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Dear Member

JOINT INDEPENDENT AUDIT COMMITTEE

You are requested to attend a meeting of the Joint Independent Audit Committee on Friday 21st September 2018 in the Conference Hall, Police Headquarters South, Kidlington at **10.30am**.

Yours sincerely

A handwritten signature in black ink, appearing to read "Paul Hammond". The signature is fluid and cursive, with a long horizontal stroke at the end.

Paul Hammond
Chief Executive

To: Members of the Joint Independent Audit Committee

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**Date of next meeting 7 December 2018 at 10.30am in the Conference Hall,
Police Headquarters HQ South**

MINUTES OF A MEETING OF THE JOINT INDEPENDENT AUDIT COMMITTEE HELD AT POLICE HEADQUARTERS, KIDLINGTON ON 13 JULY 2018 COMMENCING AT 10.30AM AND CONCLUDING AT 2.00 PM

Members Present:

Dr L Lee (Chairman)(LL), M A Day (MD), Dr G A Woods (GW), Richard Jones (RJ)

Present:

M Barber (Deputy Police & Crime Commissioner)
 F Habgood (Chief Constable)
 J Campbell (Deputy Chief Constable)
 A Cooper (Director of Information)
 L Waters (Director of Finance)
 I Thompson (Chief Finance Officer, OPCC)
 N Shovell (Chief Internal Auditor, OPCC)
 J Banks (Principal Accountant, OPCC)
 M Grindley (Associate Partner, Ernst & Young)
 A Balmer (Manager, Ernst & Young)
 H O'Neill (Ernst & Young)
 M Underwood (Property Service, Facilities Manager)
 P Paling (Head of Department, Health & Safety & Environment)
 N Brown (Head of Business Partnering, People Directorate)
 C Roberts (Executive Assistant to the PCC/DPCC, OPCC)
 M Horne (Governance & Service Improvement)
 S Holland (Governance & Service Improvement)

Apologies given by the Chair:

A Stansfeld (Police & Crime Commissioner)
 P Hammond (Chief Executive, OPCC)
 R France (Chief Supt.)
 A J Phillips OBE (JIAC Panel Member)
 A Shearn (Principal, Auditor, OPCC)

58 ELECTION OF CHAIRMAN 2018/19

The Committee members nominated Louis Lee (LL) to continue his role as Chairman of the JIAC. The support of Alison Phillips (AP) was conveyed by email.

59 MINUTES OF THE LAST MEETING HELD ON 16 MARCH 2018

The Committee approved and agreed Parts I and II of the Minutes of the last meeting held on 16 March 2018.

60 TVP HEALTH & SAFETY MANAGEMENT ANNUAL REPORT 2017/18

Philip Paling (PP) presented the Health & Safety Management Annual Report covering the key management areas specified within the revised 2013 publication HSG65 'Successful Health & Safety Management' ('Appendix A'), to continue the progress made in the continuous improvement of Thames Valley Police. Key aspects of the Report which were highlighted on were:

- **Fire Risk Assessment and Risk Management**

The HS&E Department and Property Service have ensured all Thames Valley Police and landlord premises have a current Fire Risk Assessment and continue to monitor the electronic fire management system to ensure both corrective and routine tasks are carried out. The current status of assessment review is such that TVP is no longer maintaining annual review of the lower risk area

risk assessments. PP confirmed that a review will be made during 2018 of TVP Fire Risk Assessment process against current guidance.

- **Legionella and Water**

The Water Hygiene Team hold monthly meetings with the Water Hygiene external consultant and are always attended by the HS&E Officer to include minutes of the meeting. A problematic area was Reading Police Station which had now been re-piped to replace an old system which required ongoing flushing, sampling and closing works. Further work would be carried out during this year to update Section 23 of the H&S Manual (Water Management) into a force policy, aligned with the requirements of HSE Approved Code of Practice L8 Legionnaires' disease. During 2018 PP will arrange for an independent external audit of procedures and the level of compliance to be carried out to support development of the above policy, to support the development of the Force policy with discussions taking place to set up a Water Safety Group dealing with issues beyond the Force estate.

- **Asbestos**

Property Services are to continue managing Asbestos Containing Materials that are known to be present within the estate. Contractors have recently changed and the time between inspections depends on the type of materials, where it is and the conditions but that inspections should be carried out every six to twelve months. All 2016 re-inspections had been completed however no re-inspections were completed in 2017. PP noted that asbestos on the properties was a fairly low risk. In 2017 a RIDDOR report was raised by a contractor due to concerns at Reading Police Station. The contractor had drilled through concrete and found asbestos behind it. No harm had been identified to police officers/police staff or contractors. A review would be undertaken as required by CAR2012 of the Asbestos Management Plan during 2018.

- **COSHH**

TVP staff have access to an e-learning package used for training in relation to the Control of Substances Hazardous to Health.

- **Changes to Legislation and Guidance**

Changes in sentencing guidelines for Health and Safety offences, corporate manslaughter and Hygiene offences have been implemented for approaching two years, with fines based on the company's turnover known as the Annual Revenue Budget. There had been a very significant increase in the level of fines with £1m+ becoming the norm for fatalities and significant increases in the number and severity of fines approximately of £160,000 to £350,000 for incidents that cause little or no harm to workers – risk based approach to sentencing. The National Police Chiefs Council (NPCC) Health Safety and Wellbeing Board has produced a Police Health & Safety: A Guide for Chief Officers which is published just outside of the time period for this meeting, although copies have been sent to Chief Officers in CCMT.

- **Clinical Governance**

The combined Thames Valley Police and Hampshire Constabulary Clinical Governance Board is chaired by ACC Dave Hardcastle and is supported by a consulting panel of doctors to manage processes used within the collaborating organisations, involving medical training, equipment and its use by staff. All is running smoothly within Thames Valley Police which are examples of improvements being made.

Support is being given to Surrey and Sussex Forces who are establishing their own Clinical Governance process. LL asked whether Surrey and Sussex Force want to be partnered with Thames Valley Police or are they establishing on their own. From initial discussions, it was noted that Surrey would run as a group with Thames Valley Police and supply information to Surrey.

- **Risk Assessment**

Risk Assessments were being carried out at four distinct levels and PP summarised these as: **Force, Local, Dynamic, and Strategic Risk.**

- **Training**

A range of health safety and environment training courses were available and accessed via the staff portal for e-learning courses. Engagement with management had improved by the development of training for CSI Teams which had been provided by the Health and Safety Department

- **Active Monitoring**

Management of the compliance of Thames Valley Police with legal and other requirements was a core function of the Health Safety and Environment Department and this item is going forwards for continued improvement.

- **External Monitoring**

During the period of this report, there have been no HSE actions against Thames Valley Police. It was noted that in December 2017 a police motorcyclist was killed in a collision with a vehicle in Berkshire together with a member of the public. This was subject to an IOPC review. A review of the tactics are now being undertaken.

- **Accident Statistics**

In relation to safety incidents involving Thames Valley Police staff and other people who may be affected by police activities, it was noted that there had been no significant changes although, the number of assaults had increased in the last reporting period. However, Thames Valley Police were continually pressing to reduce these numbers.

LL had specific items that he wished to have clarified. Reference on page 100 of the section linked to ERP and developing the new system. LL asked whether the timescale was linked in and how was compliance monitored? PP confirmed that Force policies were being generated and the documents and references made within these were updated for all officers and staff.

The Committee required clarification on page 103, second para (Legionella and water), and the paragraph was rather vague as to what the actual target of when sampling actually started. The Committee required assurance that this was being carried out correctly. PP confirmed that Reading Station was a large property and due to the nature of the system, additional treatment would be required and actions carried out in relation to the re-piping. PP would be able to provide data to the Committee members if this was required. LL indicated that for future reports, it would be useful to say what the situation was, and what was done to rectify it. PP noted this for future reports.

As to Asbestos, the Committee did not know whether the data had been integrated. PP confirmed that this was up and running and the data/drawings were being migrated to the Computer Aided Facilities Management (CAFM) system.

The Committee had an issue with the whole of the paragraph for 'Clinical Governance' on page 105 in that the stats did not seem to be moving. PP gave the Committee assurances of where they were and indicated that the paper did not show activities carried out or that would be carried out. As a Health & Safety Inspector 'good' is never good enough and a number of aspects PP was asking for in the report needed to be put before CCMT as they had an adequate level of governance within Health & Safety.

Richard Jones (RJ) wished to challenge PP as he felt disappointed that the statistics shown at the end of the report were of importance to members of the public who deal with our officers and staff. Was there a sense on focussing on too narrower remit of no further improvements? The Chief Constable accepted this point but noted that improvements were happening by analysing data and information provided by the IOPC on learning. The force were much more focussed now and improvements could be provided in the next agenda. The Committee members accepted this but noted that the report did not show the improvements that had been made and this needed to be reported on 'non-compliance' accidents including members of the public and custody staff. RJ also pointed out that the body of the report did not discharge the Health & Safety welfare of people in custody of the police. PP agreed that more could be done to encapsulate the data.

The Chief Constable gave PP the go ahead with the proposed activities highlighted in the report, subject to any comments made today and with CCMT's approval.

Action: PP to highlight continuous improvements that have been made by the Force and update the next JIAC meeting on 21st September.

61 TVP WELLBEING ANNUAL REPORT 2017/18

Norma Brown (NB) presented the first Annual Wellbeing Report produced for JIAC with the framework being used to aid the structure of the report and welcomed any feedback from the Committee members for any future reporting.

In May 2015, the NPCC agreed to sign up to the Workplace Wellbeing Charter, which was an evidence-based framework approved by the National Institute for Health and Care Excellence that is now explicitly referred to in the HMIC PEEL inspection programme.

The Framework's structure focusses on six key areas:

<u>Key Areas</u>	<u>Leading</u>
• Leadership	Helen Milne
• Absence Management	Lucy Haynes
• Creating the Environment	Norma Brown
• Mental Health	Michelle Higgins
• Protecting the Workforce	Fiona Taylor
• Personal Resilience	Tina Spackman

There is also available a Wellbeing Yammer Group which is internal to officers and staff only with useful information available.

The Core Leadership Programme (CLP) had been reviewed and re-written to strengthen the content in relation to Wellbeing CLP. NB confirmed there were two levels of core leadership, Level 1 which was for newly promoted sergeants and Level 2 inspectors and police staff equivalent. In March each year, the Force hold Leadership conferences which are mandatory for all BB4 and Inspectors. This year, the decision was taken by CCMT to open up this event to include sergeants with a total of 924 officers and staff registering on the system to attend.

The Performance and Development Review Stats were over a 3 year period and showed an overall decline since 2015-16 in the number of 'Not Rated' PDRs and a gradual increase in the number of staff and officers being rated as 'exceeded'. The latter could be related to the fact that at the start of the PDR year 2014-15 the decision was taken to reduce the number of overall ratings from 5 to 3. The Chief Constable reported that PDR was a national issue and that the quality of PDR's within Thames Valley was in a good place although there was still more work to do but had the confidence in going forwards locally as well as at a national level and those PDR's that were 'not achieved' created difficulties. The PDR team scrutinises and feeds back updates to the Force. Next year, the organisation is hoping to push staff and officers to be as competent as possible and those in the 'not achieved' bracket will have an 'action plan' in place which addresses any issues with conversations taking place through the year. It was noted that a lot of improvement and influence in relation to CPD had already increased. Staff were working incredibly hard even though they were up against a lack of resources. The Chief Constable confirmed that he looked every month at the people who were off sick from work due to stress-related issues whether this was personal or work-related.

NB confirmed she had received feedback from caseworkers regarding the new shift pattern which was well received which gave a positive impact and showed energy levels were up.

LL noting the Wellbeing Annual Report read very well but expected to see more of a blend of information showing quantity and quality and management actions. NB confirmed that the Wellbeing Annual Report next year would include management actions. NB confirmed she would invite PP to meetings to give reflection on the impact in certain areas of the report.

62 ANNUAL REPORT FROM THE CHIEF INTERNAL AUDITOR 2017/18

The Committee had read the Annual Report and had discussed the contents prior to the meeting with NS and had a few points to note for future reports.

In relation to Performance Targets, the Committee noted that NS had good figures and asked whether these could be maintained. NS indicated that he liked to set 'high targets' but they were realistic targets and were reviewed every year. The Committee did request detail in future Annual Reports showing the trend of assurance ratings and whether these were improving.

Action: NS to include in future Annual Reports a comparison against prior year assurance ratings.

All audits were now complete and gave assurance to the Committee on how well the Force and the OPCC were doing. RJ particularly wanted it noted for the minutes that he fully agreed with the outcome and showed the organisation was in a very good place.

63 ANNUAL GOVERNANCE STATEMENT 2017/18

PCCs and Chief Constables are required to produce an Annual Governance Statement (AGS) to show the extent to which they comply with their own code of corporate governance. The Joint AGS is published in the Annual Statement of Accounts for 2017/18 that the PCC and Chief Constable produce. Following consideration by the Committee, the updated AGS will be presented to the PCC and Chief Constable for their consideration and formal sign-off at the Level 1 public meeting on 25 July 2018.

The Committee pointed out in section 1.6 on page 184 it stated that this was a more comprehensive update than in previous year's, which was incorrect. IT noted this and confirmed he would remove this sentence.

Action: IT to remove the incorrect sentence in paragraph 1.6 on page 184.

Within the Annual Governance Statement on page 190 under the section headed 'Scope of Responsibility', the Committee asked IT to report back to them how the PCC has improved his functions and improvements in the OPCC in relation to the final sentence ...'*Under the Local Government Act 1999 the PCC makes arrangements to secure continuous improvement in the way his functions are exercised, having regard to a combination of economy, efficiency and effectiveness*'.

Action: IT to report back to the Committee with an explanation as to how the PCC has improved his functions and improvements in the OPCC.

The Committee was asked to review the Annual Governance Statement for 2017/18 and endorsed the conclusion contained therein. There were no further issues that the Committee wanted to report on.

64 FINAL ACCOUNTS 2017/18

IT summarised the Narrative Report and Financial Review within the PCC & Group Statement of Accounts as to the high level analysis of the PCC's budget and expenditure. This provided a high level comparison between the approved budget for 2017/18 and the actual expenditure at the Group level i.e. PCC and Chief Constable). The annual revenue surplus of £0.772 million had been appropriated (or transferred) to general balances. This level of surplus represented just 0.17% of the Net Cost of Services which demonstrated strong and effective financial management of the annual budget.

The PCC's Medium Term Financial Plan (MTFP) reflected the police finance announcement in December 2017 that PCC's would be allowed to increase their Band D precept by up to £12 in both 2018/19 and 2019/20 provided national targets on productivity and efficiency were met. Even with this level of increase, it still required cash savings of at least £14 million over the three year period 2018/19 to 2020/21 but that the MTFP was fully balanced at this stage.

As to capital outturn for 2017/18, IT reported on the net capital position compared to the active capital budget for 2017/18. The variance of £2.691 million comprised scheme underspends of £0.623 million which included £0.430 million of items funded by external grants and slippage of expenditure of £2.068 million.

The PCC approved the Medium Term Capital Plan (MTCP) costing £65 million over the three years 2018/19 to 2020/21 which would provide the Force with appropriate infrastructure and assets to deliver innovative policing strategies with fewer resources.

The balance sheet showed the PCC's assets, liabilities, cash balances and reserves at the balance sheet date. As at 31 March 2018 there were negative net assets of £4.013 billion which implied that the organisation was technically bankrupt. Fortunately, this was not the case. The sole reason there were negative assets was because of the pension liabilities that were associated with the unfunded police officer Pension Scheme of £3.951 billion, coupled with the net deficit of £0.343 billion in the funded Local Government Pension Scheme (LGPS) for staff. Excluding these pensions liabilities, the PCC's Group Balance Sheet showed net assets of £281 million, including £64 million in usable cash reserves.

The PCC received regular updates on the reports on the level of general balances, earmarked reserves and provisions, particularly during the budget cycle.

IT continued to summarise paragraphs within the Narrative Report and Financial Review and gave credit to Judi Banks and her team, and colleagues in the Force Finance Department, for the production of the very detailed Statement of Accounts for both the PCC Group and Chief Constable.

In relation to Capital Expenditure, RJ required clarification on page 28 (in the Treasury Management outturn report) which gave the revised estimate of capital expenditure as being £37m whereas the final accounts report showed it as being £23 million. IT confirmed the organisation started the year at a much higher budget level with CCMT looking at projects to deliver and making changes to the annual budget during the year. Approximately 10 projects would be delivered this year with some projects getting pulled back. The annual budget of £26 million was the final approved drawn down figure which was approved in March this year. IT would get the capital expenditure figure (in the Treasury Management report) revised before the next Level 1 meeting

Action: IT to revise the Capital Expenditure figure on page 28 of the Report before the following week's Level 1 meeting.

The Committee thanked both finance teams for an excellent report and noted and considered the recommendations given.

65 ERNST & YOUNG RESULTS REPORT 2017/18

Maria Grindley summarised the key messages in the Executive Summary and confirmed that they had now substantially completed their audit of the Police & Crime Commissioner's and Chief Constable's financial statements for the year ending 31 March 2018 and had performed the procedures that were outlined in the Audit Planning Report. Subject to satisfactory completion of the outstanding matters, they expect to issue an unqualified opinion on the Group financial statements but until work is complete, further amendments may arise. Ernst & Young expect to issue the audit certificate at the same time as the audit opinion if they are able to complete the outstanding work on the Whole of Government Accounts.

The Audit Planning Report identified key areas of focus in the audit of the financial statements and confirmed there were no matters apart from those reported by management or disclosed within the report which would be brought to the attention of the Police & Crime Commissioner and the Chief Constable.

In relation to the ISA 19 Review, MG confirmed Grant Thornton had signed this off (in respect of police staff pensions at Bucks CC) although one point came to light in respect of this last night and MG would update this document for the Committee.

MG wanted to praise Judi Banks, Ian Thompson and Linda Waters, and their teams, for working incredibly hard and very impressively to sign the report off before the end of July 2018. IT confirmed to the Committee that today was MG's last meeting and wanted to thank her for her assistance over the last few years. LL added the Committee's thanks for all her support and hard work over the years.

Adrian Balmer (AB) then ran through the ISA19 document and has asked Bucks County Council to produce a piece of work in relation to pensions.

RJ noted that on page 299 of the 'Other Audit Findings' there were three findings shown. Ernst & Young confirmed they had no concerns here and would continue working on this.

Ernst & Young concluded that there were no matters to bring to the attention of the Committee

The Committee **APPROVED** Ernst & Young Results Report for 2017/18.

66 TVP RISK MANAGEMENT REPORT 2018/19

John Campbell (JC) gave an overview of the Risk Management policy and processes that had been adopted by Thames Valley Police covering issues such as strategic risk management framework, training, analysis of the Strategic Risk Register and potential risks to be considered.

ISO announced that the process of updating ISO31000 risk management standard had started. ISO standards were revised every five years as well as the accompanying Guide 73 on risk management terminology. Any significant changes made as a result of this process, would be taken into account by the Corporate Governance Officer. LL thought that the ISO work had concluded. Mark Horne (MH) would check this and report back to the Committee.

Action: MH to check the status on ISO work and report back to the Committee in due course.

JC confirmed that SR56 Livelink had changed and would continue to monitor the progress of this. The wording of the risk had been amended to reflect the changing circumstances around the SharePoint project.

The wording of risk SR65 Gazetteers had also been amended.

Both SR69 and SR74 remained on the Strategic Risk Register and would be monitored via Gold group activities. All Risk owners had updated the status of their risks based on the progress of mitigating actions. It was noted that Dr Steven Chase led this group (SR74).

The following risks were raised at the June CCMT meeting:

- Laptop and Smartphones
- Risk of failure of freezers within EMU resulting in the loss of essential evidence
- SEROCU estate

JC gave an overview as to ESMCP, ERP and CMP and the work planned for the coming months.

The Committee commented overall that the paper lacked transparency and comments made were too far in the future and unrealistic. Livelink for example did not make it clear what the risks were and was not explicit enough on timescales. The Committee needed the Force to create assurance by showing specific details of risk as the spreadsheet only commented on the actions of the minutes of the meeting. JC confirmed that details of these risks had been escalated up to CCMT. The Committee were informed that the spreadsheet had not been printed as per Cat Hemming's request and they asked why this was. It was confirmed that the revised spreadsheet was not where the organisation would be in a few months and it would be worth circulating the new revised spreadsheet of risks to accompany the report thereafter. Amanda Cooper (AC) would take this up with individuals and would forward this on to the Committee.

Action: AC to forward to the Committee the revised spreadsheet of risks which was not produced at the meeting.

The Committee **REVIEWED** and **NOTED** the report as appropriate.

67 TVP BUSINESS CONTINUITY REPORT 2018/19

JC went through the Business Continuity Report 2018/19 which provided an annual overview of the management policy and processes adopted by Thames Valley Police together with the most recent quarterly process report which covered issues such as training, learning from business continuity incidents and exercises.

The Force-wide incidents were summarised for the period February 2018 to May 2018 which had been reported to the Strategic Governance team. The incident that occurred in May 2018 was the flood in Milton Keynes Police Station which affected a number of areas but mainly the kitchen, corridors and loading bays. Activities were underway to recover from this incident and a health and safety investigation had been instigated and actions taken to prevent further incidents happening in the future.

JC noted the current Business Continuity (BC) activities that were under review:

- The United Kingdom Accreditation Service (UKAS) follow-up surveillance visit was complete. There was one recommendation in relation to the update of the lessons learnt tracker. However, no further actions or recommendations were noted and UKAS were happy with the organisation's ongoing activity.
- Work with Hampshire BC colleagues and ICT were continuing in reviewing the prioritisation of the recovery of critical services.

Gordon Woods (GW) would like to see more narrative of what changes have actually been made. Overall, it was a good Business Continuity Report noting the improvements made and wanted to congratulate those that had worked so hard.

The Force Auditors had completed their internal audit and planning and activity was underway to complete the actions identified and to review the BC processes. The overall strategy and reviewed policy for BC had been sent for formal consultation.

The Committee **REVIEWED** and **NOTED** the report as appropriate.

68 ERP UPDATE

In partnership with Surrey and Sussex, the ERP Programme commenced in August 2015 with the intent of procuring and providing a shared, single IT system to streamline, integrate and automate administrative practices within 'Back Office' departments, Resource Management and Learning and Development. The single solution would replace numerous existing systems and offer enhanced functionality and efficiency savings across the forces. It was initially expected the programme would be complete in May or June this year however, this has not been possible to achieve. The programme was currently at an 'amber' stage and now scheduled to deliver in November 2019.

A comparison of the functionality for the current landscape and the future position of ERP was set out on pages 256 and 257. The ERP Programme would offer a modern, future proof solution which would deliver the functionality shown at section 1.5 on page 257 of the update.

JC ran through the Programme process noting in particular the 'design phase' which commenced in March 2017. Due to the extent of the design work, changes to the programme methodology and change in third party contractors, the design work was still ongoing with completion set for 27 July 2018, subject to delays of programme management.

Building of the system had commenced whilst the design work was ongoing with the build phase scheduled to complete in November 2018. Due to the decisions to adopt the latest Crown Resource Management functionality, the 'Duties' work-stream would run until January 2019. Approval had been given by the Police

& Crime Commissioners and Chief Constables across all three forces to support this but with a degree of scrutiny.

LW, AC, SC, JC attended an internal strategic board and it was confirmed they were happy with the product which was fit for purpose and how it would impact on staff.

Section 4.3 on page 260 contained a summary of the key recurring findings supplemented by the corrective actions or control measures that had been implemented.

The draft ERP Governance Structure as set out on page 263 was discussed. The organisation were in a much better place than previously and confident of the November 2019 date being implemented.

The Committee noted the report which met with their approval and now had a better understanding of ERP.

Mike Day (MD) asked how comfortable the Force were as to the timelines. JC noted that the relationship with KPMG was a secure contract and now sat on the force's board and were meeting all the requirements.

The Committee asked whether there would be financial penalties to pay if dates were not met. LW confirmed that if the delays were from the Force beyond these dates, then KPMG would discuss these delays with the Force. However, if the delays were due to KPMG then they would be liable to pay the penalties.

The Committee **REVIEWED** and **NOTED** the report as appropriate.

69 ANNUAL TREASURY MANAGEMENT OUTTURN REPORT 2017/18

IT presented the report and confirmed that since the Treasury Management Strategy Statement was approved in January 2017, the PCC received quarterly treasury monitoring reports in July and October 2017 and also in January 2018.

There were issues and key points for the Committee to note set out on page 14 of the report. IT noted that they had borrowed monies on five occasions throughout the year to cover short-term cash shortfalls, but this was planned and expected. IT summarised the Treasury Position in table 1 on page 20 of the actual borrowing position in 2017 and 2018. As at 31 March, the under borrowing amounted to-£17.327m and a plan had been put in place to reduce this level of internal borrowing.

As to Performance Management in section 10.3 on page 26, it was noted that the PCC's maximum security risk benchmark for the whole portfolio, when compared to historic default tables was 0.25% historic risk and IT indicated that he would not want to exceed this.

The OPCC was below the benchmark level of '£5m within 7 days' on a total of 6 days during the year. This was rectified by short-term borrowing as set out in Table 5 on page 23 of the report.

The Committee thanked IT for a good year and **NOTED** the Annual Treasury Management Report for 2017/18.

70 TVP ENVIRONMENTAL ANNUAL REPORT

Mike Underwood (MU) outlined the range of environmental sustainability work of the Force and gave an overview of Environmental Performance, focussing on the estate function and outlining some of the work which would be undertaken in the coming year and beyond for continuous improvement.

The responsibility for the Environmental Management Group had been transferred to the Facilities function within the Property Services Department with key issues of any changes to legislation. Changes to the Hazardous Waste Regulations 2005 were introduced in 2016/17. As from 1 April 2016, premises were no longer required to register with the Environment Agency as hazardous waste producers to comply. In addition, new codings came into force. The codings had to begin with the first six letters of the organisation's name i.e. THAMES followed by five characters generated by the waste contractors for each collection.

Significant progress had been made during the last year towards the 33% CO₂ reduction target that had been set for the entire ten year period of both plans (transport and buildings). Reductions in consumption of 22% had been achieved to date.

MU continued reporting to the Committee on various sections within the report and concluded by confirming that Thames Valley Police continued to meet its obligations under environmental legislation and pro-actively manages all aspects of its environmental impacts.

The Committee **NOTED** the Environmental Annual Report.

71 EQUALITY & DIVERSITY ANNUAL REPORT 2017/18

Norma Brown (NB) presented the Equality & Diversity Annual Report 2017/18 and focussed on internal employment matters with a heavy emphasis on BAME, an area which required attention and focus.

The Equality and Diversity Board was chaired by the Chief Constable which takes place on a quarterly basis to meet and review current equality and diversity priorities, as well as looking at regional and national issues to ensure that the organisation is better sighted on what the Force needs to do and take action on.

Challenges of increasing BAME representation across the workforce remained. NB ran through the data for performance against the Force Delivery Plan for the four staff groups:

- **Diagnostic Indicator**

The BAME population in the Thames Valley area was 13.7%.

As at 31 March 2018 there were 211 police officers from a BAME background, a representation rate of 5.02%. The rate had increased from 4.81% on March 2017 when there were 202 police officers from a BAME background.

As at 31 March 2018 there were 21 PCSO's from a BAME background, a representation rate of 5.0%. This rate had decreased from 6.80% in March 2017 when there were 30 PCSO's from a BAME background.

As at 31 March 2018 there were 40 special constables from a BAME background, a representation rate of 9.46%. This rate had decreased from 9.54% in March 2017 where there were 48 special constables from a BAME background.

Finally, on 31 March 2018 there were 172 members of police staff from a BAME background, a representation rate of 5.73%. This rate had increased from 4.97% in March 2017 where there were 142 members of police staff from a BAME background.

NB noted that some BAME special constables and PCSO's had gone on to become police officers and were economically active between the ages of 16 and 65 years.

The BAME population in the Thames Valley area was 13.7%.

The Force continued to invest in the Springboard Women's Development Programme through four workshops that spread over three months. This enabled women to value their skills and build on their strengths whilst also conquering their weaknesses. It developed the self-confidence and assertiveness for women to make changes in their lives both at work and at home.

Thames Valley Police were dedicated to addressing its gender pay gap and looking at a number of initiatives to reduce it. These initiatives aim to address how the organisation could increase the number of women taking on more senior roles in the organisation and taking on roles that received bonus payments.

