



Charlie Roberts  
Tel No: 01865 541948  
E-mail: [charlie.roberts@thamesvalley.pnn.police.uk](mailto:charlie.roberts@thamesvalley.pnn.police.uk)

Date: 8 March 2019

Dear Member

## **JOINT INDEPENDENT AUDIT COMMITTEE**

You are requested to attend a meeting of the Joint Independent Audit Committee on Friday 15 March 2019 in the Conference Hall, Police Headquarters South, Kidlington at **9.30am**.

Yours sincerely

A handwritten signature in black ink, appearing to read "Paul Hammond".

Paul Hammond  
Chief Executive

To: Members of the Joint Independent Audit Committee

<u>Agenda Item</u>	<u>Page No.</u>
1. Apologies: <i>Alison Phillips (JIAC Member)</i>	-
2. Part I Minutes from the last meeting held on 7 December 2018	3 - 12
3. Matters/Actions arising from 7 December 2018 meeting	13 - 18
4. TVP Risk Management & Business Continuity Report	19 - 54
5. OPCC Risk Register	55 - 66
6. Ernst & Young Police Sector Audit Committee Briefing	67 - 82
7. Draft Annual Governance Statement 2018/19	83 - 104
8. Progress on 2018/19 Internal Audit Plan Delivery and Summary of matters arising from completed audits	105 - 118

<u>Agenda Item</u>	<u>Page No.</u>
9. Progress on Delivery of agreed actions in Internal Audit Reports	119 - 130
10. Internal Audit Strategy and Joint internal audit Plan 2019/20	131 - 154
11. Joint Corporate Governance Framework 2019/20	155 - 274
12. Any other Business	-

**Date of next meeting 12 July 2019 at 10.30am in the Conference Hall, Thames Valley Police Headquarters HQ South**

**MINUTES OF A MEETING OF THE JOINT INDEPENDENT AUDIT COMMITTEE HELD AT POLICE HEADQUARTERS, KIDLINGTON ON 7 DECEMBER 2018 COMMENCING AT 10.30AM AND CONCLUDING AT 12:50 PM**

**Members Present:**

Dr L Lee (Chairman), Mike Day, Richard Jones, Alison Phillips OBE, Dr G A Woods

**Present:**

A Stansfeld (Police & Crime Commissioner)  
 M Barber (Deputy Police & Crime Commissioner)  
 P Hammond (Chief Executive, OPCC)  
 I Thompson (Chief Finance Officer, OPCC)  
 F Habgood (Chief Constable)  
 J Campbell (Deputy Chief Constable)  
 A Cooper (Director of Information)  
 N Shovell (Chief Internal Auditor, OPCC)  
 A Shearn (Principal, Auditor, OPCC)  
 P King (Associate Partner, Ernst & Young)  
 C Sha (External Auditor)  
 P Wooding (Governance & Service improvement)  
 M Horne (Governance & Service Improvement)  
 C Roberts (Executive Assistant to the PCC/DPCC, OPCC)  
 H Brown (Admin Support Assistant, OPCC)

**Apologies:**

A Balmer (Manager, Ernst & Young)  
 L Waters (Director of Finance)  
 R France (Chief Supt.)

**87 APOLOGIES**

The Chair welcomed all attendees to the meeting with apologies given from Linda Waters and Adrian Balmer. Paul King, Associate Partner for Ernst & Young recently replaced Maria Grindley gave an introduction to the Committee as to his new role.

**88 PART 1 MINUTES OF THE LAST MEETING HELD ON 21 SEPTEMBER 2018 & MATTERS ARISING**

Part 1 of the Minutes of the last meeting held on 21 September 2018 were gone through for content and accuracy.

The Chair confirmed the Minutes as a true record.

**Matters arising not otherwise on the Agenda**

The Committee confirmed they had received two emails from People Services which clarified the outstanding action from page 13 Minute 71 on how many BAME people get through the recruitment process other than non-BAME.

There was a typo on page 4 in Section 78 paragraph 4, second line which should read .... *that the checks were built into the timetable going forwards...* and CR confirmed this would be updated and re-uploaded to the PCC website in due course.

All other matters arising from the previous minutes would be included in a 'JIAC Action' document and would be circulated to attendees and members for completion and included in the next Agenda for March 2019.

**89 TVP RISK MANAGEMENT REPORT**

The Strategic Governance Unit reviewed all existing strategic risks and updated the mitigating actions and risk scores. DCC Campbell explained the 4T approach to risk management (Tolerate, Treat, Transfer, and Terminate) and SR56 were summarised noting that the Sharepoint Project Board had procured a tool which allowed bulk data migration out of Livelink, allowing recovery of key data. This commenced on 12 November 2018.

The current risk for SR65 Gazetteer currently in use Charm + Oasis was out of date. This would be resolved when the Contact Management Programme (CMP) went live as the new ESRI GIS Mapping Gazetteer would be used by CMP. The adopted recommendations at this stage were that since the existing local mitigating activities appeared to be keeping the level of risk low, and other mitigating actions were tied to the RMS project, this risk should be tolerated in the short term but remain on the strategic risk register as it created force-wide risks in terms of visibility around this work.

**Action: The Chair felt that the Risk Management Report did not contain enough evidence. The reports have gone from long incomplete list as in the last report to the current one containing little information for the committee to form a judgment as to whether the risks are being managed in the 4T fashion described. It was proposed that a member of the Committee should work with DCC Campbell to arrive at a more effective report for the next JIAC meeting. The name of the nominated member from the Committee would be emailed to Charlotte Roberts (CR) by email by close of business today for forwarding on to the Force.**

As to SR74 Workforce resilience, the ongoing work to manage recruitment and retention had been placed with the new Recruitment and Retention Programme, replacing the Gold Group, which Dr Steven Chase (SC) led on. One of the key areas of this Board included recruitment to reach agreed resourcing levels plus additional PC/PCSO/Contact Management recruitment initiatives to increase intakes.

SR75 CMP Delay and SR76 CMP Failure were linked around the confidence and stability of the command and control system and the risk of failures and concerns around that. All legacy systems were being extended to ensure that they remained supported until June 2019 and could be extended further.

The adopted recommendations for the SR77 Investigation Management (Release under Investigation) was currently being considered and challenging at force management and CCMT. As part of the ongoing work a number of risks may require future action and the force were investigating the potential risks around the impact of partnership capability and identified three thematic risks which were being monitored. The second key decision to be made through Government as to the impact of Brexit was how the negotiations would impact directly on operational risks and create tight timescales for delivering solutions. The Strategic Governance Unit had developed a Brexit Working Group and in addition a Brexit Gold Group would be run in conjunction with the Hampshire Constabulary Gold Group which would focus on three key areas and which ACC Hardcastle would be leading on with the Military, Ambulance Service and other services who all sat across one area:

- Policing
- Current position
- Supply chain

The next quarter of future risk work would involve significant work to embed the proposed risk process changes if agreed by CCMT. The Police & Crime Commissioner was concerned about maintaining law and order and how it impacted on Thames Valley although at present there was a problem with retention that highlighted possible consequences of SR74. It was noted that (SC) had presented a paper at the Level 1 meeting on 26 November 2018 and gave an update on People Strategy on Human Resources.

The Chair asked whether the Force and OPCC knew what the Committee required from them as the statements provided in the paper did not contain enough detail and assurance of the risks and did not leave the Committee feeling confident and assured. It would be helpful to allow the Committee members to answer questions from the PCC. For example, the First Programme Board had been cancelled and this did not give the Committee assurance of matters being dealt with. The final bullet point on page 18 pointed out that the Programme Board Level was 'Good to Go' approval based upon agreed artefacts and the Chair asked what this actually meant. DCC Campbell confirmed that the Programme Board indicated that systems were good

to go in relation to the work around CMP and would ensure that the wording in future papers would be made clearer in future for the Committee. AC also reiterated to the Committee that the Paul Hammond (PH) attended the Board of 'Good to Go' criteria (which was another word for 'artefacts'), to agree the gateway and to be present around the table in making sure the organisation was kept well organised.

**Action:** Chief Constable Francis Habgood (FH) agreed that the Committee should have full access to the Risk Register spreadsheet rather than providing a printed summary. One member of the Committee would be invited to meet with DCC Campbell and the team at an agreed time to discuss key items and issues and to process reassurance to the Committee of the risks.

## 90 TVP BUSINESS CONTINUITY REPORT

The Business Continuity Report provided an annual overview of Business Continuity Management policy and processes that were adopted by Thames Valley Police together with the most recent quarterly progress report that covered training, learning from business continuity incidents and training exercises.

The issues for consideration and that had been reported to Strategic Governance during the period August 2018 to October 2018 were on the 10 October 2018 where HQ South, Kidlington lost water supply for approximately 3½ hours, caused by a burst water main in Kidlington. Some departments invoked their plan and worked from home or from alternative locations. A resolution to this regular occurrence had been offered by Thames Water to provide resilience should further pipes burst in the future at no cost to Thames Valley Police.

There had been two ICT incidents during August 2018 to October 2018. On 3<sup>rd</sup> August 2018 Abingdon Control Room lost phone, radio and network services for ten minutes. BT reported that there was an issue with one of the routers and to resolve this issue a connection was made to the second router which cleared the errors. On 13 October 2018 during an operation, there was force wide connectivity issues with accessing external websites and PNC for 9 hours 55 minutes. It was established that a fibre cable had been physically damaged in an external off-site cabinet. Once an engineer had attended and repaired the cable, service was re-established.

**Action:** The Chair noted that there was an error on the Quarterly Comparison pyramid on page 29 where the right hand column indicated May 2018 – July 2018. This column should in fact be the last reporting quarter date and would require amending.

DCC Campbell continued to summarise the Business Continuity under review and going forwards and what activities were planned for the next period.

The Committee **APPROVED** the recommendations to review and note the report as appropriate.

## 91 RISK MANAGEMENT AND BUSINESS CONTINUITY UPDATE

The Report provided an annual overview and early visibility of the processes adopted by Thames Valley Police covering issues such as training exercise and learning from business continuity incidents. Mark Horne (MH) pointed out that the paper captured the RAG statuses and who owned them which addressed the current and future actions.

MH confirmed that the 'Lesson Themes' section on page 41 of the Report would be populated and updated as they were currently blank. The ICT P1 incident volume trend set out on page 42 would require the correct access label and MH confirmed he would amend this in the Report.

**Action:** The Committee would like to see a covering note attached to future Reports explaining this paper and supported this action as well as the direction of travel. Whichever Committee member is nominated to attend the meeting with DCC Campbell could provide evidence or updates on this working paper.

Action: MH to update the ICT P1 Incident Volume Trend set out on page 42 of the Risk Management and Business Continuity update.

The Committee **APPROVED** the recommendations and **NOTED** the Report.

## 92 PROGRESS ON 2018/19 INTERNAL AUDIT PLAN DELIVERY AND SUMMARY OF MATTERS ARISING FROM COMPLETED AUDITS

The Report provided details on the progress made in delivering the 2018/19 Joint Internal Audit Plan and the findings arising from the audit that were completed.

Changes had been made to the Joint Internal Audit Plan 2018/19 since the previous meeting in September in that the Recruitment Process audit had been removed as a Service Improvement Review had been recently completed within this area. The audit had been replaced by an Attendance Management Review. The only other change made was some minor audit title updates and day allocation alterations.

Local performance indicators to ensure audits were completed promptly and to an acceptable standard were moving in the right direction and Neil Shovell (NS) gave details of the current performance levels. Six of the seven audits where testing had been completed had been delivered within the performance target. The one that did not was twelve days overdue but this was due to annual leave within the team. Two of the four final audit reports that had been issued were delivered and the two that were not, were four and seven days over, which was due to discussions in agreeing the content of the report. The four audits that were complete had all been delivered within the day allocation and finally, the remaining two performance indicators would be reported at year end. NS confirmed that he had dialled into the Hampshire Audit Committee meeting which had been a positive move over the last few months.

GW from the Panel asked why attendance management had been selected. NS reported that they revisited proposed plan areas from earlier in the year, including this area raised by People Services, and this was considered the most appropriate review to complete.

Richard Jones (RJ) noted that at section 2.2 on page 131 less than two thirds of the progress had been completed. NS confirmed that by April 2019 all work would be completed.

Action: The Committee members stated that they would like the Executive Summary from future audit reports to be included in future reports, rather than being sent separately by email.

The Committee **NOTED** the progress made and changes in delivering the 2018/19 Joint Internal Audit Plan and audit service for Thames Valley Police and the OPCC.

## 93 PROGRESS ON DELIVERY OF AGREED ACTIONS IN INTERNAL AUDIT REPORTS

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

Amy Shearn (AS) confirmed there were six actions which were overdue for completion by the end of December 2018, eight actions which were due for completion by the end of January 2019 and three actions due for completion by the end of February 2019. The overdue actions were split by priority with the number of overdue actions that had previously been reported to the Committee in September 2018 had slightly risen from ten to eleven.

The CCMT lead, DCC Campbell, for the Priority 2 rated overdue action in relation to fuel spend/card usage monitoring, felt that due to the development of ERP this action needed to be reviewed to ensure that it remained appropriate.

Action: AS and DCC Campbell will discuss this outside of the meeting.

The Chair confirmed that overall the picture was good and congratulated the Force on this and pleased they were taking matters seriously.

The Committee **APPROVED** and **NOTED** the recommendations of the Report.

## 94 FORCE MANAGEMENT STATEMENT PROCESS

HMICFRS proposed the introduction of an annual Force Management Statement following an extended period of consultation and development. A template was issued and structured to cover seven principle operational strands and the spectrum of support or enabling services included wellbeing, workforce planning and ICT. This involved the Force shaping the paper but were yet to see the burden produced around the processes adopted. The statement provided the Force with areas of where more scrutiny was required but on a whole, the process would get easier as the Force move forward. From an internal point of view the statement contained a great deal of information which could be shared with staff. Individual force formal feedback was still awaited from HMICFRS but Thames Valley had been unofficially praised for its candour. The document was currently with the public access unit who were producing a version to be uploaded to the Thames Valley Police website and would be used in response to Freedom of Information requests.

(FH) confirmed that he had received a letter from HMICFRS on the PEEL Inspection, that the inspection would be more risk based. Five of the grades already given to the Force would automatically be carried over and four areas within Police Forces would be inspected.

**Action: DCC Campbell would provide members with a redacted version of the FMS for 2018/19.**

## 95 CONTACT MANAGEMENT PLATFORM (CMP) PROJECT UPDATE

The CMP system was the most complex and largest IT programme either Hampshire Constabulary or Thames Valley Police had delivered and would replace over twenty systems across both forces. In order to maximise the potential Thames Valley Police and Hampshire Constabulary's call centres, they had been combined to create a single Contact Management unit. This would facilitate future cross-border deployment and response as well as making contact centre processes far more efficient. The CMP programme would improve the forces' ability to accurately assess threat, harm, opportunities and risk and response appropriately. The benefits of the CMP programmer were numerous and these were summarised as:

- Targeted response
- Rapid assessment
- Smarter deployment
- Incident management
- Demand management
- Future proofing
- Safer communities
- Financial savings

The CMP programme was originally initiated by Thames Valley Police and Hampshire Constabulary in early 2014. The original intent was to deliver a stand-alone Customer Relationship management (CRM) system plus a separate Command and Control (C&C) system which replaced the older C&C system for both forces. The product both forces ended up with was not the product they first started with.

The development of the CMP system testing of the integrated systems started back in early 2017 with a view to going live in September 2017. However, whilst user feedback from functional testing was, and has remained very positive, the testing identified a number of issues in performance, integration and system instability which under-mined user confidence. On 30 July 2018 the two PCCs both agreed that the CMP system go-live date should be deferred to April 2019 in order to enable additional and essential testing and resolution of the systems infrastructure problems and instability issues and approved the allocation of an additional £7.3m split between Thames Valley Police and Hampshire Constabulary to fund this work. It was also agreed that project governance arrangements would also need to be reinforced with enhanced regular



reporting of the progress against specific project assurance and decision gates to the both forces Chief officer Groups and both PCCs respectively. The delays were unwelcomed but were necessary as the product had to be stable because people's lives and staff depended on this.

(FH) confirmed that a specific paper had not been written for today's meeting but wanted to update the Committee with an overview.

(AC) gave an update on testing and gave reassurance to the Committee on the areas of functionality, performance and business continuity and confirmed the testing on functionality was complete. A live exercise was carried out last week with officers and Contact Management staff which went well and the exercise would be repeated again in Hampshire. The staff were comfortable with the exercise taking place and AC confirmed that any bugs were dealt with on a daily basis with weekly meetings being held. (DH) was the internal lead on the exercise and also looked at previous milestones for the last week and also weeks before. Audit capability was an area of concern as the organisation had to ensure there was compliance with information assurance. The Force were working closely with the Professional Standards Department (PSD) and had now started performance testing with no detrimental effect. There would be a full rehearsal before going live. There was a huge amount of visibility and transparency around this on a weekly basis and AC and Mike Lattanzio (ML) were checking all was on track and resolving any issues that came up.

AC confirmed that a full training plan would be going out to the organisation via Corporate Comms but that there were already a number of users who had trained on Contact Management by using the e-learning tool provided on the forces intranet. Mike Day (MD) had read the paper and asked how the organisation would connect the risks and how it would all be linked together as an understanding of the business benefits would be useful to see. AC confirmed that a report had been provided by (DH) and Chief Supt. Christian Bunt (CB) would endeavour to find out whether part of the report could be shared with the Committee of the assurances required and understanding of the benefits for the business.

**Action: AC to provide to the Committee the availability and update of any CMP business identification work and would update the Committee via CR whether or not this paper could be provided.**

The Committee **NOTED** the update on TVP Contact Management Platform (CMP).

## 96 ANNUAL ASSURANCE REPORT 2018

The Annual Assurance Report 2018 explained how the Committee had complied with each of its specific responsibilities during the last twelve months covering the period December 2017 to December 2018. The Chair highlighted key points set out in the report and based on the information provided to the Committee, the report provided assurance that the corporate governance framework within Thames Valley was operating efficiently and effectively. The Committee continued to attend a observers at the bi-monthly Complaints, Integrity & Ethics Panel to ensure that the Chief Constable's arrangements for and the PCC's oversight of the proper handling of complaints made against the Force and consideration of other integrity and ethics issues were operating effectively in practice. The committee noted that there appears to have been a broadening of the Panel's considerations, away from its key remit, as laid down in the terms of reference. The committee understand why this has occurred and can continue to endorse its activity, so long as it does not detract from the full and proper consideration of the complaint process.

The Committee reviewed the quarterly updates from both the Force and the OPCC in terms of their strategic risk management systems and processes and based on the information that had been provided to the Committee during the last twelve months, it appeared that the organisational risks in both were being managed effectively and there was appropriate capability for their respective goals and objectives to be achieved.

The Committee were satisfied that the business continuity management processes were operating efficiently and effectively in identifying issues and capturing organisational learning and were no significant issues that needed to be drawn to their attention.



It was worth noting that in December 2017 the Committee were informed on the outcome of the Joint Internal Audit Team's Public Sector Internal Audit Standards (PSIAS) external assessment as undertaken by CIPFA. This showed that the service generally conforms to all the requirements of the PSIAS and local Government Application Note which was the best outcome that the team could have achieved. The Committee were extremely pleased with this result having contained two recommendations and three suggestions in the report, all of which had subsequently been addressed. In July 2018 the Committee received the annual report from the Chief Internal Auditor and were pleased to note that all of the planned audits for 2017/18 had been completed, subject to any in year changes to the originally approved plan. The Committee continue to receive final audit reports which gave them early sight of any key issues that arose from completed audits that required management action. This was particularly useful for those few audits that were limited or that minimal assurance was given.

In terms of the financial statements and the year-end audit, the Committee were pleased with the final outcome. The Committee welcomed the efforts that had been made by officers to close the accounts earlier again this year and were pleased to hear that Thames Valley Police were one of the first local policing bodies nationally to have the 2017/18 accounts formally signed off by external auditors. This was an excellent achievement and the Committee wished to express their gratitude to the external auditors for their key role in the closedown and early audit sign-off process.

In July 2018 the Committee received the Annual Report on Environmental Management for 2017/18 which explained the range of environmental work and sustainability the Force had undertaken. The report also provided an outline of the future work programme as part of its continual improvement.

In May 2018 CIPFA published new guidance notes for audit committees which contained model terms of reference and a self-assessment for audit committees to complete. The self-assessment was undertaken during June 2018 by the Chair of the Joint Independent Audit Committee, the Chief Finance Officer (IT) for the OPCC and the Chief Internal Auditor for the OPCC. It was noted that the Terms of Reference would need to be modified slightly, these are shown as track changes. The track changed Terms of Reference was handed out to all attendees as a separate document at the beginning of today's meeting with a clean version provided as set out in Appendix 1.

The Chair went through the conclusions of the report and hoped that the assurances it contained would enhance the public's trust and confidence in the governance of Thames Valley Police and the OPCC.

**Action: It was agreed that the Chair would arrange a meeting with (PH) to discuss observations made within the Complaints, Integrity & Ethics Panel around integrity, ethics and assurances, which PH agreed to.**

## **97 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 OPCC or the PCC and the ability to delivery strategic priorities, as well as information on how those risks were mitigated. There were currently five discrete risks.

In respect of OPCC 18 the Home Office were due to announce the Provisional Police Finance settlement next week which may include provision for PCCs to increase their Council Tax to help finance the current budget shortfall in the Medium Term Financial Plan.

(PH) summarised the five issues on the risk register as set out in Appendix 1 on page 65. Each risk description was discussed with the proposed action plan for each risk.

In relation to OPCC 20 the OPCC were unable to evidence delivery of strategic priorities and key aims in the PCC's Police and Crime Plan and continued to work with the Governance and Service Improvement Department to better align the Force's Delivery Plan with the PCC's Police and Crime Plan strategic priorities. PH noted that the current status using the 2017/18 outturn report was to demonstrate alignment of Thames Valley Police's plan to aid further discussion prior to Q1 report and publication of first performance infographic. Q1 infographic may be superseded by Q2 although neither have yet been tested on a wider audience including Thames Valley Police and the Police and Crime Plan. Processes to create infographic

still remained intensive. A working version was available on the PCC's website and available for demonstration (internal use only). Once this was up and running, the Committee would be able to see how the OPCC were delivering on the PCC's priorities.

The review of the OPCC victims 'specialist counselling service' identified in OPCC21 potential weaknesses in internal management controls and administrative procedures e.g. non-compliance with GDPR, disclosure requirements required significant investment in the OPCC's time, resource and cost to rectify. This was because of a lack of a basic monitoring system held on the Apricot Case Management system but was currently being reviewed.

A new policy officer for a Counselling Service Coordinator would be starting this week at the Hub in Reading.

The risk OPCC22 of the upgrade of Niche RMS by TVP was to provide victims' data extract in the form that could be uploaded on to the Apricot CMS system in the Victims First Hub. PH confirmed that this had been flagged up with the Force and taken on board. However, the Hub would revert to manual referrals in the event of any disruption but would not stop the service from continuing.

The Committee asked whether the OPCC ever used external 'eyes' on risks. PH explained that during internal OPCC SOG meetings, internal challenges were raised but these were not put out to external challenge and would be worth discussing at the next SOG meeting.

The Chair **NOTED** the five issues on the OPCC Risk Register, the actions being taken and endorsed the proposed changes.

**Action: (PH) to discuss at the next OPCC SOG meeting using external eyes on any OPCC risks.**

## 98 ERNST & YOUNG AUDIT PLAN

PK from Ernst & Young confirmed that he had bought forward the planning process and delivery to meet the deadline. The report set out how the auditors intended to carry out their responsibilities and to provide the Committee with a basis to review the proposed audit approach and scope for the 2018/19 audit in accordance with the requirements of the Local Audit and Accountability Act 2014. The plan summarised initial assessments of the key risks driving the development of an effective audit for the PCC and Chief Constable (FH) and outlined their planned audit strategy in response to those risks.

Ernst & Young determined that for the financial statements of the PCC Group, the subsidiaries (PCC and CC Single entity accounts) and the Police Pension Fund is £10.088m, PCC £6.023m, Chief Constable £9.884m, PPF £0.965m respectively. This represented 1.8% of the prior years' gross expenditure on provision of services of the PCC Group and CC Single entity accounts. 1.8% of the prior year's gross assets for the PCC single entity accounts and 1% of the higher of benefits payable/contributions receivable for the Police Pension.

PK considered whether the PCC and (FH) had put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This was known as their value for money conclusion. In 2018/19 this has included consideration of the steps taken by the PCC and (FH) to consider the impact of Brexit on its future service provision, medium term financing and investment values. Although the precise impact from Brexit was yet to be modelled, Ernst & Young anticipated that Authorities would be carrying out scenario planning and that Brexit and its impact would feature on operational risk registers.

(IT) confirmed to the Committee that all matters were on target for closing the accounts for 12/13/14 May 2019 although this depended on resources at that time.

**Action: As shown in Appendix B on page 106, PK detailed the communications to be provided to the PCC and to the Chief Constable (FH). The Audit Results Report would be presented at the 12 July 2019 Joint Independent Audit Committee Meeting and this would be noted on the Agenda by CR.**

## 99 ERNST & YOUNG POLICE SECTOR AUDIT COMMITTEE BRIEFING

The Chair confirmed that members had read through the Police Sector Audit Committee Briefing paper and had been given sufficient information on the key questions contained in the paper..

## 100 DRAFT TREASURY MANAGEMENT STRATEGY STATEMENT 2019/20

The report presented at today's meeting was the draft 2019/20 Treasury Management Strategy Statement for consideration and endorsement before it was presented to the PCC for approval at the Level 1 meeting on 22 January 2019.

CIPFA revised the 2017 Prudential and Treasury Management Codes which required for 2019/20 that all local authorities including the Police were to prepare an Additional Report and a Capital Strategy Report. IT confirmed that he would send the Capital Strategy Report to the Committee once it was received.

**Action: (IT) to send to the Committee members the Capital Strategy Report when ready and for future occasions, a covering paper to be presented to the Committee to include key changes and key issues.**

IT continued to summarise the capital expenditure plans that provided details of the service activities of the PCC. The Treasury Management function ensured that the PCC's cash was organised in accordance with the relevant professional codes so that sufficient cash would be available to meet this service activity.

The operational boundary for external debt was based on 'probable' debt during the year and was a benchmark guide and not a limit. Actual debt could vary around this boundary for short period during the year but it should act as a monitoring indicator to initiate timely action to ensure the statutory mandatory indicator would not be breached inadvertently. IT confirmed that the final report could be very different in the next Level 1 meeting in 2019 but it would be updated.

The Committee **CONSIDERED** the draft Treasury Management Strategy Statement or 2019/20.

## 101 ANTI-FRAUD AND CORRUPTION POLICY

The Joint Anti-Fraud, Bribery and Corruption Policy was to help prevent any corruption within Thames Valley Police and the OPCC. The policy assisted individuals and their line manager in ensuring that their decisions and actions were both legal and appropriate.

The policy was reviewed by the Force during 2017 and also reviewed by the internal sub-group to ensure it remained up-to-date and fit for purpose. The main change to the policy had been to incorporate 'bribery' within the title and to include extensive reference and explanations of this issue throughout the report. Other minor changes had been updated as to relevant legislation. A tracked change of this policy had been sent to the Committee by email. Once this policy had been approved, it would be updated and available on the internal intranet for all staff and officers.

A member asked whether the force had data to show how effective the policy is in practice. The force will look into this.

There were no specific issues arising from this report.

The Chair **APPROVED** the recommendations as set out in the policy.

## **102 SCALE OF AUDIT FEES**

The Scale of Audit Fees was covered by Ernst & Young in Agenda 9 at today's meeting. Public Sector Audit Appointments Ltd (PSAA) had published the fee scale for the audit of the accounts of opted-in principal local government and police bodies as set out in Appendix A on page 105 of Audit Planning Report.

## **103 ANY OTHER BUSINESS**

Action: The Chair asked whether the PCC and Chief Constable (FH) were still content with the one-to-one meetings and this was agreed. The Chair to contact CR and Cressida Chapman (CC) with diary availability.

Action: (RJ) would be standing down from attending as an observer at the Joint Collaboration Governance Board meetings and from January 2019; Committee member Mike Day would be taking over. CR to update Kim Salter, Hampshire OPCC as to the new arrangements.

**Date of next meeting 15 March 2019 at 9.30am the Conference Hall, TVP Headquarters South**

**JOINT INDEPENDENT AUDIT COMMITTEE Matters Arising from 21 September 2018 Meeting and**  
**Actions arising from 7 December 2018 Meeting**

<b>Matters Arising from Minutes of 21 Sept 2018</b>	<b>Lead</b>	<b>Action outstanding</b>	<b>Update / Action complete</b>
Minute 78 Page 4 Annual Report of the SIRO 2017/18	Charlotte Roberts	There was a typo on page 4 of the Minutes of 21 September 2018 under the heading Annual Report of the SIRO 2017/18, fourth paragraph, second line where the wording should be amended to read <i>...that the checks were built into the timetable going forwards....</i>	CR completing the amendments and re-uploading amended version to the OPCC website 19/12/18  <b>ACTION COMPLETE</b>
Minute 78 Page 6 Annual Report of the SIRO 2017/18	Amanda Cooper	AC to update the Committee as to the outcome of the appeal case referred to in Minute 78 and whether it was now complete or still ongoing.  AC confirmed at the meeting on 7 December 2018 that the appeal case was now complete and would come back to the committee with an update as to the outcome.	The ICO supported TVP's decision to make the requests vexatious under Section 14 of the Act (the individual had made 15 requests all to do with disputing whether Hampshire should have issued him with a fixed penalty notice for speeding). The individual appealed to the Tribunal who bizarrely overturned the ICO's decision that we could use Section 14 TVP subsequently reviewed the requests but still refused them under other exemptions. There has been no further appeal.  <b>ACTION COMPLETE</b>
Minute 78 Page 6 Annual Report of the SIRO 2017/18	Amanda Cooper	The Committee wished to know what lessons had been learned from the complaints upheld and whether processes and procedures had been tightened up. AC to provide a summary for both forces of the information received from the Information Management Board and update the Committee	AC updated the Committee during the meeting on 7 December 2018 that the learning from complaints that were upheld very much depended on a case by case basis.  <b>ACTION COMPLETE</b>
Minute 78 Page 7 Annual Report of the SIRO 2017/18	Amanda Cooper	AC to find out the figures and report back to the Committee members with an update as to the discrepancy of loss or theft of technology assets between Hampshire and Thames Valley as the summary of reported security incidents showed a disproportionately large number of incidents in Thames Valley compared with Hampshire.	AC/JC both gave an update during the meeting on 7 December to the Committee members who were reassured with the update given.  <b>ACTION COMPLETE</b>
Minute 79 Page 7 TVP Risk Management Report	Mark Horne	MH to look at item 2.2 and update the Committee as to the risk that had not been scored re CMP and to update the Committee thereafter as to the reasons	MH confirmed during the meeting on 7 December that the two risks were the same that came in from Hampshire. The score was 15 and confirmed that all strategic risks would be re-scored but at present there was no change. Louis Lee noted the score of 15 was high.  <b>ACTION COMPLETE</b>

**JOINT INDEPENDENT AUDIT COMMITTEE Matters Arising from 21 September 2018 Meeting and**  
**Actions arising from 7 December 2018 Meeting**

<b>Actions arising from main meeting on 7 Dec 2018</b>	<b>Lead</b>	<b>Action outstanding</b>	<b>Action completed</b>
Minute 89 Risk Management Update	Louis Lee (Chair)	The Chair felt that the Risk Management Report did not contain enough evidence and needed a member of the Committee to work with Deputy Chief Constable John Campbell to work through this. The name of the nominated member from the Committee that had been chosen would be emailed to Charlotte Roberts by email by close of business today for forwarding on to the Force.	The nominee is Mike Day. Louis communicated this to John Campbell at the end of the JIAC meeting, but CR sending a confirmation email to DCC Campbell to close this action off.  <b>ACTION COMPLETE</b>
Minute 90 Business Continuity Update	DCC John Campbell	The Chair noted that there was an error on the Quarterly Comparison pyramid on page 29 where the right hand column indicated May 2018 – July 2018. This column should in fact be the last reporting quarter date and would require amending.	Email from Louis Lee 22/1/19 - The attached file does not show the May 2018 – July 2018 on RHS as marked error by MH as being changed. The pyramid has the same dates left LHS and RHS. Nothing more and nothing less! – CR emailing this back to Mark asking him to contact Louis directly and update me 22/1/19. CR adding the version MH sent to the OPCC website which shows the two dates on Right Hand Side and MH to liaise with Louis directly.  <b>ACTION COMPLETE</b>
Minute 91 Risk Management & Business Continuity Update	DCC John Campbell	The Committee would like to see a cover note attached to the Report explaining the Risk Management & Business Continuity update and can provide evidence or updates on the working papers once a Committee member has been nominated to attend meetings with DCC Campbell.	Mark Horne updated CR on 9/1/19 with an update for this action. With regard to Minute 91 MH advised that this might only be able to be completed once DCC Campbell has fed back the future expectations to JIAC.  <b>ACTION COMPLETE</b>
Minute 91 Risk Management & Business Continuity Update	Mark Horne	Populate the 'Lesson Themes' set out on page 41 and include the right access label for ICT P1 Incident Volume Trends on page 42	These were templates for JIAC to consider as reporting mechanism sample dates were included and examples of how it may look provided so accurate dates and content will be included in the March papers. I also remember that the chair requested that we include the lowest previous number of P1 and P2 incidents into the graph, so that will be done too.  <b>ACTION COMPLETE</b>

Actions arising from main meeting on 7 Dec 2018	Lead	Action outstanding	Action completed
Minute 92 Progress on the 2018/19 Joint Internal Audit Plan delivery and summary of matters arising from completed audits	Neil Shovell	An Executive Summary to be included in the Agenda for the March 2019 Committee Meeting as set out in Section 2.7 on page 133	NS's action will be completed for the next meeting as he has changed my JIAC report to include the necessary information.  <b>ACTION COMPLETE</b>
Minute 93 Progress on delivery of agreed actions in Internal Audit Reports	Amy Shearn / DCC John Campbell	Re: Priority 2 rated overdue action in relation to fuel spend/card usage monitoring felt that due to the development of ERP, this action needed to be reviewed to ensure that it remained appropriate. AS and DCC Campbell to discuss this outside of the meeting.	AS spoke to DCC Campbell who does not think this is required and put AS in touch with Sam Sloane from the Chiltern Transport Consortium to discuss. Discussions have taken place with the DCC and the Head of Chiltern Transport Consortium. The action is complete as the original risk that was identified is being managed as business as usual  <b>ACTION COMPLETE</b>
Minute 94 Force Management Statement Process	DCC John Campbell	Deputy Chief Constable John Campbell would look at providing a redacted version of the confidential document provided by HMICFRS for the Chair to have sight of prior to a public version being available on the TVP website.	Cat Hemmings emailed the JIAC members on 24/12/18 the attached GSC Official version of the Force Management Statement produced earlier this year, circulated as per the minutes of the December JIAC meeting.  Please note: this document is not yet in the public domain, and elements of the report are GSC graded as Official Sensitive. As such, I would be grateful if you did not disseminate the report further.  <b>ACTION COMPLETE</b>
Minute 95 TVP Contact Management Platform (CMP) Project Update	Amanda Cooper	AC to provide to the Committee the availability and update of any CMP business identification work and would update the Committee via CR whether or not this paper could be provided.	Email 14.12.18 provided by AC.  The SRO of the CMP programme, ACC Hardcastle confirmed he has reviewed the draft Business report prepared for him by Chief Supt. Christian Bunt. He has requested some additional work and anticipates it will be submitted to the February CMP Board. Given that the CMP Board may request further inputs, he anticipates that the report itself would <u>not</u> be appropriate to share any wider prior to the end of March 2019.  <b>ACTION COMPLETE</b>



Actions arising from main meeting on 7 Dec 2018	Lead	Action outstanding	Action completed
Minute 96 Annual Assurance Report	Louis Lee (Chair) / Paul Hammond	<p>The Chair to arrange a meeting with the Chief Executive of the OPCC to discuss observations he made within the Complaints, Integrity &amp; Ethics Panel around ethics and assurances.</p> <p>NOT INCLUDED IN MINUTES BUT FOR CHAIR/PH REFERENCE: PH had considered a view as to how the CIEP handle the complaints they are given and whether the balance is right. Alison Phillips would welcome a broader outcome of scope for the CIEP and not detract from the proper and full complaints issues. The PCC would need to discuss this with the Chair of the CIE Panel Mark Harris once PH and the Chair had discussed this but coaching the CIEP Chair may be more appropriate and assist.</p>	<p>The CIEP Annual Assurance Report to be included in the Agenda for March 2019</p> <p><b>ACTION COMPLETE</b></p> <p>The PCC spoke to DCC Campbell re expenses and to keep the meetings shorter and what was actually covered in the meetings was the correct scope. The PCC was happy as to the expenses claims by CIEP and would raise this matter again with DCC Campbell at the next Level 2 meeting on 5 March 2019</p> <p><b>ACTION COMPLETE</b></p>
Minute 97 OPCC Risk Register	Paul Hammond	OPCC18 to OPCC21 – PH to add this on to the next internal Staff Officers Group (SOG) agenda on 14 January 2019 to discuss getting external challenges on the OPCC risks	<p>SOG meeting held on 22 January 2019 to discuss – a separate meeting for the OPCC Risk Register took place on 7 February 2019 at 2pm – went through all risks and added in risks</p> <p>PH submitted a draft of the OPCC risks to colleagues in the South East for external scrutiny Feb 2019.</p> <p><b>ACTION COMPLETE</b></p>
Minute 98 Audit Planning Report	Charlotte Roberts	As shown in Appendix B on page 106, Paul King detailed the communications to provide to the Police and Crime Commissioner and to the Chief Constable. The Audit Results Report would be presented at the July 2019 Joint Independent Audit Committee Meeting and this would be noted on the Agenda.	<p>CR adding the Audit Results Report on to the Agenda for the July 2019 Joint Audit Committee Meeting.</p> <p><b>ACTION COMPLETE</b></p>
Minute 100 Capital Strategy Report	Ian Thompson	<p>IT to send to the Committee members the Capital Strategy Report when ready.</p> <p>For all future JIAC meetings IT to include and reflect in the covering paper key changes and key issues.</p>	<p>IT sent the Capital Strategy Report to the JIAC members on 17/01/18</p> <p><b>ACTION COMPLETE</b></p>
Minute 103 Any other business	Louis Lee (Chair)	The Chair to contact CR and Cressida Chapman with dates for 2019 to arrange one-to-one meetings at HQ South with the Police & Crime Commissioner and the Chief Constable	<p>Dates for 2019 now agreed and placed in both the Police &amp; Crime Commissioner and the Chief Constable's diaries for one-to-one meetings to take place.</p> <p><b>ACTION COMPLETE</b></p>

Actions arising from main meeting on 7 Dec 2018	Lead	Action outstanding	Action completed
Minute 103 Any other business	Charlotte Roberts	Committee member Richard Jones would be standing down from attending as an observer at the Joint Collaboration Governance Board meetings. As of January 2019, Committee member Mike Day would be taking over and CR to update Kim Salter, Hampshire OPCC as to the new arrangements.	CR emailing Kim Salter at the OPCC Hampshire and confirmed Mike Day from the JIAC Panel would be the new observer at the Joint Collaboration Governance Board meetings as from January 2019.  <b>ACTION COMPLETE</b>



Joint Information Audit Committee (JIAC)

Risk and Business Continuity Report

Approved at CCMT 14<sup>th</sup> February 2019

## JIAC 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 strategic risk management and business continuity management processes, and
- Receive and consider assurances that business continuity and 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 annual overview of risk management and 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.

<b>Recommendation:</b>	
The Committee is invited to review and note the report as appropriate.	
<b>Chairman of the Joint Independent Audit Committee</b>	
I hereby approve the recommendation above.	
<b>Signature</b>	<b>Date</b>

## Risk Management Introduction

Effective risk management is one of the foundations of good governance. A sound understanding of risks and their management is 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.

This framework is derived from the best practice set out in ISO31000: 2018 Principles and Guidelines and applied to the local context. This is the most recent guidance which sets out the principles, framework, processes and activities for the effective management of risk.

A revised risk and business continuity strategy was approved by Force Risk Management Group (FRMG) in October 2018. 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 includes Business Continuity
- Reminder of the National Decision Model and reference to the Authorised Professional Practice (APP) Risk Principles

Risk management forms part of the Deputy Chief Constable's portfolio.

Ongoing scanning by the Strategic Governance Unit (SGU), including reviewing departmental and operational risk registers, ensures the identification of strategic risks which are then assessed and scored with relevant business leads. The product of this process, including recommended actions, is presented to the FRMG for consideration and corporate decision making in relation to those risks and recommendations. It further provides the information necessary for the Audit Committee to fulfil their function effectively. Members are also welcome to review the force and local risk registers, or specific risk entries, by arrangement with the Strategic Governance team, who will arrange access to the live documents at force headquarters.

### Risk Heat Map

This map identifies the current strategic risks, and maps them in terms of priority based on current risk scores.

		Impact			
		1 Minimum	2 Moderate	3 Major	4 Critical
Likelihood	4 Probable				
	3 Likely		<div>SR65 Gazetteers</div> <div>SR77 RUI</div>	<div>SR74 Recruitment &amp; Retention</div> <div>SR69 Finance</div>	
	2 Possible		<div>SR 56 Livelink SR 75 CMP Delay</div>	<div>SR76 CMP Failure</div>	
	1 Unlikely				



## Strategic Risk Summary

The table below (over page) shows the direction of travel of each risk score and the current risk management status as agreed by the FRMG. A more detailed description of the risk, including rationale for any change in risk level, is then provided in the risk summaries which follow.

In moving to the new risk management matrix, as agreed in 2018, the new risk scores are based on a 4 x 4 matrix and are not therefore numerically comparable with the previous 5 x 5 matrix. Direction of travel can still be determined and relied upon. In future reports that direction of travel will be supplemented with the previous risk score to provide a clear indication of the magnitude of any change.

All risks have been re-scored with input from the risk owners, or risk leads where this responsibility has been delegated, and the SGU risk lead. In future this scoring will be additionally supported by risk task and finish groups where appropriate.

Risk description and link to full document	Risk and score (I x L)	Trend	Risk Owner	Current Risk action
<b>SR74 - Recruitment and retention</b> The Force is below establishment as a result of recruitment and retention issues, whilst demand and the complexity of policing has increased.	9 (3x3)	↓	ACO Chase	TREAT
<b>SR 69 Funding</b> Funding for 2020/21 may be insufficient to allow us to continue delivering all existing services to the same level of performance and may not accommodate additional demand whether through increasing numbers, complexity or scope.	8 (2.3 x 3.5)	↓	ACO Waters	TREAT
<b>SR65 Gazetteers</b> Out of date mapping is being used by the organisation, which could lead to a number of negative consequences: risk to public safety; risk to officer safety; and potential reputational damage.	6 (2x3)	↔	ACC Hardcastle	TOLERATE
<b>ISR 77 RUI</b> Impact of release under investigation (RUI) Investigation drift due to RUI resulting in a failure to get cases into court and obtain positive CJ outcomes.	6 (1.9 x 3)	↔	ACC De Meyer	TREAT
<b>SR 76 CMP Failure</b> The CMP System fails shortly after deployment or is deemed too unstable to be fit for purpose. (This is reported alongside CMP delay in the update below)	6 (2x3)	↓	ACC Hardcastle	TREAT
<b>SR 75 CMP Delay</b> If there is delay to the delivery of the Contact Management Programme (CMP), then there are a number of on-going impacts operationally and financially, and reputational damage to the Force. (This is reported alongside CMP failure in the update below)	5 (2x2.5)	↓	ACC Hardcastle	TREAT
<b>SR 56 Livelink</b> Livelink is required to remain functional until Sept 19, increasing the likelihood of operational issues.	5 (1.6 x 3)	↔	ACO Cooper	TREAT

## Current Strategic risk update

Risks are listed in current priority order, as identified by current scoring. Risk summaries include an assurance level, using the following definitions.

<b>Substantial</b>	The governance, risk management and control arrangements are strong, although some minor action may be required to improve efficiency or effectiveness.
<b>Reasonable</b>	The governance, risk management and control arrangements are good, although some action is required to improve efficiency or effectiveness.
<b>Limited</b>	The governance, risk management and control arrangements are limited and action is required to improve efficiency or effectiveness.
<b>Minimal</b>	The governance, risk management and control arrangements are weak and significant action is required to improve efficiency or effectiveness.

The levels of assurance provided are based on the risk summary and input from the risk owner, the additional documents supplied which outline the more detailed activities and benchmarking where this is available. In future this will also include how effective mitigating actions have been in the past, and confidence around the potential effectiveness of future actions.

## **SR 74 - Recruitment and Retention**

**Risk summary: If the Force remains below establishment, whilst demand and the complexity of policing increase, TVP will be unable to meet existing and future demands.**

### **Consequences:**

- Impact on public facing services with potential risks to public safety, as well as reputational issues
- Inadequate staffing numbers across both specialist and general roles, which impacts on our abilities to meet targets in the short-term and our longer term force resilience
- Negative impacts on staff morale as a result of work patterns and increased demand on existing staff
- An imbalance in recruitment may require further risks to be considered around training and mentoring capacity, which will need to be monitored

**Risk Owner: ACO Chase**

**Risk Lead: Nicola Hyde (Retention and Recruitment Programme Manager)**

**Reviewed with risk owner: 21/01/2019**

**Next Review Date: 21/04/2019**

**Context:** The Force remains below establishment, whilst demand on the Force has increased (Police Officers actual establishment on 31/12/2018 was 3753.21, with a target of 3821.63; Police Staff actuals on 31/12/2018 was 2453.36, with an establishment of 2662.99). Both Police Officer and Police Staff establishments will increase following investments decisions made in January's Chief Constables Management Team (CCMT) meeting, and those figures will be reflected in this risk once finalised.

The primary drivers are natural loss (retirement and resignation), and transfer to other forces.

Additional challenges to the staffing pool may come from a loss of EU employees in some Brexit scenarios, and a potential loss of staff to large external projects such as HS2 and Heathrow.


The risk is now managed through a programme board as, due to the changing landscape in terms of establishment and entry routes, a programme offers more of a governance structure, with a dedicated programme team ensuring the targeted activity and interdependency management required. It also offers assurance in terms of due diligence via monthly highlight reports and recording change requests.

The current mitigation actions have shown some positive impact on recruitment, although this has placed additional demands on training and mentoring resources which requires further action. The Programme Board however recognises that work on retention is only likely to show an impact in the longer term, as plans need to be further embedded.

The additional funding made available through CCMT to support future training and additional support should have further positive impact on the risk.

This risk is currently being **TREATED** through the Programme Board.

**Level of Assurance: Reasonable.** Whilst there are clear plans in place and early indications of increased success in recruitment the programme has identified a number of additional actions required to ensure the issue is effectively addressed. Many of the actions can only be expected to show an impact in the medium term and close monitoring will be required. The Programme Board has an up to date set of programme risks and implementation of the action plans has started.

**Risk Score Trend:**  There is a downward trend as a result of the recruitment work, which has reduced the impact of the recruitment aspect of the risk.

The table below summarises the active mitigating actions and future planned actions from the strategic risk register. Supporting evidence is available from the:

- Programme Board Risk Log
- Retention Action Plan

Current mitigating actions	Owned by	Completion date	Future Actions required / agreed	Owned by	Target date
<p>Recruitment and Retention Programme established and meeting monthly to ensure the workforce plan is aligned to the Force's 3 year Medium Term Financial Plan (MTFP), and to minimise the impact of the current resourcing situation on our service to the public and on our staff.</p> <p>In addition, a monthly Tier 1 Recruitment and Retention meeting established to manage the distribution of resources across Local Policing Areas (LPAs), including Police Community Support Officers (PCSOs), the Crime and Criminal Justice OCU and the JOU in the short to medium term (up to 6 months ahead), considering the required skills and capabilities, and making maximum use of non-deployable officers and staff available.</p> <p>Management of the risk has been transferred to a Programme Board. The Programme Board Risk Register can be found here.</p> <p>Action plans linked to the Board can be found here.</p>	Nicola Hyde / Programme Board lead	21/08/2018	<p>Hold and analyse exit interviews to get feedback about why people are leaving.</p> <p>Take positive action to minimise future Officer losses.</p>	Kath Lowe	28/02/2019
<p>Analyse and understand barriers to entry, and revise the recruitment strategy to reduce potential barriers / improve targeting of recruitment.</p> <p>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.</p> <p>However it appears from the Service Improvement Review (SIR) that this has not resulted in a shortening of the recruitment journey (with it still taking circa. 9 months or longer). There is recognition that this is an ongoing process and further adjustments may need to be made.</p>	Alison Whitehouse	21/08/2018	<p>Undertake further studies into why we are not attracting potential recruits into training courses. This might include admission standards, perception of career packages etc.</p>	Alison Whitehouse / Caroline Cookson	31/03/2019

Compare our offer to other comparable forces (e.g. West Mercia, West Yorkshire, Kent, Essex & Hampshire) to gain a better understanding of their position in terms of recruitment patterns nationally.	Alison Whitehouse	30/09/2018	Make use of the opportunities that will arise from e.g. CMP / Op Model Phase 2 / E&E to reduce demand, and make better use of resources.	Gavin Wong	21/08/2019
Investigate alternative ways of filling gaps - secondments, targeted use of PCSOs & Specials etc., to deliver opportunities for those interested in a Police career, whilst building future expertise.  In Dec '18 TVP offered promotion opportunities throughout budget constraints which many other forces haven't been in a position to do. Advanced Practitioner PCSO work ongoing.	Alison Whitehouse	30/09/2018	Use evidence-based predictive modelling to quantify future demand on the Force.	Ed Herridge	21/08/2019
			Create long and short-term retention strategies to stem the number of officers leaving, based on the findings of research outlined above; these will need to fully take into account EIA and be fair and equal across the board.	Kath Lowe	01/02/2019
			CCMT have agreed to 3 x additional PC courses and 1 x additional PCSO courses. Additional resources and accommodation are currently being considered to achieve this.	Alison Whitehouse	31/03/2019
			CCMT have approved additional resources for the People Directorate to facilitate the increased levels of recruitment and	ACO Chase	01/07/2020



			training required to meet our establishment targets.		
--	--	--	--	--	--

## SR 69 - Finance

**Risk summary:** Funding for 2020/21 may be inadequate to allow us to continue delivering all existing services to the same level of performance and may not accommodate additional demand whether through increasing numbers, complexity or scope. The savings required to mitigate any funding shortfalls may impact on service level provision.

**Consequences:** The service cuts avoided as a result of a positive settlement in 2019/20 may have to be implemented in 2020/21, potentially with further savings cuts, with an impact on public facing services and the resultant public impact and reputational issues.

**Risk Owner:** ACO Waters (Head of Finance)

**Reviewed with risk owner:** 21/01/19

**Next Review Date:** 21/04/19

**Context:** The positive settlement for 19/20 has alleviated the immediate financial risk, but TVP needs to remain focused on providing public services in the long term which is difficult with the high degree of uncertainty around future funding levels.

Until a longer term Government funding strategy is introduced it is likely that TVP medium term financial planning will remain challenging.

This risk is currently being **TREATED** through the budgeting processes in place.

**Level of Assurance: Reasonable.** There are well established budgeting and monitoring processes in place within clear timescales. The force has a clear medium term financial plan for both capital and revenue expenditure and there is an annual process of external audit in relation to the financial processes.

**Risk Score Trend:**



As there is a change in proximity, this has caused both impact and likelihood to fall slightly. As the year progresses the perceived effectiveness of future actions and the impact of current mitigating actions should be expected to affect the risk score.

The table below summarises the active mitigating actions and future planned actions, taken from the new format risk register. The document references the supporting Level 1 Finance papers, which includes budgets and financial plans.

