

AUDIT COMMITTEE

Tuesday 13 April 2021 at 14.00 hrs
Microsoft Teams

A G E N D A

Note for Members of the Public: Due to the exceptional circumstances this meeting is being held via Microsoft Teams, please contact the OPCCN (details below) prior to the meeting if you wish to submit questions to the Committee on any matter on the public part of the agenda.

Questions should be addressed to the Chair of the Audit Committee.

- The details of the Audit Committee and relevant papers are on the website.
- The deadline for submission of questions is five clear working days before the meeting in order that an appropriate answer to the question can be given.
- Questions should be submitted by email to: - opccn@norfolk.police.uk or written questions can be sent via post to the Office of the Police & Crime Commissioner. (address below).
- A list of questions will be drawn up in order of receipt and copies of all questions and statements will be circulated to all members of the Committee.
- Each member of the public asking a question must give his or her name and the town that they live within Norfolk. We will publish the question and response on our website but redact individuals' details.

Part 1 – Public Agenda

1. Welcome and Apologies
2. Declarations of Personal and/or Prejudicial Interests
3. To approve the minutes of the meeting held on 19 January 2021.....page 04
4. Review and update the Action Log and Terms of Referencepage 13
5. Internal Audit – Reports from Head of Internal Audit (TIAA)

5.a	2020/21 Progress Report and Follow up report	page 22
5.b	2020/21 Annual Report	page 56
5.c	2021/2022 Internal Audit Plan (final).....	page 62
6.	External Audit Plan for 2020/21 – Report from Director	page 85
7.	Forward Work Plan – Report from Chief Finance Officer	page 125

Part 2 – Private Agenda

8. Fraud update – *verbal update*
9. Strategic Risk Register Update – Report from Chief Executive and Chief Constable – OPCCN and Norfolk Constabulary
10. Date of Next Meeting

Tuesday 27 July 2021 at 1400 hrs - Venue TBC

Enquiries to:

OPCCN

Building 1, Jubilee House,

Falconers Chase, Wymondham, Norfolk, NR18 0WW

Direct Dial: 01953 424455 Email: opccn@norfolk.police.uk

如果您希望把这份资料翻译为国语，请致电 01953 424455 或发电子邮件至：

opccn@norfolk.police.uk 联系诺福克警察和犯罪事务专员办公室。

Если вы хотите получить данный документ на русском языке, пожалуйста, обратитесь в Управление полиции и комиссии по рассмотрению правонарушений в графстве Норфолк по тел. 01953 424455 или по электронной почте: opccn@norfolk.police.uk

Se desejar obter uma cópia deste documento em português, por favor contacte o Gabinete do Comissário da Polícia e Crimes através do 01953 424455 ou pelo e-mail: opccn@norfolk.police.uk

Jei šio dokumento kopiją norėtumėte gauti lietuvių kalba, prašome susisiekti su Policijos ir nusikalstamumo komisarų tarnyba Norfolkio grafystėje (Office of the Police and Crime Commissioner for Norfolk) telefonu 01953 424455 arba elektroninio pašto adresu opccn@norfolk.police.uk

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Audit Committee Meeting

Tuesday 19 January 2021

14:00 hours

Via Microsoft Teams

MINUTES

Members in attendance:

Mr R Bennett (Chair)
Ms A Bennett
Mr A Matthews
Ms J Hills
Mr P Hargrave

Also, in attendance:

Mr P Sanford	Deputy Chief Constable (DCC), Norfolk Constabulary
Mr P Jasper	Assistant Chief Officer (ACO), Norfolk Constabulary
Ms J Penn	Chief Finance Officer, (PCC CFO), OPCC
Mr C Harris	Head of Internal Audit, TIAA
Ms F Dodimead	Director of Audit, TIAA
Ms C Lavery	Audit Manager, TIAA
Mr I Fearn	Head of Financial Accounting & Specialist Functions, Norfolk Constabulary
Mr M Hodgson	Associate Partner EY LLP
Ms A O'Keefe	Senior Manager, RSM UK
Mr C Chick	RSM UK
Mr D Levy	Head of Strategic Procurement, 7 Forces
Mrs J Curson	Notetaking for Norfolk Constabulary

Part 1 – Public Agenda

1.0 Welcome and Apologies

1.1 Apologies were received from Police and Crime Commissioner Lorne Green, and OPCC Chief Executive Mark Stokes.

1.2 It was also noted that unfortunately Peter Hargrave could not fully join the meeting due to technical reasons but provided some comments after the meeting.

1.3 There were no questions received from the general public.

2.0 Declarations of Personal and/or Prejudicial Interest

2.1 None were recorded.

2.2 The Register of Interests was circulated in December 2020 for any updates. The CFO thanked all those who had returned their forms and would welcome the return of those forms that had yet to be sent back.

3.0 7 Force Procurement Audit Findings – RSM UK

3.1 The Chair asked for the representatives from RSM to highlight any pertinent points from the report that had been previously circulated to the Committee.

3.2 Anna O’Keeffe was present to give an overview of the report together with her colleague Chris Chick who had undertaken the work on the report and was present to answer any questions.

3.3 RSM UK had been asked to review the 7 Force procurement function that had been in place since January 2020 across all seven forces. The report outlines an opinion rating of reasonable assurance, which is second highest out of four assurance levels.

3.4 There were four medium priority actions and eight low priority actions. For one of the four medium priority actions and two of the low priority actions there were no exceptions relating to Norfolk. However, it is important to remember that this is on a sample basis, the principles of those actions still apply and need to be taken forward for each force.

3.5 The CFO informed the Committee that there had been an audit tracker sent to the PCC’s office from 7 Force Procurement with the audit recommendations so monitoring can take place to meet the recommendations across both the 7 Forces and Norfolk and Suffolk. Further monitoring will also take place at the Strategic Procurement Governance Board and both the CFO and the ACO attend this meeting.

3.6 Training sessions have been set up in relation to the under £50K spend recommendation across all 7 forces and there are already 300 people booked into for these and Norfolk and Suffolk employees are being encouraged to attend these.

3.7 A post project implementation review has also been put in place by the 7 Force team and there will be improvements and refinements made to the processes by D Levy and his team.

- 3.8 A Matthews observed from the report that there were a number of occasions when backing data was not available for contracts, and asked if this was because it was not sent to them or was it because it was not available. C Chick confirmed that Norfolk, in particular, gave what information they could for the auditors. A Matthews expressed concern that this could leave the force open to a legal challenge. The Chair also expressed concern that this documentation needs to be made available particularly in the context of a legal challenge. D Levy confirmed that we need transparency and visibility to ensure we do not have poor procurement practices in place.
- 3.9 J Hills raised the issue that for the sub £50k procurement Norfolk and Suffolk have slightly different processes to everyone else in the region and asked if there are any plans to align these processes. D Levy informed the committee that the divergence across the region is in relation to the low value orders. In Norfolk and Suffolk there is a £500 - £3,000 threshold as opposed to the other forces who do not have this and confirmed that the Norfolk and Suffolk controls and governance are good.
- 3.10 A Bennett raised the issue of contract registers and whether there is one register across the region. D Levy confirmed that there is a single contract register for the region and that the category team looks at this to identify the contracts that could be harmonised and aligned.
- 3.11 A Bennett also raised the issue of whether the 7 Force procurement team is now well embedded and is the first port of call for all values of procurement. D Levy confirmed that 7 Force is first port of call currently for all values over £50K and regular meetings take place with stakeholders across the region.

4.0 Minutes of the last meeting

- 4.1 Members confirmed that the draft minutes are an accurate record and approved signing by the Chair.

5.0 Action log

- 5.1 The action log was reviewed in detail and the log will be updated to reflect the discussion.
- 5.2 A Matthews raised a question in relation to Action 003 and single tender waivers as he understood that TIAA would be undertaking an audit. The 7 Force audit, as previously discussed, does not cover single tender waivers. C Lavery from TIAA informed the Committee that an audit of procurement and compliance has now been done, this audit covers waivers and single tender actions. The report is currently in draft form but C Lavery confirmed that this would be presented at the next Audit Committee meeting.

6.0 Internal Audit – Follow Up Report

- 6.1 C Lavery, TIAA, informed the Committee that management have been very co-operative to ensure that recommendations can be closed where they can and

work is taking place to ensure these recommendations are manageable. The recommendations are regularly monitored and there is a good process in place to ensure that managers are aware of any imminent recommendations. Overall good progress is being made.

- 6.2 The Chair felt that both the Executive Summary and Report give a good indication of the current position compared with the previous position. The Chair thanked both the CFO and ACO for all the effort taking place with regards to the audit recommendations.
- 6.3 The ACO thanked C Lavery, for all her hard work as there has been a considerable improvement in engagement with the Constabulary management to ensure the recommendations are dealt with in a timely fashion. Overall this has been very positive.

6.4 Internal Audit – Summary Report

- 6.5 F Dodimead, TIAA, outlined there were three final reports; Coronavirus Resilience, Risk Management Advisor report and PEQF. In relation to the Risk Management Advisory update this is undertaken every year, this is not an assurance piece of work but just gives an update where the organisation is and progress with risk management.
- 6.6 F Dodimead gave an overview of Appendix B, the summary reports for each of the three audits.
- 6.7 Coronavirus resilience audit opinion was substantial assurance and this was very pleasing. Some good positives came out of this audit in relation to how it is being managed, how it is being communicated and responsibility for monitoring PPE stocks. A peer review has also taken place to review the constabulary's response.
- 6.8 In relation to the Risk Management Advisory report, F Dodimead reported that since the new risk manager has been in post that things are progressing well and have become more strategic in relation to the strategic risk register.
- 6.9 The PEQF audit is a precursory audit to review the set up of this project, in readiness for next year. There are a number of considerations around this particularly with resilience within the project management and vetting teams and making sure that there is a designated budget so this can be managed with financial considerations.
- 6.10 A Bennett asked a question about the information governance final report as on page 33 of page of the report it is mentioned as being issued but there is no mention in the summary or actions arising. F Dodimead apologised to the Audit Committee this was an oversight as TIAA were hoping that the final report would be issued on the day that the papers were issued but unfortunately the report did not meet the deadline and remains in draft form but will be available for the Audit Committee to review at the next meeting.

- 6.11 A Matthews asked about the PEQF audit as it mentions funding in 2024/25 being planned, but following discussions at the informal meeting on 18 January A Matthews understood that the funding would be earlier than this and would possibly be 2022.

The ACO informed the Committee that the comment in relation to the budget was incorrect and had been challenged between the report going out and being presented at this committee meeting. There is a dedicated project around the development of Hethersett Old Hall School for which a business case was prepared early last year when the school was acquired, in part to address the requirements of PEQF. There has also been a L&D business case which has been rolled out over a number of phases and this will ensure that the correct resources are in place, eventually moving to a business as usual situation. The medium-term financial plan (MTFP) does provide for costs that are coming up in due course. The ACO confirmed, therefore, that the funding is there, some costs have been incurred over the last year in preparation, future costs have also been recognised and PEQF will go live in January 2022. Organisational resilience around PEQF is also addressed.

Action 43: F Dodimead confirmed that the PEQF report would be updated to reflect the agreed changes, in consultation with the ACO and the CFO and also following the discussions that had taken place between C Lavery and G Wreford, Head of Finance.

- 6.12 A Bennett asked a question in relation to the apprenticeship levy and how flexible it is i.e. does it sit on the balance sheet and can it be moved between years or is it time limited in terms of being able to use this, as this is a key resource. The ACO confirmed that the apprenticeship levy is in a pot with HMRC and there is a portal where the constabulary can see how much is in that pot. It is time limited and after a rolling 36 months amounts could be lost. The majority of this will fund the Police Constable Degree Apprenticeship (PCDA) part of the PEQF programme which is going live with Anglia Ruskin University. This is forecast to run out towards the end of our medium-term financial planning period. We would then move to a co-funding model where the constabulary would fund 10% and the government 90%. The ACO confirmed that all costs have been built on assumptions into the MTFP.
- 6.13 The Chair, thanked C Harris, F Dodimead and C Lavery for all the updates on the internal audits.

6.14 Internal Audit Plan

- 6.15 C Harris TIAA outlined that the plan is only in draft and will be subject to constant amendments as required. TIAA are also aware of the tendering position and the plan will also assist any future auditors. It was also outlined that as much consultation as possible takes place and also changing risks within the organisation will be monitored to ensure audit work focuses on the right areas.
- 6.16 A Matthews queried why the main work on procurement is taking place not next year but the year after and felt that this should be brought forward due to the

move to 7F procurement. The ACO agreed that this could be brought forward. The CFO felt that procurement could be split into different areas for audit. F Dodimead also informed meeting that some other audits cover procurement aspects within those reviews.

- 6.17 As the plan was only received a day before the committee, the Chair and the Audit Committee still need to review this document and it was agreed that the plan would be considered in more detail at the next Audit Committee meeting.

Action 44: The Chair asked for all the Committee to review the plan and pass any comments to the ACO and CFO and copying in other members of the Committee. This to be completed within a two-week deadline.

7.0 Audit Committee Terms of Reference

- 7.1 It was confirmed that changes to the Terms of Reference were highlighted in the appendix. The CFO informed the Committee that benchmarking had been taking place with other Audit Committees, however the CFO felt that the document covered all key items.

- 7.2 The committee discussed the Terms of Reference in more detail and asked for 3 updates to the document:

Action 45:

The CFO to add the following to the document:

- the fact that the Audit Committee meet with internal and external audit privately is included
- an introduction in the document to explain the term “Joint Audit Committee”
- to review the inclusion of fraud within the Terms of Reference and whether this should be a separate item.

- 7.3 The Chair asked for consideration of inclusion of target timelines for the availability of agenda papers before the meeting, and the draft minutes to be circulated after the meeting.

Action 46: The CFO and ACO to discuss timescales of papers and minutes outside of the meeting and arrange for suitable time lines to be included within the Terms of Reference.

- 7.4 The Chair also raised issue of resilience with the teams and this will be discussed further at a private session.

8.0 External Audit - Annual Audit Letter

- 8.1 M Hodgson of Ernst & Young (E&Y) gave a brief introduction to the Annual Audit Letter. Following the conclusion of the audit and the issuing of the audit certificate which formally closes that year, there is a requirement to issue an annual audit letter summarising the key messages.

- 8.2 M Hodgson confirmed that there are no new messages within the letter in relation to the audit findings but it is a more public facing summary of what has previously been discussed.
- 8.3 The Chair confirmed that the letter is consistent with the findings of the audit report previously received and the executive summary is a very helpful high-level summary of those results.
- 8.4 There were no comments or queries recorded from the Audit Committee and the Chair thanked both E&Y, the ACO and the CFO for their work on finalising the audit of the accounts.

9.0 Treasury Management Half Year Update 2020/21

- 9.1 I Fearn reported that as part of the code a mid-year review is required. The first part looks at the economic position at the half year period particularly this year in relation to Covid19 and the US elections. The second part looks at performance particularly to bring any items to the attention of the Audit Committee that have occurred that have deviated from the strategy statement.
- 9.2 It was noted that currently it is difficult to comment on the performance around investment return as, at this point in time, interest rates are low and coupled with a low risk appetite returns are almost nothing. Discussions will be taking place around negative interest rates should they occur in the future.
- 9.3 I Fearn confirmed to the Committee that there is nothing significant to report in relation to the mid-year review.

9.4 Annual Investment and Treasury Management Strategy Statement 2021/22

- 9.5 I Fearn confirmed that the strategy is in the same form as in previous year. A meeting had taken place previously with the Treasury Management team, the CFO and Link to discuss counter party arrangements and these will be kept the same.
- 9.6 I Fearn confirmed that the rates at the moment are low and are currently 1.6% for borrowing over the longer term. However, I Fearn informed the Committee that the policy is that currently borrowing will be on short term rates as they are extremely low. Rates will constantly be kept under review and discussions will take place between the Treasury Management Team, the ACO and CFO once it is felt that longer term borrowing would be advantageous.
- 9.7 In terms of the prudential indicators, I Fearn informed the Committee that this gives a framework to keep the borrowing prudently in line with our capital planning projections.
- 9.8 Also within the paper is the Minimum Revenue Provision policy which is a replication of last year. The asset life method has been adopted on an annuity basis for the last two to three years.

- 9.9 Finally the economic background is detailed and although it was up to date at the time of preparation, changes over the last two to three months have affected some of the projections.
- 9.10 The ACO also informed the Committee that the TM strategy is also included within the budget report that goes to the Police and Crime Panel and this also sits alongside a number of other strategies within the budget report, such as for capital and reserves. Another strategy which is not included within the budget report is the Estates Strategy. However, these are all complimentary strategies and they are all interlinked. All strategies are discussed and are under the scrutiny of the PCC, the Chief Constable and Executive Officers. All of the above drives what is undertaken within treasury management.
- 9.11 A Bennett questioned about the fact that within the strategy it states clearly that it is unlikely that there will be negative interest rates but it does not detail what would happen if interest rates were to become negative. I Fearn and the ACO confirmed that the strategy would still hold as there is a requirement to look at security, liquidity and yield in that order and that would be maintained as part of that strategy. The Bank of England have indicated that negative interest rates would be their point of last resort and would look to quantitative easing ahead of this.
- 9.12 It was noted that both reports have been reviewed and duly noted by the Audit Committee.

10.0 Audit Committee Annual Report

- 10.1 The Chair thanked the CFO for preparing the draft and the Chair had also added his comments. The Chair then asked for the Committee to comment on the draft report.
- 10.3 The Audit Committee agreed the contents of the report.
- 10.4 J Hills asked if this report is published on the website. However, currently the report is only available on the website as part of the Audit Committee meeting papers. The CFO informed the Committee that discussions have been taking place as to whether to expand the Audit Committee pages on the website and include this report.

Action 47: The CFO will now forward the approved report to the PCC and the Chief Constable and the Chair will meet with them both if required. It was agreed that now the report has been agreed by the Committee that the CFO would arrange for the PCC's Communications Department to display the report on the PCC website as a news item and this will include the information that the Chair of the Audit Committee will be discussing the report with the PCC and the Chief Constable.

11.0 Forward Work Plan

- 11.1 The CFO informed the Committee that the final outcome of the Redmond review is still awaited. It is anticipated, however, that we will be in the same

position as the previous year where our audit may be done earlier and the deadlines will be the 30 November again. This is still in discussion with the External Auditors.

- 11.2 The meeting timetable of July, September and October may need to be reviewed to accommodate the change of deadlines. M Hodgson, E&Y confirmed that nothing definitive or formal has been received, however, the Redmond review suggested the 30 September and the working assumption is that it will be no earlier than the 30 September. However, the longer lockdown is in place then the more likely both preparation and sign off dates will be later if not the 30 November.
- 11.3 The DCC asked to be noted the activity around Joint Justice Services in respect of criminal justice. The news this morning detailed delays within the court system and the impact on victims and this will also be relevant later in part 2 of the meeting when the Risk Register is discussed. In terms of recommendations the DCC indicated that a detailed look at this as soon as possible would be beneficial. It was agreed that this would a good topic to have on the agenda of the morning briefing session.

