

AUDIT COMMITTEE

Tuesday 17th April 2018 at 2.00 p.m.
Wroxham Room, Jubilee House, Falconers Chase,
Wymondham, Norfolk NR18 0WW

A G E N D A

Note for Members of the Public: If you have any specific requirements to enable you to attend the meeting, please contact the OPCCN (details overleaf) prior to the meeting.

Part 1 – Public Agenda

1. Welcome and Apologies
2. Declarations of Personal and/or Prejudicial Interests
3. To approve the minutes of last meeting held on 9th January 2018
4. Internal Audit – Reports from Head of Internal Audit (TIAA)
 - 2017/18 Audit Progress Report and Follow Up Review
 - 2017/18 Annual Report
 - 2018/19 Internal Audit Plan (Final)
5. Review of the effectiveness of the system of internal control and the draft Annual Governance Statement (AGS) 2017/18 – Report from Chief Finance Officer
6. Forward Work Plan – Report from Chief Finance Officer

Part 2 – Private Agenda

7. Strategic Risk Register Update – Report from Chief Executive and Chief Constable

8. Date of Next Meeting

Monday 30th July 2018 at 2pm in the Wroxham Room.

Enquiries to:

OPCCN

Building 8, Jubilee House,

Falconers Chase, Wymondham, Norfolk, NR18 0WW

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

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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.pnn.police.uk

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

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**MINUTES OF THE AUDIT COMMITTEE MEETING
HELD ON TUESDAY 9 JANUARY 2018 AT 2 PM
IN THE WROXHAM ROOM, JUBILEE HOUSE,
FALCONERS CHASE, WYMONDHAM**

Attendance:

Mr R Bennett (Chairman)
Mrs J Hills
Mr P Hargrave
Ms A Bennett

Also in attendance:

Mr J Hummersone	Chief Finance Officer (CFO)
Mr I Fearn	Head of Financial Accounting & Specialist Functions
DCC Nick Dean	Deputy Chief Constable
Mr J Mann	Policy and Research Officer
Mr C Hewitt	Manager, Ernst & Young
Mr C Harris	Head of Internal Audit, TIAA
Ms F Dodimead	Director of Audit, TIAA

1. Welcome and Apologies

The Chairman welcomed those present. Apologies were received from CC S Bailey, Mr M Stokes and Mr M Hodgson (Ernst & Young).

Before the start of the meeting the Chairman called a minutes' silence in memory of Robin Chapman.

2. Declarations of Personal and/or Prejudicial Interests

None reported. The Chairman reminded members of the need to update OPCC with any changes.

3. To confirm the minutes of the meeting held on 5 September 2017

The minutes were **agreed** and signed by the Chairman.

4. Internal Audit - 2017/18 Audit Progress Report and Follow Up Report - 2018/19 Draft Internal Audit Plan

The Head of Internal Audit introduced the reports with further commentary from the Director of Audit.

The Committee noted that the fieldwork for all of the audits would be completed by the end of the year. Since the last meeting 6 final reports had been issued, 5 were at draft stage and 9 were scheduled. Remaining reports would be presented to the Committee on 17th April 2018 along with the Head of Internal Audit Opinion (required for the Annual Governance Statement).

The Committee raised various questions on the Procurement audit, including the controls around the Tranman fleet system and the lack of interface with ERP and non-compliance with Contract Standing Orders. Officers present gave further explanations and reassurances around the issues raised and the management comments described the actions in hand. Members sought and received confirmation from TIAA that these matters would be followed up.

The Deputy Chief Constable addressed the matters raised in the Data Quality – Athena audit report. He described the 2 dashboards in use, some of the work in progress and how these issues were being addressed by Athena Management Board. The Committee noted that the Athena system was very big and complex but accepted that there had been slow and steady improvement in the usability of, and use of, the system. A further business case and change programme were in train and work to improve data quality was continuing.

The PFI Projects audits had both resulted in Substantial Assurance assessments. The Committee was advised that better value and lower costs were being achieved on both projects.

The Director of Audit introduced the Follow-Up report. 10 recommendations had been implemented since the last meeting leaving 19 priority 2 recommendations outstanding, 15 of which had had their deadlines extended.

The Committee was advised that the Suffolk Audit Committee had raised a number of questions on outstanding recommendations, particularly those relating to ICT. The Suffolk CFO was progressing the matter.

The Committee asked about recommendation NSP1626 (Information Technology Infrastructure Library) Framework, Gap Analysis. It was not clear what the consequences of not implementing the recommendation were. **The CFO and Director of Audit agreed** to follow this up and report back to the Committee.

The Committee concluded that given the number of recommendations raised to have 19 priority twos and no priority ones outstanding was very satisfactory.

Finally, the Director of Audit introduced the second draft of the Internal Audit Strategic Plan and Annual Plan. This had initially been considered at the previous meeting. The columns headed '2017/18' would be completed for the final version.

The Committee was advised that Internal Audit was frequently asked to look at areas of business in the knowledge (management's) that limited assurance assessments might be forthcoming. The Committee reemphasised the need to ensure that the Plan covered the areas of greatest risk.

The Director of Audit agreed to collate any further responses (including from Suffolk), with a cross check to the Strategic Risk Registers, and bring a final version of the Plan to the April meeting of the Committee.

5. External Audit – Annual Audit Letter for the year ended 31 March 2017 - Audit Plan 2017/18

The Audit Letter was presented by the Audit Manager (Ernst and Young LLP). It summarised the previous work and reports of the auditor with which the Committee was familiar.

The Chairman again expressed appreciation to the CFO and his team for the hard work on the accounts and a very satisfactory audit report.