Current mitigating actions	Owned by	Completion date	Future Actions required / agreed	Owned by	Target date
<p>The current financial projections for 2019/20 which includes future costs and budgeted income / expenditure are reported to the January 2019 PCC Level 1 meeting. This report concludes the budget setting process for 2019/20.</p> <p>This document will form the basis for the 20/21 planning cycle, commencing July 2019 and running during the year as new information becomes available, finishing January 2020.</p>	ACO Waters	21/01/2019	<p>A number of factors are recognised as potentially impacting on the 20/21 budget and will be factored into the annual planning cycle as far as possible:</p> <ul style="list-style-type: none"> <li>• The short-term horizon of future central economic decisions and the impact this has on TVP ability to plan</li> <li>• Current political uncertainties</li> <li>• Changes in the CC and PCC roles and possible changes in TVP priorities</li> <li>• Future changes around partnership funding and the impact on TVP</li> <li>• Comprehensive Spending Review</li> <li>• Funding Formula Review</li> </ul> <p>These areas will be analysed throughout the year and feed into the planning cycle</p>	ACO Waters	08/01/2020
The Effectiveness and Efficiency programme is used to identify potential savings, whilst minimising the impact on current services.	Rob France	31/03/2021	Monitoring the 2019/20 budget during the year will inform the future years' budget setting.	ACO Waters	1/07/2020

**SR 65 – Gazetteers**

**Risk summary:** There are a number of out of date mapping systems (eg AtlasOps, AutoRoute, MapPoint) being used by parts of the organisation.

**Consequences:**

- Risk to public safety
- Officers/staff being ineffectively deployed, resulting in delayed responses
- Inefficiencies in crime recording, potentially resulting in failed cases
- Incorrect management information being produced to inform operational decision making, resulting in a range of negative impacts on public safety and confidence
- Incorrect data being published externally
- Reputational damage

**Risk Owner:** ACC Hardcastle


**Risk Lead:** Stephen Fower

**Reviewed with risk owner / risk leads:** 21/01/2019

**Next Review Date:** 21/04/2019

**Context:** Many of the actions needed to mitigate this risk can only be delivered through migrating to a single preferred mapping solution across the force, which will allow us to both end the use of a number of existing systems and accurately define any future systems which will need further mitigating actions to reduce the risk. As there are a range of interdependencies and complexities being managed, future decisions can only be made in the context of the delivery of the RMS ESRI LocatorHub Interface project. Therefore this risk is currently **TOLERATED**.

**Level of Assurance: Limited.** Due to the interdependencies identified with RMS ESRI project there is little additional mitigating action which can be put in place at this time. Clarity is needed on the likely residual risk following the implementation of RMS ESRI and further actions identified if necessary.

**Risk Score Trend:**  There are no significant changes to the score of this risk and it remains TOLERATED. As there are few mitigating actions which can impact on the score, we would not expect to see significant further score changes until the implementation of the RMS ESRI LocatorHub Interface project.

The table below summarises the active mitigating actions and future planned actions, taken from the new format risk register.

Current mitigating actions	Owned by	Completion date	Future Actions required / agreed	Owned by	Target date
The delivery of the RMS ESRI LocatorHub Interface project	ACC Hardcastle	21/04/2019	Ongoing monitoring of effectiveness of systems currently employed to ensure that risks are not increasing for individual departments due to individual system issues	SGU liaising with relevant departments	21/04/2019

## **SR 77 – Release Under Investigation (RUI)**

**Risk summary: Investigation drift due to RUI resulting in a failure to get cases into court and obtain positive Criminal Justice outcomes**

### **Consequences:**

- Potential impacts on public safety; especially for vulnerable victims, particularly for high harm offences
- Impact on public confidence in the work of CJ and the judicial system as a whole
- HMCTS are concerned that if courts are reduced in line with current numbers, and an increase then occurs, HMCTS will not then have the court space required, and timeframes from date of Charge to Trial will increase, having a detrimental impact for Victims and Witnesses
- HMCTS report an impact on court cases in relation to defendant's failing to appear and an associated increase in cracked & ineffective trials
- Our local judiciary are concerned that the use of RUI is undermining their ability to protect victims and witnesses by way of remand or bail conditions

**Risk Owner: ACC De Meyer**

**Risk Lead: Karin Williams-Cuss**

**Reviewed with risk owner / risk leads: 24/01/19**


**Next Review Date: 21/04/19**

**Context:** The drop off in Court Receipts (Trials) is causing HMCTS and CJS Partner Agencies to reduce Court Slots and personnel (Lawyers/ Legal Advisors/ Magistrates). HMCTS are concerned that if courts are reduced in line with current numbers, and an increase then occurs, HMCTS will not then have the court space required, and timeframes from date of Charge to Trial will increase, having a detrimental impact for Victims and Witnesses.

As well as a potential impact on public safety, there are also concerns from partners such as the CPS that the current process provides insufficient control measures for suspects.

This risk is currently being **TREATED** through Criminal Justice.

**Level of Assurance: Reasonable.** Whilst there are clear mitigating actions there is a small delay in some of the identified activities and a recognition that additional actions are required. It appears that further partnership working will also be needed to address some of the external concerns raised.

**Risk Score Trend:**  Although the assessed impact from the risk has fallen slightly, this cannot be demonstrably linked to any of the mitigating actions at this stage, and this will require further investigation.

The table below summarises the active mitigating actions and future planned actions, taken from the new format risk register.

Current mitigating actions	Owned by	Completion date	Future Actions required / agreed	Owned by	Target date
RUI Report recently developed detailing numbers per LPA/ Crime Type and Timeframes, plus Adult/ Youth. These will help focus future action plans on the areas of significant risk	Karin Williams Cuss	21/01/2019	To assess the effectiveness of these measures, further exploratory work and analysis into the fortnightly LPA reports to identify those cases which remain open, is needed. This will allow for further clarification into the level of RUIs which are likely to go to court. Such evidence can be used if future consultations around court closures arise, and to assist with Criminal Justice System partner agency resource planning. It will also assist with plans to finalise Her Majesty's Courts System Thames Valley Court Pattern for 2019.	Karin Williams Cuss	28/02/2019
Service Improvement have developed a new tool, run fortnightly, which provides the local policing areas (LPAs) with an update in relation to the status of cases where the suspect has been released under investigation.	Karin Williams Cuss	21/01/2019	A Dashboard is currently being created, although it is in the early stages of design, by the Service Improvement Team to enable LPA's to review cases which remain open and timeframes associated with each.	Karin Williams Cuss	28/02/2019

## SR 75 – CMP Delivery Delay

**Risk summary:** If there is delay to the delivery of the Contact Management Programme (CMP), then there are a number of on-going impacts operationally, financially and reputational damage to the Force.

### Consequences:

- Extended reliance on legacy systems may impact on public safety
- Continued reliance on Legacy Systems with increased potential for failure
- If delays persist, the Legacy System suppliers may no longer want to offer support to the systems increasing the potential of failure and increasing the time to return to operational status
- Support costs for the Legacy systems could continue to rise as the ability to maintain the system becomes harder
- The on-going cost of delay will affect the Force's ability to utilise funds elsewhere and impact on other planned deliverables
- The on-going reputational risk to the Force (and Brand) of not meeting delivery timelines may prove difficult and will need to be managed

**Risk Owner:** ACC Hardcastle

**Risk Lead:** Perry Shears - CMP Programme Director

**Reviewed with risk owner / risk leads:** 21/01/19

**Next Review Date:** 21/04/19


**Context:** Delivery is entering into the final stages of testing with positive outcomes delivered at Milton Keynes and Southampton. The Programme Board assess that the risk is falling based on current functional testing. The programme board believe that the immediate impact on operational activity (other than system failures) is manageable.

With the launch being close it is less likely that any unforeseen issues will arise, and the testing process at this stage is providing positive outcomes.

This risk is currently being **TREATED** through the programme board, and the testing programme.



**Level of Assurance: Reasonable.** There is clear programme governance in place, with engaged senior leadership which is regularly reporting progress to key senior stakeholders. Programme risk registers are being completed, there are clear mechanisms for escalation and additional mitigating actions are being identified.

**Risk Score Trend:**  The risk level has fallen as we have entered the testing phase of the project with positive results, suggesting the likelihood of a further delay is less likely.

The table below summarises the active mitigating actions and future planned actions, taken from the new format risk register. This is supported by the CMP Programme Board.

Current mitigating actions	Owned by	Completion date	Future Actions required / agreed	Owned by	Target date
Maintain Legacy system Support and Supplier engagement Manage Operational Expectations Ensure regular BCT windows for legacy systems Ensure all messages in respect of CMP delivery are communicated and controlled via appropriate Force channels	Perry Shears	30/03/2019	Ensure all messages in respect of CMP delivery are communicated and controlled via appropriate Force channels.	Perry Shears	22/04/2019
Maintained support from key system holders and continue to extend existing support contracts where required (eg OASIS) to maintain legacy systems during the transition, thus reducing the risk from system failure.	Perry Shears	30/03/2019	A substantial piece of work commenced the week commencing 18/2/19 to re-baseline the programme dates, with new dates (and so potentially changes to the risk score) to be set in the following 2 weeks.	Perry Shears	01/03/2019

## SR 76 – CMP Failure

**Risk summary:** The CMP System fails shortly after deployment or is deemed too unstable to be fit for purpose.

### Consequences:

- Increased risk to the public due to non-availability of key THOR information as well as an inability to effectively deploy officers to incidents
- Reputational impact to the Force of a major new system being seen to fail despite significant investment and testing
- Loss of public confidence if key contact and deployment system perceived as flawed
- Increased risk on both Forces whereas previous failures would only have affected one Force

**Risk Owner:** ACC Hardcastle

**Risk Lead:** Perry Shears - CMP Programme Director


**Reviewed with CMP Programme Director:** 21/1/19

**Next Review Date:** 21/4/19

**Context:** CMP Delivery is entering into the final stages of testing with positive outcomes delivered at Milton Keynes and Southampton. The Programme Board assess that the risk is falling based on current functional testing.

This risk is currently being **TREATED** through the programme board, and the testing programme.

**Level of Assurance: Reasonable** - There is clear programme governance in place, with engaged senior leadership and regular reporting of progress to key senior stakeholders. Programme risk registers are being completed, there are clear mechanisms for escalation and additional mitigating actions are being identified.

**Risk Score Trend:**  The risk level has fallen as the programme has entered the testing phase with positive results. As a result the likelihood of system failure is assessed as having reduced and there is small reduction in the expected impact of any failure should it occur.

The table below summarises the active mitigating actions and future planned actions, taken from the new format risk register.  
This document contains links to the CMP Programme Board risk register

Current mitigating actions	Owned by	Completion date	Future Actions required / agreed	Owned by	Target date
Validation of Infrastructure and application through appropriate and agreed levels of testing both Functional and Non-Functional Passage through agreed risk mitigation gates and feedback to Board Formal Test Sign-Off Appropriate business continuity testing prior to go live Effective training of staff Programme Board Level 'Good to Go' approval	Perry Shears	30/03/2019	Performance testing which looks at capacity and performance started on 09/01/19 and will last for 6-8 weeks to ensure operational stability against a number of scenarios.	Perry Shears	09/03/2019
Live testing activity took place prior to Xmas at Milton Keynes and Southampton providing positive outcomes.	Perry Shears	24/12/18	The outcomes will be provided for full organisational sign off (all stakeholders agreeing the project is completed) and without this the project will not go live.	Perry Shears	30/03/2019
			Programme Board to work with SGU to ensure BC plans are in place in case of failure	Perry Shears	30/03/2019

## SR 56 – Livelink

**Risk summary:** Livelink is required to remain functional until September 19, increasing the likelihood of operational issues.

### Consequences:

- Loss of access could have significant operational impact, i.e. no access to the Force Daily Management Meetings, Daily Force Briefings, Intel Briefings, HR files, FRAMS and Pre FRAMS
- Resulting impact on public safety
- No ICT resource to support Livelink is secured and system support is ineffective
- Usability and accessibility issues with Knowzone
- Inability to recover old records and documents

**Risk Owner:** ACO Cooper

**Risk Leads:** Mark Gould - Senior Records Manager, Marion Peleuve – Head of Information Management


**Reviewed with risk owner / risk leads:** 21/01/19

**Next Review Date:** 21/04/19

**Context:** The dependencies of the Sharepoint project with the National Enabling Programme, Windows 10 and Office 365 and migration of all material from Livelink (and therefore removal of the risk) continue to extend the programme and the risks attached to it. A data moving exercise is planned, but is currently delayed due to technical issues. This is likely to create a further small delay (2-3 weeks) to the launch of Sharepoint.

This risk is currently being **TREATED** through the Sharepoint programme board.

**Level of Assurance: Reasonable.** There is clear programme governance in place, with engaged senior leadership which is regularly reporting progress to key senior stakeholders. Programme risk registers are being completed, there are clear mechanisms for escalation and additional mitigating actions are being identified.

**Risk Score Trend:**  There are no significant changes to the risk score, despite the additional delay.

The table below summarises the active mitigating actions and future planned actions, taken from the new format risk register. This document contains links to the LAMS risk log.

Current mitigating actions	Owned by	Completion date	Future Actions required / agreed	Owned by	Target date
<p>The Sharepoint Project Board have now procured a tool which will allow a bulk data migration out of Livelink, allowing recovery of key data. The work to do this will commence from 12/11/18. JIMU and Joint ICT will identify the highest risk areas in LiveLink and prioritise their backing up.</p> <p>JIMU also now have a road map for migrating everything from LiveLink to SharePoint. Sept 2019 will see the last of the documents be moved to a new and supported environment.</p>	Mark Gould	21/01/19	<p>The Sharepoint project data moving exercise cannot take place at the moment as the LiveLink environment has an instability issue with syncing &amp; active directory. Once this is resolved testing can go ahead. There is a potential loss of two - three weeks in the programme whilst the issue is resolved.</p> <p>The time it is taking to perform the back-up has been improved but is still an issue (taking too long for the apps team to run).</p>	Terry Willat	30/03/2019
<p>The Sharepoint Project Board have worked to identify the risks linked to a Livelink failure. The Project Board continue to investigate viable technological contingencies.</p> <p>The Sharepoint Board have identified the following areas as being at a high operational risk should Livelink be unavailable for a week:</p>	Mark Gould	1/12/18	<p>Learning from the recent P2 issue affecting Livelink caused by Active Directory changes is being captured.</p>	Mark Gould	30/03/2019

<ul style="list-style-type: none"><li>• Briefing databases</li><li>• DMM</li><li>• Inspector handovers</li><li>• OCG documents</li><li>• Priority Crime Group</li></ul> <p>The Project Chair is keen that the Sharepoint Project Board have oversight of contingencies and risks.</p>					
---	--	--	--	--	--

## Risk Radar

### Overview

Horizon scanning has identified two areas of high priority for further analysis and consideration of potential strategic risk:

- A. Risks arising from a 'no-deal' exit from the EU and other Brexit-related scenarios
- B. Funding Reduction in Partner Agencies

This forms part of the ongoing work by SGU analysts on strategic forecasting to identify future threats and opportunities.

### **A. Risks arising from a 'no-deal' exit from the EU and other Brexit-related scenarios**

Whilst not a strategic risk for the force the level of uncertainty in the Brexit process and the likely interest in the force's considerations from internal and external stakeholders mean that a short overview has been included in this report.

A Gold structure has been set up to ensure effective and proportionate planning and the local threat assessment draws on both the National Strategic Risk Assessment (STRA) and the Local Resilience Forum's Common Operating Picture.

The following are the areas of particular focus:

- Impact of mutual aid requests, at this time only from Kent (but very significant in scale), on business as usual activity.
- Nationally identified risk to fuel in the event of disruption to the road networks. Mitigation is in place by way of business continuity and contingency plans.
- Nationally identified need to ensure CJ processes have appropriate business continuity plans for increased throughput should the situation escalate to disorder.
- Impact of the loss of international information sharing, security, law enforcement and criminal justice measures which rely on membership of the EU.

- Potential longer term risk to supply chain and procurement (current business continuity plans have been reviewed and address the immediate risk).

The impact of changes to foreign exchange mechanisms on our financial position is dealt with elsewhere in this paper, as part of the funding strategic risk (SR69).

**B. Partnership Funding** - SGU continues to assess the potential risks arising from the central funding review and how this may impact on our partners' ability to continue to fund existing services, particularly around vulnerable people. The potential impact of funding cuts are likely to present new challenges to TVP and we intend to consider this risk as part of our future strategic risk conversations with CCMT.

### Risk – Next period

The risk activities planned for the next period are:

- Continuing to embed the new system into BAU through individual meetings with LPA and departmental risk leads and Senior Management Teams (SMTs)
- Moving all risk registers into the new format, using this as an opportunity to update all existing registers and identify new local risks
- Working with the DCC to ensure future reporting meets the needs of CCMT and JIAC
- Work with CCMT to identify future strategic risks



## Business Continuity Introduction

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.

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.

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.

A new standard, ISO22330 has now been published that focuses on the people aspect of Business Continuity.

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.

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.

This report is provided to the CCMT for consideration and corporate decision making. It further provides the information necessary for the Audit Committee to fulfil their function effectively. Members are also welcome to review the details of specific business continuity incidents or exercises, by arrangement with the Strategic Governance team, who will arrange access to the relevant information at force headquarters.

### Force Business Continuity Incidents and Exercises

During the period November 2018 to January 2019 **no** business continuity incidents were reported.

As covered in the ICT report there was a nationwide issue with a Vodafone outage, which was a significant event (and Forces are currently investigating steps to prevent future repeats); however the Business Continuity Plan (BCP) was not invoked. An explanation of how ICT incidents move into business continuity events is included in the ICT P1 summary.

Business Continuity exercises were delivered with:

- 10/18 - Force Crime - Forensic Investigation Unit using the Flu Pandemic exercise. This department was particularly well served by their BCP and the approach demonstrated in the exercise. Because of the nature of the department, they face particular challenges about working remotely, and further consideration needs to be given to the effectiveness of agile working in these situations.
- 11/18 People Directorate using a PeopleSoft outage exercise. The BCP covered most eventualities in this scenario, although there are some concerns raised about the prioritisation rating of PeopleSoft and the potential impact of not having weekend ICT support for the software. There was a solid understanding of the critical activities throughout the month and how such an outage would impact, as well as clearly identified work arounds.

## Lessons Learnt

As there were no live incidents in this period, these lessons primarily arise from the exercises we have run in this period.

From the early October BC incident and the recent programme of updating BCP with new facilities details, it seems some departments do not have appropriate access to their plans. This is being reviewed, and a force wide communication process to ensure people know where their plans are and they are up to date is planned

There are GDPR implications with some long standing plans, which needs further investigation

The SGU Business Continuity lead needs to be included in the feedback loop during incidents, so they can advise based on most up to date information

We need to work with BCP leads to ensure that plans reflect the impact of current risks as appropriate

## ICT Priority Incidents

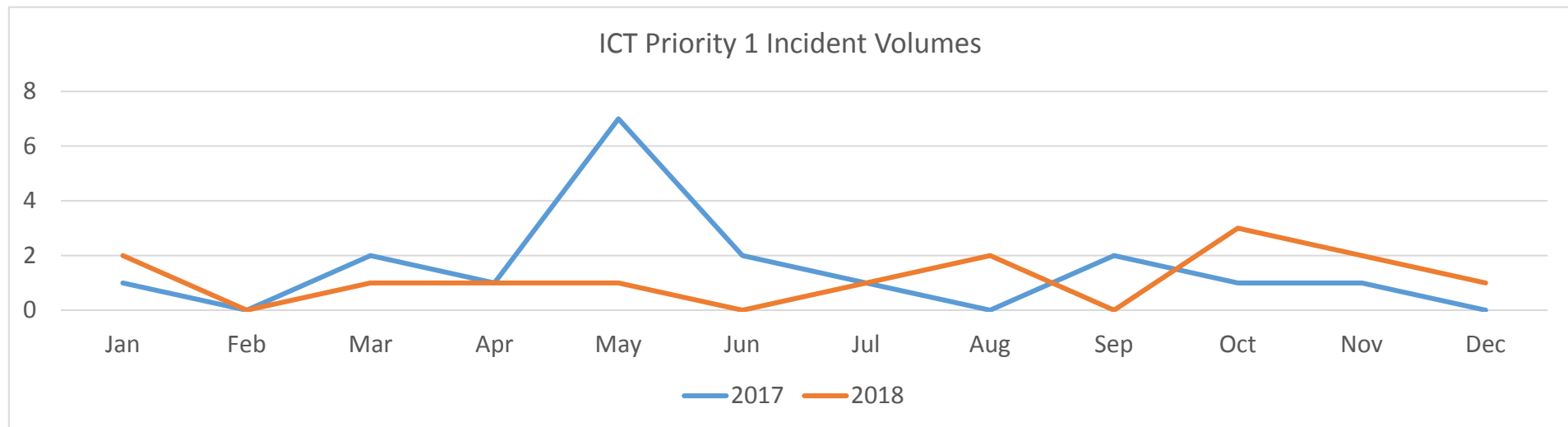
During the current period (November 2018 – January 2019) ICT submitted 3 priority one incidents, during the last period (August 2018 – October 2018) ICT submitted 5 priority one incidents. There were no priority incidents which caused a business continuity plan to be invoked. The process for invoking a business continuity plan is:

- If an issue is at risk of breaching a Service Level Agreement (SLA) the incident manager on duty (IMOD) will contact the SMT on call. The SMT on call will then act as a specialist advisor to brief the Force incident manager (FIM) on the services at risk. The FIM will then follow existing Force GSB (Gold Silver Bronze) protocols to decide whether or not to invoke business continuity plans.

### **ICT P1 Incident Volume Trend**

The graph below shows the P1 incident volumes by month back to 2017 for context. There have so far been no P1 incidents in 2019.

For the purposes of ICT incident reporting, a P1 incident is defined as “an ICT event which impacts the whole force, with a fix time required of less than 4 hours.”



Date & Time	P1 Incident Summary	Business Impact	Root Cause	Time to restore	Business Continuity Plan invoked?
13/11/2018 13:30	Milton Keynes Control Room Network Running Slowly. Services are available Machines started to run slowly in MKCR and then degraded to the point they needed to revert to paper due to the delay. Radios were diverted to Abingdon. Phones were not diverted and they continued to take calls.	Critical – Impacting Milton Keynes Control Room ability to effectively manage 999 calls and dispatch officers	Networks identified an issue on Router 3 and BT resolved.	01:58:00	<b>No.</b>
4/11/2018 12:10	Command & Control failed over to secondary, multiple services stopped running C&C failed over from Primary to Secondary, users could log back on but linked services such as PNC, Highways Agency, Auto escalations, alerts for transferring of URN's were unavailable.	Critical - Multiple Command & Control services not running and CMU unable to book officers on. C&C services available at reduced capacity	C&C application failed over from Primary to Secondary automatically without the automatic parameters to instigate being met.	05:40:00	<b>No</b>
04/12/2018 14:45	Unable to connect to external websites or PNC, also unable to send or receive external emails	High – Unable to connect to PNC, external websites and unable to receive or send external emails.	Vodafone confirmed this related to a change they had implemented which was affecting multiple forces nationwide. Once rolled back service was restored	06:55:00	<b>No</b>

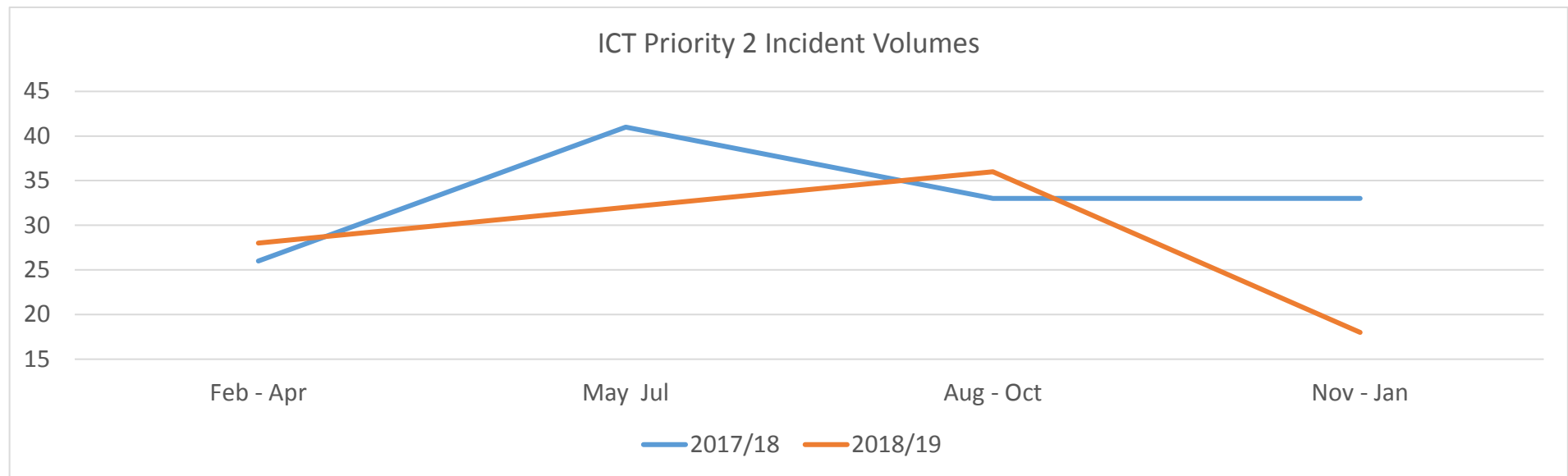
### ICT P2 Incident Volume Trend

P2 Incidents have been recorded quarterly in the past, as represented in the graph below.

During the current period (November 2018 – January 2019) 18 P2 incidents were reported. During the last period (August 2018 – October 2018) 36 P2 incidents were reported.

For the purposes of ICT incident reporting, a P2 incident is defined as “an ICT event which impacts on a single department or site, with a fix time required of less than 8 hours.”

Having reviewed P2 incidents, there are no identified concerns or indicators to suggest either emerging risks, changing risks or business continuity concerns.



## Business Continuity activities

### **Business continuity requirements in the event of a ‘no-deal’ Brexit and other Brexit- related scenarios**

The national threat assessment indicates that it would be prudent to review business continuity plans for:

- Loss of access to fuel in the event of disruption to the road network; and
- Insufficient custody and other criminal justice provision in the event of escalating tension leading to disorder.

Both business continuity plans are being reviewed so as to take into consideration these areas of concern and ensure that contingency plans are in place with sufficient detail to give assurance that the impact on the business will be minimised. As host Force for CTPSE, the Unit is being added into the business continuity plan as a critical function for access to fuel. Business continuity contacts are being updated. The consultation with stakeholders and revised plans will be completed by the end of January 2019.

Other con-going business continuity (BC) activities include:

- Ensuring that all existing plans reflect the new facilities management processes
- Working with BCP leads to move BCP onto new format to include BIA, as plans are reviewed
- Planning future exercises

## Business Continuity – next period

The business continuity activities planned for the next period are:

- Working to ensure all BCP owners have easy access to plans, and communicating the importance of this across the Force
- Communicating the value of Business Continuity force-wide
- Ensuring all BCP are fully GDPR compliant
- Delivering the required updates to ensure that business continuity plans provide effective response to the Brexit issues outlined on page 23
- Continuing to deliver departmental exercises

### Financial comments

There are no direct financial implications arising from this report.

### Legal comments

There are no legal implications arising from this report.

### Equality comments

There are no equality considerations arising from this report.

### Background papers

Where relevant background papers are referred to in the main text of the paper.



**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**

<b>Name &amp; Role</b>	<b>Officer</b>
Strategic Governance Unit - Governance Officers (Risk Management & Business Continuity)	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.

Deputy Chief Constable

Date 14/2/19

Director of Finance

Date 14/2/19



## JOINT INDEPENDENT AUDIT COMMITTEE



**Report for Decision: 15<sup>th</sup> March 2019**

**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 and Key Aims', as well information on how we are mitigating those risks.

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

The issue with the largest combined residual risk impact and risk likelihood score is the "*Failure to respond to change in demand for new OPCC related services*" (Risk OPCC 23)

### **Recommendation:**

That the Committee notes the eight 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.
- 1.4 It should be noted that this process no longer mirrors the way the Force manages and scores their own strategic risks. We will transition to the new Force risk process before the next JIAC meeting in June.

### 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 Since the last meeting we have closed one risk and created four new risks.
- 2.3 Risk OPCC 20 "*Unable to evidence delivery of 'Strategic Priorities and Key Aims' in the PCC's Police and Crime Plan*" has been closed because we are now better able to track and monitor delivery of associated tasks and actions in the Force's Delivery Plan and assign them to the PCC's strategic priorities. A new 'Infographic' has also been produced which will be published on the PCC's website when fully tested.
- 2.4 OPCC 23 is new risk and relates to the '*Failure to respond to new additional demand and/or changes in type of service demand for OPCC related services*'. In recent months there has been a plethora of new service proposals and data requests coming from the APCC, Home Office and Ministry of Justice which we have struggled to deal with on a consistent and timely basis. A new process is being implemented in the OPCC to ensure that we identify, and respond, to the most important proposals and requests in a timely and effective manner.
- 2.5 OPCC 24 is a new risk that "*The OPCC commissioning process fails and new specialist victims' services are not in place before 1<sup>st</sup> April 2020 when current contracts expire*". The majority of our contracts for delivering specialist services

to victims and witness of crime expire on 31<sup>st</sup> March 2020. We are currently undertaking market research and engagement events to ensure that there are sufficient suppliers aware of our future requirements and willing to submit a tender for the new regional 'hub' packages of service delivery with effect from April 2020.

- 2.6 OPCC 25 is the new risk that '*The change from Data Protection to General Data Protection Regulation (GDPR) requirements increases the risk of non-compliance*'. We are currently reviewing all our contracts to ensure they are GDPR compliant. We will also ensure that appropriate information sharing agreements with key partners are in place by December in order to minimise the risk.
- 2.7 OPCC 26 is a new risk that '*Failure to meet safeguarding responsibilities in the Victims First Hub resulting in harm to victims and reputational damage for the PCC*'. Although the Victims First Hub has been operational since 1<sup>st</sup> April 2018 we need to ensure that all Victims First officers are appropriately trained up to safeguarding level 3, that we provide clinical supervision for all Victims First staff and that our procedures and processes are clearly explained in the Hub operating manual.
- 2.8 The other four existing risks have been reviewed and updated accordingly.
- 2.9 The issue with the largest combined residual risk impact and likelihood score of 10.6 is the '*Failure to respond to change in demand for new OPCC related services*' (i.e. OPCC23).

### 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**

<b>Name &amp; Role</b>	<b>Officer</b>
<b>Head of Unit</b> This report has been produced in accordance with the Force Risk Management guide	PCC Chief Finance Officer
<b>Legal Advice</b> No specific issues arising from this report	Chief Executive
<b>Financial Advice</b> 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
<b>Equalities and Diversity</b> 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 5 March 2019

Chief Finance Officer

Date 5 March 2019

URN	OPCC18	Date Raised	1.12.16	Raised By	Ian Thompson	Risk Owner	Ian Thompson	Review Date	7.2.19	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 2017-2021			1 Level of funding is insufficient to maintain the current level of service against increasing demands					1.Medium Term Financial Plan (MTFP). 2. Regular in-year budget monitoring			
			2 PCC unable to demonstate 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									
3.4	2.8	9.3									
Proposed Action Plan					Action Owner	Target Date	Current status				
1 The balanced 2019/20 annual budget and MTFP will be presented to the PCC in January 2019					TVP	Jan-19	The PCC approved the revenue budget for 2019/20 and the MTFP for 2019/20 through to 2022/23 at his public level 1 meeting on January. Based on current planning assumptions, the budget is balanced in all 4 years of the MTFP				
2 Future savings will be identified through the Productivity Strategy and Priority Based Budgeting process					TVP	Jan-19	The MTFP includes cash savings in all 4 years				
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.				
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. Mid year grant returns have been received from all local authorities and queries raised as appropriate.				

URN	OPCC 19	Date Raised	13.6.18	Raised By	SM	Risk Owner	SM	Review Date	7.2.19	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 / service providers			The demand for victims services could exceed current supply				Hub staffing (5 Victims First Officers, Manager and Data Quality Officer) was established above required estimate (via LPA pilots) to allow for increased external demand.				
			The quality of service provided to victims is adversely affected				Temporary increases in demand managed by utilising OPCC policy officers to perform VFO functions on an 'as needed' basis.				
			Reputational damage for the PCC				Formal public launch of Victims First deferred until after actual operational 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									
2.38	2.50	5.94									
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		Two new VFOs recruited, and further recruitment to 6th VFO post in progress.				
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. VF Communications Officer post soon to be vacant.				
Option of recruiting volunteers is being explored with TVP. Volunteer commissioning form obtained.					EF		This is not being explored at this time.				
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.				
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	Meetings have taken place and issues highlighted. SAFE waiting lists now slightly reduced.				
New 'Exploitation / Complex Needs Service' now in place and accepting referrals.							This will reduce demand on other services which were reaching capacity.				

URN	OPCC 21	Date Raised	13.6.18	Raised By	SM	Risk Owner	SM	Review Date	07/02/2019	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 contains data protection requirements. Contract with Gallery Partnership (VF Hub 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	2.75	7.20									
Proposed Action Plan				Action Owner	Target Date	Current status					
Initial review of process and data stored on VF Hub Apricot case management system to take place by OPCC Policy Manager and Data Quality Officer when in post.				SM	31-Jul-18	Quick assessment undertaken by SM. Comments will be passed to reviewers. Lack of monitoring information is key issue.					
If required, external consultant will be recruited to conduct end-to-end quality and compliance review.				SM	31-Mar-19	Circles SE recruited and currently undertaking the review.					
Develop Counselling Service performance management regime and KPIs, to be monitored as part of VF Hub management				SM	30-Sep-19	MoJ performance framework received and to be implemented with counsellors					
Consider counselling service manager option				SM	28-Feb-19	New Policy Officer appointed, subject to vetting.					
Consider where day-to-day management of counselling service sits, whether within VF Hub, OPCC or outsourced, as part of wider commissioning strategy				SM	31-Dec-19	Dependent on 1 and 2 above					
Implement Pre-Trial Therapy protocol, to be agreed by TVP Prosecutions group.				WW	30-Jun-19	In progress.					



URN	OPCC 22	Date Raised	14.6.18	Raised By	SM	Risk Owner	SM	Review Date	07/02/2019	Force Objectives	
Risk Description			Consequences					Existing Controls			
Upgrade of Niche RMS crime recording system 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 appropriate format spreadsheet can be provided.			
			Loss of efficiency of working in VF Hub					Other referral options in place, eg. referral through website, email etc, could be used by TVP police officers and staff.			
Before Mitigation											
Impact	Likelihood	Risk Rating									
3.56	3.75	13.36									
Residual Score											
Impact	Likelihood	Risk Rating									
2.31	2.75	6.36									
Proposed Action Plan					Action Owner	Target Date	Current status				
Highlight with TVP and monitor towards Niche upgrade go-live					SM	Oct-18	Niche RMS upgrade implemented Feb 2019. Problems with data transfer from Niche to the VF Hub Apricot case management system were, and continue to be,				
Rollout and advertising of self-referral routes via Victims First Connect					CH	Oct-18	Rollout plan prepared				
Preparation of internal TVP communications, for instant use in worst case scenario.					CH	Sep-18	Not required - despite problems experienced, 'worst-case' scenario not experienced.				

URN	OPCC23	Date Raised	7.2.19	Raised By	PH	Risk Owner	PH	Review Date	7.2.19	Force Objectives	
Risk Description			Consequences					Existing Controls			
Failure to respond to new additional demand and/or changes in type of service demand for OPCC related services			Failure to engage and influence national initiatives					Reliance on APCC / APACE / PaCCTS / LCJB / OPCC / TVP information, advice and guidance. External scrutiny by Police and Crime Panel.			
			Failure to discharge new PCC responsibilities					See above plus OPCC monitoring of performance and service delivery.			
			Reputational damage					(see above)			
			Impact on local people					Limited due to above controls			
Before Mitigation											
Impact	Likelihood	Risk Rating									
3.25	3.25	10.56									
Residual Score											
Impact	Likelihood	Risk Rating									
3.25	3.25	10.56									
Proposed Action Plan					Action Owner	Target Date	Current status				
Implement enhanced process to monitor and respond to APCC and other stakeholder emails / consultations					PH	Feb-19	Implemented				

URN	OPCC24	Date Raised	7.2.19	Raised By	PH	Risk Owner	PH	Review Date	7.2.19	Force Objectives	
Risk Description			Consequences					Existing Controls			
The OPCC commissioning process fails and new specialist victim services are not in place before 1st April 2020 when current contracts expire			Vulnerable victims do not receive an appropriate type amd level of service.					Existing services / service provider contracts may be extended on a short-term basis.			
			Reputational damage.					Plan developed and implemented			
			Impact on existing service providers					Existing service providers being consulted on / kept informed of process			
Before Mitigation											
Impact	Likelihood	Risk Rating									
3.67	3.50	12.83									
Residual Score											
Impact	Likelihood	Risk Rating									
3.33	3.00	10.00									
Proposed Action Plan				Action Owner	Target Date	Current status					
Extensive market engagement and co-production				SM	Apr-19	Market engagement meetings with potential service providers underway.					
Service user involvement in commissioning process				SM	Oct-19	Planned.					

URN	OPCC25	Date Raised	7.2.19	Raised By	VW	Risk Owner	VW	Review Date	7.2.19	Force Objectives	
Risk Description			Consequences					Existing Controls			
The change from Data Protection Act to General Data Protection Regulation (GDPR) requirements increases the risk of non-compliance			Severity of fines					OPCC guidance developed and disseminated to OPCC staff			
			Reputational damage								
Before Mitigation											
Impact	Likelihood	Risk Rating									
3.52	3.25	11.44									
Residual Score											
Impact	Likelihood	Risk Rating									
2.90	2.75	7.96									
Proposed Action Plan				Action Owner	Target Date	Current status					
Ensure that all OPCC contracts are GDPR compliant				VW	Dec-19	In progress					
Information sharing agreements in place with key partners				VW	Dec-19	In progress					

URN	OPCC26	Date Raised	7.2.19	Raised By	VW	Risk Owner	VW	Review Date	7.2.19	Force Objectives	
Risk Description			Consequences					Existing Controls			
Failure to meet safeguarding responsibilities in the Victims First Hub resulting in harm to victims and/or reputational damage for the PCC			Harm to victims					All VF Hub staff to receive safeguarding training			
			Reputational damage								
			Impact on VF staff								
Before Mitigation											
Impact	Likelihood	Risk Rating									
3.33	3.00	10.00									
Residual Score											
Impact	Likelihood	Risk Rating									
3.00	2.75	8.75									
Proposed Action Plan											
All VF staff will be trained up to safeguarding Level 3					SM	Aug-19	All VF Hub have received basic safeguarding training				
Provision of clinical supervision for staff					SM	Mar-19	Currently being explored				
Procedures clearly explained in VF Hub operating manual					SM	Mar-19	In progress				



# Police Sector Audit Committee Briefing

Quarter 4, December 2018



Building a better  
working world

## Contents at a glance



Government and  
economic news **2**

Accounting,  
auditing and  
governance **4**

Regulation news **6**

Other **8**

Key questions  
for the Audit  
Committee **10**

Find out  
more **11**

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 Club Item

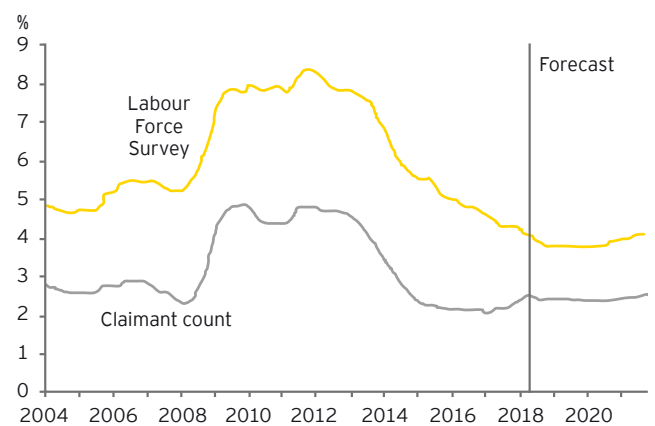
The latest EY ITEM Club forecast casts a cloudier outlook for the UK economy which will have implications for Local Authorities including Police forces. This partly reflects increased uncertainties about Brexit, due to the elevated risk of the UK leaving the EU without a deal. It also reflects a more challenging global outlook, and continued pressures on consumer purchasing power.

The forecast has slightly downgraded the UK's economic prospects for 2018 and 2019, with GDP growth for 2018 trimmed from 1.4% to 1.3% – the slowest rate of expansion since 2009. Whilst performance improved in Q2 and Q3, the outlook has since become less certain.

One positive note for UK economy is the robust growth in labour demand. The unemployment rate remained at 4.0% for the three months to July, the lowest level since February 1975. Over the same period, the number of vacancies in the UK rose to 833,000, highlighting the tightness in the labour market.

As shown in Figure 1, it appears that the spare capacity in the labour market created during the crisis has been largely absorbed. The Bank of England's (BoE) recent report about the labour market suggests that very limited slack remains – a BoE's regional Agents survey found that 40% of companies are finding it harder to recruit and retain staff compared to last year.

**Figure 1**  
**UK: Unemployment rate**



Source: EY ITEM Club

The recruitment challenges facing employers are well known by Police Forces. An expanding and ageing population will only add to the demand pressures, whilst the supply of workers may be at risk due to the impact of Brexit on migration of EEA workers.

Theory suggests that, with unemployment falling and vacancies rising, there is little scope for further labour market tightening without generating excess wage pressures. However, earnings growth has remained subdued in recent periods, and indeed relapsed in Q2 2018. Some firms appear keen to limit their costs in an uncertain environment, whilst fragile consumer confidence is likely deterring workers from pushing hard for pay rises.

## **As Brexit beckons, what is the impact that local authorities, including police forces, can expect across the UK?**

With increasing focus on a potential extension to the Brexit transitionary period and the likelihood of a 'no-deal' scenario failing to diminish, local authorities, including police forces, are beginning to prepare for an array of potential impacts from the UK's departure from the EU. We look below at some of the key focus areas for local government in assessing the impact of Brexit, including:

### **Supply chain and logistics:**

Some coastal Police forces may face road traffic issues if border checks are applied following Brexit; authorities in the South East likely to be most significantly affected, due to the potential of border checks being applied at Dover. Furthermore, investigations have been made by authorities such as Pembrokeshire Council into the ready availability of food and medicine in the event of road blockages and closures.

### **Property and land prices:**

Predictions that property prices in general are likely to fall following Brexit are well documented. Bank of England Governor Mark Carney has stated that UK house prices may fall by up to a third in the event of a 'no-deal' Brexit. Such a reduction in property values is likely to create a shock that may create financial hardship for many as well as impacting the performance of certain sectors.

## **Budget 2018**

On 29 October 2018 the Chancellor delivered the 2018 Autumn Budget to Parliament. Among the headline policy announcements, such as a new 2% tax on revenue for large digital companies, changes to the income tax threshold bands, and increase in funding to help departments prepare for Brexit, there were few which will have a direct impact on police forces such as increased staff costs; as the national living wage is set to increase by 5% from £7.83 to

£8.21 and increase in funding to help departments prepare for Brexit, as well as indirect impacts like additional funding to improve damaged roads, improve traffic and renew bridges.

CIPFA's response to the budget was that whilst the additional short term support for the provision of services is welcomed, there are greater long term challenges that need to be addressed to embed sustainable funding. The July 2018 Office for Budget Responsibility's projection, upon which the budget was based, forecasts that within 50 years the UK will not be able to afford anything more than debt interest, health, social care and pension payments. CIPFA is clear that there is not sufficient funding to sustain expectations of public services at the current levels of taxation.

An unexpected announcement made by Government during the budget was that it will no longer use Private Finance Initiative (PFI) schemes, or its successor PF2, because PFI schemes have been identified by the Office for Budget Responsibility (OBR) as a source of significant fiscal risk to the Government. It is unclear if this decision by central Government will impact on local authorities, including Police forces, in future years.

## **Police get funding boost to fight organised crime in Bedfordshire**

The Home Office have awarded a special grant to the Police and Crime Commissioner for Bedfordshire to assist the force in fighting serious organised crime. The grant awarded for £4.6 million is intended to assist the force in tackling serious organised crime activity in the area including gun violence, drug operations and child abuse and exploitation.

The costs involved in supporting the grant application were assessed by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) and found to be reasonable and proportionate. In its 2016 police effectiveness, efficiency and legitimacy (PEEL) assessment, HMICFRS had previously assessed the complexity of the challenges facing Bedfordshire Police as similar to that of a London Borough.

Any Police force can apply to the Home Office for special grants to reduce the burden of policing in unexpected and exceptional events and this is in addition to the police funding settlement which will increase by £460 million in 2019.

In April 2018 the government announced a new Serious Violence Strategy. The new strategy sets out 61 commitments needed to address serious violence such as gun crime, knife crime and homicide.

The Home Secretary also recently launched a £200 m initiative called the Youth Endowment Fund. This fund will focus on those youths deemed most at risk of violence.



## Accounting, auditing and governance

### Public Sector Pension Scheme Valuation

The Government undertakes a valuation of public service pension schemes every four years, this year sees the first full assessment of these since the introduction of reformed schemes in 2015. These reformed schemes were created to address the rising cost of pensions, rebalancing taxpayer and member costs to ensure that public pensions remain affordable and sustainable.

The Chief Secretary to the Treasury's has stated that early indications would suggest that employers' contribution will need to increase, as a result of a proposed decrease in the discount rate. The discount rate, known as the SCAPE rate, is based on the OBR projection on the short-term pay growth in terms of GDP. OBR has reduced this rate from 3.0% to 2.8% in 2016 and a further reduction has been proposed as of April 2019 to 2.4%. This discount rate is used to calculate the current costs of future payments and as the discount rate decreases, the pension liability increases. Given that employee rates are effectively fixed under scheme regulations, employer contributions will need to increase to meet the increased liability.

For a number of police force, this will likely result in a significant and material impact on the Medium Term Financial Strategy (MTFS) and future savings requirement to balance budgets. And as such, this will feature as an area for consideration in VFM conclusion work by external audit.

Further details are to be announced later in the year in addition to further discussion taken forward as part of the spending review.

### IFRS 9: Statutory Override update

The 2018/19 financial year will be the first year where the accounting standard IFRS 9 will be implemented by local government. IFRS 9 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.

Following a consultation by the Ministry for Housing Communities and Local Government on the impact of IFRS 9, an initial statutory override has been granted for five years, despite 90% stakeholders opposing a time-limited period. This statutory override means that police forces will still be required to account for fair value movements in financial instruments (in accordance with proper practices as set out in the code on local authority accounting); however these movements will not be charged to the revenue account.

The result of which is that statutory override will remove the potential burden that council tax payers or local authorities, including police forces, may have faced if fair value movements were unfavourable.

## Local Public Audit – Expectations gap

For the public to gain trust and confidence in public spending, a framework of accountability, transparency, governance and ethics needs to be built. The ultimate responsibility lies with the government departments that delegate spending to local public bodies. These public bodies must then be able to demonstrate that the money has been spent efficiently and effectively.

One way the public can gain trust in public spending, is by relying on the external audit process to provide assurance on the financial statements and report by exception on the arrangements the public body has in place to secure economy, efficiency and effectiveness. However, the role of audit, is often misunderstood creating the audit expectation gap which is the difference between what an auditor actually does, as required by legislation and auditing standards, and what stakeholders think that the auditors' obligations might be and what they might do.

The Institute of Chartered Accountants in England and Wales (ICAEW) produced a report to raise awareness on the expectation gap and suggest some possible solutions. The report also discusses how issues faced by local public bodies such as financial difficulties, increasing demand from an ageing population, complex structures and weaknesses of accountability impacts the audit process and widens the expectation gap.

Some common concerns were noted in the report by interviews with Chief Financial Officers in different sectors and regulatory bodies:

1. Local authorities, police forces and health bodies are facing a difficult time with increasing pressure to deliver more services, become innovative and commercial with reduced financial support. This pressure could bring in concerns about behaviours that may not be in the best long-term interests of the public.
2. Reports produced by auditors are not being fully utilised by management and audit committees to build on successes and make improvements within the body where recommendations have been made.

3. Auditors are concerned that qualifications and issues identified in their opinions are not taken seriously enough by those charged with governance.
4. The reduction in audit fees has led to a perception by local bodies that they are receiving reduced scope of work compared to the previous regime (Audit Commission). The concerns are not in relation to compliance with auditing standards, but rather the lack of value added activities that was previously provided.
5. Chief Financial Officers expect more challenge and review of their forward-looking plans which underpin the financial resilience of the authority.
6. Other stakeholders are not getting sufficient assurance over the effectiveness of service delivery and performance in auditors' work.
7. Increased regulation and scrutiny against the reduced number of auditor firms in the local government market.
8. Local public auditors' power being limited by the removal of indemnity insurance and increased difficulty to recover costs.

The ICAEW has offered a number of potential solutions in the report to close this expectation gap including:

1. Chief Financial Officers could consider involving external support to assist them in their financial resilience work, such as challenging their budget assumptions and other key decision making factors, instead of relying on external auditors to provide other value added activities, as these may have some independence restrictions. This is similar to the relationship between NHSE/NHSI and CCGs, NHS Trusts and FTs.
2. More broadly, consideration could be given to widen the scope of the audit to include for example a greater future-looking focus.





## Regulation news

### PSAA: Report on results of 2017/18 audits

PSAA (Public Sector Accounts Appointments) has reported its annual summary on the timeliness and quality of financial reporting in relation to audits for the 2017/18 financial year. A total of 431 (87%) local government and police bodies published their audited accounts by the deadline of 31 July 2018. 2017/18 was the first year that the accounts and audit deadline was brought forward from the 30th September to the 31 July. PSAA's Chief Officer stated that whilst these results were encouraging and reflect considerable efforts of both local government finance staff and auditors, there is still more work to be done in order for 100% of authorities to meet the new deadline.

The number of qualified 'Value for Money' conclusions is currently at 7% (compared to 8% for 2016/17); however there 30 conclusions still to be issued for 2017/18. The most common reasons for issuing a qualified Value for Money conclusion were corporate governance issues, financial stability concerns and contract management issues.

### Value for Money Profiles 2018

HMICFRS has published its latest annual value for money profiles. The profiles cover a range of different aspects of policing across England and Wales and provide the ability to analyse separate activities between different forces. The analysis will show variances across and between forces and may offer an opportunity

to identify areas where improvement can be made within a force through consideration of performance relative to other forces. Key metrics include:

- ▶ How much forces spend on different activities
- ▶ How crime levels compare across forces, as well as what outcomes forces achieve
- ▶ Workforce costs broken down by role, rank and gender

### Criminal Justice Joint Inspection Business Plan 2018/19

The four criminal justice inspectorates have launched their joint inspection business plan for 2018/19. The business plan sets out the criminal justice inspections where two or more of the inspectorates work together on a collaborative inspection and cover wide areas of criminal justice activity.

The inspectorates involved are:

- ▶ Her Majesty's Inspectorate of Prisons
- ▶ Her Majesty's Inspectorate of Probation
- ▶ Her Majesty's Inspectorate of Constabulary and Fire Rescue Services
- ▶ Care Quality Commission

Within the business plan the joint inspections focus on four key thematic areas. These include:

- ▶ Community Safety
- ▶ Bringing Offenders to Justice
- ▶ Offender Management
- ▶ Custodial Sentences

Linked to the above are three cross-cutting issues which are fundamental to the success and effectiveness of the above activities. These include:

- ▶ The quality of the victim and witness experience
- ▶ Active promotion of equality and diversity
- ▶ Achieving value for money and efficiency

Although the joint business plan is published annually it does actually cover a two year rolling cycle.