The NPCC Diversity, Equality & Inclusion Strategy included within the papers gave clarity of leadership and action that is required by the police service across three categories; organisation, communities and partners. A lot of the areas within this is contained in the Force's road map for Thames Valley Police.

The Committee read all the activity strands and the numbers are just about within statistical fluctuation in relation to recruitment. The Committee queries whether there was anything else the Force could do, or do differently in moving forwards? There seemed to be a lot going on in this area but the Force just did not seem able to crack it. The Chief Constable said this was very frustrating as other forces had recruited but Thames Valley Police had made progress with apprenticeship schemes and a direct route for inspectors but not one single BAME candidate managed to get through the process.

RJ noted that the proportion of BAME recruitment was looking low and wondered why people were leaving disproportionately. NB could not give an explanation as to this.

The Committee members wanted to know how many BAME people get through the recruitment process other than non-BAME. NB would follow this up and report back to the Committee on this.

Action: NB to follow up on how many BAME people get through the recruitment process other than non-BAME and would report back to the Committee with this information.

The Committee **NOTED** the Equality and Diversity Annual Report.

72 OPCC RISK REGISTER

The OPCC Risk Register identified those risks that had the potential to have a material adverse effect on the performance of the Police & Crime Commissioner and/or his office and the ability to deliver his strategic priorities, as well as information on how those risks were mitigated.

In March, the OPCC reported on three discrete risks on the register. Review had taken place of the current risk profile and proposed to close down two of those risks, these being OPCC19 and OPCC21. However, four new risks had now been added as OPCC18 - OPCC22. IT noted that the OPCC were not aware of any internal audit risks and the contract with Victims Support had now concluded.

The Committee **APPROVED** the recommendations given in the report.

73 PROGRESS ON DELIVERY OF AGREED ACTIONS IN INTERNAL AUDIT REPORT

The report provided details of the progress made by managers in delivering the agreed actions in internal audit reports. The Committee had read the report and noted that work was needed on the 'follow up' actions but that the figures were higher than they were a year ago. There was nothing further to raise in the report from the Committee about any specific issues. NS confirmed he was content with the comments made by managers and progress was heading in the right direction.

The Committee required a 'follow up' summary table of the last three years so that they could see the trend in overdue actions. NS confirmed he would take this on board for future reporting.

Action: NS to provide the Committee a 'follow up' summary table of the stats over last three years.

AC needed to know how many actions were in the audit and how many were overdue, in order to provide context as to the number of actions already implemented.

Action: NS would update AC as to the overdue actions.

One point LL wished clarification on was set out on page 235 under the 'Ethics and Cultural Learning' as to why the date of anticipated completion was 31 August 2018. NS noted that this phase was taking a little longer than anticipated. Having reviewed the Force wide plan, a point had been reached where the initial embedding phase was complete and a new development plan to be compiled.

The Committee members **NOTED** the report.

74 ERNST & YOUNG POLICE SECTOR AUDIT COMMITTEE BRIEFING

LL had read through the Committee Briefing and wanted to note in particular the key questions set out on page 253 for the Audit Committee and felt that this briefing could be more highly visible for the Committee members.

The Committee **NOTED** the briefing given by Ernst & Young.

75 ANY OTHER BUSINESS

None to report.

Date of next meeting 21 September 2018 at 10.30am the Conference Hall, TVP Headquarters South



July 2018

Annual Report of the Senior Information Risk Owner (SIRO)

Amanda Cooper, Chief Information Officer
Hampshire Constabulary and Thames Valley Police

Executive summary

This report provides a summary of Information Assurance (IA) and Information Governance (IG) activity across Hampshire Constabulary and Thames Valley Police during 2017-18 in order to provide assurance that information risks are being managed effectively.

The report also provides an update on the following:

- achievements relating to IA and IG for the period 1 April 2017 to 31 March 2018
- the Forces' compliance with legislative and regulatory requirements relating to the handling of information, including compliance with the Data Protection Act (1998)¹ and Freedom of Information Act (2000)
- summary of information security incidents during 2017-18, including incidents relating to any losses of personal data or breaches of confidentiality
- the planned direction of IA and IG activity during 2018/19 to support the strategic objectives of Hampshire Constabulary and Thames Valley Police.

¹ New Data Protection legislation / EU General Data Protection Regulation (GDPR) did not come into effect until 25 May 2018.

1. Introduction

1. Hampshire Constabulary and Thames Valley Police have a duty to obtain and use a wide variety of information in order to discharge their duties effectively and to keep people safe. The information is an asset to be valued, protected and exploited but can also become a liability if it is inappropriately recorded, interpreted or disclosed.
2. The legacy of Soham, increasing cross-border and cross-disciplinary working, and the digital policing agenda require information to be more accessible, linked and reused. Increasingly however, there is a growing expectation from the Government, the Information Commissioner, the media and the general public that the security used to protect information should consistently meet high standards - and that data held should be proportionate, and only accessed and shared when necessary. The introduction of the EU General Data Protection Regulation and new UK Data Protection Act will only heighten these expectations.
3. Structures and processes are in place to manage risks to the Forces' information. The Joint Information Management Unit (JIMU), hosted by Thames Valley Police, came into existence on 1 April 2012 to provide Information Governance (IG) and Information Assurance (IA) support to both forces under the collaboration arrangements. The more technical aspects of IA were transferred to the joint ICT department in October 2015 to ensure that new processes and structures being designed for the ICT transformation were fit for purpose, and that appropriate system design and risk mitigation was put in place to deal with increasing cyber threats. The two teams continue to work together closely to manage information risks, and the new processes reflect this. These departments are required to operate under both guidance and mandate from the NPCC, the Home Office and Cabinet Office (CESG).
4. The purpose of this report is provide assurance that information risks are being managed effectively and provide an update on the following:
 - achievements relating to IA and IG for the period 1 April 2017 to 31 March 2018
 - the Forces' compliance with legislative and regulatory requirements relating to the handling of information, including compliance with the Data Protection Act (1998)² and Freedom of Information Act (2000)
 - summary of information security incidents during 2017-18, including incidents relating to any losses of personal data or breaches of confidentiality
 - the planned direction of IA and IG activity during 2018/19 to support the strategic objectives of Hampshire Constabulary and Thames Valley Police.

2. Structure and governance

5. The Heads of ICT and JIMU both report to the Chief Information Officer (CIO). The CIO also fills the role of Senior Information Risk Owner (SIRO) for the two forces, making strategic decisions in regard to information risks, particularly when there is a potential conflict between operational and information security requirements.

² New Data Protection legislation / EU General Data Protection Regulation (GDPR) did not come into effect until 25 May 2018.

6. Support for the SIRO is provided within the organisational structure by:
- Head of Information Communications & Technology
 - Head of Information Management
 - Senior Information Governance Manager
 - Senior Public Access Manager
 - Senior Records Manager
 - Information Security Manager.
7. In addition, senior business leaders have been appointed as Information Asset Owners (IAOs) to provide governance and oversight for significant collections of information. They are responsible for ensuring this information is managed in accordance with policy and for identifying and mitigating any associated risks.
8. The joint Information Management Board, which is chaired by the CIO, is responsible for monitoring the effectiveness of policy, procedure, training and guidance in regard to Information Governance, and identifying information risks. Critical risks are recorded on the Strategic Risk Register, and where appropriate, escalated to the Chief Officer Group and the Collaboration Governance Board.



3. Key Delivery Areas 2017-18

3.1 Regional collaboration

9. A Regional Security Manager rôle was introduced in November 2016 for 12 months to lead a discovery exercise and create a high level roadmap for harmonisation of Information Assurance (IA) policies, processes and working practices across the four South East Police forces.
10. The Head of Information Management continued to meet regularly with her regional peers to share knowledge, and where appropriate, workload. This was particularly effective in regard to preparation for the new Data Protection legislation, with each Force leading on different aspects for the benefit of the region.
11. The South East Regional Information Assurance (SERIA) board was established at the start of 2018. Representatives from the four Forces' Information Management

and Information Assurance teams attend and the chair is shared by the Hampshire/Thames Valley and Surrey/Sussex SIROs. SERIA provides strategic governance and oversight for aligning policies and procedures and consideration of the IA and IG requirements for regional collaboration programmes. The SERIA terms of reference can be found at *Appendix A*.

3.2 IT Health Checks

12. Throughout the last year, the force has conducted at five independent Penetration and Vulnerability Tests
 - IL4 Replacement Health Check (April 2017)
 - Ark Penetration Test (May 2017)
 - IaaS Penetration Test Phase 2 (June 2017)
 - SERIP Domain Pen Test (July 2017)
 - Ark Phase 2 (December 2017)
13. The annual IT Health check is currently in progress with the final reports due at the end of July.

3.3 Protective Monitoring

14. A managed service provides protective monitoring for the two forces. Devices and servers are continuously monitored for unusual activity with potential issues escalated to the ICT Service Desk for further investigation and appropriate action.
15. An independent security benchmark has been undertaken as part of the National Enabling Programme by Deloitte's consultancy. Initial findings indicate the two forces are above average compared to their peers. A maturity and capability assessment is also planned which will identify areas for further development.

3.4 Proactive Vulnerability scanning

16. An enterprise security assessment tool has been procured which will proactively monitor and identify areas of concerns as part of 'business as usual' activity rather than relying solely on the annual IT health checks. The tool has been deployed to both force domains for testing and is currently being implemented into the Ark data centre. This will offer improved insight into emerging vulnerabilities and enable them to be dealt with proactively as part of continuous service improvement.

3.5 Cyber attack simulation exercise

17. In June 2017, IA led a cyber response exercise to assess the capability of Joint ICT to respond to a cyber-attack. The exercise was developed in partnership with the National Police Information Risk Management Team from the Home Office and consisted of a simulated ransomware infection on a force laptop. It was commended during the independent benchmarking work conducted by Deloitte as a very thorough and effective exercise. A further exercise is being planned for 2018/19.

18. A separate business continuity planning event was undertaken in February 2018 which worked through an escalating scenario based on a nationwide flu pandemic to test ICT's own business continuity plan. This revealed some minor learning points but on the whole, demonstrated successful operation of the plan.

3.6 Public Services Network (PSN) Compliance

19. The Public Services Network (PSN) programme is responsible for resolving some of the major outstanding issues identified by the last PSN Health check, and is on track to close the majority of them. However, there are some remaining that are dependent on delivery of other programmes to replace legacy systems, e.g. the Contract Management Programme and regional ERP.
20. It is therefore likely that, whilst the forces are doing everything possible to address these vulnerabilities, PSN accreditation will not be attainable. The lack of accreditation does not affect existing PSN connections but means that the forces are unable to purchase additional PSN connectivity for projects such as secure data / cloud storage until an approval certificate is obtained.
21. Mitigation to manage any interim cyber risk to the forces has been put in place through the review of complementary controls such as security of the IT network perimeter, antivirus software and the ability to respond to a cyber-attack.
22. Whilst PSN accreditation is not currently possible there is an option to obtain PSN-P accreditation if the forces can demonstrate compliance with the General Information Risk Return, the audit being scheduled for mid-July 2018.

3.7 Improvements to Information Assurance processes

23. The following improvements have been implemented:
 - Further review and alignment of bilateral IA policies, and where feasible, across the region
 - Engagement with Property Services to make better use of resources and remove bottlenecks
 - Development of terms of reference for IA to ensure consistency and focus within the team and clarity for the business
 - A review of previous risk decisions to identify where residual risks had decreased and there was an opportunity to improve service, e.g. tethering of laptops to smartphones is now possible which provides better internet connectivity for officers.

3.8 Internal audits

24. Activity has taken place this year to address the actions identified towards the end of 2016/17 in the internal audit reports on *Access to Systems (Active Directory)*, *Backup*

and Recovery and Cyber Security. To date, 24 out of 27 actions have been completed (details in table below).

	Raised	Completed	Outstanding
Access to Systems (Active Directory)	10	10	0
Backup and Recovery	8	6	2
Cyber Security	9	8	1
Total	27	24	3

25. In addition, during 2017/18, an internal audit was conducted on Data Security and Transfer. To date, 12 out of the 15 actions raised have been completed.
26. Audits and actions are reported to the Deputy Chief Constables Collaboration Board and progress reported to the Joint Internal Audit Committee for each Force.

3.9 Preparation for Data Protection legislation changes

27. A bilateral project to implement the new Data Protection legislation changes (as a result of the EU General Data Protection Regulation (GDPR) and the EU Law Enforcement Directive) was initiated in 2017/18. A data audit exercise was conducted across the two Forces in consultation with Information Asset Owners and Data Guardians. This helped identify potential areas of non-compliance and enabled the Information Asset Register to be expanded and updated.
28. The project ensured that the key requirements would be in place for enactment of the legislation on 25 May 2018, including a review of governance and the introduction of a 'fast time' security incident reporting process to enable compliance with the legislative requirement to report security breaches to the Information Commissioner's Office with 72 hours. The project will continue to the end of 2018 to progress the action areas that were identified during the data audit, monitor completion of mandatory training and continue to reinforce good practice through a communications campaign.

3.10 Requests for information

29. During 2017-18, a total of 1,577 Subject Access Requests were made to Hampshire Constabulary and Thames Valley under the Data Protection Act. The legal deadline for the Force to respond was 40 working days. This was met in 94.7% of cases (compared with 1,433 requests / 97.4% compliance in 2016-17).
30. During 2017-18, a total of 2,957 requests were made under the Freedom of Information (Fol) Act to Hampshire Constabulary and Thames Valley. The legal response deadline was 20 working days and this was met in 89.7% of cases (compared to 2,841 requests / 97.9% compliance in 2016-17).
31. Overall performance for the year was affected by vacancies and staff absences during the latter half of the year. More detailed statistics are available in *Appendix B*.

32. During this period, the Information Commissioner's Office (ICO) issued eight decision notices regarding complaints in the way that FoI requests had been handled. Three complaints were upheld, five were not. One case is currently being appealed through the Information Tribunal.

3.11 Information Sharing Agreements

33. In order to enable information sharing with partners whilst still remaining compliant with the Data Protection Act and the Code of Practice on the Management of Police Information (MoPI), JIMU provides support to the Forces in ensuring that appropriate Information Sharing Agreements (ISAs) clearly set out what information can be shared and how it should be managed. These cover a wide range of areas, including support for Multi Agency Sharing Hubs (MASH), mental health issues, emergency accommodation for homeless people, and various 'watch' schemes, e.g. Pubwatch.
34. At the end of March 2018, there were 87 ISAs in place in Hampshire and 85 in Thames Valley.

3.12 Communication and awareness raising

35. A number of internal communications were issued throughout the year to remind officers and staff about their contribution to good security and data protection. These included:
- Review and update of the Information Management and Information Security pages on the two Force intranets
 - Information about the new data protection legislation and reminders about good practice
 - Reminders about the procedures for redacting information before it is sent to the Crown Prosecution Service
 - Business continuity week focus on cyber security
 - Reminder about importance of connecting laptops to the network to download security patches
 - Reminders about security vigilance following the Novichok incident in Salisbury.

4. Information Security Incident Management

4.1 Summary of reported security incidents 2017-18

36. A total of 508 information security incidents were reported during 2017-18. A summary can be found at Appendix C. A total of 58 incidents were reported in Hampshire compared to 450 in Thames Valley which suggests there may be a 'culture of under-reporting' in the former. IA and IG are working with Professional Standards and Corporate Communications to address this.
37. One incident met the threshold for reporting to the ICO who assessed the incident and decided that no enforcement action was necessary.

38. It should be noted that security incident reporting to the ICO becomes mandatory from 25 May 2018 and that the threshold for reporting has been lowered under the new data protection legislation. It is therefore likely that the number of incidents reported to the ICO will be significantly higher during 2018/19.

4.2 Virus/malware detected 2017-18

39. A total of 524 attempts to infect the Hampshire IT infrastructure were prevented by the Sophos system during 2017-18, with a similar 748 attempts in Thames Valley. This is significantly lower than last year where 1,620 and 1,619 attempts were recorded respectively. More information about the most common types of malware is available at *Appendix D*.

5. SIRO decisions 2017-18

40. The following decisions were escalated to the SIRO during 2017/18:

Subject	Description	Force
Expansion of access to J / FVMSCANS drive	Extension of current Criminal Justice Process and access to J Drive / FVMSCANS to include Youth Files	TVP
Vetting	Risk-based vetting approach for supplier employees who are not UK residents	Both
IT Health Check for PSNP Compliance	Postponement of health check	Both
Persistent Browser Cache	To allow some data to be stored locally	Both
Cut & Paste	To allow cut & paste to be enabled on Smartphones	Both
Legacy Body Worn Video	Retention of legacy body worn video footage	Both
OPCC's Victims First Project	Data protection mitigations to enable service provided by company based in USA	TVP OPCC
Access controls on smartphones	Change to configuration on smartphones	Both

6. Planning for 2018/19

41. Key areas of focus for the coming year will include:
- Build Security by Design into policies/procedures and working practices, in alignment with the region and adoption of the ISO/IEC 27001 framework
 - Identify opportunities to align with, and benefit from national approaches and capabilities

- Optimise the information collected during the data protection audit to support Information Asset Owners in carrying out regular risk assessments, and compile and analyse common risk areas
- Continue the work on preparing for, and complying with, the new Data Protection Act
- Test the regional capability to respond to a cyber-attack through simulated cyber-attack exercises to prepare for the increased number of regional services being deployed
- Conduct an IT Health Check of the Hampshire / TVP IT environment and conduct regular tests to verify that remediation activity following the annual IT Health Checks has been successful and identify any new vulnerabilities
- Embed a culture of Information security awareness and behavioural change and progress closer alignment of approach with Force Security and Professional Standards.

Appendix A



South East Region Information Assurance (SERIA) Terms of Reference

Document Control

Author	Role	Date
Isobel Flint	Surrey and Sussex Security and Information Assurance Manager	26/10/2017

Reviewer	Role	Date
Neil Roberts	CIO Surrey and Sussex	27/10/2017
Amanda Cooper	CIO Thames Valley and Hampshire	

Change History

Version	Date	Author	Reason
0.1	26/10/2017	Isobel Flint	First Draft
0.2	10/03/2018	Isobel Flint	Changes following inaugural SERIA Meeting

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SERIT

SERIT provides a regional capability to the four forces in the South-East region, (Hampshire Constabulary, Surrey Police, Sussex Police and Thames Valley Police) that enables the National Police Vision 2025 through standardised technology, common shared services and aligned working practices.

The key focus of this programme is on system rationalisation and collaboration, ensuring our officers and staff have access to operational and back-office systems to fulfil their roles, where and when required.

Benefits of this will be:

- A more efficient policing service
- Greater regional collaboration
- Support faster decision making
- Standardisation of technology platforms
- Consolidation of data stores
- Improve the quality of data captured
- Reduced cost

Objectives

SERIA will be established to:

Provide strategic leadership for all matters pertaining to the security and management of information and assets held by the SE Region Forces

Oversee a risk based approach to security and information management based upon legislation, and current industry and Government standards

Provide consistent Information Risk and Assurance policies, practices and standards to support the SERIT vision, enabling effective collaboration through a unified approach to Security and Information Assurance

Champion more effective use and exploitation of information to ensure public safety and enhance operational policing effectiveness

In - Scope

SERIA will establish a holistic approach to the security and management of information and other assets, encompassing people, process, technical and physical security. Information in this context is understood in its widest sense and includes not only information used for policing purposes but also corporate knowledge and information held by the forces to manage their own organisational operations.

SERIA will:

1. Provide oversight of security and information management risks where these have a regional impact ensuring they are managed appropriately and in accordance with the needs of operational policing and public safety.
2. Promote a culture of responsible and compliant data exploitation and data sharing to underpin public safety and enhance operational effectiveness

3. Provide direction and support to the forces on the use of new information and communications technology (ICT) and data sharing without compromising the forces' security or information assurance responsibilities
4. Oversee the development and alignment of the forces' Security and Information Management Strategies, policies, procedures and performance frameworks.
5. Adopt strategic ownership for the forces' Information Asset Register(s) and use this to monitor risks which may impact across the region, determine remedial action as required and to prioritise information related initiatives.
6. Drive Data Quality across the forces and set data quality performance indicators for each of the force major systems, adopting a risk based approach as necessary.
7. Review significant findings arising from relevant audits and reviews of the security stance and protection of information of the Forces, adopting recommendations and directing remedial action as appropriate.
8. Consider significant information system compliance issues arising from external bodies including the HMIC, NPCC, ICO, the Audit Commission, the Cabinet Office, the College of Policing and the Home Office.
9. Review all serious data loss and security breaches to inform improvement actions
10. Develop collaborative arrangements across the Region and with other forces where they relate to developing security, information management and assurance arrangements.
11. Develop and agree a set of appropriate performance measures and monitor activity accordingly.
12. Promote the importance of a full-lifecycle information management model from the point of creation or seizure to the point of definitive disposal, such that the provenance, handling and retention requirements of any given information asset is never in doubt.
13. Guide the adoption and management of digital information and the exploitation thereof, including the alignment of the information management, security and IT strategy with the national adoption of wider police service digitalisation.

Out of Scope

Security and Information Assurance matters and risks that are local in impact and have no bearing on the regional stance and approach

Escalation

If a decision cannot be made within SERIA, the Chair of SERIA will seek guidance and clarification from the Regional DCC's Board. The DCC's Board will review the points of those involved and make the final decision.

Business-driven information risk decisions remain the provenance of the SIROs whether at Regional or Bi-Lateral level.

Formal Engagement

SERIA operates under the principle of transparency, and all standards and guidelines are published and implemented across the SERIT partner forces. Security and IA staff working with project teams and across the bi-laterals are responsible for ensuring and validating that solutions and practices adhere to the published regional standards.

Regional / Major projects are encouraged to establish Security Working Groups (SWG) to provide IA governance and support. SWGs can obtain guidance and support from the RIAB as required. However, should questions or issues arise that cannot be resolved within the RIAB, SERIA can provide guidance and support.

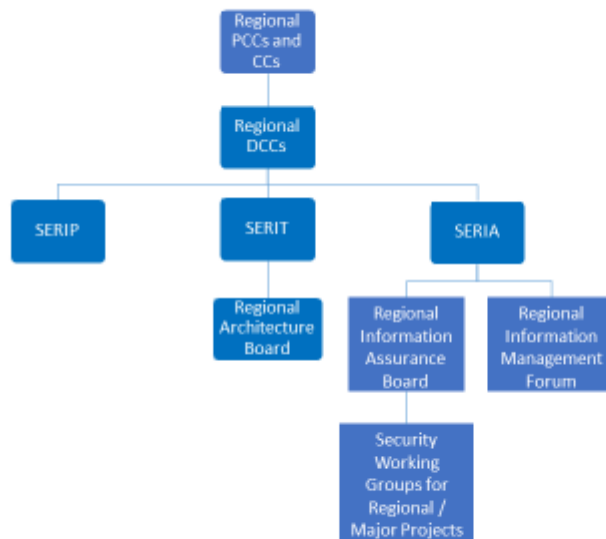
Governance

Meetings will be held bi-monthly with the venue rotating around the region. Any issues that require attention between meetings will be dealt with via email/teleconference or an extraordinary meeting if appropriate.

SERIA will report to the DCC's Board who will provide governance and act as the final approval board for regional IA initiatives.

The chair's responsibility includes arranging the agenda and maintaining a RAID log, and producing a quarterly highlight report for the SERIT and DCC's Board.

Context and reporting for this Board are outlined below.



Membership

Core members:

- SIRO Thames Valley and Hampshire
- SIRO Surrey and Sussex
- Regional Information Assurance Manager

- Lead Information Asset Owners
- Force Information Security Leads
- Force Information Management Leads
- Data Protection Officers
- Heads of IT
- Regional Chief Technology Officer
- Heads of Vetting

Additional Members:

- Estates Representatives
- Procurement Representatives
- Internal Comms/Media Representatives
- Business Continuity Representatives
- Professional Standards Department Representatives
- Human Resources / People Services Representatives

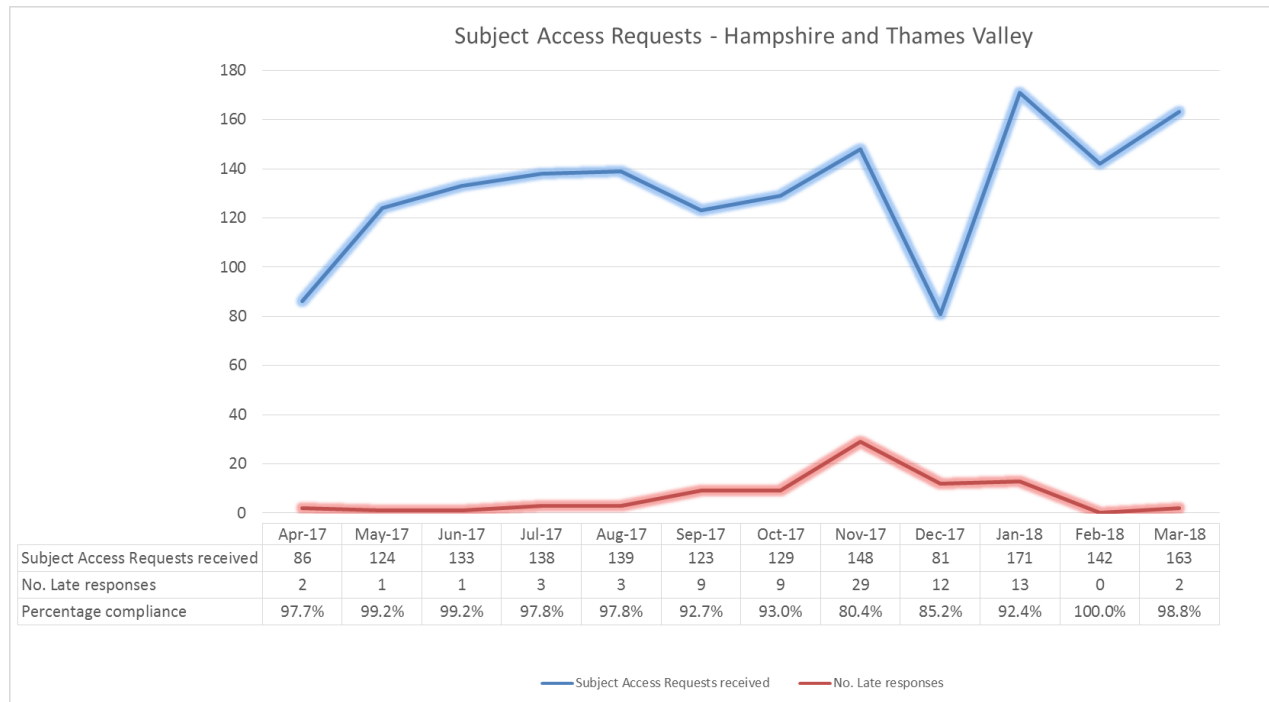
Core members will be expected to carry appropriate authority for decision making and subsequent activity within home forces, subject to the governance processes within their force.

Subject matter experts may attend as appropriate, depending on agenda and location.