The Committee was advised that Ernst and Young LLP had been reappointed as external auditors for Norfolk and Suffolk Police.

The Committee noted that the CFO would finalise the additional 2017/18 audit fees with EY.

The Audit Manager presented the Audit Plan for the 2017/18 Accounts. The Committee sought, and received, assurances that the reduced timescale for closing the accounts was manageable for the finance team and the auditors.

The Committee noted the appointment of Mark Hodgson in place of Kevin Suter as the EY Associate Partner.

6. Treasury Management

The Committee noted the 2017/18 half year update on Treasury Management and the 2018/19 Annual Investment and Treasury Management Strategy Statement (TMSS). It raised a question on counterparty limits. **The CFO agreed** to discuss this with advisors. The TMSS would be included in the PCC's 2018/19 Precept and 2018/22 Medium Term Plan Report to the Norfolk Police and Crime Panel on 5 February 2018.

The CFO agreed to add the Prudential Code to the list of briefing topics for members.

The meeting closed at 3:45 pm.

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Mr R Bennett
CHAIRMAN



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

Audit Progress Report – Norfolk

2017/18

INTRODUCTION

1. This summary report provides an update on the progress of our work at the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies as at 4th April 2018. The report is based on internal audit work carried out by TIAA and management representations that have been received during the period since our last progress report.

PROGRESS AGAINST THE 2017/18 ANNUAL PLANS

2. Our progress against the Annual Plans for 2017-18 is set out in Appendix A. The results of these reviews are summarised at Appendix B.

AUDITS COMPLETED SINCE THE LAST REPORT TO COMMITTEE

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

Review	Evaluation	Draft issued	Key Dates			Number of Recommendations			
			Responses Received	Final issued	1	2	3	OE	
ill Health Retirement	Reasonable	16/01/2018	02/02/2018	08/02/2018	0	2	0	0	0
Temporary Recruitment	Reasonable	16/01/2018	12/02/2018	22/02/2018	0	3	4	0	0
Absence Management	Limited	16/01/2018	07/03/2018	12/03/2018	1	3	1	1	1
Purchase Cards (Norfolk)	Limited	16/01/2018	05/03/2018	08/03/2018	0	4	1	0	0
Payroll	Limited	30/01/2018	23/03/2018	27/03/2018	1	3	0	1	1
Accounts Payable	Reasonable	28/11/2017	07/03/2018	12/03/2018	0	1	2	1	1
Key Financial	Substantial	12/03/2018	04/04/2018	04/04/2018	0	0	2	0	0

Systems

Copies of the finalised reports are available to Audit Committee Members on request. The details for Norfolk only reports will not be included in the Suffolk progress report.

CHANGES TO THE ANNUAL PLAN 2017/18

6. There have been the following changes made to the annual plan since the last meeting:
 - Governance and Ethics – audit cancelled, with elements being picked up in 2018/19 as part of the transformation audit.
 - ICT Data Assurance (GDPR) – appraisal audit postponed until 2018/19 as per Deputy Chief Constables, to be undertaken in April 2018 in preparation for the compliance date of 25th May 2018.
 - Learning and Development – audit days increased from 12 to 20 to incorporate two distinct areas Police officer training and evaluation, and skills audit.
 - Recovered Property – audit postponed until 2018/19 due to changes in the department / evidential property review.
 - ERP / Athena – audit postponed until 2018/19 and change in coverage to ERP / Enact / DMS, as higher risk area, due to systems data inconsistencies.
 - Commissioners Grants – audit days reduced from 18 to 13. No coverage of Norfolk and increased coverage in Suffolk.

FRAUDS/IRREGULARITIES

7. We regularly liaise with PSD regarding any work streams that may be relevant for internal audit.

LIAISON

8. Liaison is undertaken with the following:
 - Liaison with the Chief Finance Officers: Regular progress meetings are held with the Chief Finance Officers.
 - Liaison with PSD: Regular meetings are held with PSD during the year.
 - Liaison with Risk Management: Increased liaison has commenced, to directly link internal audit with risk management.
 - Liaison with External Audit: We have liaised with EY during the year and kept them informed of our work and will make available to them all final audit reports.

PROGRESS ACTIONING PRIORITY 1 (URGENT and NOT APPROVED RECOMMENDATIONS)

9. It is noted that there are a number of limited assurance reports issued, where elements of the system have warranted a limited assurance due either to non-compliance with statutory requirements or internal requirements, however it is also noted that progress is being made by management at the time of the audit to address the control weaknesses and this progress is taken into account in the overall annual opinion.

10. We have made the following urgent recommendations (i.e. fundamental control issues) since the previous Progress Report:
- Absence Management - A review of data entered on ERP, Enact and the Duty Management System (DMS) be completed to ensure that it is following the correct processes to ensure that data aligns.
 - Payroll - System controls on Enact to be investigated, to ensure Enact forms can only be approved by the relevant authorised signatory and prevent employees from approving their own Enact forms.
11. We have made no recommendations which have not been approved by management since the previous Progress Report.

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.