New inspections planned for 2018/19 include:

- ▶ Domestic abuse
- ▶ Crimes against older people
- ▶ Released Under Investigation
- ▶ Integrated Offender Management

## **Terrorism Response Tested in National Multi-Agency Exercise**

The preparedness of the emergency services for a major terrorist incident has been tested in the largest exercise of its kind to take place in 2018. The multi-agency exercise simulated a large scale terrorist attack and the subsequent response from the emergency services. These types of exercise are a common feature of emergency planning and preparedness and look to

assess strengths and weaknesses in approach across a range of simulated terrorist scenarios. The latest exercise was a simulated chemical terrorist attack. Such incidents are categorised within the Chemical, Biological, Radioactive & Nuclear Incidents (CBRN). The exercise involved 40 multi-agencies and 500 individuals.

In attendance watching the exercise were representatives from other police forces from around the world. Also present were representatives from various governments

## **New strategic direction for the Emergency Services Network (ESN)**

The Home Office has announced the roll out of the ESN project in phases starting early 2019. ESN will be the new communication system used by Police, Fire and Rescue services, ambulances and other public safety users in the UK. The product portfolio will include 'push-to-talk' capabilities for mobile phones, which will in effect turn them into an emergency services radio, with data capabilities, a package telephone, messaging, data services and an air to ground communications app. It also has the potential to enable communication on the London Underground. It is anticipated that the ESN products will be available for front line deployment in 2019 following thorough testing and evaluations, making Great Britain the first in the world to deliver critical voice and data for emergency service over an enhanced and more resilient 4G network.

The dedicated 4G network will allow emergency services to work across remote areas and at times of congestion, as it will have priority over commercial users of the network, enabling greater blue light collaboration.

It is anticipated that once operational and has fully replaces the previous radio based system, Airwave, the programme will save £200 million of public money per year.



**Other**

## EY 2018 Transparency Report

Our profession has come under scrutiny from policymakers and other stakeholders over the year, and the need for transparency has never been greater. Increasingly, the public is expecting more and more from the audit than its current remit requires. This difference is known as the 'audit expectation gap' which has been discussed above. We believe the time is right for all concerned in the corporate control ecosystem to seize the moment and consider deeply what society expects from businesses and the assurance it needs over their activity.

It's in our interests and the public's for EY UK to be as open and transparent as possible. The Transparency Report goes some way towards helping us achieve this, whilst also providing an opportunity to share a more balanced perspective on what we

do and how we perform as a business. For example, it refers to our role in building trust and confidence in the capital markets and wider economies, by maintaining and developing positive relationships with our stakeholders. It explains what we do to make a difference to people's lives by helping to improve social mobility in the UK. It also shows how our people are supported in their role as auditors by making reference to our tools, technologies and training programmes. Details on internal and external surveys and inspections are included as well, to show how we are performing against our own expectations and – most importantly – those of our regulators.

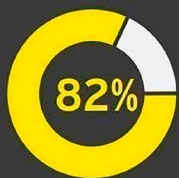
We refer to this report in our audit planning reports to audit committees, and we summarise the key headlines below.



# 2018 Highlights

## Audit quality

### External review



82% of EY's FTSE 350 audits and 67% of all inspected audits required no more than limited improvements

(FY17: 92% and 88% respectively)  
as at 29 October 2018

**No FRC fines** for audit work completed in the last five years and **no sanctions** against EY UK partners in respect of that period

### Internal review

108 engagements reviewed in FY18, covering

47% of our

Responsible Individuals, of

which 81% had no improvements or minor improvements only

### Delivery

Of our people in Audit



96% consider delivering quality audits a priority and

97% understand their role as an auditor in providing independent assurance, supporting strong capital markets and protecting the public interest



The result of the FRC's most recent review of our audits showed that 82% of our FTSE 350 audits were graded as requiring no more than limited improvement, against a 90% target. Overall 67% of all EY UK's audits inspected were graded as requiring no more than limited improvements. We are proud of the progress we have made in the UK since the launch of UK Sustainable Audit Quality (SAQ) programme a few years ago. But there is still more work to be done to consider audit quality from the viewpoint of key stakeholders: investors, audit committees, companies, regulators and our people. The work we have done to model the behaviours of our highest performing teams, using cognitive psychologists, will continue. In the year ahead we will prioritise the extent and consistency of the model's adoption. We aim to transform the behaviours that feature in the model into business-as-usual activity across all of our audit teams.

As organisations become more complex, so do audits, making access to different skills and capabilities more important than ever. The traditional audit has already been transformed by the use of technology and digital platforms, and the pace of change will only accelerate. These new capabilities enable us to search, sift and sort through large quantities of data, allowing us to identify potential areas of risk and understand an organisation's performance at a more granular level. The audit process is becoming more forward looking, with a focus on anticipating future risks. Our new capabilities are also providing insights into areas that were once thought to be impossible to measure, such as culture.

This unprecedented scrutiny and demand for change, can be seen as an incredible opportunity to focus our efforts on addressing the root cause, deliver sustainable high quality audit and gain the trust and confidence in the capital markets society needs and demands.



# Key questions for the Audit Committee

1. How has the 2018 Budget impacted the local authority's financial plans for the current year and the year ahead?
2. Has your force applied for any special grants to support policing in the area and are there any lessons that can be learned from the example of Bedfordshire police noted here.
3. **Have you taken into account the impact of the most recent review of the police pension scheme on your budgets and medium term financial position?**
4. Is your authority prepared to implement the new IFRS 9 accounting standard? How will the authority plan for the possibility that the statutory override will end in five years' time?
5. Does the expectations gap resonate with your Authority's experience of the external audit process and if so, has any action been taken to mitigate the gap?
6. What has the authority learned from the early accounts and audit deadline for 2017/18? How will the authority be best prepared to achieve the 31st July audit deadline for 2018/19?
7. Where an authority's 'Value for Money' conclusion had been qualified; how has the authority addressed the Value for Money concerns?
8. Have you reviewed the 2018 VFM Profiles for your local force? Is there any learning that can be gained from the reported performance of your local force or that of your closest statistical neighbours?
9. Are you aware of the outcomes from the latest simulated terrorist attack and is there anything that your force needs to implement or improve on as a result of the findings from the exercise?
10. How well prepared are you for the roll out of the Emergency Services Network? How confident are you that the planned benefits of the project will be realised?
11. Considering the savings that the ESN system will provide how will it be utilised by your authority?

# Find out more

## EY Club Item

<https://www.ey.com/uk/en/issues/business-environment/financial-markets-and-economy/item---forecast-headlines-and-projections>

## 2018 Budget

<https://www.gov.uk/government/news/budget-2018-24-things-you-need-to-know>

<https://www.local.gov.uk/about/news/lga-responds-budget-2018>

<https://www.cipfa.org/about-cipfa/press-office/latest-press-releases/cipfa-responds-to-budget-2018>

<https://www.local.gov.uk/sites/default/files/documents/Moving%20the%20conversation%20on%20-%20LGA%20Autumn%20Budget%20Submission%202018.pdf>

## Police get funding boost to fight organised crime in Bedfordshire

<https://www.gov.uk/government/news/police-get-funding-boost-to-fight-organised-crime-in-bedfordshire>

## Public Sector Pension Scheme Valuation

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/738917/Technical\\_Bulletin\\_Public\\_Service\\_Pension\\_Schemes\\_Valuations.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/738917/Technical_Bulletin_Public_Service_Pension_Schemes_Valuations.pdf)

<https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-09-06/HCWS945/>

## IFRS 9: Statutory Override

<https://www.publicfinance.co.uk/news/2018/11/ifrs-9-override-last-five-years>

## Local Public Audit – Expectations gap

<https://www.icaew.com/about-icaew/regulation-and-the-public-interest/policy/public-sector-finances/local-public-audit-expectations-gap>

<https://www.icaew.com/-/media/corporate/files/about-icaew/policy/local-public-audit-expectation-gap.ashx?la=en>

## PSAA: Report on results of 2017/18 audits

<https://www.psaa.co.uk/audit-quality/reports-on-the-results-of-auditors-work/>

## Value for Money Profiles

<https://www.justiceinspectorates.gov.uk/hmicfrs/our-work/article/value-for-money-inspections/value-for-money-profiles/value-for-money-dashboards/>

## Criminal Justice Joint Inspection Business Plan

<https://www.justiceinspectorates.gov.uk/cjji/wp-content/uploads/sites/2/2018/09/criminal-justice-joint-inspection-business-plan-2018-19.pdf>

## Simulated Terrorist Exercise

<https://www.gov.uk/government/news/terrorism-response-tested-in-national-multi-agency-exercise>

## Emergency Services Network Update

<https://www.nationalfirechiefs.org.uk/News/nfcc-welcomes-home-office-announcement-on-future-delivery-of-emergency-services-network/211977>

<https://www.gov.uk/government/news/new-strategic-direction-for-the-emergency-services-network-esn>

## EY Transparency Report 2018

<https://www.ey.com/uk/en/about-us/ey-uk-transparency-report-2018>

[https://www.ey.com/Publication/vwLUAssets/ey-uk-2018-transparency-report/\\$File/ey-uk-2018-transparency-report.pdf](https://www.ey.com/Publication/vwLUAssets/ey-uk-2018-transparency-report/$File/ey-uk-2018-transparency-report.pdf)

## Notes

## Notes

**About EY**

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit [ey.com](http://ey.com).

**Ernst & Young LLP**

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited.

Ernst & Young LLP, More London Place, London, SE1 2AF.

© 2018 Ernst & Young LLP. Published in the UK.  
All Rights Reserved.

ED None

EY-000083110.indd (UK) 12/18. Artwork by Creative Services Group London.



In line with EY's commitment to minimise its impact on the environment, this document has been printed on paper with a high recycled content.

Information in this publication is intended to provide only a general outline of the subjects covered. It should neither be regarded as comprehensive nor sufficient for making decisions, nor should it be used in place of professional advice. Ernst & Young LLP accepts no responsibility for any loss arising from any action taken or not taken by anyone using this material.

[ey.com/uk](http://ey.com/uk)



## JOINT INDEPENDENT AUDIT COMMITTEE



**Report for Decision: 15 March 2019**

**Title: Draft Annual Governance Statement 2018/19**

### **Executive Summary:**

Local authorities, including the Police, are required to produce an annual governance statement (AGS) to show the extent to which they comply with their own code of corporate governance.

Attached at Appendix 1 is a single, combined, draft AGS which shows how the Chief Constable and the Police and Crime Commissioner (PCC) have complied with their joint Code of Corporate Governance during 2018/19.

This is an early draft and further work will be required before the joint AGS is published in the annual Statement of Accounts for 2018/19 that the PCC and Chief Constable are producing.

The review of effectiveness of the present governance arrangements is still being considered but at this early stage there are NO significant issues that require immediate attention, nor are there any potential issues that may have an adverse impact on the internal control environment during 2019/20.

Following consideration by this Committee the updated AGS will be presented to the PCC and Chief Constable for their consideration and formal sign-off at the PCC's Level 1 public meeting on 25<sup>th</sup> July 2019.

### **Recommendation:**

The Committee is asked to review the draft Annual Governance Statement for 2018/19 and provide feedback to officers.

### **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 CIPFA/SOLACE Good Governance Framework establishes the principles and the standards of governance against which all local government bodies, including police and crime commissioners and chief constables, should assess themselves. *Delivering Good Governance in Local Government* urges local authorities to prepare a governance statement in order to report publicly on the extent to which they comply with their own code of corporate governance on an annual basis, including how they have monitored and evaluated the effectiveness of their governance arrangements in the year, and on any planned changes in the coming period. The process of preparing the governance statement should itself add value to the effectiveness of the corporate governance and internal control framework.
- 1.2 The annual governance statement (AGS) should provide a brief communication regarding the review of governance that has taken place and the role of the governance structures involved. It should be high level, strategic and written in an open and readable style. It should be focused on outcomes and value for money and relate to the body's vision for the area.

#### Local Position

- 1.3 The PCC and Chief Constable are established as separate legal entities, or 'corporation's sole', which means they are both entitled to own assets and employ staff. Accordingly, they must also produce their own Statement of Accounts and Annual Governance Statements (AGS).
- 1.4 The PCC and Chief Constable have approved a joint Framework for Corporate Governance which includes a joint Code of Corporate Governance to explain how the PCC and Chief Constable will comply with the principles of good governance for the public service. The 2018/19 Framework was approved by the PCC and Chief Constable on 29<sup>th</sup> March 2018.
- 1.5 The draft Annual Governance Statement for 2018/19 is attached at Appendix 1. We have produced a single, combined, AGS which has been incorporated in the PCC (and Group) and Chief Constable Statement of Accounts.
- 1.6 The Governance Framework on pages 2 to 10 [of Appendix 1] explains how the Chief Constable and PCC have complied with the seven key headings from the approved Code of Corporate Governance.
- 1.7 The financial management arrangements in Thames Valley are explained on pages 8 and 9. This is a key requirement of the Code of Practice on Local Authority Accounting in the United Kingdom.
- 1.8 The Review of Effectiveness on pages 10 to 16 explains how the governance framework has operated in practice during the financial year.
- 1.9 As in previous years there are **no** significant governance issues requiring immediate attention, nor are there any potential issues that will require close monitoring during 2019/20 to ensure they do not impact adversely on the internal control environment. In coming to this conclusion the Governance

Advisory Group considered the potential implications and/or concerns of a number of key national and local issues from a governance perspective. The issues, and the reasons they have not been included in an Action Plan, are set out below.

#### **Change Programme / Project Considerations:**

- a. The **Contact Management Platform (CMP)** - as previously reported, CMP has taken longer to deliver and cost significantly more than originally expected or planned for by TVP and Hampshire Constabulary, but the projected business benefits out-weighed the additional cost and effort to both Forces. For example, the platform will enable the entire citizen contact journey to be managed by one, integrated, platform, allowing call-handlers and officers to provide a rapid and better-informed response to victims. In addition, it will further develop the understanding of demand and assist in the reduction of unnecessary contact as well as targeting areas of need. The delay and cost issues have not been due to the agreed changes in governance in TVP and Hampshire Constabulary. In practice, Project Boards, Chief Constables and PCCs have been kept updated on progress and key decisions have been taken at the joint TVP/HC collaboration Governance Board in respect of variations to system design specifications, delivery and implementation timetables and costs.
- b. **Emergency Services Network (ESN) / Emergency Services Mobile Communications Project (ESMCP)** – This national ESN / ESMCP programme is now running up to 3 years behind timetable, which has implications for both national and local budgets. The delivery mechanism has moved from a force by force basis to a phased rollout although the final programme plan is still awaiting sign off. TVP continues to proactively monitor national developments and local financial and operational plans are adjusted accordingly. This is not a local governance or internal control issue.
- c. **Equip (previously known as ERP)** – this tri-force project is experiencing the delays and challenges that would be anticipated given the complexity and diversity of existing processes and systems. The programme is currently revisiting the go-live dates given some challenges and supplier changes within the programme. There is a tri-force governance board, as well as local TVP Project Board. Respective PCCs and chief officers are updated on a regular basis. The delays and cost increases are not caused by inappropriate governance arrangements but by the complexity of what is being achieved.
- d. **National programmes** - There are a number of national programmes, such as NLEDS and Transforming Forensics, which impact on the Force. These are being kept under review by the respective Force leads but should not impact on corporate governance arrangements.

#### **Organisational & Operational Considerations:**

- e. **Custody contract** – In the past there have been some service issues with the current custody contract. The present custody contract expires on 31 March 2019 and following a tender process the decision was made to bring the service back in house. This change in service delivery is being



managed under the normal project management discipline with a dedicated project manager. There are no internal governance issues as this will now be an internal department of TVP.

- f. **Forensic services** – TVP procures some of its forensic services through Key Forensics. This company went into administration on 31<sup>st</sup> January 2018 and a national rescue package is being implemented through the APCC, NPCC and Home Office, TVP Procurement are maintaining their engagement with the national team. TVP Procurement are also working with the operational units to manage the position. .
- g. **Large scale fraud** - the PCC is the APCC's deputy portfolio lead for fraud and cyber-crime. He has raised concerns locally and nationally as to the impact of large-scale criminal investigations into banking fraud (such as in the HBOS case) upon the operational budgets of Thames Valley Police and nationally. However, the group considered that, in terms of governance, effective mechanisms already exist to ensure the Chief Constable (and PCC) has effective oversight of the financial and operational implications of lengthy and onerous criminal investigations, and the impact in terms of the volume of resultant fraud cases.
- h. **Internal audit reports** - reports issued during 2018/19 were considered; however, it was felt that there were no outcomes or actions of sufficient seriousness and relevance to qualify as a potential risk to the effectiveness of the overall corporate governance arrangements.
- i. **Collaboration** –There are no significant new collaborative initiatives anticipated or planned for in the near future and, as such, no impact upon governance will occur.

#### **National Considerations:**

- j. **Brexit** – For the UK to leave the EU it had to invoke Article 50 of the Lisbon Treaty which gives the two sides two years to agree the terms of the split. The UK triggered this process on 29 March, 2017, meaning the UK is scheduled to leave at 11pm UK time on **Friday, 29 March 2019**. At this stage we do not know what deal, if any, the UK Government will agree with the EU. Whatever deal is agreed (including "No Deal") there will inevitably be some operational and financial impact on Thames Valley Police. The Force has a dedicated operation, under a Gold Commander, to manage Brexit-related operational issues. However, we do not believe these will impact on the corporate governance framework, at least initially. Any changes that come to light during 2019/20 will be incorporated in next year's review.
- k. **PCC as appellate body for police complaints** – the forthcoming changes to the national police complaints system will see a transfer of responsibility for acting as the appellate body in respect of complaints made against police officers and staff below the rank of Chief Constable from the Chief Constable to the PCC. The new arrangements will be developed in consultation with the Force's Professional Standards Department (PSD). The date for formal transfer of responsibility is currently unknown. An implementation period of 6 months will be given to PCCs from the date of laying the regulations. As this transfer of

responsibility represents a statutory national requirement, there are not considered to be any local corporate governance issues or implications.

## **2 Issues for consideration**

2.1 In considering the Annual Governance Statement and the effectiveness of current governance arrangements, members are invited to consider the following questions, based on their knowledge of the organisation:

- a) Does the AGS provide an accurate representation of the corporate governance and internal control environment in place in Thames Valley Police during 2018/19 and its adequacy and effectiveness?
- b) Are members happy to endorse the statement that there are no significant governance issues requiring immediate attention during 2018/19?
- c) Are members happy with the issues listed in paragraph 1.9 above and the reasons provided by the Governance Advisory Group for not including them in the 2018/19 AGS?

## **3 Financial comments**

3.1 There are no specific financial implications arising directly from this report.

## **4 Legal comments**

4.1 The Accounts and Audit (England) Regulations 2015 require both the PCC and Chief Constable to prepare a set of accounts in accordance with the CIPFA Code of Practice on Local Authority Accounting in the UK and are subject to audit. The PCC and Chief Constable are both required to produce an annual governance statement.

## **5 Equality comments**

5.1 There are none arising specifically from this report

## **6 Background papers**

Delivering Good Governance in Local Government: Framework.  
Report to the Joint Independent Audit Committee on 15<sup>th</sup> March 2017.

### **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**

<b>Name &amp; Role</b>	<b>Officer</b>
<b>Head of Unit</b> The AGS has been produced as a joint statement between the PCC and Chief Constable and explains how the two corporations' sole have complied with their joint code of corporate governance.	PCC Chief Finance Officer
<b>Legal Advice</b> The AGS complies with the requirements of the Accounts and Audit Regulations 2015 and the CIPFA Code of Practice on Local Authority Accounting in the UK	Chief Executive
<b>Financial Advice</b> No specific issues arising from this report.	PCC Chief Finance Officer
<b>Equalities and Diversity</b> 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 8 March 2019

Chief Finance Officer

Date 8 March 2019

## Draft Annual Governance Statement 2018/19

This annual governance statement explains how the Police and Crime Commissioner (PCC) and Chief Constable for Thames Valley have complied with their published corporate governance framework for the year ended 31 March 2019, including plans for the financial year 2019/20.

A glossary of terms is provided at the end of this document.

### SCOPE OF RESPONSIBILITY

The PCC and Chief Constable were established on 22 November 2012 as separate legal entities ('corporations sole') which means they are both entitled to own assets and employ staff.

The PCC is responsible for ensuring his business is conducted in accordance with the law and proper standards and, consequently, that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. Both the PCC and Chief Constable are required to, and have, appointed chief financial officers who each have a fiduciary duty to the local taxpayer for securing the efficient use of public funds. 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.

In discharging this overall responsibility, the PCC is responsible for putting in place proper arrangements for the governance of his affairs and facilitating the exercise of his functions, which includes ensuring a sound system of internal control is maintained and that arrangements are in place for the management of risk. In exercising this responsibility, the PCC places reliance on the Chief Constable to support the governance and risk management processes.

The Chief Constable is accountable to the law for the exercise of police powers and to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by the police force. At all times the Chief Constable, his police officers and staff remain operationally independent in the service of the public. In discharging his overall responsibilities the Chief Constable is responsible for establishing and maintaining appropriate risk management processes, governance arrangements and ensuring that there is a sound system of internal control which facilitates the effective exercise of these functions.

The PCC and Chief Constable have approved and adopted a Code of Corporate Governance (the Code) which is consistent with the principles of the CIPFA / SOLACE guidance 'Delivering Good Governance in Local Government' (<http://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition>)

This Annual Governance Statement explains how the PCC and Chief Constable have complied with the Code and the requirements of Regulation 6 of the Accounts and Audit Regulations 2015 to conduct a review of the effectiveness of the system of internal control.

### THE PURPOSE OF THE GOVERNANCE FRAMEWORK

Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The fundamental function of good governance in the public sector is to ensure that entities (i.e. the PCC and Chief Constable) achieve their intended outcomes whilst acting in the public interest at all times.

The governance framework comprises the systems and processes, and culture and values by which the PCC and Chief Constable discharge their responsibilities and through which the police service accounts to and engages with the community. It enables the PCC to monitor the achievement of his strategic objectives and to consider whether these objectives have led to the delivery of appropriate, cost effective services including achieving value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically.

## THE GOVERNANCE FRAMEWORK

The key elements of the systems and processes that comprise the governance arrangements that have been put in place for the PCC and Thames Valley Police (TVP) include:

### **A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

The PCC and the Chief Constable have developed and approved a 'Joint Corporate Governance Framework' which clarifies the working relationship between the PCC, Chief Constable and their respective staff. This includes the code of corporate governance, the scheme of delegation and financial regulations. The Framework is informed by the requirements of 'The Good Governance Standard for Public Services' and is consistent with the seven Nolan principles of standards in public life.

The national Code of Ethics sets and defines the exemplary standards of behaviour for everyone who works in policing, placing an absolute duty on staff. The Code applies to everyone in policing; officers, staff, volunteers and contractors. It applies both on and off duty. It guides behaviour within the organisation as much as it informs how to deal with those outside.

Measures are in place to ensure that the PCC, Deputy PCC and employees of the Office of the PCC (OPCC) and TVP are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. This includes the Anti-Fraud, Bribery and Corruption Policy and guidance on the acceptance of gifts, loans and hospitality. Notifications of disclosable interests and a register of gifts and hospitality are published on the PCC's website.

The PCC and Chief Constable have transparent and accessible arrangements for dealing with complaints received from the public.

The Force has a Professional Standards Department (PSD) whose role is to uphold the ethical and professional standards of TVP by managing the application of police misconduct regulations, and the administration of complaints by members of the public against police officers and police staff below the rank of Chief Constable. Complaints against the Chief Constable are dealt with by the PCC. The independent Thames Valley Police and Crime Panel (PCP) handles formal complaints made against the PCC.

A Complaints, Integrity and Ethics Panel has been jointly established by the PCC and Chief Constable to facilitate the discharge of their respective statutory obligations around handling and monitoring of police complaints, and to ensure that issues relating to policing integrity, ethics and professional standards are independently considered in order to maintain public confidence in policing. It does this by providing an annual assurance report to the PCC and Chief Constable.

Both the PCC and Chief Constable demonstrate respect for the rule of law and comply with relevant laws and regulations. Both employ in-house legal advisors to provide assurance of the same and guidance upon lawful decision making. The PCC is independent of Force management and operational decision-making, which is the responsibility of the Chief Constable.

The PCC and Chief Constable create the conditions for all members of the OPCC and Force to be able to discharge their responsibilities in accordance with good practice. Guidance originating from the College of Policing is disseminated Force-wide by the Learning and Development Team in People Services and/or the Policing Strategy Unit. Similarly, best practice for PCCs is obtained via the Association of Police and Crime Commissioners (APCC), Association of Policing and Crime Chief

Executives (APAC<sup>2</sup>E) and Police and Crime Commissioners' Treasurers Society (PACCTS), and is disseminated amongst the OPCC.

The Force employs a Force Vetting Manager and team within the Professional Standards Department to ensure compliance with relevant national vetting standards.

Established mechanisms ensure that legal and regulatory breaches and misuse of power are dealt with effectively. The PCC and his Deputy are subject to a Code of Conduct that is consistent with the Nolan principles. The Chief Executive of the OPCC is also the designated statutory Monitoring Officer, and the OPCC Governance Manager is Deputy Monitoring Officer, of the PCC's actions and decisions. In order to comply with the new Data Protection legislation (the General Data Protection Regulation) introduced in May 2018, all data breaches are recorded and risk assessed in relation to the statutory guidelines and a breach log has been maintained by the OPCC since then.

## **B. Ensuring openness and comprehensive stakeholder engagement**

The PCC has a statutory responsibility to consult the Chief Constable and obtain the views of the community and victims of crime about the policing of the Force area, and he must have regard to their views as well as the priorities of responsible authorities within the Thames Valley and relevant government bodies before issuing a Police and Crime Plan. Furthermore, the PCC, as a directly elected representative of the public, has made his commitments for policing and crime clear in his election manifesto.

The PCC's Police and Crime Plan sets out his strategic policing and crime priorities and key aims, and how these will be delivered. His Plan is supported by the Force Commitment, Force Annual Delivery Plan, the OPCC's Strategic Delivery Plan and the Financial Strategy. The Police and Crime Plan has due regard to the Strategic Policing Requirement as issued by the Home Secretary and is developed in consultation with the Chief Constable, informed by the views of the local community, victims of crime and the priorities of other key stakeholders.

The Police and Crime Plan must be published by the end of the financial year in which the PCC is elected and, in the Thames Valley, is reviewed on an annual basis to ensure it remains relevant and fit for purpose. In so doing, the PCC is helping to ensure that local policing services address the priorities of local communities and that the Force is being held to account for the way services are delivered to the public.

The PCP meets regularly to review and scrutinise the decisions and actions of the PCC and his performance in delivering the objectives contained in his Police and Crime Plan. It also meets specifically to consider the PCC's proposed annual precept increase, Police and Crime Plan, Annual Report and any proposed senior appointments to the roles of Deputy PCC, Chief Constable, OPCC Chief Executive and OPCC Chief Finance Officer.

Arrangements have been agreed and implemented for the PCC to hold the Chief Constable to account for Force performance and compliance with other requirements, including a schedule of formal public and private meetings, i.e. regular public meetings with the reports and agendas published on the PCC's website, supplemented by regular private liaison meetings between the PCC and Chief Constable (in respect of which minutes are taken but not published).

The Framework of Corporate Governance defines the parameters for decision making, including delegations, financial regulations and contract regulations. The PCC has published his policy statement on decision making. All formal and significant PCC decisions taken in accordance with this policy are published on the website.

The PCC proactively publishes information to maintain openness and transparency with the public on this same website; in doing so he also meets his obligations under the Elected Local Policing Bodies (Specified Information) Order 2011 and, as a public authority, under the Freedom of Information Act 2000.

The PCC published his 2017/18 Annual Report last June (2018). This explained his main achievements during that financial year and also provided information on operational and financial performance during 2017/18. His 2018/19 Annual Report is due to be published in June 2019.

The Chief Constable has prepared and published the Force Commitment and the annual Delivery Plan. Quarterly Delivery Plan updates are provided to the PCC Level 1 public meeting, and published on the PCC's website, culminating in an end-of-year report of Force progress against stated objectives.

The Code of Ethics, the Force Commitment and the Force Delivery Plan are published on the TVP website. Information about neighbourhood policing, partnerships and sponsors, corporate events and public misconduct or special case hearings is also published, including details of upcoming hearings and how to attend.

The PCC and Chief Constable regularly attend local authority council meetings across the Thames Valley and provide formal briefings to constituency MPs on topical policing and crime issues in their local areas as well as at a national level. In addition, the PCP acts as a two-way mechanism to enable Panel representatives to inform the PCC of local policing and crime matters of importance to their respective local authorities, and to brief their authorities of the activities and initiatives of the PCC (and the Panel).

The PCC works with and part-funds local authority Community Safety Partnerships, Youth Offending Teams and Drug and Alcohol Teams across the Thames Valley to support crime reduction and community safety activities in their local areas. Such activities are aligned to the PCC's strategic objectives, as set out in his Police and Crime Plan, and are funded from the PCC's Community Safety Fund. Through working in partnership, these activities not only help the PCC to deliver his strategic objectives but also support partners in achieving their local priorities too.

The PCC is a member of the Thames Valley Local Criminal Justice Board which meets regularly to consider and discuss the performance of the local criminal justice system and any issues or initiatives being addressed individually and collectively by the criminal justice agencies. An Assistant Chief Constable (ACC) represents TVP on the Board. The PCC was Chairman of the Board for the period January 2016 to January 2018. The Deputy PCC has assumed chairmanship of the Board with effect from January 2019.

The Force has appropriate mechanisms for engaging with a variety of institutional stakeholders. The Chief Constable holds regular meetings to which the chief executives of all statutory partners are invited. This is a strategic information sharing and briefing forum for key partners, including local authorities, blue light services and health providers. In addition, Local Police Area Commanders routinely engage with the local authority commensurate to their geographic area, including their Community Safety Partnership. Multiple partnership forums exist across the operational policing landscape, including Multi-Agency Safeguarding Hubs (MASHs), and joint governance boards meet monthly or quarterly to manage bi-lateral arrangements between Thames Valley Police and Hampshire Constabulary. The South East Regional Integrated Policing (SERIP) Board meets quarterly to discuss regional change programmes and projects. All collaborative change programmes are supported by appropriate change frameworks to ensure appropriate governance process are adopted, supported by standard products including risk and issue logs.

The OPCC and TVP communication and engagement strategies explain how local people can interact with the PCC and the Chief Constable to ensure that their views inform decision making, accountability and future direction.

In so doing, the PCC is helping to ensure that local policing services address the priorities of local communities and that the Force is being held to account for the way services are delivered to the public and at what cost. Furthermore, the decisions and actions of the PCC are subject to regular review and scrutiny by the PCP.

The Chief Constable has a statutory duty to make arrangements for obtaining the views of persons within each neighbourhood about crime and disorder in that neighbourhood. Force engagement with the public takes place on many levels, from daily street contact and phone calls through to attendance

at public meetings and formal surveys in relation to service priorities, levels and quality. Community Forums have been established across the force area and are active partnerships between the public, statutory and voluntary agency partners and local policing teams. "Have your say" is a consultation and priority setting process which aims to increase public consultation and ensure that the Force tackles issues which most concern communities. In addition, the Force runs 'Cover It Live' on-line events specific to themes or incidents, and has active social media outlets including Facebook and Twitter. The Thames Valley Alert system also enables electronic public engagement en masse.

### **C. Defining outcomes in terms of sustainable service and economic benefits**

The PCC's Police and Crime Plan sets out his strategic policing and crime priorities and key aims, and how these will be delivered.

The Chief Constable has published the Force Commitment and annual Delivery Plan, outlining a clear vision of the organisation's purpose, priorities and strategic intentions, taking account of the PCC's Police and Crime Plan and the Home Secretary's national Strategic Policing Requirement. Progress against strategic objectives is assessed through Delivery Plan Priority Outcomes, and reviewed via the Service Improvement Reviews, Force Performance Group and Strategic Vulnerabilities framework.

The organisation is committed to the identification and consideration of collaboration opportunities with regards systems, processes and resourcing to sustain service delivery and increase the capacity and resilience of the organisation without diminishing capability and access to specialist services.

Major partnerships and consortia involving the Force and the PCC are governed by formal collaboration agreements under Section 22A of the Police Act 1996, or by Memoranda of Understanding, as appropriate. Joint collaboration oversight boards provide strategic oversight and an approval process for intended service outcomes to be delivered for collaboration activity. These collaboration boards comprise Chief Officers and the PCC from each Force area participating in the collaboration, supported by change professionals from the respective Force departments / SERIP.

There are also partnership arrangements in place with other agencies and stakeholders to manage vulnerability caused by the changing crime landscape, including MASHs.

The Medium Term Financial Plan (MTFP) and Medium Term Capital Plan (MTCP) ensure that planned activities to support the objectives of the PCC and Chief Constable are financially sustainable in the longer term. The Productivity Strategy is an integral part of the MTFP and identifies where savings and efficiencies can be achieved and hence more resources directed to priority areas. Service delivery is reviewed within the Governance & Service Improvement (GSI) department, developing an understanding of present and future demand to inform organisational and operational strategies aimed at sustaining service delivery or improvement. The Effectiveness & Efficiency programme is the methodology adopted to identify the respective costs and priority of services to help direct investment into priority areas to achieve a sustainable service that balances effectiveness with efficiency, ensuring economic viability and public value.

Risk and business continuity are managed through a governance framework at a local and strategic level, to manage and mitigate threats to service delivery. Strategic Risk and Business Continuity is managed within the Strategic Governance Unit, bringing together horizon scanning, local risk registers and change-programme risk and business continuity issues.

The Force and PCC have duties to consider the impact on equality of proposed changes to policies, procedures and practices. Equality Impact Assessments are routinely undertaken by TVP for policies and change programmes to assess impact internally and externally for staff, stakeholders and the public.

### **D. Determining the actions necessary to achieve the intended outcomes**

The Force planning cycle incorporates the annual strategic assessment, financial plans, workforce plans and the Police and Crime Plan to inform the annual Delivery Plan. Force Management Statements were introduced nationally by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services



(HMICFRS) in 2018 and their required completion by forces at a local level will also inform Force operational planning. Priority activities, measures and intended outcomes are proposed and approved through the Chief Constable's Management Team (CCMT), and monitored through the service improvement framework and quarterly updates to inform the PCC Level 1 meeting, which are published publicly.

The Chief Constable maintains MTFPs, which form the basis of the annual budgets and provide a framework for the evaluation of future proposals. These are accompanied by mid-term workforce plans, managed by the People Directorate.

Decision-making at all levels of the Force is undertaken within the framework of the National Decision Model, which has the Code of Ethics at its core. The National Decision Model was introduced to ensure a greater focus on delivering the mission of policing, acting in accordance with values, enhancing the use of discretion, reducing risk aversion and supporting the appropriate allocation of limited policing resources as the demand for them increases. Both are now fully embedded in the Force, to ensure officers have the tools to act lawfully in their decision making and to enable them to use their full powers for the benefit of citizens, communities and other stakeholders.

With regards change programmes, change proposals are governed through Force Change Review Part 1, now called the Change Governance Meeting, which co-ordinates and prioritises proposals, assessing them against the organisations strategic objectives, capacity and financial capability. Each proposal is captured through an application, then if appropriate a business case.

In-flight programmes are managed by a Programme Board, chaired by a Senior Responsible Officer. Updates inform the Force Change Review Part 2, now called the Joint Portfolio Meeting and run collaboratively with Hampshire Constabulary, to enable co-ordination, planning and the oversight of resources from enabling departments to achieve the desired outcomes. All programmes and projects have strategic oversight through the Force Transformation Board, DCCs Collaboration Board, and respective Chief Officer Groups. Collaborated programmes have consideration to and management of shared risks and issues.

The PCC and Chief Constable's joint system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability.

The Chief Constable produces a MTFP and a MTCP which are reviewed throughout the financial year alongside the OPCC's reserves to provide an effective framework for decision making. The MTFP and MTCP are closely aligned to the PCC's Police and Crime Plan and the Force Commitment. The PCC approves the MTFP and the MTCP as well as the annual budgets. The PCP must review the PCC's proposed council tax precept increase and make recommendations to the PCC before he formally sets the annual budget in February. Formal budget monitoring is undertaken on a regular basis throughout the year, i.e. it is presented to the PCC's regular public Level 1 meetings between the PCC and Chief Constable (with agendas and minutes published on the PCC's website as well as being reviewed regularly by the CCMT.).

The Productivity Strategy forms an integral part of the MTFP and incorporates the outcomes of initiatives such as Effectiveness & Efficiency or the Estates Asset Management Plan. Under the Productivity Strategy, £2.6m of cash savings were identified and removed from the revenue budget during 2018/19.

Force and Local Police Area Tasking and Co-ordination Group processes enable the regular review of operations, performance and resource deployment in an operational setting. CCMT provides strategic oversight for performance against Delivery Plan measures and priorities, as well as financial plans and asset management plans.

## **E. Developing the entity's capacity, including the capability of its leadership and the individuals within it**

The PCC and Chief Constable ensure that their statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the organisation. Specialist advice, in areas such as taxation, legal and treasury management, is sourced externally, as this is more practical and cost-effective. The PCC and Chief Constable use the annual staff appraisal process to focus individual employee contributions towards corporate objectives and measures, and to facilitate continuous professional development.

Chief Officers have clearly defined leadership roles and are responsible for implementing strategy and managing the delivery of services within their respective portfolios.

Officers and staff manage their performance and continuous development through the Performance Development Review framework. An annual assessment of competencies and objectives linked to Delivery Plan outcomes is supported by interim reviews and a requirement for officers and staff to undertake Continuous Professional Development. The framework also allows for the management of unsatisfactory performance or attendance where it is identified. The Force has a stated Health and Wellbeing Strategy, along with a workforce plan to develop the workforce and move towards being increasingly reflective of the communities it serves. The Force is committed to being considered an employer of choice.

Chief Officers have promoted a learning environment climate focussed on continuous service improvement, recognising the importance of independent and peer review when needed. Integral to this is the identification of lessons learned, recommendations and identified areas for improvement through end of project / programme closure reports undertaken before transitioning to business as usual, results analysis, individual management reviews, serious case reviews and HMICFRS audit / inspection processes.

The PCC has appointed a Deputy to assist him discharge his statutory functions. Both the PCC and Deputy PCC have received appropriate induction training. Ongoing training will include attendance at appropriate national conferences and seminars.

The PCC has also implemented a staffing structure within the OPCC to ensure it has the necessary capability and capacity to support him deliver his statutory functions, such as commissioning services for victims and witnesses. Since March 2018 the PCC has now brought victim support services in-house. 'Victims First' is the overarching name for all the PCC's work in providing support for victims of crime. The PCC reviews the workload and capacity of his office via the internal OPCC Strategic Delivery Plan, which allows him to identify workload priorities and staffing needs in accordance with the delivery of his strategic objectives.

The PCC is a member of the national Association of Police and Crime Commissioners (APCC). The Chief Constable and his fellow chief officers are members of the National Police Chiefs' Council (NPCC).

## **F. Managing risks and performance through robust internal control and strong public financial management**

The Chief Constable, officers and staff all recognise that risk management is an integral part of their daily function, in operational, corporate and change environments. The Risk Management Policy is supported by the Risk and Business Continuity Communications Strategy. The management of risk is governed through the Force Risk Management Group, which exists to oversee strategic risk management and business continuity processes, take ownership of strategic risk issues, delegate actions to appropriate risk managers, accept strategic risk reports and recommendations through GSI, authorise actions and allocate resources where necessary.

The PCC and Chief Constable monitor service delivery effectively via their respective performance regimes.

The PCC has a duty to hold the Chief Constable to account for the performance of TVP generally. The PCC has therefore implemented an effective scrutiny and oversight function. He holds quarterly public meetings at which the Chief Constable is required to demonstrate that the Force is performing against the strategic priorities and key aims in the PCC's Police and Crime Plan, the Home Secretary's Strategic Policing Requirement and the Force's own Delivery Plan. Similarly, the PCC meets monthly with the Chief Constable on a private basis to review and discuss more regularly the general performance of the Force against topical national, regional and local issues. The PCC maintains an HMICFRS tracker to follow up on any risks to the performance of the Force that have been highlighted by HMICFRS inspections. The OPCC provides an update against its Strategic Delivery Plan to the PCC on a monthly basis via the Senior Management Group meeting. The PCC therefore receives regular reports on service delivery plans and on progress towards outcome achievement of the priorities and aims set out in the Police and Crime Plan.

The Chief Constable holds a quarterly Performance Group meeting together with his management team, regularly attended by the PCC as an observer, in which the Chief Constable reviews performance of the Force against the annual Delivery Plan. The Service Improvement Review framework is a comprehensive schedule of LPA or Departmental review meetings, starting with a period of fieldwork, and culminating with a meeting, chaired by the DCC with attendance from the local command team, to review findings and set actions. A performance update against the Force Delivery Plan is considered quarterly at CCMT meetings. This same meeting determines and monitors Force strategy, policies and performance. Gold Groups are set up and managed in response to particular areas of vulnerability or to manage particular areas of performance as necessary, for example in response to a critical incident.

The Chief Constable has implemented monthly Performance Risk Meetings, chaired by the Deputy Chief Constable, in which constructive challenge and debate on thematic operational policies and procedures is encouraged. Each meeting will involve a review of the end-to-end process against policy and procedure, problem-solving particular challenges in those areas. The findings of these meetings are fed into the Chief Constable's Performance Group.

The Force Risk Management Group oversees risk management within the Force and is chaired by the Chief Constable. The Group focusses on strategic risks but also monitors risk management processes across the Force, including within change programmes. The OPCC maintains its own strategic risk register.

A Joint Independent Audit Committee (JIAC) has been established in accordance with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and the Financial Management Code of Practice. The JIAC's main role is to provide assurance to the PCC and Chief Constable that the internal control and governance framework, including risk management, is operating effectively. It does this by providing an annual assurance report to the PCC and Chief Constable. The JIAC meets in public and reports and minutes are placed on the PCC's website.

Effective counter fraud and anti-corruption arrangements are in place and are monitored, in the main, by the PSD. The Anti-Fraud, Bribery and Corruption Policy is updated every two years and is considered and endorsed by the JIAC before formal publication. It was last updated in December 2018.

The Internal Audit Team provides assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control.

The Force manages its information in accordance with the Data Protection Act 2018, the Freedom of Information Act 2000 and the Code of Practice on the Management of Police Information, and this is overseen by the Information Governance Board chaired by the Director of Information. The Joint Information Management Unit leads on information compliance for both TVP and Hampshire Constabulary (HC) and ensures that appropriate policies and procedures are in place. The Joint Information Management Unit is also responsible for providing guidance on lawful sharing of information with partners, completion of Data Protection Impact Assessments and maintains a library of Information Sharing Agreements. Information Asset Owners have been appointed to manage the risks to specific information types, supported by a network of data guardians. NCALT training packages on the Code of Practice on the Management of Police Information and the Government Security Classification policy

are mandatory for all officers, staff and volunteers who have access to information and completion rates are monitored by the Information Governance Board.

The PCC and Chief Constable's joint system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability.

#### Financial management arrangements

The Chief Constable produces a MTFP and a MTCP which are regularly reviewed during each financial year and form the basis of the annual budgets, to provide an effective framework for decision making. Formal budget monitoring is undertaken on a regular basis throughout the year, i.e. it is regularly reviewed by the CCMT as well as being presented to the PCC's regular public Level 1 meetings between the PCC and Chief Constable (with agendas and minutes published on the PCC's website).

The Productivity strategy is an integral part of the MTFP challenging the effectiveness of the force and identify savings and efficiencies to help balance the budget whilst achieving the PCC's and Chief Constable's objectives. £2.6m of cash savings were identified and removed from the revenue budget during 2018/19. The delivery savings within the Productivity Strategy are monitored as part of the regular financial monitoring.

The Chief Internal Auditor reports jointly to the PCC's Chief Finance Officer and the Chief Constable's Director of Finance. The Chief Internal Auditor provides a regular update to the JIAC and also provides an independent opinion on the adequacy and effectiveness of the risk management, control and governance processes.

The financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer of the PCC and the Chief Financial Officer of the Chief Constable (March 2014).

#### **G. Implementing good practices in transparency, reporting and audit to deliver effective accountability**

The PCC and the Chief Constable attempt to strike a balance between providing the right amount of information to satisfy transparency demands and enhance effective public scrutiny whilst not being too onerous to provide and for users to understand.

The PCC's decisions and actions are scrutinised by the PCP, which includes reviews of significant documentation produced by the OPCC for the benefit of the public. Decisions of significant public interest made by the PCC are published in accordance with a template that ensures they are easy to access and interrogate. Similarly, public reports are compiled in accordance with best practice and scrutinised by the JIAC.

The PCC complies with the Elected Local Policing Bodies (Specified Information) Order 2011 and publishes required information on his website.

The Chief Constable's Corporate Communications department oversee communications to the public on behalf of the Force. In doing so they abide by the corporate style guide, which is designed to ensure communications are issued in an understandable style appropriate to the intended audience. In addition the PCC has his own communications team.

The PCC and Chief Constable both report at least annually on performance, value for money, and the stewardship of resources to stakeholders in a timely and understandable way.

The PCC and Chief Constable maintain a process to assess the extent to which the organisation is applying the principles contained in the Framework of Corporate Governance and publish the results of that assessment in the Annual Governance Statement, including an action plan for improvement and evidence to demonstrate good governance in action.

The PCC and Chief Constable ensure that the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar entities.

The PCC and Chief Constable ensure that all accepted recommendations for corrective action made by external audit are acted upon.

The Joint Internal Audit team has direct access to the PCC, Chief Constable and the JIAC, and provides assurance with regard to the organisation's governance arrangements. The JIAC monitors progress with regards to timely implementation of agreed internal audit report actions.

Both the PCC and Force are subject to external independent scrutiny and review, through the external audit of their financial statements, systems and management arrangements, and through the inspection of policing performance by HMICFRS. The resultant audit and inspection reports are published on both the PCC and TVP websites.

HMICFRS is charged with independently assessing the effectiveness and efficiency of police forces and fire & rescue services, in the public interest. The PCC is required to publish a response to formal reports issued by HMICFRS. The Force engages fully with the cycle of PEEL inspections, Joint Targeted Area Inspections and Thematic Inspections as required.

The PCC and Chief Constable make best use of peer challenge, reviews and inspections from regulatory bodies and professional partners (e.g. College of Policing) and implement agreed recommendations.

Before delivering key services through third party suppliers the PCC and Chief Constable gain assurance on risks associated with service delivery and subject these arrangements to regular review.

When working in partnership, the PCC and Chief Constable ensure that the arrangements for accountability are clear and that the need for wider public accountability has been recognised.

## ARRANGEMENTS FOR REVIEW OF EFFECTIVENESS

The PCC and Chief Constable are responsible for reviewing the effectiveness of the governance framework on at least an annual basis. This includes:

### a) The Police and Crime Commissioner

The PCC has the following key statutory duties and powers to:

- produce and publish a five-year Police and Crime Plan that sets out the PCC's policing and crime objectives;
- set the annual policing precept;
- secure the maintenance of an efficient and effective police force;
- hold the Chief Constable to account for the exercise of their functions and of those personnel under their direction and control;
- have regard to the relevant priorities of, and act in co-operation with, responsible authorities in exercising their crime and disorder reduction responsibilities, including the making of related grants to any person;
- make arrangements with criminal justice bodies to provide an efficient and effective criminal justice system for the area;
- commission victims services;
- power to take on the responsibility for the governance of fire and rescue services within the Force area; and
- produce and publish an annual report.

The following key governance activities took place during 2018/19 and demonstrate how the PCC has discharged these powers and duties during that year:

- The updated framework for corporate governance was approved on 29 March 2018;
- The PCC allocated £3.0m from his Community Safety Fund in 2018/19 to help improve community safety and crime prevention across the Thames Valley. £2.7m was given to local authorities and £0.3m was retained by the OPCC to help fund Thames Valley-wide initiatives;
- The PCC published his 2017/18 Annual Report in June 2018 to highlight major achievements during his fifth full financial year in office and to report on operational and financial performance during 2017/18;
- In March 2019 the OPCC updated its Strategic Delivery Plan for 2019/20. This is an internal OPCC management action plan that supports the PCC to monitor the delivery of both policing and non-policing activities, targets and measures within the Police and Crime Plan. Progress reports were presented to the PCC in public meetings on a regular basis throughout the year and the Plan is reviewed and updated each year;
- In April 2018 the PCC opened his Victims First hub which provides free emotional and practical support to all victims and witnesses of crime, as well as family members of victims. It is available across Berkshire, Buckinghamshire and Oxfordshire and can provide help regardless of whether or not the crime has been reported to the police.
- During the autumn of 2018 the PCC worked closely with the Chief Constable to update the MTFP (2019/20 to 2022/23). He submitted his 2019/20 budget and council tax proposals for 2019/20 to the Police and Crime Panel on 13<sup>th</sup> February 2019. The Panel endorsed his £24 (or 13%) increase in Band D council tax ;
- Following an open and transparent recruitment process the PCC has appointed John Campbell as his new Chief Constable, with effect from 1 April 2019. This appointment was ratified by the Police and Crime Panel confirmation hearing held on 13<sup>th</sup> February 2019.
- The PCC is actively engaged in the oversight and scrutiny of key collaboration activities (e.g. South East region; Bilateral with Hampshire; Chiltern Transport Consortium and the National Police Air Service);
- The PCC represents South East region and Eastern region PCC colleagues on the National Police Air Service Board;
- Four PCC public Level 1 meetings were held in 2018/19, supplemented by monthly private liaison and Performance Development Review meetings between the PCC and Chief Constable, to enable the PCC to hold the Chief Constable to account;
- In 2017/18 the OPCC received an 'OPCC Transparency Quality Mark' awarded by CoPaCC, an organisation that compares OPCCs on their statutory requirements to be open and transparent via their website. The OPCC has applied for a new Transparency Quality Mark and the results of this are still awaited.

## **b) The Force**

The CCMT met formally on 11 occasions and the Joint Chief Officers Group (TVP and HC) met formally on 5 occasions during 2018/19 to determine and monitor Force strategy, policies and performance.

Among the key discussions during the year was the review of the MTFP, MTCP, the PCC reserves and the Asset Management Plan, as part of the annual budget cycle. The financial plans were considered several times and the associated decisions facilitated the formal approval of the Revenue Estimates and Capital Estimates 2018/19 by the PCC at his Level 1 meeting on 22nd January 2019. As part of the annual budget process the Productivity Strategy was reviewed and continues to play an important role in identifying options to address the budget shortfall. The Effectiveness & Efficiency Programme builds upon the legacy of the Priority Based Budgeting outcomes and methodology to continue the prioritisation of services and expenditure.

CCMT reviews Force Change programmes, performance and HMICFRS activity on a regular basis. Strategic Risks and Business Continuity, and Delivery Plan monitoring reports are included quarterly. Other significant areas of note discussed in 2018/19 include demand management and resource modelling, training prioritisation, crime data integrity, recruitment and retention, and the Internal Audit plan.

The Force Transformation Board met on five occasions and reviewed all in-flight change programmes, including Contact Management, Operating Model, Emergency Services Mobile Communications Project (ESMCP) and Enterprise Resource Planning (now Equip). The Board also routinely receives monitoring reports on progress against productivity and efficiency initiatives and an update from Corporate Communications regarding their support of change programmes

Both CCMT and Force Transformation Board are aligned to bilateral forums including Joint Chief Officer Group and DCCs Collaboration Board.

The Chief Constable launched the Force Commitment in April 2016. The overarching commitment of working together to make communities safer is supported by four pillars that include sections for what it means for the public, partners and people working or volunteering for TVP. It remains in place with the same four strategic aims.

The HMICFRS rated Thames Valley as 'Good' in the PEEL inspection areas of Legitimacy and Effectiveness, and 'Outstanding' for Efficiency. Following the 'inadequate' grading in relation to Crime Data Integrity, a Gold Group was established to address identified process issues and deliver against the action plan put in place. The Force was notified in February of HMICFRS re-inspection in this area, which will take place during April and May.

The Governance & Service Improvement department continues to draw together corporate and strategic elements of the organisation. The over-arching function is to provide a central point of co-ordination, governance, strategy, policy and guidance development, change delivery, and the provision of internal evaluation of delivery including the identification of opportunities for continuous improvement.