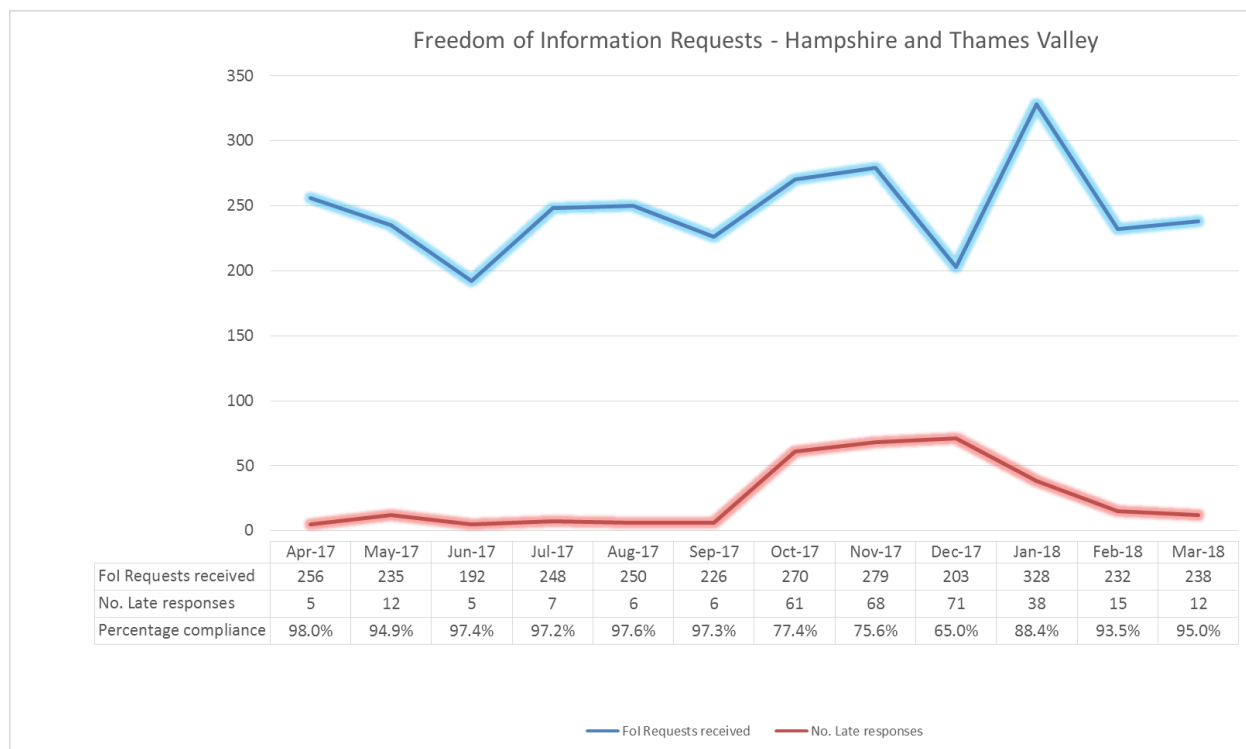
Core members are expected to provide a deputy when they are unavailable to attend.
Other attendees by invitation.

Appendix B – Legislative compliance regarding requests for information

Subject Access requests 2017-18 (response deadline 40 working days)



Freedom of Information requests 2017-18 (response deadline 20 working days)



Appendix C - Summary of reported security incidents 2017-18

Incident Type	Hampshire	Thames Valley
E-mail misuse	0	0
Unplanned outage	0	0
Unauthorised disclosure	18	168
System misuse	4	6
Account sharing	1	1
Loss or theft of technology assets	18	163
Paper documents	5	18
Crypto	0	0
Data storage issues	0	2
Removable media issues	1	0
Unauthorised equipment	0	3
Unauthorised software	0	2
Malicious software	0	0
Insecure disposal of media or documents	0	0
Airwave	6	85
Unauthorised access to systems/data	5	2
Totals	58	450

One incident met the threshold for reporting to the Information Commissioner's Office. They assessed the incident and decided that no enforcement action was necessary.

Appendix D – Most common virus/malware attempts detected 2017-18

	Hampshire	Thames Valley
EICAR-AV-Test		23
Mal/DownLnk-D		388
Mal/Generic-S	202	
Mal/HckPk-A		97
Mal/Zbot-DY	37	
Troj/Decept-HV	21	
Troj/DocDI-IWI		18
Troj/DocDI-JLE		10
Troj/DocDI-JSB		26
Troj/DocDI-JTF	214	
Troj/DocDI-MME		13
W32/Yaha-L		82
WM97/Imposter-A	12	



**JOINT INDEPENDENT AUDIT
COMMITTEE
FOR THAMES VALLEY POLICE**



Report for Information

Title: Risk Management Update – 21st September 2018

Executive Summary:

In accordance with the Operating Principles of the Committee agreed at its first meeting held on 27 March 2013, the Committee has the following responsibilities in respect of risk management.

- Consider and comment upon the strategic risk management processes; and
- Receive and consider assurances that organisational risks are being managed effectively and that published goals and objectives will be achieved efficiently and economically, making recommendations as necessary

The attached report provides an overview of Risk Management policy and processes adopted by Thames Valley Police covering such issues as a strategic risk management framework, training, analysis of the Strategic Risk Register and potential risks to be considered.

Recommendation:

The Committee is invited to review and note the report as appropriate

Chairman of the Joint Independent Audit Committee

I hereby approve the recommendation above.

Signature

Date

PART I – NON CONFIDENTIAL

1 Introduction and background

- 1.1 Effective risk management is a cornerstone of good governance. A sound understanding of risks and their management are essential if Thames Valley Police is to achieve its objectives, use resources effectively, and identify and exploit new business opportunities. Consequently, in common with all significant public and private sector bodies, the Force has an established framework for ensuring that areas of risk are identified and managed appropriately across its activities.
- 1.2 This framework is derived from the application of national standards and guidance. The most recent publication to assist with Risk Management best practice is ISO31000: 2018 Principles and Guidelines which seeks to guide users regarding the principles, framework, processes and risk management activities with the aim of assisting the organisation to achieve its objectives.
- 1.3 A strategic framework based on ISO31000 was endorsed by the Force Risk Management Group (FRMG) on 24 July 2012 and revisions are monitored on an annual basis at FRMG. Revised versions of the Strategic Framework with its associated documents were presented for endorsement at the FRMG meeting on 27th February 17. This now takes account of the new structure. This provides guidance in the form of a:
 - Risk Management Strategy
 - Risk Management Policy
 - Risk Register Guide with an alternative 1 page guide available for quick reference.
 - Risk Management Communications Strategy which now accounts for Business Continuity
 - National Decision Model and reference to the Authorised Professional Practice (APP) Risk Principles
- 1.4 The Deputy Chief Constable's portfolio covers a range of governance functions in the quarterly meetings of the FRMG where issues of strategic risk are considered. These issues, which may be prompted by entries in local departmental/operational command unit registers, are then scored and managed in accordance with the processes set out in the above framework.
- 1.5 This report should adequately cover the key areas of interest to the Audit Committee. Members may also wish to consider any other areas where they might also wish to receive feedback in subsequent annual reports.

2 Issues for consideration – Strategic Risks

2.1 The Strategic Governance Unit have reviewed all existing strategic risks and updated the mitigating actions and risk scores. The updated risk work is included as part 2 of this document

Based on recommendations, the following strategic risks have also been added to the strategic risk register:

- Contact Management Programme (CMP) – Joint TVP/HC risk
- Investigation drift (Release Under Investigation)

The revised strategic risk register is included as an embedded part two document at the end of this paper.

In accordance with best practice, and the recommendations of internal audit, we are adopting the 4T approach to risk management to record the current status of each risk as part of our recommendations:

- **TOLERATE** – FRMG recognise the risk exists, but there is little that can be achieved, cost effectively, to mitigate the risk at a local or CCMT level
- **TREAT** – FRMG decide to lead on the risk, assigning a risk lead and having oversight of the risk as part of the strategic risk register
- **TRANSFER** – FRMG request that further action to manage the risk is taken at a local level
- **TERMINATE** – FRMG believe that at this stage the risk does not require further investigation or mitigating actions

SR56 Livelink

“The Sharepoint project is underway. However, given the dependencies with the National Enablement Programme, Windows 10 and Office 365, migration of all material from Livelink (and therefore removal of the risk) is at least 18 months away. JIMU is re-engaging with Information Asset Owners to ensure their business continuity plans are still fit for purpose. The Sharepoint project manager is also exploring the feasibility and costs of using the tools for migrating information from Livelink to Sharepoint to create a safe copy of the Livelink content which could provide an effective backup in the event of system failure”

The Sharepoint Project Board and Senior Record Manager have updated the risk score which remains low, with a sense that the likelihood of the risk occurring is low, whilst the potential impact is higher. However, the final recommendation addresses the updated view of an ICT review into technical back up options, which will impact on future scoring.

The Sharepoint Board's observations include:

- The Project Board continue to investigate viable technological contingencies, although a number of partners contacted have been unable or unwilling to quote for supporting Livelink in its current form
- ICT have now reviewed technical back up options, which are not straightforward.
- A number of areas of high operational risk should LiveLink fail for a week have been identified and these will be prioritised in terms of internal support

The **adopted recommendations** at this stage are:

- The Sharepoint Project Board to have oversight of contingencies and risks connected to the project, updating FRMG on how the risk continues to be treated.
- That the risk remains on the SRR, with regular updates from the Sharepoint Project Board.
- Based on the results of the most recent ICT work into technical back up options, (which were shared between the initial risk report and this paper), the risk needs further rescoring, and we would expect to see the risk score increase

SR65 Gazetteers

The current risk is that the gazetteer currently in use in Charm + Oasis is out of date. This will be resolved when CMP is rolled out live as the new ESRI GIS Mapping Gazetteer will be used by CMP. It will not resolve the issue of different gazetteers still being in use by RMS (and various other systems in TVP) until the ESRI Gazetteer is adopted by those systems and RMS is moved to a single instance across both HC and TVP

After speaking to stakeholders, and due to the ongoing complexities around the introduction of CMP, we have retained the risk score as low.

This has now been de-scoped from CMP and added to the RMS work, and a RMS niche project manager has been appointed.

The **adopted recommendations** at this stage are:

- Since the existing local mitigating activities appear to be keeping the level of risk low, and other mitigating actions are tied to the RMS project, that this risk should be tolerated in the short term, but remain on the strategic risk register, as it creates forcewide risks.

SR69 Insufficient funding

The level of funding received in future years may not be sufficient to maintain the current level of service. The increasing level of demand and the complexity of new & emerging crimes may require a level of resources which is unaffordable. (Amended Feb 18)

The risk and associated mitigating activities have been updated by the Finance Director, and the risk remains high. Updated activities include:

- CCMT reviewed the budget position in July.
- In September the wider Strategy day which will include the assessment of the force position against which on the following day finance can consider the level of resources required.
- In October finance will then consider the potential size of the shortfall and make the relevant planning decisions.
- The Force continues to review its service delivery levels, productivity and processes through the Effectiveness and Efficiency programme.
- Significant work is underway to understand demand and consider options for alternative ways of managing internal and external demand.

The **adopted recommendation** at this stage is:

- The risk remains on the SRR and continues to be treated as per the mitigating actions outlined

SR74 Workforce resilience

At present the Force is a significant number of officers below establishment, whilst demand on the Force has risen significantly. The primary drivers appear to be natural loss (retirement and resignation), transfer to other forces. The police officer recruitment picture is improving, but challenges remain with recruitment of some staff groups

The Workforce Resilience Gold Group are reviewing the risk on a monthly basis and its risk score remains high. The Group's update on mitigating activities includes:

- Due to the use of apprenticeships, contact management numbers are looking positive. Plans to meet all training requirements are in place, including taking account of the potential delay to the introduction of the new Contact Management platform. Retention is also showing signs of improvement.
- CCMT have agreed to 3 x additional PC courses and 1 x additional PCSO courses. Additional resources and accommodation is currently being considered to achieve this.
- A recent review of the police officers recruitment process end to end has been completed in order to remove unnecessary steps, adopting a risk based approach

- Work is being undertaken into PCSO Advanced practitioner and PSI career pathways
- Flexible working job share spreadsheet being initiated to help identify opportunities for job share across LPAs/locations

It is clear that there are complex risks linked to workforce resilience, and resolving them will take a number of years. The Workforce Resilience Gold Group continue to identify new areas of risk and are working collectively to create a longer term action plan which will not only allow us to recruit more officers into the Force in an effective way, but will also contribute to improving retention.

The **adopted recommendation** at this stage is:

- the risk continues to be treated through the actions proposed by monthly Gold Groups, with regular updates to CCMT

2.2 New risks added to the strategic risk register at the September FRMG

The Strategic Governance Unit have been working with colleagues across the Force to consider the scale of risks that we currently face. We will recommend that a risk is escalated to the strategic risk register, if it has significant impact across the force and on our end users or if local areas have insufficient resource to mitigate the risk effectively at a local level.

Contact Management Programme (CMP) – Joint TVP/HC risk

It has been requested that both forces have agreed risks regarding CMP. The wording of the two risks approved by Hants are:

- (i) If there is delay to the delivery of CMP, then there are a number of on-going impacts operationally, financially and reputational to the Force.
- (ii) The CMP System fails shortly after deployment or is deemed too unstable to be fit for purpose

On the Hants Risk scoring, the first risk is recorded as Probability Medium and Impact Very High. The risk is currently owned by the CMP programme.

The **adopted recommendations** at this stage are:

- Although this is now a live issue and is being managed as such, there has been a request that both risks should appear on both Force strategic registers, therefore we recommend that both risks are treated with FRMG taking the lead on oversight of the mitigating actions and monitoring project progress.
- We recommend the CMP risks, with the agreed wording, should be added to the Strategic Risk Register to bring the two Forces in line

Investigation management (Release under Investigation)

““Release under Investigation has presented difficulties with the management of investigation and may be a factor in the reduction in positive CJ outcomes.””

This risk is currently held locally by Criminal Justice. However, it is felt that due to the risks around welfare to the public and the potential loss of public confidence that this risk should be addressed at a strategic level.

Current actions to address this risk include:

- Developing a RUI report to provide more details around the use of RUIs to focus future action plans on the areas of significant risk
- The development of a bail team
- Communications on the use of bail vs RUI
- Transforming Investigations & Prosecution review, led by Criminal Justice

The **adopted recommendations** at this stage are:

- That this risk is adopted onto the SRR and the risk be treated
- Further work is done with LPAs to reflect and record their work on the issue
- ACC De Meyer to take lead on risk

2.3 The “Risk radar”

As part of our ongoing work we consider a number of risks which may require future action. At present we are investigating the potential risks around:

- **The outcome of the Central Spending Review** – the impact of potential cuts to partnership funding which may affect i) public safety and welfare, ii) cuts to services, particularly in relation to vulnerable people, iii) subsequent increased demands on TVP
- **The impact of Brexit** – including the impact on policing information and shared knowledge, the potential of disorder, any potential staffing issues, financial impacts and issues arising with supply chains

2.4 Future Risk work

- We continue to develop our work around revised risk processes, with our proposals for refreshing the risk process due to be shared with CCMT in November
- We will seek the input of JIAC to ensure that the future reporting of risk and business continuity meets the needs of JIAC
- Working with Strategic Governance colleagues to further develop the “Risk radar”
- Working with Service Improvement colleagues to embed joint working and information sharing to improve effectiveness
- Corporate Governance Officer risk training to enhance subject-matter expertise

3. Financial comments

3.1 The Strategic Force Risk Register identifies a specific risk around funding.

4 Legal comments

4.1 There are no legal implications arising from this report

5 Equality comments

5.1 There are no equality implications arising from this report.

6 Background papers

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the website within 1 working day of approval. Any facts and advice that should not be automatically available on request should not be included in Part 1 but instead on a separate Part 2 form. Deferment of publication is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of this form to be deferred? Yes

Is there a Part 2 form? Yes – Risk Register is a Restricted Document

Name & Role	Officer
Strategic Governance Unit Corporate Governance Manager Governance Officers (Risk Management & Business Continuity)	Patricia Wooding Sarah Holland Mark Horne
Legal Advice N/A	
Financial Advice - Director of Finance	Linda Waters
Equalities and Diversity N/A	

OFFICER'S APPROVAL

We have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report.

We are satisfied that this is an appropriate request to be submitted to the Joint Independent Audit Committee.

Chief Executive

Date

Chief Finance Officer

Date



**JOINT INDEPENDENT AUDIT COMMITTEE
FOR THAMES VALLEY POLICE**



Report for Information

Title: Business Continuity Update – 21 September 2018

Executive Summary:

In accordance with the Operating Principles of the Committee agreed at its first meeting held on 27 March 2013, the Committee has the following responsibilities in respect of business continuity:

- Consider and comment upon business continuity management processes, and
- Receive and consider assurances that business continuity is being managed effectively and that published goals and objectives will be achieved efficiently and economically, making recommendations as necessary

The attached report provides an annual overview of Business Continuity Management policy and processes adopted by Thames Valley Police together with the most recent quarterly progress report covering such issues as training, learning from business continuity incidents and training exercises.

Recommendation:

The Committee is invited to review and note the report as appropriate.

Chairman of the Joint Independent Audit Committee

I hereby approve the recommendation above.

Signature

Date

PART 1 – NON-CONFIDENTIAL

1 Introduction and background

- 1.1 Business continuity is about ensuring that, as an organisation, we are able to continue providing important public services in the event of some major disruption to our organisation. Clearly if the Force is unable to maintain its own services, it will not be in a position to best serve the public.
- 1.2 The Civil Contingencies Act 2004 provides the statutory framework which places a responsibility on the police service, as “Category 1 Responders”, to have in place effective Business Continuity Management (BCM) processes. Thames Valley Police (TVP) also follows the principles within BS25999 Business Continuity Code of Practice and has incorporated a number of key principles from “ISO22301 Societal Security – Preparedness and Continuity Management Systems” which was published in May 2012.
- 1.3 Guidance on organisational resilience was published in November 2014 (BS65000:2014) which defines organisational resilience as the ability to anticipate, prepare for, respond and adapt to events – both sudden shocks and gradual change.
- 1.4 A new standard, ISO22330 has now been published that focuses on the people aspect of Business Continuity.
- 1.5 Oversight of the management of Business Continuity (BC) is provided by the Strategic Business Continuity Co-ordinating Group, which is held bi-annually, and chaired by the Deputy Chief Constable. This Group includes senior members from Property Services, ICT, Corporate Communications, HQ Operations, the Corporate Governance Officers and Corporate Governance Manager.
- 1.6 Business Continuity Plans are maintained, tested and refreshed in respect of front line services and support functions. These are refreshed in order to reflect changes in personnel, dispositions, and core business processes. This proactive approach is supplemented by organisational learning from exercises and actual incidents.
- 1.7 This report is intended to cover the key areas of interest to the Audit Committee. Members may also wish to consider any other areas where they might also wish to receive feedback in subsequent reports.

2. Issues for Consideration

Force-wide Incidents

During the period May 2018 to July 2018 the following incidents have been reported to Strategic Governance.

On 30 May, the adverse weather caused a flood in Milton Keynes police station that effected a number of areas but mainly the kitchen, corridors and loading bay. Recovery activities are still ongoing and a debrief is booked for 13th September.

On 07 July, there was a flood in the basement of High Wycombe police station from a burst water pipe. Whilst in the basement it did however impact the electrical supply to the custody suite which caused Criminal Justice to relocate custody services to Aylesbury. Whilst this followed the actions set in the business continuity plan, it was invoked formally.

On 09 July, there was a water outage at Slough police station which followed a period of low pressure through the night. Information from Thames Water was limited so the situation was monitored carefully until 12pm at which point, we agreed that actions should be taken and staff moved to alternative location. Water was restored at 1pm. Lessons showed that the plan needed updating, we agreed to explore how we would provision portable toilets in this type of scenario.

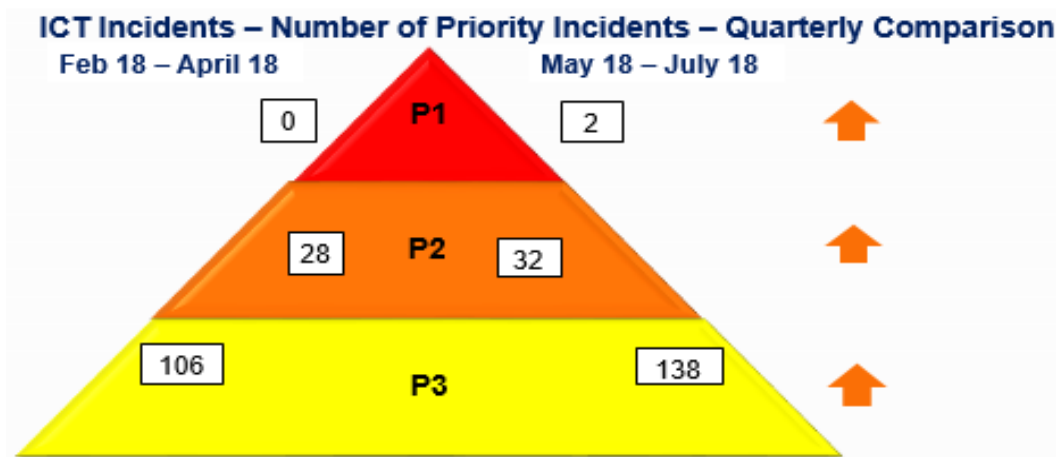
On 17 July, a further flood occurred in High Wycombe police station caused by a secondary pipe failure. Both water and electricity supply were stopped for a number of hours and the plan invoked. Agreements made with the local council and fire station to use their facilities and non-critical staff were advised to work from alternative locations. Electricity was restored around 11am and water remained off until approximately 5pm. Some initial learning relates to staff ensuring laptops are fully charged at all times, including pool devices. Consideration to a flood alarm being installed in the basement. Text facility for staff communications within teams for BC incidents would have helped. There was later a third occurrence at High Wycombe and custody remained closed until 01 August.

ICT Incidents

During the period May '18 to July '18 ICT submitted two priority one incidents (last period, P1=0). There were no priority incidents which presented a significant issue or caused a business continuity plan to be invoked.

On 16 May 2018 at 11:50, the Control Room lost phone service, 999 calls were cut off and our CHARM and Command and Control systems froze. All services resumed within one minute and the root cause was due to a router being brought back on line following the resolution of another fault. Work has been completed to ensure that no other outages are caused by this.

On 24 July 2018 at 02:00, all the telephones and the network in Slough failed which also affected both Control Rooms and the Police Enquiry Centre (PEC). As a result of supplier action this was corrected within ten minutes and phones which had de-registered were all re-registered.



2.2 Business Continuity – under review:

The current business continuity (BC) activities are:

- Exercise run for Finance to test their plan on 06 August. There were a few lessons learned around their adding priorities and deadlines to the plan.
- Second yearly exercise run for Forensics to ensure compliance with their accreditation needs is booked for 20th September
- Business Continuity Training is being arranged for October for all corporate governance officers, corporate strategy researchers and the corporate governance manager.
- Further benchmarking carried out with regional colleagues for process review
- Policy and Strategy have been signed off and published

2.3 Business Continuity – going forward:

The business continuity activities planned for the next period are:

- Designs for new business continuity plan and business impact analysis templates
- Designs for new reporting documents for CCMT and JIAC
- People Directorate BC exercise on 27 November

3 Financial comments

3.1 There are no direct financial implications arising from this report.

4 Legal comments

4.1 There are no legal implications arising from this report.

5 Equality comments

5.1 There are no equality considerations arising from this report.

6 Background papers

Public access to information

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Is the publication of this form to be deferred? No

Is there a Part 2 form? No

Name & Role	Officer
Strategic Governance Unit Governance Officers (Risk Management & Business Continuity)	Sarah Holland Mark Horne
Legal Advice N/A	
Financial Advice Director of Finance	Linda Waters
Equalities and Diversity N/A	

OFFICER'S APPROVAL

We have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report.

We are satisfied that this is an appropriate request to be submitted to the Joint Independent Audit Committee.

Chief Executive

Date

Chief Finance Officer

Date



JOINT INDEPENDENT AUDIT COMMITTEE



Report for Decision: 21st September 2018

Title: OPCC Risk Register

Executive Summary:

The OPCC risk register identifies those risks that have the potential to have a material adverse effect on the performance of the PCC (and/or the Office of the PCC) and our ability to deliver our strategic priorities, as well information on how we are mitigating those risks.

There are currently five discrete risks, as shown in Appendix 1.

The issue with the largest combined residual risk impact and risk likelihood score is that *“With crime becoming ever more complex and challenging to investigate and demand on policing services increasing, the level of funding forecast for the next three years is insufficient to deliver the planned outcomes in the PCC's Police and Crime Plan 2017 to 2021”* (Risk OPCC 18)

Recommendation:

That the Committee notes the five issues on the OPCC risk register, the actions being taken to mitigate each individual risk and endorse the proposed changes to the risk register.

Chairman of the Joint Independent Audit Committee

I hereby approve the recommendation above.

Signature

Date

PART 1 – NON-CONFIDENTIAL

1 Introduction and background

- 1.1 The Office of the PCC (OPCC) risk register highlights those issues that could potentially prevent or be an obstacle to the PCC's ability to successfully deliver his strategic priorities and key aims, as set out in his current Police and Crime Plan 2017-2021.
- 1.2 The risk register, attached at Appendix 1, has been produced in accordance with the Force Risk Management guide. All risks are scored on an ascending scale of 1-5 in terms of both 'Impact' (I) and 'Likelihood' (L). The assessed risk score is derived by multiplying the individual impact and likelihood scores. The maximum score is therefore 25 (highest risk). A copy of the risk impact and likelihood scoring criteria definitions and risk assessment matrix are attached at Appendix 2.
- 1.3 Two scores are provided for each risk issue. The first set of scores show the original 'raw' risk assessment, i.e. before any mitigating actions are identified and implemented. The second set of scores shows the adjusted 'residual' risk, i.e. after these mitigating actions have been implemented.

2 Issues for consideration

- 2.1 The Committee needs to be satisfied that adequate and effective systems are in place to ensure all significant PCC risks have been identified and reasonably scored; that appropriate mitigating actions have been identified and are being implemented over a reasonable timeframe, and that both the raw and residual assessed risk scores appear sensible and proportionate.
- 2.2 The issue with the largest combined residual risk impact and likelihood of 9.0 is the risk that *'With crime becoming ever more complex and challenging to investigate and demand on policing services increasing, the level of funding forecast for the next three years is insufficient to deliver the planned outcomes in the PCC's Police and Crime Plan 2017 to 2021'* (i.e. OPCC18).
- 2.3 All five risks have been reviewed and updated accordingly.

3 Financial Implications

- 3.1 There are no specific financial implications arising directly from this report. Any costs incurred implementing some of the agreed mitigation actions can and will be contained within the existing PCC approved budget.

4 Legal Implications

- 4.1 There are none arising specifically from this report

5 Equality Implications

- 5.1 There are none arising specifically from this report

Background papers

TVP Risk Management User Guide and Instruction

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the website within 1 working day of approval. Any facts and advice that should not be automatically available on request should not be included in Part 1 but instead on a separate Part 2 form. Deferment of publication is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of this form to be deferred? No

Is there a Part 2 form? No

Name & Role	Officer
Head of Unit This report has been produced in accordance with the Force Risk Management guide	PCC Chief Finance Officer
Legal Advice No specific issues arising from this report	Chief Executive
Financial Advice No specific issues arising from this report. Any additional costs incurred in implementing mitigating actions will be contained within existing PCC approved budget	PCC Chief Finance Officer
Equalities and Diversity No specific issues arising from this report	Chief Executive

PCC CHIEF OFFICERS' APPROVAL

We have been consulted about the report and confirm that appropriate financial and legal advice has been taken into account.

We are satisfied that this is an appropriate report to be submitted to the Joint Independent Audit Committee.

Chief Executive

Date 12 September 2018

Chief Finance Officer

Date 11 September 2018

URN	OPCC18	Date Raised	1.12.16	Raised By	Ian Thompson	Risk Owner	Ian Thompson	Review Date	13.6.18	OPCC/Force Objectives	1,2,3,4,5,6
Risk Description			Consequences					Existing Controls			
With crime becoming ever more complex and challenging to investigate and demand on policing services increasing, the level of funding forecast for the next three years is insufficient to deliver the planned outcomes in the PCC's Police and Crime Plan 2017 to 2021			1 Level of funding is insufficient to maintain the current level of service against increasing demands					1. Medium Term Financial Plan (MTFP) and regular in-year budget monitoring			
			2 PCC unable to demonstrate that he has delivered his manifesto commitments and Police & Crime Plan objectives and targets					2 Close monitoring of Force Delivery Plan and OPCC Strategic delivery Plan			
			3. Partnership working does not take place at the required level					3. Close monitoring of partner's delivery of PCC objectives, particularly CSF grant spend by local authorities			
Before Mitigation											
Impact	Likelihood	Risk Rating									
5.0	4.5	22.5									
Residual Score											
Impact	Likelihood	Risk Rating									
3.0	3.0	9.0									
Proposed Action Plan					Action Owner	Target Date	Current status				
1 The balanced budget and MTFP will be presented to the PCC in January 2019					TVP	Jan-19	The Financial Strategy, medium term financial plan (2017/18 to 2019/20), medium term capital plan and the separate report on reserves, balances and provisions were all approved by the PCC at his Level 1 meeting in January . The budget is balanced in all 3 years, predicated on a further £12 increase in Band D council tax in 2019/20. Further updates will be provided in the Autumn in respect of the 2019/20 budget and new MTFP				
2 Future savings will be identified through the Productivity Strategy and Priority Based Budgeting process					TVP	Jan-19	Within the MTFP some £14.227m of productivity plan savings have been identified.				
3 Police & Crime Plan outcomes will be closely monitored and remedial action taken as appropriate					GE	Mar-19	Progress on the delivery of the Force Delivery Plan and the OPCC internal Strategic Delivery Plan are presented to and considered by the PCC at each of his 'Level 1' public meetings. The PCC's performance and progress in delivering his Police and Crime Plan is scrutinised by the independent Police and Crime Panel. A public facing performance tool has been developed to provide summary of up-to-date activity undertaken by all agencies to deliver the Plan, which will increase transparency and meet PCC's duty to report to the public.				

