND EQUALITY IMPLICATIONS**

**2.1 Internal Audit's work is designed to provide assurance to management and Joint Audit and Standards Committee 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 Joint Audit and Standards Committee enables emerging issues to be identified during the year.***

### **3.0 *RECOMMENDATION***

**3.1 *Joint Audit and Standards Committee 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 2017/18 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 seven months to November 2017. It reports progress on the delivery of the 2017/18 audit plan in the period and includes a summary of the outcomes of audit reviews completed in the period.

### **Status of internal audit work as at 6th November 2017**

The table below shows the number of internal audit reviews completed, in progress and still to be started for the 2017/18 audit plan. Further detail on this is included at Appendix 2.

<b>Audit plan year</b>	<b>Audit Status</b>	<b>Number of reviews</b>
2017/18	<u>Audits completed:</u>	<u>6</u>
	Risk based audits (2016/17 WIP)	2
	Risk based audits	2
	Governance work	1
	Financial systems	1
	Follow up	0

	<u>Audits in progress:</u>	<b><u>8</u></b>
	Risk based audits (2016/17 WIP)	0
	Risk based audits	8
	Financial systems	0
	Follow up	0
	<u>Audits to be started</u>	<b><u>7</u></b>
	Risk based audits	3
	Financial systems	2
	Follow up	2
	<u>Audits in plan</u>	<b><u>21*</u></b>

\* The number of audits in the plan has been reduced from 22 to 21 as we have been asked to defer the audit of Digital Media Investigation Unit for operational reasons. We are satisfied that the request is appropriate and will undertake this work in 2018/19. The change to the plan has been approved by the PCC's Chief Finance Officer (Joint CFO) in line with the Internal Audit Charter. The deferral of this piece of work will not impact on our ability to provide an annual opinion for 2017/18 as our plan was designed to ensure sufficient coverage through the remainder of the plan.

### **Outcomes from Final Audit Reports to 6th November**

3.8 Audits completed to 6 November comprise four risk based audits, one financial system audit and the review of the PCC's Annual Governance Statement.

3.9 The detailed outcomes from each finalised audit are shown in Appendix A.

### **Draft Reports Issued to 6th November**

3.10 There are no reports issued in draft.

### **Other Internal Audit activity**

3.11 The Shared Internal Audit service received its first External Quality Assessment (EQA) in October 2017. The EQA is a requirement of the PSIAS. We have received an initial draft report for consideration and will share the outcome of the EQA at the next JASC meeting.

3.12 As reported to the previous meeting, we are reviewing the assurance descriptions in the report appendices to more closely align with the broader focus of internal audit over governance and risk management as well as internal control. Once formalised these will be updated on the Internal Audit report template.

**Emma Toyne**  
**Audit Manager**  
6th November 2017

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## **APPENDICES**

***Appendix 1: Final reports issued to 6th November 2017***

***Appendix 2: Progress on all risk based audits from the 2017/18 plan***

***Appendix 3: Internal audit performance measures to 6th November 2017***

Contact: Emma Toyne, 01228 226261, [emma.toyne@cumbria.gov.uk](mailto:emma.toyne@cumbria.gov.uk)

## Appendix 1 – Final reports issued to 6 November 2017

Assignments	Status	Assessment
Command and Control (2016/17 WIP)	Report presented to Joint Audit and Standards Committee at the 21 <sup>st</sup> July 2017 meeting. Report included in Committee papers and available on the Commissioner's website.	Reasonable
OPCC Annual Governance Statement	Report presented to Joint Audit and Standards Committee at the 21 <sup>st</sup> July 2017 meeting. Report included in Committee papers and available on the Commissioner's website.	Reasonable
Offender Management (2016/17 WIP)	Report presented to Joint Audit and Standards Committee at the 13 <sup>th</sup> September meeting. Report included in Committee papers and available on the Commissioner's website.	Partial
Treasury Management	Report circulated to JASC members and available on the Commissioner's website.	Substantial
Fleet	Report circulated to JASC members and included in Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Reasonable
Funding formula	Report circulated to JASC members and included in Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Reasonable
<p>In addition to the above, a member of the Internal Audit team attended the Police Audit Group Conference in July 2017. The event provided an opportunity to network with other Internal Auditors in the Policing sector and provided an overview of a number of areas including:</p> <ul style="list-style-type: none"> <li>• The policing landscape (a Chief Executive's perspective on key strategic developments in policing and the challenges and opportunities ahead)</li> <li>• Update from the College of Policing</li> <li>• Topical sector developments (including assurance frameworks and collaborative reviews)</li> <li>• Promoting Internal Audit and raising standards (IIA)</li> <li>• Cyber security</li> <li>• Police and crime plan reviews</li> <li>• Developments in Internal Audit and Governance (CIPFA)</li> </ul> <p>We will incorporate learning from the event into both current audit work and in preparing the 2018/19 Internal Audit plan.</p>		

## Appendix 1 – Final reports issued to 6 November 2017

The Group Audit Manager and Audit Manager attended a finance team training session and the Corporate Support Senior Management Team in August to present key points arising from national governance reports. This was well received and prompted discussion on wider governance issues.

Internal Audit planning meetings for 2018/19 are underway. Our meetings with Senior Managers at the OPCC and Constabulary will inform the audit universe for both organisations. We will consult with the OPCC and Constabulary in January 2018 to consider the areas to be included in the plan which will be approved by Management. The plan will be presented to Joint Audit and Standards Committee in March 2018.

## Appendix 2 – Progress on 2017/18 Audit Plan

OPCC / Constabulary Review	Audit	Stage	Feedback form returned
Constabulary (WIP from 2016/17)	Command and Control	Complete	Yes
Constabulary (WIP from 2016/17)	Offender Management	Complete	Yes
Constabulary	Finances (Funding formula)	Complete	Not yet due – issued 06/11/17
Constabulary	Vulnerability	Fieldwork underway	N/A
Constabulary	Firearms Licencing	Awaiting findings meeting	N/A
Constabulary	Use of Force	Fieldwork underway	N/A
OPCC	Commissioning	Fieldwork underway	N/A
Constabulary	Five and fifteen week reviews / Professional Development Reviews (PDRs)	Fieldwork underway	N/A
Constabulary	Resourcing – Duty Management	Work scoped	N/A
Constabulary	IT capacity	Work scoped	N/A
Constabulary	Fleet	Complete	Not yet due – issued 03/11/17
Constabulary	Digital media investigation unit	Deferred to 2018/19	N/A
Constabulary	Business Improvement Unit	Fieldwork underway	N/A
OPCC	Information security	Not started	N/A
OPCC	Annual Governance Statement	Complete	N/A
OPCC/Constabulary	Creditors	Not started	N/A

## Appendix 2 – Progress on 2017/18 Audit Plan

<b>OPCC / Constabulary Review</b>	<b>Audit</b>	<b>Stage</b>	<b>Feedback form returned</b>
OPCC/Constabulary	Treasury Management	Complete	Yes
OPCC/Constabulary	Cash receipting	Not started	N/A
OPCC	Procurement – detailed testing	Work allocated	N/A
Constabulary	Procurement – detailed testing	Work allocated	N/A
Constabulary	Procurement follow up	Awaiting management update statement	N/A
Constabulary	Safeguarding hub follow up	Not started	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	28% 95% (annual target)	28%	Target is based on the same period last year. The plan is progressing as intended at this stage in the year.
	Number of planned days delivered	281 (annual target)	116	Fieldwork is underway for all audits scheduled for quarters 1, 2 and 3. We have begun scoping quarter 4 work.
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 Chief Officer / Director comments within five working days of management response or closeout meeting.	90%	100%	
Recommendations agreed	% of recommendations accepted by management	95%	100%	
Assignment	% of individual reviews completed to	75%	100%	

### Appendix 3 – Internal audit performance measures

Measure	Description	Target	Actual	Explanations for variances / remedial action required
completion	required standard within target days or prior approval of extension by audit manager.			
Quality assurance checks completed	% of QA checks completed	100%	100%	
Customer Feedback	% of customer satisfaction surveys returned	100%	100%	Eight forms returned. Five relate to audits reported in the 16/17 annual report and three reported in 17/18.
Customer Feedback	% of customer satisfaction survey scoring the service as good.	80%	100%	Based on the eight forms returned.
Chargeable time	% of available auditor time directly chargeable to audit jobs.	80%	80%	Chargeable time for the team is on track.