#### **c) The Joint Independent Audit Committee**

During 2018/19 the JIAC met four times to consider the external audit and internal audit plans for 2018/19, as well as receiving timely updates in terms of risk management and business continuity. The JIAC also received regular briefings, including appropriate written reports, during the year from the PCC, Chief Constable and relevant senior officers. This included specific updates on business transformation projects. JIAC members also attend Force working groups (including the Force Transformation Board, ICT 2020, TVP/HC Bilateral Governance Board and Performance Group) and other panel meetings (including the Complaints, Integrity and Ethics Panel) as observers to gain a greater understanding of current governance, operational and risk activities and to assist their judgment of the adequacy of the overall Corporate Governance Framework.

The JIAC's Annual Assurance Report for 2018 was presented to the PCC and Chief Constable at their JIAC meeting 7 December 2018. At that time the JIAC was able, based on the information that they had considered collectively or knew about individually, to give assurance to the PCC and Chief Constable that the risk management and internal control environment in Thames Valley was operating efficiently and effectively.

#### **d) The Governance Advisory Group**

A joint OPCC/TVP officer governance group operates with the following terms of reference:

- To provide advice to the PCC and Chief Constable on the application of statutory requirements and guidance relating to issues of corporate governance;
- To review and provide feedback on the effectiveness of the corporate governance systems determined by the PCC and Chief Constable.

The Joint Corporate Governance Framework for 2018/19 was approved by the PCC and Chief Constable at the PCC's Level 1 meeting on 29 March 2018. Further updates for 2019/20 were approved by the PCC and Chief Constable at the Level 1 meeting on 26<sup>th</sup> March 2019

The Governance Advisory Group also developed this joint Annual Governance Statement for 2018/19.

**e) Internal audit**

The annual report of the Chief Internal Auditor for 2018/19 was presented to the JIAC on 12 July 2019. It contained the following assurance statement on the overall adequacy and effectiveness of the internal control environment:

*“On the basis of the work completed by the Joint Internal Audit Team during 2018/19, the opinion on the governance framework, risk management arrangements and internal controls in place is **reasonable assurance**. The system of internal control is good and the majority of risks are being effectively managed.*

*Areas were identified through our work where the design or effectiveness of arrangements in place required enhancing or strengthening. Where these areas were reported, management responded positively and identified appropriate actions to address the risks raised.*

*To support this year’s overall opinion, additional sources of assurance were utilised where they provided commentary on the effectiveness of the organisation’s governance framework or management of risk. The assurances obtained generally provided a positive view of the organisation’s arrangements. .*

*Overall, the opinion demonstrates a good awareness and application of effective risk management, control and governance to facilitate the achievement of organisation objectives and outcomes”.*

*[NB The assurance statement for 2018/19 will be subject to the actual annual assurance statement to be produced by the CIA]*

**f) External audit**

On 13 July 2018 Ernst and Young issued unqualified audit opinions in respect of the 2017/18 accounts to both the PCC and Chief Constable, as well as giving an unqualified value for money conclusion. The Auditor was satisfied that the system of internal control put in place by the PCC and Chief Constable was adequate and effective in practice.

**g) Her Majesty’s Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)**

During 2018/19 HMICFRS published a number of reports which were considered by the Force and PCC. All reports are available on the HMICFRS website:

Date published by HMICFRS	National / Force Report	Report Types	Report Title	Date CC Reported to PCC	PCC Response to HMICFRS: Y/N
12/06/2018	National	Non-inspecting	State of Policing: The Annual Assessment of Policing in England and Wales 2017	26/11/2018	
20/06/2018	Force	Thematic	TVP: Unannounced Inspection Visit to Police Custody	26/11/2018	
06/07/2018	National	JTAI	Growing up neglected: a multi-agency response to older children	26/11/2018	
19/07/2018	National	Thematic	Understanding the difference – the Initial police response to hate crime	26/11/2018	
09/10/2018	National	JTAI	Joint Inspection of the Handling of Cases Involving Disability Hate Crime	26/11/2018	



27/11/2018	National	Effectiveness	Policing & Mental Health – Picking Up the Pieces		
10/01/2019	National	Data - PEEL	Public Perceptions of Policing in England & Wales		
26/02/2019	National	Effectiveness	The Police Response to Domestic Abuse – An Update Report		

The HMICFRS national 'State of Policing – The Annual Assessment of Policing in England and Wales' report for 2017 was published on 12<sup>th</sup> June 2018. The Police Act 1996 section 54(4A) requires HM Chief Inspector of Constabulary to report each year on his assessment of the efficiency and effectiveness of policing in England and Wales. This assessment covers the full breadth of inspections conducted by HMICFRS throughout the year and provides an overview of the policing in England and Wales.

Where appropriate, the PCC (or OPCC) is invited to attend the Strategic Brief at the start of inspection activity, and the debrief provided by HMICFRS following each inspection. Alternatively, the Chief Constable may provide the PCC with a briefing following an HMICFRS inspection.

The PCC is required to publish a response to all inspection report recommendations within 56 days of the publication of the report. The PCC's responses to relevant HMICFRS inspection reports have all been published.

#### **h) Risk management and business continuity**

The Force Risk Management Group met four times during 2018/19 as part of the CCMT strategy meetings. High level strategic risk management and business continuity issues were reported to the JIAC on a timely basis. As at 31<sup>st</sup> March 2019 there were seven risks on the Strategic Risk Register with mitigating actions.

The Strategic Business Continuity Co-ordination Group met twice to discuss the strategic resilience panel update, business continuity planning, critical functions review, local resilience forums and business continuity governance (audit, strategy, policy, incident report updates).

Business continuity incidents, categorised by impact, were detailed in quarterly reports to the JIAC, including measures taken to minimise their impact. The majority were related to ICT. The JIAC also received information on exercises to test business continuity plans.

The Internal Auditors were commissioned to undertake a review of the Risk and Business Continuity processes to assist with their development under the new Strategic Governance model. The new Risk and Business Continuity frameworks and supporting policy, guidance and documentation were approved by CCMT in November, JIAC in December and were introduced in January. All Local Police Areas and Operational Command Units have been engaged and visited to update their risk registers and transfer them into the new format. All risks have clear ownership, have been rescored according to the new process, and allocated the appropriate risk action – tolerate, treat, transfer, terminate.

#### **i) Health and Safety and Environmental Management**

An annual report on HS&E was presented to the July 2018 meeting of the Joint Independent Audit Committee for scrutiny. The report covered the key management areas specified within the revised 2013 publication HSG65 'Successful Health & Safety Management' (Appendix A) and documented the continuous improvement of Thames Valley Police policies and procedures for the effective management of health and safety.

The Chief Constable and PCC have published a joint health and safety policy statement outlining their commitment towards securing safe working practices and compliance with applicable health and safety legislation in June 2016. Copies are accessible to all staff via the Intranet, and are displayed on the health and safety notice boards in all premises.

The Health & Safety Management Policy was reviewed and transferred onto the new policy template in January 2018, with no material changes made to the content.

#### **j) Ethics and Integrity**

A protocol between the PCC and Chief Constable provides the PCC with overview and scrutiny of complaints handling by the Force. The Complaints, Integrity and Ethics Panel meets every two months and reports jointly to the PCC and Chief Constable. The Panel provides an assessment of how the Force deals with complaints and a challenge and support role in respect of how the Force respond to ethical issues. During the last 12 months, some of the issues the Panel has challenged the Force on BME (black and minority ethnic) staff under representation as a proportion of the workforce within TVP, use of force by officers, treatment of detainees in custody with mental health issues and relative prioritisation of historic child sexual exploitation (CSE) cases. .

The Panel presented its Annual Assurance Report for 2018 to the PCC and Chief Constable on 26th March 2019. This 2018 Report highlighted that the Panel had scrutinised complaint files covering the following themes:

- Honesty, integrity and ethics
- Discreditable conduct
- BME representation

The Panel was able to provide an assurance to the PCC and Chief Constable that the complaints handling and management arrangements in place within TVP are operating efficiently and effectively.

The Force also has an internal Integrity Sub-Group, chaired by the Head of the PSD, which meets quarterly.

The Chief Constable continues to promote the fundamental importance of TVP officers and staff employing the highest professional standards, principles which are embodied and enforced through the 'Force Commitment' that was launched to the public, partners and staff from April 2016. The four key strategic priorities have remained the same, and reflect the importance and requirements of the Code of Ethics. All police officers and staff have been required to complete an on-line training package and attend a dedicated Code of Ethics training session. All new Officers and staff receive training on the Code of Ethics as part of their induction.

In 2018/19 the PSD has received and processed **xxxx** complaints and conduct matters and held xx misconduct meetings and hearings in accordance with the statutory scheme. In addition, the OPCC itself handled 6 complaints made against the Chief Constable in accordance with the statutory police complaints scheme.

#### **k) Thames Valley Police and Crime Panel**

During 2018/19 the independent Police and Crime Panel (PCP) met on **xxxx** occasions. Key activities undertaken by the Panel during the year included reviewing and scrutinising the PCC's Annual Report for the 2017/18 year; scrutiny and consideration of the PCC's 2019/20 budget and council tax precept proposals, and scrutiny of the PCC's recommended appointment of a new Chief Constable with effect from 1 April 2019. Over and above these specific activities, the Panel continued to receive and consider regular reports on the delivery of the Police and Crime Plan strategic priorities and key aims, including the contribution made by other partner agencies, and on matters of topical interest to the Panel. In addition, the Panel operates a permanent Complaints sub-committee as well as ad-hoc task and finish working groups. In 2018/19 the OPCC referred **xxxx** complaints against the PCC to the PCP for consideration by them under the statutory scheme.

The Panel itself published its own 2017/18 Annual Report in June 2018.

## **l) Collaboration and partnership working**

The joint TVP and HC Bi-lateral Collaboration Governance Board formally met four times during 2018/19. This Board oversees and scrutinises the work of the existing collaborative functions (i.e. Contact Management, Joint Operations Unit, Joint ICT and Joint Information Management) as well as development of collaborated change programmes. Updates are provided on new collaborative opportunities being explored.

The formal meetings of the TVP and HC Bi-lateral Collaboration Governance Board were supplemented during 2018/19 by specific briefings for the PCCs, and respective senior officers, force, and OPCC staff to review the Contact Management Programme and Enterprise Resource Planning ICT projects, and to review progress on the delivery of the ICT strategy in general. In addition to the Governance Board, the Joint Chief Officer Group met five times during 2018/19.

Governance of collaboration between forces across the South East region is undertaken at the Regional Governance Board. Four meetings were held during 2018/19. The South East Regional Organised Crime Unit, hosted by TVP, brings together the regional organised crime units under one structure. It is operationally aligned with the Counter Terrorism Policing, South East. A regional ACC, who reports directly to the Chief Constable of TVP, exercises overall command of the regional crime and counter terrorism functions. This ACC also represents serious organised crime at the South East Regional Governance Board and nationally with the National Crime Agency and other key stakeholders.

## **m) Conclusion**

The work carried out by the Governance Advisory Group to review the Joint Corporate Governance Framework itself, and how it has been applied in practice over the financial year 2018/19, has informed the latest review of the Framework which was approved in March 2019. Consequently the PCC and Chief Constable will be able to satisfy themselves that key governance structures supporting the discharge of their responsibilities have and continue to receive effective scrutiny.

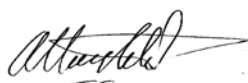
## **SIGNIFICANT GOVERNANCE ISSUES**

It should be noted that significant operational issues facing the organisation are not necessarily a result of weaknesses within the internal control and governance framework.

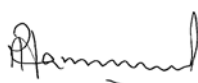
There were no significant actual or potential governance issues identified in respect of 2017/18 which were due to be monitored during 2018/19.

There are currently no significant actual or potential governance issues identified in respect of 2018/19 activities. Accordingly, the Governance Advisory Group are satisfied to the best of their knowledge that no material breaches of the governance arrangements occurred in 2018/19 and there are no significant weaknesses in the internal control and governance environment.

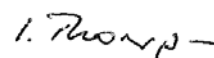
In any event the governance arrangements of the PCC and the Chief Constable will remain under constant review in the forthcoming financial year.



**Anthony Stansfeld**  
Police and Crime Commissioner



**Paul Hammond**  
Chief Executive  
(Monitoring Officer)



**Ian Thompson**  
Chief Finance Officer and  
Deputy Chief Executive



## 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 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). However, TIAA have had to utilise two new auditors for the remaining ICT audits. This has resulted in additional vetting, hence pushing back the start dates for the two ICT reviews to February 2019.

#### **2018/19 Audit Plan Status and Changes**

- 2.2 The progress made in delivering the 2018/19 Joint Internal Audit Plan, as at the 26 February 2019, is detailed in Appendix A.
- 2.3 The following changes have been made to the 2018/19 Joint Internal Audit Plan since the previous JIAC meeting in December:
- The Body Worn Video (Strategy, Use and Storage) audit has been carried forward to the 2019/20 Joint Internal Audit Plan, due to ongoing changes being made. This review has been replaced with an Evidence Management Unit audit, on the request of Criminal Justice management.
  - The only other changes have been some minor audit title updates and day allocation alterations.

#### **2018/19 Completed Audits**

- 2.4 Appendix B contains the details of each completed audit since the previous JIAC meeting on the 7 December 2018. The appendix contains details on the scope, assurance rating and key findings. Since the previous meeting and as at 26 February 2019, the following audits have been completed:
- Actings and Promotions (Police Officers) – limited assurance.
  - Force MASH Arrangements – reasonable assurance.
  - ICT Knowledge Transfer – reasonable assurance.
  - County Drug Lines – reasonable assurance.
  - Partnership Arrangements – Information and Data Sharing – reasonable assurance.
  - Information Management - General Data Protection Regulation - reasonable assurance.
- 2.5 Copies of Section 2 (Executive Summary) of the final reports have been circulated to the JIAC members, in advance of the meeting.

## 2018/19 Performance Indicators

2.6 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%	69%  (9 / 13)	↓
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%	60%  (6 / 10)	↑
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%  (10 / 10)	↔
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

2.7 The detail to support the current performance levels are:

- Nine of the 13 where testing has been completed were delivered within the performance target. The four that were delivered outside the PI were done so by an average of 23 days, mainly due to time being taken to resolve audit queries and complete the testing.
- Six of the ten final audit reports that have been issued were delivered within the performance target. Three of the four that were delivered outside the PI were done so by an average of five days. The remaining audit was completed 50 days outside the target, due to liaison on the report content.
- The ten audits that have been completed have all been delivered within the day allocation.
- The remaining two performance indicators will be reported at year end.

## Fraud

- 2.8 Work on the 2018/19 NFI exercise is ongoing. The data matches have been received and work is progressing to review the information. As at the 26 February 2019, no issues have been raised in reviewing the available NFI matches.
- 2.9 The Joint Internal Audit Team have not been notified of any internal control issues by the Professional Standards Department (PSD) or Corporate Finance since the previous JIAC meeting in December.

## 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
<b>Head of Unit</b> 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
<b>Legal Advice</b> No known legal issues arise from the contents of this report.	PCC Governance Manager
<b>Financial Advice</b> No known financial issues arise from the contents of this report.	PCC Chief Finance Officer
<b>Equalities and Diversity</b> 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: 28 February 2019

Director of Finance (TVP)

Date: 7 March 2019



## APPENDIX A

**2018/19 Joint Internal Audit Plan – Current Status (February 2019)**

<b>Audit Review</b>	<b>Area</b>	<b>To Start</b>	<b>Scoping</b>	<b>Fieldwork / Ongoing</b>	<b>Exit Meeting</b>	<b>Draft Report</b>	<b>Final Report / Complete</b>	<b>Removed</b>
<b>Body Worn Video (Strategy, Use and Storage)</b>	<b>ACC Crime &amp; Criminal Justice</b>							✓
Evidence Management Unit	ACC Crime & Criminal Justice			✓				
<b>County Drug Lines</b>	ACC Crime & Criminal Justice						✓	
<b>Force MASH Arrangements</b>	<b>ACC Crime &amp; Criminal Justice</b>						✓	
LPA Financial Controls	ACC Local Policing				✓			
<b>Partnership Arrangements – Information and Data Sharing</b>	ACC Local Policing						✓	
Counter Terrorism Policing South East – Financial Management	ACC Regional Crime and Counter Terrorism				✓			
ICT Asset Management	Chief Information Officer			✓				
<b>ICT Knowledge Transfer</b>	<b>Chief Information Officer</b>						✓	
<b>ICT Network Management</b>	<b>Chief Information Officer</b>							✓
ICT Protective Monitoring Process	Chief Information Officer			✓				
<b>Information Management - General Data Protection Regulation</b>	Chief Information Officer						✓	
<b>Oversight and Governance of the CTC</b>	<b>Deputy Chief Constable</b>						✓	
Force Risk Management and Business Continuity Arrangements – Follow Up	Deputy Chief Constable				✓			
Force Delivery Plan Performance and Monitoring	Deputy Chief Constable					✓		
<b>Force Project Lessons Learnt and Benefits Realisation</b>	<b>Deputy Chief Constable</b>						✓	
G&SI - Post Programme Review	Deputy Chief Constable					✓		
<b>Contract Management</b>	<b>Director of Finance</b>						✓	
Key Financial Controls	Director of Finance			✓				



## APPENDIX B

### 2018/19 Joint Internal Audit Plan - Completed Audits

Below are the audits that have been complete since the previous JIAC meeting. The key to the assurance ratings is:

<b>Substantial</b>	The governance, risk management and control arrangements are strong, although some minor action may be required to improve efficiency or effectiveness.
<b>Reasonable</b>	The governance, risk management and control arrangements are good, although some action is required to improve efficiency or effectiveness.
<b>Limited</b>	The governance, risk management and control arrangements are limited and action is required to improve efficiency or effectiveness.
<b>Minimal</b>	The governance, risk management and control arrangements are weak and significant action is required to improve efficiency or effectiveness.

<b>Audit Review</b>	Force MASH Arrangements	<b>CCMT Lead</b>	ACC Tim De Meyer
<b>Scope</b>	- MASH Processes, Induction and Training. - MASH Demand Management. - MASH Governance and Oversight.	<b>Planned Days</b>	15 days
<b>Assurance</b>	<b>Reasonable</b>	<b>Actual Days</b>	15 days
<p>The focus of the audit was to review the ongoing work to improve the operational arrangements and effectiveness of the MASHs. The assurance provided is based on work to date, as well as the planned action to enhance arrangements in the future. The key issues arising from the audit are as follows:</p> <ul style="list-style-type: none"> <li>• A recent MASH Process Mapping review has been concluded with a report being collated and recommendations identified. On conclusion of the audit, the 14 recommendations were due to be approved and implemented, with oversight being provided by PVP Senior Management Team (SMT).</li> <li>• It was also noted during the review that a new MASH Procedure Manual, which is aimed at standardising processes across the nine MASHs, is being collated.</li> <li>• The current Knowzone content appears to be up to date and reflects current arrangements. However, as part of the work to implement the MASH process review recommendations, the MASH Knowzone content will need to be updated.</li> <li>• The review found that the main training for MASH staff is on the job training. Once the process changes have been implemented, staff training will be reviewed, which will include induction training as well as an ongoing programme of support officer and supervisor training.</li> <li>• There is a MASH Operational Group which meets every six or eight weeks. The group's Terms of Reference were revised during the audit. Copies of the latest minutes were requested, but it was commented that due to a lack of administrative support, the MASH Operational Group is not minuted. This point was also raised during the 2017/18 - Force MASH Restructure - Action Plan &amp; Oversight audit.</li> </ul>			

<b>Audit Review</b>	Actings and Promotions (Police Officers)	<b>CCMT Lead</b>	Dr Steven Chase
<b>Scope</b>	- Acting Officer Appointment Process. - Management of Acting Officers. - Development for Promotion.	<b>Planned Days</b>	11 days

Assurance	Limited	Actual Days	11 days
<p>The key issues arising from the audit are as follows:</p> <ul style="list-style-type: none"> <li>• The 'Acting Ranks – Police Officers' Policy is dated May 2015 and requires review and updating. The review is underway but has not yet been completed.</li> <li>• A review of the acting register identified officers who are acting but are not on the register, who were added at the time of the appointment to the Acting role or who had been added to register but no application form was held. This suggests that the register is not being used effectively to record all of those individuals who are interested in acting opportunities meaning they could potentially miss out on opportunities. It could also suggest that the register is not always being referred to in order to identify and include all Officers interested in acting roles in the selection process.</li> <li>• The review of the register also identified that the details contained within the register are not consistently kept up to date with 6 of 11 records sampled being out of date.</li> <li>• The process for identifying and deciding who will fill an Acting post (up to Inspector level) currently sits locally with LPAs/Departments. A number of LPAs and Departments were contacted to confirm what process they follow to 'advertise' acting posts and/or to identify possible candidates. This identified that whilst 8 of the LPAs/Departments stated they would consider Officers from across the Force via the acting register (and in some cases using expressions of interest), 2 LPAs and 1 Department indicated that they only look internally for candidates. This localised approach could pose an issue of potential disadvantage to individuals on LPAs/Depts. where there are limited/no acting opportunities.</li> <li>• The rationale for who to appoint, including details of all who were considered, should be recorded on the 'Application for the appointment of an Acting Rank' form (for Acting Sergeants and Inspectors) but sample testing of the forms relating to 14 individuals in acting roles identified that the forms had not been fully completed in 10 cases, in particular to record who had been considered, and in a further 2 cases the forms could not be found.</li> <li>• Anecdotally it was stated that there may be a lack of checks on some of the requirements within the Acting policy in some cases prior to a decision being made. The 'Application' form does not require the checks made or the rationale for 'non-compliance' with requirements to be recorded and the above testing identified a number of 'non-compliance' points. Whilst, based on general feedback from LPAs and Departments, it is likely that the relevant factors were considered and an appropriate decision made the detail being requested and/or recorded on the 'Application Form' is insufficient to provide a clear record of the process and rationale adopted.</li> <li>• There are a number of requirements set out within the Acting Policy in relation to Acting and PDRs. Anecdotal comments indicated that PDR (including CPD) entries regarding Acting vary in standard and could be as brief as one line or possibly not even be included at all. Review of a sample of PDRs of individuals who are currently acting to determine the extent to which a sample of the policy requirements are being complied with identified that the requirement for a leadership objective for Acting Sergeants and requirements around recording of Acting within the CPD section of the PDR were not being followed in every case.</li> <li>• The Acting policy states that 'If the period of acting allows, attendance on Core Leadership Programme (CLP) or Senior Leadership Programme (SLP) modules must be considered .... Where acting rank continues for long periods (i.e. 6-months or more) consideration should be given to attendance at the relevant mandatory health and safety management training course.' A number of LPAs and Departments were contacted to confirm whether they encourage their Acting Officers to attend the CLP courses. Sample testing of a range of individuals currently acting identified that the relevant modules had not been fully completed by 11 out of the 14 sampled individuals.</li> <li>• There is no regular reporting at a People Services Senior Management Team level, or similar, to monitor Acting across the Force e.g. exception type reporting of individuals on long term acting or overall levels of acting to give a corporate view.</li> <li>• There is a variety of information on the intranet with regard to both development opportunities and applying for promotion. However review of a sample of these pages identified that they are not all up to date or comprehensive and in some cases include links to out of date documents. There are also two relevant Yammer pages but whilst the Police Officer Promotions page was last updated in October 2018 the Professional Development page hasn't been updated since May 2017 and only has 112 members.</li> <li>• The Leadership and Talent Management Team offer a broad selection of support options for development towards promotion. However the teams' first direct involvement in the promotion process is when an Officer passes their exam and the L&amp;D Team write to them encouraging them to undertake the Core Leadership Programme. This communication, which only covers PCs and Sergeants, does not however detail the other support the L&amp;D Team offer or a link to where this</li> </ul>			

information can be found, although there are intranet pages setting out details of support available. No communications are sent by L&D to Officers prior to them taking the exam, if they do not pass their exams or if, at any rank, they are unsuccessful at promotion to offer help and promote the services L&D can offer.

- When applying to sit an OSPRE exam, Officers are required to complete a 'TVP Line Manager Endorsement Form'. This form requires both line manager and 'OCU/LPA Commander, Head of Dept or nominated delegate' sign off. In practice the form is, in some cases, signed off by nominated delegates below LPA Commander/Head of Dept level ranging from Sergeants through to Deputy LPA Commanders.
- Every LPA/Department who responded indicated that they have processes in place to identify individuals who are interested in promotion or who are suitable but have not expressed an interest as yet, to support those individuals who have expressed an interest in promotion and to feedback to and support (including setting of CPD/objectives going forward) Officers who are unsuccessful when applying for promotion. However the level of support varied across the LPAs/Departments with some appearing to offer higher levels of support than others. Whilst a standard approach will not necessarily work across all LPAs/Departments, there does not appear to be any forum for sharing the approaches to ensure that all Officers are receiving the same level of support regardless of which LPA/Department they work on.

<b>Audit Review</b>	Information Management: General Data Protection Regulation	<b>CCMT Lead</b>	Amanda Cooper
<b>Scope</b>	<p>High level overview:</p> <p>- Awareness / Accountability and Governance / Communicating privacy information / Individuals' rights / Subject access requests / Data Protection Impact Assessments / Data Protection Officer / Solely automated decision making and profiling.</p> <p>Detailed review:</p> <p>- Consent / Children / Data breaches / Data processing contracts / Transfers outside EEA / Retention/deletion of personal information.</p>	<b>Planned Days</b>	12 days
<b>Assurance</b>	<b>Reasonable</b>	<b>Actual Days</b>	12 days

The key issues arising from the audit are as follows:

- Outstanding tasks from the phase 2 project plan need to be carried forward and monitored following project closure. These include the updating of the Information Management Policy which will set out accountability, reporting and escalation mechanisms in relation to GDPR. There were also a number of issues identified, regarding annual training, 'mop up' review of forms and LPA Information Asset Registers, which do not specifically feature in the project plan but result from actions within the project plan and require further work.
- Work is currently underway to move to one privacy notice per Force. However, the audit identified that further consideration should be given to whether the regional units should have their own separate privacy notices.
- As well as the Information Management Policy and the IT Security Management Policy, there is also an Information Security Policy which is currently shown as sitting under the JIMU. The policy is dated February 2014, with a review date of February 2016, and it makes no reference to GDPR.
- There are currently inconsistencies in the data contained in both Information Asset Registers regarding which areas are relying on consent. Also a sample review as part of the audit identified three areas which differed across the two Forces and, whilst in one case this was checked and appropriate, in the other two cases it was felt that further review by the Information Governance Team would be useful to confirm if all of the relevant consent/children aspects are appropriately covered at both Forces.
- In reviewing a small sample of the forms/processes in place around consent several issues were identified, around withdrawal of consent in one case and the level of

detail around consent options in the other, which require further review.

- In relation to children and online services, the online reporting process for both Forces which could be used by a child to report a crime / anti-social behaviour would benefit from a review to ensure that there are no child related issues, as these 'services' have developed over the last year and may not have been fully considered.
- The Security Data Breach Reporting Form would benefit from some revision and refinement in order to improve the quality of data for reporting purposes.
- Whilst there is a reporting process for data breaches and for making a decision on whether to report to the Information Commissioner's Office (ICO), this is still considered an evolving process. In addition, there is a monitoring spreadsheet in place to monitor the breaches reported to the ICO and to track the responses and required actions from the ICO. It is however unclear whether several of the older recommendations/actions have been followed through as the spreadsheet has not been updated to show the 'Agreed Force Action' and its completion. This is also the case for several breaches where the ICO did not make recommendations but where 'Agreed Force Actions' have been marked on the spreadsheet.
- There are processes for learning from individual breaches and there have been some organisation wide communications on particular issues that have been identified. However there is not yet a clear process for cross referencing and wider learning from the issues arising i.e. sharing across the organisations. It was also noted that whilst the JIMU intranet page includes a section for 'Common Data Breaches' this is currently blank.
- A JIMU Performance Pack is presented to the Joint Chief Officers Group (JCOG) and the Collaboration Governance Board. However, further thought is being given to what might be included in the performance pack in future, including making the process more scientific, looking at trends and follow up.
- There are a number of commercial contracts and non-commercial written agreements (Data Processing Contracts) that include data processing that need updating, in light of GDPR, which have not yet been signed off.
- The guidance document, with regard to transfers outside of the European Economic Area (EEA), refers to being able to transfer data to Canada but the ICO website states the European Commission has made partial findings on the adequacy of Canada.
- On both IARs there are a number of areas where data is transferred outside of the EEA but where there are then gaps in the IAR data supplied. There are also some cases where it is unclear whether data is transferred outside the EU (TVP only).
- The Information Asset Register (IAR) work identified areas where data is being over-retained. An initial set of criteria were created to assess the risk of each 'group' of data being over-retained in order to prioritise the riskiest areas. However once these initial criteria had been applied to the IAR data and a sense check applied to the results it was identified that it hadn't worked as expected and some data was not correctly classified. New criteria has been devised for review and, once this review has been completed, a paper is to be compiled to go to the Information Management Board (IMB), and JCOG, to set out a high level statement of themes and potential approach. The detailed work of identifying the business specific recommendations will then be completed.

<b>Audit Review</b>	Partnership Arrangements – Information and Data Sharing	<b>CCMT Lead</b>	ACC Nikki Ross
<b>Scope</b>	<ul style="list-style-type: none"> <li>- Data Sharing Arrangements.</li> <li>- Data Sharing Processes and Analysis.</li> <li>- Partnership Governance and Monitoring.</li> </ul>	<b>Planned Days</b>	12 days
<b>Assurance</b>	<b>Reasonable</b>	<b>Actual Days</b>	12 days

The key issues arising from the audit are as follows:

- At an LPA level, testing found that there are formal and informal mechanisms for overseeing data sharing, with issues being raised, as and when they arise. In terms of corporate oversight, the audit was unable to identify a single governance meeting that regularly monitors and oversees partnership data sharing good practice, ideas or issues. It was commented that partnership working is documented in the relevant ISAs, which places a responsibility on every partnership meeting to consider their own data sharing processes and issues.
- In general, testing found that LPAs were aware of best practice in data sharing, the role of the JIMU and that arrangements were appropriate. Testing did identify

certain Information Sharing Protocols and Agreements that were in need of review and lack of a secure e-mail address with Milton Keynes Council.

The Joint Internal Audit Team have recently completed an Information Management: General Data Protection Regulation audit. The following issues, although relevant to Local Policing information data sharing and identified through this audit, have been reported as part of the Information Management: General Data Protection Regulation audit:

- A general Local Policing Information Asset Register has been collated following discussions with one LPA Commander. Although information asset issues are likely to be similar across all LPAs, it was commented that to comply with the GDPR, registers need to be completed for all LPAs.
- As at mid-December 2018, five LPAs had completion rates below 80% for the GDPR Managing Information eLearning (COP266).

Both of these issues have been considered as part of the assurance ratings for risk areas A and B.

<b>Audit Review</b>	County Drug Lines	<b>CCMT Lead</b>	ACC Tim De Meyer
<b>Scope</b>	<ul style="list-style-type: none"> <li>- Strategy, Roles and Responsibilities.</li> <li>- Force Wide Arrangements and Communications.</li> <li>- Governance and Partnership Working.</li> </ul>	<b>Planned Days</b>	13 days
<b>Assurance</b>	<b>Reasonable</b>	<b>Actual Days</b>	13 days

The key issues arising from the audit are as follows:

- The Force completes a significant amount of work to investigate and disrupt county drug lines. However, there is currently a lack of an overall strategy to ensure a co-ordinated Force wide response to county lines, which links to any regional or national work. The Force has adopted a "Thames Valley Police Serious Violence Strategy: Action Plan", which is looking to deliver the government's National Serious Violence Strategy (April 2018).
- There was a lack of a documented approach and clarity around responsibilities at an LPA, FIB, Force wide, regional and national level for TVP.
- As part of the audit, the role and work of the FIB County Lines / Drugs Desk was reviewed. Testing found that the desk does not have a process document that provides consistency and continuity for the work completed.
- County drug lines are created as a record in Niche. Testing of this process found that some LPAs are uploading details onto Niche, whilst others keep information on locally maintained spreadsheets. Testing also found that officers are creating occurrences on Niche for county drug lines, but that some training and communications would be beneficial to ensure officers are aware of the correct process to follow in terms of using Niche to record occurrences, individuals and intelligence.
- The Force has adopted a County Lines Investigation Toolkit. Testing found that the toolkit was launched around August 2016, but has not been reviewed since then to ensure it is current and up to date. During the LPA testing, two LPAs commented that they were unaware of the toolkit and one commented that they were unsure how much the LPA officers actually used it or were aware of it.
- Testing of LPA approaches identified that county drug lines do not form part of the standard DMM template and there were two LPAs where county drug lines are not seen as a priority or are not an issue for them.
- In terms of central oversight, there are quarterly Area Drug Exploitation meetings, as well as a Force wide Drug Exploitation meeting. Testing of the minutes found that the last Force wide Drug Exploitation meeting took place in October 2017.
- During the audit, the FISO SMT minutes were reviewed. It was noted that partnership working was an issue that required further work.
- Testing found that county lines do not currently form part of any Force Risk or Performance meetings. Additionally, there are no specific performance measurements for county drug lines, although statistics are maintained at an Organised Crime Gang level.

<b>Audit Review</b>	ICT Knowledge Transfer	<b>CCMT Lead</b>	Amanda Cooper
<b>Scope</b>	- Framework and Risk Management. - System Documentation. - Transitional Arrangements.	<b>Planned Days</b>	10 days
<b>Assurance</b>	<b>Reasonable</b>	<b>Actual Days</b>	10 days

The focus of the audit was to review ICT's knowledge transfer arrangements, with specific sample testing being completed on the ongoing Contact Management Programme (CMP). At the time of the audit, the CMP was reviewed at a point in time during the build phase, so some elements of the knowledge transfer process would not have been due to be completed in accordance with the project plan. Significant improvements were underway as part of the stabilisation review covering areas such as system documentation, improvements and completion.

The key issues arising from the audit are as follows:

- To ensure that the Force and ICT learn from the recent programme issues, post programme reviews will be conducted to enable actions to be put in place to address any knowledge transfer issues for future programmes.
- The audit focused on testing the availability of system and service documentation, to enable an effective knowledge handover from programme development to business as usual. At the time of the audit testing and prior to the decision to suspend the programme, the required compliment of service design documentation was incomplete, with some documents being collated by programme partners, as well as certain documentation only being available via Microsoft's SharePoint system, which would not be available post "go live".
- The process to ensure Fujitsu staff were promptly vetted could have been more efficient, which would have minimised the delay in Fujitsu staff commencing on the programme and being able to complete the work that they had been commissioned to deliver.
- At the time of the review, the process to collate support guides and carry out the necessary knowledge transfer workshops was yet to be completed.
- A number of single points of dependency have been recognised as part of the programme (i.e. the shortage of Microsoft Azure technical skills and engineers). These had been identified by the programme, but at the time of the audit, these were yet to be resolved.
- Audit testing observed that Contact Management business continuity arrangements were incomplete and issues around disaster recovery testing had been identified as a concern and were being addressed by the programme.

**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.







## 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 14 actions that are currently overdue:
  - 4 actions are due for completion by the end of March 2019;
  - 1 action is due for completion by the end of April 2019;
  - 2 actions are due for completion by the end of May 2019;
  - 2 actions are due for completion by the end of June 2019;
  - 1 action is due for completion by the end of July 2019;
  - 1 action is due for completion by the end of August 2019;
  - 1 action is due for completion by the end of September 2019;
  - 1 action is due for completion by the end of December 2019; and
  - The completion date for 1 action is to be confirmed.

### **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 31<sup>st</sup> January 2019 in relation to the years 2015/16 to 2018/19. It shows that in total there were 14 overdue actions at this date; these relate to 7 audits. The overdue actions are split by priority. Also shown is the number of overdue actions that had previously been reported which has fallen from 11 to 6 since the last report to this Committee in December 2018.
- 2.2 Appendix 2 shows the changes in the number of overdue actions since the previous report to this Committee in December 2018. The total number of outstanding overdue actions reported has fallen from 17 to 14.
- 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 31<sup>st</sup> January 2019. The information is based on responses from managers received up to and including 20<sup>th</sup> February 2019. 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 7 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 Financial comments

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

### 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 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
<b>Head of Unit</b> 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
<b>Legal Advice</b> No known legal issues arise from the contents of this report.	PCC Governance Manager
<b>Financial Advice</b> No known financial issues arise from the contents of this report.	PCC Chief Finance Officer
<b>Equalities and Diversity</b> 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: 28/02/19

Director of Finance (TVP)

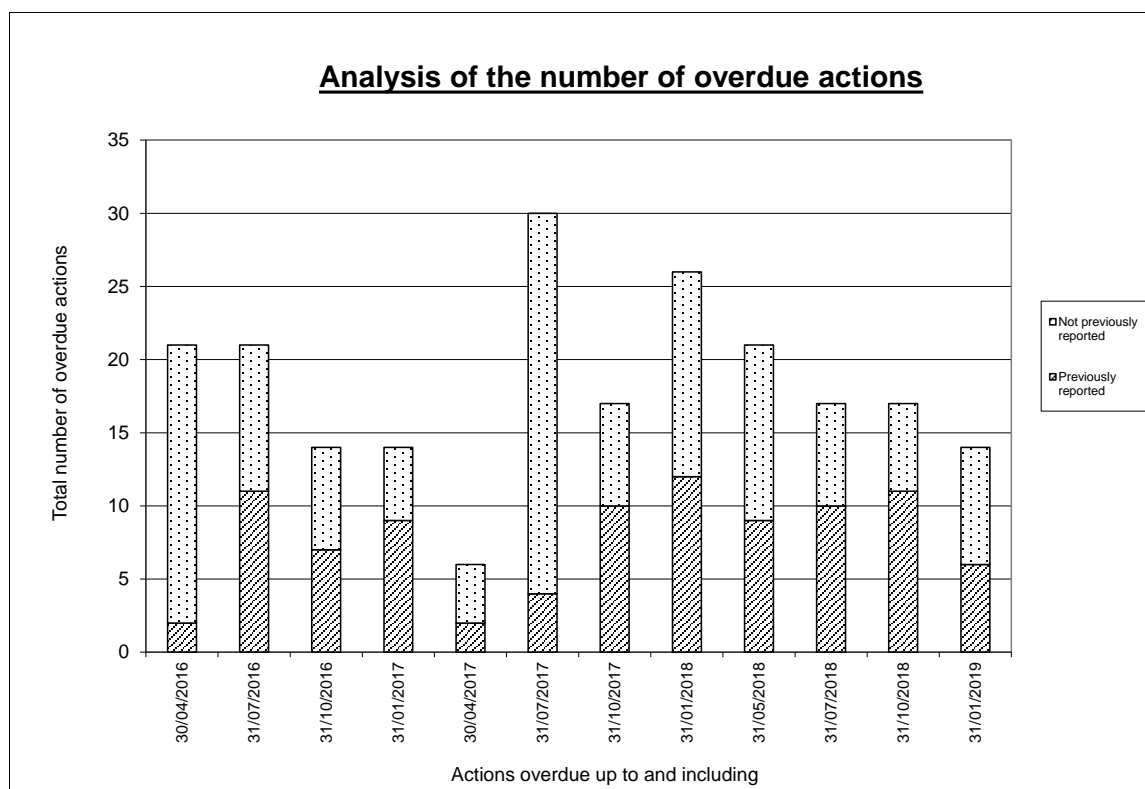
Date: 06/03/19

## Appendix 1

**ANALYSIS OF OVERDUE ACTIONS AS AT 31<sup>st</sup> JANUARY 2019**

Audit Subject/Location	Outstanding Overdue	Priority 1	Priority 2	Previously Reported
<b>2017/18</b>				
Firearms Licensing (Administration and Management)	1	1	-	1
Follow Up of Limited Assurance Audits from 2016/17	1	-	1	-
Force Demand and Resilience Management	1	-	1	-
Force Risk Management and Business Continuity Arrangements	6	4	2	3
Incident and Problem Management	1	-	1	-
Intranet and Internet Content Management	1	-	1	1
<b>TOTAL</b>	<b>11</b>	<b>5</b>	<b>6</b>	<b>5</b>
<b>2018/19</b>				
Force Project Lessons Learnt and Benefits Realisation	3	2	1	1
<b>TOTAL</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>1</b>
<b>OVERALL TOTAL</b>	<b>14</b>	<b>7</b>	<b>7</b>	<b>6</b>

## 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
<b>Firearms Licensing (Administration and Management)</b>		<b>Final report issued on: 06/06/18</b>		<b>CCMT Lead: ACC Tim De Meyer</b>		
<b>Total number of agreed actions: 24</b>	<b>Number completed: 21 (88%)</b>	<b>Number not yet due: 2 (8%)</b>		<b>Number overdue: 1 (4%)</b>		
<b><u>Process notes</u></b>  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.  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.  <b>Risk exposure:</b> Out of date process notes lead to confusion around processes and inappropriate or ineffective actions being taken.		FLA/FLO application processes to be documented into training packages.	30/06/18	1	The training packages are currently being reviewed due to our new online system. We are in the early stages of this process and there are few changes that are happening over the next few months, which are being incorporated a stage at a time. We are documenting the process as we go along so although we have something in place it is a working document.	31/07/19
<b>Follow Up of Limited Assurance Audits from 2016/17</b>		<b>Final report issued on: 20/06/18</b>		<b>CCMT Lead: Dr Steven Chase</b>		
<b>Total number of agreed actions: 2</b>	<b>Number completed: 0 (0%)</b>	<b>Number not yet due: 1 (50%)</b>		<b>Number overdue: 1 (50%)</b>		
<b><u>Mandatory Training (Monitoring and Completion) 2016/17</u></b>  <u>NCALT Accuracy and Completions</u>  The current review of each e-learning package will be completed, to ensure it is still valid and correct. This process will then be carried out on an annual basis.  <u>Follow Up Testing</u>  L&D have conducted an initial review of each e-learning package and a new course Maintenance SOP has been collated. Since the original audit, responsibility for reviewing the e-learning courses has passed to the Training Design Team. Due to work load and other priorities, reviewing current e-learning packages is not always considered a priority. It was commented during the audit that as the Force moves more toward self-directed learning, L&D will require Training Delivery Managers to take greater ownership of learning that is not delivered by a trainer.  <b>Risk exposure:</b> Out of date learning, leading to officers and staff being unaware of Force guidance and approaches to key business priorities.		With a move to self-directed learning, L&D will work with Training Delivery Managers to ensure they take greater ownership of the content of learning that is not delivered by a trainer.	31/12/18	2	This work is now carried out centrally within L&PD by the IT Training Team Leader. A spreadsheet, which is currently being updated, is in place which lists all of the courses and their review dates and this is used to manage the successful deployment and review of the content of the 395 self-directed courses presently in place. This is however still a work in progress as other IT Training activities compete for the Team Leader's time.	30/04/19
<b>Force Demand and Resilience Management</b>		<b>Final report issued on: 06/03/18</b>		<b>CCMT Lead: DCC John Campbell</b>		
<b>Total number of agreed actions: 5</b>	<b>Number completed: 4 (80%)</b>	<b>Number not yet due: 0 (0%)</b>		<b>Number overdue: 1 (20%)</b>		
<b><u>Third Party Demand Data</u></b>  The Force's 2016 PEEL: Police Efficiency assessment commented		The development of using third party data to understand and manage demand will continue to	31/12/18	2	Work on this is ongoing, but the area remains complex. There has as yet not been material progress on identifying meaningful data sets nor on	31/12/19

Control weakness and risk exposure	Agreed action	Original completion date	Priority	Current position	Revised completion date
<p>that further developments were needed in understanding demand pressures using partner data. The DAVM does include partnership data from Fire, Ambulance and Bracknell and Buckinghamshire Community Safety Partnerships. However, the audit found that although the data should be received monthly, this is not always taking place.</p> <p>It was commented during the audit that the Force could develop the use of third party data by mapping it to certain incidents, identifying key contacts who can liaise with partners, agreeing standard dataset formats and more effectively managing the process of submitting and receiving the data. The Force Demand Co-ordination Group have been discussing this issue of third party data with the latest meeting noting that discussions should commence after August with the respective Chief Executives. It is acknowledged that data sharing between partner agencies is a very complex issue.</p> <p>It was also noted that the Information Sharing Agreements (ISAs) in relation to partnership demand data are due for review. The issue of overdue ISA reviews was raised as part of the 2017/18 Information Management – Data Security and Transfer audit.</p> <p><b>Risk exposure:</b> The Force lacks the full picture on demand pressures, where partners are involved, leading to ineffective action being taken to identify shared issues or pressures.</p>	be progressed by the Force Demand Co-Ordination Group.			mechanisms which would allow those data sets to be shared.	
<b>Force Project Lessons Learnt and Benefits Realisation</b>					
Total number of agreed actions: 12		Final report issued on: 27/09/18		CCMT Lead: DCC John Campbell	
Number completed: 5 (42%)		Number not yet due: 4 (33%)		Number overdue: 3 (25%)	
<p><b>Guidance and Documentation</b></p> <p>As part of the audit, the change delivery content of the Governance and Service Improvement's (G&amp;SI) Knowzone page was reviewed. The audit noted the following:</p> <ul style="list-style-type: none"> <li>- The current list of projects was out of date.</li> <li>- The "Change Delivery Process – Part 1 – Governance" and "Change Process – Part 2 – Change Delivery" lacked references to lessons learnt. The "Change Process – Part 3 – Service Improvement" referred to Service Improvement documenting decisions and lessons learned.</li> </ul> <p>It was commented during the audit that the newly adopted change documentation (i.e. Project Business Case, PID, Status Report, End of Project Report, Lessons Learnt Log, etc.) will be published on the Knowzone as well as communications on the process and the role of the Change Delivery team.</p> <p><b>Risk exposure:</b> Up to date change process documentation has only been shared with Chief Officers and specific teams / Boards, leading to the potential for business areas to manage change incorrectly.</p>	<p>The Force change content on the Knowzone is being reviewed and will be updated to reflect the current Change Portfolio and high level guidance on the Force's Transformation process, templates, roles and responsibilities.</p> <p>Targeted communications will also take place.</p>	30/09/18	2	<p>Further briefings at Chief Officer level and with Force Transformation SPOCs have been completed.</p> <p>The outcomes from the annual planning process and 19/20 projects/programmes have been agreed and communications have been developed, aligned with Hampshire where appropriate. These are currently awaiting sign off before they are delivered across the Force, followed by an update of the Force Transformation pages on the Knowzone.</p>	31/03/19
<b>Force PMO Function</b>	Consideration will be given on	30/11/18	1	This will be considered as part of the department's	31/08/19

Control weakness and risk exposure	Agreed action	Original completion date	Priority	Current position	Revised completion date
<p>During the audit, a new set of standard change documentation was agreed between the Change Delivery team, Hampshire Force Development and ICT's Project Management Office (PMO).</p> <p>ICT's PMO own the documentation and provide guidance and oversight on delivery of ICT's programmes and projects. ICT also use SharePoint for their project management document repository.</p> <p>Within the Change Delivery team, there is no equivalent PMO resource to formally own corporate documentation and provide consistent guidance, oversight and assurance on change delivery across the Force. It was also commented during the audit that for projects that the Change Delivery team lead on, there is a shared drive where documents are stored and linked. However, this is not particularly practical and there is room for improvement with the management of this process. It was noted that this should improve with the introduction of the Project Portfolio Management (PPM) tool.</p> <p>Risk exposure: Business Change projects lack the necessary resource for project process assurance, leading to the potential for projects to be inconsistency managed or delivered.</p>	<p>how resource can be secured to provide ongoing PMO assurance to business change projects.</p>			<p>Effectiveness and Efficiency review. Scoping proposals are planned to go to CCMT on 19 March with final proposals for change going to CCMT on 21 May. Any changes agreed can only be implemented after CCMT approval.</p>	
<p><b><u>Post Project Monitoring and Review</u></b></p> <p>During the audit, the process for monitoring project benefit realisation, once the project has been closed, was reviewed. It was commented that this can be an issue as once a project has been approved to close, the project team disbands and a governance structure is no longer in place. There is a lack of an ongoing process for tracking benefits going forward.</p> <p>The main process the Force has adopted to review benefits realisation is via the work completed by the Service Improvement Unit (SIU). The design of the process is that upon receipt of the End of Project report, the unit "reviews benefit realisation and maintains ongoing monitoring through Service Improvement Reviews of embedded change and benefits realisation".</p> <p>During the audit, it was commented that as the wider G&amp;SI department is still developing the processes around the benefits review process, no reviews have been completed, other than a six month review on the Operating Model.</p> <p>Other comments during the audit in relation to post project monitoring were:</p> <ul style="list-style-type: none"> <li>- There needs to be early engagement with the SIU which may help to ensure that identified benefits are actually measurable.</li> <li>- A need to ensure that the outputs from benefits review are</li> </ul>	<p>A project benefit realisation review process has been designed. Once the PPM tool has been implemented, any commissioned benefits realisation reviews will take place and be business as usual.</p> <p>The review process will include engagement with individual Project Managers as well as a mechanism for reporting outcomes and tracking issues.</p>	31/12/18	1	<p>Post project benefits reviews process and resourcing are being considered as part of our department's Effectiveness and Efficiency review.</p> <p>The PPM has been implemented with all projects managed by ICT project managers and TVP Change Delivery project managers now transferred to the system. The end of project closure process and template ensures that there must be an agreed plan for post-implementation review if necessary at project closure.</p> <p>The risk has been partially mitigated. Completion is subject to the outcomes from the Effectiveness and Efficiency review, with recommendations planned to go to CCMT by the end of May 2019.</p>	31/05/19



Control weakness and risk exposure		Agreed action	Original completion date	Priority	Current position	Revised completion date
<p>communicated to the correct people.</p> <p>- The need to ensure benefits are monitored by the appropriate business leads to ensure action can be taken in relation to process changes.</p> <p><b>Risk exposure:</b> The designed, but untested benefits realisation assurance process is not effective, leading to a lack of visibility that benefits, improvements or efficiencies are realised.</p>						
<b>Force Risk Management and Business Continuity Arrangements</b>		<b>Final report issued on: 24/04/18</b>			<b>CCMT Lead: DCC John Campbell</b>	
<b>Total number of agreed actions: 21</b>		<b>Number completed: 15 (71%)</b>		<b>Number not yet due: 0 (0%)</b>		<b>Number overdue: 6 (29%)</b>
<p><b><u>Guidance and Templates (RM &amp; BC)</u></b></p> <p>During the audit, the Knowzone Risk Management (RM) and Business Continuity (BC) pages, guidance and templates were reviewed. Testing found that there was a lot of documentation available, some of which was either out of date, contradictory or duplicated. Examples include:</p> <ul style="list-style-type: none"> <li>- Minutes from the October 2016 Strategic Business Continuity Co-ordination Group (SBCCG).</li> <li>- The Force's Flu Pandemic Strategic Framework, dated January 2014.</li> </ul> <p>It was also commented during the audit that document ownership is often held by previous members of staff, so changing over the responsibility to access the documents and removing out of date references, links or documents is taking time.</p> <p>These observations are supported by the recent feedback from LPAs, OCUs and Depts. on the RM and BC processes, with views that the templates and documentation is too lengthy to complete or is unclear, hence, updates are not always entered.</p> <p><b>Risk exposure:</b> Current guidance and documentation could be seen as bureaucratic and not user friendly, leading to a potential lack of engagement or compliance by LPAs, OCUs or Depts.</p>		(RM) - In the longer term, the risk management Knowzone content will be revised to reflect new practises. The risk management guidance will be re-written to reflect new best practice.	30/09/18	2	<p>A new framework has been produced and agreed.</p> <p>A review of the risk management Knowzone content is ongoing, but has been delayed due to the process of moving all existing risk registers to the new format.</p>	31/03/19
<p><b><u>Communications and Awareness (RM &amp; BC)</u></b></p> <p>Apart from the ongoing SGU consultation exercise, the audit was unable to locate any recent RM or BC news items, communications or awareness raising. The audit did locate a copy of the RM &amp; BC Communications Strategy (January 2015). Whilst still considered current, once the changes to the RM and BC processes have been made, a communications exercise will be completed.</p> <p>During the audit, the use and membership of the Yammer Group – "Confident Risk Takers" was reviewed. Testing found that the group is not particularly well used, with the last content update being during</p>		<p>(RM) - Following the review and update of the Knowzone content (and updating the current risk registers), an initial awareness programme of communications around risk management will be scheduled.</p> <p>As new processes are planned, we will undertake risk review meetings with stakeholders to look at risks but also proposed</p>	30/01/19	2	Risk reviews are now scheduled and meetings have been arranged. A number have been completed and this process is ongoing.	31/03/19