4. Spending against Local Authorities regarding Community Safety Fund (CSF) grants will be monitored very closely within the OPCC	SM	Mar-19	CSF Grant agreements for 2018/19 were sent to Local Authorities during June. A round of grant funding was awarded in July to pump prime activity linked to Plan objectives where less work was taking place.

URN	OPCC 19	Date Raised	13.6.18	Raised By	SM	Risk Owner	SM	Review Date		Force Objectives	
Risk Description			Consequences					Existing Controls			
By promoting the Victims First service the demand for victim services could exceed the supply available from PCC commissioned contracts			The demand for victims services could exceed current supply					Hub staffing (5 Victims First Officers (VFO), Manager and Data Quality Officer) was above required estimate (via LPA pilots) to allow for increased external demand.			
			The quality of service provided to victims is adversely affected					Temporary increases managed by pulling in OPCC policy officers to perform VFO functions.			
			Reputational damage for the PCC					Formal launch of Victims First postponed until several months after go-live date, and roll out of Victims First Connect (the community arm of VF) postponed until summer 2018. Roll out will be incremental.			
Before Mitigation											
Impact	Likelihood	Risk Rating									
3.44	3.00	10.31									
Residual Score											
Impact	Likelihood	Risk Rating									
2.44	2.67	6.50									
Proposed Action Plan					Action Owner	Target Date	Current status				
Option to recruit 6th VFO approved (position currently vacant until required), with option to make further recruitment if required.					SM		Mobilisation of further recruitment on-hold until status quo established. Due to further staff turnover, VFO roles have been re-evaluated and up-graded. Also advertised to take number up to 6 to increase resilience.				
Victims Communications Officer and Hub Data Quality Officer on fixed term contracts in case posts need to be converted to further VFOs.					SM	31-Mar-19	Situation will be reviewed towards contract end of each position.				
Option of recruiting volunteers is being explored with TVP. Volunteer commissioning form obtained.					EF		Mobilisation of volunteers on hold until staus quo established.				
Close monitoring of referral rates and workloads of the Hub and other PCC services.					SM		Data Quality post offered and accepted (vetting in progress). Role being undertaken by SM and CM in interim. Postholder withdrew requiring further advertisement with selection taking place mid-August.				
Excessive referrals of Young People leading to over-demand and waiting lists in Young Victims Service has been analysed and meetings requested by D/PCC with two local authority social services directors.					MB	30-Sep-18	Meeting requests made but dates not yet finalised. Social Services met with and proposals accepted to try to share risk of certain cases and reduce referrals. Bid to Government Fund to support Children Affected by DV is in progress.				

URN	OPCC 20	Date Raised	13.6.18	Raised By	SM	Risk Owner	SM	Review Date		Force Objectives	
Risk Description			Consequences					Existing Controls			
Unable to evidence delivery of strategic priorities and key aims in the PCC's Police and Crime Plan			Reputational damage for the PCC					OPCC performance monitoring regime			
								Force and OPCC performance monitoring reports presented to the PCC in public level 1 meetings			
								Good joint working with the Governance & Service Improvement department			
								Close monitoring of CSP delivery plans			
Before Mitigation											
Impact	Likelihood	Risk Rating									
3.63	3.00	10.88									
Residual Score											
Impact	Likelihood	Risk Rating									
2.58	2.00	5.17									
Proposed Action Plan				Action Owner	Target Date	Current status					
Continue working with the Governance & Service Improvement Department to better align the Force Delivery Plan with the PCC's Police & Crime Plan objectives				SM	31-Oct-18	Using 2017-18 outturn report to demonstrate alignment of TVP plan to aid further discussion prior to Q1 report and publication of first performance infographic. Aim to publish Q1 infographic by end September and Q2 by end November.					
CSP monitoring improvements expected through recruitment of Partnerships and Performance Policy Officer				CM	31-Oct-18	Changes to reporting template and more consistent CSP attendance by dedicated Partnerships and Performance Officer					
OPCC Delivery Plan assists evidencing OPCC activity to deliver Plan				GE	31-Mar-18	OPCC Strategic Delivery Plan 2018-19 agreed and being monitored via team meetings and SMG.					

URN	OPCC 21	Date Raised	13.6.18	Raised By	SM	Risk Owner	SM	Review Date		Force Objectives	
Risk Description			Consequences					Existing Controls			
Review of the OPCC victims 'specialist counselling service' identifies potential weaknesses in internal management controls and administrative procedures (e.g. non-compliance with GDPR, disclosure requirements, etc) that requires significant investment in OPCC time, resource and cost to rectify			Loss of service to victims					Other services exist which could step in.			
			Reputational damage to the PCC					Counselling pathways kept intentionally narrow so that only existing Victims Services can refer in.			
			Fined under GDPR					Consent of victims to share data is recorded. Counsellor contracts require contains data protection requirments. Contract with Gallery Partnerhip (data processor) is GDPR compliant.			
			Pre-Trial Therapy/Disclosure implications					SM in discussions with TVP about disclosure generally. Policy Officer tasked to draft pre-trial therapy protocol (which counsellors will be required to sign up to). Policy Manager copied into and monitoring disclosure requests.			
Before Mitigation											
Impact	Likelihood	Risk Rating									
3.65	3.00	10.95									
Residual Score											
Impact	Likelihood	Risk Rating									
2.62	2.67	6.98									
Proposed Action Plan				Action Owner	Target Date	Current status					
Initial review of process and data stored on Apricot to take place by OPCC Policy manager and Data Quality Officer when				SM	31-Jul-18	Not yet started. Initial discussions held with Circles SE who are working on a quote for end-to-end review.					
If required, external consultant will be recruited to conduct end-to-end quality and compliance review.				SM	30-Sep-18	Dependent on 1 above					
Develop Counselling Service performance management regime and KPIs, to be monitored as part of Hub management				SM	30-Sep-18	MoJ perfomance framework received and to be implemented with counsellors					
Consider counselling service manager option				SM	30-Sep-18	Dependant on 1 and 2 above. Plan to advertise role to support counselleing service development and ongoing work, as well as support with regards other specialist services, particularly SA/DA. Role will be recruited sooner in order to assist with review.					
Consider where day-to-day management of counselling service sits, whether within Hub, OPCC or out-sourced, as part				SM	30-Sep-18	Dependant on 1 and 2 above					
Draft Pre-Trial Therapy protocol, to be agreed by TVP Prosecutions group.				WW	30-Sep-18	In progress.					

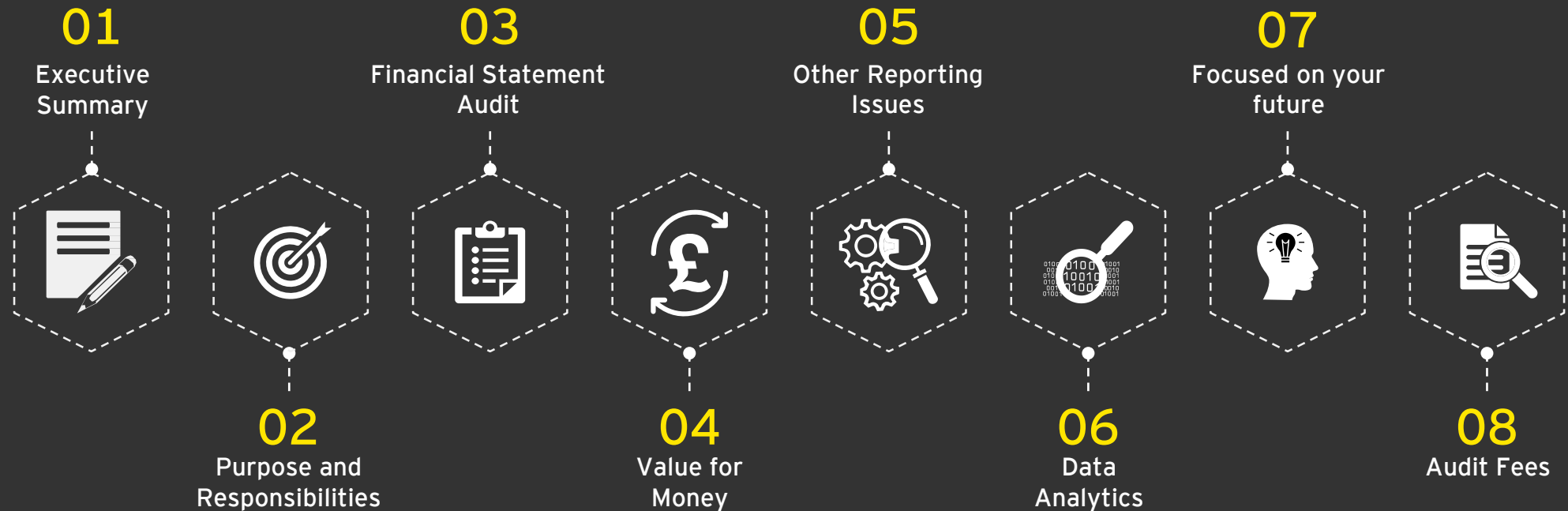
URN	OPCC 22	Date Raised	14.6.18	Raised By	SM	Risk Owner	SM	Review Date		Force Objectives	
Risk Description			Consequences					Existing Controls			
Upgrade of Niche RMS by TVP leads to disruption or inability to provide a victims data extract in form that can be uploaded onto Apricot CMS in Victims First Hub			Gap or loss of service for victims					Highlight of potential issue to ICT via Catherine Troup to ensure work is scheduled.			
			Reputational damage					Possible option to return to manual input provided some form of spreadsheet can be provided.			
			Loss of efficiency of working in Hub					Other referral options in place, eg. referral through website, email etc, could be used by TVP officers.			
Before Mitigation											
Impact	Likelihood	Risk Rating									
3.56	3.67	13.06									
Residual Score											
Impact	Likelihood	Risk Rating									
2.31	2.67	6.17									
Proposed Action Plan				Action Owner	Target Date	Current status					
Highlight with TVP and monitor towards Niche upgrade go-live				SM	Oct-18	Niche upgrade currently postponed until Oct.					
Roll out and advertising of self-referral routes via Victims First Connect				CH	Oct-18	Roll out plan prepared					
Preparation of internal TVP communications, for instant use in worst case scenario.				CH	Sep-18						

**The Police and Crime
Commissioner & Chief Constable
for Thames Valley Police**

Annual Audit Letter for the year
ended 31st March 2018

September 2018

Contents



Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website (www.psaa.co.uk)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The 'Terms of Appointment (updated 23 February 2017)' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Annual Audit Letter is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure - If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.



01 Executive Summary

Executive Summary

We are required to issue an annual audit letter to the Police and Crime Commissioner for Thames Valley (PCC) and Chief Constable for Thames Valley Police (CC) following completion of our audit procedures for the year ended 31 March 2018.

Below are the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
Opinion on the PCC and CC:	Unqualified – the financial statements give a true and fair view of the financial position of the PCC and CC as at 31 March 2018 and of its expenditure and income for the year then ended.
▶ Financial statements	
▶ Consistency of other information published with the financial statements	Other information published with the financial statements was consistent with the Annual Accounts.
Concluding on the PCC and CC's arrangements for securing economy, efficiency and effectiveness	We concluded that the PCC and CC have put in place proper arrangements to secure value for money in their use of resources.

Area of Work	Conclusion
Reports by exception:	
▶ Consistency of Governance Statements	The Governance Statements were consistent with our understanding of the PCC and CC.
▶ Public interest report	We had no matters to report in the public interest.
▶ Written recommendations to the PCC and CC, which should be copied to the Secretary of State	We had no matters to report.
▶ Other actions taken in relation to our responsibilities under the Local Audit and Accountability Act 2014	We had no matters to report.

Area of Work	Conclusion
Reporting to the National Audit Office (NAO) on our review of the PCC and CC's Whole of Government Accounts return (WGA).	We have concluded our work on the WGA submission. We have no issues we need to report.

Executive Summary (cont'd)

As a result of our audit work we have also:

Area of Work	Conclusion
Issued a report to those charged with governance of the PCC and CC communicating significant findings resulting from our audit.	Our Audit Results Report was issued on 7 July 2018 and discussed at the Joint Independent Audit Committee meeting on 13 July 2018
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice.	We issued our audit completion certificates to the PCC and CC on 29 August 2018.

We would like to take this opportunity to thank the PCC and CC's staff for their assistance during the course of our work.

Maria Grindley

Associate Partner

For and on behalf of Ernst & Young LLP



02

Purpose and Responsibilities

Purpose and Responsibilities

The Purpose of this Letter

The purpose of this annual audit letter is to communicate to Members and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to the attention of the PCC and CC. We have already reported the detailed findings from our audit work in our 2017/18 Audit Results Report to the PCC and CC, representing those charged with governance. This was presented at the Joint Independent Audit Committee meeting on 13 July 2018. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the PCC and CC.

Responsibilities of the Appointed Auditor

Our 2017/18 audit work has been undertaken in accordance with the Audit Plan that we issued in March 2018 and is conducted in accordance with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office.

As auditors we are responsible for:

- ▶ Expressing an opinion:
 - ▶ On the PCC and CC 2017/18 financial statements, including the police pension fund; and
 - ▶ On the consistency of other information published with the financial statements.
- ▶ Forming a conclusion on the arrangements the PCC and CC had to secure economy, efficiency and effectiveness in its use of resources.
- ▶ Reporting by exception:
 - ▶ If the annual governance statements are misleading or not consistent with our understanding of the PCC and CC;
 - ▶ Any significant matters that are in the public interest;
 - ▶ Any written recommendations to the PCC and CC, which should be copied to the Secretary of State; and
 - ▶ If we have discharged our duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on your Whole of Government Accounts return. The extent of our review and the nature of our report are specified by the NAO.

Responsibilities of the PCC & CC

The PCC and CC is responsible for preparing and publishing its statement of accounts accompanied by an Annual Governance Statement. In the AGS, the PCC and CC reports publicly each year on how far it complies with their own code of governance, including how they have monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period.

The PCC and CC are also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources.



03

Financial Statement Audit

Financial Statement Audit

Key Issues

The PCC and CC's Statement of Accounts is an important tool for the PCC and CC to show how they have used public money and how they can demonstrate their financial management and financial health.

We audited the PCC and CC's Statement of Accounts in line with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office and issued unqualified audit reports on 13 July 2018.

Our detailed findings were reported to the 13 July 2018 Joint Independent Audit Committee.

The key issues identified as part of our audit were as follows:

Significant Risk	Conclusion
Misstatements due to fraud or error The financial statements as a whole are not free of material misstatements whether caused by fraud or error. As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.	We obtained a full list of journals posted to the general ledger during the year, and analysed these journals using criteria we set to identify any unusual journal types or amounts. We then tested a sample of journals that met our criteria and tested these to supporting documentation. We considered accounting estimates and any judgements made as to its reasonableness. Key estimates we considered were in relation to Property, Plant and Equipment and also in respect of the IAS 19 Pension Liability. We evaluated the business rationale for any significant unusual transactions [add specific details as required]. We have not identified any material weaknesses in controls or evidence of material management override. We have not identified any instances of inappropriate judgements being applied. We did not identify any other transactions during our audit which appeared unusual or outside the PCC and CC's normal course of business.

Financial Statement Audit (cont'd)

The key issues identified as part of our audit were as follows: (cont'd)

Significant Risk	Conclusion
<p>Risk of fraud in revenue and expenditure recognition</p> <p>Auditing standards also required us to presume that there is a risk that revenue and expenditure may be misstated due to improper recognition or manipulation.</p> <p>We respond to this risk by reviewing and testing material revenue and expenditure streams and revenue cut-off at the year end.</p>	<p>We:</p> <ul style="list-style-type: none"> - Reviewed and tested revenue and expenditure recognition policies; - Reviewed and discussed with management any accounting estimates on revenue or expenditure recognition for evidence of bias; - Developed a testing strategy to test material revenue and expenditure streams; - Reviewed and tested cut-off at the period end; and - Reviewed capital expenditure on property, plant and equipment to ensure it meets the relevant accounting requirements to be capitalised. <p>Our testing has not identified any material misstatements from revenue and expenditure recognition.</p> <p>Overall our audit work did not identify any material issues or unusual transactions to indicate any misreporting of the PCC and/or CC's financial position.</p>



Other Areas of Audit Focus



Valuation methods applied

Financial statement area	Valuation method applied and related disclosures	Impact of changes made to the valuation method applied
Valuation of Property, Plant and Equipment impacting on the Comprehensive Income and Expenditure Statement, the Balance Sheet, Unusable Reserves and various disclosures	Valuations applied in line with CIPFA Code & IAS 16 Property, Plant and Equipment (PPE).	We noted no change to the valuation method applied
Valuation of the IAS 19 Pension Liability Equipment impacting on the Comprehensive Income and Expenditure Statement, the Balance Sheet, Unusable Reserves and various disclosures	Valuations applied in line with CIPFA Code & IAS 19	<p>We noted some changes to the valuation method applied by Barnett Waddingham. This change was highlighted as a positive change by PWC in their review of Local Government actuaries.</p> <p>We used EY Pensions to assist us with the review of the Government Actuary Department assumptions in respect of the Police Pension Scheme. The EY review concluded that at a national level: 'The methodologies used to derive the discount rate and CPI inflation assumptions are not robust as they do not take adequate account of the specific duration of the scheme's liabilities. In future years, this could lead to unacceptable assumptions.' We would suggest further dialogue with the actuary in this instance.</p> <p>In addition as part of our review of IAS 19 asset values on the Local Government Pension Scheme we identified an issue with some differences between the estimated fund value applied by the actuary as at November 2017 and the actual outturn on the fund value of the Buckinghamshire County Council Pension Fund as at 31st March 2018. This resulted in an overall difference of £26.6m from the actual total fund value. The Chief Constable's estimated share of this difference is £4.251m on the Chief Constable asset values.</p> <p>Rather than re-running all of the IAS19 disclosures it was agreed that this would be accounted for as an unadjusted mis-statement as it was an immaterial difference due to timing of the estimate.</p>



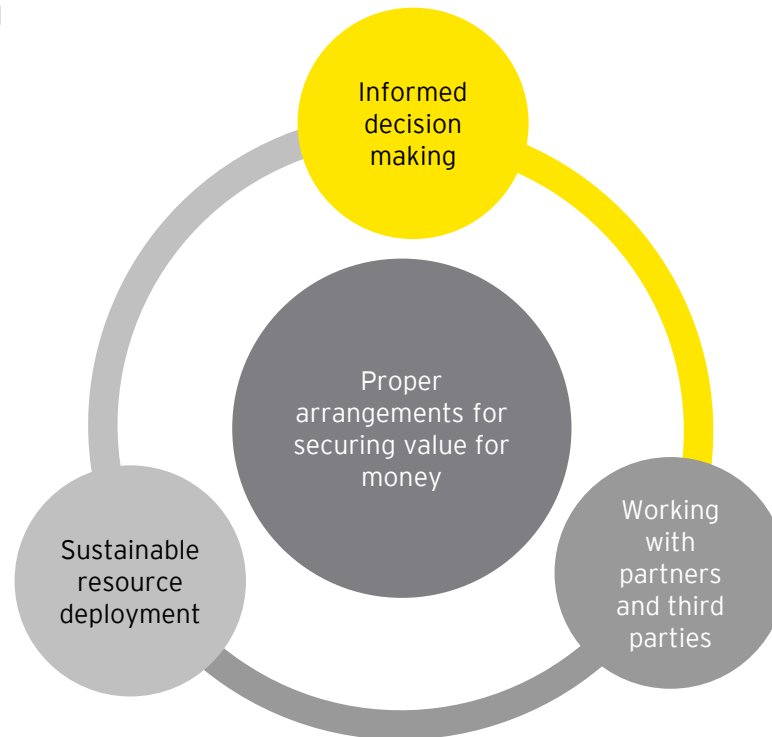
04 Value for Money

Value for Money

We are required to consider whether the PCC has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This is known as our value for money conclusion.

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- ▶ Take informed decisions;
- ▶ Deploy resources in a sustainable manner; and
- ▶ Work with partners and other third parties.



We did not identify any significant risks in relation to these criteria.

We have performed the procedures outlined in our audit plan. We did not identify any significant weaknesses in the PCC's arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We therefore issued an unqualified value for money conclusion on 13 July 2018.



05 Other Reporting Issues



Other Reporting Issues

Whole of Government Accounts

We are required to perform the procedures required by the National Audit Office on the accuracy of the consolidation pack prepared by the PCC and CC for Whole of Government Accounts purposes. We have concluded our work on the WGA. We have nothing we need to report.

Annual Governance Statement

We are required to consider the completeness of disclosures in the PCC and CC's annual governance statements, to identify any inconsistencies with the other information of which we are aware from our work, and consider whether it is misleading.

We completed this work and did not identify any areas of concern.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the PCC and CC or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Written Recommendations

We have a duty under the Local Audit and Accountability Act 2014 to designate any audit recommendation as one that requires the PCC and CC to consider it at a public meeting and to decide what action to take in response.

We did not identify any issues which required us to issue a written recommendation.



Other Reporting Issues (cont'd)

Objections Received

We did not receive any objections to the 2017/18 financial statements from members of the public.

Other Powers and Duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Independence

We communicated our assessment of independence in our Audit Results Report to the Joint Independent Audit Committee on 13 July 2018. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning regulatory and professional requirements.

Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit.

We have adopted a fully substantive approach and have therefore not tested the operation of controls.

We did not identify any controls issues that we needed to bring to the attention of the PCC, CC and the Joint Independent Audit Committee.



06

Data Analytics



Use of Data Analytics in the Audit

Data analytics – revenue and expenditure recognition and management override

Analytics Driven Audit

Data analytics

We used our data analysers to enable us to capture entire populations of your financial data. These analysers:

- ▶ Help identify specific exceptions and anomalies which can then be the focus of our substantive audit tests; and
- ▶ Give greater likelihood of identifying errors than traditional, random sampling techniques.

In 2017/18, our use of these analysers in the PCC and CC audit included testing journal entries and employee expenses, to identify and focus our testing on those entries we deem to have the highest inherent risk to the audit.

We capture the data through our formal data requests and the data transfer takes place on a secured EY website. These are in line with our EY data protection policies which are designed to protect the confidentiality, integrity and availability of business and personal information.

Journal Entry Analysis

We obtain downloads of all financial ledger transactions posted in the year. We perform completeness analysis over the data, reconciling the sum of transactions to the movement in the trial balances and financial statements to ensure we have captured all data. Our analysers then review and sort transactions, allowing us to more effectively identify and test journals that we consider to be higher risk, as identified in our audit planning report.

Payroll Analysis

We also use our analysers in our payroll testing. We obtain all payroll transactions posted in the year from the payroll system and perform completeness analysis over the data, including reconciling the total amount to the General Ledger trial balance. We then analyse the data against a number of specifically designed procedures. These include analysis of payroll costs by month to identify any variances from established expectations, as well as more detailed transactional interrogation.

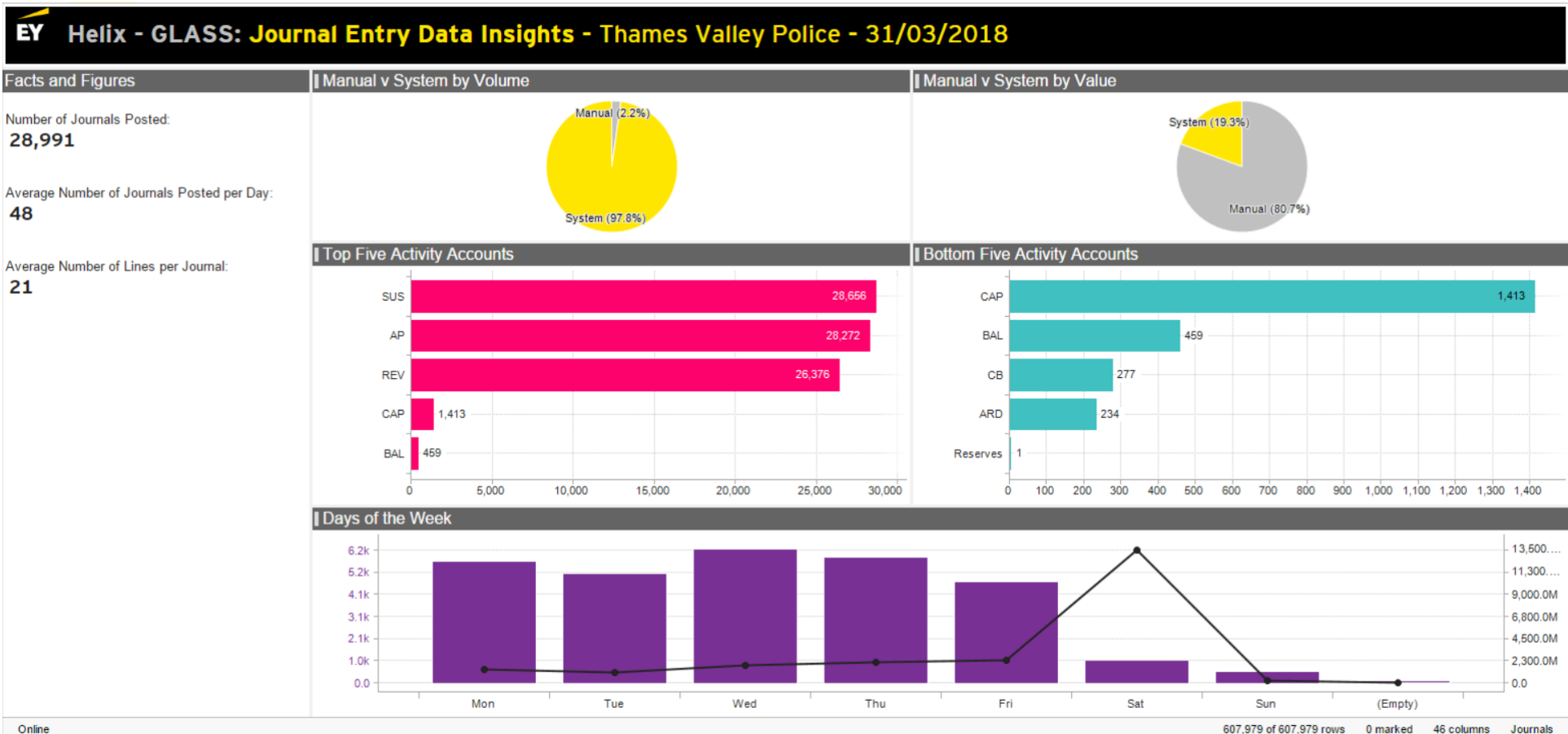


Data Analytics

Journal Entry Data Insights

The graphic outlined below summarises the Police Authorities journal population for 2017/18. We review journals by certain risk based criteria to focus on higher risk transactions, such as journals posted manually by management, those posted around the year-end, those with unusual debit and credit relationships, and those posted by individuals we would not expect to be entering transactions.

The purpose of this approach is to provide a more effective, risk focused approach to auditing journal entries, minimising the burden of compliance on management by minimising randomly selected samples. We will also share this information with management to provide additional insight and value from our audit procedures.