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# Cumbria Shared Internal Audit Service

## Internal Audit Report for Cumbria Constabulary



### Audit of Finances (funding formula)

Draft Report Issued: **27 September 2017**

Final Report Issued: **6 November 2017**

## Audit Resources

Title	Name	Email	Telephone
Audit Manager	Emma Toyne	<a href="mailto:emma.toyne@cumbria.gov.uk">emma.toyne@cumbria.gov.uk</a>	01228 226261
Lead Auditor(s)	Pauline Connolly	<a href="mailto:pauline.connolly@cumbria.gov.uk">pauline.connolly@cumbria.gov.uk</a>	01228 226270

## Audit Report Distribution

For Action:	Roger Marshall – Joint Chief Finance Officer
For Information:	Michelle Skeer – Deputy Chief Constable
Audit Committee	The Joint Audit & Standards Committee, which is due to be held on 22nd November 2017, will receive this report.

*Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.*

### Cumbria Shared Internal Audit Service



Images courtesy of Carlisle City Council except: Parks (Chinese Gardens), [www.sjstudios.co.uk](http://www.sjstudios.co.uk), Monument (Market Cross), Jason Friend, The Courts (Citadel), Jonathan Becker

## 1. Background

- 1.1. This report summarises the findings from the audit of **Finances (funding formula)**. This was a planned audit assignment which was undertaken in accordance with the 2017/18 Audit Plan.
- 1.2. Changes to the police funding formula is identified as high risk in the Constabulary's strategic risk register. The Constabulary is required to develop and monitor its medium term financial forecasts to enable delivery of its plans and the delivery of the Commissioner's Police and Crime Plan.

## 2. Audit Approach

### 2.1. Audit Objectives and Methodology

- 2.1.1. Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives which are outlined in section 4; detailed findings and recommendations are reported within section 5 of this report.

### 2.2. Audit Scope and Limitations

- 2.2.1. The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was Deputy Chief Constable. The agreed scope of the audit was to provide assurance over management's arrangements for governance, risk management and internal control in the following areas:

- Financial forecasting and modelling.
- Arrangements for planning and managing outcomes.

- 2.2.2. There were no instances whereby the audit work undertaken was impaired by the availability of information.

### 3. Assurance Opinion

- 3.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A**.
- 3.2. From the areas examined and tested as part of this audit review, we consider the current controls operating within Finances – funding formula provide **Reasonable** assurance.

*Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.*

### 4. Summary of Recommendations, Audit Findings and Report Distribution

- 4.1. There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.
- 4.2. There are 3 audit recommendations arising from this audit review and these can be summarised as follows:

Control Objective	No. of recommendations		
	High	Medium	Advisory
1. <b>Management</b> - achievement of the organisation's strategic objectives (see section 5.1.)	-	2	-
2. <b>Regulatory</b> - compliance with laws, regulations, policies, procedures and contracts (see section 5.2.)	-	1	-
3. <b>Information</b> - reliability and integrity of financial and operational information	-	-	-
4. <b>Security</b> - safeguarding of assets	-	-	-
5. <b>Value</b> - effectiveness and efficiency of operations and programmes	-	-	-

<b>Total Number of Recommendations</b>	-	3	-
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4.3. **Strengths:** The following areas of good practice were identified during the course of the audit:

- Financial forecasts are an integrated part of the annual budget planning process and corporate planning process and are regularly reviewed.
- Arrangements are in place to identify, regularly assess and report on risks that impact on financial forecasting.
- Mechanisms are in place to test check the reality of financial forecasts and the assumptions made that include; star chambers and scenario testing.
- Star chambers are used to communicate, consult and challenge operational managers in the development of financial forecasts;
- Budget monitoring arrangements are used to confirm with budget holders the accuracy and completeness of financial forecasts.
- The staff involved in the financial planning process have significant knowledge and experience in this specialised area.
- Budget holders' ownership and accountability of financial forecasts is formally documented.
- Senior management are consulted in the approach and development of financial forecasts and receive regular monitoring reports on the progress of delivering these.
- The Financial Services Team is continuously reviewing the financial planning process in particular working with other Constabularies to review different ways of working.
- The Financial Services Team is part of the CIPFA Police and Fire Network and staff attend relevant training events.

4.4. **Areas for development:** Improvements in the following areas are necessary in order to strengthen existing control arrangements:

4.4.1. *High priority issues:*

- No high priority issues were identified.

4.4.2. *Medium priority issues:*

- There is no record of the Extended Chief Officer Group's discussions, decisions taken and actions arising relating to the review and approval of the annual budgets including financial forecasts prior to submission to the Police and Crime Commissioner.
- The informal COG's discussions, decisions taken and actions arising are not part of the Constabulary's governance arrangements and formal decision making process.
- The Joint Chief Finance Officer's responsibilities are not reflected in the current Financial Regulations and Financial Rules.

#### 4.4.3. *Advisory issues:*

- No advisory issues were identified.

##### **Comment from the Deputy Chief Constable**

**I welcome this report by Internal Audit and I am pleased that the Constabulary has received a Reasonable Assurance.**

**In terms of the audit recommendations, they have either been addressed such as an interim update to the financial regulations and rules to reflect the introduction of the Joint CFO, or captured in existing work i.e. the Governance Review which is due to report to Extended COG this month, November. As part of any decisions taken in terms of changes to governance I will ensure that the observations and recommendations from Internal Audit feature as part of the finalised structure. In addition, I will ensure that the extensive discussions that do take place around budget and budget forecasts in COG are fully documented with decisions taken being captured on the decision log, which is publicised to assist transparency. Finally, quality assurance will be provided by the Business Improvement Unit to ensure the recommendations by Internal Audit have been addressed, are complete and captured within the Constabulary Improvement Plan.**

**Michelle Skeer  
Deputy Chief Constable**

## 5. Matters Arising / Agreed Action Plan

### 5.1. Management - achievement of the organisation's strategic objectives.

● **Medium priority**

Audit finding	Management response
<p><b>(a) Record of decisions taken on annual budgets including financial forecasts</b></p> <p>There is a formal process in place for the Constabulary's Extended Chief Officer Group 'COG' to review and approve annual revenue and capital budgets including financial forecasts and that discussions, decisions taken and actions arising are required to be minuted.</p> <p>Audit were informed that the Extended COG had discussed the annual budgets including forecasts. The audit review identified there is a record of the Star Chambers' decisions taken and action arising relating to their review of the annual budgets including forecasts, however there is no record of Extended COG's discussion, decisions taken and actions arising. Audit were later informed that in future such discussions, decisions taken and actions arising will be documented.</p>	<p><b>Agreed management action:</b></p> <p>Extensive evidence of senior management review of budget proposals were provided during the course of the audit, much of which takes place in Budget Star Chambers. Nevertheless, it is recognised that the required documentation to evidence Chief Officer Group review of the final consolidated budget was inadequate although this did take place and was formally signed off by the Chief Constable. The need for more transparency with regard to COG decision making has been generally recognised, prompting the publication of a COG decision log. Specific attention will be paid in future to ensure that COG review and approval of the Constabulary's budget proposal is fully recorded.</p>
<p><b>Recommendation 1:</b></p> <p>Arrangements should be put in place to demonstrate Extended COG's discussions, decisions taken and action arising from the review and approval of annual budgets including financial forecasts.</p>	
<p><b>Risk exposure if not addressed:</b></p> <ul style="list-style-type: none"> <li>Decisions taken and actions arising from the review and approval of annual budgets and forecasts cannot be demonstrated.</li> <li>Extended COG's responsibilities in reviewing and approving the annual budgets including financial forecasts cannot be demonstrated.</li> </ul>	<p><b>Responsible manager for implementing:</b>  <b>Joint Chief Finance Officer</b></p> <p><b>Date to be implemented:</b>  <b>12/2017</b></p>