Control weakness and risk exposure	Agreed action	Original completion date	Priority	Current position	Revised completion date
<p>July 2016. The audit also noted that there is no Yammer Group for Business Continuity.</p> <p>It was commented that there is a National Business Continuity Awareness week in May 2018, so any BC communications and awareness may be focussed to coincide with that week.</p> <p><b>Risk exposure:</b> The Force could lack awareness of the corporate RM and BC process and requirements, leading to the potential for less effective local action.</p>	<p>processes.</p> <p>Once the new process has been established, a significant relaunch will be completed.</p>				
<p><b><u>Bi-Lateral Collaboration Arrangements</u></b></p> <p>During the audit, the arrangements and visibility of bi-lateral collaboration RM and BC processes were reviewed. There is an informal acknowledgement between TVP and Hampshire Constabulary (HC) that collaborated functions follow the lead Force's RM and BC approaches. TVP lead on ICT and Information Management, with HC leading on the Joint Operations Unit (JOU) and Contact Management Unit Senior Management Team (CMU SMT).</p> <p><b><u>Business Continuity</u></b></p> <p>TVP has previously lacked assurances that HC led collaborated functions have up to date business continuity plans and appropriate arrangements in place. The Corporate Governance Officer has been liaising with her counterpart at HC to increase the understanding, corporate visibility and sharing on collaborated function's business continuity arrangements. There is also the potential to share learning experiences and best practice ideas between the two Forces.</p> <p><b><u>Non-Collaborated Functions</u></b></p> <p>The audit also raised the issue of how TVP's non-collaborated JOU functions manage risk and business continuity (i.e. Protection Group, Mounted, Contract Vehicle Recovery, Fixed Penalty and Safe Roads Unit) and whether they follow TVP's or HC's process. It was commented that there was a lack of clarity on what process these functions were following.</p> <p><b>Risk exposure:</b> Unclear arrangements and processes for how HC led collaborations manage risk and business continuity, which could lead to a lack of assurance and visibility for TVP that arrangements are effective.</p>	<p>(BC) – The aim is to implement quarterly meetings with HC counterpart to discuss collaborated unit BC Plan provisions and incident management in a Lead Force model. We will also share learning and best practice.</p> <p>We also aim to establish closer links with the Surrey / Sussex Lead.</p> <p>HC are looking to implement a strategic level group to discuss their plans, which the Strategic Governance Unit would attend.</p>	30/09/18	1	In terms of BC, the shared work on the ICT prioritisation matrix is ongoing but the staffing changes to BC both at TVP and HC have somewhat hindered this part of the work.	30/06/19
<p><b><u>LPA, OCU and Dept. Risk Register Content</u></b></p> <p>During the audit, a sample of 11 risk entries from LPA, OCU and Dept. risk registers were reviewed, to ensure the content was up to date and followed the corporate guidance. Testing found the following:</p>	<p>In the immediate term, risk registers will be updated. Clearer guidance on completing a risk register will be completed as part of the Knowzone content review outlined in actions 1.1</p>	30/01/19	1	<p>A programme of meetings is in place, with meetings taking place with a mixture of risk leads, LPA commanders and SMT members.</p> <p>These sessions include a brief session on how to complete new registers to support the new risk</p>	30/06/19

Control weakness and risk exposure	Agreed action	Original completion date	Priority	Current position	Revised completion date
<p><u>Standard Content</u></p> <ul style="list-style-type: none"> <li>- There was varying quality in the wording of the risk (i.e. threat, leading to and resulting in). Six of the risks tested were specifically highlighted as not following the corporate guide in articulating the risk.</li> <li>- Eight risks had review dates of before March 2017 and one risk did not have a review date noted.</li> <li>- One risk owner was noted as the Head of SEROCU, even though the risk was recorded in the People risk register.</li> <li>- Two entries did not have a risk URN noted and one risk was not linked to a Force objective.</li> </ul> <p><u>Risk Scoring</u></p> <ul style="list-style-type: none"> <li>- Three risks had no residual risk score and five risks had residual risk scores of "0", which is not an option in the corporate matrix.</li> <li>- One residual risk score was the same as the score before mitigation, meaning the actions were doing nothing to reduce the risk.</li> </ul> <p><u>Controls and Actions</u></p> <ul style="list-style-type: none"> <li>- All 11 risks had target dates that had passed, but updates had not been recently provided.</li> <li>- Two risks had details noted under "existing controls", but they were not controls.</li> <li>- One risk had no proposed actions and two risks had one proposed action, but the wording did not suggest the action would be effective.</li> <li>- Two risks had no action owners and one risk had a Dept. as the action owner.</li> </ul> <p>The sample testing shows that LPAs, OCUs and Depts. are not following the formal risk process. This is consistent with the recent feedback in that risks are being managed by management teams, as and when they arise, but are not being formally captured and managed by the corporate risk process.</p> <p><b>Risk exposure:</b> LPAs, OCUs and Depts. do not follow the corporate risk process, leading to the potential for risks to not be managed effectively and a lack of corporate visibility.</p>	<p>and 1.2.</p> <p>As part of the communications (linked to action 4.1), Risk Leads will be offered improved face to face / telephone support to correctly complete registers.</p> <p>Longer term, during the process review, we will also run workshops on the proposed changes, to obtain feedback.</p> <p>On completion of the full review, local training will be offered, both as a training session and an online guide.</p>			<p>guidance.</p> <p>Once the meetings have been completed, we will be offering further training sessions to fill in any gaps and ensure risk is kept on the local agenda.</p>	
<p><u>Strategic Risk Register</u></p> <p>During the audit, the content of the SRR was evaluated. The document consisted of four "live" risks and is mainly used to manage high scoring escalated risks. In reviewing a sample of other public sector SRRs, it was noted that they had undertaken an exercise to evaluate all potential strategic risks that could affect the organisation and achievement of its corporate objectives, then use the SRR to manage these.</p>	<p>A full review of how the Strategic Risk Register is used will be completed, which will include a discussion with CCMT in terms of attitudes to risk.</p> <p>We are currently looking at models of best practice across other Forces and different third sector organisations.</p>	31/01/19	1	<p>The new risk guidance has been completed and approved by CCMT.</p> <p>The current strategic risks, and content of the Strategic Risk Register will be set by CCMT at the March / April meeting.</p>	30/05/19

Control weakness and risk exposure	Agreed action	Original completion date	Priority	Current position	Revised completion date
There is the potential for the Force to conduct an exercise that identifies all potential strategic risks by CCMT member, then capture and manage these via the SRR.  <b>Risk exposure:</b> A lack of visibility and analysis of all potential strategic risks that could impact on the Force, which might lead to action not being taken and significant risks materialising.					
<b><u>LPA, OCU and Dept. Business Continuity Plan Availability</u></b>  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:  - 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.  <b>Risk exposure:</b> 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.	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.  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).	30/06/18	1	All BC Plans are being reviewed as a result of a change to facilities management details. A timeline of reviews has been collated and we are arranging meetings with departments to go through their plans.	30/09/19
<b>Incident and Problem Management</b>		<b>Final report issued on: 14/05/18</b>		<b>CCMT Lead: Amanda Cooper</b>	
<b>Total number of agreed actions: 6</b>	<b>Number completed: 5 (83%)</b>	<b>Number not yet due: 0 (0%)</b>		<b>Number overdue: 1 (17%)</b>	
<b><u>Problem Management Service Metrics</u></b>  We found during the review that there are currently no formally defined and documented targets or operating level agreements (OLAs) in place around the investigation and resolution of problems.  It is understood from discussion with management that problem service metrics will be introduced alongside the implementation of the new incident management system (ServiceNow).  <b>Risk exposure:</b> The lack of service metrics makes it difficult to gain assurance and demonstrate the overall quality and consistency of the problem management service provided.	We will define and implement problem management service metrics as part of the ServiceNow implementation.	31/12/18	2	Although some performance information is being produced, we still need to produce a baseline on what needs monitoring to provide adequate oversight.	31/03/19
<b>Intranet and Internet Content Management</b>		<b>Final report issued on: 09/01/18</b>		<b>CCMT Lead: DCC John Campbell</b>	
<b>Total number of agreed actions: 34</b>	<b>Number completed: 33 (97%)</b>	<b>Number not yet due: 0 (0%)</b>		<b>Number overdue: 1 (3%)</b>	
<b><u>Messaging oversight</u></b>  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	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.	TBC

Control weakness and risk exposure	Agreed action	Original completion date	Priority	Current position	Revised completion date
<p>Leads are responsible for going forward to ensure that they are clear on their responsibilities and are as effective as possible.</p> <p>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.</p> <p><b>Risk exposure:</b> 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.</p>				<p>An audit of administrators is currently being undertaken by Corporate Communications to review local information senders and identify any training and support gaps.</p>	



## JOINT INDEPENDENT AUDIT COMMITTEE



### Report for Information

**Title: Internal Audit Strategy and Joint Internal Audit Plan 2019/20**

### Executive Summary:

This report details the Internal Audit Strategy and Joint Internal Audit Plan 2019/20, including the methodology for collating the plan and the audit areas included for 2019/20.

### Recommendation:

The Committee is requested to note and endorse the Internal Audit Strategy and Joint Internal Audit Plan 2019/20.

### 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 details the Internal Audit Strategy and Joint Internal Audit Plan 2019/20, including the methodology for collating the plan and the audit areas included for 2019/20.

### **2 Issues for consideration**

- 2.1 The report attached is the Internal Audit Strategy and Joint Internal Audit Plan 2019/20. The document includes details on the:
- Strategy for delivering the Joint Internal Audit Service for Thames Valley Police (TVP) and the Office of the Police and Crime Commissioner (OPCC).
  - Methodology applied in collating the plan of audit work.
  - Resources available for delivering the audit service.
  - Details of each area that will be reviewed during the year and the days allocated.
  - Service performance indicators that will be monitored and reported on during the year.

### **3 Financial comments**

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

### **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 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
<b>Head of Unit</b> This report provides the Committee with details of the Internal Audit Strategy and Annual Plan 2019/20, including the methodology for collating the Audit Plan and the audit areas included for 2019/20.  This report has been produced in compliance with United Kingdom Public Sector Internal Audit Standards (PSIAS).	Chief Internal Auditor
<b>Legal Advice</b> No known legal issues arise from the contents of this report.	PCC Governance Manager
<b>Financial Advice</b> The audit plan is fully resourced through the 2019/20 revenue budget.	PCC Chief Finance Officer
<b>Equalities and Diversity</b> No known equality issues arise from the contents of this report.	Chief Internal Auditor

## OFFICER'S APPROVAL

<p>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.</p> <p>We are satisfied that this is an appropriate request to be submitted to the Joint Independent Audit Committee.</p> <div> <div>PCC Chief Finance Officer (OPCC)</div> <div>Date: 28 February 2019</div> </div> <div> <div>Director of Finance (TVP)</div> <div>Date: 7 March 2019</div> </div>	
---	--





## **JOINT INTERNAL AUDIT SERVICE**

### **INTERNAL AUDIT STRATEGY AND JOINT INTERNAL AUDIT PLAN 2019/20**

## 1. Internal Audit Strategy

- 1.1 This document sets out the Joint Internal Audit Service's strategy and work plan for 2019/20.
- 1.2 The Police and Crime Commissioner (PCC) and the Chief Constable are required to maintain effective internal audit of their affairs by the Accounts and Audit (England) Regulations 2015. The Financial Management Code of Practice for the Police Forces of England and Wales (2013) recommends a Joint Internal Audit function to cover both bodies.
- 1.3 The Joint Internal Audit Service is governed by the framework and guidance set out in the Public Sector Internal Audit Standards (PSIAS). 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".
- 1.4 Standard 1312 of the PSIAS relates to "External Assessments" and that these "must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation". The Joint Internal Audit Team was externally assessed by the Chartered Institute of Public Finance and Accountancy (CIPFA) during October 2017. The opinion of the external assessor for the Joint Internal Audit Team is that *"the service generally conforms to all the requirements of the PSIAS and Local Government Application Note"*, which is the best outcome the team could have achieved.
- 1.5 In accordance with the PSIAS, the Chief Internal Auditor must produce a risk-based Audit Plan, which details the priorities of the Joint Internal Audit Service and is consistent with the organisation's priorities and objectives. In collating the Joint Internal Audit Plan, Internal Audit seek input from their customers to determine the risks and scope of each assignment. However, Internal Audit retain overall control of the process and content of the plan.
- 1.6 The Joint Internal Audit Plan is designed to enable an Annual Internal Audit opinion to be produced, which comments on the adequacy and effectiveness of the governance arrangements and internal controls in place to manage and mitigate risk. The Chief Internal Auditor provides this opinion in an annual report, which is used to inform the PCC's and Chief Constable's separate Annual Governance Statements.
- 1.7 For 2019/20, the Joint Internal Audit Service will be delivered by:
  - Chief Internal Auditor.
  - Principal Auditor.
  - TIAA Ltd (ICT Audit Contractor).
- 1.8 The audit methodology will utilise electronic working papers and reports.
- 1.9 Consistent with previous years, the strategy supports a flexible service that can react to changes in the organisation's risk profile and the customer's needs.

- 1.10 The PSIAS requires all internal audit activities to implement and retain an Internal Audit Charter. The purpose of the Internal Audit Charter is to formally define the internal audit activity's purpose, authority and responsibility. The Joint Internal Audit Service has adopted an Internal Audit Charter, which is subject to an annual review. The review has been completed with no changes required. The current version has been attached at Appendix D.

## **2. Audit Planning Methodology**

- 2.1 The consultation process for developing the Joint Internal Audit Plan included the following:

- Discussions and correspondence with the Force's Chief Constable's Management Team (CCMT) and their direct reports.
- Discussions and correspondence with the PCC's Senior Officer Group (SOG).
- Additional meetings and correspondence with the Deputy Chief Constable, Assistant Chief Constables, Assistant Chief Officers, Heads of Department and Senior Managers at TVP and the PCC's Chief Executive and Chief Finance Officer.
- For TVP, review of the Force Management Statement, Force Strategic Assessment, Annual Governance Statement, Force Risk Registers, Horizon Scanning documentation and any relevant external assessments.
- Liaison with the Force Governance and Service Improvement Team.
- Input from TIAA's (ICT Audit Contractor) Global Universe Audit Risk Determination (GUARD) methodology in relation to current ICT risks.
- For the OPCC, review of the Police and Crime Plan, OPCC Strategic Risk Register, Annual Governance Statement, OPCC Strategic Delivery Plan and any relevant external assessments.
- Review of other sources of information including national and local strategies and policies, organisational changes and collaborative arrangements.

- 2.2 Having completed the process detailed in paragraph 2.1, the 2019/20 Joint Internal Audit Plan has been collated (attached as Appendix A to this report). The plan lists the identified audit reviews, planned days and CCMT / SOG lead. The detailed scope of each review will be agreed at the beginning of each audit.

- 2.3 The Joint Internal Audit Plan provides a good level of coverage across both organisations. Details of the areas being covered within TVP are:

- There are six audits being completed within Crime and Criminal Justice, looking at the areas of Body Worn Video, CCTV, Released Under Investigation, Fraud, Multi Agency Safeguarding Hubs (MASH) and Modern Slavery.
- Within the Deputy Chief Constable's portfolio, four audits are being completed which will focus on following up on the 2018/19 Project

Lessons Learnt and Benefits Realisation review, Delivery of the Forward Maintenance Register, Telematics Information and Reporting and Vetting.

- One audit will take place within Finance looking at the Force's Key Financial Controls and impact of the Equip programme.
- Within Information, two audits are being completed that will focus on the Force's General Data Protection Regulation (GDPR) compliance and a general Information and Communication Technology (ICT) audit, looking at the function's key governance, risk, performance and operational processes and controls.
- Three reviews are being completed within Local Policing in relation to Organised Crime Groups, Resourcing and Resilience and Terrorism.
- One audit is being completed within Operations looking at the Contact Management Programme Benefits Realisation.
- One audit is being completed within People, focusing on management of the Force's Training Need.
- One area within Regional Crime and Counter Terrorism, looking at SEROCU's ICT Services and Functions.

2.4 Within the OPCC, the following audits are being completed:

- A review of the OPCC's Key Governance Controls.
- A review of the OPCC's Statutory Functions.

2.5 One further review which will continue to develop the external Sources of Assurance work, which complements the Annual Internal Audit Report and Chief Internal Auditor's Annual Opinion Statement.

2.6 A number of days have also been allocated in the plan to:

- Supervise and oversee individual audit completion.
- Provide any advice or consultancy.
- Administer the quarterly management action follow up process.
- Maintain an overview of any fraud investigations.
- Complete the Internal Audit Annual Report and contribute to the Annual Governance Statement process.
- Review Internal Audit's compliance with the PSIAS.
- Facilitate the resolution of any matches identified through the 2018/19 National Fraud Initiative (NFI) exercise.
- Finalise any 2018/19 audit reviews.

2.7 Additionally, an allocation of 10 days has been agreed for the Joint Independent Audit Committee (JIAC) to utilise, should they request a specific piece of audit work be completed. These days are not currently resourced within the Joint Internal Audit Plan.

2.8 In terms of Hampshire Constabulary (HC) led collaborations, the Audit Team for HC and the OPCC have confirmed that they will be completing an audit of

the Joint Operations Unit during 2019/20, but not a review of the Contact Management Senior Management Team.

### 3. Resources

3.1 The Joint Internal Audit Service is resourced as follows:

Officer	Employing Organisation	Available Resources
Chief Internal Auditor	OPCC	262 days
Principal Auditor	OPCC	177 days
ICT Auditors	External Contractor	30 days
<b>TOTAL DAYS</b>		469 days

3.2 Appendix B details an analysis of the overall resources available for 2019/20. The total amount of days available for delivering the service is 469. Following the exclusion of overheads, team administration and corporate work in delivering the service, the total number of days available for assurance activity is 330.

3.3 The available days have been allocated as follows:

TVP (CCMT) / OPCC Area	Total Days	Plan %
TVP - Crime & Criminal Justice	72 days	22%
TVP - Deputy Chief Constable	42 days	13%
TVP - Finance	12 days	4%
TVP - Information	38 days	12%
TVP - Local Policing	36 days	11%
TVP - Operations	10 days	3%
TVP - People	12 days	4%
TVP - Regional Crime and Counter Terrorism	10 days	3%
OPCC	20 days	6%
General	8 days	2%
Other	70 days	20%
<b>TOTAL PLANNED DAYS</b>	330 days	100%

#### 4. Resource Comparison

4.1 Summarised in the table below is a comparison of team administration days against the corporate work / audit days planned over the last five years. The comparison also shows the % productivity of the service. Appendix B details an analysis of the overall resources available for 2019/20.

4.2 The main points to note are:

- The team administration days have remained the same, compared to 2018/19.
- The number of corporate days has increased for the fourth year.
- The number of audit days has remained the same, compared to 2018/19.
- The % productivity has remained the same, compared to 2018/19.

Description	2015/16	2016/17	2017/18	2018/19	2019/20
Team Administration Days	9	20	17	15	15
Corporate Work Days	29	31	34	37	38
Audit Days	317	338	331	330	330
<b>TOTAL</b>	355	389	382	382	383
<b>% Productivity</b>	97.5%	94.9%	95.6%	96.1%	96.1%

#### 5. Risks

5.1 The key risk to the achievement of the Audit Plan is staff retention or contractor performance. This is considered low risk at this stage.

#### 6. Performance Monitoring

6.1 The Joint Internal Audit Team's 2019/20 Performance Indicators are attached at Appendix C.

6.2 Progress in delivering the Joint Internal Audit Plan, as well as an update on the Team's overall performance against the noted indicators, will be presented at every meeting of the JIAC.

Chief Internal Auditor

February 2019

## APPENDIX A      JOINT INTERNAL AUDIT PLAN 2019/20

Listed below are the audit reviews currently included within the 2019/20 Joint Internal Audit Plan. The specific scope and risks included within each review will be agreed when the audit commences, but in general, will include a review of the governance framework, key internal controls and management of risk.

Organisation	Audit Review	Force CCMT / OPCC SOG Lead	Planned Days
TVP	Body Worn Video	Crime and Criminal Justice	12 days
	CCTV		12 days
	Released Under Investigation		12 days
	Fraud		12 days
	MASH Processes		12 days
	Modern Slavery Framework and Governance		12 days
	Force Project Lessons Learnt and Benefit Realisation Follow Up	Deputy Chief Constable	8 days
	Forward Maintenance Register Delivery		12 days
	Telematics Information and Reporting		12 days
	Vetting		10 days
	Key Financial Controls / Equip	Finance	12 days
	GDPR Compliance	Information	8 days
	ICT Collaboration		30 days
	Organised Crime Groups	Local Policing	12 days
	Resourcing and Resilience		12 days
	Terrorism		12 days
	CMP Benefits Realisation	Operations	10 days
	Force Training Need	People	12 days
	SEROCU ICT Services and Functions	Regional Crime and Counter Terrorism	10 days
OPCC	OPCC Key Governance Controls	Chief Executive Officer	10 days
	OPCC Statutory Functions		10 days
N/A	Sources of Assurance	N/A	8 days
		<b>TOTAL</b>	260 days
N/A	Audit Supervision	Other	26 days
N/A	Advice and Consultancy	Other	10 days
N/A	Follow Up	Other	10 days
N/A	Fraud Liaison	Other	3 days
N/A	Annual Report and AGS	Other	3 days
N/A	PSIAS Assessment	Other	3 days
N/A	National Fraud Initiative	Other	5 days

Organisation	Audit Review	Force CCMT / OPCC SOG Lead	Planned Days
N/A	2018/19 Carry Forward	Other	10 days
		<b>TOTAL</b>	70 days
		<b>GRAND TOTAL</b>	330 days
N/A	JIAC Resource Allocation (not resourced)	N/A	10 days



**APPENDIX B      ANALYSIS OF RESOURCES FOR 2019/20**

	OPCC	OPCC	External	TOTAL
	Chief Internal Auditor	Principal Auditor	ICT Auditor	
	Days	Days	Days	
<b>GROSS RESOURCES</b>	<b>262</b>	<b>177</b>	<b>30</b>	<b>469</b>
<b>OVERHEADS</b>				
Leave (Annual and Public)	44	25		69
Sick Leave	5	3		8
Training	5	4		9
<b>TOTAL</b>	<b>54</b>	<b>32</b>	<b>0</b>	<b>86</b>
<b>NET RESOURCES</b>	<b>208</b>	<b>145</b>	<b>30</b>	<b>383</b>
<b>TEAM ADMINISTRATION</b>				
Administration	3	2		5
Staff PDR	2	1		3
Team Meetings	4	3		7
<b>TEAM ADMINISTRATION TOTAL</b>	<b>9</b>	<b>6</b>	<b>0</b>	<b>15</b>
<b>AVAILABLE TIME</b>	<b>199</b>	<b>139</b>	<b>30</b>	<b>368</b>
<b>CORPORATE WORK</b>				
Audit Service and Plan Monitoring	11	0		11
Audit Plan Development	5	2		7
External Audit and External Bodies	1	1		2
Collaboration Governance Board	2	0		2
Internal Assurance Liaison	3	2		5
Joint Independent Audit Committee	6	5		11
<b>CORPORATE WORK TOTAL</b>	<b>28</b>	<b>10</b>		<b>38</b>
<b>OPCC/TVP AUDIT WORK</b>	<b>171</b>	<b>129</b>	<b>30</b>	<b>330</b>

**APPENDIX C      PERFORMANCE INDICATORS 2019/20**

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

## APPENDIX D



# **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"> <li>• Relationships with Customers.</li> <li>• Audit Planning.</li> <li>• Risk Management.</li> <li>• Fraud and Irregularity.</li> <li>• Consultancy.</li> <li>• Audit Process (i.e. File Structure, Scoping Meeting, Brief, System Notes, Programme, Exit Meeting and File Review).</li> <li>• Follow up of Management Actions.</li> </ul>	<ul style="list-style-type: none"> <li>• Performance Monitoring / Reporting.</li> <li>• Training.</li> <li>• File Retention.</li> <li>• Working with External Audit.</li> <li>• External Clients.</li> <li>• Internal Audit Team.</li> <li>• Data Protection.</li> <li>• Health and Safety.</li> </ul>
--	--

## **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**

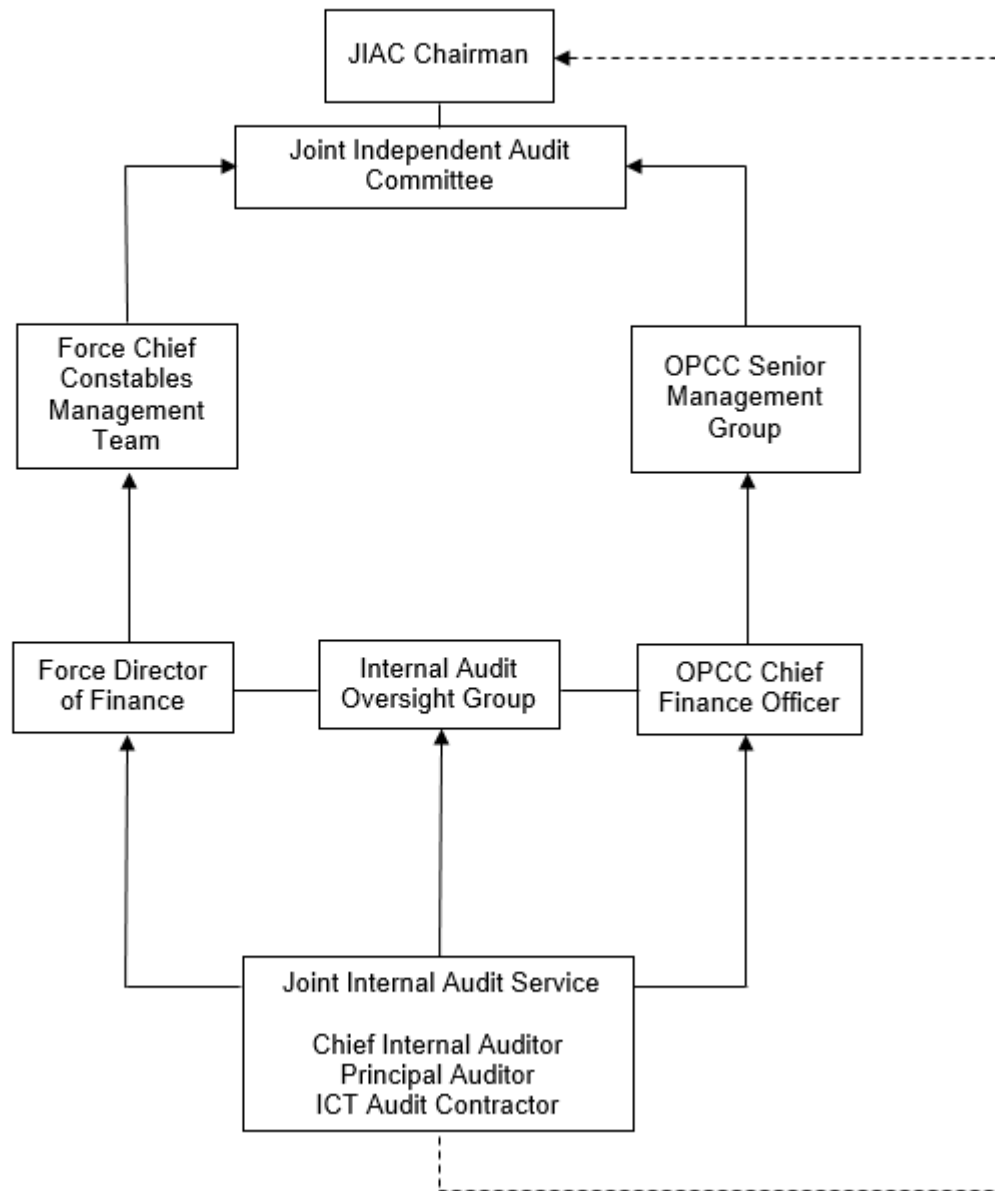
- 12.1 The team perform an annual self-assessment against the requirements of the PSIAS, which aims to identify any areas for improvement or of non-conformance. The outcome of the self-assessment is reported to the Internal Audit Oversight Group and JIAC, with a Quality Assurance Improvement Programme (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: March 2019

Date for Review: March 2020



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 Decision: 15<sup>th</sup> March 2019**

**Title: Joint Corporate Governance Framework**

### **Executive Summary:**

The Corporate Governance Framework provides clarity on the way the two corporations sole, i.e. the PCC and Chief Constable of Thames Valley, will govern both jointly and separately to ensure they are conducting business in the right way, for the right reason and at the right time.

It consists of:

- Statement of corporate governance – statutory framework and local policy
- Code of corporate governance – sets out how the core principles will be implemented
- Scheme of corporate governance – defines the parameters within which the corporations sole will conduct their business
- Separate policy and procedures for each corporation sole, with protocols and other governance documents where they operate jointly.

The current version was approved by the Chief Constable and PCC at the Level 1 public meeting on 29<sup>th</sup> March 2018.

The Framework has been reviewed and updated as appropriate.

### **Recommendation:**

That the Committee scrutinises the draft Corporate Governance Framework and then recommends it to the PCC and Chief Constable for approval and adoption at their Level 1 meeting on 26<sup>th</sup> March 2019.

### **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 In a policing context good governance is about how those responsible for the service ensure they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems, processes, cultures and values by which all local government bodies are directed and controlled, and through which they account to, engage with and, where appropriate, lead their communities. These principles apply to equally the PCC and the Chief Constable of Thames Valley Police (TVP).
- 1.2 The PCC and Chief Constable approved the current joint corporate governance framework on 29<sup>th</sup> March 2018. The framework has been fully reviewed and the main changes are set in section 2 below.

### **2 Issues for consideration**

- 2.1 The following paragraphs briefly explain the main changes that have been made to each of the four components of the joint corporate governance framework.
- 2.2 A tracked changes version has been provided to members of the Committee

#### Statement of Corporate Governance

- 2.3 Minor addition to the section on Context.

#### Code of Corporate Governance

- 2.4 Minor changes on pages 7, 8, 14, 15, 16, 17, 18, 19, 21, 22 and 23.

#### Scheme of corporate governance

- 2.5 Minor changes on pages 27, 29, 32, 33 and 34.

- 2.6 On page 33 a new section has been introduced to outline the role of the Chief Information Officer.

#### Financial Regulations

- 2.7 Minor updates throughout. However, the main changes are summarised below:
  - References to the new Capital Strategy that was approved by the PCC and Chief Constable in January
  - References to the use of optimism bias when preparing capital bids, and the separate earmarked revenue reserve for Optimism Bias
  - In 3.3.10 the Joint Independent Audit Committee's operating principles have been updated to reflect those agreed at Committee in December
  - The section on ex-gratia payments (4.7) has been tidied up

### 3 Financial Implications

3.1 There are no specific financial implications arising directly from this report.

### 4 Legal Implications

4.1 There are no specific legal implications arising directly from this report.

### 5 Equality Implications

5.1 There are none arising specifically from this report

#### Background papers

Report to the Level 1 meeting on 29<sup>th</sup> March 2018

#### 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
<b>Head of Unit</b> The Corporate Governance Framework has been reviewed and updated to ensure it remains consistent with national guidance	Chief Executive
<b>Legal Advice</b> No specific issues arising.	Chief Executive
<b>Financial Advice</b> No specific issues arising from this report.	PCC Chief Finance Officer
<b>Equalities and Diversity</b> 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 **X March 2019**

Chief Finance Officer

Date **X March 2019**





## **JOINT CORPORATE GOVERNANCE FRAMEWORK**

**2019/2020**

## CONTENTS

### Statement of Corporate Governance for the Police and Crime Commissioner and Chief Constable

	Page
Introduction	3
Context	3
Principles	3
Framework / Instruments of governance	3
Leadership	4

### Code of Corporate Governance for the Police and Crime Commissioner and Chief Constable

Introduction	5
Code of corporate governance	6
Arrangements for review of governance	19

### Scheme of Corporate Governance

Definitions	22
Delegations	22
Chief Constable's own functions	22
Consent	23
Key principles	23
Introduction	24
General Principles of delegation	24
Financial Regulations, including contract regulations	25
Role of the Police and Crime Commissioner	26
Role of the Deputy Police and Crime Commissioner	27
Role of the PCC's Chief Executive	27
Role of the PCC's Chief Finance Officer	29
Role of the Chief Constable	29
Role of the Director of Finance	30
Role of the Director of People	30
Role of the Head of Legal Services	30
Role of the Head of Property Services	30
Heads of Department	31
Urgent matters	31
Appendix 1 – Delegations from the PCC to the Chief Executive	32
Appendix 2 – Delegations from the Chief Constable	34

### Appendix 3 - Financial Regulations

Introduction	38
Section 1 – Financial management	42
Section 2 – Financial planning	50
Section 3 – Risk Management and Business Continuity	60
Section 4 – Systems and procedures	81
Section 5 – Contract Regulations	89
Section 6 – External arrangements	95
Section 7 – Summary of delegated limits	101

## Statement of Corporate Governance for the Police and Crime Commissioner and Chief Constable for Thames Valley Police

### Introduction

The purpose of this statement is to give clarity to the way the two corporations sole, the Police and Crime Commissioner for Thames Valley (PCC) and the Chief Constable of Thames Valley Police, will govern both jointly and separately to ensure they are conducting business in the right way, for the right reason at the right time.

### Context

The principal framework within which the corporations sole will operate is:

- Police Reform and Social Responsibility Act 2011,
- Policing Protocol Order 2011,
- Financial Management Code of Practice,
- Strategic Policing Requirement
- Code of Ethics
- The Good Governance Standards for Public Life.

This framework creates a public sector relationship, based upon the commissioner-provider arrangement but with unique elements such as the single elected commissioner and operational independence of the police service. It is therefore not appropriate to import corporate governance arrangements into this environment but to build upon existing good governance principles and experience.

In accordance with the CIPFA / SOLACE framework on corporate governance, the PCC and Chief Constable are required to produce separate annual governance statements to show how their respective organisations have complied with the joint code of corporate governance.

### Principles

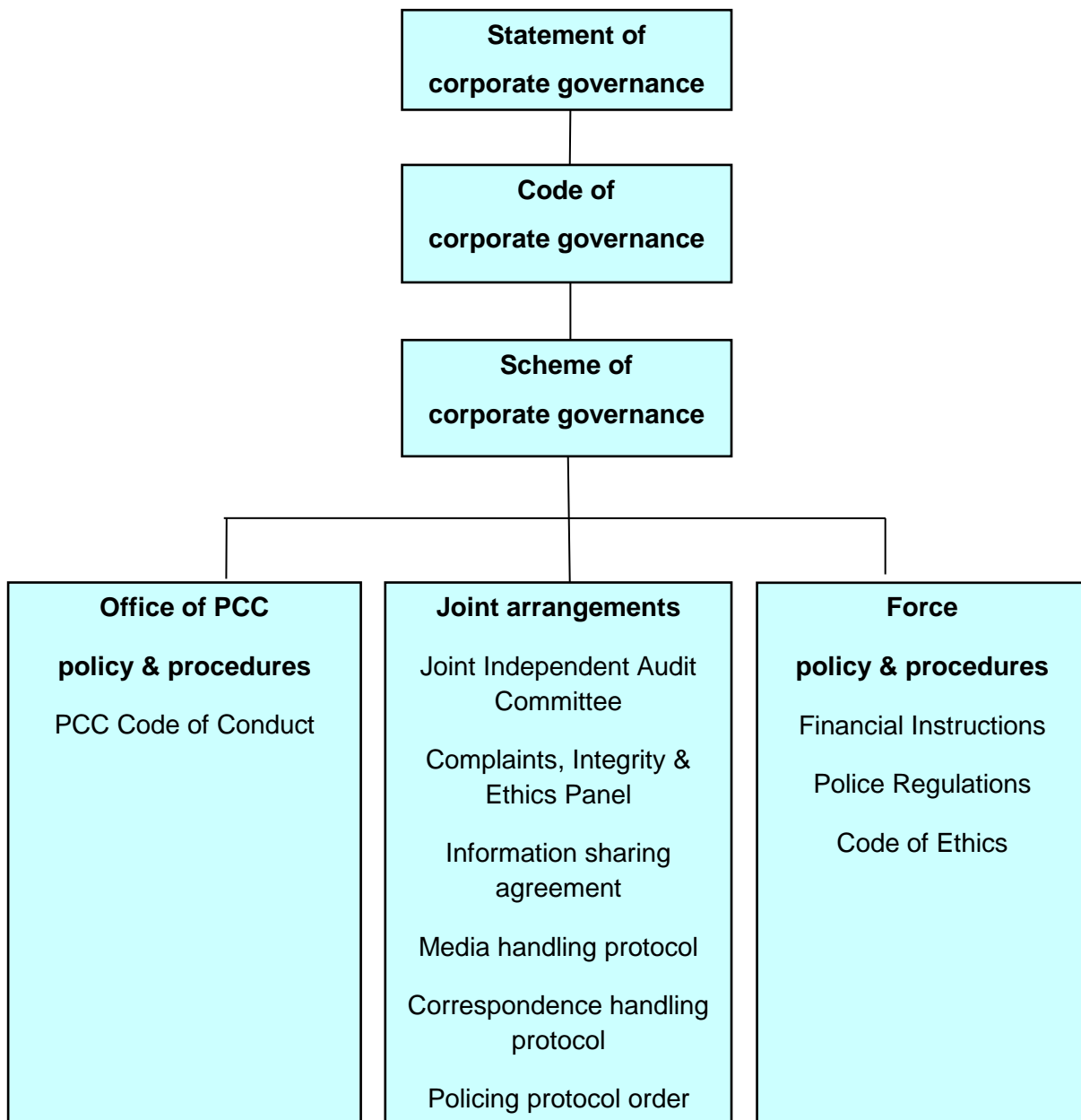
The core principles to be adopted by both corporations sole will be those highlighted by CIPFA in their publication *Delivering Good Governance in Local Government*:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable service and economic benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes
- Developing the entity's capacity, including the capability of its leadership and the individuals within it
- Managing risks and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability

### Framework / Instruments of governance

The corporate governance framework within which the PCC and Chief Constable will govern, both jointly and separately, will consist of:

- Statement of corporate governance – statutory framework and local policy,
- Code of corporate governance – sets out how the core principles will be implemented,
- Scheme of corporate governance – defines the parameters within which the corporations sole will conduct their business,
- Separate policy and procedures for each corporation sole, with protocols and other governance documents where they operate jointly.



**Leadership**

The Governance Advisory Group reviews and updates the framework and oversees its implementation. An annual update is provided to the Joint Independent Audit Committee, which scrutinises the framework and makes recommendations to the PCC and Chief Constable who approve the final version at one of their public 'Level 1' meetings.

## **CODE OF CORPORATE GOVERNANCE**

### **for the Police and Crime Commissioner for Thames Valley and Chief Constable of Thames Valley Police**

#### **1 INTRODUCTION**

- 1.1 Governance is about how organisations ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open and accountable manner. It comprises the system, processes, culture and values by which organisations are directed and controlled, and through which they account to, engage with and lead their communities.
- 1.2 This Code of Corporate Governance describes how the Police and Crime Commissioner (PCC) for the Thames Valley and the Chief Constable of Thames Valley Police discharge their responsibilities in this respect, reflecting their commitment to the statutory requirements. It should be read alongside the Scheme of Corporate Governance which defines the parameters for decision making, including schemes of delegations, consents, financial regulations and standing orders relating to contracts.
- 1.3 The term “Thames Valley Police” is used throughout this document to reflect both the PCC and the Force.
- 1.4 The PCC has two key statutory responsibilities:
- To secure the maintenance of an efficient and effective local police force;
  - To hold to account the Chief Constable of Thames Valley Police for the exercise of his functions and those of persons under his direction and control.
- In exercising these functions the PCC is accountable to the electorate in the Thames Valley Police area.
- 1.5 The Chief Constable has a statutory responsibility for the control, direction and delivery of operational policing services provided by the Force.
- 1.6 The Good Governance Standard for Public Services<sup>1</sup> sets out seven core principles on which effective governance should be built:
- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
  - Ensuring openness and comprehensive stakeholder engagement
  - Defining outcomes in terms of sustainable service and economic benefits
  - Determining the interventions necessary to optimise the achievement of the intended outcomes
  - Developing the entity’s capacity, including the capability of its leadership and the individuals within it
  - Managing risks and performance through robust internal control and strong public financial management
  - Implementing good practices in transparency, reporting, and audit to deliver effective accountability

<sup>1</sup> CIPFA: *Delivering good governance. Guidance Notes for Policing Bodies in England and Wales: 2016 Edition*

- 1.7 To achieve this, a local scheme has been formulated to ensure that these principles are fully integrated in the conduct of Thames Valley Police's business as well as establishing a means of demonstrating compliance.
- 1.8 Thames Valley Police must also demonstrate that the systems and processes in place are:
- Monitored for their effectiveness in practice
  - Subject to annual review to ensure they remain up to date
- 1.9 Underneath each of the seven sets of principles are a series of behaviours and outcomes that demonstrate good governance in practice.
- 1.10 Throughout this Code, the term "employees" refers to all police officers, police support staff, special constables, volunteers and other members of the wider policing family working for Thames Valley Police.
- 1.11 This Code applies to all employees, contractors and/or agents providing a direct service to Thames Valley Police.
- 1.12 The Code will be reviewed and updated as appropriate on an annual basis.

## **2. THE CODE OF CORPORATE GOVERNANCE**

- 2.1 Effective governance relies on public confidence in the PCC, Chief Constable and their respective employees. Good governance strengthens credibility and confidence in our public services.
- 2.2 Thames Valley Police has developed a single joint Code of Corporate Governance which incorporates the core good governance principles, develops these in a local context, and sets out the arrangements for reviewing their effectiveness. At year-end the PCC and Chief Constable will produce Annual Governance Statements to show their compliance with this Code (see section 3).
- 2.3 The way in which each of the seven core principles of good governance is put into practice by Thames Valley Police is set out below, together with the expected behaviours and outcomes:

### **A BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW**

- 2.4 *Good governance flows from a shared ethos or culture, as well as from systems and structures. It cannot be reduced to a set of rules, or achieved fully by compliance with a set of requirements. This spirit or ethos of good governance can be expressed as values and demonstrated as behaviour. It depends on building a corporate environment where leaders and staff believe personally in acting in accordance with generally accepted values.*

#### **THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT**

- A1 The Policing Protocol Order 2011 (the protocol) requires all parties to abide by the seven *Nolan principles* and these will be central to the conduct and behaviour of all. It also highlights the expectation that the relationship between all parties will be based upon the principles of goodwill, professionalism, openness and trust

- A2 The Financial Management Code of Practice requires the PCC and Chief Constable to ensure that the *good governance principles* are embedded within the way the organisations operate. As such, the PCC and Chief Constable will set the tone for their respective organisations by creating a climate of openness, support and respect
- A3 The Police Service Code of Ethics, issued under the Police Act 1996, sets out principles and standards of professional behaviour for the policing profession of England and Wales. The Code applies to all police forces and, specifically, to chief officers in the discharge of their functions
- A4 The PCC and Chief Constable will set out their values in the respective corporate and strategic plans and use them as a guide for decision making and as a basis for developing positive and trusting relationships
- A5 The PCC and Chief Constable will put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice. To that end, the PCC and Chief Constable have agreed to maintain jointly a 'Complaints, Integrity and Ethics Panel' comprising members of the public. The purpose of this Panel is to monitor, challenge and make recommendations about the way complaints, ethics and integrity issues are handled by the Force and overseen by the PCC
- A6 The PCC and Chief Constable will recognise the limits of lawful action placed on them (e.g. the ultra vires doctrine) and will observe both the specific requirements of legislation and the general responsibilities placed on the PCC and Chief Constable by public law
- A7 The Chief Constable will ensure compliance with relevant national standards and policies in terms of vetting

#### BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

##### **Behaving with integrity**

- A8 Ensuring that the PCC, chief officers and staff behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby promoting and upholding the reputation of the organisation amongst its stakeholders
- A9 Ensuring the PCC and chief officers lead in establishing a culture and specific values for their organisations and staff and that they are communicated and understood. The values should build on the *Nolan Principles*
- A10 Leading by example and using these values as a framework for decision making and other actions
- A11 Demonstrating, communicating and embedding values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively



### **Demonstrating strong commitment to ethical values**

- A12 Seeking to understand, monitor and maintain the organisation's ethical performance
- A13 Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation
- A14 Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values
- A15 Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards

### **Respecting the rule of law**

- A16 Ensuring the PCC, chief officers and staff demonstrate respect for the rule of law as well as adhering to relevant laws and regulations
- A17 Creating the conditions to ensure that statutory chief officers, other key postholders and (where appropriate) statutory committees are able to fulfil their responsibilities in accordance with best practice
- A18 Striving to use full powers for the benefit of citizens, communities and other stakeholders
- A19 Dealing with reported breaches of legal and regulatory provisions effectively
- A20 Ensuring reported corruption and misuse of power are dealt with effectively

## **B ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT**

- 2.5 *Local Government, including the Police service, is run for the public good. Organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders*
- 2.6 *The PCC and Chief Constable exist primarily to provide services that people need, and this will only be achieved if there is a consistent dialogue in both directions*

### **THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT**

- B1 The Policing Protocol Order 2011 highlights that the PCC is accountable to local people and has a duty to set and shape the strategic objectives for the force area in consultation with the Chief Constable, taking into account the Strategic Policing Requirement
- B2 The PCC and Chief Constable will ensure that a shared vision, strategic plans, priorities and targets are developed having regards to the views of the local community and other key stakeholders, and that they are clearly articulated and disseminated

- B3 The PCC's Police and Crime Plan will clearly set out what the PCC's strategic objectives and priorities are and how they will be delivered
- B4 To complement this, the communication and engagement strategies will set out how local people will be involved with the PCC and the Chief Constable to ensure that their views inform decision making, accountability and future direction
- B5 The PCC and Chief Constable will develop arrangements for effective engagement with key stakeholders ensuring that, where appropriate, they inform decision making, accountability and future direction
- B6 The PCC, with the support of the Chief Constable, will engage with the independent Thames Valley Police and Crime Panel to facilitate scrutiny and public accountability, over and above development of the annual budget and Police and Crime Plan
- B7 The PCC and Chief Constable will develop effective working relationships with constituent local authorities and other partners as necessary and appropriate
- B8 The PCC and Chief Constable will seek to ensure that when working in partnership that (a) there is clarity about the legal status of the partnership and that representatives, or organisations, both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions, and (b) that all employees are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the organisation

#### BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

##### **Openness**

- B9 Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness
- B10 Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action

##### **Engaging comprehensively with institutional stakeholders**

- B11 Engaging effectively with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably
- B12 Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively
- B13 Ensuring that partnerships, including collaborations, are based on trust, a shared commitment to change, and a culture which promotes and accepts challenge amongst partners and that the added value of partnership working is explicit

### **Engaging stakeholders effectively, including individual citizens and service users**

- B14 Ensuring that communication methods are effective and that the PCC and officers are clear about their roles with regard to community engagement
- B15 Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs

## **C DEFINING OUTCOMES IN TERMS OF SUSTAINABLE SERVICE AND ECONOMIC BENEFITS**

- 2.7 *The long term nature and impact of many of the PCC and Chief Constable's responsibilities mean that they should seek to define and plan outcomes and that these should be sustainable. Decisions should contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.*
- 2.8 *Public sector programmes will respond to changes in the current environment, but these responses should always be framed within the PCC and Chief Constable's long term objectives and aspirations for the service, and the resources available.*

### THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

- C1 The Police Reform and Social Responsibility Act 2011 (PRSRA 2011) requires the PCC to issue a police and crime plan covering a five year period, including one year beyond his/her term of office. It will outline the police and crime objectives (outcomes) and the strategic direction for the policing
- C2 Both the PCC and Chief Constable must have regard to the plan and the PCC must have regard to the priorities of the responsible authorities during its development
- C3 Each organisation will have an annual delivery plan which sets out how it will operate to support achievement of these outcomes
- C4 Collaboration agreements will set out those areas of business to be undertaken jointly with other forces, local policing bodies and other emergency services, whether it be to reduce cost, increase capability and/or increase resilience in order to protect local people
- C5 A financial strategy will be developed jointly by the PCC and Chief Constable. This will be reviewed and refreshed at least annually to ensure delivery of the corporate aims and objectives. Detailed arrangements for financial management will be set out in financial regulations
- C6 The PCC is required to publish an annual report in relation to monitoring his own performance and that of the Chief Constable and Force

- C7 A commissioning and award of grants framework will be developed and maintained by the PCC, which will incorporate commissioning intentions and priorities

**BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE**

**Defining outcomes**

- C8 Having a clear vision – an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators which provide the basis for the organisation's overall strategy, planning and other decisions
- C9 Specifying the intended impact on, or changes for stakeholders, including individual citizens and service users
- C10 Delivering defined outcomes on a sustainable basis within the resources that will be available while recognising that changing demands will place additional pressure on finite resources.
- C11 Identifying and managing risks to the achievement of outcomes as part of delivering goods and services
- C12 Managing expectations effectively with regard to determining priorities and making the best use of the resources available

**Sustainable service and economic benefits**

- C13 Considering and balancing the combined service and economic impact of policies and plans when taking decisions
- C14 Taking a longer term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the PCC and the Chief Constable's intended outcomes and short term factors such as the political cycle or financial constraints

**D DETERMINING THE ACTIONS NECESSARY TO ACHIEVE THE INTENDED OUTCOMES**

- 2.9 *Public bodies, including the Police, achieve their intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that the Police have to make to ensure intended outcomes are achieved. They need robust decision making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure the achievement of intended outcomes.*
- 2.10 *Policy implementation usually involves choice about the approach, the objectives, the priorities and the costs and benefits. PCCs and Chief Constables must ensure that they have access to the appropriate skills and techniques.*

### THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

- D1 The PCC and the Chief Constable will maintain a medium term financial strategy which will form the basis of the annual budgets, and provide a framework for evaluating future proposals
- D2 There will be a comprehensive process of analysis and evaluation of plans, which will normally include option appraisal, techniques for assessing the impact of alternative approaches on the service's outcomes, and benefits realisation
- D3 The PCC and Chief Constable will jointly consider how best to achieve value for money and ensure that their agreed approach is reflected in the Police and Crime Plan objectives and associated delivery plans
- D4 The PCC and the Force will maintain appropriate workforce development and asset management plans
- D5 The PCC and Chief Constable will work together to provide clarity over the arrangements to respond to the breadth of concerns raised by local people, whether they be organisational or individual matters

### BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

#### **The decision making process**

- D6 Ensuring that decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring that best value is achieved however services are provided
- D7 Making informed decisions in accordance with the National Decision Model
- D8 Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used, ensuring that the impact and consequences of those decisions is clear
- D9 The PCC and Chief Constable will decide jointly how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available
- D10 The Chief Constable will ensure that effective mechanisms and arrangements exist to monitor service delivery and deal with apparent under-performance or failings
- D11 Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets
- D12 Simultaneously engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered
- D13 Considering and monitoring shared risks when working collaboratively

- D14 Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances
- D15 Establishing appropriate performance measures as part of the planning process in order to assess and inform how the performance of the services and projects is to be measured, and service quality is reviewed
- D16 Preparing annual budgets in accordance with organisational objectives, strategies and the medium term financial plan
- D17 Informing medium and long term resource planning by drawing up realistic and robust estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy
- D18 Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets

#### **Achieving intended outcomes**

- D19 Ensuring the medium term financial strategy integrates and balances service priorities, affordability, and other resource constraints
- D20 Ensuring that the budgeting process is comprehensive, taking into account the full cost of operations over the medium and longer term
- D21 Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for the outcomes to be achieved while optimising resource usage

### **E DEVELOPING THE ENTITY'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT**

- 2.11 *The PCC and the Force need appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A public organisation must ensure that it has both the capacity and capability to fulfil its own mandate. Both the individuals involved and the environment in which the police operate will change over time, and there will be a continuous need to develop its capacity as well as the skills and experience of the leadership and individual staff members. Leadership in the Police service is strengthened by the participation of people with many different types of background, reflecting the diversity of communities we serve.*
- 2.12 *Successful outcomes depend on the calibre of the people within the organisation, and it is essential that they have the appropriate skills and support*

#### **THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT**

- E1 The Office of the PCC and the Force's people priorities, as set out in the Force Delivery Plan, set the climate for continued development of individuals. The respective performance development review processes will ensure that these strategies are turned into reality for officers and members of staff

- E2 To develop skills on a continuing basis to improve performance including the ability to scrutinise and challenge and to recognise when outside expert advice is needed
- E3 To ensure that effective arrangements are in place for reviewing performance and agreeing an action plan(s) which would include any training or development needs
- E4 To ensure that effective arrangements are designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the PCC and police force
- E5 To ensure that career structures are in place to encourage participation and development of employees

#### BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

##### **Developing the entity's capacity**

- E6 Reviewing operations, performance and asset management on a regular basis to ensure their continuing effectiveness
- E7 Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how policing resources are allocated so that outcomes are achieved effectively and efficiently
- E8 Recognising and promoting the benefits of collaborative working where added value can be achieved through partnerships
- E9 Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources

##### **Developing the capability of the entity's leadership and other individuals**

- E10 Ensuring the PCC and chief officers have clearly defined and distinctive leadership roles within a structure whereby the chief officers lead by implementing strategy and managing the delivery of services and other outputs set by the PCC and/or Chief Constable, and each provides a check and balance for each other's responsibility
- E11 Developing the capabilities of the PCC and chief officers to achieve effective shared leadership where appropriate, and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political, and environmental changes and risks
- E12 Ensuring the PCC, chief officers and staff receive appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged.
- E13 Ensuring that the PCC, chief officers and staff have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities

and ensuring that they are able to update their knowledge on a continuing basis

- E14 Ensuring personal, organisation and system-wide development through shared learning including lessons learnt from governance failures both internal and external
- E15 Ensuring the PCC is independent of Force management and free from relationships that would materially interfere with their role
- E16 The Office of the PCC, in conjunction with the Force, should ensure that appropriate information is available for potential PCC candidates
- E17 Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections
- E18 Holding staff to account through regular performance reviews which take account of training or development needs
- E19 Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing

## **F MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT**

- 2.13 *Public bodies need to ensure that the organisation's governance structures can sustain an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving outcomes. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.*
- 2.14 *All public bodies spend money raised from taxpayers and use assets which have been paid for by taxpayers in order to deliver and maintain services. The public is entitled to expect high standards of control and the continuous oversight of performance to correct shortfalls and to identify factors which could undermine achievement*

### **THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT**

- F1 The PCC will develop and maintain effective arrangements to hold the Chief Constable to account for Force performance, for the exercise of the functions of the Chief Constable and the functions of persons under the direction and control of the Chief Constable, and compliance with other statutory requirements.
- F2 The PCC will develop and maintain effective arrangements to hold to account his two statutory officers, being the Chief Executive and Chief Finance Officer, for the exercise of their respective functions and the performance of the Office of the PCC.