Progress against the Annual Plan for 2017/18

System	Planned Quarter	Planned Days	Actual Days to date	Current Status	Audit Committee Reporting	Assurance	Comments
2017/18 Plan							
NSC1802 ICT Mobile Devices	1	10	10	Final Report	December 2017	Reasonable	
NSC1803 IM Audit Team Assessment	1	8	8	Final Report	September 2017	Substantial	
NSC1805 ill Health Retirement	1	8	8	Final Report	March 2018	Reasonable	
NSC1806 Transport – Use of Vehicles	1	10	10	Final Report	September 2017	Reasonable	
NSC1808 Estates Contract Management	1	10	10	Final Report	September 2017	Substantial	
NSC1809 Purchase Ordering	1	10	10	Final Report	September 2017	Reasonable	
NSC1810 Temporary Recruitment	1	7	9	Final Report	March 2018	Reasonable	
NSC1811 CSO Compliance and STA	1	17	17	Final Report	September 2017	Reasonable	
NSC1812 Business Interests	1	8	8	Draft Report	March 2018	Reasonable	
NSC1816 ICT Governance	2	12	12	Draft Report	July 2018	Reasonable	
NSC1817 IM Data Quality (Athena)	2	12	12	Final Report	December 2017	Limited	
NSC1818 IM MOPI Project	2	10	10	Draft Report	March 2018	Limited	Assurance rating due to non-compliance
NSC1820 Joint PFI – Police Investigation Centres	2	14	14	Final Report	December 2017	Substantial	
NSC1821 Norfolk PFI – Norfolk only	2	14	14	Final Report	December 2017	Substantial	Norfolk only report
NSC1823 Overtime, Expenses, Add Payments	2	14	14	Draft Report	July 2018	Limited	

System	Planned Quarter	Planned Days	Actual Days to date	Current Status	Audit Committee Reporting	Assurance	Comments
NSC1801 Governance & Ethics	3	12	0	Postponed	n/a	n/a	Postponed until 2018/19, incorporated within Transformation
NSC1815 ICT Data Assurance (GDPR)	3	12	0	Postponed	n/a	n/a	Postponed until 2018/19
NSC1819 HR Absence Management	3	12	12	Final Report	March 2018	Limited	
NSC1824 Purchase Cards (Norfolk)	3	10	10	Final Report	March 2018	Limited	Norfolk only report
NSC1829 Payroll incl ERP	3	10	10	Final Report	March 2018	Limited	
NSC2830 Accounts Payable	3	10	10	Final Report	March 2018	Reasonable	
NSC1825 Corporate Policies	4	10	10	Draft Report	July 2018	Limited	
NSC1804 HR Learning and Development	4	12	20	Draft Report	July 2018	Limited	Moved from Q1 to Q4, due to department transformation, wider scope
NSC1807 Estates 3i Property Database	4	4	0	Postponed	n/a	n/a	Cancelled
NSC1814 Risk Management – Mitigating Controls	4	11	11	Draft Report	July 2018	Reasonable	
NSC1822 Safeguarding and Investigations	4	10	10	Draft Report	July 2018	Substantial	
NSC1826 ERP / Athena	4	12	0	Postponed	n/a	n/a	Postponed to 2018/19
NSC1827 Commissioners Grants	4	18	13	Draft Report	July 2018	Reasonable	Just Suffolk and scope widened
NSC1813 Recovered Property	4	10	0	Postponed	n/a	n/a	Postponed to 2018/19
NSC1828 Key Financials	4	30	30	Final Report	March 2018	Substantial	
NSC1828 Accounts Receivable elements	4	-	-	Draft Report	March 2018	Reasonable	Separated report from key financials
Follow Up Work		12	12	Ongoing			Year-end reporting June / in-year reporting December
Contingency b/fwd	1-4	(62)	(62)				
Contingency c/fwd	1-4	13	(58)				

System	Planned Quarter	Planned Days	Actual Days to date	Current Status	Audit Committee Reporting	Assurance	Comments
Audit Management	1-4	20	20	Ongoing			
Total Days	-	330	330				


KEY:

	=	To be commenced
	=	Site work commenced
	=	Draft report issued
	=	Final report issued

Summaries of Finalised Audit Reports issued since the last report

Audit Report: ill Health Retirement (NSC1805)

Report: 8th February 2018

<p>SCOPE</p> <p>The review assessed the adequacy and effectiveness of the internal controls in place at both Constabularies for managing ill health retirement.</p> <p>MATERIALITY</p> <p>In Norfolk the cost of ill health retirement as of the 31st July 2017 is £720k, against a budget of £240k for 2017/18.</p> <p>In Suffolk the cost of ill health retirement as of the 31st July 2017 is £360k, with no budget allocation set for 2017/18.</p>	<p>KEY FINDINGS</p> <p>Whilst there is an established practice in place for the processing and authorisation of ill health retirement applications, there has been a high number of applications during 2016/17 and 2017/18, causing budgetary pressures for</p> <ul style="list-style-type: none"> • Staff have been assigned to manage the ill health retirement process. • A policy is in place and there are set procedures for staff to follow when processing an ill health retirement application, along with the use of standard forms. • Whilst there is an established practice in place for the processing and authorisation of ill health retirement applications, there has been a high number of applications during 2016/17 and 2017/18, causing budgetary pressures for both Constabularies. 								
<p>OVERALL ASSURANCE ASSESSMENT</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>2</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	2	0	0
Urgent	Important	Routine	Operational						
0	2	0	0						


Recommendations – Urgent (Priority 1), Important (Priority 2) and Not Approved

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Compliance	Suffolk does not have a designated ill health retirement budget. Without a budget this causes budgetary pressures for the constabulary.	A designated ill health retirement budget be set in Suffolk. The budget be reviewed regularly so that it is in line with forecasted numbers.	2	Traditionally Ill Health Retirement costs had been absorbed against other underspends, or funded from reserves. Due to continuing financial constraints, and the forecast level of reserves this is no longer sustainable. During the Service and Financial Planning process that has set 2018/19 budget and the medium-term financial plan, an additional budget requirement for Ill Health Retirement has been built in and will be reviewed annually.	Complete	Head of Finance