Journal Entry Testing

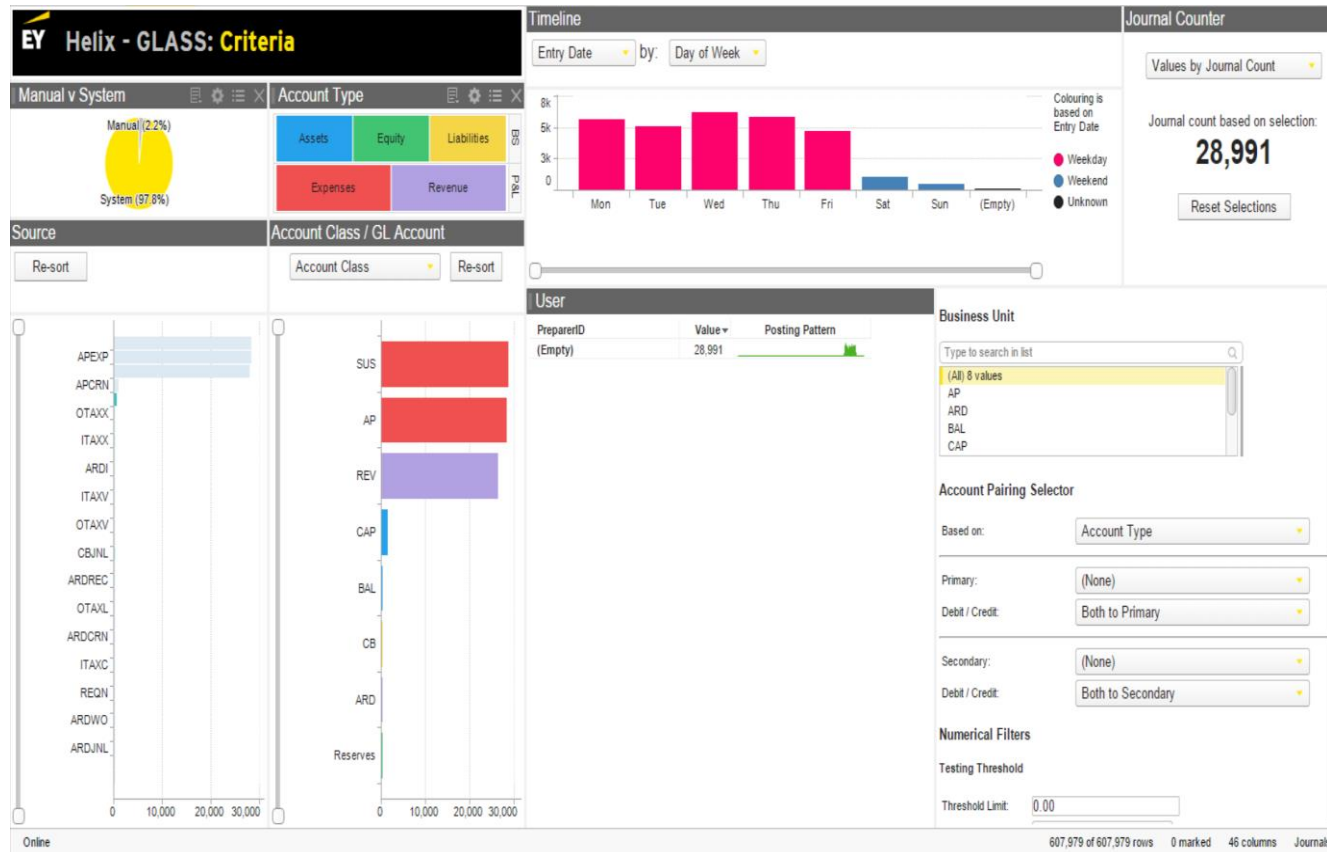
What is the risk?

In line with ISA 240 we are required to test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

What judgements are we focused on?

Using our analysers we are able to take a risk based approach to identify journals with a higher risk of management override, as outlined in our audit planning report.

Journal entry data criteria – 31st March 2018



What did we do?

We obtained general ledger journal data for the period and have used our analysers to identify characteristics typically associated with inappropriate journal entries or adjustments, and journals entries that are subject to a higher risk of management override.

We then performed tests on the journals identified to determine if they were appropriate and reasonable.

What are our conclusions?

We isolated a sub set of journals for further investigation and obtained supporting evidence to verify the posting of these transactions and concluded that they were appropriately stated.



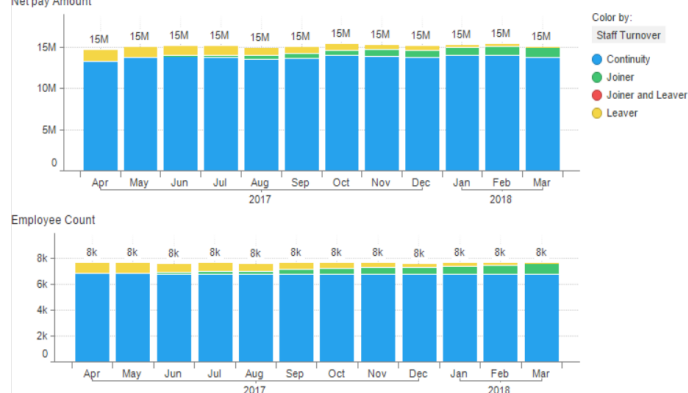
Payroll Testing

Payroll Analyser Insights

The graphic outlined below summarises the payroll data for 2017/18. We review transactions for payroll at a more granular level, which allows us to identify items with a higher likelihood of containing material misstatements or to identify unusual patterns within a population of data and to design tests of details.

Payroll Data – 31st March 2018

4.0 Monthly Summary: Net pay by Posting Date



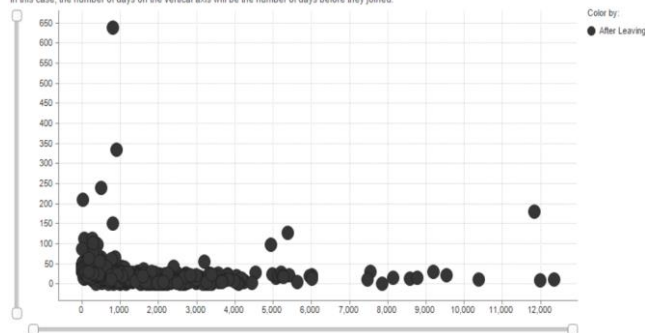
4.1 Monthly Summary: Net pay

Please select from bar or line graph in 4.0 to limit data shown.

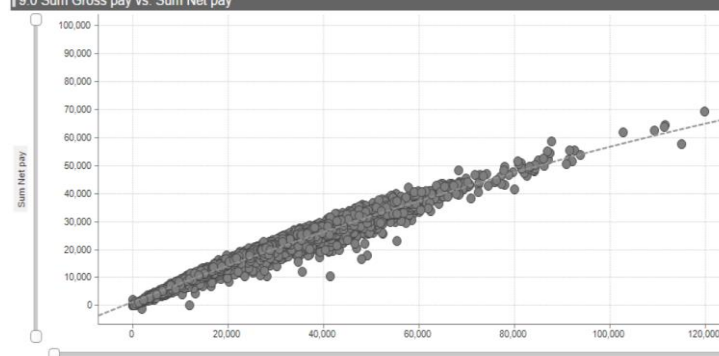
Year	Month	Total Net pay	Avg Per Transaction	% of Gross Pay	Nil Payments / Total	Monthly % Change
2017	Apr	14,590,423.25	1,929.18	66.38%	15/7563	
	May	14,996,929.50	1,983.98	66.65%	15/7559	2.79%
	Jun	15,049,137.77	1,994.32	66.55%	19/7546	0.35%
	Jul	15,024,240.29	1,987.07	66.59%	10/7561	-0.17%
	Aug	14,855,722.50	1,973.13	66.60%	11/7529	-1.12%
	Sep	14,949,486.24	1,976.14	66.57%	13/7565	0.63%
	Oct	15,315,793.95	2,022.15	66.63%	8/7574	2.45%
	Nov	15,206,912.86	2,010.43	66.69%	8/7564	-0.71%
	Dec	15,045,064.22	1,993.25	66.68%	5/7548	-1.06%
	Jan	15,210,172.17	2,006.88	66.76%	13/7579	1.10%
	Feb	15,286,719.50	2,013.26	66.89%	10/7593	0.50%
	Mar	14,976,955.27	1,971.95	66.75%	19/7595	-2.03%
Grand total		180,507,557.52	1,988.49	66.65%	146/90776	0.00%

8.1 Gross Pay vs. Days Lag

This shows the employees paid before joining or after leaving. If an employee leaves and returns, it is possible for them to be paid both before joining and after leaving. In this case, the number of days on the vertical axis will be the number of days before they joined.



9.0 Sum Gross pay vs. Sum Net pay



What judgements are we focused on?

Using our analysers we are able to identify anomalies in the payroll data which allow us to focus our testing and enquires over unusual or unexpected transactions.

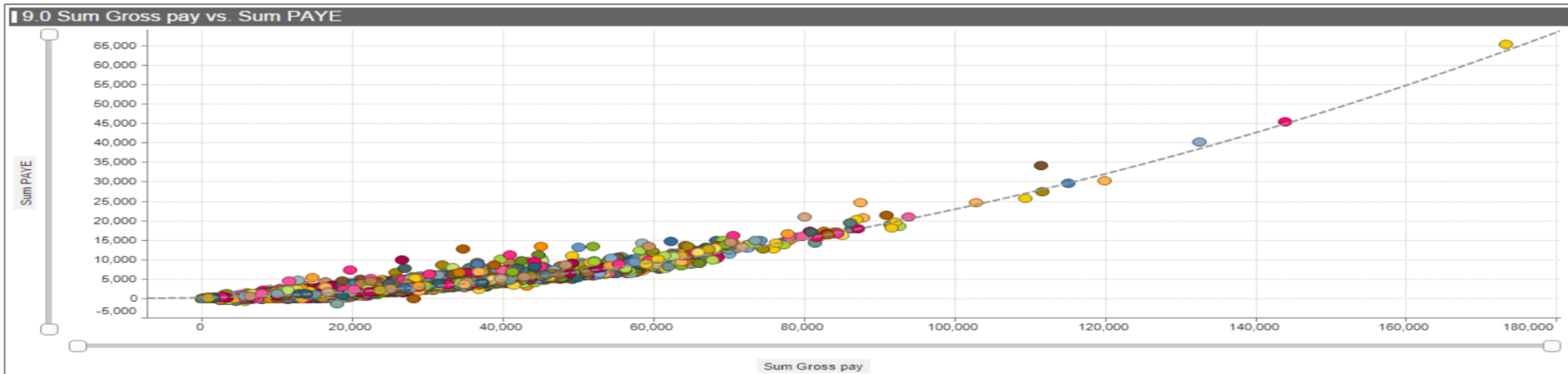
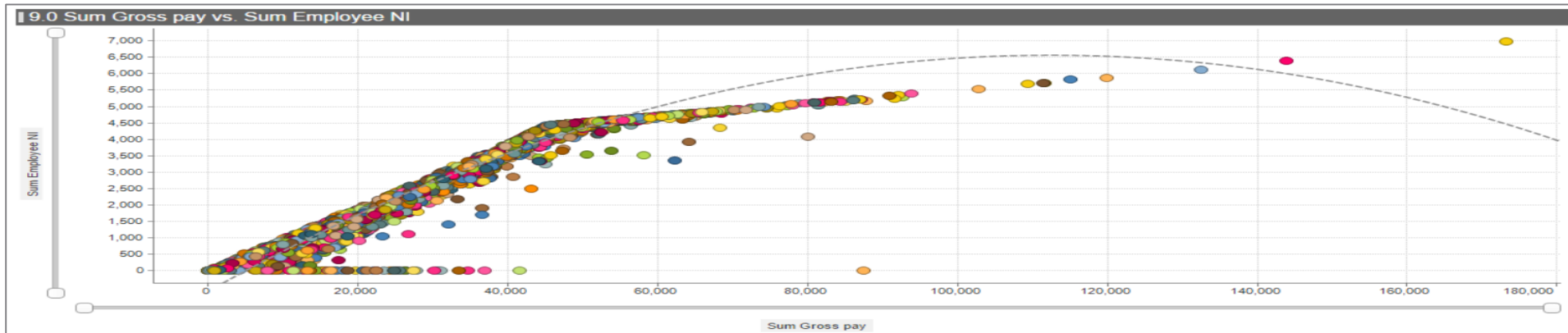
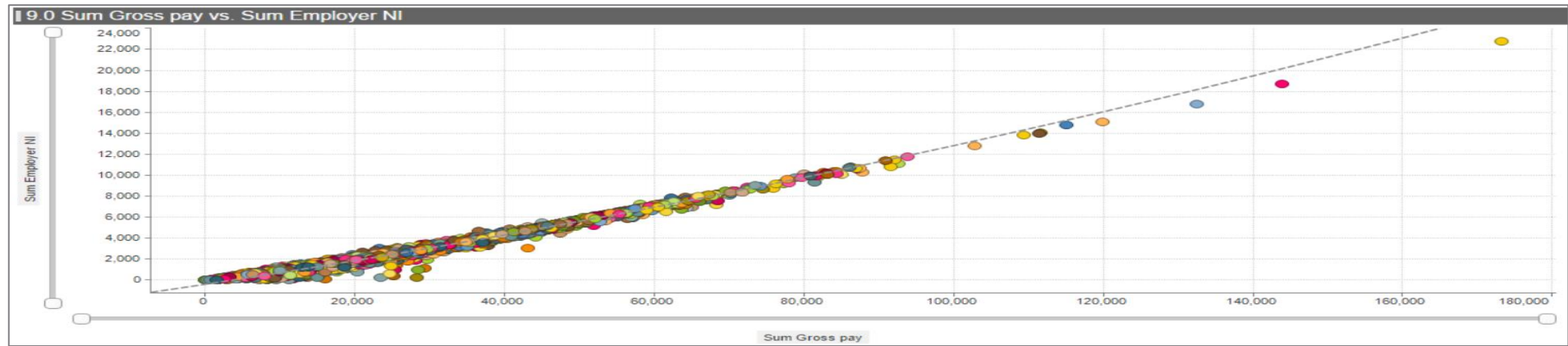
What did we do?

We obtained payroll data for the period and have used our analysers to identify unusual payments based on expectations of average pay per designation, date inconsistencies where payments made to individuals after they have left the organisation or before they have joined and payments made in the year that appears anomalous compare to average monthly payments.

We then tested the anomalies to determine if they were appropriate and reasonable.

What are our conclusions?

We isolated a sub set of anomalies for further investigation and obtained supporting evidence to verify the posting of these transactions and concluded that they were appropriately stated.





07

Focused on your future



Focused on your future

The Code of Practice on Local Authority Accounting in the United Kingdom introduces the application of new accounting standards in future years. The impact on the PCC is summarised in the table below.

Standard	Issue	Impact
IFRS 9 Financial Instruments	<p>Applicable for local authority accounts from the 2018/19 financial year and will change:</p> <ul style="list-style-type: none"> ▶ How financial assets are classified and measured; ▶ How the impairment of financial assets are calculated; and ▶ The disclosure requirements for financial assets. <p>There are transitional arrangements within the standard and the 2018/19 Accounting Code of Practice for Local Authorities has now been issued, providing guidance on the application of IFRS 9. In advance of the Guidance Notes being issued, CIPFA have issued some provisional information providing detail on the impact on local authority accounting of IFRS 9, however the key outstanding issue is whether any accounting statutory overrides will be introduced to mitigate any impact.</p>	<p>Although the Code has now been issued, providing guidance on the application of the standard, along with other provisional information issued by CIPFA on the approach to adopting IFRS 9, until the Guidance Notes are issued and any statutory overrides are confirmed there remains some uncertainty. However, what is clear is that the PCC will have to:</p> <ul style="list-style-type: none"> ▶ Reclassify existing financial instrument assets ▶ Re-measure and recalculate potential impairments of those assets; and ▶ Prepare additional disclosure notes for material items.
IFRS 15 Revenue from Contracts with Customers	<p>Applicable for local authority accounts from the 2018/19 financial year. This new standard deals with accounting for all contracts with customers except:</p> <ul style="list-style-type: none"> ▶ Leases; ▶ Financial instruments; ▶ Insurance contracts; and ▶ For local authorities; Council Tax and NDR income. <p>The key requirements of the standard cover the identification of performance obligations under customer contracts and the linking of income to the meeting of those performance obligations.</p> <p>Now that the 2018/19 Accounting Code of Practice for Local Authorities has been issued it is becoming clear what the impact on local authority accounting will be. As the vast majority of revenue streams of Local Authorities fall outside the scope of IFRS 15, the impact of this standard is likely to be limited.</p>	<p>As with IFRS 9, some provisional information on the approach to adopting IFRS 15 has been issued by CIPFA in advance of the Guidance Notes. Now that the Code has been issued, initial views have been confirmed; that due to the revenue streams of Local Authorities the impact of this standard is likely to be limited.</p> <p>The standard is far more likely to impact on Local Authority Trading Companies who will have material revenue streams arising from contracts with customers. Should the PCC create a Trading Company he/she would need to consider the impact.</p>



Focused on your future (cont'd)

Standard	Issue	Impact
IFRS 16 Leases	<p>It is currently proposed that IFRS 16 will be applicable for local authority accounts from the 2019/20 financial year.</p> <p>Whilst the definition of a lease remains similar to the current leasing standard; IAS 17, for local authorities who lease a large number of assets the new standard will have a significant impact, with nearly all current leases being included on the balance sheet.</p> <p>There are transitional arrangements within the standard and although the 2019/20 Accounting Code of Practice for Local Authorities has yet to be issued, CIPFA have issued some limited provisional information which begins to clarify what the impact on local authority accounting will be. Whether any accounting statutory overrides will be introduced to mitigate any impact remains an outstanding issue.</p>	<p>Until the 2019/20 Accounting Code is issued and any statutory overrides are confirmed there remains some uncertainty in this area.</p> <p>However, what is clear is that the PCC will need to undertake a detailed exercise to identify all of its leases and capture the relevant information for them. The PCC must therefore ensure that all lease arrangements are fully documented.</p>



08 Audit Fees

Audit Fees

Our fee for 2017/18 is in line with the scale fee set by the PSAA and reported in our March 2018 Audit Plan

Description	Final Fee 2017/18 £	Planned Fee 2017/18 £	Scale Fee 2017/18 £	Final Fee 2016/17 £
Total Audit Fee - PCC Code work	£40,538	£40,538	£40,538	£40,538
Total Audit Fee - CC Code work	£18,750	£18,750	£18,750	£18,750
Total	£59,288	£59,288	£59,288	£59,288

We confirm we have not undertaken any non-audit work outside of the PSAA's requirements.

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ED None

EY-000070901-01 (UK) 07/18. CSG London.



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A photograph of three people in an office environment. A woman with short dark hair, wearing a light-colored blazer, is leaning over a desk. Behind her, a man with a shaved head in a light blue sweater is looking at a document. To the right, another man with short grey hair, wearing a white button-down shirt, is seated at the desk and looking down at a large open folder or report. The desk is dark wood and reflective. The background shows office windows and partitions.

Police sector audit committee briefing

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Committee **9**

Find out
more **9**

This sector briefing is one of the ways that we support you and your organisation in an environment that is constantly changing and evolving.

It covers issues which may have an impact on your organisation, the Police sector, and the audits that we undertake.

The briefings are produced by our public sector audit specialists within EY's national Government and Public Sector (GPS) team, using our public sector knowledge, and EY's wider expertise across UK and international business.

The briefings bring together not only technical issues relevant to the Police sector but wider matters of potential interest to you and your organisation.

Links to where you can find out more on any of the articles featured can be found at the end of the briefing.

We hope that you find the briefing informative and should this raise any issues that you would like to discuss further please contact your local audit team.



Government and economic news

EY ITEM Club

The EY ITEM Club has produced a briefing that provides a view of economic shifts and trends for local authorities to consider. It suggests that 2018 will see a continuation of the mediocre economic performance seen in 2017. This will provide a number of challenges for local authorities at a time when the need to achieve key objectives, such as driving economic growth locally, become ever more important.

Continued economic pressures in 2018

Police Forces are likely to find the UK's economic performance stumbling through 2018, with GDP growth now failing to keep up with a rosier outlook for the global economy.

The UK's GDP growth averaged 1.7% throughout 2017, outperformed by growth across the G7 economies. This reflects an economy that has displayed a degree of stability in recent quarters, but also a lack of momentum in both absolute and relative terms. GDP growth is forecasted to remain consistent at 1.7% 2018 and 2019, representing a sub-par growth by the standards of both history and the UK's international peers.

A number of economic metrics are likely to influence decision making in the year ahead:

- ▶ The CIPS/Markit Index indicated a tough few months for the UK economy at the start of 2018, influenced by a prolonged bout of bad weather. The construction sector was worst hit, with the Index suggesting a slump in March to 47.0 from the previous month's 51.4, suggesting a contraction in activity. This could impact both infrastructure and house building activity
- ▶ 2017's increasing inflation rate created the chief headwind to growth in the year. However from a consumer's point of view, the growth in average earnings will likely outpace the inflation rate. Local authorities will need to consider the impact on their workforce, including consideration towards workforce retention
- ▶ The economy faces a headwind from the prospect of rising interest rates, caused by inflation likely to stay above the 2% target and the tone of the Bank of England Monetary Policy Committee. The EY ITEM Club forecasts two further interest rate rises of 0.25% in the coming year. Local authorities need to consider the impact of this, for example on variable rate borrowing costs and also on broader treasury management plans

Implementation of the Police Pay Award 2017-18 and amendments to Temporary Promotion Arrangements

The Home Office have announced details of the Police Pay Awards settlement following the announcement from the Home Secretary in September 2017 of her decision to implement the recommendations arising from the Senior Salaries Review Board (SSRB) and the Police Remuneration Review Body (PRRB).

The pay award takes effect from 1 September 2017 and includes:

- ▶ A 1% consolidated basic pay award for all ranks
- ▶ An additional 1% non-consolidated award to the value of 1% of basic pay for all officers at federated and superintending ranks
- ▶ A 1% increase for London Weighting
- ▶ A 1% increase to the Dog Handlers' Allowance

The above applies to all police officers in England and Wales.

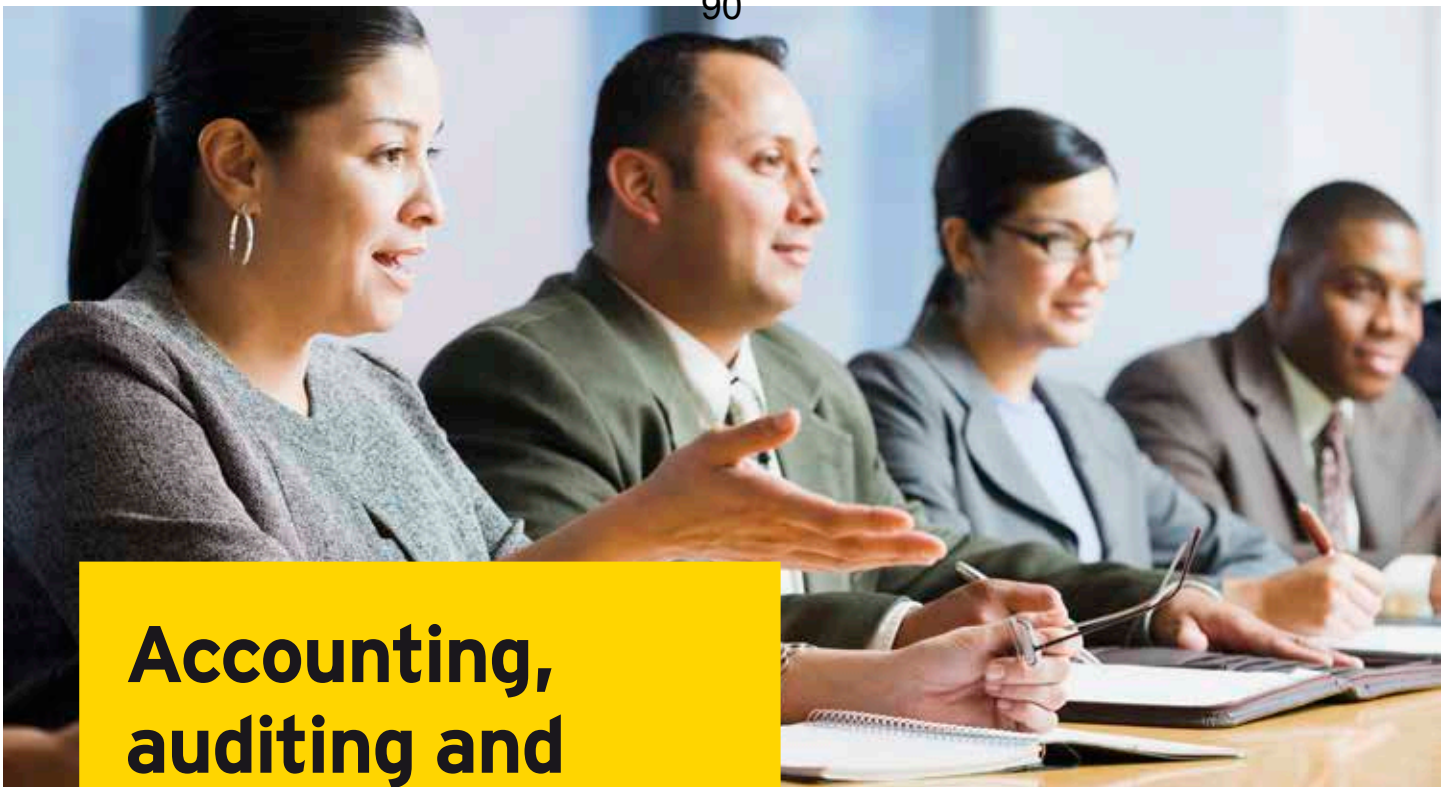
In addition to the above changes the Home Office also announced changes in reward for officers in temporary positions and those officers currently 'acting up' at the rank of superintendent or above. This would be in the form of a one off non-pensionable payment in lieu of pensionable pay.

Policing and Crime Bill: Overarching Documents

The Policing and Crime Bill introduced by the last Government brought major changes in policing in England and Wales with key changes such as the introduction of Police and Crime Commissioners, an enhanced Independent Police Complaints Commission (IPCC) and a strengthened inspectorate.

The current Government intend on 'finishing the job' with further provisions within the Bill. The key changes are focused on a number of key areas. These include:

- ▶ Strengthening confidence in the police complaints system by reforming the police complaints and disciplinary system. This would see a strengthened role for PCC's and the IPCC and also greater protection for police whistle blowers. PCC's would in effect become the appellate body for those appeals currently heard by Chief Constables
- ▶ Chief Constables would also be able to designate a greater range of powers on police staff and volunteers
- ▶ The terms of the Deputy PCC is extended so that, in the event of a PCC vacancy occurring (either through death or retirement) the term automatically ends when the new PCC takes office rather than, as now, upon the former PCC ceasing to hold office



Accounting, auditing and governance

IFRS 9: Financial Instruments ... just an accounting change isn't it?

On 4 April 2018 the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) for 2018/19 was issued by a joint board of CIPFA/LASAAC. The updated Code of Practice for 2018/19 introduces two new reporting standards, IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers, which was discussed in detail in the last briefing.

The implementation of IFRS 9: Financial Instruments in the 2018/19 Local Government Accounting Code could well have an impact on Local Authority (including police bodies) budgets and ultimately General Fund reserve levels.

The IFRS impacts on an authority's financial assets: the investments it holds; the amounts it has lent to others; and other monetary based assets it may have. It changes how these financial assets are classified and how movements in their value are accounted for. It also changes how these assets are impaired; based on the risk that the assets may not be recovered in full, or at all.

Classification changes

Currently, many Local Authority financial assets are classified as 'Available for Sale'. For these assets, an accounting adjustment is permitted to ensure that movements in the value of these assets does not impact on the General Fund. Under IFRS 9, the 'Available for Sale' classification no longer exists. Local Authorities will therefore have to reclassify their financial assets into one of the three classifications allowed under the standard: amortised

costs; fair value movement through other comprehensive income; and fair value movement through profit and loss. It is this final category which is causing Local Authorities concern, as any movement in the value of assets in that classification will impact directly on General Fund balances, and at present there is no permitted accounting adjustment to remove that impact.

Collective Investment Schemes

Many authorities are now investing significant amounts in a range of collective investment schemes, such as the CCLA Local Authority Property Fund. At present there is significant debate about the classification of these funds, with the majority view being that they would be classified as fair value movement through profit and loss, with those movements therefore impacting on General Fund. The alternative view is that these funds meet the definition of equity and could therefore be reclassified to fair value movement through other comprehensive income, with the value movements not impacting General Fund. This specific issue is being considered by central government and CIPFA, and it is likely that a permitted accounting entry will be introduced to allow the impact of value movements for these type of funds to be removed from the General Fund.

Impairment of financial assets

Under the current approach, Local Authorities only have to provide for impairments to financial assets when there is objective evidence that all of the value of the asset may not be recovered; IFRS 9 introduces a new model for financial asset impairment. Under the new impairment model, Local Authorities will need to

make an estimate of the potential loss on all financial assets at the inception of that asset, even if there is no objective evidence that a loss will occur. This will obviously result in a higher impairment charge for financial assets going forward, and that charge will impact on General Fund.