● **Medium priority**

Audit finding	Management response
<p><b>(b) Governance</b></p> <p>Audit were informed that Informal COG meetings take place every week and are used by a small group of members from the Extended COG to consider, discuss and understand specific areas of business. There is a record of the decision taken at each meeting. The audit review identified that the Extended COG, as part of their formal decision-making process, considers the informal COG's discussions, decisions taken and actions arising. The informal COG meetings are not part of the Constabulary's governance arrangements and formal decision making process.</p>	<p><b>Agreed management action:</b></p> <p>Over recent years the role of informal COG as a decision making body has evolved organically, principally as a result of the need for speedier decisions. The membership of both informal and extended COG are very similar. The Constabulary's governance arrangements are currently being reviewed including in its committee and decision making structures. This audit recommendation will be considered as part of the review to ensure that the decision making structure and role of Informal COG within it are clarified. An update on the new structure will be provided to future meetings of JASC.</p>
<p><b>Recommendation 2:</b></p> <p>Arrangements should be put in place to demonstrate how the informal COG's discussions, decisions taken and actions arising are part of the governance arrangements and formal decision making process.</p>	
<p><b>Risk exposure if not addressed:</b></p> <ul style="list-style-type: none"> <li>Decisions taken and actions arising from informal meetings are not in accordance with the Constabulary's governance arrangements and formal decision making process.</li> </ul>	<p><b>Responsible manager for implementing:</b>  <b>Joint Chief Finance Officer</b></p> <p><b>Date to be implemented:</b>  <b>12/2017</b></p>

## 5.2. Regulatory - compliance with laws, regulations, policies, procedures and contracts.

● **Medium priority**

Audit finding	Management response
<p><b>(a) Financial Regulations and Financial Rules</b></p> <p>The Financial Regulations provide detailed guidance on the overarching financial responsibilities of those involved in developing the medium term financial forecast and the Financial Rules provide a greater level of detail as to how these are managed.</p> <p>The audit review identified that the current Financial Regulations and Rules, last updated in November 2016, no longer reflect the current working arrangements. In particular the Joint Chief Finance Officer's responsibilities were created after these documents had been prepared and approved. Audit were informed that the rules and regulations are reviewed and updated every other year and that it is the intention in the interim to append a note to these to provide guidance on the Joint CFO's responsibilities.</p> <p><b>Recommendation 3:</b> Arrangements should be made to ensure the Financial Regulations and Financial Rules accurately reflect the Joint CFO's responsibilities.</p>	<p><b>Agreed management action:</b></p> <p>As an interim measure, until the Joint Chief Finance Officer role is fully embedded, an insertion has been included in the financial regulations and rules to recognise the new arrangements as follows:-</p> <p>'Please note – In May 2017 the Police and Crime Commissioner and Chief Constable decided that the role of Chief Finance Officer would be shared between the two organisations and the position of Joint Chief Finance Officer was created. The arrangement is subject to further review at the end of 2017/18. The Financial Rules and Regulations contain references to the PCC CFO and CC CFO, at the current time such references should be assumed to mean the Joint Chief Finance Officer, although some responsibilities will fall to the Deputy Chief Finance Officer. Once the review of the arrangements for a shared CFO have been completed the Financial Rules and Regulations will be updated.'</p> <p>It is proposed that the financial regulations and rules will be fully amended as required at their next scheduled review in November 2018.</p>

Risk exposure if not addressed:

- Agreed financial responsibilities are not consistently followed because expected responsibilities are not formally documented.

Responsible manager for implementing:

**Joint Chief Finance Officer**

Date to be implemented:

**11/2017** (interim arrangement)

**11/2018** (full review of financial regulations)

## Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
<b>Substantial</b>	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	<p>The controls tested are being consistently applied and no weaknesses were identified.</p> <p>Recommendations, if any, are of an advisory nature in context of the systems and operating controls &amp; management of risks.</p>
<b>Reasonable</b>	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	<p>Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed.</p> <p>Recommendations are no greater than medium priority.</p>
<b>Partial</b>	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	<p>There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified.</p> <p>Recommendations may include high and medium priority matters for address.</p>
<b>Limited / None</b>	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	<p>Significant non-compliance with basic controls which leaves the system open to error and/or abuse.</p> <p>Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.</p>

## Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

Definition:		
<b>High</b>	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
<b>Medium</b>	●	Some risk exposure identified from a weakness in the system of internal control
<b>Advisory</b>	●	Minor risk exposure / suggested improvement to enhance the system of control

# Cumbria Shared Internal Audit Service

## Internal Audit Report for Cumbria Constabulary



### Audit of Fleet

Draft Report Issued: **27<sup>th</sup> September 2017**

Final Report Issued: **3<sup>rd</sup> November 2017**

## Audit Resources

Title	Name	Email	Telephone
Audit Manager	Emma Toyne	emma.toyne@cumbria.gov.uk	01228 226261
Lead Auditor(s)	Sarah Fitzpatrick	<a href="mailto:sarah.fitzpatrick@cumbria.gov.uk">sarah.fitzpatrick@cumbria.gov.uk</a>	01228 226255

## Audit Report Distribution

For Action:	Philip Robinson (Head of Estates and Fleet)
For Information:	Stephen Kirkpatrick (Director of Corporate Support)
Audit Committee	The Joint Audit & Standards Committee, which is due to be held on 22 <sup>nd</sup> November 2017, will receive the report.

*Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.*

### Cumbria Shared Internal Audit Service

Images courtesy of Carlisle City Council except: Parks (Chinese Gardens), www.sjstudios.co.uk, Monument (Market Cross), Jason Friend, The Courts (Citadel), Jonathan Becker



## 1. Background

- 1.1. This report summarises the findings from the audit of Fleet. This was a planned audit assignment which was undertaken in accordance with the 2017/18 Audit Plan.
- 1.2. Fleet is important to the organisation because it directly supports the efficient and effective delivery of frontline policing. It is a major support function, providing a comprehensive vehicle resource for all aspects of policing that helps the force to meet demand at an operational level and deliver a quality service to the people of Cumbria.

## 2. Audit Approach

### 2.1. Audit Objectives and Methodology

- 2.1.1. Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives which are outlined in section 4; detailed findings and recommendations are reported within section 5 of this report.

### 2.2. Audit Scope and Limitations

- 2.2.1. The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was the Director of Corporate Support. The agreed scope of the audit was to provide assurance over management's arrangements for governance, risk management and internal control in the following areas:
  - Strategy
  - Management Information
  - Operational deployment and usage
- 2.2.2. There were no instances whereby the audit work undertaken was impaired by the availability of information.

### 3. Assurance Opinion

- 3.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A**.
- 3.2. From the areas examined and tested as part of this audit review, we consider the current controls operating within fleet provide **reasonable** assurance.

*Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.*

### 4. Summary of Recommendations, Audit Findings and Report Distribution

- 4.1. There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.
- 4.2. There are **3** audit recommendations arising from this audit review and they are summarised as follows:

Control Objective	No. of recommendations		
	High	Medium	Advisory
1. <b>Management</b> - achievement of the organisation's strategic objectives	-	-	-
2. <b>Regulatory</b> - compliance with laws, regulations, policies, procedures and contracts	-	-	-
3. <b>Information</b> - reliability and integrity of financial and operational information	-	2	-
4. <b>Security</b> - safeguarding of assets (see section 5.1)	-	-	-
5. <b>Value</b> - effectiveness and efficiency of operations and programmes	-	1	-
<b>Total Number of Recommendations</b>	-	<b>3</b>	-

4.3. **Strengths:** The following areas of good practice were identified during the course of the audit:

- There is a clearly defined and approved Fleet Strategy 2017 to 2020 in place that supports corporate priorities. The Fleet Strategy is subject to review on an annual basis. Sound arrangements are in place to ensure full engagement with stakeholders during strategy development.
- Fleet risks are regularly considered as part of the established risk management process.
- A Strategic Vehicle Group is in place to oversee all aspects of fleet management and provide scrutiny and challenge of progress delivering the Fleet Strategy.
- The Constabulary uses the Tranman Fleet Management System which is standard across the policing sector in the UK. The system holds comprehensive information on all fleet vehicles and produces valuable management information reports for monitoring purposes.
- Quality assurance activity is undertaken to ensure fleet information is robust for effective decision making.
- Arrangements are in place for the Fleet Unit to work closely with operational colleagues to analyse and fully understand management information, support decision making and inform strategy development.
- Opportunities are taken to liaise with other forces, compare performance and share experiences to better inform decisions and identify improvement activity.

4.4. **Areas for development:** Improvements in the following areas are necessary in order to strengthen existing control arrangements:

4.4.1. *High priority issues:* - none identified.

4.4.2. *Medium priority issues:*

- Significant reliance is placed on the Fleet Management Information Officer in terms of the production of operational and management information reports from the system.
- Arrangements are not in place for the Tranman system administrator to be notified of staff changes so that access permissions can be adjusted accordingly or for fleet management to review access permissions within the system on a periodic basis.
- Benchmarking information is not shared at a strategic level to inform decision making and contribute to improvement activity.

4.4.3. *Advisory issues:* - none identified.

**Comment from the Director Corporate Support :**

I am satisfied with the reasonable assurance that has been achieved for the audit of fleet services. Without being complacent of the recommendations made, I am very pleased with the overall report and the significant number of strengths identified, specifically regarding the recognition of how well the fleet strategy and operation aligns with and supports effective operational policing across the county. We will ensure that the three medium level recommendations are dealt with appropriately in order to continue the ongoing improvements already being delivered across the whole fleet service.

The findings of this audit are very positive and can give both the Constabulary and the OPCC assurance of the high levels of service provided together with the ongoing improvements being made.

## 5. Matters Arising / Agreed Action Plan

5.1 Information - reliability and integrity of financial and operational information.

● Medium priority

Audit finding	Management response
<p><b>(a) Tranman System</b></p> <p><u>Reporting</u></p> <p>A number of Tranman users were lost to the team as part of the last Fleet Review. The Fleet Insurance Clerk is able to run a number of standard reports from the Tranman system but much reliance is now placed on the Fleet Management Information Officer to produce operational and management information reports from the system, particularly bespoke reports.</p> <p>Some resilience around Tranman reporting for periods where the Fleet Management Information Officer is unavailable would ensure that regular and reliable fleet reports are available to support management in effective monitoring and decision making.</p> <p><u>Permissions</u></p> <p>Formal mechanisms are not in place for the Tranman system administrator to be notified of staff changes (users leaving the force or changing jobs) so that access permissions can be adjusted accordingly. There are also no arrangements for fleet management to review access permissions within Tranman on a periodic basis.</p> <p>A periodic review of access permissions would give management assurance that access is still required, access is at an appropriate level according to job responsibilities and staff are still in post etc.</p>	<p>Agreed management action:</p> <p>R1: We accept that resilience is a risk due to the size of the team. We will introduce some work shadowing to reduce the risk but some residual risk will remain which we accept.</p> <p>R2: We will implement a process map to ensure that staff changes are notified to the team.</p>
<p><b>Recommendation 1:</b></p> <p>Management should ensure there is sufficient resilience in the team in respect of Tranman report</p>	

<p>production.</p> <p><b>Recommendation 2:</b></p> <p>Arrangements should be in place for:</p> <ul style="list-style-type: none"> <li>The Tranman system administrator to be notified of staff changes affecting access permissions.</li> <li>Management to periodically confirm access permissions within the Tranman system.</li> </ul>	
<p><b>Risk exposure if not addressed:</b></p> <ul style="list-style-type: none"> <li>Ineffective decision making.</li> <li>Unauthorised access to view, alter, disclose or destroy data.</li> <li>Reputational damage arising from security breaches.</li> </ul>	<p><b>Responsible manager for implementing:</b>  <b>Head of Estates and Fleet</b></p> <p><b>Date to be implemented:</b>  R1: Immediate and on-going  R2: <b>05/2018</b></p>

**5.2 Value** - effectiveness and efficiency of operations and programmes.

● **Medium priority**

<b>Audit finding</b>	<b>Management response</b>
<p><b>(a) Benchmarking</b></p> <p>The Head of Estates and Fleet has access to the National Association of Police Fleet Managers benchmarking data and requests fleet statistics from selected constabularies for comparison purposes. However arrangements are not in place to routinely share this information at a strategic level to inform decision making, identify best practice and contribute to improvement activity.</p> <p>Without mechanisms in place to review and compare Cumbria’s fleet arrangements to those in similar constabularies, senior management cannot be assured that decisions taken are fully informed and supported.</p>	<p><b>Agreed management action:</b></p> <p>We are currently completing the National Association of Police Fleet Managers (NAPFM) benchmarking exercise in tandem with all forces. This is being undertaken through CIPFA and the results will be shared with senior officers and the OPCC. This will be the first full benchmark exercise undertaken by NAPFM for a number of years, and the first whilst the fleet portfolio has sat within</p>

<p><b>Recommendation 3:</b></p> <ul style="list-style-type: none"><li>The Strategic Vehicle Group should define its expectations regarding the nature and frequency of fleet benchmarking data required to support decision making.</li></ul>	<p>estates. We have not therefore been able to share such information.</p>
<p><b>Risk exposure if not addressed:</b></p> <ul style="list-style-type: none"><li>Ineffective decision making.</li><li>Missed opportunities for improvement.</li></ul>	<p>Responsible manager for implementing: <b>Head of Estates and Fleet</b></p> <p>Date to be implemented: <b>05/2018</b> for reporting results.</p>

## Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
<b>Substantial</b>	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	<p>The controls tested are being consistently applied and no weaknesses were identified.</p> <p>Recommendations, if any, are of an advisory nature in context of the systems and operating controls &amp; management of risks.</p>
<b>Reasonable</b>	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	<p>Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed.</p> <p>Recommendations are no greater than medium priority.</p>
<b>Partial</b>	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	<p>There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified.</p> <p>Recommendations may include high and medium priority matters for address.</p>
<b>Limited / None</b>	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	<p>Significant non-compliance with basic controls which leaves the system open to error and/or abuse.</p> <p>Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.</p>

## Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

Definition:		
<b>High</b>	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
<b>Medium</b>	●	Some risk exposure identified from a weakness in the system of internal control
<b>Advisory</b>	●	Minor risk exposure / suggested improvement to enhance the system of control

### Recommendation Follow Up Arrangements:

- High priority recommendations will be formally followed up by Internal Audit and reported within the defined follow up timescales. This follow up work may include additional audit verification and testing to ensure the agreed actions have been effectively implemented.
- Medium priority recommendations will be followed with the responsible officer within the defined timescales.
- Advisory issues are for management consideration.