- F3 The decision making policy sets out principles behind how decisions will be taken by the PCC and the standards to be adopted. This will ensure that those making decisions are provided with information that is fit for the purpose – relevant, timely and accurate and gives clear explanations of technical issues and their implications.
- F4 It requires a combined forward plan of key decisions, which brings together the business planning cycles for the Police and Crime Plan, the Office of the PCC and the Force corporate planning process. This will ensure proper governance by bringing together the right information at the right time e.g. strategic needs assessments, costs, budgets etc.
- F5 The National Decision Model (NDM) is suitable for all material decisions and should be used by everyone in policing where appropriate. It can be applied to spontaneous incidents or planned events, by an individual or team of people, and to both operational and non-operational situations.
- F6 The scheme of corporate governance defines the parameters for key roles in the corporations sole including schemes of delegations and/or consents from the PCC or Chief Constable, financial regulations and contract standing orders.
- F7 The risk management strategy establishes how risk and decision management is embedded throughout Thames Valley Police, with the PCC and Chief Constable and their respective staff and officers all recognising that risk management is an integral part of their job
- F8 Information relating to decisions will be made readily available to local people, with those of greater public interest receiving the highest level of transparency, except where operational and legal constraints exist.

#### BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

##### **Managing risk**

- F8 Recognising that risk management is an integral part of all activities and must be regarded as a continuous process
- F9 Implementing robust and integrated risk management arrangements and ensuring that they are working effectively
- F10 Ensuring that the organisation is risk aware and that its risk appetite is defined and communicated clearly to those responsible for making decisions

##### **Managing performance**

- F11 Monitoring service delivery effectively including planning, specification, execution and independent post implementation review
- F12 Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible

- F13 Providing the PCC and chief officers with regular reports on service delivery plans and on progress towards outcome achievement
- F14 Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements)

#### **Robust internal control**

- F15 Aligning the risk management strategy and policies on internal control with achieving the organisation's objectives
- F16 Evaluating and monitoring the organisation's risk management and internal control on a regular basis
- F17 Ensuring effective anti-fraud, bribery and corruption arrangements are in place
- F18 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the Joint Internal Audit Team
- F19 Ensuring an audit committee or equivalent group or function, which is independent of the executive, provides a further source of effective assurance to the PCC and Chief Constable regarding arrangements for managing risks and maintaining an effective control environment and that its recommendations are listened to and acted upon as appropriate

#### **Managing information**

- F20 Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data
- F21 Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies
- F22 Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring

#### **Strong public financial management**

- F23 Ensuring financial management supports both long term achievement of outcomes and short term financial and operational performance
- F24 Ensuring well developed financial management is integrated at all levels of planning and control, including management of financial risks and controls

### **G IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING, AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY**

- 2.15 *Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities*

*in a transparent manner. Both external and internal audit contribute to effective accountability.*

- 2.16 *It is easy to pay lip service to the principles of accountability. Aspirations which are not followed through, and actions which are not explained to those who are affected by them, undermine confidence.*

#### THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

- G1 The PRSRA 2011 and the Policing Protocol Order clearly sets out the functions of the PCC and Chief Constable and the protocol sets out how these functions will be undertaken to discharge their respective responsibilities.
- G2 The PCC may appoint a Deputy who will be a member of his staff as highlighted in the PRSRA 2011. The role description approved by the PCC may incorporate functions delegated within the scheme of corporate governance.
- G3 The PRSRA 2011 requires the PCC to have a Chief Executive and Chief Finance Officer. The Chief Executive will be the head of paid service and undertake the responsibilities of Monitoring Officer.
- G4 The PRSRA 2011 requires the Chief Constable to appoint a Chief Finance Officer.
- G5 The financial management code of practice sets out the responsibilities of Chief Finance Officers for both PCC and Chief Constable.
- G6 The PCC and Chief Constable will put in place appropriate arrangements to help ensure that the PCC, Deputy PCC (if appointed) and all employees are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice
- G7 The scheme of corporate governance defines the parameters for decision making, including delegations, consents, financial regulations and standing orders relating to contracts.
- G8 The PCC, Chief Constable and all employees will operate within:
  - a. Office of PCC and Force policy and procedures,
  - b. corporate governance framework,
  - c. discipline regulations and codes of conduct.
- G9 A joint independent audit committee will operate in accordance with CIPFA guidance and the Financial Management Code of Practice.
- G10 The Thames Valley Police and Crime Panel provides checks and balances in relation to the performance of the PCC. It does this by reviewing and scrutinising the decisions and actions of the PCC. However, the Panel does not scrutinise the Chief Constable.
- G11 The PCC and Chief Constable will ensure that arrangements are in place for whistle blowing to which employees and all those contracting with Thames Valley Police have access

## BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

### **Implementing good practice in transparency**

- G12 Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring they are easy to access and interrogate
- G13 Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny whilst not being too onerous to provide and for users to understand

### **Implementing good practices in reporting**

- G14 Reporting at least annually on performance, value for money, and the stewardship of resources to stakeholders in a timely and understandable way
- G15 Assessing the extent that the organisation is applying the principles contained in the Framework and publishing the results of this assessment including an action plan for improvement and evidence to demonstrate good governance in action (the Annual Governance Statement)
- G16 Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar entities
- G17 The PCC and the Chief Constable will assess the adequacy and effectiveness of the governance arrangements for jointly managed functions as part of the annual arrangement for the review of governance.

### **Assurance and effective accountability**

- G18 Ensuring that recommendations for corrective action made by external audit are acted upon
- G19 Ensuring an effective Internal Audit Service exists with direct access to the PCC, Chief Constable, and Audit Committee, which provides assurance with regard to the organisation's governance and risk management arrangements, and whose reports are acted upon by management
- G20 Utilising peer challenge, reviews and inspections from regulatory bodies, and implementing recommendations
- G21 Gaining assurance on risks associated with delivering services through third party suppliers, and subjecting these arrangements to regular review
- G22 Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised

### **3 ARRANGEMENTS FOR REVIEW OF GOVERNANCE**

- 3.1 The PCC and Chief Constable are committed to maintaining a joint local Code of Corporate Governance and a Scheme of Corporate Governance, and for carrying out an annual review of their effectiveness.
- 3.2 The PCC and Chief Constable have put in place the following arrangements to review the effectiveness of the Code of Corporate Governance:
- 3.3 The PCC and Chief Constable will jointly produce an Annual Governance Statement (AGS) which will be published on the PCC and Force websites within the annual Statement of Accounts. The AGS will include an Action Plan, as necessary and appropriate, to rectify any significant areas of weakness in internal control and/or corporate governance.

#### **The Force**

- 3.4 The Deputy Chief Constable, under delegated authority from the Chief Constable, is responsible for corporate governance issues affecting the Force, ensuring that appropriate reviews, both proactively and reactively, are carried out into key areas and highlighted, including:
- Professional standards and performance
  - Strategic co-ordination and planning, including risk management and business continuity, and strategic assessments
  - Crime recording
- 3.5 The Chief Information Officer is responsible for the management of information, including information security and data protection

#### **The Joint Independent Audit Committee**

- 3.6 The Committee's operating principles include the following key requirements in respect of corporate governance:
- To consider and comment on the adequacy of the local Code of Corporate Governance;
  - To consider the Annual Governance Statements (AGS) from the PCC and Chief Constable;
  - To monitor implementation and delivery of the agreed AGS Action Plan(s);
  - To consider the arrangements to secure value for money and review assurances and assessments of the effectiveness of these arrangements;
  - To consider and comment upon the adequacy and effectiveness of the assurance framework, and the specific governance and accountability policies, systems and controls in place, such as financial regulations; the Scheme of Consent; anti-fraud and corruption; whistle-blowing, and declarations of interest, gifts and hospitality;
  - To review arrangements for the assessment of fraud risks and potential harm from fraud and corruption and monitor the effectiveness of the counter-fraud strategy, actions and resources;
  - To consider the governance and assurance arrangements for significant partnerships or collaborations.

#### **The Governance Advisory Group**

- 3.7 The Working Group, which comprises senior officers from the Office of the PCC and Force, is responsible for:

- drafting the local code of corporate governance;
- monitoring compliance with the Code during the year, including the system of internal control;
- preparing the draft Annual Governance Statement(s);
- recommending an Action Plan(s) to rectify significant areas of weakness;
- monitoring the implementation of agreed action plans.

3.8 Reports from the Working Group will be presented to the Joint Independent Audit Committee, where appropriate, prior to approval by the PCC and Chief Constable.

### **Internal audit**

3.9 The primary role of internal audit is to give an assurance to the PCC and Chief Constable, through their two respective Chief Finance Officers, on the adequacy and effectiveness of the governance arrangements and internal controls in place to manage and mitigate risk. To this end the Chief Internal Auditor delivers an annual opinion on the effectiveness of the controls reviewed by the Joint Internal Audit Team. This annual opinion, set out in the Annual Report of the Chief Internal Auditor, is one of the key sources of evidence in support of the Annual Governance Statement(s).

3.10 The Chief Internal Auditor provides regular update reports to the Joint Independent Audit Committee on the delivery of the Annual Audit Plan and any outstanding management actions.

3.11 Major control weaknesses are reported to the Force Risk Management Group and to the Joint Independent Audit Committee.

3.12 Reviews of both the corporate governance framework and risk management arrangements periodically feature in the Annual Audit Plan. Corporate governance and risk management issues may arise through other reviews carried out by the Joint Internal Audit Team. In this case the issues will be dealt with initially in the relevant audit report. Significant governance failures identified through general audit work will also be referred to the Governance Advisory Group.

### **External Audit**

3.13 The external auditor will audit the financial statements of the PCC and Chief Constable, as well as the Group accounts, and will also review the Annual Governance Statement(s). External audit plans and reports, including the Annual Audit Letter, are considered by the Joint Independent Audit Committee at appropriate times in the annual cycle of meetings.

### **Her Majesty's Inspectorate of Constabulary and Fire and Rescue Service (HMICFRS)**

3.14 The role of HMICFRS is to independently assess the effectiveness and efficiency of police forces and fire and rescue services – in the public interest. It also provides advice and support to the tripartite partners (Home Secretary, PCC and police forces).

3.15 HMICFRS reports are sent to the Chief Constable and the PCC for consideration and appropriate action. HMICFRS, working alongside external audit, will play a key role in informing the PCC and the public on the efficiency and effectiveness of their forces and, in so doing, will facilitate the accountability of PCCs to the public.

- 3.16 The PCC shall invite the Chief Constable to submit comments to him on any report published by HMICFRS that makes recommendations that apply to Thames Valley Police.
- 3.17 The PCC is required to publish his response to any relevant report issued by HMICFRS under section 55(1) of the Police Act 1996, together with any comments submitted by the Chief Constable and any response that the PCC has to the comments submitted to him by the Chief Constable, within 56 days of publication of the report by HMICFRS. The PCC will publish all such relevant reports and responses on his website. The PCC is also required to send a copy of any such published documents to the Secretary of State and HMICFRS.
- 3.18 Relevant information (reports and responses) shall also be provided to members of the Joint Independent Audit Committee and the Complaints, Integrity and Ethics Panel.

## **Scheme of Corporate Governance 2018/19**

### **Definitions within this Scheme of Governance**

1. The Police and Crime Commissioner shall be referred to as the PCC
2. The PCC's Chief Finance Officer shall be referred to as the PCC CFO
3. The Chief Constable's Chief Finance Officer (CC CFO) is the Director of Finance
4. The 'Force' shall refer to the Chief Constable, police officers, police civilian staff, police community support officers (PCSO), special constabulary, volunteers and other members of the wider police family under the Chief Constable's direction and control
5. Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders

This scheme sets out the common understanding and agreement of the PCC and Chief Constable as to the ways in which certain functions will be governed and managed.

The scheme includes, but is not limited to, formal delegations by the PCC and the Chief Constable. It also includes activities where the Chief Constable acts in his own right and/or pursuant to the duty to exercise his power of direction and control in such a way as is reasonable to assist the PCC to exercise his functions.

### **Delegation**

The PCC may not arrange for any constable or any person employed by the Chief Constable to exercise any of the PCC's functions (section 18 PRSRA). Under this scheme, there is no formal delegation of any function from the PCC to any constable or member of police staff. Where this scheme refers to a delegation, that is a reference to a delegation of a function or power:

- (a) By the PCC to the Deputy PCC or to a member of his own staff; or
- (b) By the Chief Constable to another police officer or member of police civilian staff

### **Chief Constable's own functions**

The statutory restriction on delegation does not prevent the Chief Constable carrying out functions in his own right. That is a wide-ranging power: in addition to broad functions of keeping the peace and enforcing the law, the Chief Constable also has the power "to do anything which is calculated to facilitate, or is conducive or incidental to, to the exercise of [his] functions". This scheme also deals with the ways in which certain of the Chief Constable's functions will be exercised in such a way as is reasonable to assist the PCC to exercise his functions. For the avoidance of doubt, these are not delegations from the PCC. Nothing in this scheme is intended to fetter the Chief Constable's operational independence.



## **Consent**

There are certain statutory restrictions on the Chief Constable's power to exercise certain functions in his own right: the Chief Constable may not acquire or dispose of land, and needs the consent of the PCC to enter into contracts and to acquire or dispose of property. This scheme also sets out the conditions on which the PCC has given consent to the Chief Constable to enter into contracts and to acquire or dispose of property (other than land<sup>2</sup>). For the avoidance of doubt, this is not a delegation from the PCC – it is the PCC giving consent to the Chief Constable to exercise certain functions in his own right, subject to compliance with this Scheme.

The PCC for Thames Valley gives consent to the Chief Constable of TVP to enter into contracts and to acquire or dispose of property, other than land, subject to the requirements of Financial Regulations, including Contract Regulations

## **Key Principles**

Officers and staff of the Chief Constable may assist the PCC to exercise his functions; indeed the Chief Constable is under a statutory duty to exercise direction and control in such a way as is reasonable to give that assistance. This scheme sets out some of the ways in which that assistance will be given. For the avoidance of doubt, these are not delegations from the PCC.

The statutory officers are responsible for ensuring that members of staff they supervise are aware of and comply with the provisions and obligations of this Scheme of Delegation

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

To enable the PCC to exercise the functions of his office effectively he will need reasonable access to information held by the Force and police officers and civilian staff employed by the Chief Constable. This access must not be unreasonably withheld or obstructed by the Chief Constable or any of his employees. The importance of this requirement is reflected in the Information Sharing Agreement.

<sup>2</sup> Land includes the buildings thereon

## **1. Introduction**

- 1.1 The Statement of Corporate Governance gives clarity to the way the two corporations sole (i.e. PCC and Chief Constable) will govern both jointly and separately to ensure they are conducting business in the right way, for the right reason at the right time.
- 1.2 The Code of Corporate Governance describes the strategies, arrangements, instruments and controls to ensure good governance in the two corporations sole.
- 1.3 This Scheme of Corporate Governance sets out the delegations from the PCC and the Chief Constable to their respective staff, and should be read alongside the aforementioned Statement and Code. In addition, it incorporates other instruments such as the financial regulations and standing orders relating to contracts.
- 1.4 This Scheme aims to clarify those powers which, for the benefit of good business practice, are given to the statutory officers. The PCC and Chief Constable may limit these powers and/or remove delegation.
- 1.5 This Scheme provides a framework which ensures business is carried out lawfully and efficiently, ensuring that decisions are not unnecessarily delayed and are taken at the appropriate level. It forms part of the overall corporate governance framework of the two corporations sole.
- 1.6 Powers are given to the PCC and Chief Constable by laws, orders, rules or regulations. Also, national conditions of employment give powers to the PCC and/or the Chief Constable or, as in the case of police regulations, the Secretary of State for the Home Department.
- 1.7 Any powers or duties placed on other statutory officers should be exercised lawfully in accordance with the PCC's and Chief Constable's respective delegations, standing orders and financial regulations, and also relevant policies, procedures, plans, strategies and budgets
- 1.8 This Scheme does not identify all the statutory duties which are contained in specific laws and regulations, however it provides the framework in which the various duties and powers are exercised.

## **2. General principles of delegation**

- a. The persons appointed as the PCC's Chief Executive (who will also be the Monitoring Officer) and the Chief Finance Officer have statutory powers and duties relating to their positions and therefore, do not rely on matters being delegated to them to carry out these specific powers and duties.
- b. This scheme provides an officer with the legal authority to carry out appropriate duties of the PCC and/or Chief Constable. In carrying out these duties the officer must comply with all other statutory and regulatory requirements and relevant professional guidance including:
  - The Police Reform and Social Responsibility Act 2011 and other relevant legislation issued under this Act (e.g. Policing Protocol Order 2011)
  - Home Office Financial Management Code of Practice
  - CIPFA Statement on the role of the Chief Financial Officer of the PCC and the Chief Finance Officer of the Chief Constable

- The PCC and Chief Constable's joint corporate governance framework, including Financial Regulations and Contract Regulations
  - The PCC's and Thames Valley Police policies and procedures.
  - All data protection legislation including the Data Protection Act 2018 together with the General Data Protection Regulation and the Freedom of Information Act 2000
  - Health and safety at work legislation and codes
  - The Code of Ethics
- c. This Scheme is a record of the formal delegations that are in effect at the time of its publication. The PCC and Chief Constable's joint governance framework, including this Scheme, will be reviewed at least annually. With the exception of those matters listed in paragraph 4.6, any person to whom a power is delegated under this scheme may sub-delegate that power as they deem appropriate. The formal responsibility and accountability to the PCC or Chief Constable for the effective discharge of such sub-delegated powers remains in law with the person to whom the power was delegated by the PCC or Chief Constable.
- d. The PCC and/or Chief Constable may ask that a specific matter be referred to them for a decision and not be dealt with under powers of delegation.
- e. The scheme does not attempt to list all matters which form part of everyday management responsibilities.
- f. Giving delegation to officers under this scheme does not prevent an officer from referring the matter to the PCC and/or Chief Constable for a decision if the officer thinks this is appropriate (for example, because of sensitive community and stakeholder issues or any matter which may have a significant operational, political, reputational or financial implications).
- g. All decisions officers make under formal powers delegated to them by the PCC and/or Chief Constable must be recorded and be available for inspection.
- h. The PCC and Chief Constable may set out their reporting arrangements on actions undertaken by their own staff in respect of the use of powers delegated to them.

### **3. Financial Regulations, including Contract Regulations**

- 3.1 Financial regulations explain the working financial relationship between the PCC, the Chief Constable and their respective chief finance officers, having regard also to the role played by the Chief Executive. A copy is attached at Appendix 3.
- 3.2 Financial Regulations ensure that financial dealings are conducted properly and in a way which incorporates recognised best practice and focuses on bringing operational and financial management together with timely and accurate financial information. They also include sufficient safeguards for both chief finance officers who are responsible for ensuring that the financial affairs of the PCC and police force are properly administered to discharge their statutory obligations.
- 3.3 Embedded within Financial Regulations are the Contract Regulations which is a single set of standing orders relating to contracts. These regulations explain the procedures to be

followed for procurement, tenders and contracts, including tender thresholds and authorisation levels.

#### **4. Role of the PCC**

4.1 The details of the role of the PCC can be found in the Code of Corporate Governance.

4.2 The role and primary responsibilities of the PCC includes:

- Providing a link between the police and the community, which involves obtaining and representing the views of local people, councils and other criminal justice organisations
- Setting out the strategic policing and crime priorities and objectives through the publication of a Police and Crime Plan
- Setting out the Force's budget and community safety grants
- Setting the policing and crime precept
- Overseeing community safety, the reduction of crime and value for money in policing
- Commissioning victims' and witness services
- Holding the Chief Constable to account for the performance of the Force, including that of police officers and civilian staff under his direction and control
- Appointing the Chief Constable (and dismissing them when necessary)
- Preparing and publishing an annual report on progress in the delivery of the Police and Crime Plan

4.3 The PCC owns all land and buildings and will sign contracts in accordance with the requirements of financial regulations. In approving the annual treasury management strategy he approves borrowing limits for both his own office and the Force.

4.4 The PCC will receive government grants and the council tax precept. Other sources of income received by the Force will be paid into the police fund. How this funding is allocated to operational activities is for the Chief Constable to decide in consultation with the PCC, and in accordance with the priorities and objectives set out in the Police and Crime Plan, the Strategic Policing Requirement, or in accordance with any Government grant terms and conditions.

4.5 When exercising his duties and functions, the PCC must have regard to the following:

- The views of the people in Thames Valley, including victims of crime
- Any report or recommendation made by the Police and Crime Panel in respect of the Police and Crime Plan, the proposed annual precept, and the annual report for the previous financial year.
- The Police and Crime Plan and any guidance issued by the Secretary of State, including specifically the Strategic Policing Requirement.

(Note: this list is a summary and is not exhaustive)

4.6 The PCC may arrange for any person (who is not the Deputy PCC) to exercise any of his functions, with the exception of those listed below:

- Determining the policing and crime objectives in the Police and Crime Plan
- Issuing the Police and Crime Plan
- Calculation of the budget requirement

- Appointing or suspending the Chief Constable, or calling upon the Chief Constable to retire or resign
- Attendance at the Police and Crime Panel in compliance with a requirement by the Panel to do so
- Attendance at, and presenting the annual report to, the Police and Crime Panel.

4.7 The Police and Crime Panel is a check and balance on the PCC through reviewing and/or scrutinising his decisions and actions, but not those of the Chief Constable.

4.8 The PCC will be responsible for handling complaints and conduct matters in relation to the Chief Constable, monitoring the Chief Constable's handling and investigation of complaints against police officers and civilian staff, and complying with the requirements of the Independent Office for Police Conduct.

4.9 The PCC has wider community safety, crime reduction and criminal justice responsibilities than those solely relating to the responsibilities and activities of the police force and this is referred to in the Code of Corporate Governance.

## **5. Role of the deputy PCC**

5.1 The PCC may appoint a deputy to exercise his functions, with the exception of those which cannot be delegated as defined by the Police Reform and Social Responsibility Act 2011, as listed below:

- Issuing the Police and Crime Plan
- Appointing or suspending the Chief Constable, or calling upon the Chief Constable to retire or resign
- Calculation of the budget requirement.

5.2 The formal delegation from the PCC to the Deputy PCC is set out in Appendix 1

## **6. Role of the PCC's Chief Executive**

### Introduction

6.1 The PCC will appoint a person to be the head of the PCC's staff (referred to as the Commissioner's 'Chief Executive') and to act as the head of the body's paid service under Section 4(1A) of the Local Government and Housing Act 1989.

6.2 The Code of Corporate Governance identifies the role of the Chief Executive as the head of the PCC's staff, and is also the Monitoring Officer for the PCC.

6.3 The formal delegations from the PCC to the Chief Executive, which are in effect at the time of the publication of this scheme, are listed in Appendix 1. Other key responsibilities are set out below.

### General

6.4 To prepare the police and crime plan, in consultation with the Chief Constable, for submission to the PCC, including:

- obtaining the views of the public
- identifying the strategic policing and crime priorities and objectives
- planning how resources will be used
- how services will be commissioned
- development and implementation of performance monitoring and reporting arrangements.

- 6.5 To prepare an Annual Report on behalf of and for submission to the PCC.
- 6.6 To provide information to the Police and Crime Panel, as reasonably required to enable the Panel to carry out its functions.
- 6.7 To consider whether, in consultation with the PCC's CFO, to provide indemnity to the PCC (and Deputy PCC) in accordance with appropriate statutory provisions and to deal with or make provision to deal with other matters arising from any proceedings relating to them.
- 6.8 To consider and approve, in consultation with the PCC's CFO, provision of indemnity and/or insurance to individual staff of the Commissioner in accordance with appropriate statutory provisions.

#### Financial

- 6.9 The financial management responsibilities of the Chief Executive are set out in the financial regulations.
- 6.10 To manage the budget of the PCC's office, in consultation with PCC CFO, particularly to:
- order goods and services and spend on items provided for in the revenue budget.
  - ask for and accept quotations and tenders for goods and services provided for in the revenue budget

#### Human Resources

- 6.11 To appoint, in consultation with the PCC, staff in the Office of the PCC (OPCC)
- 6.12 To make recommendations to the PCC with regard to OPCC staff terms and conditions of service, in consultation with the PCC CFO as necessary.
- 6.13 To appoint Independent Custody Visitors and terminate appointments if necessary.

#### Other

- 6.14 To affix the common seal of the PCC to all relevant contracts, agreements or transactions, where sealing is necessary.
- 6.15 To consider and advise the PCC on the handling of any complaint or conduct matter in respect of the Chief Constable including, in consultation with the PCC's Governance Manager, determining whether to record a complaint on behalf of the PCC and to make arrangements for appointing an officer to resolve or investigate the complaint where necessary

- 6.16 To exercise such powers of the Thames Valley Police and Crime Panel as may be delegated by that Panel and accepted by the Chief Executive. A police and crime panel may delegate all or any of the powers or duties conferred or imposed on it by The Elected Local Policing Bodies (Complaints and Misconduct) Regulations 2012, with the exception of Part 4 (resolution of other complaints), to the PCC's Chief Executive. The Thames Valley Police and Crime Panel has currently delegated to the Chief Executive, and the Chief Executive has accepted, the initial requirement to record and assess complaints made against the Police and Crime Commissioner to determine whether it is a serious complaint that must be referred to the Independent Office for Police Conduct (IOPC) or if it is to be handled by the Police and Crime Panel itself, under Part 4 of the Regulations, i.e. under the 'informal resolution of other complaints' process.
- 6.17 To respond to consultations on proposals affecting the PCC, if necessary, after first taking the views of the Commissioner, the PCC's CFO and/or the Chief Constable, as necessary and appropriate.
- 6.18 To obtain legal or other expert advice and to appoint legal professionals whenever this is considered to be in the PCC's best interests in the exercise of his functions.
- 6.19 To make appropriate arrangements to gather the community's views on the policing of Thames Valley and preventing crime.
- 6.20 In accordance with the Vetting Code of Practice and Authorised Professional Practice (APP) issued by the College of Policing, and in the chief executive's statutory capacity as the PCC's 'Monitoring Officer', to act:
  - a) as decision-maker for vetting clearance in respect of the Chief Constable, and
  - b) as appeal body in respect of vetting decisions taken by the Chief Constable in respect of other chief officers.

In both cases, the Chief Executive will be advised by, and receive a recommendation from, the Force Vetting Manager (FVM), or the FVM of another force in circumstances where reciprocal arrangements are in place.

## **7. Role of the PCC's Chief Finance Officer (CFO)**

- 1.1 The PCC must appoint a person to be responsible for the proper administration of the PCC's financial affairs, in accordance with the Financial Management Code of Practice, as issued by the Home Office.
- 1.2 As the Chief Finance Officer to the PCC, the post-holder has a statutory responsibility to manage the PCC's financial affairs in accordance with section 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2015.
- 1.3 The detailed financial management responsibilities of the PCC's CFO, which includes a number of delegated powers, are set out in the financial regulations – see section 3.

## **8. Role of the Chief Constable**

- 8.1 The role of the Chief Constable is referred to in the Code of Corporate Governance but, essentially, the Chief Constable is responsible for maintaining the Queen's peace and for the direction and control of the Force.

- 8.2 The Chief Constable is accountable to the law for the exercise of police powers, and to the PCC for the delivery of efficient and effective policing, and management of resources and expenditure by the police force.
- 8.3 The list of delegations from the Chief Constable to key Force Personnel is attached at Appendix 2.
- 8.4 The Chief Constable shall appoint suitable qualified and experienced heads of department.

## **9. Role of the Director of Finance**

- 9.1 The Chief Constable must appoint a person to be responsible for the proper administration of the Force's financial affairs, in accordance with the Financial Management Code of Practice, as issued by the Home Office.
- 9.2 As the Chief Finance Officer appointed by the Chief Constable there is a statutory responsibility for the post-holder to manage the Force's financial affairs, in accordance with sections 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2003 (as amended).
- 9.3 The detailed financial management responsibilities of the Director of Finance, which includes a number of delegated powers, are set out in the financial regulations – see Appendix 3.

## **10. Role of the Director of People**

- 10.1 To lead the development and implementation of strategies and policies to ensure the effective recruitment, development, deployment and management of police officers and staff and undertake the day to day management of the People Directorate and services in accordance with the financial regulations – Appendix 3.
- 10.2 To arrange and/or provide strategic and tactical advice and assistance to the PCC and PCC's Chief Executive on all matters relating to employment of staff, except that where responsibility to both the PCC and the CC may lead to a conflict of interest, the PCC may seek assistance from an independent advisor.

## **11. Role of the Head of Legal Services**

- 11.1 To provide advice to and institute, defend or participate in legal actions on behalf of the Chief Constable.
- 11.2 To provide advice to, and institute, defend or participate in legal actions on behalf of, the PCC when requested to do so and where there is no identifiable conflict of interest between the PCC and the Chief Constable.
- 11.3 Specific delegations from the Chief Constable are set out in Appendix 2

## **12. Role of the Head of Property Services**

- 12.1 Although the PCC owns all land and buildings the Head of Property Services will undertake the day to day management of the property function subject to the provision of financial regulations, and in accordance with the agreed asset management strategy.



### **13. Role of the Chief Information Officer**

13.1 The effective delivery of the Joint ICT Department and the Joint Information Management Unit, providing information assurance, access and security services across Thames Valley Police and Hampshire Constabulary

13.2 To provide governance and oversight as the Senior Information Risk Owner

### **14. Heads of Department**

14.1 In addition to those mentioned above the Chief Constable will appoint appropriate Heads of Department to assist with the governance of the force including but not limited to:

- Head of Chiltern Transport Consortium
- Head of ICT
- Head of Information Management
- Head of Procurement

### **15. Urgency provisions**

#### PCC

15.1 If any matter which would normally be referred to the PCC (or Deputy PCC) for a decision arises and cannot be delayed, in the absence of the PCC or Deputy PCC the matter may be decided by the appropriate chief officer.

15.2 The appropriate chief officers authorised to decide urgent matters are:

- the Chief Executive (all issues);
- the PCC's Chief Finance Officer (financial and related issues, and all issues in the absence of the Chief Executive in the post-holders capacity as the designated Deputy Chief Executive)

15.3 Urgent decisions taken must be reported to the PCC as soon as practicably possible.

#### Police Force

15.4 If any matter which would normally be referred to the Chief Constable (or Deputy Chief Constable) for a decision arises and cannot be delayed, in the absence of the Chief Constable (or Deputy Chief Constable as the case may be), the matter may be decided by an appropriate member of the Chief Constable's Management Team (save always that any function of the chief constable which must as a matter of law normally be performed by the chief constable personally, may only be performed by another officer in accordance with the provisions of section 41 of the Police Reform and Social Responsibility Act 2011)

**Delegations from the PCC****To the Deputy PCC**

- 1 To exercise any function of the PCC with the exception of those referred to in section 18 (7) (a) (e) and (f) of the Police Reform and Social Responsibility Act 2011

**To the Chief Executive**

- 2 To sign relevant contracts on behalf of the PCC, irrespective of value, once they have been properly approved, except those which are required to be executed under the common seal of the PCC. In these cases the Chief Executive is authorised to sign and affix the seal. In the Chief Executive's absence the PCC's CFO (deputy Chief Executive) and/or the Governance Manager (deputy Monitoring officer) can sign contracts as well as signing and affixing the seal
- 3 To dismiss, in consultation with the Director of People, staff employed by the PCC. (Note: Appeals will heard by the PCC, sitting with an independent person)
- 4 To settle employment tribunal cases and grievances of staff working in the OPCC, in consultation with the Head of Legal Services and the Director of People, with the exception of those cases felt to be exceptional because:-
  - they involve a high profile claimant
  - there is a particular public interest in the case
- 5 To exercise the statutory powers of the PCC as "appropriate authority" for complaints and conduct matters in respect of the Chief Constable including, in consultation with the PCC's Governance Manager, making a recording decision and appointing an officer to resolve or investigate the complaint where necessary
6. To approve the settlement of any claim (including Employment Tribunal claims) brought against the Chief Constable or the PCC, or the making of any ex gratia payment, subject to the following limits:
  - £30,000 in the case of any damages payment (where payments are to be made to more than one claimant in the case of any claim, they shall be aggregated for the purposes of calculating the level of payment)
  - £10,000 in the case of any ex gratia payment
7. To approve the payment of damages or legal costs incurred personally by police officers and staff in connection with legal proceedings, in consultation with the Chief Constable's Head of Legal Services (subject, in the case of damages payments, to the limits set out in paragraph 6 above). Decisions on approval shall be made in accordance with Home Office Circular 10/2017, or any circular or guidance replacing or supplementing that circular.
8. To arrange for the institution of, withdrawal of, defence of, or participation in, legal proceedings on behalf of the PCC.

9. To make temporary appointments as necessary and appropriate to the independent panel members list for police misconduct hearings. In the Chief Executive's absence, the PCC's Governance Manager (Deputy Monitoring Officer) can make these temporary appointments.

### **Delegations from the Chief Constable**

It is recognised that, unless a power or function of the Chief Constable must, as a matter of law, be exercised personally by him; such functions or powers need not be exercised by the Chief Constable personally but may be exercised on his behalf by such officers and staff as the Chief Constable thinks fit. There are numerous functions and powers of the Chief Constable which, as a matter of inevitable everyday practice, are in fact exercised on his behalf by other officers and members of staff. Case law recognises that where the responsibilities of an office created by statute are such that delegation is inevitable, there is an implied power to delegate. In such circumstances, there is a presumption that, where statutory powers and duties are conferred, there is a power to delegate the same unless the statute conferring them expressly or by implication provides to the contrary.

The specific delegations set out in this Appendix are not, therefore intended to be an exhaustive list of the functions and powers of the Chief Constable which may be exercised on his behalf by another person. However, where the delegation of a specific function or power is set out in this Appendix, it must only be exercised as provided for in this Appendix (unless specifically agreed otherwise by both Chief Constable and PCC) and in accordance with any relevant force policy. For the avoidance of doubt, however, nothing in this Appendix precludes any function or power being exercised by the Chief Constable personally, or by the Deputy Chief Constable on his behalf (to whom the functions and powers below are delegated in so far as it is necessary to do so). Also for the avoidance of doubt, any person to whom the functions and powers below are delegated may sub-delegate as they deem appropriate in accordance with the provisions of paragraph 2c of this Scheme of Governance

The delegation by the Chief Constable of his functions as “appropriate authority” for the purposes of legislation relating to complaints and conduct matters is dealt with in a separate document dated [12 February 2018] as reviewed and amended from time to time.

#### **To the Director of People**

1. To make decisions on behalf of the Chief Constable and the PCC under the powers delegated in Police Pension Regulations (Except in relation to Regulation A20 (retention)) and Police (Injury Benefits) Regulations, subject to the concurrence of the Director of Finance in relation to any decision that may result in additional cost to the Force. Note: The Deputy Chief Constable will continue to have delegated authority to take decisions in respect of Regulation A20 (retention).
2. Managing posting, secondment and corporate special leave decisions
3. Extending the payment of sick pay beyond the contractual entitlement (in the case of police staff) or beyond the entitlement in Police Regulations (in the case of police officers) in accordance with (as applicable) police staff terms and conditions, Police Regulations and Home Office Guidance
4. Decisions relating to Police Staff suspensions and dismissal from employment
5. The exercise of discretion in relation to police officer and police staff payments in accordance with Police Regulations, PNB, TVP policy and legislation

6. Determination of Job Evaluation appeals
7. The payment of removal allowances, housing and relocation costs for senior officers and staff and hard to recruit specialist roles.
8. To make decisions on behalf of the Chief Constable on all matters under powers delegated in the Local Government Pension Scheme not specifically listed in the TVP Local Government Pensions Scheme (LGPS) discretions policy and to implement the TVP Local Government Pensions Scheme (LGPS) discretions policy in accordance with the specific delegations set out in that policy.

**To the Force Head of Legal services**

9. The authority to approve the settlement of any claim (including Employment Tribunal claims) brought against the Chief Constable or the PCC, or the making of any ex gratia payment, subject to the following conditions
  - a. Any damages payment of more than £10,000 must be approved by the PCC's Chief Executive or Chief Finance Officer
  - b. Any damages payment of more than £30,000 must be approved by the PCC
  - c. Any ex gratia payment of more than £10,000 must be approved by the PCC
  - d. Where the prior approval of insurers is required, this is obtained prior to the approval of any settlement

Note: for the purposes of section 88(2)(b) of the Police Act 1996, and paragraph 8(c) of Schedule 2 to the Police Reform and Social Responsibility Act 2011, the PCC approves the settlement of any claim made in accordance with the above authority and conditions

# FINANCIAL REGULATIONS

<i>CONTENTS</i>	<i>PAGE</i>
<b>Introduction</b>	
Overview	40
Definitions	41
Status	42
Content	42
 <b><i>Section 1 - Financial management</i></b>	
1.1 Financial management	44
1.2 Financial management standards	50
1.3 Accounting records and returns	51
1.4 The annual statement of accounts	52
 <b><i>Section 2 – Financial planning</i></b>	
2.1 Financial planning	
• Medium term financial planning	53
• Annual revenue budget	54
2.2 Budgetary control	
• Revenue monitoring	57
• Virement	58
2.3 Capital Programme	
• Medium term capital plan	60
• Annual capital budget Monitoring of capital expenditure	61
2.4 Maintenance of balances and reserves	63
 <b><i>Section 3 – Management of risk and resources</i></b>	
3.1 Risk management & business continuity	64
3.2 Internal control system	66
3.3 Audit requirements	
• Joint independent audit committee	67
• Internal audit	67
• External audit	70
3.4 Preventing fraud and corruption	72
3.5 Assets – Acquisition, ownership and disposal	
• Introduction	73
• Asset disposal	74
• Interests in land	75
• Valuation	75
• Stocks & stores	76
• Intellectual property	76

	<i><b>PAGE</b></i>
3.6 Treasury management and banking arrangements	
• Treasury management	77
• Banking arrangements	78
• Imprest Accounts / Petty cash	78
• Money laundering	79
3.7 Staffing	80
3.8 Trust funds	81
3.9 Administration of evidential and non-evidential property	82
3.10 Gifts, loans and sponsorship	84
 <i><b>Section 4 – Systems and procedures</b></i>	
4.1 Introduction	85
4.2 Income	86
4.3 Ordering and paying for work, goods and services	88
4.4 Payments to employees	89
4.5 Taxation	90
4.6 Corporate credit cards and purchasing cards	91
4.7 Ex-gratia payments	92
 <i><b>Section 5 – Contract Regulations</b></i>	
• What is a contract?	93
• Key controls	93
• Power to delegate	94
• Purchasing procedures and thresholds	94
• Acquisition under a framework contract	95
• Selection criteria	95
• Invitations to tender	95
• Opening of tenders	96
• Evaluation of tenders	96
• Acceptance of tenders / award of contract	97
• Contracts monitoring	97
• <b>Variations to contract</b>	97
• Contracts extension	98
• Exceptional circumstances	98
• Single quotation / tender contract	98
• Contracts register	99
 <i><b>Section 6 - External arrangements</b></i>	
6.1 Joint working arrangements	100
• Partnerships	100
• Consortium arrangements	102
• Collaboration	102
6.2 External funding	104
6.3 Work for external bodies	105
 <i><b>Section 7 – Summary of financial limits</b></i>	105
 <i><b>Appendix 1 – TVP Contract Signatories</b></i>	111

## OVERVIEW

1. Public sector accounting is covered by a range of government legislation and accounting standards that are designed to ensure proper accountability for public funds. In addition, the Home Office has issued a Financial Management Code of Practice under section 17 of the Police Reform and Social Responsibility Act 2011 and section 39 of the Police Act 1996 which permit the Secretary of State to issue codes of practice to all Police and Crime Commissioners (PCCs) and Chief Constables.
2. Each PCC and their respective Chief Constable is established in law as a corporation sole within the 2011 Act. As such, both are enabled by law to employ staff and hold funds in their official capacity. Chief Constables are charged with the impartial direction and control of all constables and staff within the police force that they lead. Staff of the PCC are accountable to the directly elected holder of that office.
3. The public accountability for the delivery and performance of the police service is placed into the hands of the PCC on behalf of their electorate. The PCC draws on their mandate to set and shape the strategic objectives of their force area in consultation with the Chief Constable. They are accountable to the electorate; the Chief Constable is accountable to their PCC. The Police and Crime Panel within each force area is empowered to maintain a regular check and balance on the performance of the PCC in that context.
4. The PCC within each force area has a statutory duty and electoral mandate to hold the police to account on behalf of the public.
5. The PCC may appoint a Deputy PCC who may exercise any function of the PCC
6. The PCC is the recipient of all funding, including the government grant and precept and other sources of income, related to policing and crime reduction and all funding for a force must come via the PCC. How this money is allocated is a matter for the PCC in consultation with the Chief Constable, or in accordance with any grant terms. The Chief Constable will provide professional advice and recommendations.
7. The PCC and the Chief Constable are both required to appoint a chief finance officer.
8. To conduct its business effectively, TVP needs to ensure that it has sound financial management policies in place and that they are strictly adhered to. Part of this process is to adopt and implement Financial Regulations. The Regulations contained herein have been drawn up in such a way as to ensure that the financial matters of TVP are conducted properly and in compliance with all necessary requirements.
9. The Regulations are designed to establish overarching financial responsibilities, to confer duties, rights and powers upon the PCC, the Chief Constable and their officers and to provide clarity about the financial accountabilities of groups or individuals. They apply to every member and officer of the service and anyone acting on their behalf.
10. A modern organisation should also be committed to innovation, within the regulatory framework, providing that the necessary risk assessment and approval safeguards are in place.



## DEFINITIONS WITHIN THE REGULATIONS

11. For the purposes of these Regulations TVP, when used as a generic term, shall refer to:
  - The PCC
  - The Chief Constable
  - The Office of the PCC (OPCC)
  - The Force
12. The PCC's chief finance officer is referred to as the PCC CFO.
13. The Chief Constable's chief finance officer is the Director of Finance
14. The Chief Executive also fulfils the monitoring officer role
15. The OPCC shall refer to the PCC, Deputy PCC and all members of staff reporting directly to the PCC
16. The 'Force' shall refer to the Chief Constable, police officers, police staff, police community support officers (PCSO), special constabulary, volunteers and other members of the wider police family under his direction.
17. Chief Officers when referred to as a generic term shall mean the Chief Executive, PCC CFO, Chief Constable, Director of Finance and all other members of the Chief Constable's Management Team.
18. 'Employees' when referred to as a generic term shall refer to police officers, police staff (Force and OPCC) and other members of the wider police family.
19. The expression 'authorised officer' refers to employees authorised by a chief officer.
20. The expression 'contract' refers to any commitment (including purchase orders, memoranda of understanding, leases and service level agreements) to acquire, purchase or sell goods, services or building works made on behalf of the PCC, the Force or their affiliated bodies.
21. The expression 'best value for money' shall mean the most cost effective means of meeting the need and takes account of whole life costs.
22. The expression 'he' shall refer to both male and female.
23. Within these Regulations, most of the references have been made to the responsibilities of the Chief Constable since most of the day to day financial management is vested with that post. However, where resources are under the control of the Chief Executive or PCC CFO, the duties, rights and powers as detailed for the Chief Constable shall apply equally to the Chief Executive or PCC CFO.
24. The terms Chief Constable, Director of Finance, Chief Executive and PCC CFO include any member of staff, contractors or agents to whom particular responsibilities may be delegated. However, the level of such delegated responsibility must be evidenced clearly, made to an appropriate level, and the member of staff given sufficient authority, training and resources to undertake the duty in hand.

## STATUS

25. These Financial Regulations should not be seen in isolation, but rather as part of the overall regulatory and governance framework of TVP that includes the Policing Protocol, codes of conduct and the scheme of governance.
26. The PCC, Chief Constable and all employees have a general duty to take reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value.
27. Financial Regulations explain the working financial relationship between the PCC and the Chief Constable and their respective chief financial officers, having regard also to the role played by the PCCs Chief Executive.
28. The PCC and Chief Constable are jointly responsible for approving or amending Financial Regulations. The PCC CFO and Director of Finance are jointly responsible for maintaining a review of Financial Regulations and submitting any additions or amendments to the PCC and Chief Constable, after consulting with the Chief Executive.
29. More detailed Financial Instructions to supplement these Regulations, shall be issued by the Chief Constable after consultation with the PCC CFO and Chief Executive.
30. Chief Officers are responsible for ensuring that all employees, contractors and agents are aware of the existence and content of these Financial Regulations and that they are complied with.
31. Breaches of Financial Regulations of a serious nature may result in disciplinary proceedings and, potentially, criminal action. Such cases shall be reported to the PCC CFO and/or Director of Finance who shall determine, after consulting with the Chief Executive, whether the matter shall be reported to the PCC and/or Chief Constable.
32. The PCC, Chief Constable and all employees have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues – also see section 2 in the Scheme of Corporate Governance.
33. These Financial Regulations (including contract regulations) apply to all activities undertaken by TVP including those where TVP is the lead force in a collaboration or partnership activity, irrespective of where the funding for the activity comes from (e.g. Government grants, contributions from partners, fees and charges etc.)

## CONTENT

34. The Financial Regulations are divided into a number of sections, each with detailed requirements relating to the section heading. References are made throughout the individual sections to delegated limits of authority. These are also summarised in Section 7.
  - Section 1 - Financial management
  - Section 2 - Financial planning
  - Section 3 - Management of risk and resources
  - Section 4 - Systems and procedures

- Section 5 - External arrangements
- Section 6 - Contract regulations
- Section 7 - Summary of delegated limits

## 1.1 FINANCIAL MANAGEMENT

### The Police and Crime Commissioner (PCC)

- 1.1.1 The PCC has a statutory duty and electoral mandate to ensure an efficient and effective police service and to hold the police to account on behalf of the public. The PCC is the recipient of funding relating to policing and crime reduction, including government grant, council tax precept and other sources of income. How this money is allocated is a matter for the PCC in consultation with the Chief Constable, or in accordance with any grant terms. The statutory officers of the Chief Constable and the PCC will provide professional advice and recommendations.
- 1.1.2 The PCC shall appoint a Chief Financial Officer (the PCC CFO) to be responsible for the proper administration of the commissioners' financial affairs. He shall also appoint a Chief Executive who shall act as the PCC's monitoring officer.
- 1.1.3 The PCC is responsible for approving the policy framework and budget, monitoring financial outcomes and the approval of medium term financial plans in consultation with the Chief Constable. He is responsible for approving the overall framework of accountability and control, and monitoring compliance. In relation to these Financial Regulations this includes:
- Police and Crime Plan
  - Financial strategy
  - Capital strategy
  - Annual revenue budget
  - Capital programme
  - Medium term financial forecasts
  - Treasury management strategy, including the annual investment strategy
  - Asset management strategy
  - Risk management strategy
  - Governance policies
- 1.1.4 The PCC is responsible for approving procedures for recording and reporting decisions taken and for monitoring compliance with agreed policy and related executive decisions.
- 1.1.5 The PCC is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework.
- 1.1.6 The PCC shall provide his chief finance officer with such staff, accommodation and other resources as are in his opinion sufficient to allow his duties under this section to be performed
- 1.1.7 The PCC may appoint a Deputy PCC (DPCC) for that area and arrange for the DPCC to exercise any function of the PCC

### The Deputy Police and Crime Commissioner (DPCC)

- 1.1.8 The DPCC may exercise any function lawfully conferred on him by the PCC. Under the Police Reform and Social Responsibility Act 2011, the DPCC may not:
- Issue the Police and Crime Plan

- Appoint or suspend the Chief Constable, or call upon the Chief Constable to retire or resign
- Calculate the budget requirement

### **The Chief Constable**

- 1.1.9 The Chief Constable is responsible for maintaining the Queen's Peace and has direction and control over the Force's officers and staff. The Chief Constable holds office under the Crown, but is appointed by the PCC.
- 1.1.10 The Chief Constable is accountable to the law for the exercise of police powers and to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by the police force. At all times the Chief Constable, his constables and staff, remain operationally independent in the service of the public.
- 1.1.11 To help ensure the effective delivery of policing services the Chief Constable employs all constables and staff within the force and has day to day responsibility for financial management of the force within the framework of the agreed budget allocation and levels of authorisation issued by the PCC.
- 1.1.12 The Chief Constable shall appoint a Chief Finance Officer (Director of Finance) to be responsible for the proper administration of the Chief Constable's financial affairs.
- 1.1.13 The Chief Constable must ensure that the financial management of their allocated budget remains consistent with the objectives and conditions set by the PCC. The Chief Constable will discharge this through the Director of Finance who will lead for the force on financial management.
- 1.1.14 When the Chief Constable intends to make significant change of policy or seeks to move significant sums of their budget then the approval of the PCC should be sought.
- 1.1.15 The Chief Constable shall provide the Director of Finance with such staff, accommodation and other resources as are in his opinion sufficient to allow his duties under this section to be performed
- 1.1.16 The Chief Constable is responsible for the day to day financial management of the Force within the framework of the budget, rules of virement and reporting arrangements. In operating day to day financial management, the Chief Constable shall comply with the approved policies and framework of accountability.
- 1.1.17 The Chief Constable shall prepare Financial Instructions to supplement the Financial Regulations and provide detailed instructions on the operation of the specific financial processes delegated to the Chief Constable. The Chief Constable shall ensure that all employees are made aware of the existence of these Regulations and are given access to them. Where appropriate, training shall be provided to ensure that the Regulations can be complied with.