In summary, the introduction of IFRS 9 into the Code is more than just an accounting change and Local Authorities will have to keep a very close eye on the budgetary impact.

CIPFA/LASAAC consultation on IFRS 16 Leases

CIPFA has issued the first of a series of briefings intended to assist practitioners engage in the consultation process for the adoption of IFRS 16 in the 2019/20 Code. Each briefing will focus on particular aspects of the standard whilst also updating stakeholders on latest developments. The first briefing focuses on recognition and measurement and the adaptations to the Code for the adoption of IFRS 16.

IFRS 16 replaces IAS 17 Leases and its related interpretations. It will apply to the 2019/20 financial statements subject to the consultation process and CIPFA/LASAAC's decisions for adoption in the 2019/20 Code. The changes introduced by the standard will have substantial practical implications for local authorities that currently have material operating leases, and are also likely to have an effect on the capital financing arrangements of the authority.

The new leasing standard will lead to a significant change in accounting practice for lessees for whom the current distinction between operating and finance leases will be removed. Instead it requires that a lessee recognises assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is of low value. At the commencement date of the lease, a lessee will recognise a right-of-use asset representing its right to use the underlying leased property, and a lease liability representing the lessee's obligation to make lease payments for the asset.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. Subsequently, lessees increase the lease liability to reflect interest, and reduce the liability to reflect lease payments made (as with finance leases under IAS 17).

The right of use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the lessee's initial direct costs (e.g., commissions), and an estimate of restoration, removal and dismantling costs. Subsequently, the right of use asset is depreciated in accordance

with IAS 16. (In certain circumstances, alternative subsequent measurement bases for the ROU asset may apply (in accordance with IAS 16 and IAS 40 Investment Property).

The standard has a set of specific mandatory disclosure requirements (e.g., expenses, cash flows), and also an additional requirement for a lessee to disclose any further information a user would need to assess effect leases have on the financial statements.

CIPFA will be liaising with a number of authorities across the UK to consider the cost and benefit implication of adoption of IFRS 16, as well as the impact on information requirements, the processes and systems used by local authorities.

Future briefings to support the implementation of this new standard will cover topics such as identifying the lease, recognition exemption, issues for lessors and transitional reporting arrangement, to name a few. A readiness assessment questionnaire has been included in the consultation to help local authorities in their preparations. CIPFA/LASAAC is requesting authorities to share this information in order to assess the overall preparedness for adoption on a larger scale.

Audit Committee Effectiveness Toolkit

Audit Committees are a vital part of any entity as they are charged with overseeing governance arrangements throughout their organisations. Over the past few years Audit Committees have experienced enhanced scrutiny from regulators and stakeholders with new guidance on good governance arrangements, public sector internal audit standards, managing risk and preventing fraud; whilst at the same time there has been the need to deliver better value for money for taxpayers.

Therefore it is vital that every Audit Committee is prepared, ready and are able to fulfil their role in an effective manner. In order to assist Audit Committees in monitoring their performance, and assessing their effectiveness, EY has developed a Government and Public Sector specific 'Audit Committee Effectiveness Toolkit'.

The toolkit provides an opportunity for Audit Committees to critically assess their own effectiveness to determine if they meet the minimum standards as set out in CIPFA's Position Statement for Audit Committees. The toolkit will also help all members to understand their respective roles and responsibilities of being a member of an Audit Committee.

This toolkit is available as an additional service that can be provided. Further information regarding the Audit Committee Effectiveness Toolkit is available upon request through your local audit team.



Regulation news

2017 PEEL Assessments Published

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) published the final 2017 PEEL assessments having concluded their work across the three key strands of their assessment: Efficiency, Effectiveness and Legitimacy. The last of the assessments released was the Effectiveness assessment which was published in March 2018.

This was the fourth year of the revised PEEL assessments with each Force in England and Wales graded across four grades depending on performance. The HMICFRS inspector gives an overarching assessment including progress since the last PEEL inspection as well as challenges facing the force over the coming period. Local residents and other interested stakeholders can access the report for their local area via the HMICFRS website. The report also details other statistics of interest and compares each force at a local level with the national comparative. Comparatives include:

- ▶ Percentage of frontline policing
- ▶ Victim based crime statistics
- ▶ Cost per person per day

Force Management Statements

HMICFRS have released the Force Management Statements (FMS) self-assessment template with a submission deadline of 31 May 2018. In summary, the FMS is the Chief Constable's view of:

- ▶ The likely demand the force expects in the next four years
- ▶ The changes and improvements that will be needed to meet the demand
- ▶ Efforts the force will deliver to ensure that the gap between future demand and future capability is as small as possible
- ▶ The resources, in particular the money, the force will have to deliver on this

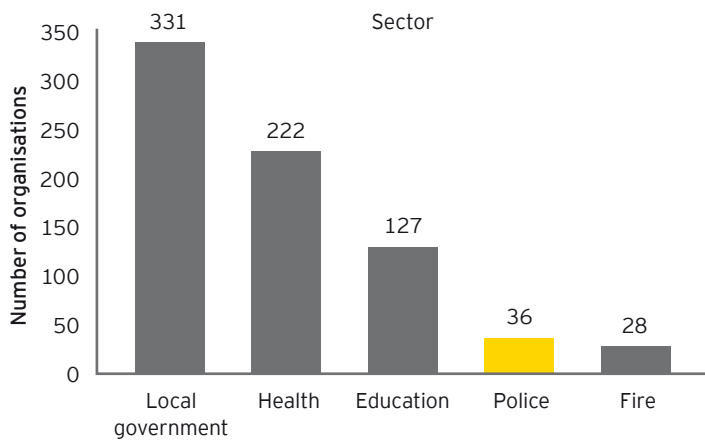
The FMS will assist HMICFRS in their review of efficiency and effectiveness. A further benefit to HMICFRS will be in targeting their work in those areas highlighted as posing the greatest risk to the public as understood by the Chief Constables.

Gender pay gap reporting

On 4 April 2018 employers in Great Britain with more than 250 staff were required by law to publish data on Gender Pay Gap for the first time. EY has analysed the gender pay gap data reported by 744 public sector bodies, including 36 Police Forces (See Figure 1 below).

Figure 1: Government and Public sector bodies reported on gender pay gap

Who reported



The gender pay gap is calculated by determining the difference between the mean or median hourly earnings for men and women, as a percentage of men's hourly earnings. We have analysed the Mean gender pay gap and the median gender pay gap below.

The education sector reported the largest average median pay gap (15.3%) with police as close second with an average median pay gap of 14.6% see Figure 2 below.

Figure 2: Average median pay gap

Average pay gap

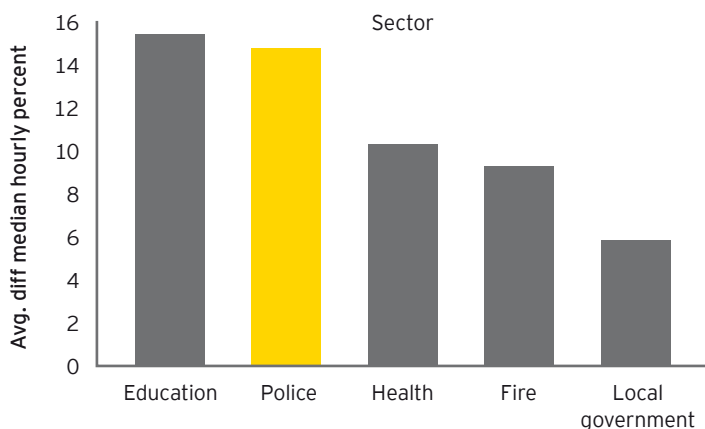
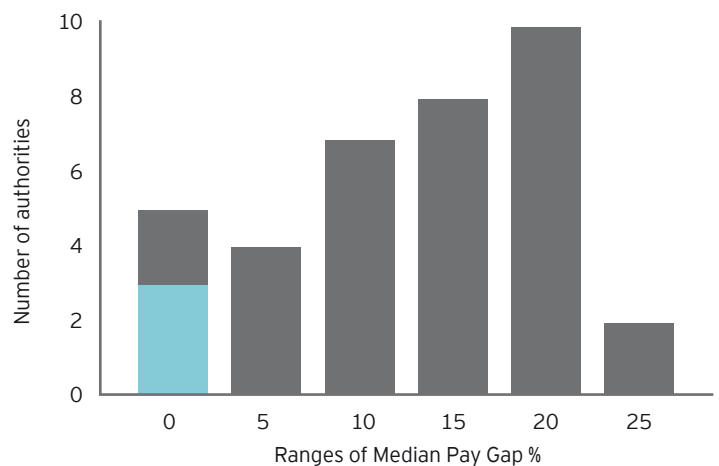


Figure 3 below sets out the % gap in median hourly pay between men and women reported by Police Forces. This shows that three authorities reported a zero pay gap, and the remaining 33 reported higher pay for men than women.

Figure 3: Difference in median hourly pay in Police

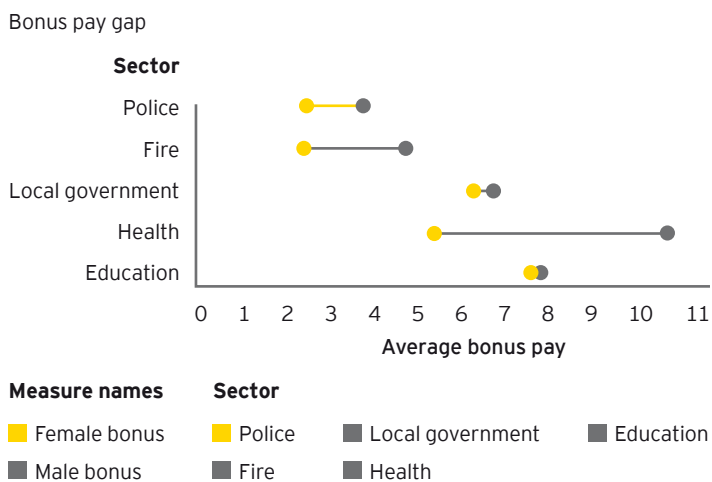
Difference in median hourly pay in fire sector, %



Difference in Median hourly pay as report by each organisation. Yellow represents instances where the median hourly pay was higher for women, Blue represents instances where there was no gender pay gap and grey corresponds to a median hourly pay gap where men are paid higher.

Colour shows details about reported pay gap %, where yellow colour means that women paid more, grey means men are paid more and blue shows a police authority where zero pay gap was reported.

Figure 4 below compares the bonus pay gap between men and women across different sectors. This shows that Police had the third lowest bonus pay gap.

Figure 4: Bonus pay gap in government and public sector

Making Tax Digital (MTD) for VAT: Changes from April 2019

From April 2019 it will be compulsory for VAT registered local authorities to comply with new requirements to be in line with HMRC regulations. Local authorities will need to:

- ▶ Keep and preserve digital tax records
- ▶ File VAT returns directly with HMRC using MTD compatible software

Whilst these requirements may not initially seem too burdensome, where a local authority is preparing VAT returns manually from legacy systems or multiple unconnected systems it may be a challenge (and time consuming) to fully understand and implement the necessary changes to be compliant with the MTD requirements.

With around only nine months before the new regulation comes into force local authorities will need to make sure that they have an appropriate readiness plan in place in order to comply with the new MTD obligations.

EY is recommending that local authorities prepare for MTD by creating a 'roadmap to April 2019' as soon as possible to allow for suitable time to implement changes before the deadline. This 'roadmap' should include:

1. An assessment of the current state and readiness for change
2. Evaluation of available technology solutions

Further information can be found at the end of this briefing- although where EY is the appointed auditor to an authority; it is prohibited from providing tax advice.

National Minimum/Living Wage legislation

Recent investigations from HMRC have seen an increase in Public Sector employers struggling to comply with the National Minimum/Living Wage (NMW/NLW) legislation. The NMW/NLW minimum wage for those over 25 is currently £7.83. Lower rates exist for those aged under 25 and apprentices. Whilst the NMW/NLW rates have been well publicised a number of public sector employers have been struggling to comply. A report by the Low Pay Commission, published in September 2017, raised concerns regarding the high rate of NMW/NLW breaches and specifically highlighted education support assistants and teaching assistants. Given the diverse nature of work undertaken by police employees it is important to review contracts and working practices across the different activities undertaken. This has resulted in an increase in enforcement activity in this sector. Some significant areas of focus include:

- ▶ Salaried workers whose hours are not actively monitored
- ▶ Defined dress code policies which may reduce the NMW/NLW pay
- ▶ Deductions, such as car parking charges paid by employees on facilities owned by the authority
- ▶ Salary Sacrifice which may in turn reduce the base pay for NMW/NLW

The impact of reputational damage from being publically named may outweigh any financial impact, which includes penalties of up to 200% of any arrears and lengthy HMRC investigations which could cover a period of six years.

EY have employed a number of former NMW/NLW Compliance Investigators, with significant knowledge and experience that will be able to provide insights on developing an effective approach to achieve compliance with legislation and improve monitoring procedures.

Further information can be found at the end of this briefing although where EY is the appointed auditor to an authority; it is prohibited from providing tax advice.

Key questions for the Audit Committee

- ▶ Has your authority assessed the impact of inflation and earnings growth on employee retention?
- ▶ Has your authority considered the impact of potential rises in interest rates over the next year or so, and reflected this in estimated costs of borrowing and on its broader treasury management strategy and medium term financial planning?
- ▶ Are the pay awards and forward settlements adequately reflected in forward medium term financial plans?
- ▶ Has your authority assessed the impact of the new accounting standards IFRS 9 Financial Instruments on your budgets?
- ▶ Has your authority assessed the impact IFRS 16 will have on cost, processes and system information?
- ▶ How is the effectiveness of your Audit Committee assessed and monitored?
- ▶ Having reviewed the 2017 PEEL Assessment for your force what are the challenges and risks for the medium term. Are these adequately reflected in the risk registers and forward plans?
- ▶ Is your Force Management Statement an accurate reflection of the force and its biggest challenges and risks?
- ▶ Have you considered the gender pay gap at your authority? Where there is a gender pay gap, what actions are being taken to reduce the gap?
- ▶ How prepared is your authority for the new Making Tax Digital (MTD) VAT requirements that will come into force from April 2019?
- ▶ How does your authority ensure that it complies with the National Minimum/Living Wage (NMW/NLW) legislation?

Find out more

EY ITEM Club Spring Forecast 2018

<https://www.ey.com/uk/en/issues/business-environment/financial-markets-and-economy#section1>

Implementation of the Police Pay Award 2017-18 and Amendments to Temporary Promotion Arrangements

<https://www.gov.uk/government/publications/circular-0022018-police-pay-award-2017-18-and-temporary-promotion-arrangements/circular-0022018-implementation-of-the-police-pay-award-2017-18-and-amendments-to-temporary-promotion-arrangements>

Policing and Crime Bill: overarching documents

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/537257/Factsheet_0_-_overview.pdf

Code of Practice Improvements

<http://www.cipfa.org/policy-and-guidance/publications/c/code-of-practice-on-local-authority-accounting-in-the-united-kingdom-201819-online>

<http://www.cipfa.org/about-cipfa/press-office/latest-press-releases/new-code-improves-transparency-of-transactions-in-local-government-finances>

<http://www.cipfa.org/policy-and-guidance/consultations/code-of-practice-on-local-authority-accounting-in-the-united-kingdom,-c,-consultation-on-ifrs-16-leases>

<http://www.cipfa.org/policy-and-guidance/technical-panels-and-boards/cipfa-lasaac-local-authority-code-board/local-authority-leasing-briefings>

<https://www.gov.uk/government/consultations/ifrs-16-leases-exposure-draft-1801>

Audit Committee Effectiveness Toolkit

Please contact your local audit team

PEEL 2017 Assessments

<https://www.justiceinspectorates.gov.uk/hmicfrs/news/news-feed/2017-peel-assessments-published/>

Force Management Statements

<https://www.justiceinspectorates.gov.uk/hmicfrs/about-us/what-we-do/force-management-statements/>

Making Tax Digital (MTD) for VAT: Changes from April 2019

<https://www.ey.com/gl/en/services/tax/digital-tax---why-digital-tax>

<https://www.gov.uk/government/publications/making-tax-digital/overview-of-making-tax-digital>

<https://www.icaew.com/en/technical/tax/making-tax-digital>

National Minimum/Living Wage legislation Compliance

<https://www.gov.uk/government/publications/enforcing-national-minimum-wage-law>

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ED None

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JOINT INDEPENDENT AUDIT COMMITTEE



Report for Information

Title: Progress on 2018/19 Joint Internal Audit Plan delivery and summary of matters arising from completed audits

Executive Summary:

The report provides details on the progress made in delivering the 2018/19 Joint Internal Audit Plan and on the findings arising from the audits that have been completed.

Recommendation:

The Committee is requested to note the progress and any changes in delivering the 2018/19 Joint Internal Audit Plan and audit service for Thames Valley Police (TVP) and the Office of the Police and Crime Commissioner (OPCC).

Chairman of the Joint Independent Audit Committee

I hereby approve the recommendation above.

Signature

Date

PART 1 – NON-CONFIDENTIAL

1 Introduction and Background

- 1.1 The report provides details on the progress made in delivering the 2018/19 Joint Internal Audit Plan for TVP and the OPCC and any findings arising from the audits that have been completed.

2 Issues for Consideration

Audit Resources

- 2.1 There have been no changes to or impacts on the Joint Internal Audit Team's resource plan for 2018/19, with the plan being delivered by the Chief Internal Auditor, Principal Auditor and TIAA Ltd (ICT audit provider).

2018/19 Audit Plan Status and Changes

- 2.2 The progress made in delivering the 2018/19 Joint Internal Audit Plan, as at the 7 September 2018, is shown in Appendix A and summarised in the table below.

Status	Number of Audits	% of Audits
To Start	11	48%
Scoping	2	8%
Fieldwork / Ongoing	5	22%
Exit Meeting	2	8%
Draft Report	1	4%
Final Report / Complete	2	8%
Complete (No Report)	0	0%
Removed	0	0%
TOTAL	23	100%

- 2.3 The following changes have been made to the Joint Internal Audit Plan 2018/19 since the previous JIAC meeting in July:

- Based on ICT's current workload and priorities, it has been agreed to remove the ICT Network Management audit, but increase the coverage for the Asset Management audit, as this is a greater area of risk.
- An additional review has been included on the outcome of the ICT Health Check with regard to the Protective Monitoring Process.
- A Governance & Service Improvement - Post Programme Review has been included.

- The only other changes have been some minor audit title updates and day allocation alterations.

2018/19 Performance Indicators

2.4 Local performance indicators are used by the section to ensure audits are completed promptly and to an acceptable standard. The table below summarises current performance against each indicator.

Ref.	Performance Indicator	Measurement and Target	Current Status	R/A/G
1	Testing Phase: Days between testing start date and file review.	4 x the agreed audit day allocation (original or revised). Green: 100-85% Amber: 70-84% Red: >69%	67% (2 / 3)	⇔
2	Reporting Phase: Days between Exit Meeting / Findings and Risk Exposure Summary and the Final Report.	40 days. Green: 100-85% Amber: 70-84% Red: >69%	0% (0 / 1)	⇔
3	Audit reviews completed within the agreed audit day allocation.	Each audit day allocation (original or revised). Green: 100-85% Amber: 70-84% Red: >69%	100% (2 / 2)	⇔
4	Joint Internal Audit Plan delivered.	Each audit review completed, excluding any agreed changes (i.e. removed audits). Green: 100% Amber: 90-99% Red: >89%	Year-end reporting	N/A
5	Annual Internal Audit Quality Questionnaire outcome.	Responses who strongly or tended to agree with the statements. Green: 100-95% Amber: 85-94% Red: >84%	Year-end reporting	N/A

2.5 The detail to support the current performance levels are:

- Two out of the three audits that have completed testing were delivered within the performance target. The one that did not was 12 days over, due to annual leave within the team.

- The one final audit report that has been issued was delivered outside the performance target by four days, due to discussions in agreeing the report content.
- The one audit that has been completed was delivered within the day allocation.
- The remaining two performance indicators will be reported at year end.

Completed Audit Outcomes

2.6 Appendix A contains the details of each audit, the scope and current status. Since the previous meeting and as at 7 September 2018, two audits have been completed:

- Contract Management – reasonable assurance.
- Limited Assurance Audit Follow Up – complete, no assurance rating.

2.7 Copies of Section 2 (Executive Summary) of the final reports have been circulated to the JIAC members, in advance of the meeting.

Fraud

2.8 The Cabinet Office's 2016/17 NFI exercise has been completed with all priority matches being reviewed and no issues being identified. The Payroll Team have also reviewed the optional mid-year mortality data matches, with no issues being identified.

2.9 Work on the 2018/19 NFI exercise has commenced and the team has been liaising with the relevant departments across the Force and the OPCC to ensure that the:

- Necessary communications are issued, in accordance with the NFI's guidance.
- The required data is extracted and submitted during October 2018, as per the NFI's data set details.

2.10 The 2018/19 NFI matches will be made available from the 31 January 2019.

2.11 The Joint Internal Audit Team have been notified of one recent issue by the Professional Standards Department (PSD) relating to the mishandling of property (cash). The issue was investigated by PSD and a management report produced, which was circulated to the relevant individuals. The property has been located and the report recommended actions, which include a review of local procedures for handling and tracking property. The issue has been noted by the team, but has not required a change to the current Audit Plan.

PSIAS Update

2.12 The Joint Internal Audit team's Public Sector Internal Audit Standards (PSIAS) self-assessment was reviewed and updated in April 2018. Following this exercise, the 2018/19 Quality Assurance and Improvement Programme (QAIP) Action Plan was collated (see Appendix B). The QAIP Action Plan identifies three areas that required addressing. The main area was a review of the team's Audit Charter. This has been completed, with no changes required. The current

version has been attached at Appendix C. The other two areas relate to actions from the team's external PSIAS assessment, both of which have been completed.

3 Financial comments

- 3.1 The Joint Internal Audit Plan can be delivered within existing budgetary provisions.

4 Legal comments

- 4.1 No known legal issues arise from the contents of this report.

5 Equality comments

- 5.1 No known equality issues arise from the contents of this report.

6 Background papers

- 6.1 Internal Audit Strategy and Annual Plan 2018/19.

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the website as soon as practicable after approval. Any facts and advice that should not be automatically available on request should not be included in Part 1 but instead on a separate Part 2 form. Deferment of publication is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of this form to be deferred? No

Is there a Part 2 form? No

Name & Role	Officer
Head of Unit This report provides the Committee with management information on the progress of delivery of the 2018/19 audit plan. This report has been produced in compliance with United Kingdom Public Sector Internal Audit Standards (PSIAS).	Chief Internal Auditor
Legal Advice No known legal issues arise from the contents of this report.	PCC Governance Manager
Financial Advice No known financial issues arise from the contents of this report.	PCC Chief Finance Officer
Equalities and Diversity No known equality issues arise from the contents of this report.	Chief Internal Auditor

OFFICER'S APPROVAL

We have been consulted about the proposal and confirm that financial and legal

advice have been taken into account in the preparation of this report.

We are satisfied that this is an appropriate request to be submitted to the Joint Independent Audit Committee.

PCC Chief Finance Officer (OPCC)

Date: 10 September 2018

Director of Finance (TVP)

Date: 11 September 2018

APPENDIX A

Disclaimer: Any matters arising as a result of the audits are only those which have been identified during the course of the work undertaken and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that could be made. It is emphasised that the responsibility for the maintenance of a sound system of management control rests with management and that the work performed by the Joint Internal Audit Team on the internal control system should not be relied upon to identify all system weaknesses that may exist. However, audit procedures are designed so that any material weaknesses in management control have a reasonable chance of discovery. Effective implementation of management actions is important for the maintenance of a reliable management control system.

Audit Review	Scope / Objective	Area	Planned Days (March 2018)	Planned Days (September 2018)	September 2018 Status	Actual Days
Body Worn Video (Strategy, Use and Storage)	The scope of the audit is yet to be determined.	ACC Crime & Criminal Justice	12 days	12 days	To start February 2019	N/A
County Drug Lines	The audit scope will focus on the following areas: - Strategy, Roles and Responsibilities. - Force Wide Arrangements and Communications. - Governance and Partnership Working.	ACC Crime & Criminal Justice	13 days	13 days	Fieldwork	N/A
Force MASH Arrangements	The scope of the audit is yet to be determined.	ACC Crime & Criminal Justice	15 days	15 days	To start January 2019	N/A
LPA Financial Controls	The scope of the audit is yet to be determined.	ACC Local Policing	13 days	13 days	Scoping	N/A
Partnership Arrangements – Information and Data Sharing	The audit scope will focus on the following areas: - Data Sharing Arrangements. - Data Sharing Processes and Analysis. - Partnership Governance and Monitoring.	ACC Local Policing	15 days	12 days	Fieldwork	N/A
Counter Terrorism Policing South East – Financial Management	The scope of the audit is yet to be determined.	ACC Regional Crime and Counter Terrorism	12 days	12 days	Scoping	N/A
ICT Asset Management	The scope of the audit is yet to be determined.	Chief Information Officer	10 days	12 days	To start January 2019	N/A

Audit Review	Scope / Objective	Area	Planned Days (March 2018)	Planned Days (September 2018)	September 2018 Status	Actual Days
ICT Knowledge Transfer	The audit scope will focus on the following areas: - Framework and Risk Management. - System Documentation. - Transitional Arrangements.	Chief Information Officer	10 days	10 days	Exit Meeting	N/A
ICT Network Management	The scope of the audit is yet to be determined.	Chief Information Officer	10 days	0 days	Removed	N/A
ICT Health Check (Protective Monitoring Process)	The scope of the audit is yet to be determined.	Chief Information Officer	0 days	8 days	To start November 2018	N/A
Information Management - General Data Protection Regulation	The scope of the audit is yet to be determined.	Chief Information Officer	12 days	12 days	To start November 2018	N/A
CTC Governance Arrangements	The audit scope will focus on the following areas: - Financial Management. - Service Performance and Risk Management. - Governance Structure and Reporting.	Deputy Chief Constable	12 days	10 days	Fieldwork	N/A
Force Risk Management and Business Continuity Arrangements	The scope of the audit is yet to be determined.	Deputy Chief Constable	8 days	8 days	To start December 2018	N/A
Force Performance Management and Delivery Plan Performance	The scope of the audit is yet to be determined.	Deputy Chief Constable	15 days	12 days	To start October 2018	N/A
Force Project Lessons Learnt and Benefits Realisation	The audit scope will focus on the following areas: - Lessons Learnt Process. - Benefits Realisation Process.	Deputy Chief Constable	15 days	12 days	Draft Report	N/A

Audit Review	Scope / Objective	Area	Planned Days (March 2018)	Planned Days (September 2018)	September 2018 Status	Actual Days
G&SI - Post Programme Review	The audit scope will focus on the following areas: - G&SI Benefits Profile Achievement. - G&SI Management Oversight and Monitoring. - G&SI Effectiveness and Added Value – Customer Experience.	Deputy Chief Constable	0 days	13 days	Exit Meeting	N/A
Contract Management	The audit scope will focus on the following areas: - Policies and Procedures. - Contract Management and Monitoring Arrangements. - Reporting, Monitoring and Oversight	Director of Finance	15 days	13 days	Final Report – Reasonable Assurance	13 days
Key Financial Controls	The scope of the audit is yet to be determined.	Director of Finance	13 days	13 days	To start November 2018	N/A
Actings and Promotions Process	The audit scope will focus on the following areas: - Acting Officer appointment process. - Management of Acting Officers. - Development for Promotion.	Director of People	11 days	11 days	Fieldwork	N/A
Recruitment Process	The scope of the audit is yet to be determined.	Director of People	11 days	11 days	To start January 2019	N/A
OPCC Statutory Responses (FOI, GDPR and Subject Access Requests)	The scope of the audit is yet to be determined.	Chief Executive Officer	10 days	10 days	To start November 2018	N/A
Victims First Hub	The scope of the audit is yet to be determined.	Chief Executive Officer	12 days	12 days	To start January 2019	N/A
Limited Assurance Audit Follow Up	The review will follow up on any limited assurances audits issued in 2016/17.	General	8 days	8 days	Complete	8 days
External Sources of Assurance	The review will capture any additional external sources of assurance which will contribute to the Annual Internal Audit Report 2018/19, including the Chief Internal Auditor's Annual Opinion Statement.	General	8 days	8 days	Ongoing	N/A

Audit Review	Scope / Objective	Area	Planned Days (March 2018)	Planned Days (September 2018)	September 2018 Status	Actual Days
		Total Planned Days	260 days	260 days		
JIAC Days	An agreed number of days for the Joint Independent Audit Committee to utilise should they require a specific piece of audit work being completed. (Note: these days are not currently resourced within the plan).	Other	10 days	10 days	To be Resourced	N/A

APPENDIX B 2018/19 QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME ACTION PLAN

Area	Ref	Standard	Compliance	Action	Owner	Date	Status
PSIAS - Attribute Standards	1000 Purpose, Authority and Responsibility	The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Definition of Internal Auditing, the Code of Ethics, and the Standards. Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards, and the Definition of Internal Auditing). The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.	Comply Fully	Review and update the Internal Audit Charter and present it to the Internal Audit Oversight Group (June 2018) and the Joint Independent Audit Committee (September 2018).	NS	30/09/2018	Complete.
PSIAS - Performance Standards	2240.A1	Work programmes must include the procedures for identifying, analysing, evaluating and documenting information during the engagement. The work programme must be approved prior to its implementation and any adjustments approved promptly.	Comply Partially	Accept the risk of not signing off the testing programme before testing commences. The Audit Planning document as well as the Final Audit Brief are both signed off prior to the audit testing commencing. There is also an internal quality review, once the testing is completed.	N/A	N/A	N/A
CIPFA Local Government Application Note - Attribute Standards	1230	Has the CAE defined the skills and competencies for each level of auditor?	Comply Partially	The team have up to date Job Descriptions, an annual appraisal process and an IIA CPD record that identifies core competencies. It is proposed that no further action is required.	N/A	N/A	N/A
CIPFA Local Government Application Note - Attribute Standards	1230	Does the CAE periodically assess individual auditors against the predetermined skills and competencies?	Comply Partially	The team have up to date Job Descriptions, an annual appraisal process and an IIA CPD record that identifies core competencies. It is proposed that no further action is required.	N/A	N/A	N/A
External Quality Assessment	R2	The Joint Independent Audit Committee should undertake annual reviews of its remit and effectiveness and carry out the review for 2017/18 as soon as practicably possible.	N/A	A survey on the effectiveness of the JIAC has been circulated. A copy of CIPFA's "Audit Committees: Practical Guidance for Local Authorities and Police (2017 Edition)" will be obtained and used to conduct an assessment of the JIAC's remit and effectiveness.	Dr. Louis Lee	30/06/2018	Complete.
External Quality Assessment	S2	Evaluate the specialist data interrogation and analysis software options and applications that are available, and obtain the best solution that meets the needs of the Service.	N/A	Force wide use of any data interrogation software will be investigated to identify if any systems have already been procured and are in use. If no system is identified, external options will be evaluated, based on service needs and added value.	NS	31/03/2018	Complete - Following a review of the options, costs and benefits, specific data analysis software will not be purchased. Current Force applications will continue to be used to extract and analyse data for sample testing purposes.