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Compliance	In Norfolk there has not been a recent review of the ill health retirement budget. There is forecasted to be a considerable overspend which will cause significant budgetary pressure for the constabulary.	For Norfolk a review be undertaken of the ill health retirement budget so that it is more in line with the number of applications and not based on historical projections.	2	<i>Traditionally any overspend against the Ill Health Retirement budget had been absorbed against other underspends, or funded from reserves. Due to continuing financial constraints, and the forecast level of reserves this is no longer sustainable. During the Service and Financial Planning process that has set 2018/19 budget and the medium-term financial plan, an additional budget requirement for Ill Health Retirement has been built in and will be reviewed annually.</i>	Complete	Head of Finance

Audit Report: Temporary Recruitment (NSC1810)

Report: 22nd February 2018

<p>SCOPE</p> <p>This audit focused on temporary recruitment and specialist staff, including policy and procedures, systems and processes, authorisation to recruit, and declarations and conflicts of interest.</p> <p>The audit covered both Suffolk and Norfolk Constabularies and the Office of the Police and Crime Commissions.</p> <p>MATERIALITY</p> <p>The Head of Corporate Accounting and Business Partners undertook a costing exercise in July 2017 using data from ERP. This established that total expenditure in 2016/17 for all staff on fixed term contracts is as follows: Suffolk £1,537,623, and Norfolk £3,034,879 (includes £991,460 relating to grant funded posts). It also established that 2016/17 agency staffing costs totalled £1,059,478 for Norfolk and £455,115 for Suffolk.</p>	<p>KEY FINDINGS</p> <p>A Recruitment of Police Staff Policy and Secondments Policy are in place, however they are past their review dates. A Recruitment Code of Practice is under development.</p> <p>Procurement arrangements have not always been followed when appointing consultants.</p> <p>Request to Fill a Vacancy and Agency Worker Request Forms were not always completed for temporary/agency appointments, although they had email authorisation.</p> <p>Signed contracts were not always returned by temporary staff.</p> <p>Sample testing confirmed the required vetting had been undertaken, although agency workers are not required to complete a conflict of interest form.</p>								
<p>OVERALL ASSURANCE ASSESSMENT</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>3</td> <td>4</td> <td>0</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	3	4	0
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0	3	4	0						

Recommendations – Urgent (Priority 1), Important (Priority 2) and Not Approved

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Directed	<p>The Constabularies procurement arrangements were not followed, as expenditure of £50k or more requires a tender.</p> <p>At the time of audit, expenditure of £90k had been incurred with one consulting firm. A single tender form has retrospectively been completed, awaiting approval at the time of audit.</p> <p>For a second firm the director is a previous employee of the Constabularies. A single tender action form has retrospectively been completed.</p> <p>Three other instances were identified where consulting firms were employed without contracts being held.</p>	<p>The Constabularies procurement arrangements be followed when sourcing temporary and consultancy staff.</p>	2	<p>Checklists for both Agency Recruitment and Staff / Temporary Recruitment to be updated to ensure that spend is quantified and that the appropriate procurement process is identified and followed.</p>	31/03/2018	<p>HR Service Centre Manager</p>

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Compliance	<p>Three of the 10 temporary appointments in the sample were supported by Request to Fill a Vacancy Form, although the authorisation boxes were not fully completed on two of them. The remaining seven did not have forms, although emails were provided to support the appointment authorisation.</p> <p>In addition, eight of the 10 agency appointments in the sample were supported by Agency Worker Request Forms, although the authorisation boxes were not completed on six of them. One was supported by a Single Tender Action Request Prior Approval form, although, the approval fields were not completed. Emails were provided to support the appointment authorisation for all cases in the sample.</p>	<p>Request to Fill a Vacancy Forms, Agency Worker Request Forms and, where applicable, Single Tender Action Request Prior Approval Forms be fully completed, authorised and retained to support all agency appointments and to clearly set out the reasons for needing the resource. Authorisation to include the HR Business Partner and Finance Business Partner, in addition to the budget holder.</p>	2	<p>New Request to Recruit Agency Staff Specific approval form to be introduced for Agency Recruitment.</p> <p>Checklists for both Agency recruitment and staff/temporary recruitment to be updated to ensure that the request is not progressed until completed form is received.</p> <p>Guidelines for managers to be updated to reflect this requirement.</p>	31/03/2018	HR Service Centre Manager

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
7	Compliance	The Senior Vetting Assistant stated that agency workers are not asked to complete a conflict of interests form as they are not employed staff. An enquiry was put to Reed Business Support for the audit and the Senior Executive Consultant responded that Reed does not clarify or evidence anything in regards to conflicting business as Reed would not know what would classify as a 'conflicting business'.	The Constabularies to assess potential conflicts of interest for agency staff and where appropriate convey this to the agencies, requesting a conflict of interests form be completed where required, in line with employed staff, possibly as part of the service agreed with Reed.	2	<i>This will be discussed at the next HR Leadership Team Meeting on 20 February 2018, with a view to requesting Reed to complete this for the Constabularies, and establishing arrangements for other suppliers.</i>	31/05/2018	Head of HR

Audit Report: Absence Management (NSC1819)

Report: 12th March 2018

SCOPE

The aim of the review was to assess the adequacy and effectiveness of the internal controls in place at Norfolk and Suffolk Constabularies for managing absence.

MATERIALITY

The year to date sickness as at 31st December 2017 is:

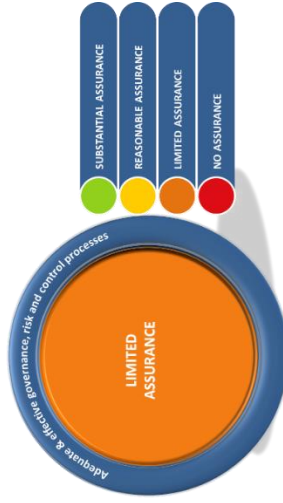
- Suffolk police officers 4.95% and staff 4.3%.
- Norfolk police officers 4.1% and staff 4.79%.