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## OFFICE OF THE POLICE & CRIME COMMISSIONER – STRATEGIC RISK REGISTER

Risk Mitigation Strategies:	
<b>Avoid</b>	Stop the risk completely or stop it having an impact.
<b>Reduce</b>	Reduce the likelihood and/or impact of the risk
<b>Transfer</b>	Outsource, use contractors or insure against things going wrong
<b>Accept</b>	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 No.	Risk Title	Total Score	Risk Owner		Any outstanding actions YES/NO	Actions to be completed	Reviews Date of next review
			Risk Owner	Action Owner			
<b>R1</b>	Strategic Finance	20	Chief Executive	Chief Finance Officer	No	Continued review of the MTFF as part of the budgeting process. Further development and refinement of savings options.	March 2018
<b>R2</b>	The Emergency Services Mobile Communications Programme (ESMCP)	12	Chief Executive	Chief Executive	No	Continue to monitor the national position and take appropriate actions to prepare for implementation.	March 2018
<b>R3</b>	OPCC Capacity	8	Chief Executive	Deputy Chief Executive/ Head of Communications and Business Services	No	Joint CFO role will be reviewed at the end of the 2017/18 financial year and reported upon to JASC. The Chief Executive arrangements will be reviewed and reported to the Police & Crime Panel in 2018. The Executive Team will be working with all staff to identify the areas where additional capacity is required	March 2018

Scores:

8 – 16	Review within 3 months
4 - 6	Review within 6 months
3 or less	Review within 12 months

<b>Risk No:</b> R1	<b>Risk Title:</b> <b>STRATEGIC FINANCE</b>	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. Real term 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:	
<b>Avoid</b>	Stop the risk completely or stop it having an impact.
<b>Reduce</b>	Reduce the likelihood and/or impact of the risk
<b>Transfer</b>	Outsource, use contractors or insure against things going wrong
<b>Accept</b>	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

What is the cause of the risk? (Lack of .....failure to.....)	What is the consequence of the described risk? (Results in.....leads to.....)	Unmitigated Score			Mitigated Score			Risk Owner & Mitigation Strategy (Avoid, reduce, transfer, accept)	Current Controls in Place to Mitigate the Risk	Actions			Action Owner(s)	Review Date
		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score			Assurances	Future or further actions to be taken			
Reduction in real term resources within the medium term time horizon to provide sufficient funding for the Commissioner and Constabulary to deliver current levels of policing service. Current government funding protection is only provided in cash terms, requiring the Commissioner to meet inflation and other service pressures from savings. This risk is accentuated by both the relaxation of the public sector pay cap and Brexit, both of which are likely to increase future inflationary pressures. The potential implementation of a new Police Funding Formula could also impact adversely on resources available to Cumbria.	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.	5	4	20	5	4	20	Chief Executive (Reduce)	The budget and medium term financial forecast (MTFF) are reviewed and updated on a regular basis. The budget has been balanced in the short term and reserves provide additional security. Scenario planning to identify potential longer term savings and service re-engineering is on-going in both the OPCC and Constabulary. The Commissioner has joined the National Rural Crime Network through which work has been commissioned to demonstrate weakness in the proposed funding model. A paper has been submitted to the TRG and external support has been commissioned on developing a cost model for community policing.	Budget monitoring processes and internal controls are in place to manage financial commitments. 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. Recent audit review of preparedness for funding cuts provided reasonable assurance.	Continued review of the MTFF as part of the budgeting process. Further development and refinement of savings options.	Chief Finance Officer	February 2018	

<b>Risk No:</b> <b>R2</b>	<b>Risk Title:</b> <b>Emergency Services Mobile Communications Programme</b>	The Emergency Services Network is a major national project to replace the current Airwave radio communications system across all emergency services with Mobile Phone technology. There are national and local risks in relation to uncertainty over the cost and timing of implementation of the new system. Cumbria also specific risks in relation to the coverage due to the topography of the county.
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Risk Mitigation Strategies:	
<b>Avoid</b>	Stop the risk completely or stop it having an impact.
<b>Reduce</b>	Reduce the likelihood and/or impact of the risk
<b>Transfer</b>	Outsource, use contractors or insure against things going wrong
<b>Accept</b>	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

What is the cause of the risk? (Lack of .....failure to.....)	What is the consequence of the described risk? (Results in.....leads to.....)	Unmitigated Score			Mitigated Score			Risk Owner & Mitigation Strategy (Avoid, reduce, transfer, accept)	Actions				Review Date
		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		Current Controls in Place to Mitigate the Risk	Assurances	Future or further actions to be taken	Action Owner(s)	
The Emergency Services Mobile Communications Programme (ESMCP) is a collaboration between the police, fire and ambulance Emergency Services (3ES) in England, Scotland and Wales to replace the existing mobile radio system known as Airwave. ESCMP will deliver the Emergency Services Network (ESN) which will provide integrated critical voice and broadband data over an enhanced 4G commercial network. This is a significant project. At the present time there are concerns around cost, coverage and timescales for delivery.	This risk may result in significant additional costs and coverage issues may impact upon the Commissioner's ability to ensure Cumbria has an efficient and effective policing service, which could lead to reputational risk.	4	3	12	3	4	12	Chief Executive (Reduce)	The Commissioner is working regionally with other North West Commissioners and nationally through the APCC to highlight concerns. The Chief Constable is a member of the national reference group and Cumbria has seconded a staff member to the regional implementation team. Appropriate staffing resources have been identified within the ICT team to deliver the project and prudent estimates of costs have been included in the capital programme and medium term financial forecast.	Work being undertaken regionally and nationally provides some assurance. The critical nature of this national project and delays in national implementation mean it will be a significant risk for a protracted time period.	Continue to monitor the national position and take appropriate actions to prepare for implementation.	Chief Executive	March 2018

<b>Risk No:</b> <b>R3</b>	<b>Risk Title:</b> <b>OPCC CAPACITY</b>	The Police and Crime Commissioner is statutorily required to have a Chief Executive and a Chief Finance Officer post (Section 151 officers). Retirement of previous officers has resulted in temporary appointments being made from within the OPCC for the Chief Executive role and the appointment of a Joint Finance Officer in conjunction with the Constabulary. As a result of these changes there is a risk that there will be a reduction in knowledge and capacity within the Office of the Police and Crime Commissioner which may impact on delivery of the Police and Crime Plan.
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Risk Mitigation Strategies:	
<b>Avoid</b>	Stop the risk completely or stop it having an impact.
<b>Reduce</b>	Reduce the likelihood and/or impact of the risk
<b>Transfer</b>	Outsource, use contractors or insure against things going wrong
<b>Accept</b>	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

What is the cause of the risk? (Lack of .....failure to.....)	What is the consequence of the described risk? (Results in.....leads to.....)	Unmitigated Score			Mitigated 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
		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score						
Lack of governance expertise and capacity at a senior level within the OPCC following the retirement of both of the OPCC's statutory officers on 31 August.	A governance failure in a significant area of non-financial governance leading to potential reputational damage or flawed decision making that doesn't take account of relevant information, procedures and/ or inherent risks resulting in unexpected consequences/poor decision making or judicial challenge. It could also result in risks materialising and the potential for fraud, error or irregularity.	4	3	12	4	2	8	Chief Executive (Reduce)	Both the incoming Chief Executive and Deputy Chief Executive have considerable experience in public sector bodies. Both have enrolled on a CIPFA governance course from September 2017. The Governance Manager has many years' experience and will continue to fulfil the role of Deputy Monitoring Officer. The Joint CFO (Section 151 officer) also brings considerable governance expertise at a senior level to the OPCC team. APACCE have appointed a "buddy" to provide external support to the incoming Chief Executive. The CFO is supported by a protocol and external support in the event of a conflict of interest. There are appointed deputies for the roles of Chief Executive, Chief Finance Officer and Monitoring Officer.	JASC. Internal Audit. Ethics and Integrity Panel. The Police and Crime Panel have scrutinised and approved both of the arrangements as under statute.	Joint CFO role will be reviewed at the end of the 2017/18 financial year and reported upon to JASC. The Chief Executive arrangements will be reviewed and reported to the Police & Crime Panel in 2018. The Executive Team will be working with all staff to identify the areas where additional capacity is required	Deputy Chief Executive/ Head of Communications and Business Services	March 18