Action 48: The CFO to discuss further with the DCC the timings of a briefing session for the Committee in relation to Joint Justice Services and who would be the best person to invite to this briefing session.

Meeting closed at 1530 hours



Audit Committee Public – Part 1

Action Log

Action Number	Meeting Date	Actions and update	Owner	Status
New actions: 22 October 2019				
003	22.10.19	<p>The Chair requested that a review of the STA register be included on the forward programme for the informal morning briefing sessions of the Audit Committee. This action is to be carried forward to be considered at the next free morning session.</p> <p>14.1.20 Information on the STAs provided to members in the informal briefing session on 14 January. Members to review outside of the meeting and provide comments to the chair.</p> <p>21.5.20 Further worked is planned by the newly formed 7Force Procurement Team and TIAA will be linked into this work. Results will be available for Norfolk in due course and the ACO will provide an update on the timeline at the June 2020 meeting.</p> <p>21.9.20 The audit work on 7 Force Procurement will be complete shortly and the results shared with the Committee.</p> <p>20.10.20 This audit work will be ready to be discussed at the next Audit Committee meeting taking place on 19 January 2021.</p> <p>19.1.21 Action completed.</p>	<p>R Bennett P Jasper</p>	Complete 19 January 2021
New Actions: 21 May 2020				

026	21.05.20	<p>Internal Audit Contract</p> <p>It was requested by A Bennett that an item that was discussed at the Committee Meeting on 14 January (item 11.1 refers) be added to the action log. Namely that the Committee members have offered to be part of the appointment process, if required. The PCC CFO informed meeting that work is in progress and once the timeline is ready the Committee will be invited to be involved in the process.</p> <p>21.9.20 A Bennett confirmed that she was happy that the item was closed but queried about the timeline as this was due to be presented to the Audit Committee. The ACO to arrange for this to be circulated to the Committee. Action to be re-opened.</p> <p>20.10.20 The ACO has now circulated the timeline and this will be discussed further during the private part of the agenda.</p> <p>19.1.21 The ACO will forward to the Audit Committee copy of the updated timeline together with the scoring evaluation process and discuss with procurement how the pre-award report can be circulated to the Audit Committees for their perusal.</p>	P Jasper	Addendum added to the minutes – action now closed – 17.6.20 21.9.20 Action re-opened for procurement timeline to be circulated. Live
027	21.05.20	<p>Reasonable Assurance Reports</p> <p>There had been a number of questions raised by the Committee in relation to the reasonable assurance reports but due to time constraints these will be dealt with outside of the meeting via email. J Penn has a log of these and will ensure that they are forwarded to TIAA to be dealt with.</p> <p>21.9.20 F Dodimead to circulate the list of questions and responses to the Audit Committee.</p> <p>20.10.20 Responses have been prepared and C Lavery will circulate this document after the meeting.</p> <p>19.1.21 C Lavery to discuss outside of the meeting with the CFO.</p>	J Penn F Dodimead C Lavery	Live
New Actions: 21 September 2020				
036	21.09.20	<p>Audit Committee Morning Briefing Sessions</p> <p>The ACO and the CFO to consider changing the two-hour morning sessions next year to a different day to the Audit Committee meeting.</p> <p>20.10.20 J Penn is working on the plan for next year and will contact the Audit Committee for their views on possible options to change the timings of the morning sessions.</p> <p>19.1.21 The Chair and the CFO to discuss this outside of the meeting and update at the next Audit Committee meeting.</p>	P Jasper/J Penn/R Bennett	Live

New actions: 20 October 2020				
037	20.10.20	<p>Forward Work Plan The CFO asked TIAA to check the forward work plan and confirm that the meeting dates and timings are correct from their point of view. 19.1.21 TIAA confirmed that all dates and timings are suitable for them. Action completed</p>	TIAA	Complete 19 January 2021.
041	20.10.20	<p>Internal Audit Tender Process The ACO to discuss with Suffolk representatives about how the panel should be assembled to ensure this is acceptable to both Norfolk and Suffolk Audit Committees and Norfolk and Suffolk CFOs 19.1.21 Action completed</p>	P Jasper	Complete 19 January 2021
042	20.10.20	<p>Internal Audit Tender Process The CFO to check the content of both the Audit Committee terms of reference and the job descriptions of the ACO and CFO. 19.1.21 Action completed</p>	J Penn	Complete 19 January 2021
New Actions: 19 January 2021				
043	19.1.21	<p>Internal Audit Summary Report F Dodimead confirmed that the PEQF report would be updated to reflect the agreed changes, in consultation with the ACO and the CFO and also following the discussions that had taken place between C Lavery and G Wreford, finance department.</p>	F Dodimead	Live
044	19.1.21	<p>Internal Audit Plan The Chair asked for all the Committee to review the plan and pass any comments to the ACO and CFO and copying in other members of the Committee. This to be completed within a two-week deadline</p>	All	Live
045	19.1.21	<p>Audit Committee Terms of Reference</p> <ul style="list-style-type: none"> • The CFO to ensure the fact that the Audit Committee meet with internal and external audit privately is included within the Terms of Reference. • The CFO to include an introduction in the Terms of Reference to explain the wording Joint Audit Committee. • The CFO to review the inclusion of fraud within the Terms of Reference and whether this should be a separate item. 	J Penn	

046	19.1.21	<p>Audit Committee Terms of Reference</p> <p>The CFO and ACO to discuss timescales of papers and minutes outside of the meeting and arrange for suitable time lines to be included within the Terms of Reference.</p>	P Jasper/J Penn	
047	19.1.21	<p>Audit Committee Annual Report</p> <p>The CFO will now forward the approved report to the PCC and the Chief Constable and the Chair will meet with them both if required. It was agreed that, now the report has been agreed by the Committee, that the CFO would arrange for the PCC's Communications Department to display the report as a news item on the PCC website and this will include the information that the Chair of the Audit Committee will be discussing the report with the PCC and the Chief Constable.</p>	J Penn	
048	19.1.21	<p>Forward Work Plan</p> <p>The CFO to discuss further with the DCC the timings of a briefing session for the Committee in relation to joint justice and who would be the best person to invite to this briefing session.</p>	J Penn	



Norfolk Audit Committee Terms of Reference

Constitution

The Committee will be a Joint Audit Committee (JAC) with the purpose of governance and providing independent assurance for the Police and Crime Commissioner (PCC) and Chief Constable (CC) on financial matters.

The Committee will comprise five named members with appropriate experience and who are independent of the PCC and the Constabulary. One of the members will be the Chair who will be directly appointed by the PCC and the CC.

The members will be able to serve no more than 3 terms of no longer than 4-year terms at a time. A committee member can only serve a maximum term of 10 years.

Meetings will be quorate if 3 members of the committee are in attendance. If the Chair is unable to attend a particular meeting the attending members will nominate a stand in Chair for the purpose of the meeting.

The Joint Audit Committee will maintain a formal record of its deliberations, commentary, findings and recommendations made in pursuit of their responsibilities. Those records are available for public scrutiny and as such provide public assurance.

To fulfil its purpose as a body to serve the public good the Committee will establish open lines of effective communication with the PCC and CC, their respective offices, their nominated representatives, their respective Chief Finance Officers and the heads of commissioned internal audit and external audit.

Frequency and Notice of Meetings

1. The Committee will meet at least four times a year; the calendar of meetings shall be agreed at the start of each year.
2. One meeting is to include members' scrutiny of and advice on the draft statement of accounts of the PCC and CC, before submission to external audit.

3. Annually a private meeting will be arranged with the Committee and both internal and external auditors.
4. Unless otherwise agreed, formal notice of each meeting will be no later than five working days before the date of the meeting. This notice will confirm the venue, time and date together with the agenda of items and supporting papers to be discussed. It will be sent to each member of the JAC and all attendees as agreed by the Chair.
5. Minutes will be recorded at each meeting along with an action log, except private meetings. Unless otherwise agreed, draft minutes will be submitted to the Chair fifteen days after the meeting.
6. The venue will be a mix of physical and online however the decision will be to use the appropriate venue to ensure the most efficient use of all resources.
7. Further meetings outside of the normal cycle of the JAC can be convened at the discretion of the Chair. The PCC and or CC may also ask the JAC to convene further meetings to discuss particular issues on which they want the JAC's advice.
8. Meetings can also be requested by the external or commissioned internal auditors with the agreement of the Chair.
9. Extra ordinary meetings should be convened with a proper period of notice except where there is an emergency. They are subject of quorum requirements and a formal agenda with supporting papers. Minutes are to be kept.

Statement of purpose

1. The Joint Audit Committee is a key component of the corporate governance arrangements of the PCC for Norfolk and the Chief Constable of Norfolk. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
2. The purpose of the Audit Committee is to provide independent advice and recommendation to the PCC and the Chief Constable on the adequacy of the governance and risk management frameworks, the internal control environment, and financial reporting, thereby helping to ensure efficient and effective assurance arrangements are in place. To this end the Committee is enabled and required to have oversight of, and to provide independent review of, the effectiveness of the governance, risk management and control frameworks, financial reporting and annual governance processes, and internal audit and external audit.
3. These terms of reference will summarise the core functions of the committee in relation to the Office of the Police and Crime Commissioner (OPCC) and to the

Constabulary and describe the protocols in place to enable it to operate independently, robustly and effectively.

Governance, risk, control, fraud and ethics

The Committee will, in relation to the PCC and the Chief Constable:

4. Review the corporate governance arrangements against the good governance framework and consider annual governance reports and assurances. This will be delegated initially to the **annual** meetings of the Corporate Governance Working Group.
5. Review the Annual Governance Statement[s] prior to approval and consider whether [it] [they] properly [reflects] [reflect] the governance, risk and control environment and supporting assurances and identify any actions required for improvement.
6. Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
7. Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the OPCC/the Constabulary.
8. Monitor the effective development and operation of risk management, review the risk profile, and monitor progress of the PCC/CC in addressing risk-related issues reported to them.
9. Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
10. 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. **Any identified fraud will be reported to the Audit Chair as soon as possible and a report will be submitted to the Audit Committee at the appropriate time.**
11. Support standards and ethics and monitor that the organisations can demonstrate integrity in their actions.

And in relation to the above, to give such advice and make such recommendations on the adequacy of the level of assurance and on improvement as it considers appropriate.

Internal audit

The JAC will:

11. Annually review the internal audit charter and resources.
12. Review and approve the annual internal audit plan. Any proposed revisions to the internal audit plan be delegated to the PCC CFO and ACO to review and challenge, and report back to the JAC.

13. Oversee the appointment and consider the adequacy of the performance of the internal audit service and its independence.
14. Consider the head of internal audit's annual report and opinion, and a regular summary of the progress of internal audit activity against the audit plan, and the level of assurance it can give over corporate governance arrangements.
15. Consider summaries of internal audit reports and such detailed reports as the JAC may request from the PCC/CC including issues raised or recommendations made by the internal audit service, management responses and progress with agreed actions.
16. Consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations.

External audit

The JAC will:

17. Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money.
18. Consider the external auditor's annual management letter, relevant reports, and the report to those charged with governance.
19. Consider specific reports as agreed with the external auditor.
20. Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

And in relation to the above, to give such advice and make such recommendations on the adequacy of the level of assurance and on improvement as it considers appropriate.

Financial reporting

The JAC will:

21. Review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit of the financial statements that need to be brought to the attention of the PCC and/or the CC.
22. Consider the external auditor's report to those charged with governance on issues arising from the audit of the financial statements.

And in relation to the above, to give such advice and make such recommendations on the adequacy of the level of assurance and on improvement as it considers appropriate

Other functions

The JAC will:

23. Examine the annual draft Treasury Management Strategy, monitor its application during the year and make any recommendations to the PCC and to the Chief Constable in this respect.

Accountability arrangements

The JAC will:

24. On a timely basis report to the PCC and the CC with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management.
25. Annually report to the PCC and the CC on its findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks; financial reporting arrangements, and internal and external audit functions.
26. Annually review its performance against its terms of reference and objectives on an annual basis and report the results of this review to the PCC and the CC.

**Presented to Audit Committee 13 April 2021
PCC CFO**



Internal Audit

FINAL

Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies

Summary Internal Controls Assurance (SICA) Report –
Norfolk

2020/21

March 2021

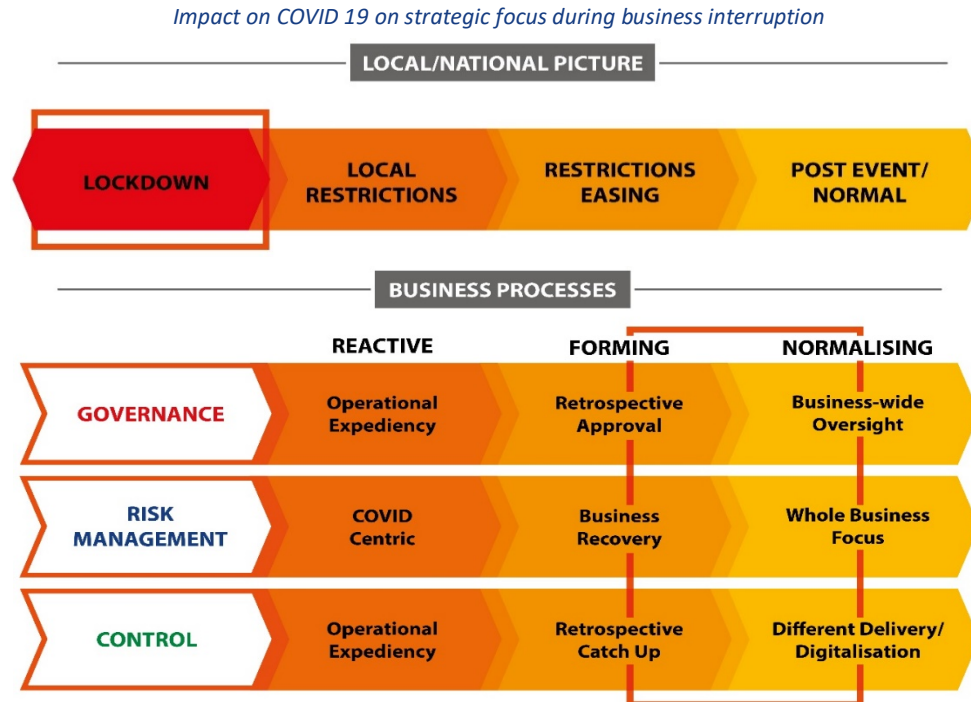
Summary Internal Controls Assurance

Introduction

1. This summary controls assurance report provides the Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies as of the 23rd March 2021. The period covered by this summary controls assurance report was impacted by the COVID 19 pandemic.

Emerging Governance, Risk and Internal Control Related Issues

2. COVID 19 is the most significant recent event to impact both strategically and operationally upon modern day Governance, Risk and Internal Control arrangements. There will be a number of phases in relation to the move through the pandemic and each phase has different implications for the Governance, Risk and Internal Control arrangements. Based upon the information gathered from our work at a number of clients, some of the potential strategic impacts for 2020/21 are summarised below. A key consideration is that there is unlikely to be a precise timeline when the organisation moves from one phase to the next and also there will be a consequential timelag as the organisation adapts new ways of operating. The diagrams in the table below signify the assessment of the current local and/or national picture, but also assesses how the organisation has adapted to new ways of working (the 'new normal') at least for the foreseeable future.



- There are a range of operational matters arising from the COVID 19 pandemic which impact upon the Governance, Risk and Internal Control arrangements and examples of such have been summarised in Appendix A. During the COVID 19 period it would be prudent for the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies to compare the policies, procedures and internal control processes in effect during the pandemic against the policies, procedures and internal control processes in effect prior to the onset of the pandemic. The matters identified should be risk assessed so as to gain awareness about where the undetected vulnerabilities that may exist so that an informed decision can be made around acceptance of such risks.

Internal Control Framework

Audits completed since the last SICA report to the Audit Committee

- The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Use of Vehicles and Telematics	Substantial	February	February	February	0	0	1	0
OBB	Substantial	February	February	February	0	0	0	0
Coporate Health and Safety	Reasonable	February	March	March	0	5	1	0
Procurement Compliance with Contract Standing Orders within departments	Reasonable	January	March	March	0	4	1	0
Key Financials	Reasonable	March	March	March	0	0	0	1

- The Executive Summaries and the Management Action Plans for each of the finalised reviews are included at Appendix B.

Progress in actioning priority 1 & 2 recommendations

- We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA. Progress against implementation of internal audit recommendations is set out in Appendix D.

Progress against the 2020/21 Annual Plan

- COVID 19:** In mid-March, when the potential scale and impact of COVID 19 was becoming evident it was agreed with the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies that the delivery of the internal audit service would be carried out partly remotely thereby minimising the need to physically access the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies premises and to hold face to face meetings.
- Our progress against the Annual Plan for 2020/21 is set out in Appendix C.

Changes to the Annual Plan 2020/21

9. The collaboration audit for the current financial year has been replaced with an audit on criminal justice. The criminal justice audit has been scheduled to commence in April 2021. There was delay in implementing the shared service transaction centre, and thus the audit planned on the shared service transaction centre which was a post implementation review has been moved to the first quarter of 2021/22 financial year.

Frauds/Irregularities

10. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

Other Matters

11. We have reviewed recent guidance issued by the Internal Audit Standards Advisory Board (IASAB) in relation to internal auditing during the COVID-19 pandemic. The guidance aims to support heads of internal audit and individual internal auditors in continuing to meet their personal and professional responsibilities for conforming the UK Public Sector Internal Audit Standards (PSIAS). We can confirm continued conformance with the professional standards during this period.

Responsibility/Disclaimer

12. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Covid 19 – Governance, Risk and Control considerations during ‘lockdown’ phase







Area	Possible assurance from internal audit
<p>Governance: The speed of the need to respond to COVID 19 has significantly impacted on the strategic governance infrastructure:</p> <ul style="list-style-type: none"> • Urgent decisions taken for urgent operational reasons which would normally have gone through Board review and approval • Extension and rollover of procurement contracts • Disruption to management information received by the Board • Operational necessity for management dispensation to scheme of delegation and financial regulations • Move to remote working for reactive operational expediency reasons, rather than as part of a pre-planned strategy 	<p>Strategic Control and Corporate Governance – COVID-19 Resilience: A review of financial governance and decision making following the business interruption caused by Covid-19.</p>
<p>Risk Management: The markers which differentiate COVID 19 pandemic from most business resilience/recovery plans are:</p> <ul style="list-style-type: none"> • Speed of major disruption to business as usual did not permit normal level of preparation • International as well UK-wide, not local • Level of government intervention • Duration and severity • Move to medium term remote working arrangements by staff and suppliers • Consequential impact upon all the previous strategic risks 	<p>Business as Usual Resumption Arrangements: Targeted post-event risk mitigation assessment to identify any unintentional gaps in the risk management framework</p>
<p>Internal Control: COVID 19 has provided the perfect storm both in a positive as well as negative manner. The positive aspects are the expeditious embracing of digital business delivery. It is recognised that a number of government and/or regulatory guidance requirements were issued at short notice and many of these were without the normal consultation and similar. On a negative basis the following need to be recognised:</p> <ul style="list-style-type: none"> • Suppliers and contractors being unable to deliver contracted services • Increased digitalisation introduced at very short notice increases information governance risks • Temporary compromise of effective segregation of duties due to staff absences and/or remote working etc • Fraudsters seeking to take advantage of COVID disruption • Deferment and/or reprioritisation of services • Sudden and significant change in demand patterns for services 	<p>COVID-19 Controls Resilience: To review the control environment in relation to policy and process design or temporary re-design, taking into account the heightened risk of fraud and changes to ways of working.</p> <p>Accountability for Additional COVID-19 Funding: Revisiting the control framework for when emergency payments shift into longer term services – especially where large sums are invested.</p>

Executive Summaries and Management Action Plans

The following Executive Summaries and Management Action Plans are included in this Appendix. Full copies of the reports are available to the Audit Committee on request. Where a review has a 'Limited' or 'No' Assurance assessment the full report has been presented to the Audit Committee and therefore is not included in this Appendix.