KEY FINDINGS

The joint sickness management policy clearly documents the process to be followed for absence management. The overall opinion is derived from the nature of the recommendation raised regarding data recording between

- Inconsistencies in the data / the way systems record sickness have been identified between ERP, Enact and the Duty Management System (DMS).
- Audit testing has identified that there is a need to educate line managers on how sickness is recorded, as rest days and free days have been included within sickness periods, and thus inflating the number of sickness days
- The sickness target for the Constabularies is not subject to regular review. The current target in place is 3.4%.

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Urgent	Important	Routine	Operational
1	3	1	1

Recommendations – Urgent (Priority 1), Important (Priority 2) and Not Approved

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	Audit testing has identified that there are inconsistencies in relation to the sickness data that has been recorded on ERP, the Duty Management System and on Enact.	A review of data entered on ERP, Enact and the Duty Management System (DMS) be completed to ensure that it is following the correct processes to ensure it continues to align.	1	<p>The list of anomalies has been reviewed by the Management Information Team. Many of the differences are related to the way in which the different systems count sickness, rather than user errors. This may be difficult to address, but there has been progress made to ensure that the relevant processes are followed thus reducing genuine errors causing inconsistency.</p> <p>This will be an ongoing review, with a review date of June 2018 to review progress.</p>	30/06/2018	HR Service Centre Manager

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	Audit testing identified where rest days or free days had fallen after sickness periods that these were being included in sickness periods and thus inflating sickness. It appears that there is a need for further training and education to be provided to Line Managers to ensure that they are aware that sickness periods should not include free and/or rest days unless they have not returned until after the free and/or rest days.	A briefing note be prepared to staff on the appropriate means for recording of sickness, including accounting for free/rest days. The briefing note to be circulated to all Line Managers.	2	The Management Information Team have reviewed this action and this does not inflate our reported sickness figures. This is because we report on number of working hours lost, which does not include rest and free days. This does affect operational police officers, as they could be called in if they are fit, and therefore guidance will be updated and circulated via HRAs.	31/05/2018	Operational HR Manager
4	Compliance	Whilst testing did not indicate that staff were not aware of how sickness is to be reported, it did indicate that managers are not aware of the correct way to record sickness, there are concerns that managers are not aware of the need to undertake ASMs. If ASMs are not taken at the required frequency there is a risk that unacceptable sickness absence will not be identified.	Line managers be reminded of the need to undertake Attendance Support Meetings (ASMs) at the required timescales so that staff with inappropriate sickness levels can be identified and plans put in place to address the sickness level.	2	HRA's now review all sickness cases with districts at monthly meetings. We are looking to establish an Absence Management Group which will hold management teams accountable for 28+ days and to ensure that ASM's are being progressed. With the establishment of a new Sickness management Policy this will coincide with clearer guidance for managers and workshop briefings.	30/04/2018	Operational HR Manager

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Compliance	<p>Audit testing found that for the ten cases randomly selected for Suffolk, in four cases the individual had not been referred to occupational health although had been off sick for a period of 28 days or more.</p> <p>For Norfolk, for the ten cases that were randomly selected it was found that there were two individuals who had not been referred to occupational health although had been off sick for a period of 28 days or more.</p>	<p>Referrals be made to occupational health in line with the 'Joint Sickness Management' policy.</p>	2	<p>HRA's are working more closely with managers and encouraging the use of referrals to WPH. This will be picked up as part of the launch of the new policy. It could also be the case that since the launch of the EAP service that individuals are accessing this service for help and advice which is confidential thus resulting in less referrals to WPH.</p>	30/04/2018	Operational HR Manager

Audit Report: Purchase Cards (Norfolk) (NSC1824)

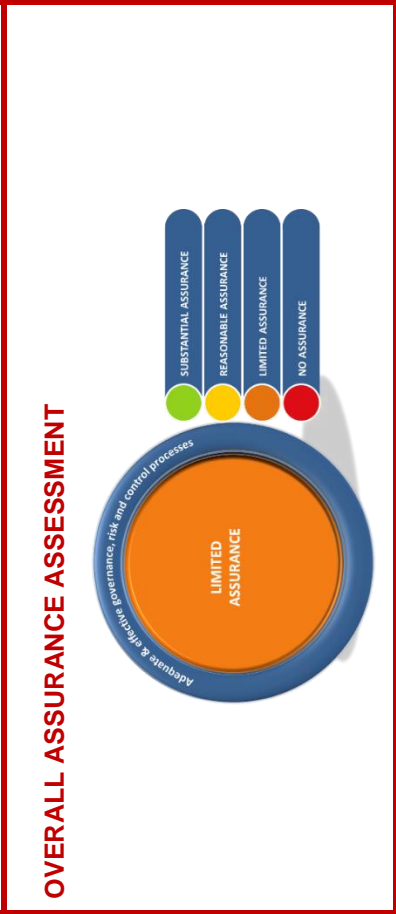
Report: 8th March 2018

SCOPE
The audit assessed the adequacy and effectiveness of the internal controls in place for managing purchase cards. Separate reports have been issued for Suffolk and Norfolk Constabularies.

MATERIALITY
Total purchase card expenditure for April to August was approximately £93k.

KEY FINDINGS
The overall assurance rating is derived from the mis-use of cards through split transactions and types of purchases. It is noted that the overall spend on purchase cards and remaining controls have improved since previous years and management have taken action to address the control weaknesses.