## OFFICE OF THE POLICE & CRIME COMMISSIONER – OPERATIONAL RISK REGISTER

Risk Mitigation Strategies:	
<b>Avoid</b>	Stop the risk completely or stop it having an impact.
<b>Reduce</b>	Reduce the likelihood and/or impact of the risk
<b>Transfer</b>	Outsource, use contractors or insure against things going wrong
<b>Accept</b>	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 No.	Risk Title	Total Score (direction of travel)	Risk Owner		Any outstanding actions YES/NO	Actions and dates to be completed	Reviews Date of review
			Risk Owner	Action Owner			
<b>FINANCE</b>							
01	Budget Management	9 ↔	Joint Chief Finance Officer	Deputy CFO	No	The Constabulary budget proposal includes funding the 16-17 overspend within the overall funding envelope for 2017-18.	Jan 18
02	Investment Counterparty Risk	4 ↔	Joint Chief Finance Officer	Deputy CFO	No	None	May 18
03	Financial Governance	2 ↔	Joint Chief Finance Officer	Deputy CFO	No	Internal Audit commencing in Nov of Code of Corporate Governance	Oct 18
04	Shared Services	2 ↔	Chief Executive	Deputy Chief Executive	No	The shared services agreement for internal audit will be reviewed between November and March to ensure it meets on-going requirements.	Apr 18
05	Asset Management	2 ↔	Chief Executive	Chief Finance Officer	No	None	Oct 18
06	Insurance	4 ↔	Chief Executive	Chief Finance Officer	No	None	Apr 18
<b>PARTNERSHIPS &amp; COMMISSIONING</b>							
07	Performance / delivery of the police and crime plan	4 ↔	Head of Partnerships & Commissioning	Partnerships and Strategy Manager	No	Maintain current staffing levels.	May 2018
08	Partnerships & Collaboration	6 ↔	Head of Partnerships & Commissioning	Partnerships and Strategy Manager	No	Maintain an integrated partnership working approach	May 2018
09	Commissioning of Services	6 ↔	Head of Partnerships & Commissioning	Partnerships and Strategy Manager	Yes	Increase contract management and engagement	May 2018
<b>COMMUNICATION AND BUSINESS SERVICES</b>							
10	Public Engagement / Consultation	4 ↑	Head of Communications & Business Services	Engagement Officer	Yes	Results of public consultation will inform the decision around council tax precept level.	Feb 18
11	Reputation	4 ↔	Head of Communications & Business Services	Engagement Officer	No	Next steps dependent on outcome of inquest in Nov 2017	Dec 17 /Jan 18
12	Complaints	6 ↔	Head of Communications & Business Services	Governance Manager	Yes	Guidance, training and development of systems	April 2018
13	Diversity	6 ↑	Head of Communications & Business Services	Governance Manager	No	Inclusion within County Strategy	April 2018

14	Independent Custody Visiting Scheme & Animal Welfare Scheme	9 	Head of Communications & Business Services	Governance Manager	No	Recruitment process to complete, induction and training	January 2018
<b>CHIEF EXECUTIVE / MONITORING OFFICER</b>							
15	Non-Financial Governance	3 	Chief Executive	Head of Communications & Business Services	No		Oct 18
16	Efficient and Effective Policing	6 	Chief Executive	Chief Executive	No	Continued monitoring of the Constabulary by the PCC; use of VfM data and PEEL inspection reports from HMIC; continued independent scrutiny by the PCP and JASC.	April 18



## Joint Audit and Standards Committee

**TITLE OF REPORT:** Constabulary Quarterly Risk Management Update

**DATE OF MEETING:** 22<sup>nd</sup> November 2017

**ORIGINATING OFFICER:** Strategic Development, Corporate Improvement

**PART 1 or PART 2 PAPER:** PART 1 (OPEN)

### Executive Summary:

The purpose of this paper is to provide the Joint Audit and Standards Committee with an update on 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 was presented and approved by the Extended Chief Officer Group on 7<sup>th</sup> November 2017.

Extended COG agreed to remove risk number 23 in relation to 'reduced confidence in Cumbria Police and engagement with officers caused by a perceived or actual lack of integrity'. The Constabulary's Professional Standards Department (PSD) has developed specific action plans to address this and has made significant progress in the implementation of these.

### Recommendations:

#### That the Audit and Standards Committee:

Note the Constabulary's current strategic risks, and that a quarterly review of all risk registers was completed in accordance with the Risk Management Policy in October 2017.

## 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 Crime and Territorial Policing SMT and significant strategic business risks are managed in the relevant directorate by nominated senior managers. 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'. The Constabulary's key objectives are:

- Engaging with communities and working with partners.
- Preventing crime, road casualties and ASB.
- Managing offenders.
- Managing calls for service.
- Protecting vulnerable people and communities.
- Investigating crime, caring for victims and bringing offenders to justice.

The strategic risks identified by the Constabulary are concerned with:

1. Uncertainty over cost and coverage of the Emergency Service Mobile Communications Programme.
2. The implications of the changes to the police funding formula and possible removal of the one percentage public sector pay cap on the Constabulary's budget and level of savings required.
3. The impact of change on Constabulary performance.
4. Failure to deliver required change.

The table on page three outlines the Constabulary's four 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	Summary of mitigating actions already taken
25	ESMCP Programme Executive Stephen Kirkpatrick, Director of Corporate Support	Commitment to the Emergency Services Mobile Communications Programme (ESMCP) and subsequent use of the Emergency Services Network (ESN) has the potential to breach the Constabulary's risk capacity, cost and levels of service provision. This could potentially result in unacceptable levels of service provision; compromise officer safety, increasing costs and loss of reputation.  The duration of impact is likely to exceed 2 years.	Very High	Very High	25	25	All	<p>The Constabulary is working in partnership with other forces and emergency services to deliver ESMCP together as a region.</p> <p>A full business case and options analysis was approved by the ESMCP Board on 29th June 2016 and was presented by the Director of Corporate Support for discussion at Extended COG on 4<sup>th</sup> October 2016. It was highlighted that there would be significant financial implications for next year's budget. It was agreed that stringent governance around the project would be essential due to its high risk status and the Chief Finance Officer of the Constabulary was asked to discuss the budget requirements with the Chief Finance Officer of the OPCC.</p> <p>It was expected that the new system would go live in late 2017 however the National Programme announced a time slippage. The programme expected to begin transition after June 2018 meaning that Cumbria Constabulary was likely to transition in late 2018/ early 2019.</p> <p>The risk owner has transferred over to the Director of Corporate Support. Cumbria continues to be an active participant in the regional group and is leading coverage aspects on behalf of the region. Timescales for delivery nationally are still to be determined but it is unlikely Cumbria will go-live before quarter two/three of 2019.</p>
28	The Chief Constable & Chief Financial Officers	As a result of the potential changes to police funding formula, and the potential removal of the public sector	High	High	20	20	All	<p>Consultation on the Police Funding Formula has been delayed. However, the public sector pay cap has been relaxed without a compensating increase in government funding and this has</p>

Risk Ref No	Responsible Officer(s)	Risk Description	Impact	Likelihood	Initial Score	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken
		<p>pay cap, there may 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 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.</p>						impacted on budget requirements. The situation continues to be closely monitored.
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	High	Low	20	8	All	<ul style="list-style-type: none"> <li>The Change Programme coordinates all change activities and manages risk at programme level and review level.</li> <li>There is a comprehensive Communications Strategy for the Change Programme to improve awareness and engagement, internally and externally.</li> <li>Unison and the Federation are fully engaged in the change management processes.</li> </ul>