### **The Joint Independent Audit Committee**

- 1.1.18 The Home Office Financial Management Code of Practice states that the PCC and Chief Constable should establish an independent audit committee. This should be a combined body which will consider the internal and external audit reports of both the PCC and the Chief Constable. This committee will advise the PCC and the Chief Constable according to good governance principles and will adopt appropriate risk management arrangements in accordance with proper practices. In establishing the Audit Committee the PCC and Chief Constable shall have regard to CIPFA Guidance on Audit Committees.
- 1.1.19 The Audit Committee shall comprise between three and five members who are independent of the PCC and the Force.
- 1.1.20 The Audit Committee shall establish formal terms of reference, covering its core functions, which shall be formally adopted and reviewed on an annual basis
- 1.1.21 The PCC and Chief Constable shall be represented at all meetings of the Audit Committee.

### **The PCC CFO**

- 1.1.22 The PCC CFO has a statutory responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer.
- 1.1.23 The PCC CFO's statutory responsibilities are set out in:
- Paragraph 6 of Schedule 1 to the Police Reform and Social Responsibility Act 2011
  - Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure)
  - The Accounts and Audit Regulations 2015
- 1.1.24 The PCC CFO is the PCC's professional adviser on financial matters and shall be responsible for:
- ensuring that the financial affairs of the PCC are properly administered and that financial regulations are observed and kept up to date;
  - ensuring regularity, propriety and Value for Money (VfM) in the use of public funds;
  - ensuring that the funding required to finance agreed programmes is available from Central Government, council tax precept, other contributions and recharges;
  - Reporting to the PCC, the Police and Crime Panel and to the external auditor (s114):
    - any unlawful, or potentially unlawful, expenditure by the PCC or officers of the PCC;
    - when it appears that any expenditure is likely to exceed the resources available to it to meet that expenditure;
  - advising the PCC on the robustness of the estimates and the adequacy of financial reserves (s25 LG Act 2003);
  - preparing the annual statement of accounts for the PCC and Group, in conjunction with the Director of Finance
  - ensuring the provision of an effective internal audit service, in conjunction with the Director of Finance;
  - securing the treasury management function, including loans and investments;

- advising, in consultation with the Chief Executive on the safeguarding of assets, including risk management and insurance
  - arranging for the determination and issue of the precept
  - liaising with the external auditor; and
  - advising the PCC on the application of value for money principles by the police force to support the PCC in holding the chief constable to account for efficient and effective financial management.
- 1.1.25 The PCC CFO, in consultation with the Chief Executive, Director of Finance and/or Chief Constable as appropriate, shall be given powers to institute any proceedings or take any action necessary to safeguard the finances of TVP.
- 1.1.26 The PCC CFO has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the PCC on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the PCC's accounts, including group accounts.
- 1.1.27 The PCC CFO is the PCC's professional adviser on financial matters. To enable him to fulfil these duties and to ensure the PCC is provided with adequate financial advice the PCC CFO:
- must be a key member of the PCC's Leadership Team, working closely with the Chief Executive, helping the team to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest;
  - must be actively involved in, and able to bring influence to bear on, all strategic business decisions, of the PCC, to ensure that the financial aspects of immediate and longer term implications, opportunities and risks are fully considered, and alignment with the PCC's financial strategy;
  - must lead the promotion and delivery by the PCC of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively; and
  - must ensure that the finance function is resourced to be fit for purpose.

#### **The Director of Finance**

- 1.1.28 The Director of Finance is the Chief Constable's Chief Finance Officer with responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer
- 1.1.29 The Director of Finance is responsible to the Chief Constable for all financial activities within the Force or contracted out under the supervision of the Force.
- 1.1.30 The Director of Finance's responsibilities are set out in:
- Paragraph 4 of Schedule 2 and paragraph 1 of Schedule 4 to the Police Reform and Social Responsibility Act 2011
  - Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure)
  - The Accounts and Audit Regulations 2015

1.1.31 The Director of Finance is responsible for:

- ensuring that the financial affairs of the force are properly administered and that these financial regulations are observed and kept up to date;
- Reporting to the Chief Constable, the PCC, the PCC CFO and to the external auditor (s114):
  - any unlawful, or potentially unlawful, expenditure by the Chief Constable or officers of the Chief Constable;
  - when it appears that any expenditure of the Chief Constable is likely to exceed the resources available to it to meet that expenditure
- advising the Chief Constable on value for money in relation to all aspects of the force's expenditure;
- advising the Chief Constable and the PCC on the soundness of the budget in relation to the force;
- liaising with the external auditor;
- working with the PCC CFO's staff to produce the statement of accounts for the Chief Constable and to assist in the production of group accounts for TVP.

1.1.32 The Director of Finance has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the force on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the Chief Constable's accounts. The Director of Finance will need to observe the locally agreed timetable for the compilation of the group accounts by the PCC CFO.

1.1.33 The Director of Finance is the Chief Constable's professional adviser on financial matters. To enable her to fulfil these duties the Director of Finance:

- must be a key member of the Chief Constable's Management Team, helping it to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest;
- must be actively involved in, and able to bring influence to bear on, all strategic business decisions of the Chief Constable to ensure immediate and longer term implications, opportunities and risks are fully considered;
- must lead the promotion and delivery by the Chief Constable of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively; and
- must ensure that the finance function is resourced to be fit for purpose.

1.1.34 It must be recognised that financial regulations cannot foresee every eventuality. The Director of Finance, in consultation with the PCC CFO, shall be responsible for interpreting these regulations so as to ensure the efficient and effective operation of services.

### **The Chief Executive**

1.1.35 The Chief Executive is responsible for the leadership and general administration of the PCC's office

1.1.36 The Chief Executive is also the PCC's designated monitoring officer, appointed under section 5(1) of the Local Government and Housing Act 1989.



1.1.37 The monitoring officer is responsible for:

- ensuring the legality of the actions of the PCC and his officers.
- ensuring that procedures for recording and reporting key decisions are operating effectively
- advising the PCC and officers about who has authority to take a particular decision
- advising the PCC about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework
- advising the PCC on matters relating to standards of conduct

## 1.2 FINANCIAL MANAGEMENT STANDARDS

### Why is this important?

- 1.2.1 The PCC, Chief Constable and all employees have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues. This is facilitated by ensuring that everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.

### Responsibilities of the PCC CFO and Director of Finance

- 1.2.2 To ensure the proper administration of the financial affairs of TVP
- 1.2.3 To ensure that proper practices are adhered to
- 1.2.4 To advise on the key strategic controls necessary to secure sound financial management
- 1.2.5 To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators
- 1.2.6 To ensure that all staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.
- 1.2.7 To ensure that all staff are properly managed, developed, trained and have adequate support to carry out their financial duties effectively.

### 1.3 ACCOUNTING RECORDS AND RETURNS

#### Why is this important?

- 1.3.1 The PCC and Chief Constable will help discharge their responsibility for stewardship of public resources by maintaining proper accounting records and effective reporting arrangements. The PCC and Chief Constable have a statutory responsibility to prepare their own annual accounts to present fairly their operations during the year. These are subject to external audit. This audit provides assurance that the two separate sets of accounts have been prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of TVP resources.

#### Joint Responsibilities of the PCC CFO and Director of Finance

- 1.3.2 To determine the accounting procedures and records for TVP, in accordance with recognised accounting practices, and approve the strategic accounting systems and procedures employed by the Chief Constable. All employees shall operate within the required accounting policies and published timetables.
- 1.3.3 To make proper arrangements for the audit of the PCC, Force and Group accounts in accordance with the Accounts and Audit Regulations 2015.
- 1.3.4 To ensure that all claims for funds including grants are made by the due date
- 1.3.5 To ensure that bank reconciliations and other key control accounts are reconciled on a timely and accurate basis
- 1.3.6 To prepare and publish the audited accounts in accordance with the statutory timetable.

#### Responsibilities of the Director of Finance

- 1.3.7 To obtain the approval of the PCC CFO before making any fundamental changes to accounting records and procedures or accounting systems
- 1.3.8 To ensure that all transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis
- 1.3.9 To maintain adequate records to provide a management trail leading from the source of income and expenditure through to the accounting statements

## 1.4 THE ANNUAL STATEMENT OF ACCOUNTS

### Why is this important?

- 1.4.1 The PCC and Chief Constable have a statutory responsibility to prepare their own accounts to present fairly their operations during the year. They must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The accounts will comprise separate statements for the PCC, Chief Constable as well as group accounts covering both entities.
- 1.4.2 The accounts are subject to detailed independent review by the external auditor. This audit provides assurance that the accounts are prepared correctly, that proper accounting practices have been followed and that arrangements have been made for securing economy, efficiency and effectiveness in the use of TVP resources.

### Joint Responsibilities of the PCC CFO and Director of Finance

- 1.4.3 To agree and publish the timetable for final accounts preparation
- 1.4.4 To select suitable accounting policies and apply them consistently
- 1.4.5 To make judgements and estimates that are reasonable and prudent
- 1.4.6 To comply with the Code of Practice on Local Authority Accounting
- 1.4.7 To prepare, sign and date the separate statement of accounts, stating that they present fairly the financial position of the PCC, Force and Group at the accounting date and their income and expenditure for the financial year just ended
- 1.4.8 To publish the audited accounts each year, in accordance with the statutory timetable
- 1.4.9 To produce summary accounts for inclusion in the PCC's annual report

### Responsibilities of the PCC and Chief Constable

- 1.4.10 To consider and approve their annual accounts in accordance with the statutory timetable.

## 2.1 FINANCIAL PLANNING

### Why is this important?

- 2.1.1 TVP is a complex organisation responsible for delivering a range of policing activities. It needs to develop systems to enable resources to be allocated in accordance with priorities. Financial planning is essential if it is to function effectively
- 2.1.2 The financial planning process should be directed by the approved policy framework, the business planning process and the need to meet key objectives
- 2.1.3 The planning process should be continuous and the planning period should cover at least 3 years. The process should include a more detailed annual plan - the budget, covering the forthcoming financial year. This allows the PCC and Force to plan, monitor and manage the way funds are allocated and spent.
- 2.1.4 It is recognised that the impact of financial planning in the police service will be constrained by the quality and timeliness of information made available by central government on resource allocation.

### Financial Strategies

- 2.1.5 The financial strategy explains how the PCC and Chief Constable will structure and manage their finances to support delivery of the aims and objectives of the service, as set out in the PCC's Police and Crime Plan and the Force Commitment, and to ensure sound financial management and good stewardship of public money.
- 2.1.6 The capital strategy is intended to give a high level overview of how capital expenditure, capital finance and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

### **Responsibilities of the PCC CFO and Director of Finance**

- 2.1.7 To review and update, on an annual basis, the financial strategy and the capital strategy.

### **Responsibility of the PCC**

- 2.1.8 To approve the annual financial strategy and the separate capital strategy.

### Medium Term Financial Planning

- 2.1.9 The PCC and Chief Constable share a responsibility to provide effective financial and budget planning for the short, medium and longer term. They achieve this by preparing a medium term (3-5 years) financial plan (revenue) and medium term capital plan.

### **Responsibilities of the PCC**

- 2.1.10 To identify and agree, in consultation with the Chief Constable and other relevant partners and stakeholders, a medium term financial strategy which includes funding and spending plans for both revenue and capital. The strategy should take into account multiple years, the inter-dependencies of revenue budgets and capital investment, the role of reserves and consideration of risks. It should have regard to affordability and also to CIPFA's Prudential Code for Capital Finance in Local authorities. The strategy should be aligned with the Police and Crime Plan.

### **Responsibilities of the PCC CFO and Director of Finance**

- 2.1.11 To determine the format and timing of the medium term financial plans to be presented to the Chief Constable and PCC. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.
- 2.1.12 To prepare a medium term forecast of proposed income and expenditure for submission, initially to the Chief Constable's Management Team, and then to the PCC. When preparing the forecast, the PCC CFO and Director of Finance shall have regard to:
- the police and crime plan
  - Force commitment
  - policy requirements approved by the PCC as part of the policy framework
  - the strategic policing requirement
  - unavoidable future commitments, including legislative requirements
  - initiatives already underway
  - revenue implications of the draft medium term capital plan
  - proposed service developments and plans which reflect public consultation
  - the need to deliver efficiency and/or productivity savings
  - government grant allocations
  - potential implications for local taxpayers
- 2.1.13 To prepare a medium term forecast of potential resources, including options for the use of general balances, reserves and provisions, and an assumption about future levels of government funding.
- 2.1.14 A gap may be identified between available resources and required resources. Requirements should be prioritised by the Chief Constable to enable the PCC to make informed judgements as to future funding levels and planning the use of resources.

### **Annual Revenue Budget**

- 2.1.15 The revenue budget provides an estimate of the annual income and expenditure requirements for the police service and sets out the financial implications of the PCC's strategic policies. It provides Chief Officers with authority to incur expenditure and a basis on which to monitor the financial performance of both the PCC and the Force.

- 2.1.16 The PCC should consult with the Chief Constable and other relevant partners and stakeholders in planning the overall annual budget which will include a separate force budget allocation. This will take into consideration funding from government and from other sources, and balance the expenditure needs of the policing service, community safety and victims and witnesses against the level of local taxation. This should meet the statutory requirements to achieve a balanced budget (Local Government Act 2003) and be completed in accordance with the statutory timeframe.
- 2.1.17 The impact of the annual budget on the priorities and funding of future years as set out in the Police and Crime Plan and the medium term financial strategy should be clearly identified.

#### **Responsibilities of the PCC**

- 2.1.18 To agree the planning timetable with the Chief Constable
- 2.1.19 To obtain the views of the local community on the proposed expenditure (including capital expenditure) in the financial year ahead of the financial year to which the proposed expenditure relates.
- 2.1.20 To present his proposed council tax precept to the Police and Crime Panel each year and to have regard to any report or recommendation that the Panel makes in response.

#### **Responsibilities of the PCC CFO**

- 2.1.21 To determine the format of the revenue budget to be presented to the PCC. The format is to comply with all legal requirements and with latest guidance issued by CIPFA
- 2.1.22 To obtain timely and accurate information from billing authorities on the council taxbase and the latest surplus/deficit position on collection funds to inform budget deliberations
- 2.1.23 To advise the PCC on the appropriate level of general balances, earmarked reserves and provisions to be held.
- 2.1.24 To submit a report to the PCC on (1) the robustness of the estimates and the adequacy of reserves and (2) the suite of prudential indicators for the next three years, arising from the Prudential Code for Capital Finance in Local Authorities. These indicators shall be consistent with the annual revenue budget and capital programme approved by the PCC.
- 2.1.25 Upon approval of the annual budget, to submit the council tax requirement return to central government and precept requests to appropriate bodies in accordance with the legal requirement.
- 2.1.26 To produce and publish, in accordance with statutory requirements and timescales, the council tax information leaflet and send a web-link to the billing authorities.

#### **Responsibilities of the Director of Finance**

- 2.1.27 To prepare detailed budget estimates for the forthcoming financial year in accordance with the timetable agreed with the PCC CFO.

- 2.1.28 To submit draft budget proposals to the Chief Constable's Management Team to obtain approval from the Chief Constable
- 2.1.29 To submit estimates in the agreed format to the PCC for approval, including details of council tax implications and precept requirements.



## 2.2 BUDGETARY CONTROL

### Why is this important?

- 2.2.1 Budget management ensures that once the PCC has approved the budget, resources allocated are used for their intended purpose and are properly accounted for. Budgetary control is a continuous process, enabling both the Chief Constable and PCC to review and adjust their budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.
- 2.2.2 The key controls for managing and controlling the revenue budget are that:
- a) there is a nominated budget manager for each cost centre heading who is accountable for the budgets under his direct control; and
  - b) the management of budgets must not be seen in isolation. It should be measured in conjunction with service outputs and performance measures

### Revenue Monitoring

### Why is this important?

- 2.2.3 By continuously identifying and explaining variances against budgetary targets, TVP can identify changes in trends and resource requirements at the earliest opportunity. The PCC and Chief Constable both operate within an annual cash limit, approved when setting the annual budget. To ensure that TVP in total does not overspend, the Director of Finance and PCC CFO are required to manage expenditure within their budget allocations, subject to the rules of virement.

### Responsibilities of the Director of Finance

- 2.2.4 To provide appropriate financial information to enable budgets to be monitored effectively.
- 2.2.5 To ensure that each element of income or expenditure has a nominated budget manager to take responsibility for that part of the budget. Budget responsibility should be aligned as closely as possible to the decision making process that commits expenditure.
- 2.2.6 To ensure that total spending for operational policing remains within the overall allocation of resources and takes corrective action where significant variations from the approved budget are forecast. Where total projected expenditure exceeds the total allocation of resources due to circumstances beyond the control of the Chief Constable, both the PCC CFO and PCC shall be alerted immediately and proposals for remedy should be put forward as part of the regular reporting process to the PCC. The same responsibilities apply to the Chief Executive and the PCC CFO for their budgets.
- 2.2.7 To submit a budget monitoring report to the Chief Constable's Management Team and the PCC on a regular basis throughout the year, containing the most recently available financial information.

## Virement

### Why is this important?

- 2.2.8 A virement is an approved reallocation of resources between budgets or heads of expenditure. A budget head is a line in the approved budget report. The scheme of virement is intended to enable chief officers to manage their budgets with a degree of flexibility within the overall policy framework determined by the PCC and, therefore, to provide the opportunity to optimise the use of resources to emerging needs.
- 2.2.9 The Chief Constable should only be required to refer back to the PCC when virement would incur substantive changes in the policy of the PCC or where a virement might create a future year or continuing commitment. Revenue expenditure can only be funded from revenue funding.
- 2.2.10 Key controls for the scheme of virement are:
- a) it is administered by chief officers in accordance within the limits set out in Financial Regulations. Any variation from this scheme requires the approval of the PCC
  - b) the overall budget is agreed by the PCC. Chief officers and budget managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget
  - c) virement does not create additional overall budget liability.
  - d) each chief officer shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring.

### Responsibilities

- 2.2.11 The Chief Constable may use revenue provision to purchase capital items or carry out capital works subject to obtaining PCC approval where the proposed transfer exceeds £250,000.
- 2.2.12 The Director of Finance can approve any virement where the additional costs are fully reimbursed by other bodies.
- 2.2.13 For all other budgets each chief officer shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring, subject to the following approval levels

#### ***Force Budget***

*Up to £ 1,000,000*  
*Over £1,000,000*

*Director of Finance*  
*PCC or PCC CFO*

#### ***PCC's own budget***

*Up to £250,000*  
*Over £250,000*

*PCC CFO*  
*PCC*

- 2.2.14 The approval of the PCC CFO (or PCC depending on value) is required if an appropriation to/from earmarked revenue reserves or general revenue reserves is being sought, or the value of an existing appropriation is being amended.

2.2.15 The approval of the PCC shall be required if the virement involves:

- a) a substantial change in policy
- b) a significant addition to commitments in future years
- c) where resources to be transferred were originally provided to meet expenditure of a capital nature

## 2.3 CAPITAL PROGRAMME

### Why is this important?

- 2.3.1 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to TVP such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and may create financial commitments in the form of financing costs and revenue running costs.
- 2.3.2 TVP is able to undertake capital investment providing the spending plans are affordable, prudent and sustainable. CIPFA's Prudential code sets out the framework under which the Force and PCC will consider their spending plans.
- 2.3.3 The capital programme is linked to both the approved financial strategy and the capital strategy..
- 2.3.4 A medium term capital plan will be produced, in accordance with the financial strategy and the capital strategy, which shows all planned capital investment over the next 3-4 years. This plan will include a schedule to show how the planned expenditure will be funded.
- 2.3.5 A separate annual capital budget will be produced before the start of the financial year. Initially, this budget will include ongoing schemes from previous years as well as annual provisions such as vehicles, plant and equipment. Additional schemes from the medium term capital plan will be included in the annual budget after tenders have been accepted and timescales are known.
- 2.3.6 Although TVP procures capital items on behalf of consortium partners, only TVP related expenditure which will be included in the fixed asset register (i.e. including CTPSE) will be included in the medium term capital plan and the annual capital budget.

### Responsibilities of the Chief Constable

- 2.3.7 To develop and implement asset management plans. These will inform the medium term and annual capital programmes.

### Responsibilities of the PCC

- 2.3.8 To approve the estates asset management plan

### Medium Term Capital Plan

### Responsibilities of the Director of Finance

- 2.3.9 To prepare a rolling programme of proposed capital expenditure, in accordance with the agreed financial strategy and the capital strategy, for initial consideration by the Chief Constable's Management Team and then for presentation to the PCC. Each scheme shall identify the total capital cost of the project and any additional revenue commitments.

- 2.3.10 To prepare project appraisals (i.e. the Business Proposal Form) for all schemes in the draft medium term capital plan. Where appropriate these will be developed jointly with Hampshire Constabulary and/or other partners, and will include an appropriate element for optimism bias. These shall be submitted to the PCC CFO and PCC for consideration and scheme approval. This will include all additional revenue and capital costs.
- 2.3.11 To identify, in consultation with the PCC CFO, available sources of funding for the medium term capital plan, including the identification of potential capital receipts from disposal of assets.
- 2.3.12 A gap may be identified between available resources and required capital investment. Requirements should be prioritised by the Chief Constable to enable the PCC to make informed judgements as to which schemes should be included in the capital plan, the minimum level of funding required for each scheme and the potential phasing of capital expenditure.
- 2.3.13 A fully funded medium term capital plan shall, on an annual basis, be presented to the PCC for consideration and approval
- 2.3.14 Approval of the medium term capital plan by the PCC in January / February each year authorises the Chief Constable to seek planning permissions, incur professional fees and preliminary expenses as appropriate.

#### **Responsibilities of the PCC CFO**

- 2.3.15 To make recommendations to the PCC on the most appropriate level and application of revenue support, reserves and borrowing, under the Prudential Code, to support the capital plan.

#### **Responsibilities of the PCC**

- 2.3.16 To approve a fully funded medium term capital plan.

### **Annual Capital Budget**

#### **Responsibilities of the PCC**

- 2.3.17 To agree the annual capital budget, and how it is to be financed.
- 2.3.18 To prepare and maintain the annual capital budget and hold the Chief Constable to account for delivery of effective capital schemes within budget.

#### **Responsibilities of the Chief Constable**

- 2.3.19 To present an annual capital budget to the PCC for approval
- 2.3.20 To ensure expenditure on individual schemes does not exceed the approved scheme budget by more than 10% or £250,000 whichever is the lower amount
- 2.3.21 To ensure that finance leases or other credit arrangements are not entered into without the prior approval of the PCC CFO.

- 2.3.22 To ensure that, apart from professional fees (e.g. feasibility studies and planning fees) no other capital expenditure is incurred before the contract is let and the scheme is included in the annual capital budget.

### **Monitoring of Capital Expenditure**

#### **Responsibilities of the Director of Finance**

- 2.3.23 To ensure that adequate records are maintained for all capital contracts
- 2.3.24 To monitor expenditure throughout the year against the approved capital budget.
- 2.3.25 To submit capital monitoring reports to both the Chief Constable's Management Team and the PCC on a regular basis throughout the year. These reports are to be based on the most recently available financial information. The monitoring reports will show spending to date and compare projected income and expenditure with the approved budget, including usage of the Optimism Bias reserve as appropriate.
- 2.3.26 For proposed in-year amendments to the annual capital budget, for schemes not already included in the medium term capital plan, to prepare a business case for submission to the PCC for consideration and approval, including details on how the new scheme is to be funded.

#### **Responsibilities of the PCC CFO and Director of Finance**

- 2.3.27 To report on the outturn of capital expenditure as part of the annual report on the statutory accounts.

## 2.4 MAINTENANCE OF BALANCES AND RESERVES

### Why is this important?

- 2.4.1 The PCC must decide the level of general reserves he wishes to retain before he can decide the level of council tax. Reserves are maintained as a matter of prudence. They enable the organisation to provide for cash flow fluctuations and unexpected costly events and thereby help protect it from overspending the annual budget, should such events occur. Reserves for specific purposes may also be maintained where it is likely that a spending requirement will occur in the future.

### Responsibilities of the PCC CFO

- 2.4.2 To advise the PCC on reasonable levels of balances and reserves.
- 2.4.3 To report to the PCC on the adequacy of reserves and balances before he approves the annual budget and council tax (s25, LG Act 2003).
- 2.4.4 To approve appropriations to and from each earmarked reserve. These will be separately identified in the Annual Statement of Accounts.
- 2.4.5 To ensure the Annual Reserves Strategy is published on the PCC's website in accordance with Home Office requirements.

### Responsibilities of the Director of Finance

- 2.4.6 To ensure that the annual revenue budget is sufficient to finance foreseeable operational needs without having to request additional approval.
- 2.4.7 To present a business case to the PCC CFO and PCC for one-off expenditure items to be funded from earmarked and/or general reserves.

### Responsibilities of the PCC

- 2.4.8 To approve a policy on reserves and balances, including lower and upper parameters for the level of general balances
- 2.4.9 To approve the creation of each earmarked reserve. The purpose, usage and basis of transactions should be clearly identified for each reserve established.
- 2.4.10 To approve the allocation of monies to and from general and earmarked reserves, as part of the annual budget setting process.

### 3.1 RISK MANAGEMENT AND BUSINESS CONTINUITY

#### Why is this important?

- 3.1.1 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all potential significant corporate and operational risks. This should include the proactive participation of all those associated with planning and delivering services.
- 3.1.2 All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk cannot be eliminated altogether. However, risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of TVP and to ensure the continued corporate and financial wellbeing of TVP. In essence it is, therefore, an integral part of good business practice.
- 3.1.3 Business continuity is a key part of the risk management agenda and is concerned with ensuring that the organisation can continue to operate and deliver its critical services during a period of disruption.

#### Responsibilities of the PCC and Chief Constable

- 3.1.4 The PCC and Chief Constable are jointly responsible for approving the risk management policy statement and strategy, and for reviewing the effectiveness of risk management.

#### Responsibilities of Chief Officers

- 3.1.5 To prepare the TVP risk management policy statement and for promoting a culture of risk management awareness throughout TVP and reviewing risk as an ongoing process.
- 3.1.6 To maintain and/or implement new procedures, as necessary and appropriate, to identify, assess, prevent or contain material known risks, with a monitoring process in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be formalised and conducted on a continuing basis
- 3.1.7 To ensure that appropriate business continuity plans are developed, implemented and tested on a regular basis

#### Responsibilities of the PCC CFO and Director of Finance

- 3.1.8 To advise the PCC and Chief Constable on appropriate arrangements for insurance. Acceptable levels of risk should be determined and insured against where appropriate. Activities leading to levels of risk assessed as unacceptable should not be undertaken.
- 3.1.9 To arrange for an actuary to undertake a regular review of TVP's own self insurance fund and, following that review, to recommend to the Chief Constable and PCC a course of action to ensure that, over the medium term, the fund is able to meet all known liabilities.
- 3.1.10 To ensure that appropriate insurance cover is provided.
- 3.1.11 To ensure that claims made by TVP against insurance policies are made promptly



**Responsibilities of the Chief Constable**

- 3.1.12 To make all appropriate employees aware of their responsibilities for managing relevant risks
- 3.1.13 To ensure that employees, or anyone covered by TVP insurance, is instructed not to admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim
- 3.1.14 To ensure that a comprehensive risk register is produced and updated regularly, and that corrective action is taken at the earliest possible opportunity to either transfer, treat, tolerate or terminate the identified risk

**Responsibilities of the Chief Executive**

- 3.1.15 To ensure that a comprehensive risk register is produced for the OPCC and is updated regularly, and that corrective action is taken at the earliest possible opportunity to either transfer, treat, tolerate or terminate the identified risk

**Responsibilities of the Chief Executive and Head of Legal Services**

- 3.1.16 To evaluate and authorise any terms of indemnity that TVP is requested to give by external parties.

## 3.2 INTERNAL CONTROL SYSTEM

### Why is this important?

- 3.2.1 Internal control refers to the systems of control devised by management to help ensure TVP objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that TVP assets and interests are safeguarded.
- 3.2.2 TVP is complex and requires an internal control framework to manage and monitor progress towards strategic objectives. TVP has statutory obligations and therefore requires a system of internal control to identify, meet and monitor compliance with these obligations.
- 3.2.3 TVP faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. A system of internal control is necessary to manage these risks. The system of internal control is established in order to provide achievement of:
- efficient and effective operations
  - reliable financial information and reporting
  - compliance with laws and regulations
  - risk management

### Responsibilities of Chief Officers

- 3.2.4 To implement effective systems of internal control, in accordance with advice from the PCC CFO and Director of Finance. These arrangements shall ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public resources are properly safeguarded and used economically, efficiently and effectively.
- 3.2.5 To ensure that effective key controls are operating in managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance information and taking appropriate anticipatory and remedial action where necessary. The key objective of these control systems is to define roles and responsibilities.
- 3.2.6 To ensure that effective key controls are operating in financial and operational systems and procedures. This includes physical safeguard of assets, segregation of duties, authorisation and approval procedures and robust information systems.
- 3.2.7 To produce Annual Governance Statements for consideration and approval by the PCC and Chief Constable.
- 3.2.8 To consider and respond promptly to control weaknesses and issues in audit reports and ensure that all critical or significant agreed actions arising from the audit are carried out in accordance with the agreed action plan included in each report.

### 3.3 AUDIT REQUIREMENTS

#### Joint Independent Audit Committee

##### Why is this important?

- 3.3.1 The purpose of an audit committee is to provide those charged with governance (i.e. the PCC and Chief Constable) independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place

##### Responsibilities of the PCC and Chief Constable

- 3.3.2 To recruit and appoint 3-5 members of the Committee. These members should be independent of both the PCC and the Force
- 3.3.3 To determine the Committee Terms of Reference (or Operating Principles)
- 3.3.4 To prepare and sign annual letters of representation and submit to the external auditor
- 3.3.5 To receive and act upon the annual assurance statement from the Committee

#### Internal Audit

##### Why is this important?

- 3.3.6 Internal audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment, by evaluating the adequacy and effectiveness of internal controls that are in place to manage and mitigate financial and non-financial risk to support delivery of the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
- 3.3.7 The requirement for an internal audit function for local authorities is either explicit or implied in the relevant local government legislation (section 151 of the Local Government Act 1972), which requires that authorities "make arrangements for the proper administration of their financial affairs". In the Police Service the PCC and Chief Constable are required to maintain an effective audit of their affairs by virtue of the Accounts and Audit Regulations 2015 (as amended) which state that a "relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control". The guidance accompanying the legislation states that proper internal control practices for internal audit are those contained in the Public Sector Internal Audit Standards.
- 3.3.8 In fulfilling this requirement the PCC and Chief Constable should have regard to the Public Sector Internal Audit Standards.

- 3.3.9 In addition to enabling the PCC and the Chief Constable to fulfil their requirements in relation to the relevant Accounts and Audit Regulations, internal Audit is needed to satisfy the PCC and the Chief Constable that effective internal control systems are in place.

#### **Responsibilities of the Joint Independent Audit Committee**

- 3.3.10 In terms of internal audit the Joint Independent Audit Committee's operating principles will include the following key activities and responsibilities:
- Annually review the internal audit charter and resource
  - Receive and consider the adequacy and effectiveness of the arrangements for the provision of the internal audit service
  - Consider and comment on the Internal Audit Strategy and Plan.
  - Receive and review internal audit reports and monitor progress of implementing agreed actions
  - The consider the Head of Internal Audit's statement on the level of conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note and the results of the Quality Assurance and Improvement Programme that support the statement
  - Consider and comment upon the annual report of the Head of Internal Audit
  - Obtain assurance that an annual review of the effectiveness of the internal audit function takes place
- 3.3.11 To note and endorse the Internal Audit Strategy and Joint Internal Audit Plan, which sets out the joint Internal Audit Team's:
- objectives and outcomes;
  - Planning methodology;
  - Resources;
  - Annual Plan; and
  - Performance measurements.

#### **Responsibilities of the PCC, Chief Constable, PCC CFO and Director of Finance**

- 3.3.12 To ensure the provision of an adequate and effective internal audit service.
- 3.3.13 To ensure that internal auditors, having been security cleared, have the authority to:
- access TVP premises at reasonable times
  - access all assets, records, documents, correspondence, control systems and appropriate personnel, subject to appropriate security clearance
  - receive any information and explanation considered necessary concerning any matter under consideration
  - require any employee to account for cash, stores or any other TVP asset under their control
  - access records belonging to contractors, when required. This shall be achieved by including an appropriate clause in all contracts.
- 3.3.14 Internal Audit shall have direct access to all Chief Officers and employees, where necessary, to discharge their responsibilities.

### **Responsibilities of the PCC CFO and the Director of Finance**

- 3.3.15 To approve the annual internal audit plan, having considered the views expressed by stakeholders, including the Joint Independent Audit Committee.
- 3.3.16 To approve in-year variations to the annual internal audit plan.

### **Responsibilities of the Chief Internal Auditor**

- 3.3.17 To prepare - in consultation with the PCC, Chief Constable, PCC CFO and Director of Finance - an annual audit plan that conforms to the Public Sector Internal Audit Standards, for consideration by the Joint Independent Audit Committee.
- 3.3.18 To attend meetings of the Joint Independent Audit Committee and to present to each Committee a report on the progress in delivering the annual plan, the matters arising from audits, and the extent to which agreed actions in response to issues raised in the audit reports have been delivered.
- 3.3.19 To present an annual report to the Joint Independent Audit Committee, including an opinion on the effectiveness of the internal control environment in TVP.

### **Responsibilities of Chief Officers**

- 3.3.20 To consider and respond promptly to control weaknesses and issues in audit reports and ensure that all critical or significant agreed actions arising from the audit are carried out in accordance with the agreed action plan included in each report.

### **Responsibilities of the Director of Finance**

- 3.3.21 To ensure that new systems for maintaining financial records or records of assets, or significant changes to existing systems, are discussed with and agreed by the PCC CFO and internal audit prior to implementation.
- 3.3.22 To notify the PCC CFO immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of TVP property or resources. Pending investigation and reporting, the Chief Constable should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration. Investigation of internal financial irregularities shall normally be carried out by the Professional Standards Department, who shall consult with the Chief Internal Auditor as appropriate and keep him informed of progress. At the conclusion of the investigation the Chief Internal Auditor shall be informed of the outcome and agree with the Head of Professional Standards and the Director of Finance whether any internal audit review of the internal controls would be beneficial. The operation of this Regulation shall be in accordance with the agreed protocol between the Head of Professional Standards, the Director of Finance and the Chief Internal Auditor.

## **External Audit**

### **Why is this important?**

- 3.3.23 The PCC and the Chief Constable are responsible for selecting and appointing their own external auditor. They may choose to do this by using the Public Sector Audit Appointments (PSAA) Ltd.
- 3.3.24 The external auditor has rights of access to all documents and information necessary for audit purposes.
- 3.3.25 The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, the Audit Commission Act 1998 and the Local Government Act 1999. In particular, section 4 of the 1998 Act requires the National Audit Office to prepare a code of audit practice, which external auditors follow when carrying out their duties. The code of audit practice sets out the auditor's objectives to review and report upon:
- the audited body's financial statements
  - aspects of the audited body's arrangements to secure Value for Money.
- 3.3.26 In auditing the annual accounts the external auditor must satisfy themselves, in accordance with Section 5 of the 1998 Act, that:
- the accounts are prepared in accordance with the relevant regulations;
  - they comply with the requirements of all other statutory provisions applicable to the accounts;
  - proper practices have been observed in the compilation of the accounts; and
  - the body whose accounts are being audited has made proper arrangements for securing economy, efficiency and effectiveness.
- 3.3.27 The 1998 Act sets out other specific responsibilities of the auditor, for example under the section on financial reporting.

### **Responsibilities of the Joint Independent Audit Committee**

- 3.3.28 To approve the annual work plan and fee
- 3.5.1 To receive and respond to the ISA 260 Audit Results report on the financial statements and value for money
- 3.3.29 To receive the annual audit letter

### **Responsibilities of the PCC CFO and Director of Finance**

- 3.3.30 To liaise with the external auditor and advise the PCC and Chief Constable on their responsibilities in relation to external audit and ensure there is effective liaison between external and internal audit.
- 3.3.31 To ensure that for the purposes of their work the external auditors are given the access to which they are statutorily entitled in relation to TVP premises, assets, records, documents, correspondence, control systems and personnel, subject to appropriate security clearance.

- 3.3.32 To respond to draft action plans and to ensure that agreed recommendations are implemented in a timely manner

**Responsibilities of the PCC and Chief Constable**

- 3.3.33 To select and appoint the external auditor

### 3.4 PREVENTING FRAUD AND CORRUPTION

#### Why is this important?

- 3.4.1 TVP will not tolerate fraud or corruption in the administration of its responsibilities, whether from inside or outside TVP.
- 3.4.2 TVP expectation of propriety and accountability is that the PCC, Chief Constable and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- 3.4.3 TVP also expects that individuals and organisations (e.g. suppliers, contractors, and service providers) with whom it comes into contact will act with honesty and integrity.

#### Responsibilities of the PCC and Chief Constable

- 3.4.4 To approve and adopt a policy on registering of interests and the receipt of hospitality and gifts
- 3.4.5 To maintain an effective anti-fraud, bribery and corruption policy, including relevant provisions in the Bribery Act 2010.
- 3.4.6 To ensure that adequate and effective internal control arrangements are in place
- 3.4.7 To maintain a policy for the registering of interests and the receipt of hospitality and gifts covering the PCC, Chief Constable and all employees. A register of interests and a register of hospitality and gifts shall be maintained for the PCC and employees.
- 3.4.8 To adopt and maintain a whistle blowing policy to provide a facility that enables employees, the general public and contractors to make allegations of fraud, misuse and corruption in confidence, and without recrimination, to an independent contact. Procedures shall ensure that allegations are investigated robustly as to their validity, that they are not malicious and that appropriate action is taken to address any concerns identified. The Chief Constable shall ensure that all employees are aware of any approved whistle blowing policy.
- 3.4.9 To implement and maintain a clear internal financial control framework setting out the approved financial systems to be followed by the PCC, Chief Constable and all employees.
- 3.4.10 To investigate, as appropriate, all allegations of bribery, fraud and corruption.



### 3.5 ASSETS - Acquisition, Ownership and Disposal

#### Why is this important?

- 3.5.1 TVP holds assets in the form of land, property, vehicles, equipment, furniture and other items, together worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, that there are arrangements for the security of both assets and information required for service operations and that proper arrangements exist for the disposal of assets. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.
- 3.5.2 It would be uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and the policies and regulations of the PCC and Chief Constable.

#### Context

- 3.5.3 The PCC will own all estate assets i.e. land and buildings.
- 3.5.4 The Chief Constable is responsible for the direction and control of the Force and therefore has day-to-day management of all assets used by the Force.
- 3.5.5 The PCC has given consent to the Chief Constable to own, operate and dispose of all non-estate assets (i.e. vehicles, plant and equipment).
- 3.5.6 The Chief Constable should formally consult the PCC in planning the draft budget and developing the medium term financial strategy. Both these processes should involve a full assessment of the assets required to meet operational requirements, including in terms of human resources, infrastructure, land, property and equipment.

#### Responsibilities of the Chief Constable

- 3.5.7 To ensure that the medium term financial plan is reliable and robust and, in particular, to ensure that:
  - a) an estates asset management plan is produced and presented to the PCC for approval
  - b) the property portfolio is managed in accordance with the agreed estates asset management plan and within budgetary provisions, in consultation with the Chief Executive and PCC CFO as appropriate
  - c) lessees and other prospective occupiers of TVP land are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate
  - d) an overview of the ICT strategy is produced and presented to the PCC for consideration and endorsement each year

#### Responsibilities of the PCC

- 3.5.8 To approve an estates asset management plan, including disposals.

- 3.5.9 To ensure that the title deeds to TVP property are held securely

#### **Joint responsibilities of the Chief Constable and PCC**

- 3.5.10 To ensure that:

- a) an asset register is maintained to provide TVP with information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued in accordance with statutory and management requirements
- b) assets and records of assets are properly maintained and securely held and that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place
- c) all employees are aware of their responsibilities with regard to safeguarding TVP assets and information, including the requirements of the Data Protection Act and software copyright legislation
- d) assets no longer required are disposed of in accordance with the law and the regulations of the TVP
- e) all employees are aware of their responsibilities with regard to safeguarding the security of TVP ICT systems, including maintaining restricted access to the information held on them and compliance with the information and security policies.

#### **Asset Disposal**

##### **Consent from the PCC**

- 3.5.11 The PCC has given consent to the Chief Constable to dispose of all non-estate assets (e.g. vehicles, plant and equipment) in accordance with the Financial Strategy.

##### **Responsibilities of the Chief Constable**

- 3.5.12 To arrange for the disposal of (without the specific approval of the PCC):
- a) Non-estate assets at the appropriate time and at the most advantageous price. Where this is not the highest offer, the Chief Constable shall consult with the PCC CFO.
  - b) Police houses and other surplus land and buildings with an estimated sale value of less than £500,000. Where this is not the highest offer, the Chief Constable shall consult with the PCC CFO.

##### **Responsibilities of the PCC**

- 3.5.13 To approve the disposal of police houses and other surplus land and buildings with an estimated sale value of over £500,000

### **Responsibilities of the Director of Finance**

- 3.5.14 To record all asset disposals in the asset register.

### **Responsibilities of the PCC CFO and Director of Finance**

- 3.5.15 To ensure that income received for the disposal of an asset is properly banked and accounted for.
- 3.5.16 To ensure that appropriate accounting entries are made to remove the value of disposed assets from TVP records and to include the sale proceed if appropriate.

### **Interests in Land**

#### **Responsibilities of the Chief Constable**

- 3.5.17 The Chief Constable, shall:
- a) Arrange to grant or take or terminate leases or tenancies in land, and approve any assignment or sub-letting thereof, without the specific approval of the PCC, up to an annual rental of £100,000;
  - b) take, grant, waive or revoke covenants, easements, wayleaves, licences or other rights of user in respect of the TVP property on terms

#### **Responsibilities of the PCC and Chief Executive**

- 3.5.18 The Chief Executive shall grant or take or terminate leases or tenancies in land, and approve any assignment or sub-letting thereof, above an annual rental of £100,000 but below £500,000.
- 3.5.19 The PCC shall grant or take or terminate leases or tenancies in land, and approve any assignment or sub-letting thereof, above an annual rental of £500,000.

### **Valuation**

#### **Responsibilities of the Director of Finance**

- 3.5.20 To maintain an asset register for all fixed assets with a value in excess of the limits shown below, in a form approved by the PCC CFO. Assets are to be recorded when they are acquired by TVP. Assets shall remain on the asset register until disposal. Assets are to be valued in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom* and the requirements specified by the PCC CFO

<i>Land &amp; Buildings</i>	<i>All values</i>
<i>Vehicles</i>	<i>All values</i>
<i>ICT hardware</i>	<i>All values</i>
<i>Plant &amp; Equipment</i>	<i>£100,000</i>

## **Stocks and Stores**

### **Responsibilities of the Director of Finance**

- 3.5.21 To make arrangements for the care, custody and control of the stocks and stores of TVP and to maintain detailed stores accounts.
- 3.5.22 To undertake a complete stock check at least once per year either by means of continuous or annual stocktake. The stocktake shall be undertaken and certified by an authorised member of staff who is independent of the stock keeping function. This procedure shall be followed and a complete stock check undertaken whenever stock keeping duties change.
- 3.5.23 To write-off any discrepancies between the actual level of stock and the book value of stock up to £25,000 in value. Any items over £25,000 require the approval of the PCC CFO
- 3.5.24 To write-off obsolete stock up to the value of £25,000. Any write-offs over £25,000 require the approval of the PCC CFO

## **Intellectual Property**

### **Why is this important?**

- 3.5.25 Intellectual property is a generic term that includes inventions and writing e.g. computer software.
- 3.5.26 It is TVP policy that if any Intellectual Policy is created by the employee during the course of employment then, as a general rule, this will belong to the employer, not the employee. Various acts of Parliament cover different types of intellectual property. Certain activities undertaken within TVP may give rise to items that could be patented, for example, software development. These items are collectively known as intellectual property.
- 3.5.27 In the event that TVP decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with an intellectual property policy. Matters should only proceed after legal advice

### **Responsibilities of the Chief Constable**

- 3.5.28 To prepare guidance on intellectual property procedures and ensuring that employees are aware of these procedures.

### **Responsibilities of the Chief Constable and PCC**

- 3.5.29 To approve the intellectual property policy

## 3.6 TREASURY MANAGEMENT AND BANKING ARRANGEMENTS

### Treasury Management

#### Why is this important?

3.6.1 TVP is a large organisation that handles hundreds of millions of pounds in each financial year. It is important that TVP money is managed properly, in a way that balances risk with return, but with the prime consideration being given to the security of the TVP capital sum.

3.6.2 TVP will create and maintain, as the cornerstones for effective treasury management:

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
- Suitable Treasury Management Practices (TMPs) setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

#### Responsibilities of the PCC

3.6.3 To adopt the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code).

3.6.4 To approve the annual treasury management policy and annual investment strategy

3.6.5 To receive and approve quarterly treasury management performance monitoring reports

#### Responsibilities of the PCC CFO

3.6.6 To implement and monitor treasury management policies and practices in line with the CIPFA Code and other professional guidance

3.6.7 To prepare reports on the PCC's treasury management policies, practices and activities, including, as a minimum, an annual strategy, quarterly performance monitoring reports and an annual report.

3.6.8 To execute and administer treasury management in accordance with the CIPFA Code and the PCC's policy.

3.6.9 To arrange borrowing and investments, in compliance with the CIPFA Code

3.6.10 To ensure that all investments and borrowings are made in the name of TVP.

## **Banking Arrangements**

### **Why is this important?**

- 3.6.11 Our banking activities are controlled by a single contract which aims to provide a wide range of complex and specialist banking services to TVP departments, establishments and staff. A consistent and secure approach to banking services is essential in order to achieve optimum performance from TVP bankers and the best possible value for money. To minimise administration and costs the PCC and Chief Constable will share bank accounts.

### **Responsibilities of the PCC CFO**

- 3.6.12 To have overall responsibility for the banking arrangements for TVP.
- 3.6.13 To authorise the opening and closing of all TVP bank accounts. With the exception of 3.6.17 below no other employee shall open a bank account unless they are performing a statutory function (e.g. treasurer of a charitable body) in their own right
- 3.6.14 To undertake bank reconciliations on a timely and accurate basis.
- 3.6.15 To determine signatories on all TVP bank accounts
- 3.6.16 To authorise the opening and closing of the digital apprenticeship levy accounts

### **Responsibilities of the Director of Finance**

- 3.6.17 To authorise the opening and closing of TVP bank accounts, for specific purposes, as agreed with the PCC CFO.
- 3.6.18 To undertake bank reconciliations on a timely and accurate basis for these specific bank accounts.
- 3.6.19 To determine signatories on these specific TVP bank accounts
- 3.6.20 To determine appropriate internal control arrangements for operating the digital apprenticeship levy accounts

## **Imprest Accounts / Petty Cash**

### **Why is this important?**

- 3.6.21 Cash advances may be made to an individual in a department / establishment in order that relatively small incidental payments may be made quickly. A record of disbursements from the account should be maintained to control the account and so that the expenditure may be substantiated, accurately reflected in the TVP accounts and correctly reimbursed to the account holder.

### **Responsibilities of the Chief Constable**

- 3.6.22 To provide appropriate employees of TVP with cash, bank imprests or pre-paid cash cards to meet minor expenditure on behalf of TVP. The Chief Constable shall determine reasonable petty cash limits and maintain a record of all transactions and petty cash advances made, and periodically review the arrangements for the safe custody and control of these advances.
- 3.6.23 To prepare detailed Financial Instructions for dealing with petty cash, to be agreed with the PCC CFO, and these shall be issued to all appropriate employees.

### **Money Laundering**

#### **Why is this important?**

- 3.6.24 TVP is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money.
- 3.6.25 Suspicious cash deposits in any currency in excess of €15,000 (or equivalent) should be reported to the National Crime Agency (NCA)
- 3.6.26 TVP will monitor its internal control procedures to ensure they are reliable and robust.

### **Responsibilities of the PCC CFO**

- 3.6.27 To be the nominated Money Laundering Reporting Officer (MLRO) for TVP.
- 3.6.28 Upon receipt of a disclosure to consider, in the light of all information, whether it gives rise to such knowledge or suspicion.
- 3.6.29 To disclose relevant information to the National Crime Agency (NCA)

### **Responsibilities of Chief Officers**

- 3.6.30 To undertake appropriate checks to ensure that all new suppliers and counterparties are bona fide

### **Responsibilities of employees**

- 3.6.31 To notify the PCC CFO as soon as they receive information which may result in them knowing or having reasonable grounds for knowing or suspecting money laundering, fraud or use of the proceeds of crime
- 3.6.32 Cash bankings from a single source over €15,000 should be reported to the PCC CFO. This instruction does not apply to seizures and subsequent bankings under the Proceeds of Crime Act (see Financial Regulation 3.9).

## 3.7 STAFFING

### Why is this important?

- 3.7.1 Staffing costs form the largest element of the annual policing budget. An appropriate People strategy should exist, in which staffing requirements and budget allocations are matched. The Chief Constable is responsible for approving the overall People strategy.

### Responsibilities of the Chief Constable

- 3.7.2 To ensure that employees are appointed, employed and dismissed in accordance with relevant statutory regulations, national agreements and personnel policies, budgets and strategies.
- 3.7.3 To advise the PCC on the budget necessary in any given year to cover estimated staffing levels
- 3.7.4 To adjust the staffing numbers to meet the approved budget provision, and varying the provision as necessary within policy constraints in order to meet changing operational needs
- 3.7.5 To have systems in place to record all matters affecting payments to staff, including appointments, resignations, dismissals, secondments, suspensions, transfers and all absences from work.
- 3.7.6 To approve policy arrangements for premature retirements on grounds of ill-health or efficiency for all staff and redundancy arrangements for support staff.

### Responsibilities of the Chief Executive

- 3.7.7 To have the same responsibilities as above for staff employed directly by the PCC.



## 3.8 TRUST FUNDS

### Why is this important?

- 3.8.1 Trust Funds have a formal legal status governed by a Deed of Trust. Employees and police officers acting as trustees must ensure that they are conversant with the requirements of the Trust Deed and the law and comply fully with them.
- 3.8.2 The TVP financial procedures and financial regulations should be viewed as best practice, which ought to be followed whenever practicable.
- 3.8.3 Examples include the TVP Benevolent Fund, TVP Civilian Staff Welfare Fund, TVP Welfare Fund, Thames Valley Special Constabulary Fund and the Sullhamstead Police college Trust Fund..
- 3.8.4 No employee shall open a trust fund without the specific approval of the Chief Constable or the PCC.

### Responsibilities of Trustees

- 3.8.5 All employees acting as trustees by virtue of their official position shall ensure that accounts are audited as required by law and submitted annually to the appropriate body, and the PCC CFO and/or Director of Finance shall be entitled to verify that this has been done.

### 3.9 ADMINISTRATION OF EVIDENTIAL & NON-EVIDENTIAL PROPERTY

#### Why is this important?

- 3.9.1 The Chief Constable is required to exercise a duty of care and safeguard evidential or non-evidential property pending decisions on its ownership, or private property of an individual e.g. a suspect in custody.