APPENDIX C



**JOINT INTERNAL AUDIT TEAM
AUDIT CHARTER**

1. Statutory Requirement

- 1.1 The Police and Crime Commissioner (PCC) for Thames Valley and the Chief Constable (Thames Valley Police) are required to maintain an effective internal audit of their affairs by the Accounts and Audit (England) Regulations 2015, which states that a relevant body must “undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control”.
- 1.2 The PCC's Chief Finance Officer (CFO) and Thames Valley Police's (TVP) Director of Finance (DoF) have statutory responsibility under Section 151 of the Local Government Act 1972 for ensuring an effective system of internal financial control and proper financial administration of the PCC's and TVP's affairs.
- 1.3 The Financial Management Code of Practice for the Police Forces of England and Wales (2013) recommends a joint Internal Audit service to cover both the OPCC and TVP.

2. Roles and Responsibilities (including the Joint Internal Audit Team's position within both organisations)

- 2.1 The PCC and the Chief Constable have adopted a Joint Corporate Governance Framework, which includes the Statement of Corporate Governance, Code of Corporate Governance, Scheme of Corporate Governance and Financial Regulations.
- 2.2 The framework includes the role of the PCC, Deputy PCC, PCC's Chief Executive, PCC's CFO, Chief Constable and Force DoF. The framework states that the PCC, Chief Constable, CFO and DoF are responsible for the provision of an adequate and effective Internal Audit service and provides detail on how the joint Internal Audit service is delivered within Thames Valley.
- 2.3 The Joint Independent Audit Committee (JIAC) is a key component of the PCC's and Chief Constable's arrangements for corporate governance. The JIAC have a set of Operating Principles, which include their Statement of Purpose, Committee Composition and Structure, Methods of Working and Specific Responsibilities.
- 2.4 The Joint Internal Audit Service Governance Structure (TVP / OPCC) is documented at Annex 1. The Chief Internal Auditor is line managed by the CFO and DoF, but has direct access to the PCC, Chief Constable, JIAC Chairman and members, as appropriate.

3. Definitions (The Board and Senior Management)

- 3.1 For the purposes of this charter, the following definitions shall apply:
 - The Board: the governance group charged with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting. For the OPCC and TVP, this is the JIAC.
 - Senior Management: those charged with responsibility for the leadership and direction of the OPCC and TVP. For the OPCC, this is the Senior Management Group (SMG), for TVP, this is the Chief Constable's Management Team (CCMT), with operational oversight of the audit

service being provided by the Internal Audit Oversight Group (which is attended by the Force's Director of Finance, the OPCC's Chief Finance Officer and the Chief Internal Auditor).

4. Standards

- 4.1 The Joint Internal Audit Team is governed by the framework and guidance set out in the Public Sector Internal Audit Standards (PSIAS). The mandatory elements of the PSIAS are the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards and the Definition of Internal Auditing. The PSIAS defines Internal Audit as an "independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes".
- 4.2 The PSIAS requires the Joint Internal Audit Team to implement and maintain an Audit Charter. The purpose of the Audit Charter is to formally define the service's purpose, authority and responsibility.

5. Purpose, Authority and Responsibility

- 5.1 The mission of the Joint Internal Audit Team is to "add value by providing risk-based and objective assurance and advice on the organisation's risk management, control and governance arrangements for the benefit of both organisation's internal and external customers".
- 5.2 The Joint Internal Audit Team's authority, including their right of access to records and authority to obtain information, is detailed in section 9 of this charter.
- 5.3 The responsibility of the Joint Internal Audit Team is to:
 - Provide an internal audit service in accordance with the PSIAS.
 - Develop and deliver a risk based Joint Internal Audit Plan.
 - Provide an independent and objective annual assurance opinion on how the application of risk management, control and governance arrangements have supported the achievement of the organisation's objectives.
- 5.4 The responsibility of management at the OPCC and TVP is to:
 - Ensure that risk management, internal control and governance arrangements are sufficient to manage the risks facing the delivery of the OPCC's and TVP's priorities and objectives.
 - Respond to and act upon the Joint Internal Audit Team's reports and advice.
 - Identify and implement appropriate management actions to mitigate the risks reported or to recognise and accept risks resulting from not taking action.

6. Independence, Objectivity and Due Professional Care

- 6.1 Internal Auditors must be sufficiently independent of the activities they audit to enable them to provide impartial, unbiased and effective professional judgements and advice. Internal Auditors must maintain an unbiased attitude and be free from interference in determining the scope of activity, performing the work and communicating results.
- 6.2 To achieve the level of independence and objectivity needed, the Joint Internal Audit Team:
- Retains no executive or operational responsibilities.
 - Operates in a framework that allows unrestricted access to Senior Management, the Internal Audit Oversight Group and the JIAC.
 - Reports functionally to the Internal Audit Oversight Group and JIAC.
 - Reports in their own name on individual assignments and to the JIAC.
 - Rotates responsibilities for audit assignments within the Joint Internal Audit Team, where possible.
 - Complete annual Audit Professional Declaration Records, confirming compliance with rules on independence, conflicts of interest and acceptance of inducements and compliance with their Code of Ethics.
 - Ensures the planning process recognises and addresses any potential conflicts of interest.
 - Not undertaking an audit for at least two years in an area where they have had previous operational roles.
- 6.3 If independence or objectivity is affected, the details will be presented to the Internal Audit Oversight Group and the JIAC.
- 6.4 Internal Auditors have a duty to develop and maintain their professional skills, knowledge and judgement based on appropriate training, ability, integrity, objectivity and respect. Internal Auditors will perform their work with due professional care, competence and diligence.
- 6.5 Internal Auditors will treat any information they receive as confidential in accordance with the Government Security Classification (GSC) policy. There will be no unauthorised disclosure of information, unless there is a legal or professional requirement to do so. Information gained in the course of internal audit work will not be used for personal gain.

7. Internal Audit Strategy and Joint Internal Audit Plan

- 7.1 The Joint Internal Audit Team will develop and maintain an Internal Audit Strategy and Joint Internal Audit Plan for delivering the service, which will be designed to complement the PCC's Police and Crime Plan and TVP's Force Delivery Plan. The CFO and DoF will provide the Chief Internal Auditor (CIA) with the budget and resources necessary to fulfil the OPCC's and TVP's requirements and expectations. The CIA will ensure that the Joint Internal Audit Team has access to an appropriate range of knowledge, skills, qualifications and experience.

7.2 The Annual Internal Audit Strategy and Joint Internal Audit Plan will include:

- Internal Audit Strategy.
- Audit Planning Methodology.
- Resources.
- Performance Monitoring.
- Joint Internal Audit Plan.
- Performance Indicators.

7.3 The strategy and plan will be kept under review to ensure it remains responsive to the changing priorities and risks of the OPCC and TVP. Significant matters that jeopardise the delivery of the plan or require changes to the plan will be identified, addressed and reported to Senior Management, the Internal Audit Oversight Group and JIAC.

8. Scope of Internal Audit Activities

8.1 The Joint internal Audit Team may review any aspect of the OPCC's or TVP's activities to enable the CIA to produce an Annual Report and Opinion Statement. To support this, the Joint Internal Audit Team undertake a range of risk-based activity to provide assurance on the organisation's governance, risk and control arrangements. The PSIAS includes the following definitions:

- **Assurance:** An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management and control processes for the organisation. Examples may include financial, performance, compliance, system security and due diligence engagements.
- **Consulting Services:** Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organisation's governance, risk management and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training.

8.2 The different types of services provided by the team are listed in Annex 3.

8.3 The approach for each piece of work will depend on the level of assurance required, the significance of the objectives under review to the organisation's success, the risks inherent in the achievement of objectives and the level of confidence required that controls are well designed and operating as intended.

8.4 The Joint Internal Audit Team maintain an Audit Manual, which guides the daily operations of the service. The Audit Manual details the team's processes and procedures in the following areas:

<ul style="list-style-type: none"> • Relationships with Customers. • Audit Planning. 	<ul style="list-style-type: none"> • Performance Monitoring / Reporting. • Training.
--	--

<ul style="list-style-type: none"> • Risk Management. • Fraud and Irregularity. • Consultancy. • Audit Process (i.e. File Structure, Scoping Meeting, Brief, System Notes, Programme, Exit Meeting and File Review). • Follow up of Management Actions. 	<ul style="list-style-type: none"> • File Retention. • Working with External Audit. • External Clients. • Internal Audit Team. • Data Protection. • Health and Safety.
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9. Right of Access to Records and Authority to Obtain Information

- 9.1 In carrying out their duties, the Joint Internal Audit Team (subject to the appropriate vetting and security requirements for access and on production of identification) shall have unrestricted right of access to all records, assets, personnel and premises, belonging to the OPCC and TVP. Access extends to partner bodies and external contractors working on behalf of both organisations.
- 9.2 The Joint Internal Audit Team has authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities. Such access shall be granted when requested and not always subject to prior notice.

10. Chief Internal Auditor's Annual Report and Opinion Statement

- 10.1 The Chief Internal Auditor is responsible for producing an Annual Internal Audit Report, which includes the Chief Internal Auditor's Annual Opinion Statement. The annual opinion will conclude on the overall adequacy and effectiveness of the organisations' framework of governance, risk management and control.
- 10.2 The Chief Internal Auditor's Annual Report and Opinion Statement will include the following:
- Responsibilities.
 - Joint Internal Audit Plan Coverage.
 - Audit Methodology.
 - Audit Team.
 - Opinion on the Organisation's Framework of Governance, Risk Management and Control, including the Chief Internal Auditor's Annual Opinion Statement.
 - Internal Audit Performance.
 - Resource Allocation and Utilisation.

- Summary of Audit Outcomes.
- Effectiveness of Internal Audit Questionnaire Results.

10.3 This report and opinion is used by Senior Management at the OPCC and TVP to inform their respective Annual Governance Statements.

11. Reporting

11.1 The Joint Internal Audit Service Governance Structure (TVP / OPCC) is at Annex 1 and the Board and Senior Management Reporting Framework at Annex 2.

12. Quality Assurance

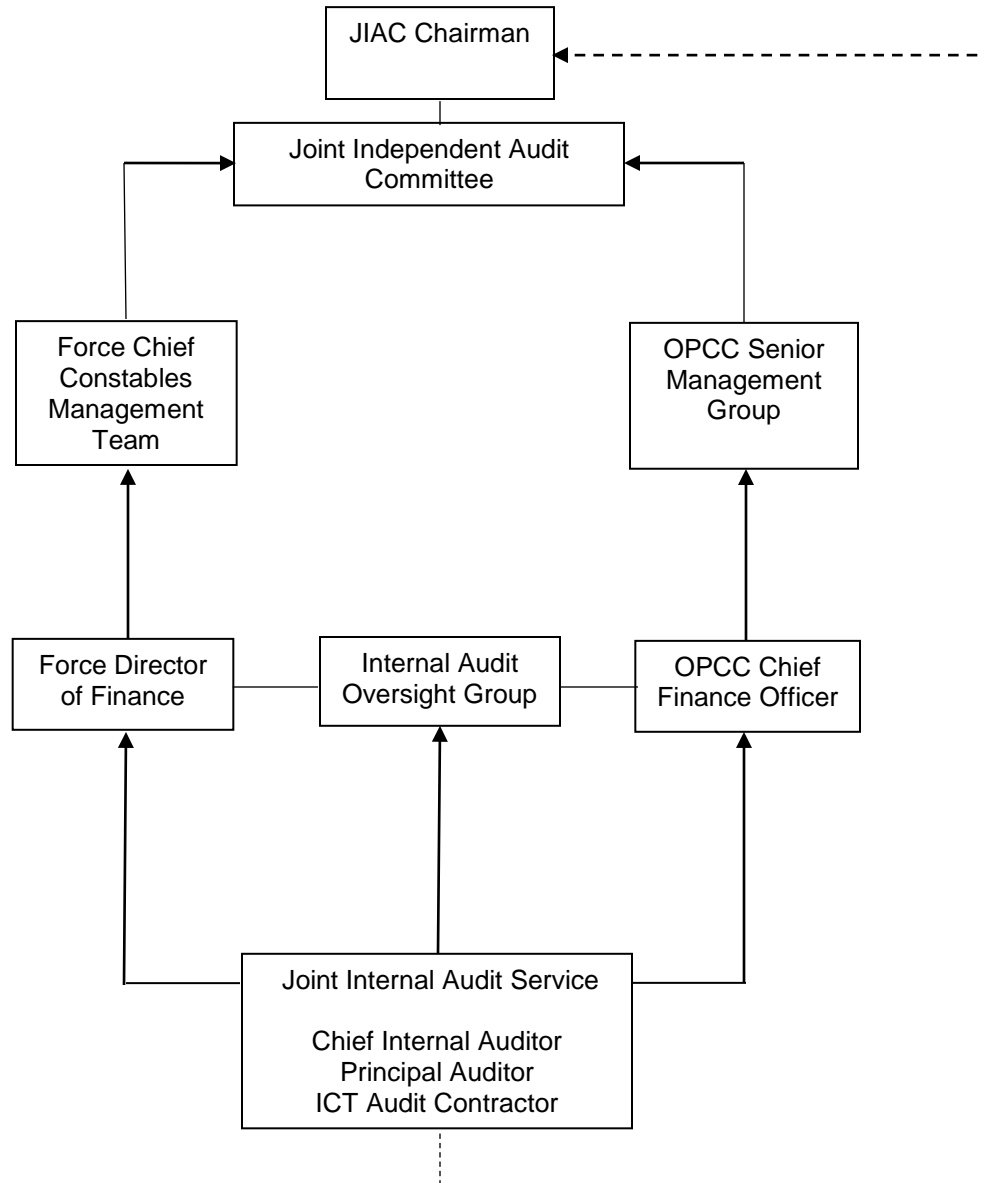
12.1 The team perform an annual self-assessment against the requirements of the PSIAS, which aims to identify any areas for improvement or of non-conformance. The outcome of the self-assessment is reported to the Internal Audit Oversight Group and JIAC, with a Quality Assurance Improvement Programme (QAIP) being collated of areas for improvement. Progress in implementing the actions is also presented to the Internal Audit Oversight Group and JIAC.

12.2 An external assessment of the Joint Internal Audit Team's compliance with the PSIAS will be completed at least once every five years.

Chief Internal Auditor

Date Produced: April 2018

Date for Review: April 2019

Joint Internal Audit Service Governance Structure (TVP / OPCC)

Board and Senior Management Reporting Framework

		“Board”		“Senior Management”					
		JIAC		Internal Audit Oversight Group		TVP Chief Constables Management Team		OPCC Senior Officer Group	
PSIAS Ref.	PSIAS Requirement	Note and Endorse	Receive Information / Reports	Approve	Receive Information / Reports	Approve	Contribute	Approve	Contribute
1000	Internal Audit Charter (which defines the purpose, authority, responsibility and Mission of Internal Audit as well as the function's position within the organisation and reporting).	✓		✓					
1000	Mandatory elements of the International Professional Practices Framework.		✓		✓				
1100	The Chief Internal Auditor has direct and unrestricted access to members of the JIAC and Internal Audit Oversight Group.	✓		✓					
1100	The organisational independence of the internal audit activity (annually).	✓		✓					
1112	Any additional roles / responsibilities, outside of internal auditing, which has the potential or perceived impairment to independence and objectivity and receive assurance relating to any safeguards put in place to limit impairments to independence and objectivity.	✓		✓					
1130	Any significant additional consulting services not already included in the audit plan, prior to accepting the engagement.	✓		✓					
1312	The form of any external assessments and the qualifications and independence of the external assessor or assessment team, including any potential conflict of interest.	✓		✓					
1312	The outcome of any external assessment.		✓		✓				
1320	The Quality Assurance and Improvement Programme.		✓		✓				
1322	Any non-conformance with the Code of Ethics or the Standards and how this impacts the overall scope or operation of the internal audit activity.	✓		✓					
2010	Annual Internal Audit Strategy and Joint Internal Audit Plan (which takes into consideration the organisation's strategies, key business objectives, associated risks and risk management processes).	✓		✓			✓		✓
2010	Internal audit opinions and management action priority wordings.	✓		✓					
2030	Internal Audit budget and resource plan.	✓		✓					

		"Board"		"Senior Management"					
		JIAC		Internal Audit Oversight Group		TVP Chief Constables Management Team		OPCC Senior Officer Group	
PSIAS Ref.	PSIAS Requirement	Note and Endorse	Receive Information / Reports	Approve	Receive Information / Reports	Approve	Contribute	Approve	Contribute
2030	Resource requirements or impacts, including any significant interim changes.	✓		✓					
2060	Joint Internal Audit Plan Progress and Performance (including the internal audit activity's purpose, authority, responsibility and performance relative to its plan and on its conformance with the <i>Code of Ethics</i> and the <i>Standards</i> . Reporting must also include significant risk and control issues, including fraud risks, governance issues and other matters).		✓		✓		✓		✓
2330	The release of any engagement records to external parties, as appropriate.			✓		✓		✓	
2450	Annual Internal Audit Report, which includes Chief Internal Auditor's Annual Opinion Statement.	✓		✓					
2500	Follow up of overdue and outstanding audit report actions or where management have accepted the risk of not taking action.		✓		✓		✓		✓
2600	Any unacceptable risk exposure that has been accepted by management, based on the Chief Internal Auditor's opinion.		✓		✓	✓		✓	

Joint Internal Audit Team Services

- a) **Risk based audit:** Risks and controls associated with the achievement of defined business objectives are identified and both the design and operation of the controls in place to mitigate key risks are assessed and tested, to ascertain the residual risk to the achievement of management's objectives.
- b) **Developing systems, process or function audit:**
- the plans and designs of systems under development are assessed to identify the potential weaknesses in internal control and risk management.
 - programme / project management controls are assessed to ascertain whether the system is likely to be delivered efficiently, effectively and economically.
- c) **Consultancy / advisory services:** Advice can be provided, either through formal review and reporting or more informally through discussion or briefing, on the framework of internal control, risk management and governance. It is not appropriate for an Internal Auditor to become involved in establishing or implementing controls or to assume any operational responsibilities and that any advisory work undertaken must not prejudice the scope, objectivity and quality of future audit work.
- d) **Compliance audit:** A review covering the operation of controls in place to fulfil statutory, good practice or policy compliance obligations are assessed.
- e) **Quality assurance review:** The approach of other reviewers / assurance providers are assessed in order to form an opinion on the reliance that can be placed on the findings and conclusions arising from their work.
- f) **Follow up review:** The Joint Internal Audit Team facilitate the organisation's monitoring of implementation of agreed management actions, reporting on progress quarterly to the JIAC. If required, individual follow up assignments will be commissioned to review areas that receive a "limited" or "minimal" assurance rating.
- g) **Fraud and irregularity investigations:** The Joint Internal Audit Team may provide specialist skills and knowledge to assist in fraud or irregularity investigations, or to ascertain the effectiveness of fraud prevention controls and detection processes. At TVP, the responsibility for undertaking fraud investigations sits with the Professional Standards Department.
- h) **Additional assurance:** The availability of objective assurance from other independent internal review functions or external review bodies will be considered to support the Chief Internal Auditor's Annual Report and Opinion Statement.



JOINT INDEPENDENT AUDIT COMMITTEE



Report for Information

Title: Progress on delivery of agreed actions in Internal Audit reports

Executive Summary:

The report provides details of the progress made by managers in delivering the agreed actions in internal audit reports.

Recommendation:

The Committee is requested to note the report.

Chairman of the Joint Independent Audit Committee

I hereby approve the recommendation above.

Signature

Date

PART 1 – NON-CONFIDENTIAL

1 Introduction and background

- 1.1 The report provides details of the progress made by managers in delivering the agreed actions in internal audit reports.
- 1.2 This report details progress made to date and target implementation dates for any current overdue actions. Of the 17 actions that are currently overdue:
 - 6 actions are due for completion by the end of September 2018;
 - 1 action is due for completion by the end of October 2018;
 - 2 actions are due for completion by the beginning of November 2018;
 - 1 actions is due for completion by the end of November 2018;
 - 2 actions are due for completion by autumn 2018; and
 - 5 actions are due for completion by the end of December 2018.

2 Issues for consideration

- 2.1 Appendix 1 sets out an analysis of the position with regard to the number of overdue actions as at 31st July 2018 in relation to the years 2015/16 to 2017/18. It shows that in total there were 17 overdue actions at this date; these relate to 10 audits. The overdue actions are split by priority. Also shown is the number of overdue actions that had previously been reported which has risen from 9 to 10 since the last report to this Committee in July 2018.
- 2.2 Appendix 2 shows the changes in the number of overdue actions since the previous report to this Committee in July 2018. The total number of outstanding overdue actions reported has reduced from 21 to 17.
- 2.3 Appendix 3 sets out the information provided by managers in respect of those actions that are now overdue. It includes all agreed actions that should have been completed by 31st July 2018. The information is based on responses from managers received up to and including 11th September 2018. If required, a verbal update will be provided to the Committee on any further information received since this report was written.

Priority 1 rated overdue actions

- 2.4 There are 8 priority 1 overdue actions.
- 2.5 Appendix 1 sets out details of which audits these actions relate to and further details of each of the actions can be found in appendix 3 of this report.

Priority 2 rated overdue actions

- 2.6 Of the priority 2 actions that are overdue none are specifically drawn to the attention of the Committee.

3 Revised action dates

- 3.1 The 2016/17 Missing Persons (Framework and Governance) audit report included 2 actions which were assigned an action date of 31/07/17. It has been decided to include these within the Effectiveness and Efficiency work currently being undertaken rather than to address them short term for the purposes of meeting the original action date. The action dates have therefore been extended to 30/06/19 and the actions will be included within the follow up process when this date passes to ensure that the risks identified within the audit have been addressed through the E&E work.

4 Financial comments

- 4.1 No known financial issues arise from the contents of this report.

5 Legal comments

- 5.1 No known legal issues arise from the contents of this report.

6 Equality comments

- 6.1 No known equality issues arise from the contents of this report.

7 Background papers

- 7.1 None.

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the website as soon as practicable after approval. Any facts and advice that should not be automatically available on request should not be included in Part 1 but instead on a separate Part 2 form. Deferment of publication is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of this form to be deferred? No

Is there a Part 2 form? No

Name & Role	Officer
Head of Unit This report provides the Committee with essential management information on the number and status of current overdue actions from internal audit reports.	Chief Internal Auditor
Legal Advice No known legal issues arise from the contents of this report.	PCC Governance Manager
Financial Advice No known financial issues arise from the contents of this report.	PCC Chief Finance Officer
Equalities and Diversity No known equality issues arise from the contents of this report.	Chief Internal Auditor

OFFICER'S APPROVAL

We have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report.

We are satisfied that this is an appropriate request to be submitted to the Joint Independent Audit Committee.