Risk Ref No	Responsible Officer(s)	Risk Description	Impact	Likelihood	Initial Score	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken
		potential direct intervention from Her Majesty's Inspectorate of Constabulary (HMIC).						<ul style="list-style-type: none"> <li>• There is robust evaluation of review outcomes to identify areas that may be problematic, with action plans to address the issues.</li> <li>• Performance Development Conferences are focused on delivery and wellbeing and the 15 week review process supports delivery and wellbeing at individual level.</li> <li>• The Delivering Excellence Strategy is being delivered, the Business Improvement Unit has been established and the Quality Counts initiative is underway across the operational portfolio to improve standards and performance.</li> <li>• Monthly tasking and performance meetings, plus PVP and local performance meetings take place to monitor performance levels.</li> <li>• Resource allocation to demand for financial year 2017/2018 has been completed.</li> <li>• A Business Intelligence (data analytics) project is currently at business case stage. It is intended to provide better joined up information to manage resources and inform decisions.</li> <li>• New governance arrangements have been approved and work is underway to implement as of 1<sup>st</sup> April 2019.</li> </ul>
2	Director of Corporate Improvement & Director of Corporate Support	The Constabulary may not have the capacity to deliver the Cumbria Vision 25 and its associated Efficiency Plans. If this risk occurs the Constabulary would have to find further savings.	High	Low	10	8	All	<ul style="list-style-type: none"> <li>• Governance arrangements for monitoring the progress of delivery and outcomes are via regular and frequent FSDB meetings which coordinates all business change strategies.</li> <li>• A dedicated lead has been appointed to support delivery of Cumbria Vision 2025 and a delivery plan is being developed.</li> <li>• Revised governance arrangements are being developed to ensure effective prioritisation and co-ordinate delivery.</li> </ul>

**Risk Tolerance Levels**

<p><b><u>Risk Score 1-4</u></b> Acceptable. No action is required but continue monitoring.</p>	<p><b><u>Risk Score 5-12</u></b> 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.</p>	<p><b><u>Risk Score 15-25</u></b> Unacceptable. Urgent attention is required. Investigate and take steps to mitigate or avoid within a specified short term.</p>
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## 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.

## 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

None.

## 2. Financial Implications and Comments

Any financial implications are described in the relevant risks outlined within this report.

## 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

8.1 List any relevant documents and attach to report

<b>Appendix 1</b>	Risk Scoring Matrix
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8.2 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



Peter McCall

# Treasury Management Activities 2017/18

## Quarter 2 (July to September 2017)

### PAC Finance Meeting 15 November 2017 and JASC Meeting 22 November 2017

#### Purpose of the Report

The purpose of this paper is to report on the Treasury Management Activities (TMA), which have taken place during the period July to September 2017, in accordance with the requirements of CIPFA's Code of Practice on Treasury Management.

TMA are undertaken in accordance with the Treasury Management Strategy Statement (TMSS) and Treasury Management Practices (TMPs) approved by the Commissioner in February each year.

#### Recommendations

The Commissioner is asked to note the contents of this report.

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.

#### Economic Background

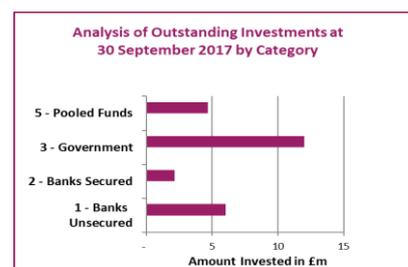
The UK economy faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. Some data has held up better than expected, with unemployment falling to an all-time low and house prices remaining relatively resilient.

The Bank of England made no change to monetary policy at its meetings in the first half of the financial year. The vote to keep Bank Rate at 0.25% narrowed to 5-3 in June highlighting that some MPC members were more concerned about rising inflation than the risks to growth. Although at September's meeting the Committee voted 7-2 in favour of keeping Bank Rate unchanged, the MPC changed their rhetoric, implying a rise in Bank Rate in "the coming months". The Commissioners treasury advisor Arlingclose was not convinced at the time that the UK's economic outlook justifies such a move at this stage, but the Bank's interpretation of the data seems to have shifted. Indeed, in November the MPC did increase the base rate by 0.25% to 0.50%.

#### TM Operations and Performance Measures

The Commissioners day to day TMA are undertaken in accordance with the TMSS. The TMSS establishes an investment strategy with limits for particular categories of investment and individual counterparty limits within the categories.

**Outstanding Investments:** As at 30 September 2017 the total value of investments was **£24.863m** and all were within TMSS limits. The chart below shows the outstanding investments at 30 September by category.



A full list of the investments that make up the balance of £24.863m is provided at **Appendix A**.

**Investment Activity:** During quarter 2 a number of investments were made within TM categories 1-3 (banks unsecured, banks secured

and Government) primarily as a result of the Pension grant that is received in advance of spend in July.

Month	Number of Investments	Total Value of Investments £m
July 2017	5	12.0
August 2017	0	0.0
September 2017	1	2.0

In addition to the above there are regular smaller investments made via money market funds (category 5 pooled funds).

**Non-specified investments:** The TMSS sets a limit for investments with a duration of greater than 364 days at the time the investment is made (known as non-specified investments), this limit is £5m. At 30 September, the Commissioner had only one investment that met this description. This investment still has an outstanding duration of over 364 days. The investment in this category is:

- Leeds Building Society £2.2m 887 days (13/07/16 to 17/12/18)

**Investment Income:** The budget for investment interest receivable in 2017/18 is £75k. The current forecast against this target is that the actual will be on budget although it is still relatively early in the financial year to provide an

accurate estimate. Factors such as future interest rates available and investment balances will impact.

The average return on investment at the end of quarter 2 is 0.31%. As a measure of investment performance the rate achieved on maturing investments of over 3 months in duration is compared with the average BOE base rate. The table below illustrates the rate achieved on the one maturing investment of over three months duration in quarter 2 compared with the average base rate for the duration of the investment.

Borrower	Value £m	Period (Months)	Actual Rate (%)	Average Base Rate (%)
Lloyds Bank	£2m	12	1.00%	0.25%

**Cash Balances:** The aim of the TMSS is to invest surplus funds and minimise the level of un-invested cash balances. The actual un-invested cash balances for the period July to September are summarised in the table below:

	Number of Days	Average Balance £	Largest Balance £
Days In Credit	89	4,107	118,779
Days Overdrawn	3	(549,195)	(549,195)

The bank account had large un-invested balances on one occasion. The largest un-invested balance occurred on the 6 September

(£119k) where a BACS deposit was received late in the afternoon in respect of an invoice for special policing services provided for the Kendal Calling music festival. The largest overdrawn balance occurred on the 15 September 2017 over a weekend and was as a result of an oversight where by a planned redemption from a money market fund was not requested. Bank charges are billed on a quarterly basis in arrears. The charge that relates to the overdrawn period will be reported in quarter 3 once it has been received. A reminder has now been set in 2 electronic diaries to prompt a bank account check at midday every day to prevent this happening in the future.