Review	Evaluation
Use of Vehicles and Telematics	Substantial
OBB	Substantial
Corporate Health and Safety	Reasonable
Procurement Compliance with Contract Standing Orders within departments	Reasonable
Key Financials	Reasonable

Executive Summary – Use of Vehicles and Telematics


<p>OVERALL ASSESSMENT</p>  <p>The diagram shows a central green circle labeled 'SUBSTANTIAL ASSURANCE' surrounded by a blue ring with the text 'Adequate & effective governance, risk and control processes'. To the right is a legend with four colored circles: green for 'SUBSTANTIAL ASSURANCE', yellow for 'REASONABLE ASSURANCE', orange for 'LIMITED ASSURANCE', and red for 'NO ASSURANCE'.</p>	<p>KEY STRATEGIC FINDINGS</p> <ul style="list-style-type: none">  A minority of vehicle users are failing to activate the telematics system when driving.  Control measures to combat infection risk from COVID-19 have been introduced including reducing car sharing, increased ventilation, cleaning before and after use, regular handwashing and use of PPE.  The forces have seen a significant saving in their motor insurance premiums this year £1.21m, compared with £1.44m for the previous year. 								
<p>ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE</p> <p>The Constabularies do not manage and use their vehicle fleet effectively and efficiently.</p>	<p>GOOD PRACTICE IDENTIFIED</p> <ul style="list-style-type: none">  Telematics data reports are produced and reviewed on a monthly basis to identify and addresses instances of inappropriate driving.  All vehicles are serviced on a regular basis, in line with policy, and full service histories are maintained. 								
<p>SCOPE</p> <p>The audit assessed the adequacy and effectiveness of the internal controls in place at the Constabularies for managing use of vehicles and for monitoring progress of embedding of telematics.</p>	<p>ACTION POINTS</p> <table border="1"> <thead> <tr> <th>Urgent</th> <th>Important</th> <th>Routine</th> <th>Operational</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0</td> <td>1</td> <td>0</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	0	1	0
Urgent	Important	Routine	Operational						
0	0	1	0						

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	All officers and staff have RFID tags which they use to activate the telematics system when they start driving. This is how the system identifies who is driving the vehicle. However, there are issues with some people not logging on to the telematics system. In these instances, the journey data is still recorded, but it is not possible to identify the driver. Data on non-driver logged journeys, broken down by team/station, is produced as part of the reports for the Driver Standards Group, and it is noted that the number of unrecorded journeys is decreasing.	All employees be reminded of the need to activate the telematics system upon entering a vehicle. Further investigation be undertaken if necessary to identify persistent non-compliance.	3	<p><i>It is agreed that non-activation of the telematics system is too high and although this is reducing and accepting a card reader/RFID tag failure rate of 5 to 10% there is still considerable improvement to be made.</i></p> <p><i>Further communications are being formulated and will continue to be communicated. The Driver and Standards Group manages this and holds Policing Commands and Departmental Heads to account. This is further reported to the Motor Risk Management Programme Board.</i></p> <p><i>Discussions are taking place with Airmax the telematic system supplier to determine whether the signal strength of the RFID tag can be increased to ease the activation process.</i></p> <p><i>Note – over 4,000 RFID tags are allocated to Norfolk and Suffolk vehicle users.</i></p>	31/03/21 (comms) 30/09/21 (supplier discussions)	Head of Transport and Uniform Services

Executive Summary – OBB

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE




Inappropriate outcome based budgeting process may impact ability to deliver good stewardship of taxpayers' money.

SCOPE



Outcome based budgeting (OBB) should provide accountability and enhanced transparency, assisting with the allocation and prioritisation of resources.

The audit reviewed the process to establish if the process was working effectively.

KEY STRATEGIC FINDINGS

-  A debrief exercise has undertaken to identify potential areas where lessons can be learnt for future OBB exercises.
-  An enhanced Excel template was developed for the 2021/22 OBB process.
-  The OBB process including Challenge Panel meetings were successfully delivered via Teams.

GOOD PRACTICE IDENTIFIED


-  For each proposed saving a risk score is assigned. The constabularies standard four by four risk rating matrix is used to risk rate each proposed saving.
-  To help identify potential saving areas a list of thematic areas have been identified. The Programme Management Office will review these areas to establish if potential savings can be found from these areas to aid with future OBB process.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	0	0

Executive Summary – Corporate Health and Safety

OVERALL ASSESSMENT






ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

There are statutory health and safety regulations to comply with.



SCOPE

The objective of the audit was to review the systems and controls in relation to health and safety to ensure that these are operating adequately, effectively and efficiently. The audit considered Covid-19 implications in relation to health and safety.

KEY STRATEGIC FINDINGS

-  The NCALT e-learning system is not working, this is the e-learning system that has been used to undertake statutory health and safety training.
-  The statutory fire checks have not been undertaken consistently across the estate at the required intervals.
-  Appropriate Covid marshals need to be assigned for all areas. The Covid marshals need to complete and return the weekly checklists to Health and Safety so that any potential concerns can be identified and action taken to address.

GOOD PRACTICE IDENTIFIED

-  Guidance has been published on the appropriate use of PPE. The Joint Health and Safety Manager has been involved in developing national guidance.
-  Specific risk assessment have been developed for the covid-19 pandemic. Risk assessments are signed off by Silver Command.

ACTION POINTS

Urgent	Important	Routine	Operational
0	5	1	0


Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>There is not a designated resource assigned to co-ordinate and manage the fire safety management process.</p> <p>A designated resource needs to be assigned to ensure that the necessary fire safety checks are undertaken and staff receive appropriate fire safety training.</p> <p>This is supported by the fact that there are a number of buildings/areas/stations that have not had their statutory fire checks undertaken.</p>	<p>A designated resource be assigned for co-ordinating and managing the fire safety management process. The resource needs to ensure that the necessary fire safety checks are undertaken and staff receive appropriate fire safety training.</p>	2	<p><i>In order to satisfy this finding, if fire safety compliance does not improve within the next six months then a dedicated role to ensure fire safety compliance, monitoring and auditing will be required to be fulfilled by a suitably qualified, competent and experienced individual.</i></p>	01/09/2021	<p>Joint: Head of Estates and Health and Safety Manager</p>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	Responsible persons for each station or premises are also assigned tasks in relation fire safety. To help ensure that fire safety receives appropriate attention enhanced knowledge and skill is required and the designation of a fire safety person needs to be assigned for all buildings/areas/stations.	Designated fire safety persons be assigned for all buildings/areas/departments to ensure that the necessary statutory fire checks are undertaken.	2	<p><i>Responsible persons already have this role, to an extent, however the requirements are not routinely being complied with, and the individuals, particularly in Suffolk cover multiple stations increasing risk and ability to fulfil statutory duties placed upon both constabularies.</i></p> <p><i>Proposed actions to resolve:</i></p> <ol style="list-style-type: none"> <i>1. Review and improve first safety and responsible person eLearning.</i> <i>2. Training and or eLearning to be repeated every 3 years as per the latest Fire Safety Management Policy requirements</i> <i>3. Review of responsible person role for all stations</i> <i>4. Each station to assign either a responsible person 'based' in the station or a nominated person 'based' at the station to aid in fulfilling these statutory duties.</i> 	01/07/2021 (TBC)	<p><i>Joint:</i></p> <p><i>Health and Safety Manager and Head of Estates</i></p>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	<p>NCALT is the system that has been used for health and safety essential e-learning training, but this currently can't be used as there is a problem with the flash player.</p> <p>L&D are undertaking work to develop an alternative e-learning system, LMS is being considered as an alternative option.</p> <p>There is a need to address this as they need to be able to demonstrate that necessary statutory training has been undertaken and be able to identify any areas of non-compliance.</p>	An appropriate e-learning system be made ready to enable statutory health and safety training to be undertaken.	2	<p><i>The Health and Safety Manager has raised concerns with the Blended Learning Manager (Learning & Development Department) regarding the loss of all health, safety and fire eLearning on NCALT. Learning & Development had failed to notify the Health and Safety Team of this when they first became aware.</i></p> <p><i>The loss of NCALT will result in the loss of a significant number of safety related eLearning courses currently funded by the College of Policing.</i></p> <p><i>Resource will be required in order to move over any Norfolk or Suffolk Courses to the LMS system managed by Learning and Development.</i></p>	<p>26/04/2021</p> <p>01/05/2021</p>	Blended Learning Manager

4	Directed	<p>The Covid marshal role has been developed to help manage the constabularies' response to Covid. Guidance has been produced for Covid marshal to assist them in undertaking an assessment of compliance for their areas. It is the expectation that a Covid marshal is assigned for all areas. Responsibility for assigning of Covid marshals was assigned to the Heads of Department.</p> <p>It was found that the majority of areas have a Covid marshal assigned, but there are some areas that have not got a Covid marshal assigned (ICT Martlesham and ICT Wymondham, Joint Information Management Unit Martlesham and Wymondham and Great Yarmouth - L&D).</p> <p>It is important that a Covid marshal is assigned for all areas. In addition there are a number of Covid marshals that are responsible for a number of areas, and this in some cases means that they are having to travel across the estate.</p>	<p>Heads of departments to assign Covid marshals for all areas that are appropriate and do not require individuals to travel significantly across the estate.</p>	2	<p><i>All Heads of Department were made aware of the need to complete COVID departmental risk assessments in June/July 2020.</i></p> <p><i>The COVID Working Safely Group reviews potentially high risk areas and will assign a tasks to an officer or staff member to carry out an independent audit of teams or locations where gaps may still exist.</i></p> <p><i>The Head of Workplace Health, Safety and Wellbeing will contact any areas identified where gaps still exist, escalating to Silver and or PSD if required.</i></p> <p><i>As a result of the government road map the departmental risk assessment form which have been reviewed and updated will be issued to all heads of Department for a review and refresh prior to any relaxation which may see personnel returning to the office.</i></p> <p><i>All workplaces continue to be required to be COVID secure and complaint with government requirements for workplaces.</i></p>	15/04/2021	<p><i>Head of Workplace Health, Safety and Wellbeing (supported by the Health and Safety Manager)</i></p>
5	Directed	<p>Covid marshals are expected to complete a FortnightlyCovid report. The Covid reports are an important means of helping to ensure</p>	<p>Fortnightly Covid checklists be completed and submitted to the Health and Safety department.</p>	2	<p><i>Reponses for period 11 have improved with a 76% return rate.</i></p>	31/03/2021	<p><i>Head of Workplace</i></p>


Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
		<p>the constabularies are continuing to work safely during the Covid pandemic.</p> <p>Period ten was selected to establish if the fortnightly Covid reports were being submitted by the Covid marshals. It was found that 133 fortnightly checklist had been completed, 83 checklists were missing and eight areas didn't need to be complete the fortnightly checklist as the whole team were working from home.</p>			<p><i>Reminders are being sent to increase response rates,</i></p> <p><i>An escalation process is in existence process (see below)</i></p>  <p>COVID Marshal - Escalation process.do</p> <p><i>Head of Workplace Health, Safety and Wellbeing aware of compliance rates as our silver.</i></p> <p><i>Escalation process will be followed as appropriate.</i></p>		<p><i>Health, Safety and Wellbeing</i></p>

6	Directed	<p>The health and safety team are not informed timely of requests for equipment to support police staff/police officers that are returning to work or when an officer/staff member goes onto limited duties and unable to complete their normal role. If someone is unable to carry out their normal work as a result of a work related incident, which late for more the seven days it may be reportable to the HSE.</p>	<p>The health and safety team be consulted and advised of relevant limited duty at the earliest opportunity, and when an individual needs support e.g. specific equipment requests that are needed to facilitate police officers and police staff returning to work.</p>	<p>3</p> <p>An HR policy entitled 'Limited Duties (Police Officers) exists. It states the following at para. 3.11 "...Where an officer sustains an injury resulting from an accident in connection with their work, they must complete an accident, injury or near miss form immediately. If this leads to them being unable to perform their normal duties for more than seven consecutive days, their manager must notify the Workplace Health, Safety and Wellbeing team via the Accident, Incident and Near Miss Report (AIM)....".</p> <p>Some links in the policy e.g. to the 'Notification form' and the 'Officer record'.</p> <p>Accident, Incident and Near Miss forms are not often received when an officer goes onto limited duties if a work related activity caused this to occur. The following actions are considered appropriate to rectify this:</p> <ol style="list-style-type: none"> 1) The broken hyperlinks in the policy should be repaired. 2) The Limited Duties – Officer Record form and Notification Form should be updated to ensure that the health and safety team are aware 3) The policy and the relevant forms should be updated to reflect that the need for an Accident, Incident or Near 	31/03/2021	<p>Policy Reward and Employee Relations Manager</p>
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
					<p><i>Miss form must be completed and submitted to Health and Safety if the reason for limited or recuperative duties are as a result of a work related activity not just an injury</i></p>		

Executive Summary – Procurement Compliance with Contract Standing Orders within Departments

OVERALL ASSESSMENT







ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

If procurement is not undertaken appropriately, there is a risk that inappropriate goods and services are procured and value for money is not achieved.



SCOPE

The audit assessed the procurement processes within departments to ensure that there is compliance with contract standing orders and ensuring single tender actions are raised appropriately.

KEY STRATEGIC FINDINGS

-  Managers to assign sufficient time to ensure appropriate procurement exercises can be completed to minimise Single Tender Action forms being completed for post activity exemption.
-  Instances of retrospective purchase orders were identified. Purchase orders to be raised in advance of procuring goods and services to help ensure value for money when procuring goods and services.
-  Single tender action forms are not being completed when there are deviations away from agreed procurement processes.
-  Departments to consider total intended spend with a supplier rather than individual orders to ensure appropriate procurement arrangements are followed, and contracts are agreed with suppliers as appropriate.

GOOD PRACTICE IDENTIFIED

-  Norfolk and Suffolk are members of the seven force procurement function, this helps ensure that there is resilience within the function
-  Purchase orders are raised on a designated system Iprocurement. Authorisation limits are inbuilt on Iprocurement.

ACTION POINTS

Urgent	Important	Routine	Operational
0	4	1	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>Learning and development had raised nine purchase orders with the same supplier where there wasn't evidence that the appropriate procurement process had been followed.</p> <p>This supplier had been used in the previous financial year, and there was a single tender action form in place for the supplier for the previous year, but there is not a single tender action form in place for the current financial year where purchase orders have been raised.</p> <p>In addition Learning and development have raised a number of purchase orders with suppliers who are considered to be the single supplier, but no single tender action forms had been completed.</p>	Single tender action forms be raised and approved appropriately and timely when there are deviations from the standard procurement process.	2	<p><i>This recommendation is agreed. In order to tackle this and improve compliance, 7 Force Procurement is running training sessions for non-procurement staff across the 7 Forces to cover awareness of Contract Standing Orders and procedures and covers STAs.</i></p> <p><i>7 Force Procurement Governance and Standards is engaging with stakeholders to encourage attendance. ACOs will issue some further communications linking in a number of the recommendations.</i></p>	31/03/21	Head of Governance and Standards – 7 Force Procurement

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>Purchase orders are expected to be raised in advance, but there are occasions when retrospective orders will be raised as the cost will not be known in advance i.e. utility charges.</p> <p>Audit testing found instances where retrospective purchase orders had been raised.</p>	<p>Purchase orders be raised in advance of procuring goods and services to help ensure value for money.</p>	2	<p><i>While this recommendation is agreed it should be noted that there are some limited genuine reasons for retrospective purchase orders.</i></p> <p><i>It is already stated on the Procurement pages of the Intranet that POs should be raised in advance and although not specifically mentioned in the current round of Procurement awareness training attention is drawn to the guidance on the Intranet.</i></p> <p><i>ACOs will issue some further communications linking in a number of the recommendations.</i></p>	30/06/21	ACOs
3	Directed	<p>Upon review of purchase orders raised it appears that departments seem to look at individual orders with suppliers in isolation rather than the total spend that they intend to spend with that supplier.</p> <p>To help ensure the constabularies receive value for money, the total intended spend rather than the individual order value should be calculated as this should help to ensure value for money is achieved.</p>	<p>Total intended spend with suppliers be calculated to ensure that appropriate procurement arrangements are followed to ensure value for money. Contracts need to be agreed with suppliers that are to be used frequently to help ensure best value is achieved.</p>	2	<p><i>This will be addressed over time with the Atamis tools as the system is populated with spend data. Procurement will be able to look at spend with suppliers and for products or services and determine where corporate contracts can be best targeted to aggregate spend and reduce the need for standalone quotes.</i></p> <p><i>Currently this issue is being addressed in the Procurement awareness training roll out.</i></p>	30/06/21	Head of Governance & Standards – 7 Force Procurement

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Directed	<p>At the time of audit, there had been 11 STAs raised.</p> <p>There had been five STAs raised for the period January to May, three STAs for June to August and three STAs September to November. From review of STAs that had been raised, six related to Norfolk, four were joint and one for Suffolk.</p> <p>Of the 11 STAs that had been completed, four of these were for post activity exception. These being;</p> <ul style="list-style-type: none"> • for Project Manager, Tackling Organised Exploitation (TOEX) (value of STA - £100k) • Forensic Collision Investigation Network Training Course (value of STA - £50K) • Hethersett Old Hall Building Works (value of STA £412K); and • Independent Domestic Violence Adviser Service (value of STA £645K). <p>Appropriate time needs to be set aside for procuring of goods and services to ensure appropriate procurement process is followed. Department leads need to ensure that they set aside appropriate time to undertake appropriate procurement</p>	<p>There is a need to ensure that there is sufficient timing assigned for undertaking procurement exercises to ensure that appropriate procurement protocols are followed.</p>	2	<p><i>7F Procurement have a pipeline and are engaging with stakeholders to add known requirements to that pipeline. Additionally, through Procurement awareness training the message of engagement and timescales to undertake procurement activity is addressed. Despite this engagement and knowledge Procurement is not always made aware of projects but does robustly challenge STAs.</i></p> <p><i>Of the examples cited the following is noted:</i></p> <p><i>the STA for the IDVA service was the result of an unsuccessful procurement and the need to keep the essential service running with no break in service; the STA for Hethersett stemmed from a contractual dispute with the main contractor with an urgent need to place the work directly with the on-site sub-contractor to prevent an immediate walkout and cessation of works resulting in unacceptable health and safety risks.</i></p>	31/03/21	ACOs

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Directed	It was found that there have been instances where 'verbal approval' had been given by a senior officer to raise a purchase order, and this has been used to justify why appropriate procurement processes in accordance with contract standing orders had not been followed.	To help ensure value for money is achieved, all to be reminded that it is not appropriate for there to be deviations from contract standing orders, it is not appropriate for senior individuals to give verbal approval to raise purchase orders that have not been procured in line with contract standing orders.	3	<p><i>Procurement awareness training that is currently being delivered is supporting staff in understanding Contract Standing Orders and providing confidence to be able to advise of appropriate procedures.</i></p> <p><i>ACOs will issue some further communications linking in a number of the recommendations.</i></p> <p><i>These instances will tend to be sub £50k requirements as above that it will be managed through Procurement who will insist on appropriate procedures being followed.</i></p>	31/03/21	ACOs

Executive Summary – Key Financials

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Financial uncertainty and failure to deliver good stewardship of taxpayers' money.