- Individual transactions over £500 appear to have been split into more than
- Purchase cards have been used for purchases which not in line with rules stated in the Purchasing Card Manual.
- Authorising officers are not authorising purchase card expenditure promptly. This has resulted in a delay to upload purchase card expenditure to the general ledger.
- VAT receipts have not been submitted for all items of expenditure. VAT receipts are required so that the maximum amount of VAT can be reclaimed.



ACTION POINTS

Urgent	Important	Routine	Operational
0	4	1	0

Recommendations – Urgent (Priority 1), Important (Priority 2) and Not Approved

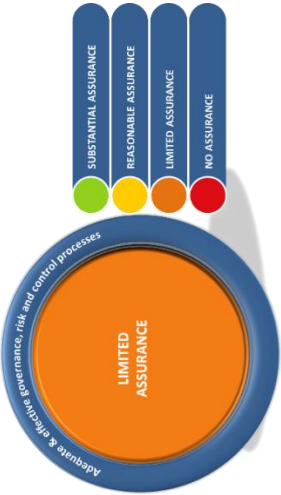
Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Compliance	Audit testing found that in eight cases cardholders had not contacted the Head of Transactional Services when purchasing items over £500, and instead had split the transactions to values less than £500 to make the payment.	Cards identified with transactions split to avoid the £500 limit to be reviewed and relevant action taken, including removal of the card where appropriate and notification to Procurement.	2	Normal practice is that the cardholder will approach the Commercial Team or Transactional Services Team to request that a card limit is temporarily increased. Procedures are in place to follow up split transactions after the transaction has taken place. It should be noted that purchases outside of normal office hours over £500 per transaction are permitted if required for justifiable operational purposes.	31 March 2018	Head of Transactional Services

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Compliance	From review of 25 statements reviewed, it was found that there were a number of instances where the cards had not been used appropriately. Purchase cards have been used to purchase cameras a mower, printer, USB docks, furniture and stationery although the Constabulary has formal contracts in place for these goods and thus may have been able to achieve a lower price.	Cardholders to be reminded of what their purchase cards are to be used for, and that purchases on the purchase cards are to be in line with what is stated in the purchase card manual. With relevant action being taken in further cases of misuse.	2	A review of all card spend is in progress to review spend which is potentially outside of the current scope of the Purchase Card Manual. Once this review is complete a reminder will be issued to individual card holders if appropriate. In addition a review of the guidance is to be undertaken and a general re-issue to all cardholders will take place. Finally there is to be a force-wide review of the criteria for holding cards with the aim to reduce the number across the force.	31 May 2018	Head of Transactional Services
4	Compliance	Approving officers are not approving purchase card expenditure monthly. There was expenditure for June, July and August that was awaiting to be approved in November 2017. The amounts are: For the month of June £438, for July there is £867 and for August there is £1,106 of purchase card expenditure awaiting to be authorised	Purchase card holders / approving officers to be reminded that expenditure is to be approved monthly by the assigned approving officer.	2	Approvers are reminded on a monthly basis to submit transactions outstanding by the required monthly deadline. All approvers will be reminded of the necessity to authorise transactions promptly.	31 March 2018	Head of Transactional Services

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Compliance	Purchase card expenditure has not been uploaded to the general ledger promptly. This would enable budget holders are able to account for purchase card expenditure within their budget.	Purchase card expenditure to be uploaded monthly to the ledger.	2	<i>The main cause of this is the delay in authorisers authorising transactions promptly. These amounts do not have a material impact on the accounts, but a reminder will be sent as per the point above.</i>	31 March 2018	Head of Transactional Services

Audit Report: Payroll (NSC1829)

Report: 27th March 2018

<p>SCOPE</p> <p>The audit reviewed the controls in operation in relation to the payroll system for the Police and Crime Commissioners for Norfolk and Suffolk and the Norfolk and Suffolk Constabularies.</p> <p>MATERIALITY</p> <p>The total gross payroll value for the period 1st April 2017 to the 31st January is approximately £61 million for Suffolk Constabulary and £81 million for Norfolk Constabulary.</p> <p>The total gross payroll value for the period 1st April 2017 to the 31st January is approximately £446k for the Suffolk Office for the Police and Crime Commissioner and £630k for the Norfolk Office of the Police and Crime Commissioner.</p>	<p>KEY FINDINGS</p> <p>The main control weakness identified, affecting the overall assurance opinion is that, it was identified from sample testing that Enact allows users to approve their own on-call forms, without a designated, independent authority.</p> <p>In addition, it the following was noted:</p> <ul style="list-style-type: none"> • Expected payroll controls are in operation for the processing of payroll. • It is noted that the reporting functionality on ERP is limited. • There are approximately 70 Norfolk employees for which HMRC payments cannot be allocated to their account, and thus potentially affecting their ability to claim state pension. • Regular checks are not undertaken to ensure compliance with IR35. 										
<p>OVERALL ASSURANCE ASSESSMENT</p> 	<p>ACTION POINTS</p> <table border="1"> <thead> <tr> <th></th> <th>Urgent</th> <th>Important</th> <th>Routine</th> <th>Operational</th> </tr> </thead> <tbody> <tr> <td></td> <td>1</td> <td>3</td> <td>0</td> <td>1</td> </tr> </tbody> </table>		Urgent	Important	Routine	Operational		1	3	0	1
	Urgent	Important	Routine	Operational							
	1	3	0	1							