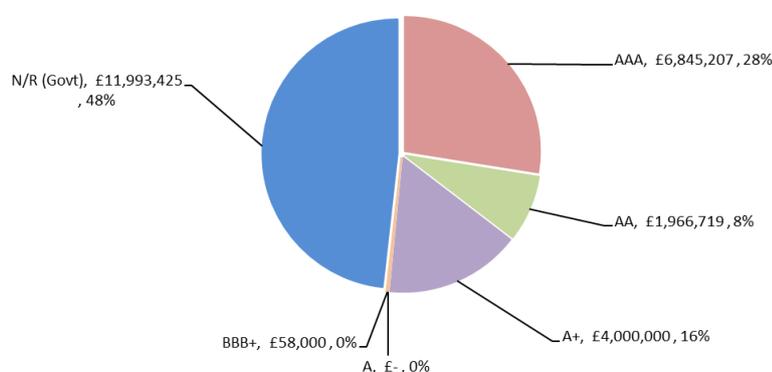
**Prudential Indicators**

In accordance with the Prudential Code, the TMSS includes a number of measures known as Prudential Indicators which determine if the TMSS meets the requirements of the Prudential Code in terms of **Affordability, Sustainability and Prudence**. An analysis of the current position with regard to those prudential indicators for the financial year 2017/18 is provided at **Appendix B**. The analysis confirms that the Prudential Indicators set for 2017/18 are all being complied with.

## Appendix A Investment Balance at 30 September 2017

Category/Institution	Credit Rating	Investment Date	Investment Matures	Days to Maturity	Rate (%)	Amount (£)	Counterparty Total (£)
<b>Category 1 - Banks Unsecured (Includes Banks &amp; Building Societies)</b>							
Nationwide Building Society	A+	05/07/2017	22/12/2017	83	0.29%	2,000,000	2,000,000
Landesbank Hessen-Thuringen (Helaba)	A+	07/07/2017	30/11/2017	61	0.27%	2,000,000	2,000,000
Svenska (Deposit Account)	AA	Various	On Demand	N/A	0.30%	1,966,719	1,966,719
NatWest (Liquidity Select Account)	BBB+	30/06/2017	01/07/2017	O/N	0.10%	58,000	58,000
						<b>6,024,719</b>	<b>6,024,719</b>
<b>Category 2 - Banks Secured (Includes Banks &amp; Building Societies)</b>							
Leeds Building Society (Bond)	AAA	13/07/2016	17/12/2018	443	0.68%	2,141,288	2,141,288
						<b>2,141,288</b>	<b>2,141,288</b>
<b>Category 3 - Government (Includes HM Treasury and Other Local Authorities)</b>							
East Dunbartonshire Council	NR	07/03/2017	06/03/2018	157	0.50%	2,000,000	2,000,000
The Morey Council	NR	27/09/2017	31/01/2018	123	0.28%	2,000,000	2,000,000
Lancashire County Council	NR	18/04/2017	17/04/2018	199	0.60%	2,000,000	2,000,000
Treasury Bills	NR	10/07/2017	08/01/2018	100	0.23%	3,995,418	3,995,418
Treasury Bills	NR	17/07/2017	15/01/2018	107	0.20%	1,998,007	1,998,007
						<b>11,993,425</b>	<b>11,993,425</b>
<b>Category 4 - Registered Providers (Includes Providers of Social Housing)</b>							
None						0	0
						<b>0</b>	<b>0</b>
<b>Category 5 - Pooled Funds (Includes AAA rated Money Market Funds)</b>							
Invesco	AAA	Various	On demand	O/N	0.47%	700,000	700,000
Fidelity	AAA	Various	On demand	O/N	0.16%	3,919	3,919
Goldman Sachs	AAA	Various	On demand	O/N	0.45%	300,000	300,000
Aberdeen Asset Management	AAA	Various	On demand	O/N	0.18%	200,000	200,000
Standard Life (Formally Ignis)	AAA	Various	On demand	O/N	0.25%	3,500,000	3,500,000
						<b>4,703,919</b>	<b>4,703,919</b>
<b>Total</b>						<b>24,863,352</b>	<b>24,863,352</b>

**Analysis of Outstanding Investments by Credit Rating of Counterparty at 30 September 2017  
(Minimum Criteria per TMSS A-)**



Note – The credit ratings in the table & chart relate to the standing as at 30 September 2017, these ratings are constantly subject to change.

## Appendix B Prudential Indicators 2017/18

Prudential Indicator - With Targets To Review		Approved Indicators TMSS £m	Current Value £m	Within Target	
1	<b>The Authorised Limit</b> <i>The authorised limit represents an upper limit of external borrowing that could be afforded in the short term but may not be sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements. This is a</i>	Total Authorised Limit	24.478	4.887	✓
2	<b>The Operational Boundry</b> <i>The operational boundry respresents and estimate of the most likely but not worse case scenario it is only a guide and may be breached temporarily due to variations in cashflow.</i>	Total Operational Boundry	22.978	4.887	✓
3/4	<b>Interest Rate Exposure</b> <i>The purpose of this indicator is to contain the Commissioners exposure to unfavourable movements in future interest rates.. This represents the position that all of the Commissioner's auhorised external borrowing may be at a fixed rate at any one time.</i>	Net Principal sums Outstanding at Fixed Rates	24.478	4.887	✓
		Net Principal sums Outstanding at Variable Rates	1.500	0.000	✓
5	<b>Upper Limit for total principal sums invested for over 364 Days</b> <i>The purpose of this indicator is to ensure that the commissioner has protected himself against the risk of loss arising from the need to seek early redemption of principl sums invested.</i>	Non Specified Investments with a maturity greater than 364 days	5.000	2.200	✓
<b>Prudential Indicator - To Note</b>					
6	<b>Net Borrowing and the Capital Financing Requirement</b> <i>This indicator is to ensure that net borrowing will only be for capital puposes. The commissioner should ensure that the net external borrowing does not exceed the total CFR requirement from the preceeding year plus any additional borrowing for the next 2 years.</i>	Net Debt (section 12 below provides analysis)	(15.280)	(16.380)	
		Capital Financing Requirement as at 31 March	17.978	17.980	
		Net external Borrowing	0.000	0.000	
7	<b>Capital Expenditure and Capital financing</b> <i>The original and current forecasts of capital expenditure and the amount of capital expenditure to be funded by prudential borrowing for 2016/17</i>	Expenditure	6.521	5.201	
		Financing and Funding	0.000	0.000	
8	<b>Ratio of Financing Costs to Net Revenue Stream</b> <i>This is an indicator of affordability and highlights the revenue impliations of existig and proposed capital expenditure by identifying the proportion of revenue budget required to meet financing costs</i>	Financing Costs	0.348	0.348	
		Net Revenue Stream	96.178	96.178	
		Ratio	0.36%	0.36%	
9	<b>Capital Financing Requirement</b> <i>The CFR is a measure of the extent to which the commissioner needs to borrow to support capital expenditure only. It should be noted that at present all borrowing has been met internally.</i>	CFR including PFI & other long term liabilities	17.978	17.980	
		CFR excluding PFI & other long term liabilities	13.091	13.093	
10	<b>Actual External Debt</b> <i>It is unlikely that the Commissioner will actually exercise external borrowing until there is a change in the present structure of investment rates compared to the costs of borrowing</i>	External Debt including PFI & other long term liabilities	4.887	4.887	
		External Debt excluding PFI & other long term liabilities	0.000	0.000	
11	<b>Impact of capital investment decisions on the Council Tax</b> <i>This indicates the incremental impact of the capital investment decisions funded from prudential borrowing proposed for the period 2016/17 based on a Band D property in line with the proposed council tax level.</i>	Capital Expenditure funded from revenue	1.584	1.584	
		Incremental Impact on Band D Council Tax	9.485	9.484	
12	<b>Gross and Net Debt</b> <i>The purpose of this indicator is highlight a situation where the Commissioner is planning to borrow in advance of need.</i>	Outstanding Borrowing (at notional value)	0.000	0.000	
		Other Long Term Liabilities (PFI & Finance Lease)	4.887	4.887	
		Less Investments	20.167	21.267	
		Net Debt	(15.280)	(16.380)	
13	<b>Maturity Structure of Borrowing</b> <i>The indicator is designed to exercise control over the Commissioner having large consentrations of fixed rate debt needing to be repaid at any one time.</i>	Not Applicable - currently no external debt			