SCOPE

The review looked to ensure that financial transactions are completely and accurately recorded on a timely basis within the Financial Ledger, thus ensuring the integrity of all financial information reported, included management accounts and financial accounts.

KEY STRATEGIC FINDINGS

- Norfolk have had two occurrences of breaching counterparty limit over the last 12 months. These were for short times, and were reported to the Audit Committee.
- The reporting functionality is limited on ERP. Work is continuing by management to address this.
- All members of the AR team fulfil all aspects of the AR function, it is possible that the same person who raises the invoice may also receipt it. Management accept this risk.
- Direct debits are not set up for debtors making payments via instalments, as currently they do not have the appropriate software to run direct debit file.

GOOD PRACTICE IDENTIFIED

- Link Asset Services Treasury solutions have been appointed as external treasury management advisors for both Norfolk and Suffolk.
- Budget monitoring reports are produced on a monthly basis for all departments.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	0	1

Progress against Annual Plan

System	Planned Quarter	Current Status	Comments
Covid-19 Controls	1	Final report issued	
Transformation and Business Case	2	Final report issued	
Estates Strategy and Policy	2	Final report issued	
Vetting	2	Final report issued	
Payroll	2	Final report issued	
Performance Management	2	Final report issued	
Strategic Control and Corporate Governance – Coronavirus Resilience	2	Final report issued	
Risk Management Advisory	2	Progress report issued	
PEQF	3	Final report issued	
Use of Vehicles and Telematics	4	Final report issued	
OBB	4	Final report issued	
Corporate Health and Safety	4	Final report issued	
Procurement Compliance with Contract Standing Orders within Departments	3	Final report issued	
Key Financials	4	Final report issued	
Recovered Property – Seized Monies	3	Draft report issued – Limited Assurance	Audit was delayed to quarter 3 at the request of client to due to concerns in relation to social distancing. Audit involves visiting property stores Landmark House and Europa Way
Data Quality	3	Draft report issued – Limited Assurance	Audit was delayed to quarter three at the request of client to due to staff absence and concerns in relation to social distancing. The audit was paused once it

System	Planned Quarter	Current Status	Comments
			commented at the request of management due to covid-19.
Recruitment	4	Draft report issued	
Learning and Development	4	Draft report issued	
IT – Cyber Security	4	Draft report issued	
MOPI	4	Draft report issued	
Risk Maturity Assessment	4	Draft report issued	
IT – ERP Governance	4	Fieldwork commenced	
Constabularies Commissioning	4	Fieldwork commenced	
OPCC – Commissioning	4	Fieldwork commenced	
HR Strategy, Workforce Planning, People Strategy and Succession Planning	4	Fieldwork commenced	

KEY:

	To be commenced		Site work commenced		Draft report issued		Final report issued
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Follow-up of Recommendations - Progress update

Audit Title	Year	Total	Urgent	Important	Routine	Implemented	Superseded	Not due	Overdue	Comments
Vetting	2020/21	3	0	1	2	1	0	2	0	
Performance Management	2020/21	1	0	0	1	0	0	1	0	
Payroll	2020/21	2	0	0	2	0	0	2	0	
PEQF	2020/21	2	0	2	0	1	0	1	0	
Use of Vehicles and Telematics	2020/21	1	0	0	1	0	0	1	0	
Estates Strategy and Policy	2020/21	1	0	0	1	1	0	0	0	
Transformation and Business Cases	2020/21	1	0	0	1	1	0	0	0	
Covid-19	2020/21	1	0	1	0	1	0	0	0	
Allowances Expenses and Additional Payments	2019/20	3	1	2	0	2	0	0	1	The remaining priority 2 recommendation is on hold, as currently with a high proportion of the workforce working from home it would not be representative to undertake the review in the current circumstances
Data Protection Legislation – GDPR / Data Protection Act	2019/20	8	1	2	5	7	0	0	1	Covid-19 has caused significant pressures in addressing the outstanding priority 3 recommendation, but an action plan has been drawn up to ensure that progress is made.

Audit Title	Year	Total	Urgent	Important	Routine	Implemented	Superseded	Not due	Overdue	Comments
										Progres is being monitored to help ensure completion by revised date.
External Training Budget	2019/20	3	0	3	0	1	0	0	2	The Covid-19 pandemic has caused some training to be placed on hold. Work is progressing to address by the revised due date.
Dog Handling	2019/20	5	1	4	0	2	0	0	3	Work is progressing to address recommendations by the revised due date. There are no priority 1 recommendations outstanding.
Workplace Health	2019/20	5	0	2	3	5	0	0	0	The Covid-19 pandemic has caused a delay in implementation of the new occupational health system.
Duty Management System (DMS)	2018/19	4	0	3	0	2	2	0	0	The DMS is not going to be used for overtime, and thus two of the outstanding recommendations have been closed on the grounds that they are not relevant. A specific system has been generated for police officers overtime, and police staff overtime will continue to be complete hard copy overtime forms.
Establishment, Capacity, Recruitment and Retention	2018/19	6	0	3	3	4	0	0	2	Work is progressing to develop the new Acting up and Temporary Promotions Policy.
Recovered Property	2018/19	4	0	2	2	3	0	0	1	The Covid-19 pandemic has prevented annual audits from being undertaken.
Learning and Development	2017/18	3	1	2	0	1	0	0	2	A business case has been prepared and has been presented to Coroprate Development and Change to look to address and investigate.

Audit Title	Year	Total	Urgent	Important	Routine	Implemented	Superseded	Not due	Overdue	Comments
TOTAL		53	5	27	21	32	2	7	12	

The following table lists the outstanding recommendations

Audit	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Last Update	Latest Response
NSC1804 HR – Learning and Development	A full review of the skills data recorded on ERP to be undertaken, requesting skills data held and trainers from individual departments, to ensure that ERP has an accurate record and can be used to identify skill requirements and gaps across the forces.	1	The ERP skills review is well underway. The findings are being fed into the ERP Board for future changes to the ERP system, which will require change requests. The ERP Board has agreed the procurement of new management information software for the ERP system, which will also provide assistance in this area.	DCC/ Chief Inspector - Operational Training Manager	27/06/2018	31/03/2021	02/03/2021	Work is ongoing to address this, a business case has been prepared to ensure that accurate records can be maintained. A business case has been prepared to establish what is the appropriate means to record skills. Progress is made against this recommendation. Performance against this is monitored by the ERP Board.
NSC1804 HR – Learning and Development	ERP be investigated to see if adequate quality control measures can be set up to prevent police staff being assigned courses and skills that only police officers can achieve.	2	Learning and Development are working with Cap Gemini and have identified a number of change requests to the ERP Board to improve the work flow, and therefore improve the quality of data input into the system.	DCC/ Chief Inspector - Operational Training Manager	30/09/2018	31/03/2021	02/03/2021	Full functionality of ERP is currently being investigated. It has been established that ERP is capable of doing this, and a change request has been put in place for this to be done, but this is awaiting to be actioned by the Change Board. The Covid-19 pandemic has caused significant pressure for L&D and they have had to prioritise core training including new officer training. A revised due date has been requested for the recommendation. All bookings for training are submitted to L&D to approve, this should help prevent police staff being able to book police officer only courses.
NSC2027 Allowances, Expenses and Additional Payments	A review of pool cars be undertaken, to ensure that there are optimum numbers available/used for the most efficient travel between headquarters and other journeys, compared to paying private mileage. Any changes to the way pool	2	All travel is deemed necessary as authorised by managers, however in light of the recent Covid-19 outbreak a review of working practices will take place in both Forces, with a view to reducing travelling and utilising technology as well as increased home	ACO	31/09/2020	31/03/2021	02/03/21	This recommendation is on hold, as currently with a high proportion of the workforce working from home it would not be representative to undertake the review in the current circumstances. The recommendation cannot be reviewed until the Covid-19 pandemic has passed.

	cars are used to be communicated to those travelling between sites and monitored for changes being instigated.		working. The review of pool car usage will be considered as part of this review.						A revised due date of the 31st March 2021 has been proposed for the recommendation.
NSC2016 Data Protection Legislation – GDPR / Data Protection Act	The following policies updates, incorporating the GDPR, be published following approval: the Acceptable Use of Information Systems and Assets Policy, the Government Security Classification Scheme Policy, the Information Security and Information Security Management Policy, the Interim Email, Intranet and Internet Use Policy, the Interim Information Security Incident and Data Breach Reporting and Management Policy, and the Interim Information Risk Management Policy.	3	Recommendation is agreed. Information security will endeavour to review, amend or re-write their policies and procedures over the course of 2020. With the appropriate resources available, it is hoped that 25% of the policies and procedures will be reviewed and appropriately amended each quarter. This will start with the Information Security Incident and Data Breach Management Policy which must be re-written in-line with the requirements of the National Enabling Program's delivery of Office 365.	DCC Information Security /	31/12/2020	31/03/2021	02/03/21		A revised due date has been requested for the recommendation, as there are a number of pressing concerns for the Information Management Department, and they have had to prioritise operational responsibilities. A revised due date has been requested for the recommendation.
NSC2025 External Training Budget	Training requirements be recorded within the constabularies' workforce plans, to ensure effective succession planning and an appropriately trained workforce.	2	This work is reliant on a number of other workstreams, such as Succession Planning, E-PDR and the skills database which are ongoing and form key elements of the constabularies' People Strategy. A further update will be provided at the end of the calendar year.	Change and Development Manager – L&D (from an oversight perspective)	31/12/2020	31/03/2021	02/03/21		The covid-19 pandemic has caused delays in implementation. A revised review due date has been requested of the 31/03/21. Work is progressing to implement this recommendation by the revised due date. Training courses have continued to be run and where possible these have been virtual throughout the pandemic. Where virtual training is not an option, face to face training has been undertaken. Where face to face training is undertaken, a Covid-19 risk assessment is undertaken. It is planned for this to be in place for the 2021/22 financial year.

NSC2025 External Training Budget	An external training policy be developed and published on the intranet, for all to access. The policy to include a requirement for learning and development to receive formal notification of training received so that accurate training records are held on ERP.	2	An interim procedure focused upon the revised process has been drafted for publication. This will include the oversight for exceptional bids which will be undertaken by the People Board. Once the relevant consultation has been completed this will be published as a resource for line managers.	Change and Development Manager – L&D	30/06/2020	31/03/2021	02/03/21	<p>The External Training policy has been approved at JNCC but it hasn't yet been published as Legal returned some comments which are being resolved before it is published. March 2021 - The policy is still awaiting to be signed off following challenges raised by Legal.</p> <p>A revised due date has been requested for the recommendation whilst awaiting sign off by legal.</p>
NSC2029 Dog Handling	An annual risk assessment be undertaken to identify the optimum number of police dogs and handlers needed.	2	There is no "Dog STRA" and it is understood that none of the forces in the region have such a document. Developing an accurate STRA for N&S would currently be difficult because of the method used to capture data of activity, this is under review and an annual risk assessment will be considered once complete. An initial date of 31/03/20 is provided for review / consideration.	DCC/ / Insp 3051 HAMMERTON	31/03/2020	31/03/2020	27/01/21	<p>A review of the Dog Unit has been undertaken and a Business Case is now with Chief Officers for decision making. The Covid-19 pandemic has caused a delay.</p> <p>Work is ongoing by Inspector Hammerton to develop a 'Dog STRA'. It is planned for the 'Dog STRA' to be in place for the start of the 2021/22 financial year.</p> <p>A revised due date has been requested.</p>
NSC2029 Dog Handling	The annual training programme for police dog handlers be produced, incorporating all required training and made available to RMU. The RMU to book officers' duties accordingly to ensure that police dog handlers receive the required training.	2	Without dedicated training days factored in, it will be difficult to populate training on set days – RMU have begun attempting to roster training but this isn't always possible. The peer review should highlight this issue and work is being undertaken to look at a better pattern with dedicated training days. The timeline for shift review will be 31/03/20.	DCC/ / Insp 3051 HAMMERTON	31/03/2020	30/04/2021	27/01/2021	<p>A review of the Dog Unit has been undertaken and a Business Case is now with CO's for decision making and to ensure appropriate action is taken. The Covid-19 pandemic has caused a delay in implementation.</p>



NSC2029 Dog Handling	A review be carried out of police dog handlers training days to ensure that actual training hours received is in agreement with training hours that have been planned for.	2	Set training days should make this easier, a pattern with a dedicated week for training will ensure handlers are getting what they require. It will also improve team cohesion, as Norfolk and Suffolk handlers will come together to train. Training should be as a team rather than 1:1 as this is good practice, the current system does not support this. A date of 31/12/19 is provided for peer review results, following which the timeline for shift review, with a view to implementation 31/03/20.	DCC / / Insp 3051 HAMMERTON	31/03/2020	30/04/2021	27/01/2021	A review of the Dog Unit has been undertaken and a Business Case is now with CO's for decision making and to ensure appropriate action is taken. The Covid-19 pandemic has caused a delay in implementation.
NSC1915 Establishment, Capacity, Recruitment and Retention	Report of amendments to contracts length be produced monthly, to verify whether leaving / extended and permission groups checked for appropriateness to amend.	2	The provision of reports will be scoped by the Management Information Team, and if possible, will be reviewed monthly by HR Business Partners/HR Advisors.	DCC / Head of Resourcing/Head of HR	30/06/2019	31/12/2020 & 31/03/2021	02/03/2021	There was a delay in creation of the Shared Service Transaction Centre. The Shared Service Transaction Centre is now up and running, but is still in its infancy, and this has caused delay in implementation of the recommendation, as this is something that has been assigned to the Shared Services Transaction Centre to address. A revised due date has been requested for the recommendation.
NSC1915 Establishment, Capacity, Recruitment and Retention	Approval and rationale for why officers and staff are acting up be recorded for all officers/staff.	2	The new Acting and Temporary Promotions Policy will be published in the Spring of 2019. This will standardise the process and this detail will therefore be captured. Staff are already covered within other HR policies and process.	DCC / Head of Resourcing/Head of HR	30/06/2019	31/12/2020 & 31/03/2021	02/03/2021	A new policy has been drafted. It is, however, likely to remain in draft for some time as it has become clear that there are a number of approaches that may need to be taken into account in the final version, and it is expected that this will take further time to work through.
NSC1928 Recovered Property	Annually, an audit be undertaken at the property stores and records be	3	Annual audits have not been carried out due to the Evidential Property Review	ACO/ Locally / PM&VRC and	31/10/2019	30/09/2020 & 30/06/21	02/03/2021	Due to the COVID outbreak these audits have not taken place as we are currently not

	<p>maintained of the stock take.</p>		<p>and other commitments. These audits will recommence in 2019 and Main Stores (with Property Staff) and satellite stations will be audited annually. Programme of audits to be discussed with Senior Property Officers on 17th July.</p>	<p>Senior Property Officers</p>				<p>undertaking non-essential travel. It is not known when these checks can recommence. A revised due date has been requested for the recommendation.</p>
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Briefings on developments in Governance, Risk and Control

TIAA produces regular briefing notes to summarise new developments in Governance, Risk and Control which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those CBNs issued in the last three months which may be of relevance to the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies is given below. Copies of any CBNs are available on request from your local TIAA team.

Summary of recent Client Briefing Notes (CBNs)

CBN Ref	Subject	Status	TIAA Comments
CBN – 21002	Ensuring Wording on Job Applications Reflects the Revised DBS Rules		<p>Action Required</p> <p>Employers to reconsider their approach to enquiring about criminal record information to ensure they do so in a way that ensures compliance with the new legislation.</p>
CBN – 21005	Revoking of Public Sector Exit Payments		<p>Action Required</p> <p>Boards and Governing Bodies to be made aware of the revocation of the earlier direction on Public Sector Exit Payments.</p> <p>Guidance on public sector exit payments - GOV.UK (www.gov.uk)</p>



Internal Audit

DRAFT

Police and Crime Commissioners for Norfolk and
Suffolk Police and Chief Constables of Norfolk and
Suffolk Constabularies

Internal Audit Annual Report

2020/21

March 2021

Internal Audit Annual Report

Introduction

This is the 2020/21 Annual Report by TIAA on the internal control environment at the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies. The annual internal audit report summaries the outcomes of the reviews we have carried out on the organisation’s framework of governance, risk management and control.

Limitations on our opinion arising from Covid-19

The delivery of the internal audit work for 2020/21 has been impacted by the global Covid-19 pandemic which has taken hold during this accounting period.

The consequences of this unprecedented event are expected to continue into the new financial year and will continue to pose significant risks to all organisations. The impact of ongoing events on Police and Crime Commissioner for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies control systems, financial sustainability or operational performance have not been assessed and our opinion takes no account of this. This report is designed to assist the Board in making its annual governance statement.

HEAD OF INTERNAL AUDIT’S ANNUAL OPINION

TIAA is satisfied that, for the areas reviewed during the year, for the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constable of Norfolk and Suffolk Constabularies’ effective risk management, control and governance processes are in place. Not having completed all of the planned work due to the global Covid-19 pandemic has not impacted on our overall assessment. This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies’ from its various sources of assurance.

Internal Audit Planned Coverage and Output

The 2020/21 Annual Audit Plan approved by the Audit Committee was for 330 days of internal audit coverage in the year. The 330 days includes

During the year there were the following changes made to the Internal Audit Plan, the collaborations audit has been replaced by an audit of the Joint Justice Service. In addition the OPTIK Post Implementation Review and the Shared Services Transaction Centre audits have been moved to 2021/22 at the request of management these audit will all be undertaken in the first quarter of 2021/22. The changes were approved by the Chief Finance Officers and the Assistant Chief Officers.