Recommendations – Urgent (Priority 1), Important (Priority 2) and Not Approved


Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Compliance	<p>The Enact system does not have adequate system controls in place for approving of on-call payments.</p> <p>Audit sample testing identified that Enact allows employees to self-approve on-call payments, as well as those not designated as the authorised signatory for that employee.</p>	<p>System controls on Enact to be investigated, to ensure Enact forms can only be approved by the relevant authorised signatory and prevent employees from approving their own Enact forms.</p>	1	<p>Enact has only one more year under contract, and the intention is not to renew this product. Instead a review is underway into products that are either already part of the Oracle ERP suite, or integrate into that platform.</p> <p>However, conversations are underway with the Enact provider Encircle and early indications are that they can make this change at minimal cost. However, if significant investment was required this will not be undertaken as any investment will be into the replacement system.</p>	30 th June 2018	Head of Transactional Services

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	The reporting function for the payroll element on ERP is limited. Compensating controls have been in place to enable information requirements to be met where possible. However, the reporting functionality on ERP does not currently enable line managers to have all necessary information available for effective decision making. Line managers do not receive reports detailing starters, leavers and changes within the monthly payroll.	The reporting functionality on ERP to be explored so that all necessary reports can be provided to enable line managers to have all necessary information, including a report of new starters, leavers and changes within the monthly payroll.	2	Heads of Department have regular meetings with their management teams, and with HR and Finance Business Partners to understand their staffing position. However, a business case is in draft in connection to a new reporting solution and funding has been provided within the MTFP. The reporting solution will have much wider benefits than the more narrow issue outlined here.	30 th June 2018	Head of Transactional Services
2	Directed	Whilst there is guidance in place for managers to follow, to aid the Constabularies to comply with IR35, there are no regular checks undertaken to identify any freelancers, contractors or consultants which may fall under IR35 and thus should be paid through the payroll rather than through creditors.	Monthly checks to be undertaken of creditor payments to identify any potential freelancers, agency staff, contractors or consultants that meet the IR35 requirements and should be paid through the payroll.	2	In addition to the guidance, Finance Business Partners liaise with Heads of Department in connection to this issue. The Supplies Team also look for any orders that may trigger an IR35 review, and there is a lead in the Commercial Team that oversees this and also looks for contracts that may need an IR35 process. The AP team will undertake spot checks on a monthly basis to further reduce the risk.	30 th June 2018	Head of Transactional Services

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Compliance	The payroll audit undertaken during 2015/16 identified that an underpayment was made to HMRC due to approximately 70 Norfolk staff on the ERP system being rejected by the payroll for HMRC payment runs. The Head of Transactional Services stated that payment to correct this has been made to HMRC. Whilst the payment has been made to HMRC it has not been possible to identify the individual staff for which the payments had been rejected. It was confirmed through discussions with the Head of Transactional Services that work was still underway to address this. This issue needs to be addressed, as for the approximately 70 employees for which payments have not been allocated to, these may result for the employees involved not being able to claim their full state pension.	Resources to be allocated to addressing the issue for the 70 employees that have not been included on the FPS report, to rectify that for these employees their ability to claim state pension is not affected.	2	<i>This is a complex issue and work has been ongoing within Capgemini to arrive at a solution. Also discussions have been taking place with HMRC on the issue.</i> <i>The latest position is that an Earlier Year Update (EYU) process will be run to correct the position and provide HMRC with the correct information about the individuals concerned.</i>	30 th June 2018	Head of Transactional Services

Audit Report: Accounts Payable (NSC1830)

Report: 12th March 2018

<p>SCOPE</p> <p>The review considered the arrangements for authorising and paying expenditure incurred by both OPCs and Constabularies and the arrangement for control of the cheques and automated payments.</p> <p>MATERIALITY</p> <p>At the time of audit Suffolk had total creditor spend year to date of £10,240,844 and Norfolk had total creditor spend of £55,881,993.</p>	<p>KEY FINDINGS</p> <p>Arrangements are in place to help ensure that payments are authorised prior to payment.</p> <p>It is noted that there are some areas where controls need to be strengthened:</p> <ul style="list-style-type: none"> • A regular review of suppliers is required to identify sundry suppliers retained on the system and potential duplicates. • Regular review of authority levels on ERP is required to help ensure that they remain relevant. • Reporting functionality on ERP to be investigated, as reporting functionality on ERP is limited. 								
<p>OVERALL ASSURANCE ASSESSMENT</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>1</td> <td>2</td> <td>1</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	1	2	1
Urgent	Important	Routine	Operational						
0	1	2	1						

Recommendations – Urgent (Priority 1), Important (Priority 2) and Not Approved

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>Sundry suppliers are used for suppliers expected to be used as a 'one off' As such they are set up by finance instead of the supplies team and bypass the full supplier's checks.</p> <p>In addition, checks are not undertaken to identify duplicate suppliers on the system.</p> <p>From sample testing across Norfolk and Suffolk, it was identified that several sundry suppliers which were not being closed down and continued to be used as a regular supplier.</p>	<p>The supplies team to be responsible for setting up sundry suppliers. To include a regular review of sundry suppliers, to ensure that these are closed down once payment has been made and to check for any duplicate accounts.</p>	2	<p>The procedures are that a check is made prior to setting up a new supplier to ensure that there is not one already in existence.</p> <p>Ordinarily a sundry supplier is set up in the AP system to facilitate the reconciliation of a direct payment from the bank account to reduce administration. A true sundry supplier will only be used once, for example in settlement of an insurance claim. Thereafter the supplier will not ordinarily be used. There will be some instances where the supplier has a further payment such as a second stage payment. A new reporting tool is in the process of implementation and a solution to this will be explored once this is in place.</p>	30/06/18	Head of Transactional Services

Audit Report: Key Financial Systems (NSC1828)