PCC Chief Finance Officer (OPCC)

Date: 11 September 2018

Director of Finance (TVP)

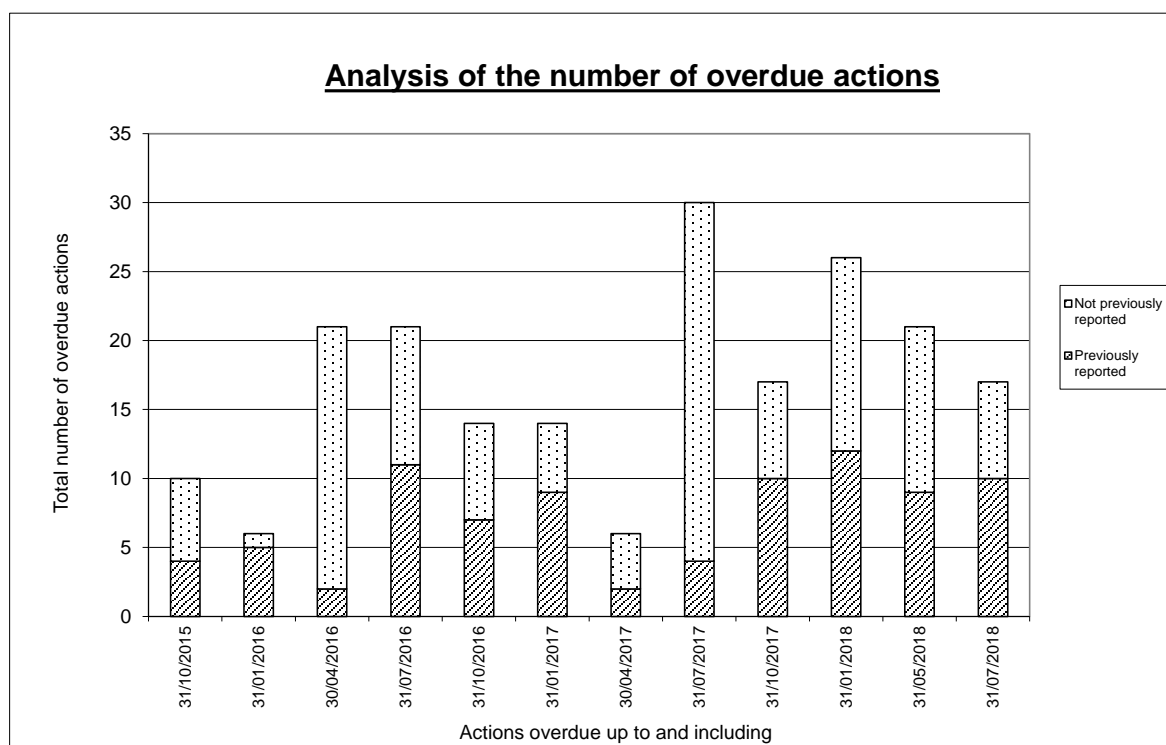
Date: 11 September 2018

Appendix 1

ANALYSIS OF OVERDUE ACTIONS AS AT 31st JULY 2018

Audit Subject/Location	Outstanding Overdue	Priority 1	Priority 2	Previously Reported
2015/16				
Fuel Cards	1	-	1	1
TOTAL	1	0	1	1
2016/17				
Equality and Diversity	1	-	1	1
Organisational Programme Governance	1	1	-	1
TOTAL	2	1	1	2
2017/18				
Cyber Crime	3	2	1	3
Ethics and Cultural Learning	1	-	1	-
Firearms Licensing (Administration and Management)	2	2	-	-
Force Risk Management and Business Continuity Arrangements	3	2	1	-
Information Management: Data Security and Transfer	2	1	1	2
Intranet and Internet Content Management	2	-	2	2
Police and Crime Plan Monitoring	1	-	1	-
TOTAL	14	7	7	7
OVERALL TOTAL	17	8	9	10

Appendix 2



UPDATE ON PROGRESS IN DELIVERING OVERDUE AGREED ACTIONS

Control weakness and risk exposure		Agreed action	Original completion date	Priority	Current position	Revised completion date
Cyber Crime		Final report issued on: 16/01/18		CCMT Lead: ACC Tim De Meyer		
Total number of agreed actions: 17		Number completed: 14 (82%)	Number not yet due: 0 (0%)		Number overdue: 3 (18%)	
<u>Cyber Crime Strategy, Action Plan and Governance Structure</u>		The Regional Protect and Prevent Strategies have just been circulated. These will now be used as a basis for drawing up the TVP Cyber Strategy. Once the TVP Strategy is in place an action plan will be developed as necessary.	30/04/18	1	A draft PROTECT plan has been drafted alongside SEROCU and Hampshire and needs to be reviewed and finalised by the TVP Crime Strategy Unit. There is a Community Safety Partnership document already in place. Work is still ongoing to finalise a Regional Strategy including all the 4 Ps, being led by SEROCU. The work was more complex and time-consuming than initially thought.	31/10/18
At the commencement of the audit it was noted that both the Cyber Crime Strategy and the Cyber Crime action plan were out of date. These issues were discussed and acknowledged by the Head of Specialist Operations and no further audit work was therefore carried out in relation to the overall strategy and oversight, current or planned, with the exception of reviewing the Governance meetings that are in place. Risk exposure: Lack of a strategy and plan leads to a lack of focus and strategic direction in relation to Cyber Crime.						
<u>Supporting policies and SOPs</u>		The SOP and the Policy detailed will be reviewed and updated.	31/03/18	2	This is still a work in progress. A number of actions ongoing including updating operational guidance and the overarching Option3 project looking at Regional and National tasking arrangement and collaboration.	30/09/18
During a review of the intranet pages, as well as the guidance available on the Cyber Crime page, two policies/SOPs were identified which required review. There is also Cyber Crime APP Guidance. However this is not referenced on the Cyber Crime intranet site. Risk exposure: Lack of up to date guidance leads to inappropriate or ineffective actions being taken.						
<u>Cyber Crime Toolkit</u>		There is a corporate move to transform the Force Toolkits into Operational Guidance. This is being led by the Policing Strategy Unit in liaison with the Detective Sergeant. As part of this work the content will be reviewed and updated as appropriate for inclusion in the Operational Guidance.	30/04/18	1	This is ongoing. The work was more complex and time-consuming than initially thought. The Cyber Team are being relied heavily to help with content whilst managing significant day to day investigative caseloads.	30/09/18
There is a Cyber Crime toolkit in place. However, as well as the Detective Sergeant confirming that it needs a review/updating, brief review during the audit identified that some of the links do not work or need reviewing. Risk exposure: Lack of up to date guidance leads to inappropriate or ineffective actions being taken.						
Equality and Diversity		Final report issued on: 03/05/17		CCMT Lead: Dr Steven Chase		
Total number of agreed actions: 26		Number completed: 25 (96%)	Number not yet due: 0 (0%)		Number overdue: 1 (4%)	
<u>Currency of policies</u>		The People Directorate are undertaking a review of their policies, including consideration of whether they are still needed where other regulation/legislation exists. This will, in conjunction with the review of terms and conditions and the	31/03/18	2	For Employment and Wellbeing, the Grievance Policy and Procedure have been revised and consultation has been completed. Police Staff Discipline Policy and Procedure has been revised but requires some additional work as a consequence of changes to the Police Conduct Regulations. Attendance Management Policy and Procedure is	31/12/18
Outside of the 'Diversity in Employment' policy, there are a number of other policies and guidance documents available on the Knowzone that link in to Equality and Diversity. These were not examined in detail during the audit but it was noted 6 of those reviewed had passed their review dates or did not show a review date but were at least 2 years old (dating from 2011 to 2014).						

Control weakness and risk exposure		Agreed action	Original completion date	Priority	Current position	Revised completion date
<p>Testing of a further 18 general policies also identified 11 that had passed their review dates, showed conflicting review dates or did not state a review date.</p> <p>Risk exposure: Staff follow out of date policies leading to poor decision making or inappropriate actions being taken.</p> <p>Completion/updating of EIAs – for policies</p> <p>A sample of 20 TVP policies were reviewed to confirm if an up to date EIA was in place. Issues were identified with the currency, content or availability of 15 of these EIAs and none of them showed an ACPO Function Owner's signature.</p> <p>Risk exposure: Failure to review and update, as required, EIAs leads to failure to fully consider and address any equality issues within policies.</p>		work prior to the introduction of ERP, update and align all relevant policies. This work will include updating of any relevant EIAs.			<p>currently being reviewed by a small action group and the UPP for police officers requires a very short review as the procedure is governed by Police Regulations.</p> <p>The bulk of the remaining People Directorate policies sit within People Services. The priority for People Services at the moment is recruitment as TVP is significantly under establishment (PCs, PCSOs and Police Staff in Contact Management). Policies are being updated as time and other priorities allow.</p>	
Ethics and Cultural Learning		Final report issued on: 06/03/18			CCMT Lead: Dr Steven Chase	
Total number of agreed actions: 10		Number completed: 6 (60%)		Number not yet due: 3 (30%)		Number overdue: 1 (10%)
<p>PSD Lessons Learnt</p> <p>As part of the audit, PSD's Lessons Learnt process was reviewed. Testing found that the process is driven by the outcomes of any PSD investigations, with lessons learnt being recorded in the Investigating Officer's final report. However, the process does not include other organisational factors (i.e. staff investigation outcomes, staff survey issues, etc.), the summaries are not widely publicised, they do not appear to include ethical dilemmas or behaviour and there is no link in with the Code of Ethics Network meetings to promote and disseminate lessons learnt.</p> <p>Testing also found that the last published PSD Lessons Learnt document was July 2017. Additionally, the last publicised IPCC lessons learnt summary is March 2017.</p> <p>The new Exit Interview form also includes questions about team and organisational culture. Any future analysis or lessons learnt could include responses raised at Exit Interviews.</p> <p>The issue of lessons learnt was raised as part of HMIC's PEEL: Police Legitimacy 2016 inspection, which asked "how well does the force ensure that its workforce behaves ethically and lawfully?" An area for improvement was that TVP should improve how its workforce understands the issues identified from lessons learned.</p> <p>Risk exposure: The Force lacks a comprehensive and joined up approach to promoting lessons learnt, leading to any issues not being addressed or positive news being publicised.</p>		PSD's Lessons Learnt process will be reviewed to ensure it is effective and adds value in communicating ethical learning.	30/06/18	2	<p>PSD will produce a monthly newsletter to promote understanding surrounding lessons learnt and ensure the workforce works ethically and lawfully. PSD now attend the Code of Ethics Network meetings and the PSD internet site is being refreshed to include links to ethical dilemmas and lessons learnt, as well as a link to the IOPC's lessons learnt webpage.</p> <p>HR will be reviewing and updating the internet site content on lessons learnt and PSD will request to be copied into any lessons learnt to seek to identify learning issues which have crossed between staff and police discipline investigations, as well as any identified through the exit meeting process.</p>	31/12/18

Control weakness and risk exposure		Agreed action	Original completion date	Priority	Current position	Revised completion date
Firearms Licensing (Administration and Management)		Final report issued on: 06/06/18			CCMT Lead: ACC Tim De Meyer	
Total number of agreed actions: 24		Number completed: 19 (79%)	Number not yet due: 3 (13%)		Number overdue: 2 (8%)	
<p>Policies</p> <p>There are a number of policies in place which guide the work of the Firearms Department. During the audit the following issues/queries were identified in relation to the policies in place:</p> <p>a. There is a 'Non visit policy' in place which was agreed by CCMT, but which is marked as last reviewed in March 2015 and requires updating.</p> <p>b. There is no policy in place regarding at what point an applicant has to provide a new referee where contact cannot be made and no performance data is produced to monitor contentious applications e.g. to flag applications which may need managerial review/decision to avoid extended delays.</p> <p>c. There are a number of areas where TVP policy or approach does not comply with the Home Office Guidance. Although these had been agreed internally, there is no process for periodically reviewing these policies for continued appropriateness.</p> <p>Whilst it was clear that processes within the Department have been under review due to the pressures of the peak renewal period, there is no stated process in place for periodic review of policies outside of this peak renewal period. It may be that the policies continue to remain relevant given the establishment level for the Firearms Department, but outside of the demands of the peak renewal period it may be possible/desirable to lower the level of risk which has been accepted with some of the current policies and in light of any emerging trends e.g. levels of undeclared medical issues.</p> <p>Risk exposure: Out of date policies, and lack of a robust system for updating, leads to confusion around processes and inappropriate or ineffective actions being taken.</p> <p>Process notes</p> <p>There are a number of process notes in place which detail the actions taken by the Firearms Licensing Administrators (FLAs). It was noted that these require updating as they do not cover all of the current steps and they do not reflect a recent change in personnel.</p> <p>The Shotgun grant / renewal application signing off process notes used by the Firearms Licensing Officers (FLOs) were also noted as out of date as the process has recently changed.</p> <p>Risk exposure: Out of date process notes lead to confusion around processes and inappropriate or ineffective actions being taken.</p>		<p>(a) This is due to be actioned by the newly appointed SFEO. To be completed by 30/06/2018 and submitted to the next CCMT after that date.</p> <p>FLA/FLO application processes to be documented into training packages.</p>	<p>30/06/18</p> <p>30/06/18</p>	<p>1</p> <p>1</p>	<p>The FLO application process training package is still being reviewed in line with the Non-visit policy. These two have to mirror each other so it has required more consultation with the FEO / FLO team.</p>	30/09/18

Control weakness and risk exposure		Agreed action	Original completion date	Priority	Current position	Revised completion date
Force Risk Management and Business Continuity Arrangements		Final report issued on: 24/04/18			CCMT Lead: DCC John Campbell	
Total number of agreed actions: 21		Number completed: 5 (24%)	Number not yet due: 13 (62%)		Number overdue: 3 (14%)	
<u>Strategic Governance Unit Role and Training (RM & BC)</u>						
<p>The previous Force RM and BC leads left TVP in March 2017. As part of the recent consultation process with LPAs, OCUs and Depts., it was commented that updates to risk registers and BC Plans would often be made centrally. The aim of the Strategic Governance Unit (SGU) is to provide facilitative support, but to ensure RM and BC is owned by the relevant LPA, OCU or Dept.</p> <p>Recent feedback from LPAs, OCUs and Depts. have also commented that it would be useful for new LPA Commanders and Deputies to receive a briefing from the SGU on RM and BC.</p> <p>Additionally, the new Force leads for RM and BC are currently researching training options. At the end of the audit, any formal training was yet to be agreed.</p> <p>Risk exposure: The SGU's role and remit to support the Force's RM and BC processes could lack clarity and knowledge, leading to the potential for less effective business support.</p>		<p>The Corporate Governance Officers are actively engaged in relevant local and national bodies as part of their personal development.</p> <p>Training needs for both risk management and business continuity will be approved by the Strategic Governance Unit's SMT and Learning & Development. Once agreed, they will be booked with the relevant organisation.</p>	31/07/18	2	<p>The corporate governance officers are fully engaged in the local and national bodies, supported by the Corporate Governance Manager.</p> <p>Risk management training has been completed for those immediately involved in preparing risk papers, with further bespoke training booked for November.</p> <p>Business continuity training is booked in for October.</p>	30/11/18
<u>LPA, OCU and Dept. Business Continuity Plan Availability</u>						
<p>As part of the audit, testing was completed to ensure that each Force LPA, OCU or Dept. had an up to date BC Plan. It is acknowledged that the Corporate Governance Officer is currently facilitating an exercise to ensure that a full complement of plans exists. Testing did observe the following:</p> <ul style="list-style-type: none"> - There are three Depts. within the Deputy Chief Constable's area of responsibility that do not have a current plan (i.e. Corporate Communications, G&SI and Legal Services). - Almost all the OCUs within Crime & Criminal Justice do not have a current plan. - Local Policing does not have a plan. - Plans for SEROCU and Sulhamstead are not in place. <p>Risk exposure: LPAs, OCUs or Depts. lack an up to date and documented approach to resolving any business continuity incidents, leading to the potential for service and operational impacts.</p>		<p>The majority of the plans identified as missing are all in hand with the Business Leads (with support from the SGU) or are awaiting sign off.</p> <p>Discussions are ongoing for Langford Locks to identify any gaps for the TVP unit based there. However, due to the sensitivity, it has not been published (similarly with CTPSE and SEROCU).</p>	30/06/18	1	<p>The process to collate departmental plans is ongoing. Plans are now in place for the G&SI Dept., Criminal Justice, Crime (PVP, Forensics and Major Crime), Local Policing and Sulhamstead.</p> <p>Work to finalise plans for Communications, Legal Services and SEROCU will be completed shortly.</p>	01/11/18
<u>LPA, OCU and Dept. Business Continuity Plan Content</u>						
<p>The audit also tested the content of the currently available plans to ensure they followed the corporate template, are up to date, had been signed off by the Head of Dept. and reviewed by the Corporate Governance Officer. Testing found the following:</p>		<p>The People Directorate BC Plan is still being reviewed, I will sign off the final version.</p> <p>I will review the others and ensure sign off. The two LPA ones have been reviewed so, I</p>	30/06/18	1	<p>The process to review BC Plans, update the content and ensure they are in the correct format is ongoing with the Property Services, JIMU, People Directorate, Cherwell & West Oxfordshire and South & Vale LPA plans have all been reviewed and / or updated.</p>	01/11/18

Control weakness and risk exposure	Agreed action	Original completion date	Priority	Current position	Revised completion date
<ul style="list-style-type: none"> - Three plans that do not appear to have been signed off as reviewed by the Corporate Governance Officer (i.e. Property Services, Joint Information Management Unit and People Directorate). - Two LPAs have plans that are due a review (i.e. Cherwell & West Oxfordshire and South & Vale). - One LPA whose available plan is a condensed version (Windsor & Maidenhead). - Two plans that do not follow the corporate template (ICT and ICT – Critical Systems). Both plans also lack Head of Dept. and Corporate Governance Officer review sign off. - The HQ North and HQ South plans are both due a review. <p>As reported previously, it is acknowledged that the Corporate Governance Officer is currently supporting the Force in reviewing and updating all plans.</p> <p>Risk exposure: Current Force plans are not up to date, approved or do not follow the corporate requirement, which could lead to less effective responses to continuity incidents.</p>	<p>will ensure the dates are amended.</p> <p>I have requested an ICT update on their plans to include a sign off section with a deadline of the end of April 2018.</p> <p>The site plans will be reviewed, once all the relevant department plans have been updated and submitted.</p>				
Fuel cards		Final report issued on: 25/05/16		CCMT Lead: DCC John Campbell	
Total number of agreed actions: 16	Number completed: 14 (88%)	Number not yet due: 1 (6%)		Number overdue: 1 (6%)	
<p>Fuel spend/card usage monitoring</p> <p>Monthly data is being issued to LPAs/OCUs/Departments showing their fuel spend, broken down by vehicle, but there is no guidance issued with the data to indicate the key points e.g. trends, anomalies etc. which recipients should be considering.</p> <p>Risk exposure: Management data is not suitably analysed to identify and address potential issues/anomalies in usage/spend.</p>	<p>The monthly data being issued will be reviewed to determine if the right data is being issued to the right people, and what guidance is then needed depending on the job role of those receiving it.</p>	30/09/16	2	<p>As previously reported, the action has been delayed due to vacancies and a subsequent decision to restructure the Transport Team.</p> <p>Staff are now in post and have been tasked with reviewing the current monitoring and reporting process with a view to ensure the arrangements are effective and efficient.</p> <p>Any future reporting process or requirements will also be built into the new ERP system.</p>	31/12/18
Information Management: Data Security and Transfer		Final report issued on: 30/08/17		CCMT Lead: Amanda Cooper	
Total number of agreed actions: 15	Number completed: 12 (80%)	Number not yet due: 1 (7%)		Number overdue: 2 (13%)	
<p>Information Sharing Agreements</p> <p>During the audit, TVP's and HC's approach to managing Information Sharing Agreements (ISAs) was reviewed. The JIMU have an ongoing process to review and update ISAs, based on risk. The current status of ISA reviews at each Force was:</p> <ul style="list-style-type: none"> - TVP: 29% are currently under review, with examples of ISAs that have been subject to review since 2016 (13 ISAs) and 2015 (two ISAs). There are 6% of ISAs that are due a review, but the review is yet to commence. - HC: 13% of ISAs are under review, with 32% of ISAs being due a review, which is yet to commence. <p>In terms of monitoring progress of completing reviews, this is</p>	<p>The issue of having out of date ISAs is accepted. ISAs are currently reviewed and updated when the JIMU has capacity to do so, but this is not deemed a priority. We will evaluate our current approach to facilitating the production and review of ISAs, to determine whether any process improvements can be made.</p> <p>We will also consider whether any ISA performance data needs to be reviewed by the</p>	31/03/18	2	<p>Good progress is being made and the review is currently on track to complete against the revised timescales, provided there is timely turn round by partners.</p>	<p>30/09/18 for high risk ISAs</p> <p>31/12/18 for the remainder</p>

Control weakness and risk exposure	Agreed action	Original completion date	Priority	Current position	Revised completion date
<p>managed at a JIMU team level, with high level statistics being reported to the TVP / HC Collaboration Governance meeting. There is currently no information on the status of ISA reviews presented to the Information Governance Board. There was a comment during the audit that the priority is getting ISAs in place. Once adopted, the risk of them not being up to date is relatively small.</p> <p>Risk exposure: Out of date agreements, leading to data being shared inappropriately.</p>	<p>Information Governance Board.</p> <p>At HC, the ISA review is on hold with the risk posed being low as most will have been reviewed at least once in the last year. Reviews will be resumed once the new template has been drafted and implemented.</p>				
<p><u>Information Asset Ownership Process</u></p> <p>A key exercise that is currently being undertaken at both Forces by the JIMU is the Information Asset Ownership Process (IAOP). This involves the JIMU meeting all Force departmental Information Asset Owners (IAOs) and Data Guardians (DGs) to discuss their data management processes and explore any related issues or risks that may need managing.</p> <p>The four phases of the IAOP are:</p> <ul style="list-style-type: none"> - An initial 'one off' activity to identify processes and risks, which will be signed off by the IAOs. - Ongoing activity, including quarterly reporting to and from the IAOs and DGs. - Quarterly JIMU reporting to the Senior Information Risk Owner (SIRO) and Chief Officers. - Annual IAO and DG review of Sub-asset Assessment Questionnaires. <p>The IAOP commenced during July 2016 and meetings with departments are ongoing. Both TVP and HC reported that they have completed approximately 75% of the initial questionnaire and assessment process. For those departments that have signed off their questionnaires, the first quarterly reporting cycle for IAOs and DGs was due to commence in August / September.</p> <p>One issue identified during the departmental testing was that there were two examples of the named Data Guardian within the Audit Asset Management TVP spreadsheet being out of date. One employee had moved departments and the other had retired.</p> <p>In reviewing the list of departments being contacted, the Office of the Police and Crime Commissioner (OPCC) was not listed. JIMU Management were still to determine whether the OPCC would be included as although they are a separate organisation and Data Controllers in their own right, they do manage and share certain Police information. Having discussed this with OPCC Senior Management, they would welcome the opportunity to be involved in the IAOP.</p>	<p>The Information Asset Ownership Process (IAOP) exercise will be completed at TVP and HC, including ensuring that the Audit Asset Management spreadsheets are accurate and up to date.</p> <p>As per the stated process, quarterly and annual reporting will take place (i.e. quarterly reporting to and from the Information Asset Owners and Data Guardians, quarterly JIMU reporting to the Senior Information Risk Owner (SIRO) and Chief Officers and annual IAO and DG review of Sub-asset Assessment Questionnaires).</p>	30/04/18	1	The Information Asset Register is almost complete and consultation with stakeholders is underway.	30/09/18

Control weakness and risk exposure		Agreed action	Original completion date	Priority	Current position	Revised completion date
Risk exposure: A lack of organisation information on data security and transfer processes and risks, leading to ineffective local arrangements and risks materialising.						
Intranet and Internet Content Management		Final report issued on: 09/01/18			CCMT Lead: DCC John Campbell	
Total number of agreed actions: 34		Number completed: 32 (94%)	Number not yet due: 0 (0%)		Number overdue: 2 (6%)	
<u>Messaging oversight</u>		To ensure the responsibilities of the Lead LPA TV Alert Administrators are clear a role document is being created and will be communicated to all relevant parties.	31/01/18	2	A review is currently being undertaken into roles and responsibilities of local administrators in relation to Alert and will be included in operational guidance which is being produced by the Policing Strategy Unit.	Autumn 2018
Lead LPA TV Alert Administrators have recently been nominated for each LPA. They have been encouraged to promote local contacts and look at plans to ensure consistent TV Alert support for their LPAs. It was noted however that there is no detail setting out exactly what the Leads are responsible for going forward to ensure that they are clear on their responsibilities and are as effective as possible.		A Local Digital Communications Strategy is being developed through a Working Group which will commence in the new year. This will include consideration of TV Alerts and Police.uk.	31/03/18	2	Strategy on hold whilst awaiting an update on the national digital strategy which is being produced. TVP briefing organised for the end of June 2018. Project to restart once we know the scope of the national project.	Autumn 2018
The Community Engagement Communications Officers, who are new in post, are in the process of implementing a number of changes and improvements to the processes in relation to TV Alerts to provide increased oversight and guidance. At the time of the audit, this work had not been assigned a firm timescale. Against this, it is appreciated that the Corporate Communications Department restructure has only recently been completed and the above is therefore a work in progress.						
Risk exposure: Lack of oversight of messages being sent out leads to inappropriate messages/practices not being highlighted and promptly addressed and potential failure to fully maximise benefits of TV Alerts.						
Organisational Programme Governance		Final report issued on: 21/04/17			CCMT Lead: DCC John Campbell	
Total number of agreed actions: 12		Number completed: 11 (92%)	Number not yet due: 0 (0%)		Number overdue: 1 (8%)	
<u>Change Framework Terms of References</u>		The Terms of References for the Force Change Review Part 1, Force Change Review Part 2, Joint Moderation Panel and Force Transformation Board will be reviewed and updated.	31/07/17	1	The Terms of Reference for the Force Change Review Part 2 and Force Transformation Board have been completed and signed off. The ToR for FCR Part 1 and the Joint / Central Moderation Panel involve interoperability with Hants Constabulary and will take longer to complete.	31/12/18
Within the new Change Process and Framework, a number of meetings take place to manage change from proposal through to delivery and lessons learnt. As part of the audit, the Terms of References for each meeting were reviewed. Testing found that some of the ToRs required updating or where draft versions.						
Discussions during the audit identified that the Terms of References for the key meetings listed in the Change Framework were being reviewed and updated to ensure that they accurately reflected the aim and objectives of the meetings, the list of required attendees was correct and the decision making power of the meeting was clearly documented.					A process alignment meeting has taken place between the two Forces. Further work is likely to be pended as both Forces commence the annual capital / revenue change planning process. Progress in relation to ToRs will recommence in the autumn.	
Risk exposure: Out of date or inaccurate meeting Terms of References, leading to a lack of clarity on the role, attendees and decision making power of each meeting.					The existing ToRs are fit for purpose, but it is recognised that further process alignment could be achieved through completion of the activity detailed in the agreed action. The risk is mitigated in relation to FCR Parts 1 & 2 and Transformation Board; the risk is partially mitigated in relation to the Joint / Central Moderation Panel.	

Control weakness and risk exposure		Agreed action	Original completion date	Priority	Current position	Revised completion date
Police and Crime Plan Monitoring		Final report issued on: 22/05/18			PCC Lead: Paul Hammond	
Total number of agreed actions: 8		Number completed: 3 (38%)	Number not yet due: 4 (50%)		Number overdue: 1 (12%)	
<u>Quarterly performance reporting on the PCC website</u> A new section of the PCC's website is being developed to enable quarterly information to be published, in the form of an infogram, to reflect progress against the Police and Crime Plan. The draft format for this section/infogram was demonstrated and discussed during the audit and the intention is to finalise this work by the end of the first quarter of 2018/19. However the format is yet to be finalised and formally approved. Likewise, the sign off process for the quarterly content, prior to publication, is yet to be determined/agreed (although it is likely to include both the Policy Development Team and the OPCC SMT). Risk exposure: Lack of a clear format and approval structure leads to the potential for information to be misrepresented or misinterpreted.		The format of the internet section/infogram will be finalised.	30/06/18	2	The performance section / infographic has been built and will go live by the end of September with Quarter 1 data from both Thames Valley Police and the Office of the Police and Crime Commissioner. It will then be updated on a quarterly basis with an initial target date of the beginning of November 2018 for Quarter 2. The information in the updates will be collected and collated by members of the Policy Development Team at the conclusion of each quarter and signed off by the Policy Manager, the Chief Executive, and Police and Crime Commissioner before publication.	30/09/18

Action: PP to highlight continuous improvements that have been made by the Force and update the next JIAC meeting on 21st September.

JIAC

Please find below my notes reference your above action:

TVP has during the period of the Health and Safety Annual Report 2017-2018 made the following improvements:

1. A new Health Safety Environment and Wellbeing Board (Appendix C) has replaced the Force Health Safety Environment committee (FoHSEC) during the reporting period extended in remit to include "Wellbeing" This has enabled a wider group of staff to both be consulted on risk assessments prior to publication and discuss items relating to Health and Safety.
2. Hampshire TVP Joint Uniform Group Chaired by ACC Hardcastle has replaced the Police Protective Clothing Panel, which was a single force group and enables a greater degree of alignment between Hampshire and TVP in matters of clothing and PPE.
3. The Personnel Safety Group Chaired by ACC Hardcastle is taking forward statistics relating to assaults of officers / staff and a "Seven Point Plan" has been published which supports welfare and wellbeing of those assaulted.
4. Officer Personal Safety training modules were updated and included aspects of ground defence and searching of detained persons.
5. There was separate discussion at JIAC as to the data available for none employees of TVP. The reports for the last three years indicate that these incidents are small in number and relate to principally four groups; 1. Embedded contract staff such as cleaners, 2. Officers from other forces on courses with TVP such as Firearms officers. 3. Detainees in custody, 4. Visitors for example public attending the Front Counters. For each of the above groups events are reviewed as part of the appropriate local Health and Safety Meeting.

TVP has identified the following activities for the 2018- 2019 period in the report which as signed off by the Chief as part of the JIAC meeting.

1. Review will be made during 2018 of TVP Fire Risk Assessment process against current guidance.
2. Further work will be carried out during the coming year to look at updating Section 23 of the H&S Manual (Water Management) into a Force Policy, aligned with requirements of HSE Approved Code of Practice L8 Legionnaires' disease. The control of legionella bacteria in water systems and associated documents.

3. During 2018 the Head of Force Health Safety & Environment (HS&E) will arrange for an independent external audit of procedures and the level of compliance to be carried out to support development of the above policy.
4. Consideration will be made as to the need to form a Water Safety Group to manage Water issues beyond the force estate.
5. A review will be undertaken as required by Control of Asbestos Regulations 2012 of the Asbestos Management plan during 2018.

Philip Paling CMIOSH, AIEMA
Head of Health Safety & Environment

Sept 2018