The planned work that has been carried out against the plan and the status of work not completed is set out at Annex A.

No extra work was carried out which was in addition that set out in the Annual Audit Plan.

Assurance

TIAA has 24 reviews to carry out in 2020/21, which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve strategic objectives. Two of these audits have been carried forward to 2021/22 and four of these audits were yet to be completed. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Details of these are provided in Annex A and a summary is set out below. These figures include those areas where our inability to complete the work due to restrictions brought about by Covid-19 has resulted in an Indicative assurance assessment.

Assurance Assessments	Number of Reviews	Previous Year
Substantial Assurance	5	3
Reasonable Assurance	11	16
Limited Assurance	2	4

No Assurance	0	0
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The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented.

We made the following total number of recommendations on our audit work carried out in 2020/21.

Urgent	Important	Routine
2	38	13

Audit Summary

Control weaknesses: There were two audit areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' assurance. Recommendations were made to further strengthen the control environment in these areas and the management responses indicated that the recommendations had been accepted.

Recommendations Made: We have analysed our findings/recommendations by risk area and these are summarised below.

Risk Area	Urgent	Important	Routine
Directed			
Governance Framework	1	19	8
Risk Mitigation	-	-	1
Compliance	-	18	4
Delivery			

Performance Monitoring	-	1	-
Financial Constraint	-	-	-
Resilience	1	-	-

Operational Effectiveness Opportunities: One of the roles of internal audit is to add value and during the financial year we provided advice on opportunities to enhance the operational effectiveness of the areas reviewed and the number of these opportunities is summarised below.

Operational
14

Independence and Objectivity of Internal Audit

There were no limitations or restrictions placed on the internal audit service which impaired either the independence or objectivity of the service provided.

Performance and Quality Assurance

The following Performance Targets were used to measure the performance of internal audit in delivering the Annual Plan.

Performance Measure	Target	Attained
Completion of Planned Audits	100%	100%
Audits Completed in Time Allocation	100%	100%
Final report issued within 10 working days of receipt of responses	95%	100%
Compliance with Public Sector Internal Audit Standards	100%	100%

Ongoing quality assurance work was carried out throughout the year and we continue to comply with ISO 9001:2015 standards. An independent external review was carried out of our compliance of the Public Sector Internal Audit Standards (PSIAS) in 2017 and in particular to meet the requirement of an independent 5 year

review, the outcome confirmed full compliance with all the standards. Our work also complies with the IIA-UK Professional Standards.

Release of Report

The table below sets out the history of this Annual Report.

Date Report issued:	March 2021
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Annexes

Annex A

Actual against planned Internal Audit Work 2020/21

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Strategic Control and Corporate Governance – Coronavirus Resilience	Assurance	12	12	Substantial	Replaced the Strategic Control and Corporate Governance Audit
Performance Management	Assurance	12	12	Substantial	This was a 2019/20 audit that was brought forward
Transformation Including Business Cases	Assurance	12	12	Reasonable	
Corporate Health and Safety	Assurance	10	10	Reasonable	
Risk Management (includes both the Risk Management Embedding and the Risk Maturity Audit)	Assurance	12	12	Reasonable	
Key Financials	Assurance	30	30	Reasonable	
Outcome Based Budgeting	Assurance	12	12	Substantial	
Payroll Including ERP Reporting	Assurance	12	12	Substantial	
Data Quality	Assurance	12	12	Limited	
MOPI	Advisory	10	10	n/a an advisory audit	
Recruitment	Assurance	12	12	Reasonable	
Learning and Development	Assurance	12	12	Reasonable	
PEQF	Assurance	12	12	Reasonable	
Estates Strategy and Policies	Assurance	6	6	Reasonable	
Procurement Compliance with Standing Orders	Assurance	14	14	Reasonable	
Recovered Property – Seized Monies	Assurance	10	10	Limited	
Use of Vehicles and Telematics	Assurance	12	12	Substantial	
Covid-19 Controls Resilience	Assurance	10	10	Reasonable	

Vetting	Assurance	10	10	Reasonable	
Cyber Security	ICT	12	12	Draft report stage at time of report production	
HR Strategy, Workforce Planning, People Strategy and Succession Planning	Assurance	18	18	Fieldwork in progress	
ERP Governance	Assurance	12	12	Fieldwork in progress	
Commissioning	Assurance	18	18	Fieldwork in progress	Audit requested to start at the end of March 2021 so that MOJ return can be included in the scope.
Follow-up		12	12		
Audit Management Including Annual Planning		20	20		
	Total Days	330	330		

Internal Audit

FINAL



Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies

Audit Strategy and Annual Internal Audit Plan

2021/22

MARCH 2021

Overview

Introduction

The Audit Plan for 2021/22 has been informed by a risk assessment carried out across our local government clients and by an updated audit risk assessment to ensure that planned coverage for the year is focussed on the key audit risks, and that the coverage will enable a robust annual Head of Internal Audit Opinion to be provided.

Key Emerging Themes

This year will continue to be another challenging year for local authorities in terms of funding, balancing budgets, service delivery and dealing with the ongoing impact of the COVID-19 pandemic. We have identified a number of key areas which require consideration when planning internal audit coverage.

COVID-19: The impact of the pandemic will carry through into 2021/22, continuing the pressure on policing resources and the knock-on effect of carried-forward leave and sickness absences. Other challenges include a backlog of cases in the criminal justice system, unreported/hidden crime and the potential need to increase the precept to mitigate any shortfall in funding.

Brexit withdrawal agreement: Depending on whether or not the United Kingdom can reach agreement on the terms of the UK's exit from Europe, the knock-on effect on trade, supplies and labour could have a detrimental impact on the economy and on the prices of goods and commodities, such as building materials. Policing needs in relation to borders and civil unrest remain unknown.

Recruitment: The continued implementation of the Government's three-year national campaign to recruit 20,000 police officers will require significant Human Resources, Training and Development and Workforce Planning input.

Cyber crime: A continuing theme and Forces need to take steps to assure themselves over the robustness of their overall arrangements. The National Police Chiefs' Council has also recently identified issues of cyber risk for police pension schemes following the results of this year's TPR Annual Governance and Administration Survey.

Further analysis of the risks facing the sector can be found at Appendix A.

Providing Assurance during the COVID-19 pandemic

We have successfully transitioned to new and remote ways of working without any diminution of the service and we recognise that many if not all of our clients have had to implement changes in the way that they work. This may have resulted in gaps in control or exposures that previously didn't exist.

We have carried out extensive research to establish the Root Cause Indicators (RCI) which underpin the reasons for any weaknesses identified by our Internal Audit work in an organisation's governance, risk and control framework.

The RCIs include identifying the extent to which COVID-related factors are the cause of the identified exposure.

Further details in relation to RCIs can be found at Appendix B.

Adequacy of the planned audit coverage

The reviews identified in the audit plan for 2021/22 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control as required by TIAA's charter. The reviews have been identified from your assurance framework, risk registers and key emerging themes.

Internal Audit Plan

Audit Strategy Methodology

We adopt a proprietary risk-based approach to determining your audit needs each year which includes reviewing your risk register and risk management framework, the regulatory framework, external audit recommendations and previous internal audit work for the organisation, together with key corporate documentation such as your business and corporate plan, standing orders, and financial regulations. For 2021/22, we have conducted an analysis of the key risks facing the sector and client base more broadly to inform our annual planning. The Audit Strategy is based predominantly on our understanding of the inherent risks facing the Police and Crime Commissioners for Norfolk and Suffolk and the Chief Constables of Norfolk and Suffolk Constabularies and those within the sector and has been developed with senior management and Committee. Our approach is based on the International Standards for the Professional Practice of Internal Auditing which have been developed by the Global IIA (Institute of Internal Auditors).

Risk Prioritisation

Each year an updated risk assessment is carried out to ensure the Audit Strategy remains fully aligned with the key risks facing Example Client. Appendix A contains the GUARD assessment of key risks in the sector and which has been used to identify those that are most relevant to the organisation and where internal audit assurance would be best focussed. Links to specific strategic risks are also contained in the Internal Audit Strategy.

Internal Audit Strategy and Plan

Following the risk prioritisation review, the Audit Strategy has been produced (Appendix C) and the Annual Plan (Appendix D) sets out the reviews that will be carried out, the planned times and the high-level scopes for each of these reviews.

The Annual Plan will be subject to ongoing review and could change as the risks change for the organisation and will be formally reviewed with senior management and the Audit Committee mid-way through the financial year or should a significant issue arise.

The overall agreed time for the delivery of the Annual Plan includes: research; preparation and issue of terms of reference; site work; production and review of working papers; and reporting.

The Annual Plan has been prepared on the assumption that the expected controls will be in place.

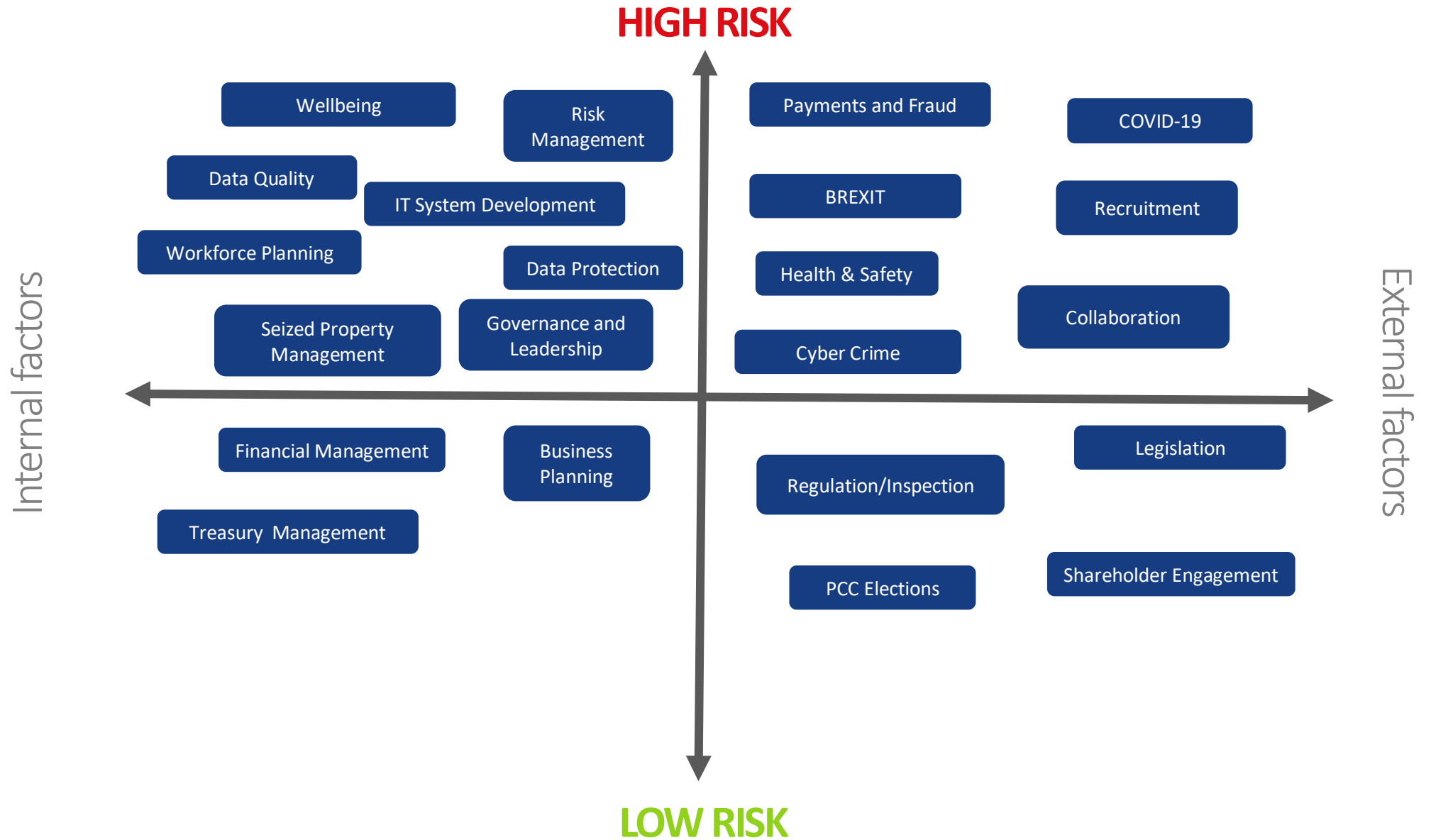
The total number of days required to deliver the Audit Plan is as agreed in the contract between TIAA and the Police and Crime Commissioners for Norfolk and Suffolk and the Chief Constables of Norfolk and Suffolk Constabularies. This number of days is fixed and it is TIAA's responsibility to deliver the Audit Plan for this number of days. Where the Police and Crime Commissioners for Norfolk and Suffolk and the Chief Constables of Norfolk and Suffolk Constabularies agrees additional work the required number of days and the aggregate day rate will be agreed in advance with the Directors of Finance / ACOs and will be clearly set out in the terms of reference for the additional review(s).

Release of Report

The table below sets out the history of this plan.

Date plan issued:	January 2021
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Appendix A: GUARD Risk Analysis



Appendix B: Providing Assurance

Corporate Assurance Risks

We consider two corporate assurance risks – Directed and Delivery. Underneath these corporate risks sit six Root Cause Indicators (RCI). We have carried out extensive research to establish the RCI which underpin the reasons for any weaknesses identified by our Internal Audit work in an organisation’s governance, risk and control framework. The benefits of adopting this new approach is that it enables management and Audit Committees to clearly understand and focus on the significant issues arising from our work. For each audit assignment, we will provide a RCI for each of our findings in that area.



Directed Risk: Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Root Cause Indicator

Governance Framework	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.
Risk Mitigation	The documented process aligns with the mitigating arrangements set out in the corporate risk register.
Compliance	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.



Delivery Risk: Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Root Cause Indicator

Performance Monitoring	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.
Financial Constraint	The process operates within the agreed financial budget for the year.
Resilience	Good practice to respond to business interruption events and to enhance economic, effective and efficient delivery is adopted.

Appendix C: Rolling Strategic Plan

Review Area	Type	2021/22	2022/23	2023/24
Governance				
Norfolk – OPCC Audit – Community Safety Partnership	Assurance	✓	✓	✓
Strategic Control and Corporate Governance	Assurance		✓	
Corporate and HR Policies	Assurance	✓		
Performance Management	Assurance			✓
Transformation and Strategic Planning / Change	Assurance	✓		✓
Whistleblowing	Assurance		✓	
Complaints	Assurance			✓
Communications	Assurance		✓	
Collaborations / Partnership Working	Advisory	✓	✓	✓
Emergency Planning & Business Continuity	Assurance			✓
Commissioning including MOJ return	Assurance		✓	
Risk Management				
Strategy / Policy	Advisory			✓
Risk Maturity and Development	Assurance	✓		
Embedding / Mitigating Controls	Assurance		✓	
ICT				
Cyber Security	Assurance			✓
IT Development – incl Digital World, Governance, Strategy	Assurance		✓	
Device Management	Assurance			✓
Disaster Recovery and Business Continuity	Assurance	✓		

Review Area	Type	2021/22	2022/23	2023/24
Systems – ERP / Enact / DMS / Chronicle interfaces	Assurance	✓		
Finance				
Shared Service Transaction Centre	Assurance	✓		✓
OBB Process	Assurance		✓	
Key Financials	Assurance	✓	✓	✓
Payroll, including ERP Reporting	Assurance		✓	
Accounts Payable	Assurance	✓		
Accounts Receivable	Assurance		✓	
General Ledger	Assurance			✓
Treasury Management	Assurance	✓		
Capital Programme	Assurance	✓		
Budgetary Control	Assurance			✓
Fixed Assets	Assurance		✓	
Pensions Administration	Assurance	✓		
Overtime	Assurance	✓		
Allowances, Expenses and Additional Payments	Assurance		✓	
Procurement				
Strategy and Policy	Assurance	✓		✓
Local Procurement compliance, incl waivers	Assurance		✓	✓
Information Management				
Data Protection / Freedom of Information	Assurance		✓	
Data Quality	Assurance	✓		
MOPI	Assurance			✓

Review Area	Type	2021/22	2022/23	2023/24
Human Resources				
HR Strategy & Workforce Planning & People Strategy	Assurance			✓
Establishment, Capacity, Recruitment and Retention	Assurance	✓		
Succession Planning	Assurance			✓
Absence Management, with limited duties	Assurance	✓		
Workplace Health	Assurance		✓	
Duty Management System	Assurance	✓		
Learning and Development, incl external training budgets	Assurance			✓
ED&I	Assurance		✓	
PEQF	Assurance	✓		
Ill Health Retirement	Assurance		✓	
Transport and Stores				
Strategy and Policies	Assurance	✓		
Procurement	Assurance		✓	
Management - Maintenance, Repair, Disposal, Transport Stock	Assurance	✓		✓
Use of Vehicles and telematics, incl Fuel Usage	Assurance		✓	
Stores and Uniform	Assurance			
Estates				
Strategy and Policies, incl future planning	Assurance	✓		
Maintenance	Assurance			✓
Health and Safety	Assurance		✓	
Facilities	Assurance		✓	
Stations, incl Building Access and Vehicle Security	Assurance			✓

Review Area	Type	2021/22	2022/23	2023/24
Contract Management	Assurance		✓	
Operational / Other Areas				
Firearms Certificates / Management	Assurance		✓	
Dog Handling	Assurance	✓		
Proceeds of Crime	Assurance			✓
Recovered Property and Seized Monies	Assurance	✓		✓
Safeguarding and Investigations	Assurance		✓	
Ethical Standards	Assurance			
Vetting	Assurance		✓	
Management and Planning				
Follow Up	Follow Up	✓	✓	✓
Annual Planning	-	✓	✓	✓
Annual Report	-	✓	✓	✓
Audit Management	-	✓	✓	✓
Total Days	330			

Appendix D: Annual Plan – 2021/22

Quarter	Review	Type	Days	Rationale and Scope	Review type
2	Norfolk – OPCC Audit - Community Safety Partnership	Assurance	15	<p><u>Rationale</u></p> <p>Norfolk Community Safety Partnership is managed by the Office of the Police and Crime Commissioner. The Office of the Police and Crime Commissioner for Norfolk has only recently taken on responsibility for the community safety partnership for Norfolk. The Norfolk Community Safety Partnership consists of the following statutory partners – the County Council, all 7 district councils, police, probation, fire and CCGs, YOT and housing. These partners are all committed to working together in partnership with victims and communities to tackle crime and disorder within the county, striving to keep Norfolk one of the safest places in the country to live, work and visit.</p> <p><u>Scope</u></p> <p>The audit will review how successful embedding of the community safety partnership function has been and to ensure the service is achieving its objectives.</p>	
3	Corporate and HR Policies	Assurance	6	<p><u>Rationale</u></p> <p>The centralised policy unit are responsible for the production and review of all departments/areas policies, with the exception of HR related policies. The HR department are responsible for the production and revision of their policies. There is a need for appropriate and current policies to be in place to ensure consistent and standardised approach is followed.</p> <p><u>Scope</u></p> <p>The audit will assess the adequacy and effectiveness of the Constabularies for agreeing and reviewing policies.</p>	