#### Responsibilities of the Chief Constable

- 3.9.2 To determine procedures for the safekeeping of the private property of a person, other than a member of staff, under his guardianship or supervision. These procedures shall be made available to all appropriate employees. For more detailed information please refer to the Evidential and Non-Evidential Standard Operating Procedure (SOP).
- 3.9.3 To determine procedures for the safekeeping of evidential or non-evidential property. These procedures shall be made available to all appropriate employees and shall make specific reference to the need for insurance of valuable items.
- 3.9.4 To issue separate Financial Instructions for dealing with cash, including seized cash under the Proceeds of Crime Act

#### Responsibilities of all employees

- 3.9.5 To notify the Chief Constable immediately in the case of loss or diminution in value of such private property.

#### **Police Property Act Fund**

#### Why is this important?

- 3.9.6 The Police Property Act Fund consists of:
- (a) the proceeds of sale of property to which the Police (Property) Regulations 1997 apply (usually seized property where the owner has not been ascertained); and
  - (b) money to which those Regulations apply
- 3.9.7 The Fund may be used to:
- (a) Defray expenses connected with the custody and sale of the property
  - (b) Pay reasonable compensation to persons by whom property has been delivered to the police
  - (c) Make payments for charitable purposes
- 3.9.8 The Regulations also make provision for property to vest in the PCC (where it can be used for police purposes) or to be destroyed or disposed of (where the nature of the property is such that it is not in the public interest for it to be sold or retained)

**Responsibilities of PCC and Chief Constable**

- 3.9.9 The PCC and Chief Constable shall jointly determine the payments to be made in accordance with the Regulations, and the recipients thereof.
- 3.9.10 The PCC shall determine, on a recommendation made by or on behalf of the Chief Constable, whether any property to which the Regulations apply can be used for police purposes and, if so, whether such property shall be retained by and vest in the PCC.
- 3.9.11 The Chief Constable shall determine whether the nature of any property to which the Regulations apply is such that it is not in the public interest that it should be sold or retained and give directions as to the destruction or disposal of such property.

### **3.10 GIFTS, LOANS AND SPONSORSHIP**

- 3.10.1 This does not include the receipt of hospitality and gifts – please see Section 3.4

#### **Why is this important?**

- 3.10.2 In accordance with the Police Act 1996, the PCC may decide to accept gifts of money and gifts or loans of other property or services (e.g. car parking spaces) if they will enable the police either to enhance or extend the service which they would normally be expected to provide. The terms on which gifts or loans are accepted may allow commercial sponsorship of some police force activities.

#### **Context**

- 3.10.3 Gifts, loans and sponsorship are particularly suitable for multi-agency work such as crime prevention, community relations work, and victim support schemes.
- 3.10.4 Gifts, loans and sponsorship can be accepted from any source which has genuine and well intentioned reasons for wishing to support specific projects. In return, the provider may expect some publicity or other acknowledgement. It is acceptable to allow the provider to display the organisation's name or logo on publicity material, provided this does not dominate or detract from the purpose of the supported project.

#### **Responsibilities of the PCC**

- 3.10.5 To approve the policy on gifts, loans and sponsorship

#### **Responsibilities of the Chief Constable**

- 3.10.6 To accept gifts, loans or sponsorship within agreed policy guidelines.
- 3.10.7 To refer all gifts, loans and sponsorship above £50,000 to the PCC for approval before they are accepted.

#### **Responsibilities of the Director of Finance**

- 3.10.8 To present an annual report to the PCC listing all gifts, loans and sponsorship.
- 3.10.9 To maintain a central register, in a format agreed by the PCC CFO, of all sponsorship initiatives and agreements including their true market value, and to provide an annual certified statement of all such initiatives and agreements. The register will be made available to the PCC CFO, who shall satisfy himself that it provides a suitable account of the extent to which such additional resources have been received.
- 3.10.10 To bank cash from sponsorship activity in accordance with normal income procedures.

## 4.1 SYSTEMS & PROCESSES - INTRODUCTION

### Why is this important?

- 4.1.1 There are many systems and procedures relating to the control of TVP assets, including purchasing, costing and management systems. TVP is reliant on computers for financial management information. This information must be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.
- 4.1.2 The PCC CFO and Director of Finance both have a statutory responsibility to ensure that TVP financial systems are sound and should therefore be notified of any proposed new developments or changes.

### Responsibilities of the PCC CFO and Director of Finance

- 4.1.3 To make arrangements for the proper administration of TVP financial affairs, including to:
- issue advice, guidance and procedures for officers and others acting on behalf of TVP
  - determine the accounting systems, form of accounts and supporting financial records
  - establish arrangements for the audit of TVP financial affairs
  - approve any new financial systems to be introduced
  - approve any changes to existing financial systems.
- 4.1.4 To ensure, in respect of systems and processes, that
- systems are secure, adequate internal control exist and accounting records (e.g. invoices, income documentation) are properly maintained and held securely. This is to include an appropriate segregation of duties to minimise the risk of error, fraud or other malpractice.
  - appropriate controls exist to ensure that all systems input, processing and output is genuine, complete, accurate, timely and not processed previously
  - a complete audit trail is maintained, allowing financial transactions to be traced from the accounting records to the original document and vice versa
  - systems are documented and staff trained in operations
- 4.1.5 To ensure that there is a documented and tested business continuity plan to allow key system processing to resume quickly in the event of an interruption. Effective contingency arrangements, including back up procedures, are to be in place in the event of a failure in computer systems
- 4.1.6 To establish and maintain Financial Instructions identifying staff authorised to act on their behalf in respect of income collection, placing orders, making payments and employing staff.

## 4.2 INCOME

### Why is this important?

- 4.2.1 Income is vital to TVP and effective systems are necessary to ensure that all income due is identified, collected, receipted and banked promptly.

### Context

- 4.2.2 The PCC and Chief Constable should adopt the NPCC national charging policies and national guidance when applying charges for services and goods, including special services (section 25 Police Act), Mutual Aid (section 26 Police Act) and Goods & Services (section 18 Local Government Act). They should keep in mind that the purpose of charging is to ensure that, wherever appropriate, those using the services pay for them.
- 4.2.3 When specifying resource requirements the Chief Constable will identify the expected income from charging. The Chief Constable should adopt NPCC charging policies in respect of mutual aid.
- 4.2.4 The PCC and Chief Constable should ensure that there are arrangements in place to ensure that expected charges are clearly identified in their budgets and that costs are accurately attributed and charged. When considering budget levels the PCC and Chief Constable should ensure that ongoing resource requirements are not dependant on a significant number of uncertain or volatile income sources and should have due regard to sustainable and future year service delivery.

### Responsibilities of the Chief Constable and PCC

- 4.2.5 To adopt the NPCC national charging policies and national guidance

### Responsibilities of the Director of Finance and PCC CFO

- 4.2.6 To make arrangements for the collection of all income and approve the procedures, systems and documentation for its collection, including the correct charging of VAT
- 4.2.7 To agree a charging policy for the supply of goods and services, including the appropriate charging of VAT, and to review it regularly in line with corporate policies. All charges should be at full cost recovery except where regulations require otherwise or with the express approval of the PCC.
- 4.2.8 To ensure that all income is paid fully and promptly into the TVP Income Bank Account. Appropriate details should be recorded on to paying-in slips to provide an audit trail.
- 4.2.9 To ensure income is not used to cash personal cheques or make other payments.
- 4.2.10 To order and supply to appropriate employees all receipt forms, books or tickets and similar items and be satisfied as to the arrangements for their control. Official receipts or other suitable documentation shall be issued for all income received.
- 4.2.11 To operate effective debt collection and recovery procedures.

- 4.2.12 To approve the write-off of bad debts up to the level shown below. Amounts for write-off above this value must be referred to the PCC for approval, supported by a written report explaining the reason(s) for the write-off.

<i>Up to £20,000</i>	<i>Director of Finance and/or PCC CFO</i>
<i>£20,000- £50,000</i>	<i>Director of Finance and/or PCC CFO in consultation with the Chief Executive</i>
<i>Over £50,000</i>	<i>PCC</i>

#### **Responsibilities of the Director of Finance**

- 4.2.13 To prepare detailed Financial Instructions for dealing with income, to be agreed with the PCC CFO, and to issue them to all appropriate employees.

### 4.3 ORDERING AND PAYING FOR WORK, GOODS AND SERVICES

#### Why is this required?

- 4.3.1 TVP has a statutory duty to ensure financial probity and best value. The PCC and Chief Constable's joint financial regulations and purchasing procedures help to ensure that the public can receive value for money. These procedures should be read in conjunction with the contract regulations in Section 5.

#### Responsibilities of the Director of Finance

- 4.3.2 To maintain a procurement policy covering the principles to be followed for the purchase of goods and services.
- 4.3.3 To issue official orders for all work, goods or services to be supplied to TVP, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions approved by the PCC CFO. Orders must be in a form approved by the PCC CFO.
- 4.3.4 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of TVP contracts.
- 4.3.5 Goods and services ordered must be appropriate and there must be adequate budgetary provision. Quotations or tenders must be obtained where necessary, in accordance with these regulations.
- 4.3.6 Payments are not to be made unless goods and services have been received by TVP at the correct price, quantity and quality in accordance with any official order.
- 4.3.7 To ensure that payments are made to the correct person, for the correct amount, on time (i.e. with 28 days) and are recorded properly, regardless of the method of payment.
- 4.3.8 To ensure that VAT is recovered where appropriate
- 4.3.9 To ensure that all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected
- 4.3.10 To ensure that all purchases made through e-procurement follow the rules, regulations and procedures, as set out in the Contract Regulations – see section 5.
- 4.3.11 To prepare, in consultation with the PCC CFO, detailed Financial Instructions for dealing with the ordering and payment of goods and services, and to issue these to all appropriate employees.

#### Responsibilities of the Chief Officers

- 4.3.12 To ensure that every employee is made aware of the need to declare any links or personal interests that they may have with purchasers, suppliers and contractors if they are engaged in contractual or purchasing decisions on behalf of TVP and that such persons take no part in the selection of a supplier or contract with which they are connected.



## 4.4 PAYMENTS TO EMPLOYEES

### Why is this required?

- 4.4.1 Employee costs are the largest item of expenditure for most police forces. It is therefore important that there are controls in place to ensure accurate, timely and valid payments are made in accordance with individuals' conditions of employment.

### Responsibilities of the Director of Finance

- 4.4.2 To ensure, in consultation with the PCC CFO, the secure and reliable payment of salaries, overtime, pensions, compensation and other emoluments to existing and former employees.
- 4.4.3 To ensure that tax, superannuation and other deductions are made correctly and paid over at the right time to the relevant body.
- 4.4.4 To pay all valid travel and subsistence claims or financial loss allowance.
- 4.4.5 To pay salaries, wages, pensions and reimbursements by the most economical means.
- 4.4.6 To ensure that payroll transactions are processed only through the payroll system. Payments to individuals employed on a self-employed consultant or subcontract basis shall only be made in accordance with HM Revenue & Customs (HMRC) requirements. The HMRC applies a tight definition of employee status, and in cases of doubt, advice should be sought from them.
- 4.4.7 To ensure that full records are maintained of payments in kind and properly accounted for in any returns to the HMRC.
- 4.4.8 To prepare detailed Financial Instructions for dealing with payments to employees, to be agreed with the PCC CFO, and these shall be issued to all appropriate employees.

## 4.5 TAXATION

### Why is this important?

- 4.5.1 Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe.

### Responsibilities of the PCC CFO

- 4.5.2 To ensure the timely completion and submission of all HM Revenue & Customs (HMRC) returns regarding PAYE and that due payments are made in accordance with statutory requirements
- 4.5.3 To ensure the timely completion and submission of VAT claims, inputs and outputs to HMRC

### Responsibilities of the PCC CFO and Director of Finance

- 4.5.4 To ensure that the correct VAT liability is attached to all income due and that all VAT receivable on purchases complies with HMRC regulations
- 4.5.5 To provide details to the HMRC regarding the construction industry tax deduction scheme.
- 4.5.6 To ensure that appropriate technical staff have access to up to date guidance notes and professional advice.

## 4.6 CORPORATE CREDIT CARDS AND PURCHASING CARDS

### Why is this important?

- 4.6.1 Credit cards provide an effective method for payment for designated officers who, in the course of their official business, have an immediate requirement for expenditure which is relevant to the discharge of their duties.
- 4.6.2 Purchase cards are an alternative method of buying and paying for relatively low value goods, which generate a high volume of invoices. This should generate an efficiency saving from lower transaction costs (i.e. fewer invoices processed and paid for through the integrated accounts payable system), as well as reducing the number of petty cash transactions
- 4.6.3 Commercial, credit and purchasing cards ['cards'] are only issued in TVP, where a clear business need is identified

### Responsibilities of the Director of Finance

- 4.6.4 In conjunction with the PCC CFO to provide Financial Instructions to all cardholders.
- 4.6.5 To authorise and maintain control over the issue of cards.
- 4.6.6 To reconcile the 'card' account to the ledger on a monthly basis.

### Responsibilities of credit card holders

- 4.6.7 To ensure that purchases are in accordance with approved TVP policies e.g. catering, hospitality
- 4.6.8 To provide receipted details of all payments made by 'card' each month to ensure that all expenditure is correctly reflected in the accounts and that VAT is recovered.
- 4.6.9 Card holders are responsible for ordering and paying for goods and services in accordance with the Force procurement policy, contract regulations and all procedures laid down by the Director of Finance.

## 4.7 EX GRATIA PAYMENTS

### Why is this important?

- 4.7.1 An ex gratia payment is a payment made by TVP where no legal obligation has been established. An example may be recompense to a police officer for damage to personal property in the execution of duty or to a member of the public for providing assistance to a police officer in the execution of duty.

### Responsibilities of the Chief Constable and PCC

- 4.7.2 To make ex gratia payments to members of the public up to the level shown below in any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of TVP
- 4.7.3 To make ex gratia payments up to the level shown below in any individual instance, for damage or loss of property or for personal injury to a police officer, police staff or any member of the extended police family, in the execution of duty.

*Up to £10,000*  
*Over £10,000*

*Head of Legal Services or Chief Executive*  
*PCC*

- 4.7.4 To maintain details of ex gratia payments in a register:

## 5.1 CONTRACT REGULATIONS

### What is a contract?

- 5.1.1 A contract is an agreement between two parties for the supply of goods and/or services. Employees should avoid giving verbal commitments to suppliers as this can constitute a contract.
- 5.1.2 The terms and conditions to be applied to the contract provide clarity and protection to the participants, and the specification of the requirement should be clearly understood by both parties. A contract's length and complexity is likely to depend on the extent of cost and complexity of the goods or services to be supplied.

### Why are these important?

- 5.1.3 All employees engaged in the following activities, shall make every effort to ensure that the best value for money is achieved for the acquisition and delivery of:
- a) goods or materials;
  - b) services and consultancy;
  - c) building works;
  - d) the supply of goods or services to third parties which provide the TVP with an income.
- 5.1.4 Such efforts shall also continue throughout the lifetime of any contract to ensure that best value for money is maintained in the quality and standard of all goods, services and works supplied and in the review of proposals to change or vary any feature of any contract during its lifetime.

### Key controls

- 5.1.5 These Regulations shall be read in conjunction with the Force Procurement Policy.
- 5.1.6 No contract or project shall be deliberately or artificially divided into a number of separate contracts in order to avoid the obligations set out in these Contract Regulations, or any statute or the EU Directive.
- 5.1.7 Competition should be invited from potential providers to supply TVP with goods, services, building works, etc.
- 5.1.8 Every contract concluded on behalf of TVP shall comply with:
- a) the Public Contract Regulations;
  - b) relevant Directives of EU and
  - c) the Code of Practice for Local Authorities on Data Transparency
- 5.1.9 Subject to compliance with 5.1.8, exemption from any of the following provisions of these Contract Regulations may only be made:
- a) by the written direction of the PCC; or
  - b) by a chief officer in an operational emergency.

- 5.1.10 The PCC shall be informed of the circumstances of every exemption made under 5.1.9(b) at the earliest opportunity.
- 5.1.11 In addition to adhering to the above, any employee who is engaged in any activities or processes leading to the award of a contract or in its subsequent delivery, shall:
- i. show no undue favour to or discriminate against any contractor or potential contractor or the goods, materials or services they produce;
  - ii. carry out their work in accordance with the highest standards of propriety and proper practice (including respecting the confidentiality of commercial information).
  - iii. not breach the requirements of the TVP Policy for Gifts and Gratuities, Hospitality, Discounts, Travel and other Potential Conflicts of Interest.
- 5.1.12 The contents of a contract shall be in accordance with the agreed Procurement Policy
- 5.1.13 The Procurement Governance Board includes representatives from the PCC and Force and provides oversight of the Force's compliance with these Contract Regulations.

### **Responsibilities**

#### **POWER TO DELEGATE**

- 5.1.14 A chief officer may delegate his powers under these Contract Regulations to an authorised officer.

#### **PURCHASING PROCEDURES AND THRESHOLDS**

- 5.1.15 The procedure to be followed shall be in accordance with the Procurement Policy as well as, the estimated value of the purchase as set out below (except for contracts for building construction contracts selected from the Approved List of Contractors for Small Construction Contracts - details are available from the Director of Finance and the Head of Property Services).

<b>Value</b>	<b>Contract established by TVP</b>	<b>Framework Agreement managed by another body</b>
<i>Less than £10,000</i>	<i>Any contract/Order may be placed with the supplier identified as providing the best value for money.</i>	
<i>£10,000 - £50,000</i>	<i>At least three written quotations shall be invited and responses recorded.</i>  <i>A written specification/statement of requirements is necessary.</i>	<i>A written specification/statement of requirements is necessary</i>  <i>Written quotations shall be invited from all contractors holding a place on the framework agreement.</i>
<i>Over £50,000</i>	<i>Legal requirement to advertise via website</i>	<i>Contact must be made with the Procurement Department.</i>

	<p><i>Contact must be made with the Procurement Department.</i></p> <p><i>Public notice of tender shall be placed in one or more appropriate publications or other suitable media e.g. internet.</i></p>	<p><i>Written quotations shall be invited from all contractors holding a place on the framework agreement.</i></p>
<p><b>** This is to comply with the Transparency Agenda requirements.</b></p>		

- 5.1.16 Unless specified otherwise the value of the contract is the estimated whole life cost for the duration of the contract including all extensions.. Where a contract is collaborative its value shall be the cumulative estimated whole life cost of all the organisations eligible to use it.

#### **ACQUISITIONS UNDER A FRAMEWORK CONTRACT**

- 5.1.17 There are a number of buying consortia that provide framework contracts. Framework contracts provide an efficient and effective manner through which to purchase goods and services, including building works. In some cases the use of a framework is mandated by government. Where there is an appropriate Framework covering the goods, services or building works concerned, the framework(s) shall be considered prior to any new procurement exercise being initiated, provided it offers best value and meets our operational requirements.

#### **SELECTION CRITERIA**

- 5.1.18 The selection of an organisation to be invited to quote or tender under these Contract Regulations shall be in accordance with the principles of the EU directives.

#### **INVITATIONS TO TENDER**

- 5.1.19 The preferred method for obtaining quotations and tenders shall be the electronic system used by the Head of Procurement. Paper quotations and tenders shall be the exception.
- 5.1.20 All tenders issued by TVP shall consist of instructions to tenderers regarding submission information, terms, conditions and specification with a pricing schedule to be returned to TVP
- 5.1.21 Completed tenders shall be submitted through electronic tendering facilities by the date and time and in the manner stated in the instruction for invitation to tender.

#### **OPENING OF TENDERS**

- 5.1.22 Tenders submitted via the electronic system may be opened by a member of staff authorised by the Head of Procurement.

#### **EVALUATION OF TENDERS**

- 5.1.23 Those members of staff involved in the evaluation process should be mindful of the policy on gifts, loans and hospitality – see 3.4.8

- 5.1.24 Assessment criteria may be made on appropriate technical, qualitative and financial grounds which are appropriate to the contract concerned.
- 5.1.25 Evaluations of the tender submissions are to be carried out by an appropriate group associated with the contract. The Group shall have appropriate skills and be provided with relevant guidance.

#### **ACCEPTANCE OF TENDERS / AWARD OF CONTRACT**

- 5.1.26 Regardless of the route followed, the following procedures shall be applied when recommending the acceptance of a quotation or tender and prior to the award of a contract:
- i. Where a framework contract is utilised the Terms and Conditions of that framework will apply.
  - ii. Where applicable industry standard terms and conditions apply such as Joint Contracts Tribunal (JCT) and New Engineering Contracts (NEC) etc. will apply
  - iii. In all other instances the TVP's terms and conditions shall apply unless otherwise agreed by the Chief Executive (e.g. for a contract awarded under a framework agreement).
- 5.1.27 If, after a competitive tendering process, only one tender is received, unless there are exceptional circumstances which are documented by the business and agreed by the PCC, the contract will be reviewed and put back out to tender.
- 5.1.28 The approval of contract awards shall be based on the lowest or most economically advantageous quotation or tender subject to approval by:
- i. Up to £1m - in accordance with the Force Financial Instructions.
  - ii. Above £1m – by the PCC

#### **Framework contracts – vs - non framework contracts.**

- 5.1.29 Where the contract under consideration is a framework contract which provides for a large number of forces but does not, in any way, place any obligation or commitment on any force but merely provides a less resource intensive procurement option should forces wish to utilise it, then the value to be considered is the TVP total value, over the life of the framework. For all other contracts, including call-off contracts the value is the maximum total value of the contract, including all extension periods for all forces named on the contract.
- 5.1.30 The successful tenderer shall be advised as soon as possible after the decision has been made on the award of a contract. At the same time unsuccessful tenderers shall be advised of the decision.

#### **SIGNING OF CONTRACTS**

- 5.1.31 The previous section explains who can approve the award of a contract. Appendix 1 sets out who can physically sign a contract after approval for award of the contract has been given.



## CONTRACT MONITORING

- 5.1.32 All contracts shall be monitored and measured by the way of performance indicators and regular review meetings involving the Contractor and Practitioner representation as appropriate to the contract.
- 5.1.33 The Business Owner shall manage the contract in consultation with the Procurement Department.
- 5.1.34 Where the contract terms provide for credits to be offset against payments due or otherwise enable payments to be reduced on account of failure by the contractor to deliver the contract to the specified standards, any decision to waive entitlement to the credit or reduced payment shall only be authorised by the Chief Officer in consultation with the Head of Procurement where the amount involved is less than £50,000. Above this amount the PCC shall approve all such waivers.
- 5.1.35 Where a contract provides for any sort of credit/fund which can be drawn upon in certain circumstances (for example a Tech Fund which can be used to purchase specific items) full details will be included in the procurement documentation approved by the Procurement Governance Board. "Expenditure" against the credit/fund will be subject to approval levels as specified in Financial Instructions.
- 5.1.36 Where a Contractor is failing to provide the agreed service evidence shall be required and considered during contract review meetings and escalated with the Contractor and the force prior to any early termination of the agreement.
- 5.1.37 Escalation processes include reporting any defaults during the Contract Review Meetings, which should include Procurement representation.
- 5.1.38 Consideration shall be given to notice periods and consequences of early termination where applied.

## VARIATIONS TO CONTRACT

- 5.1.39 Where a contract has been awarded it is permissible under EU regulations to vary the terms of that contract providing it does not materially affect the conditions or scope of the contract. Where the variation increases the financial commitment then approval is required as per following:
  - i. Up to £1m - in accordance with the Force Financial Instructions.
  - ii. Above £1m – by the PCC
- 5.1.40 If the Contract Change Notice (CCN) causes the total contract value to now mean that the contract should have been authorised at a higher level than the contract had originally been authorised to, the CCN should be authorised at the level appropriate to the new overall total contract value.

## CONTRACT EXTENSION

- 5.1.41 Where a contract includes options to extend its period these may be taken up through the Procurement Department, with contract extensions in excess of £1m being reported through the Procurement Governance Board and approved by the Director of Finance and the PCC CFO.

- 5.1.42 Where a contract does not include options to extend its period or the options have been used up, a replacement contract should be made if the goods or services continue to be required. Should exceptional requirements bring about a case for contract extension in these circumstances, the Exceptional Circumstances (set out below) should be followed.

#### **EXCEPTIONAL CIRCUMSTANCES**

- 5.1.43 The requirements within these Contract Regulations that competition is required for tenders and quotations may be set aside when exceptional circumstances are incurred. By definition the circumstances leading to this action must be exceptional to those normally experienced and the business owner must provide a written case supporting their conclusion to the Head of Procurement, prior to taking action. In these circumstances a single tender may be awarded.

#### **SINGLE SOURCE AGREEMENT (SSA) / CONCESSION**

- 5.1.44 This is a contract awarded on the basis of a direct agreement with a contractor, without going through the competitive bidding process.
- 5.1.45 Contracts identified under this route are to be carried out in accordance with the Procurement Policy and supported by a written justification using the SSA process and form by the Business Owner in consultation with the Procurement Department.
- 5.1.46 A contract may be awarded having:
- a) only invited a single quotation or tender,
  - b) received or sought an offer from a current contractor to vary the goods, services or works supplied (e.g. variation to an existing contract); providing this is compliant with Financial Instructions and the Procurement Regulations.
- 5.1.47 Where it can be demonstrated that it is in the interests of TVP not to seek competitive tenders due to:
- a) Operational urgency
  - b) The item or service is a proprietary item
  - c) Unique factors are present in the market
  - d) The costs to change are disproportionately high
  - e) When the goods and/or services are mandated nationally
  - f) Security.
- 5.1.48 Where a contract exceeds £50,000 in value the chief officer shall present a subsequent report to the PCC.
- 5.1.49 Where the contract exceeds the EU limit specialist legal advice must be obtained

**CONTRACTS REGISTER**

- 5.1.50 A record of all contracts let with a value in excess of £50,000 shall be maintained by the Head of Procurement.

## 6.1 JOINT WORKING ARRANGEMENTS

### Why is this important?

- 6.1.1 Public bodies are increasingly encouraged to provide seamless service delivery through working closely with other public bodies, local authorities, agencies and private service providers.
- 6.1.2 Joint working arrangements can take a number of different forms, each with its own governance arrangements. In TVP these are grouped under the following headings:
- Partnerships
  - Consortia
  - Collaboration
- 6.1.3 Partners engaged in joint working arrangements have common responsibilities:
- to act in good faith at all times and in the best interests of the partnership's aims and objectives
  - to be willing to take on a role in the broader programme, appropriate to the skills and resources of the contributing organisation
  - to be open about any conflicts that might arise
  - to encourage joint working and promote the sharing of information, resources and skills
  - to keep secure any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature
  - to promote the project
- 6.1.4 In all joint working arrangements the following key principles must apply:
- before entering into the agreement, a risk assessment has been prepared
  - such agreements do not impact adversely upon the services provided by TVP
  - project appraisal is in place to assess the viability of the project in terms of resources, staffing and expertise
  - all arrangements are properly documented
  - regular communication is held with other partners throughout the project in order to achieve the most successful outcome
  - audit and control requirements are satisfied
  - accounting and taxation requirements, particularly VAT, are understood fully and complied with
  - an appropriate exit strategy has been produced
- 6.1.5 The TVP element of all joint working arrangements must comply with these Financial Regulations

### PARTNERSHIPS

- 6.1.6 The term partnership refers to groups where members work together as equal partners with a shared vision for a geographic or themed policy area, and agree a strategy in which each partner contributes towards its delivery. A useful working definition of such a partnership is where the partners:
- are otherwise independent bodies;
  - agree to co-operate to achieve a common goal; and

- achieve it to create an organisational structure or process and agreed programme, and share information , risks and rewards

6.1.7 The number of partnerships, both locally and nationally, is expanding in response to central government requirements and local initiatives. This is in recognition of the fact that partnership working has the potential to:

- deliver strategic objectives;
- improve service quality and cost effectiveness;
- ensure the best use of scarce resources; and
- deal with issues which cut across agency and geographic boundaries, and where mainstream programmes alone cannot address the need.

6.1.8 Partnerships typically fall into three main categories i.e. statutory based, strategic, and ad-hoc.

#### Statutory based

6.1.9 These are partnerships that are governed by statute. They include, for example, Crime and Disorder Reduction Partnerships (CDRPs) and Local Strategic Partnerships (LSPs)

#### Strategic

6.1.10 These are partnerships set up to deliver core policing objectives. They can either be force-wide or local.

#### Ad-hoc

6.1.11 These are typically locally based informal arrangements agreed by the local police commander.

#### **Context**

6.1.12 As set out in section 10 of the Police Reform and Social Responsibility Act 2011, the PCC, in exercising his functions, must have regard to the relevant priorities of each responsible authority. Subject to the constraints that may be placed on individual funding streams, PCCs are free to pool funding as they and their local partners see fit. PCCs can enter into any local contract for services, individually or collectively with other local partners, including non-police bodies.

6.1.13 When the PCC acts as a commissioner of services, he will need to agree the shared priorities and outcomes expected to be delivered through the contract or grant agreement with each provider. The PCC is able to make crime and disorder grants in support of local priorities. The inclusion of detailed grant conditions directing local authorities how to spend funding need not be the default option. The power to make crime and disorder grants with conditions is contained in section 9 of the Police Reform and Social Responsibility Act 2011. The power to contract for services is set out in paragraph 14 of Schedule 1 and paragraph 7 of Schedule 3 to the Police Reform and Social Responsibility Act 2011.

#### **Responsibilities of the PCC**

6.1.14 To have regard to relevant priorities of local partners when considering, reviewing and updating the Police and Crime Plan.

- 6.1.15 To make appropriate arrangements to commission services from either the force or external providers

#### **Responsibilities of Chief Officers**

- 6.1.16 To follow the guidance manual for local partnerships, as published on the neighbourhood policing intranet site
- 6.1.17 To consult, as early as possible, the Director of Finance and the PCC CFO to ensure the correct treatment of taxation and other accounting arrangements

### **CONSORTIA ARRANGEMENTS**

- 6.1.18 A consortium is a long-term joint working arrangement with other bodies, operating with a formal legal structure approved by the PCC.

#### **Responsibilities of the PCC**

- 6.1.19 To approve TVP participation in the consortium arrangement.

#### **Responsibilities of Chief Officers**

- 6.1.20 To contact the Chief Executive and the Head of Legal Services before entering into a formal consortium agreement, to establish the correct legal framework.
- 6.1.21 To consult, as early as possible, the Director of Finance and the PCC CFO to ensure the correct treatment of taxation and other accounting arrangements
- 6.1.22 To produce a business case to show the full economic benefits to be obtained from participation in the consortium.
- 6.1.23 To produce a Memorandum of Understanding (MOU) setting out the appropriate governance arrangements for the project. This document should be signed by the Chief Executive

### **COLLABORATION**

- 6.1.24 Under sections 22A to 22C of the Police Act 1996, as amended by section 89 of the Police Reform and Social Responsibility Act 2011, chief constables and PCCs have a duty to keep collaboration agreements and opportunities under review and to collaborate where it is in the interests of the efficiency and effectiveness of one or more police forces or policing bodies. Where collaboration is judged to be the best option, they must collaborate even if they do not expect their own force or policing body to benefit directly. Any collaboration which relates to the functions of a police force (a "force collaboration provision") must first be agreed with the chief constables of the forces concerned and approved by each PCC responsible for maintaining each of the police forces to which the force collaboration provision relates. Any collaboration which relates to the provision of support by one PCC for another PCC (a "policing body collaboration provision") must be agreed by each PCC to which the policing body collaboration provision relates.

- 6.1.25 PCCs responsible for maintaining each of the police forces to which a force collaboration provision relates shall make arrangements for jointly holding their chief constables to account for the way functions are discharged under a force collaboration agreement.
- 6.1.26 To contact the Chief Executive and the Head of Legal Services before entering into a formal collaboration agreement, to establish the correct legal framework.
- 6.1.27 To consult, as early as possible, the Director of Finance and the PCC CFO to ensure the correct treatment of taxation and other accounting arrangements

## 6.2 EXTERNAL FUNDING

### Why is this important?

- 6.2.1 External funding can be a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of TVP.
- 6.2.2 The main source of such funding for TVP will tend to be specific government grants, additional contributions from local authorities (e.g. for ANPR, CCTV and PCSOs) and donations from third parties (e.g. towards capital expenditure)

### Responsibilities of Chief Officers

- 6.2.3 To pursue actively any opportunities for additional funding where this is considered to be in the interests of TVP.

### Responsibilities of the Chief Constable and the PCC

- 6.2.4 To ensure that the match-funding requirements and exit strategies are considered prior to entering into the agreements and that future medium term financial forecasts reflect these requirements.

### Responsibilities of the PCC CFO and Director of Finance

- 6.2.5 To ensure that all funding notified by external bodies is received and properly accounted for, and that all claims for funds are made by the due date and that any audit requirements specified in the funding agreement are met.

### Responsibilities of the Chief Constable

- 6.2.6 To ensure that funds are acquired only to meet policing needs and objectives
- 6.2.7 To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood
- 6.2.8 To ensure that any conditions placed on TVP in relation to external funding are in accordance with the approved policies of the PCC. If there is a conflict, this needs to be taken to the PCC for resolution.



### 6.3 WORK FOR EXTERNAL BODIES

#### Why is this required?

- 6.3.1 TVP provides services to other bodies outside of its normal obligations, for which charges are made, e.g. training, special services. Arrangements should be in place to ensure that any risks associated with this work are minimised and that such work is not ultra vires.

#### Responsibilities of the Chief Constable

- 6.3.2 To ensure that proposals for assistance are costed, that no contract is subsidised by TVP and that, where possible, payment is received in advance of the delivery of the service so that TVP is not put at risk from any liabilities such as bad debts.
- 6.3.3 To ensure that appropriate insurance arrangements are in place.
- 6.3.4 To ensure that all contracts are properly documented
- 6.3.5 To ensure that such contracts do not impact adversely on the services provided by TVP

#### Responsibilities of the Director of Finance

- 6.3.6 The submission of tenders for the supply of goods and/or services should be approved as follows:
- a) For tenders up to £500,000 by the Director of Finance
  - b) Between £500,000 and £1,000,000 by the Director of Finance in consultation with the PCC CFO
  - c) Over £1,000,000 the prior approval of the PCC is required.

## 7 SUMMARY OF FINANCIAL LIMITS

This section summarises, in one place, all those financial regulations that have a specific financial limit

### Virement

- 2.2.11 The Chief Constable may use revenue provision to purchase capital items or carry out capital works subject to obtaining PCC approval where the proposed transfer exceeds £250,000.
- 2.2.12 The Director of Finance can approve any virement where the additional costs are fully reimbursed by other bodies
- 2.2.13 For all other budgets each chief officer shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring, subject to the following approval levels

#### ***Force Budget***

*Up to £1,000,000*

*Over £1,000,000*

*Director of Finance*

*PCC or PCC CFO*

#### ***PCC's own budget***

*Up to £250,000*

*Over £250,000*

*PCC CFO*

*PCC*

### Annual Capital Budget

#### **Responsibilities of the Chief Constable**

- 2.3.20 To ensure expenditure on individual schemes does not exceed the approved scheme budget by more than 10% or £250,000 whichever is the lower amount

### Asset Disposal

#### **Responsibilities of the Chief Constable**

- 3.5.12 To arrange for the disposal of (without the specific approval of the PCC):
- a) Non-estate assets at the appropriate time and at the most advantageous price. Where this is not the highest offer, the Chief Constable shall consult with the PCC CFO.
  - b) Police houses and other surplus land and buildings with an estimated sale value of less than £500,000

#### **Responsibilities of the PCC**

- 3.5.13 To approve the disposal of police houses and other surplus land and buildings with an estimated sale value of over £500,000

## **Interests in Land**

### **Responsibilities of the Chief Constable**

3.5.17 The Chief Constable, shall:

- a) Arrange to grant or take or terminate leases or tenancies in land, and approve any assignment or sub-letting thereof, without the specific approval of the PCC, up to an annual rental of £100,000;
- b) take, grant, waive or revoke covenants, easements, wayleaves, licences or other rights of user in respect of the TVP property on terms

### **Responsibilities of the PCC and Chief Executive**

3.5.18 The Chief Executive grant or take or terminate leases or tenancies in land, and approve any assignment or sub-letting thereof, above an annual rental of £100,000 but below £500,000.

3.5.19 The PCC shall grant or take or terminate leases or tenancies in land, and approve any assignment or sub-letting thereof, above an annual rental of £500,000.

## **Asset valuation**

3.5.20 To maintain an asset register for all fixed assets with a value in excess of the limits shown below, in a form approved by the PCC CFO. Assets are to be recorded when they are acquired by TVP. Assets shall remain on the asset register until disposal. Assets are to be valued in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice* and the requirements specified by the PCC CFO

<i>Land &amp; Buildings</i>	<i>All values</i>
<i>Vehicles</i>	<i>All values</i>
<i>ICT hardware</i>	<i>All values</i>
<i>Plant &amp; Equipment</i>	<i>£100,000</i>

## **Stocks and Stores**

### **Responsibilities of the Director of Finance**

3.5.23 To write-off any discrepancies between the actual level of stock and the book value of stock up to £25,000 in value. Any items over £25,000 require the approval of the PCC CFO

3.5.24 To write-off obsolete stock up to the value of £25,000. Any write-offs over £25,000 require the approval of the PCC CFO

## **Money Laundering**

3.6.25 Suspicious cash deposits in any currency in excess of €15,000 (or equivalent) should be reported to the National Crime Agency (NCA)

- 3.6.32 Large cash bankings from a single source over €15,000 should be reported to the PCC CFO. This instruction does not apply to seizures and subsequent bankings under the Proceeds of Crime Act (see Financial Regulation 3.9).

### Gifts, Loans and Sponsorship

- 3.10.7 To refer all gifts, loans and sponsorship above £50,000 to the PCC for approval before they are accepted.

### Income

- 4.2.12 To approve the write-off of bad debts up to the level shown below. Amounts for write-off above this value must be referred to the PCC for approval, supported by a written report explaining the reason(s) for the write-off.

<i>Up to £20,000</i>	<i>Director of Finance and/or PCC CFO</i>
<i>£20,000 to £50,000</i>	<i>Director of Finance and/or PCC CFO in consultation with the Chief Executive</i>
<i>Over £50,000</i>	<i>PCC</i>

### Ex-gratia Payments

- 4.7.2 To make ex gratia payments to members of the public up to the level shown below in any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of TVP

<i>Up to £10,000</i>	<i>Head of Legal Services or Chief Executive</i>
<i>Over £10,000</i>	<i>PCC</i>

- 4.7.3 To make ex gratia payments up to the level shown below in any individual instance, for damage or loss of property or for personal injury to a police officer, police staff or any member of the extended police family, in the execution of duty.

<i>Up to £10,000</i>	<i>Head of Legal Services or Chief Executive</i>
<i>Over £10,000</i>	<i>PCC</i>

### Contract Regulations

- 5.1.15 The procedure to be followed shall be in accordance with the Procurement Policy as well as, the estimated value of the purchase as set out below (except for contracts for building construction contracts selected from the Approved List of Contractors for Small Construction Contracts - details are available from the Director of Finance and the Head of Property Services).

Value	Contract established by TVP	Framework Agreement managed by another body
<i>Less than £10,000</i>	<i>Any contract/Order may be placed with the supplier identified as providing the best value for money.</i>	
<i>£10,000-</i>	<i>At least three written quotations</i>	<i>A written specification/statement of</i>

<i>£50,000</i>	<i>shall be invited and responses recorded.</i>  <i>A written specification/statement of requirements is necessary</i>	<i>requirements is necessary</i>  <i>Written quotations shall be invited from all contractors holding a place on the framework agreement.</i>
<i>Over £50,000</i>	<i>Legal requirement to advertise via website</i>  <i>Contact must be made with the Procurement Department.</i>  <i>Public notice of tender shall be placed in one or more appropriate publications or other suitable media e.g. internet.</i>	<i>Contact must be made with the Procurement Department.</i>  <i>Written quotations shall be invited from all contractors holding a place on the framework agreement.</i>
<i>** This is to comply with the Transparency Agenda requirements.</i>		

- 5.1.15 Unless specified otherwise the value of the contract is the estimated whole life cost. Where a contract is collaborative its value shall be the cumulative estimated whole life cost of all the organisations eligible to use it.

#### **ACCEPTANCE OF TENDERS / AWARD OF CONTRACT**

- 5.1.28 The approval of contract awards shall be based on the lowest or most economically advantageous quotation or tender subject to approval by:
- Up to £1m - in accordance with the Force Financial Instructions.
  - Above £1m – by the PCC

In any other case acceptance shall be by:

<i>Less than EU Threshold</i>	The appropriate Chief Officer from the OPCC and/or the Force, who shall send a subsequent report to the PCC.
Over EU Threshold	Police & Crime Commissioner

#### **CONTRACT MONITORING**

- 5.1.34 Where the contract terms provide for credits to be offset against payments due or otherwise enable payments to be reduced on account of failure by the contractor to deliver the contract to the specified standards, any decision to waive entitlement to the credit or reduced payment shall only be authorised by the Chief Officer in consultation with the Head of Procurement where the amount involved is less than £50,000. Above this amount the PCC shall approve all such waivers.

## **VARIATIONS TO CONTRACT**

- 5.1.39 Where a contract has been awarded it is permissible under EU regulations to vary the terms of that contract providing it does not materially affect the conditions or scope of the contract. Where the variation increases the financial commitment then approval is required as per following:

- iii. Up to £1m - in accordance with the Force Financial Instructions.
- iv. Above £1m – by the PCC

## **SINGLE SOURCE AGREEMENT (SSA) / CONCESSION**

- 5.1.47 Where a contract exceeds £50,000 in value the chief officer shall present a subsequent report to the PCC.

## **CONTRACTS REGISTER**

- 5.1.49 A record of all contracts let with a value in excess of £50,000 shall be maintained by the Head of Procurement.

## **6.3 WORK FOR EXTERNAL BODIES**

- 6.3.6 The submission of tenders for the supply of goods and/or services should be approved as follows:
- a) For tenders up to £500,000 by the Chief Constable
  - b) Between £500,000 and £1,000,000 by the Chief Constable in consultation with the PCC CFO
  - c) Over £1,000,000 the prior approval of the PCC is required.

## **TVP Contract Signatures**

### **Introduction**

This explanatory note details the individual who can physically sign a contract after approval for award of the contract has been given. Financial Regulations and Financial Instructions provide the authorisation levels as to who can authorise the award of a contract. This note provides details after that approval has been received and documented.

### **Statutory Guidance**

Schedule 2, section 7 of the Police Reform and Social Responsibility Act 2011 states:

- (1) A chief constable may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of the chief constable
- (2) That includes:
  - a) entering into contracts and other agreements (whether legally binding or not), but only with the consent of the relevant police and crime commissioner (PCC);
  - b) acquiring and disposing of property, apart from land, but only with the consent of the relevant PCC

### **TVP Framework for Corporate Governance**

At the PCC's 'level 1' Policy, Planning and Performance meeting on 1<sup>st</sup> April 2014 the PCC gave formal consent to the Chief Constable to enter into contracts and to acquire or dispose of property, other than land, subject to the requirements of Financial Regulations

### **Acquisition and disposal of land**

As stated above the Chief Constable cannot acquire or dispose of land. As such, all contracts in connection with the acquisition and disposal of land must be approved and signed by the PCC, Chief Executive or Chief Finance Officer as necessary and appropriate.

Notwithstanding the above requirement, it is recognised that most of the detailed preparatory work in connection with land transactions will be undertaken by Property Services staff and in most cases in order to deliver the TVP Asset Management Plan once approved by the PCC. Accordingly, Financial Regulations enable the Chief Constable and his staff:

- To arrange for the disposal of (without the prior approval of the PCC) police houses and other surplus land and buildings with an estimated sale value of less than £500,000 - Fin Reg 3.5.12(b)

- to grant or take or terminate leases or tenancies in land, or approve any assignment or sub-letting thereof, without the specific approval of the PCC up to an annual rental of £100,000 - Fin Reg 3.5.17(a)

All land transactions, including title deeds, must be in the name of the PCC and signed by the PCC or his Chief Executive or Chief Finance Officer.

Appendix 2 sets out who can accept tenders in connection with the acquisition and disposal of land, and who should sign the relevant contracts.

### **Other property contracts**

As stated above the PCC has given consent to the Chief Constable to enter into contracts and to acquire or dispose of property, other than land, subject to the requirements of Financial Regulations. This is because the PCC considers and approves:

- the annual financial strategy
- the asset management plan
- the annual revenue budget and capital programme
- the medium term financial plan
- the corporate governance arrangements

Furthermore, Financial Regulations enable the Chief Constable and his staff to take, grant, waive or revoke covenants, easements, wayleaves, licences or other rights of user in respect of the TVP property on terms - Fin Reg 3.5.17(b).

In practical terms the key decision is the acceptance of the tender and the subsequent award of the contract. These acceptance and award rules and procedures are clearly set out in section 5.1 of both Financial Regulations and Financial Instructions.

After the tender has been accepted and approval given for the award of a contract the actual contract document will need to be reviewed and agreed by the relevant lead specialist within Property Services. Once the details of the contract have been agreed with the supplier to the satisfaction of TVP, then the actual contract document needs to be signed.

To minimise the number of contracts that need to be signed by the OPCC a risk based approach will be used. The risk to the organisation largely, but not wholly, increases with the contract value: larger contracts generally are for more complex projects and if there is a dispute the size of the contract would make the formal legal approach to contract resolution more attractive than alternative means.

This risk based approach is already implicit within the tender approval limits within Financial Regulations, and these will also determine who should sign the contract documents.



To assist the signatory a covering note should be produced which outlines the contract and the main parts along with any relevant details on changes. Each contract would have the points where initialling or a signature is required highlighted to ease the physical process.

The lead officer within Property Services will therefore provide a short statement to confirm they have reviewed the terms of the contract and are content that they are accurate, correct and in the best interests of TVP. For straightforward contracts this can be in the form of a one line email whereas for the more detailed contracts which may include numerous appendices, technical specifications and amendments, the report will need to confirm that the contract has been checked and is deemed to be correct, including all the detailed appendices, amendments and additional details.

The person authorised to sign the physical contract is set out in Appendix 3

### **Other (non-property) contracts**

The PCC has given consent for the Chief Constable to enter into contracts. As such, all general contracts are legally in the name of the Chief Constable of TVP although for practical purposes the contract itself will normally refer to Thames Valley Police.

In practical terms the key decision is the acceptance of the tender and the subsequent award of the contract. These acceptance and award rules and procedures are clearly set out in section 5.1 in both Financial Regulations and Financial Instructions. Having accepted the tender and awarded the contract the person authorised to sign the physical contract is set out in Appendix 4.

After approval has been given for the award of a contract the actual contract document will need to be reviewed and agreed by the relevant lead specialist department(s) involved. This might be ICT, Corporate Finance or Procurement. Once the details of the contract have been agreed with the supplier to the satisfaction of TVP, then the actual contract document needs to be signed.

The principle for who signs the contract follows who has authority to approve that contract, e.g. contracts below the EU limit can be signed by the Head of Procurement, contracts between the EU limit and £1m can be signed by the Director of Finance or the PCC's Chief Finance Officer. All contracts above £1m must be signed by the PCC or his Chief Executive, and the Director of Finance.

As with property contracts a risk based approach will be used. The risk to the organisation largely, but not wholly, increases with the contract value: larger contracts generally are for more complex projects and if there is a dispute the size of the contract would make the formal legal approach to contract resolution more attractive than alternative means.

This risk based approach is already implicit within the tender approval limits within Financial Regulations, and these will also determine who should sign the contract documents.

Suppliers will be managed throughout the life of a contract in a manner appropriate to the importance of the supplier to the force.

To assist the signatory a covering note should be produced which outlines the contract and the main parts along with any relevant details on changes. Each contract would have the points where initialling or a signature is required highlighted to ease the physical process.

The lead department will therefore provide a short statement to confirm they have reviewed the terms of the contract and are content that they are accurate, correct and in the best interests of TVP. For straightforward contracts this can be in the form of a one line email whereas for more complex ICT contracts which may include numerous appendices, technical specifications and amendments, the report will need to confirm that the report has been checked and is deemed to be correct, including all the detailed appendices, amendments and additional details.

#### Storage of contracts

All original contracts currently stored by the OPCC in the Farmhouse will continue to be stored in the Farmhouse.

The PCC will, in future, store all contracts for the acquisition and disposal of land, as well as all other contracts signed by the PCC, Chief Executive or Chief Finance Officer.

The Chief Constable shall store all contracts over £50,000 on the (national) BlueLight database and all contracts below £50,000 will be stored locally.

#### Contracts under Seal

Only contracts that need to be a deed should be sealed. In practical terms this only relates to those land and building contracts that are processed through the Office of the PCC

**April 2018**

## APPENDIX 2

## ACQUISITION AND DISPOSAL OF LAND

Contract Value	Tender Approval – Most Economic Advantage	Tender Approval – Not Most Economic Advantage /Single Quote	Contract Signatory
<£49,999	Head of Property Services Capital Schemes Manager Maintenance Manager Senior Contracts Manager Principal Accountants	Director of Finance/ PCC Chief Finance Officer	Chief Executive
£50,000 – EU Threshold (c£181,000)	Head of Property Services Head of Procurement Director of Finance	Director of Finance / PCC Chief Finance Officer	
EU Threshold - £1 million	Director of Finance and PCC Chief Finance Officer	Director of Finance / PCC Chief Finance Officer and report to PCC	Chief Executive
£1 million and over	Police and Crime Commissioner	Police and Crime Commissioner	PCC

**NOTE:**

1. For simplicity, the EU Threshold has been “rounded off”
2. Above table refers to all building contracts “under hand”. For building contracts “under seal”, the contract signatory would have to be Chief Executive of the PCC
3. All contracts presented for signature to be accompanied by covering memo to confirm the contents and alterations to form of contract are correct

## APPENDIX 3

**BUILDING WORKS CONTRACT SIGNING LEVELS****(Note relates to Chief Constable's Force Financial Regulations Appendix B)**

<b>Contract Value</b>	<b>Tender Approval – Most Economic Advantage</b>	<b>Tender Approval – Not Most Economic Advantage /Single Quote</b>	<b>Contract Signatory</b>
<£49,999	Head of Property Services Capital Schemes Manager Maintenance Manager Procurement Manager Principal Accountants	Director of Finance/ PCC Chief Finance Officer	Head of Property Services
£50,000 – (c£181,000)	Head of Property Services Head of Procurement Director of Finance	Director of Finance / PCC Chief Finance Officer	Head of Procurement
£181,000 - £1million	Director of Finance and PCC Chief Finance Officer	Director of Finance / PCC Chief Finance Officer and report to PCC	Director of Finance
Over £1 million	Police and Crime Commissioner	Police and Crime Commissioner	Chief Executive of PCC and Director of Finance

**NOTE:**

- 1.The EU Threshold for Services is £4,551,413, in terms of approval levels this is left at the Goods + Services level has been “rounded off”
2. Above table refers to all building contracts “under hand”. For building contracts “under seal”, the contract signatory would have to be Chief Executive of the PCC
3. All contracts presented for signature to be accompanied by covering memo to confirm the contents and alterations to form of contract are correct

**APPENDIX 4****OTHER CONTRACTS SIGNING LEVELS Inc ICT & Property Goods and Services Contracts**

<b>Contract Value</b>	<b>Tender Approval – Most Economic Advantage</b>	<b>Tender Approval – Not Most Economic Advantage /Single Quote</b>	<b>Contract Signatory</b>
<£49,999	Head of Department Contracts Manager Procurement Manager Principal Accountants	Director of Finance / PCC Chief Finance Officer	Head of Department
£50,000 – EU Threshold (c£181,000)	Head of Department Head of Procurement Director of Finance	Director of Finance / PCC Chief Finance Officer	Head of Procurement
EU Threshold - £1 million	Director of Finance and PCC Chief Finance Officer	Director of Finance / PCC Chief Finance Officer and report to PCC	Director of Finance
£1 million and over	Police and Crime Commissioner	Police and Crime Commissioner	Chief Executive of PCC and Director of Finance