Quarter	Review	Type	Days	Rationale and Scope	Review type
4	Transformation and Strategic Planning / Change	Assurance	12	<p><u>Rationale</u></p> <p>The development of new internal systems and processes will impact on the capacity and capability of resources to develop working practices and drive efficiencies.</p> <p><u>Scope</u></p> <p>The objective of the audit is to review the systems and controls in place for strategic control. The audit will ensure that there are appropriate controls and monitoring arrangements in place to ensure objectives are achieved.</p>	
3	Collaborations and Partnership Working	Advisory	16	<p><u>Rationale</u></p> <p>Collaborations and partnerships with local public sector organisations are growing and developing. Focus will be on the seven forces collaboration options and local collaborations with the fire service and probation.</p> <p><u>Scope</u></p> <p>The audit will focus on whether collaborations and partnerships are fulfilling their requirements.</p>	
3	Risk Maturity and Development	Assurance	8	<p><u>Rationale</u></p> <p>Robust risk management is critical to all organisations to ensure risks are effectively management and emerging risks identified.</p> <p><u>Scope</u></p> <p>Our cyclical annual reviews will cover the structures and processes put in place to ensure effective Risk Management across the organisation, including embedding risk, risk identification, and risk mitigation. This will include a review of Locality risk management and how that links to the overall risk management process.</p>	

Quarter	Review	Type	Days	Rationale and Scope	Review type
1	Disaster Recovery and Business Continuity	Assurance	12	<p><u>Rationale</u></p> <p>Appropriate disaster recovery and business continuity arrangements need to be in place to ensure the organisation is able to function. The Covid-19 pandemic has caused additional pressure for the constabularies and has caused significant changes to working practices.</p> <p><u>Scope</u></p> <p>The objective of the audit is to review the adequacy, effectiveness and efficiency of the systems and controls in place to manage Disaster Recovery and business continuity.</p>	
2	Systems – ERP / Enact / DMS / Chronicle interfaces	Assurance	20	<p><u>Rationale</u></p> <p>The constabularies use a number of different systems, to ensure effective delivery of services. There is a risk that systems do not fulfil their objectives and do not interact accordingly.</p> <p><u>Scope</u></p> <p>The objective of the audit is to ensure the systems are operating effectively and delivering required objectives.</p>	
3	Shared Service Transaction Centre	Assurance	12	<p><u>Rationale</u></p> <p>The shared service transaction centre was implemented October 2020.</p> <p><u>Scope</u></p> <p>The audit will review how successful embedding of the shared services transaction centre has been and to ensure the service is achieving its objectives.</p>	
4	Key Financials	Assurance	30	<p><u>Rationale</u></p> <p>Robust financial systems are essential to financial well-being of any organisation. The key controls will focus on stress testing the key controls within each of the financial systems identified.</p> <p><u>Scope</u></p> <p>The review considers the arrangements for key controls operating within the systems and Force Management Statements.</p>	

Quarter	Review	Type	Days	Rationale and Scope	Review type
4	Accounts Payable	Assurance	10	<p><u>Rationale</u></p> <p>The accounts payable function is one of the key financial systems which feed into the Statement of Accounts and require regular review to confirm the adequacy and effectiveness of controls.</p> <p><u>Scope</u></p> <p>The objective of the audit is to review the systems and controls in place within Accounts Payable, to help confirm that these are operating adequately, effectively and efficiently.</p>	
3	Treasury Management	Assurance	8	<p><u>Rationale</u></p> <p>Appropriate treasury management operations ensures that cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering maximising investment return.</p> <p><u>Scope</u></p> <p>The objective of the audit is to review the systems and controls in place within the Treasury Management function, to help confirm that these are operating adequately, effectively and efficiently.</p>	
3	Capital Programme	Assurance	10	<p><u>Rationale</u></p> <p>The capital programme set out our plans for investment in assets and how these will be funded. If the capital programme is not effectively managed there will not be sufficient funding to fund the capital programme.</p> <p><u>Scope</u></p> <p>The review considers the arrangements for accounting for the capital programme.</p>	
3	Pensions Administration	Assurance	10	<p><u>Rationale</u></p> <p>It is a legal requirement to provide a pension scheme. It is vital that the pension fund is managed accordingly. Pension deductions are made accordingly.</p> <p><u>Scope</u></p> <p>The review considers the arrangements for management and accounting of the pension function.</p>	

Quarter	Review	Type	Days	Rationale and Scope	Review type
1	Overtime	Assurance	12	<p><u>Rationale</u></p> <p>Due to the high volume of transactions and nature of the system, it is vulnerable to error and misappropriation. The constabularies have developed (POCASO) internally for payment of police officers' overtime. Police staff continue to submit hard copy forms for claiming of overtime.</p> <p><u>Scope</u></p> <p>The review to consider the arrangements for claiming, making payment and monitoring of overtime to ensure that these controls are operating effectively.</p>	
2	Procurement Strategy and Policy	Assurance	10	<p><u>Rationale</u></p> <p>The constabularies' are part of the seven force procurement function, this covers Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent, Norfolk and Suffolk. The seven force procurement team are in their infancy. There is a risk that the procurement strategy may not align with corporate strategies and direction for current and future needs.</p> <p><u>Scope</u></p> <p>The audit will appraise the strategy for managing the procurement function for current and future requirements, with supporting policies.</p>	
2	Data Quality	Assurance	12	<p><u>Rationale</u></p> <p>Data quality is a key area of risk for the constabularies. Previous audits have identified concerns in relation to data quality, and for this reason a further audit has been scheduled.</p> <p><u>Scope</u></p> <p>The review will focus on the quality of data across areas of the organisations. This will include data recording and retention on central systems and stand-alone systems, quality of input, focusing initially on data quality for priority reporting systems.</p>	

Quarter	Review	Type	Days	Rationale and Scope	Review type
4	Establishment, Capacity, Recruitment and Retention	Assurance	12	<p><u>Rationale</u></p> <p>Key audit risk area, with increased drive to recruit front line officers, implication of PEQF and there has been a change in the recruitment process.</p> <p><u>Scope</u></p> <p>The review will consider decision making around the establishment, capacity, and changes to recruitment criteria, around the arrangements for advertising, shortlisting, interviewing and appointing staff/officers. Also around the retention of officers/staff, the impact of changes to recruitment processes, acting up and promotions.</p>	
1	Absence Management, with limited duties	Assurance	15	<p><u>Rationale</u></p> <p>Resources are limited and thus it is critical that appropriate means are in place to reduce absence and to ensure that any absence is appropriately managed.</p> <p><u>Scope</u></p> <p>The audit will consider the adequacy of controls in place in relation to absence management including limited and restrictive duties across Norfolk and Suffolk Constabularies.</p>	
2	Duty Management System	Assurance	10	<p><u>Rationale</u></p> <p>Key audit area of risk, with outstanding recommendations from previous audits.</p> <p><u>Scope</u></p> <p>The review will appraise the effectiveness of the duty resource management system</p>	

Quarter	Review	Type	Days	Rationale and Scope	Review type
3	PEQF	Assurance	10	<p><u>Rationale</u></p> <p>Policing Education Qualification Framework (PEQF) is a new professional framework for the training of police officers and staff, it is intended to be a standardised national framework stating the required level of professional training for police officers from constable through to chief officer ranks. Without proper investment and planning there is a risk that the constabularies are not ready to implement PEQF.</p> <p><u>Scope</u></p> <p>The to review the systems and controls in place for ensuring appropriateness and readiness of the constabularies for PEQF</p>	
3	Transport Strategy and Policies	Assurance	6	<p><u>Rationale</u></p> <p>The constabularies need to have an appropriate transport fleet to meet the operational needs of the forces. There is a risk that the transport strategy may not align with corporate strategies and direction.</p> <p><u>Scope</u></p> <p>The audit will appraise the strategy and supporting policies for managing transport services.</p>	
1	Management - Maintenance, Repair, Disposal, Transport Stock	Assurance	15	<p><u>Rationale</u></p> <p>The constabularies need to have appropriate fleet of vehicles which is well maintained to enable them to meet the needs of the forces. There is a risk that fleet vehicles are not appropriately maintained. Vehicles which are surplus to requirements will be disposed off. There is a risk that funds received from the sale of vehicles are not received in full resulting in financial loss.</p> <p><u>Scope</u></p> <p>The audit will appraise the arrangements and controls in place to ensure that the fleet of vehicles are adequately maintained, and to ensure appropriate controls are in place for disposing of vehicles and recording of vehicles proceeds.</p>	

Quarter	Review	Type	Days	Rationale and Scope	Review type
3	Estate Strategy and Policies	Assurance	6	<p><u>Rationale</u></p> <p>The Estates strategy may not align with corporate strategies and direction for current and future need due to the additional recruits and new OPCC plan following the Police and Crime Commissioner elections.</p> <p><u>Scope</u></p> <p>The audit will appraise the strategy for managing the estates for current and future requirements and review of estate policies to ensure that they are appropriate.</p>	
1	Dog Handling	Assurance	10	<p><u>Rationale</u></p> <p>Dog handlers provide proactive and reactive assistance in support of all operational officers and specialist departments by appropriate use of police dogs; to locate and retrieve evidence or offenders, to control potential and actual disturbances.</p> <p><u>Scope</u></p> <p>The audit will consider the adequacy of controls in place in relation to management of police dogs across Norfolk and Suffolk Constabularies.</p>	
2	Recovered Property and Seized Monies	Assurance	12	<p><u>Rationale</u></p> <p>Clear processes are required to effectively manage property recovered and seized monies.</p> <p><u>Scope</u></p> <p>The audit will appraise the effectiveness of controls for managing the recovery of property process for both Norfolk and Suffolk Constabularies in particular the arrangements for securing and storing of seized monies.</p>	
4	Follow-up	Follow up	12	Follow-up of implementation of agreed priorities one and two actions from audit reports, ensuring the organisation is implementing recommendations, and providing reports to the Audit Committee.	
1	Annual Planning	Management	0.5	Assessing the organisation's annual audit needs.	

Quarter	Review	Type	Days	Rationale and Scope	Review type
4	Annual Report	Planning/Reporting	0.5	Reporting on the overall conclusions and opinion based on the year's audits and other information and providing input to the Annual Governance Statement.	
1-4	Audit Management	Planning/Reporting	18	This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Audit Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).	
Total days			330		

Appendix E: Internal Audit Charter

The Need for a Charter

The Audit Charter formally defines internal audit's purpose, authority and responsibility. It establishes internal audit's position within the Police and Crime Commissioners for Norfolk and Suffolk and the Chief Constables of Norfolk and Suffolk Constabularies and defines the scope of internal audit activities. The establishment of the Audit Charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the Audit and Committee.

The Role of Internal Audit

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the framework of governance, risk management and control. TIAA is responsible for providing assurance to the Police and Crime Commissioners for Norfolk and Suffolk and the Chief Constables of Norfolk and Suffolk Constabularies governing body (being the body with overall responsibility for the organisation) on the adequacy and effectiveness of the risk management, control and governance processes.

Standards and Approach

TIAA's work will be performed with due professional care, in accordance with the requirements of the Global Institute of Internal Auditors (IIA) standards which are articulated in the International Professional Practices Framework (IPPF).

Scope

All the Police and Crime Commissioners for Norfolk and Suffolk and the Chief Constables of Norfolk and Suffolk Constabularies activities fall within the remit of TIAA. TIAA may consider the adequacy of controls necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that the Police and Crime Commissioners for Norfolk and Suffolk and the Chief Constables of Norfolk and Suffolk Constabularies management has taken the necessary steps to achieve these objectives and manage the associated risks. It is not within the remit of TIAA to question the appropriateness of policy decisions; however, TIAA is required to examine the arrangements by which such decisions are made, monitored and reviewed.

TIAA may also conduct any special reviews requested by the board, Audit Committee or the nominated officer (being the post responsible for the day to day liaison with the TIAA), provided such reviews do not compromise the audit service's objectivity or independence, or the achievement of the approved audit plan.

Access

TIAA has unrestricted access to all documents, records, assets, personnel and premises the Police and Crime Commissioners for Norfolk and Suffolk and the Chief Constables of Norfolk and Suffolk Constabularies and is authorised to obtain such information and explanations as they consider necessary to form their opinion. The collection of data for this purpose will be carried out in a manner prescribed by TIAA's professional standards, Information Security and Information Governance policies.

Independence

TIAA has no executive role, nor does it have any responsibility for the development, implementation or operation of systems; however, it may provide independent and objective advice on risk management, control, governance processes and related matters, subject to resource constraints. For day-to-day administrative purposes only, TIAA reports to a nominated officer within the Police and Crime Commissioners for Norfolk and Suffolk and the Chief Constables of Norfolk and Suffolk Constabularies and the reporting arrangements must take account of the nature of audit work undertaken. TIAA has a right of direct access to the chair of the board, the chair of the Audit Committee and the responsible accounting officer (being the post charged with financial responsibility).

To preserve the objectivity and impartiality of TIAA's professional judgement, responsibility for implementing audit recommendations rests with the Police and Crime Commissioners for Norfolk and Suffolk and the Chief Constables of Norfolk and Suffolk Constabularies management.

Conflict of Interest

Consultancy activities are only undertaken with distinct regard for potential conflict of interest. In this role we will act in an advisory capacity and the nature and scope of the work will be agreed in advance and strictly adhered to.

We are not aware of any conflicts of interest and should any arise we will manage them in line with TIAA's audit charter and internal policies, the Global IIA standards and the Police and Crime Commissioners for Norfolk and Suffolk and the Chief Constables of Norfolk and Suffolk Constabularies requirements.

Irregularities, Including Fraud and Corruption

TIAA will without delay report to the appropriate regulator, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2002.

TIAA will be informed when evidence of potential irregularity, including fraud, corruption or any impropriety, is discovered so that TIAA can consider the adequacy of the relevant controls, evaluate the implication of the fraud on the risk management, control and governance processes and consider making recommendations as appropriate. The role of TIAA is not to investigate the irregularity unless commissioned to do so.

Limitations and Responsibility

Substantive testing will only be carried out where a review assesses the internal controls to be providing 'limited' or 'no' assurance with the prior approval of the Police and Crime Commissioners for Norfolk and Suffolk and the Chief Constables of Norfolk and Suffolk Constabularies and additional time will be required to carry out such testing. The Police and Crime Commissioners for Norfolk and Suffolk and the Chief Constables of Norfolk and Suffolk Constabularies is responsible for taking appropriate action to establish whether any loss or impropriety has arisen as a result of the control weaknesses.

Internal controls can only provide reasonable and not absolute assurance against misstatement or loss. The limitations on assurance include the possibility of one or more of the following situations, control activities being circumvented by the collusion of two or more persons, human error, or the overriding of controls by management. Additionally, no assurance can be provided that the internal controls will continue to operate effectively in future periods or that the controls will be adequate to mitigate all significant risks that may arise in future.

The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.

Reliance will be placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

The matters raised in the audit reports will be only those that come to the attention of the auditor during the course of the internal audit reviews and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. The audit reports are prepared solely for management's use and are not prepared for any other purpose.

Liaison with the External Auditor

We will liaise with the Police and Crime Commissioners for Norfolk and Suffolk and the Chief Constables of Norfolk and Suffolk Constabularies External Auditor. Any matters in the areas included in the Annual Plan that are identified by the external auditor in their audit management letters will be included in the scope of the appropriate review.

Reporting

Assignment Reports: A separate report will be prepared for each review carried out. Each report will be prepared in accordance with the arrangements contained in the Terms of Reference agreed with TIAA and which accord with the requirements of TIAA’s audit charter and the Global IIA standards.

Progress Reports: Progress reports will be prepared for each Audit Committee meeting. Each report will detail progress achieved to date against the agreed annual plan.

Follow Up Reports: We will provide an independent assessment as to the extent that priority 1 and 2 recommendations have been implemented. Priority 3 recommendations are low-level/housekeeping in nature and it is expected that management will monitor and report on implementation as considered appropriate.

Annual Report: An Annual Report will be prepared for each year in accordance with the requirements set out in TIAA’s audit charter and the Global IIA standards. The Annual Report will include a summary opinion of the effectiveness of the Police and Crime Commissioners for Norfolk and Suffolk and the Chief Constables of Norfolk and Suffolk Constabularies governance, risk management and operational control processes based on the work completed during the year.

Other Briefings: During the year Client Briefing Notes, Benchmarking and lessons learned digests will be provided. These are designed to keep the organisation abreast of in-year developments which may impact on the governance, risk and control assurance framework.

Assurance Assessment Gradings

We use four levels of assurance assessments as set out below.

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Performance Standards

The following Performance Targets will be used to measure the performance of internal audit in delivering the Annual Plan:

Area	Performance Measure	Target
Achievement of the plan	Completion of planned audits.	100%
	Audits completed in time allocation.	100%
Reports Issued	Draft report issued within 10 working days of exit meeting.	100%
	Final report issued within 10 working days of receipt of responses.	100%
Professional Standards	Compliance with TIAA’s audit charter and the Global IIA Standards.	100%

Data Protection

TIAA has policies, procedures and processes in place to comply with all associated regulation and legislation on information security, which is underpinned by mandatory annual awareness training for all staff. To carry out our role effectively, we need to obtain information that is reliable, relevant and sufficient to support our findings and recommendations. The collection of data, particularly sensitive personal data, is minimised and is not shared with unauthorised persons unless there is a valid and legal requirement to do so. We have clear policies on the retention of data and its appropriate, controlled disposal. TIAA has a fully robust Information Security Management System that meets all the requirements of ISO27001:2013.

Quality Assurance

TIAA recognises the importance of Internal Audit being controlled at each stage to ensure that we deliver a consistent and efficient Internal Audit service that is fully compliant with professional standards and also the conditions of contract. We operate a comprehensive internal operational quality review process to ensure that all Internal Audit work is carried out in accordance with these standards. These quarterly reviews are part of our quality management system which has ISO 9001:2015 accreditation.

Audit Committee Responsibility

It is the responsibility of the Police and Crime Commissioners for Norfolk and Suffolk and the Chief Constables of Norfolk and Suffolk Constabularies to determine that the number of audit days to be provided and the planned audit coverage are sufficient to meet the Committee's requirements and the areas selected for review are appropriate to provide assurance against the key risks within the organisation.

By approving this document, the Audit Committee is also approving the Internal Audit Charter.

Disclaimer

The matters raised in this planning report, along with those raised in our audit and annual reports, are only those that came to the attention of the auditor during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

A high-angle photograph of a meeting table. In the foreground, a person's hands are visible, pointing at a document. Another person's hands are visible in the background, also pointing at a document. A smartphone is lying on the table. The background is slightly blurred, showing a person wearing a yellow top. A large yellow rectangular box is overlaid on the left side of the image, containing text.

Police and Crime Commissioner for Norfolk / Chief Constable of Norfolk Police

Provisional Audit Plan

Year ended 31 March 2021

22 March 2021



Police and Crime Commissioner for Norfolk & Chief Constable for Norfolk Police

Jubilee House
Falconers Chase
Wymondham
Norfolk
NR18 0WW

22 March 2021

Dear Lorne and Simon,

We are pleased to attach our Provisional Audit Plan which sets out how we intend to carry out our responsibilities as your auditor. Its purpose is to provide the Joint Independent Audit Committee with a basis to review our proposed audit approach and scope for the 2020/21 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's new 2020 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements. It is also to ensure that our audit is aligned with the Committee's service expectations.

This plan summarises our initial assessment of the key risks driving the development of an effective audit for the Police and Crime Commissioner (PCC) and Chief Constable (CC), and outlines our planned audit strategy in response to those risks. We have yet to commence our detailed audit planning and will update management and the Committee on any changes to the audit risks and strategy included in this plan arising from our completed risk assessment procedures.

This report is intended solely for the information and use of the PCC, CC, Joint Independent Audit Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss this report with you on 13 April 2021 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

MARK HODGSON

Mark Hodgson, Associate Partner

For and on behalf of Ernst & Young LLP

Contents



Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psa.co.uk/audit-quality/statement-of-responsibilities/>).The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The “Terms of Appointment (updated April 2018)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Joint Independent Audit Committee and management of Norfolk Police in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit Committee, and management of Norfolk Police those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Joint Independent Audit Committee and management of Norfolk Police for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01

Overview of our 2020/21 audit strategy



Overview of our 2020/21 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Police and Crime Commissioner (PCC) and Chief Constable (CC) with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

Significant risks

Audit Risk	Risk identified	Change from PY	Details
Misstatements due to fraud or error - management override of controls	Fraud risk	No change in risk or focus	As identified in ISA 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that would otherwise appear to be operating effectively.
Risk of fraud in revenue and expenditure recognition - specifically inappropriate capitalisation of revenue expenditure	Fraud risk	No change in risk or focus	Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. For Norfolk Police, we consider that the risk could specifically manifest itself in the inappropriate capitalisation of revenue expenditure.

In addition to the significant risks above we have also identified areas of audit focus, which whilst not meeting the criteria to be treated as significant risks, do require us to focus our audit attention and procedures.

Area of audit focus	Risk identified	Change from PY	Details
Valuation of Property, Plant and Equipment (PPE)	Inherent Risk	Change from Significant Risk to Inherent Risk	Property, Plant and Equipment represent a significant balance in the financial statements and requires material judgement and estimation techniques to calculate the year-end balances.
Valuation of Pension Liabilities (LGPS and Police Pension Fund)	Inherent Risk	No change in focus	The estimation of the defined benefit obligation is sensitive to a range of assumptions including rates of pay and pension inflation, mortality and discount rates. The pension fund valuations separately involve external specialist to provide these actuarial assumptions. A small movement in these assumptions could have a material impact on the value in the balance sheet. In 2019/20 the estimation was impacted by national issues relating to McCloud remedy consultation and required an amendment to the reported figure.

Overview of our 2020/21 audit strategy (continued)

Area of audit focus	Risk identified	Change from PY	Details
Accounting for Private Finance Initiative (PFI) schemes	Inherent Risk	No change in focus	The PCC and CC disclose two PFI contracts within their financial statements for the use of Jubilee House, Operations and Communication Centre at Wymondham and the use of six Police Investigation Centres shared with the Police and Crime Commissioner of Suffolk. The liability and payments for services are dependent upon assumptions within the accounting models underpinning both PFI schemes. As such Management is required to apply estimation techniques to support the disclosures within the financial statements.
Going Concern Compliance with ISA 570	Inherent Risk	No change in focus	ISA 570 has been revised in response to enforcement cases and well-publicised corporate failures where the auditor's report failed to highlight concerns about the prospect of entities which collapsed shortly after. The revised standard is effective for audits of financial statements for periods commencing on or after 15 December 2019, which for the PCC/CC will be the audit of the 2020/21 financial statements.

Overview of our 2020/21 audit strategy (continued)

Materiality

Group	CC	PCC
Planning materiality £5.4m	Planning materiality £5.0m	Planning materiality £2.4m
Performance materiality £4.0m	Performance materiality £3.8m	Performance materiality £1.8m
Audit differences £269,000	Audit differences £250,000	Audit differences £122,000

The materiality for Group and CC has been set at £5.4 million and £5.0 million respectively, using 2% of the prior year's gross expenditure on provisions of services.

The materiality for PCC has been set at £2.4 million, using 2% of the prior year's assets.

Performance materiality has been set at 75% of materiality for the Group, CC and PCC.

We will report all uncorrected misstatements relating to the primary statements (comprehensive income and expenditure statement, balance sheet, movement in reserves statement, cash flow statement and police pension fund financial statements) greater than £0.250 million for CC and £0.122 million for PCC. Other misstatements identified will be communicated to the extent that they merit the attention of the PCC and CC.

Overview of our 2020/21 audit strategy

Audit scope

This Audit Plan covers the work that we plan to perform to provide you with:

- Our audit opinion on whether the financial statements of the PCC and CC for Norfolk Police give a true and fair view of the financial position as at 31 March 2021 and of the income and expenditure for the year then ended; and
- Our commentary on your arrangements to secure value for money in your use of resources for the relevant period. We include further details on VFM in Section 03, highlighting the changes included in the NAO's Code of Audit Practice 2020.

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the PCC's and CC's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- Strategic, operational and financial risks relevant to the financial statements;
- Developments in financial reporting and auditing standards;
- The quality of systems and processes;
- Changes in the business and regulatory environment; and,
- Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the PCC and CC.

Taking the above into account, and as articulated in this audit plan, our professional responsibilities require us to independently assess the risks associated with providing an audit opinion and undertake appropriate procedures in response to that. Our Terms of Appointment with PSAA allow them to vary the fee dependent on "the auditors assessment of risk and the work needed to meet their professional responsibilities". PSAA are aware that the setting of scale fees has not kept pace with the changing requirements of external audit with increased focus on, for example, the valuations of land and buildings, the valuation of pension obligations, the introduction of new accounting standards such as IFRS 9 and 15 in recent years as well as the expansion of factors impacting the Value for Money conclusion. Therefore to the extent any of these or any other risks are relevant in the context of the PCC and CC for Norfolk Police's audit, we will discuss these with management as to the impact on the scale fee.



02 Audit risks



Our response to significant risks (continued)

Misstatements due to fraud or error *

Financial statement impact

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

What is the risk?

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

What will we do?

In order to address this risk we will carry out a range of procedures including:

- ▶ Identify what specific fraud risks exist during audit planning.
- ▶ inquire of management about risks of fraud and the controls put in place to address those risks.
- ▶ Understand the oversight given by those charged with governance of management's processes over fraud.
- ▶ Consider the effectiveness of management's controls designed to address the risk of fraud.
- ▶ Determine an appropriate strategy to address those identified risks of fraud.
- ▶ Perform mandatory procedures regardless of specifically identified fraud risks, including tests of journal entries and other adjustments in the preparation of the financial statements.
- ▶ Review accounting estimates for evidence of management bias;
- ▶ Evaluate the business rationale for significant unusual transactions.

Audit risks

Our response to significant risks

We have set out the significant risks (including fraud risks denoted by*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Risk of fraud in revenue and expenditure recognition * - specifically in inappropriate capitalisation of revenue expenditure

Financial statement impact

Misstatements that occur in relation to the risk of fraud in revenue and expenditure recognition could understate expenditure in the CIES and overstate Property, Plant & Equipment additions.

What is the risk?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

For the Group and PCC single entity, we consider that the risk could specifically manifest itself in the inappropriate capitalisation of revenue expenditure i.e. not recognising expenditure in the Comprehensive Income and Expenditure Statement (CIES) and financing the spend from capital.

This risk has been associated to the following testing areas:

- Balance Sheet - Property, Plant and Equipment - Additions (Group and PCC)
- Comprehensive Income and Expenditure Statement (Group and PCC)

What will we do?

In order to address this risk we will carry out a range of procedures including:

- ▶ Sample test additions to Property, Plant & Equipment to ensure that they have been correctly classified as capital and included at the correct value in order to identify any revenue items that have been inappropriately capitalised;
- ▶ Use our data analytics tool to identify and test journal entries that moved expenditure into capital codes.
- ▶ Review and test revenue and expenditure recognition policies;
- ▶ Review and discuss with management any accounting estimates on revenue or expenditure recognition for evidence of bias;
- ▶ Develop a testing strategy to test material revenue and expenditure streams; and
- ▶ Review and test revenue and expenditure cut-off at the period end date.

Audit risks

Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

What is the risk/area of focus?

Valuation of Property, Plant and Equipment

The fair value of Property, Plant and Equipment (PPE) represents significant balances in the Group accounts and are subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.

The PCC will engage an external expert valuer who will apply a number of complex assumptions to these assets. Annually assets are assessed to identify whether there is any indication of impairment.

As the PCC's asset base is significant, and the outputs from the valuer are subject to estimation, there is a risk fixed assets may be under/overstated. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What will we do?

In order to address this risk we will carry out a range of procedures including:

- ▶ consider the work performed by the external valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- ▶ sample test key asset information used by the valuer in performing their valuation;
- ▶ consider the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code for PPE. We have also considered if there are any specific changes to assets that have occurred and that these have been communicated to the valuer;
- ▶ review assets not subject to valuation in 2020/21 to confirm that the remaining asset base is not materially misstated;
- ▶ consider changes to useful economic lives as a result of the most recent valuation; and
- ▶ test accounting entries have been correctly processed in the financial statements.

Audit risks

Other areas of audit focus (continued)

What is the risk/area of focus?

Pension Liability Valuation - Local Government Pension scheme

The Local Authority Accounting Code of Practice and IAS19 require the CC to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Norfolk County Council. The PCC must also do similar in respect of the Police Pension Fund.

The Group and CC pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the balance sheets of the PCC and CC. At 31 March 2020 this totalled £1.6 million and £1,769.8 million respectively.

The information disclosed is based on the IAS 19 report issued to the PCC and CC by the actuary to the Norfolk Pension Fund and also the Police Pension Fund. Accounting for these schemes involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

In previous year the pension liability disclosed in the accounts was impacted by the national issues relating to McCloud remedy consultation which necessitated an updated IAS 19 report from the actuary that led to amendment in the accounts.

Private Finance Initiative (PFI)

The PCC and CC disclose two PFI contracts within their financial statements for the use of Jubilee House, Operations and Communications Centre (OCC) and the use of six Police Investigation Centres (PIC) shared with the Police and Crime Commissioner for Suffolk. At 31 March 2020, the PFI liability associated with the OCC and PIC were £24.5 million and £33.3 million respectively.

The liability and payments for services are dependent upon assumptions within the accounting models underpinning the PFI scheme. As such Management is required to apply estimation techniques to support the disclosures within the financial statements.

What will we do?

In order to address this risk we will carry out a range of procedures including:

- ▶ liaise with the auditors of Norfolk Pension Fund, to obtain assurances over the information supplied to the actuary in relation to Norfolk Police Force;
- ▶ assess the work of the LGPS Pension Fund actuary (Hymans Robertson) and the Police Pension actuary (GAD) including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by the NAO for all Local Auditors, and considering any relevant reviews by the EY actuarial team; and
- ▶ review and test the accounting entries and disclosures made within the Group and CC financial statements in relation to IAS19, including any updates to the value of year end assets.

In order to address this risk we will carry out a range of procedures including:

- ▶ enquire whether there have been any significant changes within the model since our review;
- ▶ undertake a review and assessing the impact of any changes in assumptions upon the model; and
- ▶ agree the models to the disclosures within the financial statements

Audit risks

Other areas of audit focus (continued)

What is the risk/area of focus?

Going Concern: Compliance with ISA570

This auditing standard has been revised in response to enforcement cases and well-publicised corporate failures where the auditor's report failed to highlight concerns about the prospects of entities which collapsed shortly after. The revised standard is effective for audits of financial statements for periods commencing on or after 15 December 2019, which for the PCC Group will be the audit of the 2020/21 financial statements.

CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 states that organisations can only be discontinued under statutory prescription shall prepare their accounts on a going concern basis.

However, International Auditing Standard 570 Going Concern, as applied by Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom, still requires auditors to undertake sufficient and appropriate audit procedures to consider whether there is a material uncertainty on going concern that requires reporting by management within the financial statements, and within the auditor's report.

The revised standard increases the work we are required to perform when assessing whether the PCC Group is a going concern. It means UK auditors will follow significantly stronger requirements than those required by current international standards; and we have therefore judged it appropriate to bring this to the attention of the Audit Committee.

What will we do?

The revised standard requires:

- ▶ auditor's challenge of management's identification of events or conditions impacting going concern, more specific requirements to test management's resulting assessment of going concern, an evaluation of the supporting evidence obtained which includes consideration of the risk of management bias;
- ▶ greater work for us to challenge management's assessment of going concern, including the cashflow forecast covering the foreseeable future and its impact on liquidity;
- ▶ improved transparency with a new reporting requirement to provide a clear, positive conclusion on whether management's assessment is appropriate, and to set out the work we have done in this respect. While the PCC Group are not one of the three entity types listed, we will ensure compliance with any updated reporting requirements;
- ▶ a stand back requirement to consider all of the evidence obtained, whether corroborative or contradictory, when we draw our conclusions on going concern; and
- ▶ necessary consideration regarding the appropriateness of financial statement disclosures around going concern.

We have discussed the detailed implications of the new standard with Finance staff during 2019/20 and have agreed with management to receive a first draft of the PCC/CC's going concern assessment in advance of the 2020/21 year-end audit in order to provide management with feedback on the adequacy and sufficiency of the proposed disclosures in relation to going concern.



03

Value for Money Risks





Value for Money

The NAO has a new Code of Audit Practice for 2020/21. The impact on the PCC/CC and our responsibilities are summarised in the table below.

PCC/CC responsibilities for value for money

The PCC/CC is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

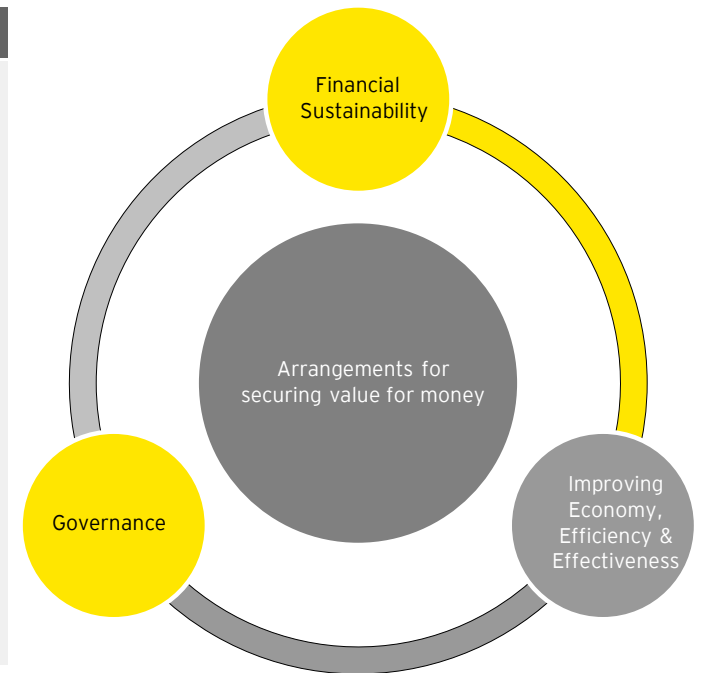
As part of the material published with the financial statements, the PCC/CC is required to bring together commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the PCC/CC tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on arrangements for securing value for money from the use of resources.

Auditor responsibilities under the new Code

Under the 2020 Code we are still required to consider whether the PCC/CC has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. However, there is no longer overall evaluation criterion which we need to conclude on. Instead the 2020 Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the PCC/CC a commentary against specified reporting criteria (see below) on the arrangements the PCC/CC has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

- Financial sustainability - How the PCC/CC plans and manages its resources to ensure it can continue to deliver its services.
- Governance - How the PCC/CC ensures that it makes informed decisions and properly manages its risks.
- Improving economy, efficiency and effectiveness - How the PCC/CC uses information about its costs and performance to improve the way it manages and delivers its services.





Planning and identifying VFM risks

The NAO's guidance notes requires us to carry out a risk assessment which gathers sufficient evidence to enable us to document our evaluation of the PCC/CC's arrangements, in order to enable us to draft a commentary under the three reporting criteria. This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations. This is a change to 2015 Code guidance notes where the NAO required auditors as part of planning, to consider the risk of reaching an incorrect conclusion in relation to the overall criterion.

In considering the PCC/CC's arrangements, we are required to consider:

- The Authority's governance statement;
- Evidence that the PCC/CC's arrangements were in place during the reporting period;
- Evidence obtained from our work on the accounts;
- The work of inspectorates and other bodies; and
- Any other evidence source that we regards as necessary to facilitate the performance of our statutory duties.

We then consider whether there is evidence to suggest that there are significant weaknesses in arrangements. The NAO's guidance is clear that the assessment of what constitutes a significant weakness and the amount of additional audit work required to adequately respond to the risk of a significant weakness in arrangements is a matter of professional judgement. However, the NAO states that a weakness may be said to be significant if it:

- Exposes - or could reasonably be expected to expose - the PCC/CC to significant financial loss or risk;
- Leads to - or could reasonably be expected to lead to - significant impact on the quality or effectiveness of service or on the PCC/CC's reputation;
- Leads to - or could reasonably be expected to lead to - unlawful actions; or
- Identifies a failure to take action to address a previously identified significant weakness, such as failure to implement or achieve planned progress on action/improvement plans.

We should also be informed by a consideration of:

- The magnitude of the issue in relation to the size of the PCC/CC;
- Financial consequences in comparison to, for example, levels of income or expenditure, levels of reserves (where applicable), or impact on budgets or cashflow forecasts;
- The impact of the weakness on the PCC/CC's reported performance;
- Whether the issue has been identified by the PCC/CC's own internal arrangements and what corrective action has been taken or planned;
- Whether any legal judgements have been made including judicial review;
- Whether there has been any intervention by a regulator or Secretary of State;
- Whether the weakness could be considered significant when assessed against the nature, visibility or sensitivity of the issue;
- The impact on delivery of services to local taxpayers; and
- The length of time the PCC/CC has had to respond to the issue.



Value for Money

Responding to identified risks

Where our planning work has identified a risk of significant weakness, the NAO's guidance requires us to consider what additional evidence is needed to determine whether there is a significant weakness in arrangements and undertake additional procedures as necessary, including where appropriate, challenge of management's assumptions. We are required to report our planned procedures to the audit committee.

Reporting on VFM

In addition to the commentary on arrangements, where we are not satisfied that the PCC/CC has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources the 2020 Code has the same requirement as the 2015 Code in that we should refer to this by exception in the audit report on the financial statements.

However, a new requirement under the 2020 Code is for us to include the commentary on arrangements in a new Auditor's Annual Report. The 2020 Code states that the commentary should be clear, readily understandable and highlight any issues we wish to draw to the PCC/CC's attention or the wider public. This should include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with our view as to whether they have been implemented satisfactorily.

Status of our 2020/21 VFM planning

We have yet to conclude our detailed VFM planning. However, one area of focus will be on the arrangements that the PCC/CC has in place in relation to financial sustainability - including the impact of Covid-19 on the medium term financial planning.

We will update the next Audit Committee meeting on the outcome of our VFM planning and our planned response to any additional identified risks of significant weaknesses in arrangements.



04

Audit materiality



Audit materiality

Materiality

For planning purposes, materiality for 2020/21 has been set out at £5.0 million and £2.4 million for CC and PCC respectively. The Group materiality is set at £5.4 million.

	Group	PCC	CC
Materiality basis	2% of the prior year's gross expenditure on provisions of services	2% of prior year assets	2% of the prior year's gross expenditure on provisions of services
Planning materiality	£5.4 million	£2.4 million	£5.0 million
Performance materiality	£4.0 million	£1.8 million	£3.8 million
Audit differences	£0.269 million	£0.122 million	£0.250 million

Materiality will be reassessed throughout the audit process.

We have provided supplemental information about audit materiality in Appendix C.

We request that the PCC and CC confirm their understanding of, and agreement to, these materiality and reporting levels.

Key definitions

Planning materiality - the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

Performance materiality - the amount we use to determine the extent of our audit procedures. We have set performance materiality at 75% of planning materiality, which is consistent with the prior year.

Audit difference threshold - we propose that misstatements identified below this threshold are deemed clearly trivial. The same threshold for misstatements is used for component reporting. We will report to you all uncorrected misstatements over this amount relating to the comprehensive income and expenditure statement, balance sheet and the police pension fund financial statements that have an effect on income or that relate to other comprehensive income.

Other uncorrected misstatements, such as reclassifications and misstatements in the cashflow statement and movement in reserves statement or disclosures, and corrected misstatements will be communicated to the extent that they merit the attention of Joint Independent Audit Committee, or are important from a qualitative perspective.

Specific materiality - We can set a lower materiality for specific accounts disclosure e.g. remuneration disclosures, related party transactions and exit packages which reflects our understanding that an amount less than our materiality would influence the economic decisions of users of the financial statements in relation to this.



05

Scope of our audit



Our Audit Process and Strategy

Objective and Scope of our Audit scoping

Under the Code of Audit Practice our principal objectives are to review and report on the financial statements and arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers:

1. Financial statement audit

Our objective is to form an opinion on the financial statements under International Standards on Auditing (UK and Ireland).

We also perform other procedures as required by auditing, ethical and independence standards, the Code and other regulations. We outline below the procedures we will undertake during the course of our audit.

Procedures required by standards

- Addressing the risk of fraud and error;
- Significant disclosures included in the financial statements;
- Entity-wide controls;
- Reading other information contained in the financial statements and reporting whether it is inconsistent with our understanding and the financial statements; and
- Auditor independence.

Procedures required by the Code

- Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance; and
- Reviewing and reporting on the Whole of Government Accounts return, in line with the instructions issued by the NAO.

2. Arrangements for securing economy, efficiency and effectiveness (value for money)

As outlined in Section 03, we are required to consider whether the PCC and CC has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources and report a commentary on those arrangements.

Our Audit Process and Strategy (continued)

Audit Process Overview

Our audit involves

- ▶ Identifying and understanding the key processes and internal controls; and
- ▶ substantively testing details of transactions and amounts.

For 2020/21 we plan to follow a substantive approach to the audit as we have concluded this is the most efficient way to obtain the level of audit assurance required to conclude that the financial statements are not materially misstated.

Analytics:

We will use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

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

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Joint Independent Audit Committee.

Internal audit:

We will review internal audit plans and the results of their work. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our ongoing assessment, where they raise issues that could have an impact on the financial statements.



06

Audit team



Audit team

Audit team

The engagement team continues to be led by Mark Hodgson, who is supported by Vicky Chong, who is responsible for the day-to-day direction of audit work and is key point of contact for the finance team. The day-to-day audit team will be led by Nichola Vella, who has replaced John Darlison as the Lead Senior of the audit.

Use of specialists

When auditing key judgements, we are often required to rely on the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where either EY or third party specialists provide input for the current year audit are:

Area	Specialists
Valuation of Land and Buildings	We will consider any valuation aspects that may require EY valuation specialists to review any material specialist assets and the underlying assumptions used by the PCC's valuer, NPS.
Pensions disclosure	EY Pensions Advisory, PwC (Consulting Actuary to the National Audit Office) who will review the work of Hymans Robertson, the actuaries to the Norfolk Pension Fund, and the Government Actuary's Department (GAD).

In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the PCC and CC's business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- ▶ Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable;
- ▶ Assess the reasonableness of the assumptions and methods used;
- ▶ Consider the appropriateness of the timing of when the specialist carried out the work; and
- ▶ Assess whether the substance of the specialist's findings are properly reflected in the financial statements.



07

Audit timeline





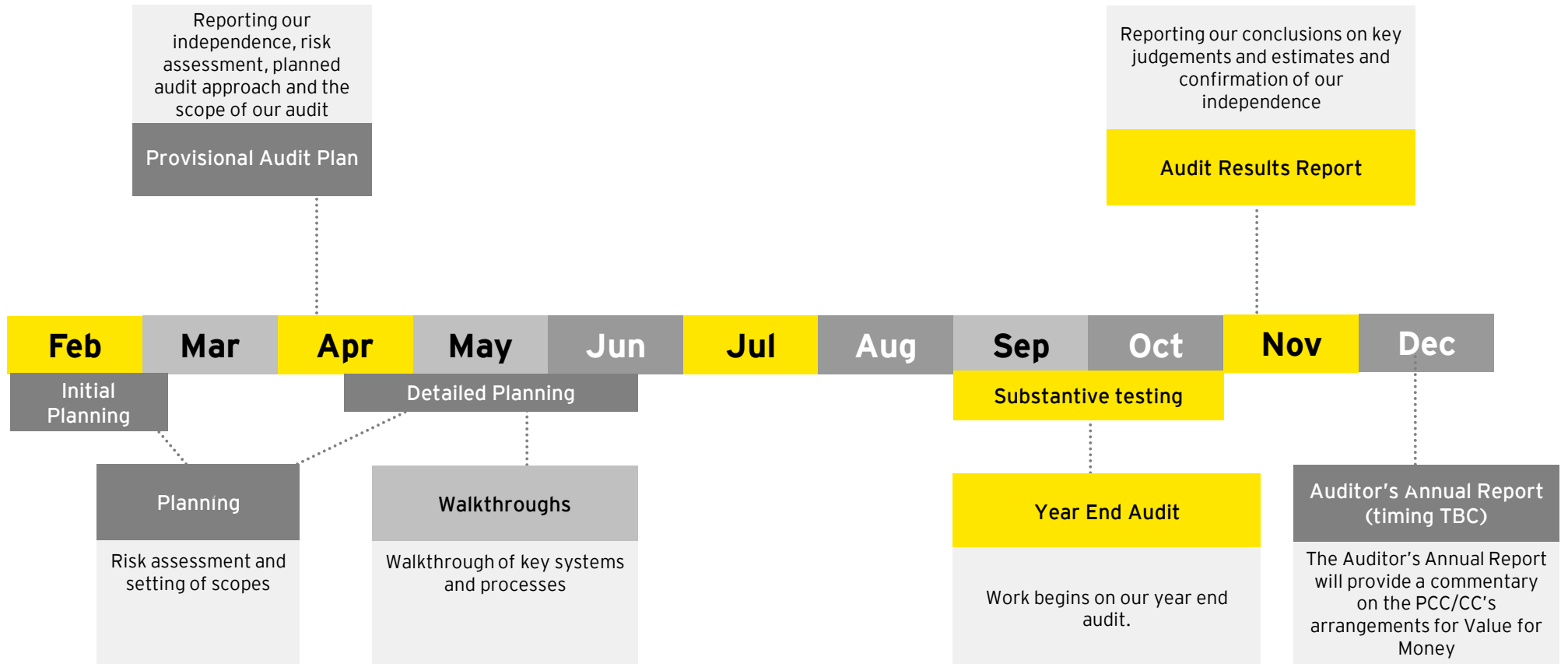
Audit timeline

Timetable of communication and deliverables

Timeline

Below is a timetable showing the key stages of the audit and the deliverables which we are currently discussing with officers to provide to you through the audit cycle in 2020/21.

From time to time matters may arise that require immediate communication with the PCC and CC and we will discuss them with the PCC and CC and senior management as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary.





08

Independence



Introduction

The FRC Ethical Standard and ISA (UK) 260 “Communication of audit matters with those charged with governance”, requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in December 2019, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications

Planning stage	Final stage
<ul style="list-style-type: none"> ▶ The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between the you, your affiliates and directors and us; ▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review; ▶ The overall assessment of threats and safeguards; ▶ Information about the general policies and process within EY to maintain objectivity and independence. ▶ Where EY has determined it is appropriate to apply more restrictive independence rules than permitted under the Ethical Standard. 	<ul style="list-style-type: none"> ▶ In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed; ▶ Details of non-audit/additional services provided and the fees charged in relation thereto; ▶ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us; ▶ Details of any non-audit/additional services to a UK PIE audit client where there are differences of professional opinion concerning the engagement between the Ethics Partner and Engagement Partner and where the final conclusion differs from the professional opinion of the Ethics Partner ▶ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy; ▶ Details of all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence; and ▶ An opportunity to discuss auditor independence issues.

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services. We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Mark Hodgson, your audit engagement partner and the audit engagement team have not been compromised.

Self interest threats

A self interest threat arises when EY has financial or other interests in the PCC Group. Examples include where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake permissible non-audit services and we will comply with the policies that you have approved.

None of the services are prohibited under the FRC's ES or the National Audit Office's Auditor Guidance Note 01 and the services have been approved in accordance with your policy on pre-approval. The ratio of non-audit fees to audit fees is not permitted to exceed 70%.

At the time of writing, the current ratio of non-audit fees to audit fees is zero. No additional safeguards are required.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with Ethical Standard part 4.

There are no other self interest threats at the date of this report.

Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements. There are no self review threats at the date of this report.

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of the PCC and CC. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decision based on that work. There are no management threats at the date of this report.

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise. There are no other threats at the date of this report.

New UK Independence Standards

The Financial Reporting Council (FRC) published the Revised Ethical Standard 2019 in December and it will apply to accounting periods starting on or after 15 March 2020. A key change in the new Ethical Standard will be a general prohibition on the provision of non-audit services by the auditor (and its network) which will apply to UK Public Interest Entities (PIEs). A narrow list of permitted services will continue to be allowed.

Next Steps

We will continue to monitor and assess all ongoing and proposed non-audit services and relationships to ensure they are permitted under FRC Revised Ethical Standard 2019 which will be effective from 15 March 2020. Non-audit services which are in progress as at 15 March 2020 and are permitted under the existing ethical standard will be allowed to continue under the existing engagement terms until completed.

We do not provide any non-audit services which would be prohibited under the new standard.

Other communications

EY Transparency Report 2019

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2020:

https://www.ey.com/en_uk/who-we-are/transparency-report-2020



09

Appendices



Appendix A

Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government. This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

	Proposed fee 2020/21	Final Fee 2019/20
	£'s	£'s
Total Audit Fee - Code work	37,595	37,595
Changes in work required to address professional and regulatory requirements and scope associated with risk	28,325	28,325
Revised Proposed Scale Fee (see Note 1)	65,920	65,920
Additional work:		
2019/20 Additional Procedures required and as reported within the Annual Audit Letter	-	13,893
2020/21 Additional Procedures required in response to new VFM requirements under the revised NAO Code of Practice.	TBC	-
Total audit	65,920	79,813
Total other non-audit services	-	-
Total fees	65,920	79,813

All fees exclude VAT

Note 1

For 2019/20 and for 2020/21 the scale fee has been re-assessed to take into account a number of risk factor as outline below:





- Procedures performed to address the risk profile of Norfolk Police - £16,155
- Additional work to address increase in Regulatory standards - £11,340
- Client readiness and IT support for Data Analytics - £830

This additional fee has been discussed with management and is now subject to approval by PSAA Ltd.

Appendix B




Required communications with the Audit Committee

We have detailed the communications that we must provide to Joint Independent Audit Committee.

		 Our Reporting to you
Required communications	 What is reported?	  When and where
Terms of engagement	Confirmation by the PCC and CC of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified. When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team	Provisional Audit Plan - April 2021
Significant findings from the audit	<ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process 	Audit Results Report - November 2021





Appendix B

Required communications with the Audit Committee (continued)

		Our Reporting to you
Required communications	 What is reported?	  When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The adequacy of related disclosures in the financial statements 	Audit Results Report - November 2021
Misstatements	<ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ Corrected misstatements that are significant ▶ Material misstatements corrected by management 	Audit Results Report - November 2021
Subsequent events	<ul style="list-style-type: none"> ▶ Enquiries of the audit committee where appropriate regarding whether any subsequent events have occurred that might affect the financial statements 	Audit Results Report - November 2021
Fraud	<ul style="list-style-type: none"> ▶ Enquiries of the PCC and CC to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ A discussion of any other matters related to fraud 	Audit Results Report - November 2021
Related parties	<ul style="list-style-type: none"> ▶ Significant matters arising during the audit in connection with the entity's related parties including, when applicable: ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the entity 	Audit Results Report - November 2021





Appendix B

Required communications with the Audit Committee (continued)

		 Our Reporting to you
Required communications	 What is reported?	  When and where
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence 	<p>Provisional Audit Plan - April 2021</p> <p>Audit Results Report - November 2021</p>
External confirmations	<ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures 	Audit Results Report - November 2021
Consideration of laws and regulations	<ul style="list-style-type: none"> ▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off ▶ Enquiry of the PCC and CC into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the PCC and CC may be aware of 	Audit Results Report - November 2021
Internal controls	<ul style="list-style-type: none"> ▶ Significant deficiencies in internal controls identified during the audit 	Audit Results Report - November 2021
Group audits	<ul style="list-style-type: none"> ▶ An overview of the type of work to be performed on the financial information of the components ▶ An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components ▶ Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work ▶ Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted ▶ Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements 	<p>Provisional Audit Plan - April 2021</p> <p>Audit Results Report - November 2021</p>

Appendix B

Required communications with the Audit Committee (continued)

		 Our Reporting to you
 Required communications	 What is reported?	 When and where
Representations	Written representations we are requesting from management and/or those charged with governance	Audit Results Report - November 2021
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit Results Report - November 2021
Auditors report	<ul style="list-style-type: none"> ▶ Key audit matters that we will include in our auditor's report ▶ Any circumstances identified that affect the form and content of our auditor's report 	Audit Results Report - November 2021

Additional audit information

Objective of our audit

Our objective is to form an opinion on the group's consolidated financial statements under International Standards on Auditing (UK) as prepared by you in accordance with International Financial Reporting Standards as adopted by the EU, and as interpreted and adapted by the Code of Audit Practice.

Our responsibilities in relation to the financial statement audit are set out in the formal terms of engagement between the PSAA's appointed auditors and audited bodies. We are responsible for forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of the Audit Committee. The audit does not relieve management or the Audit Committee of their responsibilities.

Other required procedures during the course of the audit

In addition to the key areas of audit focus outlined in section 2, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

Our responsibilities required by auditing standards

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Concluding on the appropriateness of management's use of the going concern basis of accounting.
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. Reading other information contained in the financial statements, including the board's statement that the annual report is fair, balanced and understandable, the Audit Committee reporting appropriately addresses matters communicated by us to the Audit Committee and reporting whether it is materially inconsistent with our understanding and the financial statements; and
- ▶ Maintaining auditor independence.

Additional audit information (continued)

Other required procedures during the course of the audit (continued)

Procedures required by the Audit Code	<ul style="list-style-type: none"> ▶ Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance Statement. ▶ Examining and reporting on the consistency of consolidation schedules or returns with the PCC/CC's audited financial statements for the relevant reporting period
Other procedures	<ul style="list-style-type: none"> ▶ We are required to discharge our statutory duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice

We have included in Appendix B a list of matters that we are required to communicate to you under professional standards.

Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines:

- ▶ The locations at which we conduct audit procedures to support the opinion given on the Group financial statements; and
- ▶ The level of work performed on individual account balances and financial statement disclosures.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.

EY | Assurance | Tax | Transactions | Advisory

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.

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Audit Committee Forward Work Plan

13 April 2021

Morning Briefing (12 April 2021)	Criminal Justice
13 April 2021	
Welcome and Apologies	
Declarations of Interest	
Minutes of meeting 19 January 2021	
Actions from previous meeting	Action Log
Internal Audit 2020/21 Progress Report and Follow Up Review 2020/21 Annual Report 2021/22 Internal Audit Plan (Final)	Reports from Head of Internal Audit
External Audit Plan 2020/21	Report from Director, E&Y
Forward Work Plan	Report from CFO
Part 2 Private Agenda	
Strategic Risk Register update – Part 2 private agenda	Report from Chief Exec and CC
Fraud – Part 2 private agenda	Report from CFO & ACO

8 June 2021 Private (informal meeting)

Draft Statements of Accounts 2020/21	Reports from CFO/ACO
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27 July 2021

Morning briefing	Estates Strategy, Modern Workplace and OPCCN Workstyle
Welcome and Apologies	
Declarations of Interest	
Minutes of meeting 13 April 2021	
Actions from previous meeting	

Internal Audit 2020/21 Progress Report (including outstanding reports from 2019/20)	Report from Head of Internal Audit
Annual Governance Statement	Report from CFO
Forward Work Plan	Report from CFO
Strategic Risk Register Update – Part 2 private agenda	Report from Chief Exec and CC
Fraud - Part 2 private agenda	Report from CFO & ACO

21 September 2021

Morning Briefing	
Welcome and Apologies	
Declarations of Interest	
Minutes of meeting 27 July 2021	
Internal Audit 2020/21 Progress and Follow up Report	Report from Head of Internal Audit
Corporate Governance Framework	Report from CFO
Annual Governance Statement	Report from CFO
Audit Committee Skills	Report from CFO
Forward Work Plan Report from CFO	
Strategic Risk Register update– Part 2 private agenda	Report from Chief Exec and CC
Fraud - Part 2 private agenda	Report from CFO

19 October 2021

Morning Briefing	Going concern and the accounts
Welcome and Apologies	
Declarations of Interest	
Minutes of meeting 21 September 2021	
Final Accounts 2020/21 Approval including External Auditor's Audit Results Report	Reports from CFO and E&Y
Internal Audit 2020/21 Progress Report and Follow up Report	Report from Head of Internal Audit
Forward Work Plan	Report from CFO

Report Author

Jill Penn

Chief Finance Officer - OPCCN