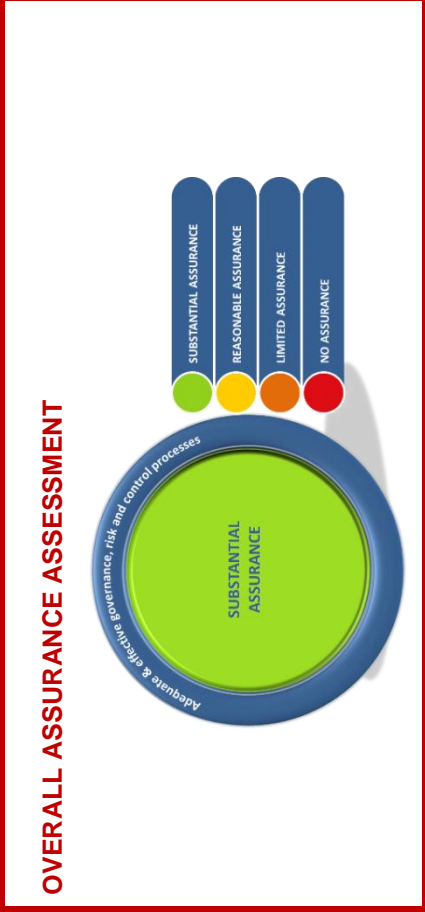
Report: 5th April 2018

SCOPE
Assessed the adequacy and effectiveness of the internal controls in place within Norfolk and Suffolk Office of the Police and Crime Commissioners and, Constabularies for managing the key financial systems.

MATERIALITY
30 investments and approximately £98m has been invested for Suffolk since the 1st April 2017.
53 investments and £203m has been invested for Norfolk since the 1st April 2017.
The value of capital additions for Suffolk since the 1st April 2017 to date is approximately £870k.
The value of capital additions for Norfolk since the 1st April 2017 to date is approximately £757k.

KEY FINDINGS
Controls around the key financial systems were found to be operating as expected.

- Financial Regulations are in place, these formally document the financial management framework, financial planning and control and delegated financial limits.
- Current treasury management strategies for both Norfolk and Suffolk are in place.
- Investments and borrowing has been undertaken in accordance with internal guidance.
- It is noted that payroll control accounts have not been reconciled monthly for Norfolk and bank charges reconciliations are not undertaken



ACTION POINTS

Urgent	Important	Routine	Operational
0	0	2	0



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

Follow Up Review – Norfolk Only

2017/18

Executive Summary

INTRODUCTION

1. The follow up of internal audit recommendations undertaken by TIAA is undertaken throughout the year and reported to the Audit Committee during the year at each meeting.
2. The summary tables show the number of raised and brought forward priority 1 (P1 - Urgent) and priority 2 (P2 - Important) recommendations implemented since being reported to the January 2018 Audit Committee meeting and those outstanding past their implementation dates. A breakdown of this summary is attached as Figure 2.

Figure 1 - Summary of the action taken on Recommendations made

Evaluation	P1 - Urgent Recommendations		P2 - Important Recommendations		P 1 & 2 Recommendations	
	Number	%	Number	%	Total	Total
Implemented Since Last Meeting	0	0%	12	38%	12 (38%)	
Outstanding (incl. deadlines extended*)	0	0%	20 (12*)	62%	20 (62%)	

Audit Ref	Audit Area	Date Presented to Audit Committee	Assurance Level	Previously reported as complete to Audit Committee		Completed since last Audit Committee		Outstanding with Extended Period Agreed		Outstanding - Previously reported as outstanding		New since last Audit Committee		Total Outstanding		Not Yet Due for implementation	
				P1	P2	P1	P2	P1	P2	P1	P2	P1	P2	P1	P2	P1	P2
2015/16 Internal Audit Reviews																	
NSC1605	Estates Management	Jun-16	Reasonable	2										0			
NSC1626	ITIL	Jun-16	Reasonable	1	1									0			
2016/17 Internal Audit Reviews																	
NSC1703	Transport	Sep-16	Reasonable	1				3						3			
NSC1704	Corporate Communications	Sep-16	Reasonable					3						3			
NSC1706	HR Recruitment	Dec-16	Limited	5		2								0			
NSC1707	Duty Management	Dec-16	Limited	6				3				1		4			
NSC1712	Disaster Recovery	Sep-16	Reasonable	3		1								0			
NSC1714	Overtime, Expenses	Mar-17	Reasonable	2		1		1						1			
NSC1715	Performance Management	Jun-17	Reasonable			1								0			
NSC1716	Pensions	Mar-17	Reasonable					1						1			

	Previously reported as complete to Audit Committee		Completed since last Audit Committee		Outstanding with Extended Period Agreed		Outstanding - Previously reported as outstanding		New since last Audit Committee		Total Outstanding		Not Yet Due for implementation	
	P1	P2	P1	P2	P1	P2	P1	P2	P1	P2	P1	P2	P1	P2
NSC1718		1		1										
	HR Strategy		Mar-17	Limited										
NSC1721	Collaborations		Jun-17	Reasonable								0		
NSC1723	ICT ERP		Jun-17	Reasonable								1		
NSC1725	Health and Safety		Jun-17	Reasonable								2		
2017/18 Internal Audit Reviews														
NSC1802	ICT Mobile Device Mgt	2	Sep-17	Reasonable		1						1		
NSC1806	Use of Vehicles	2	Sep-17	Reasonable		1						0		
NSC1810	Temporary Recruitment		Feb-18	Reasonable								2		1
NSC1811	Procurement		Sep-17	Reasonable		2						2		
NSC1817	Data Quality - Athena		Nov-17	Limited								0		3
NSC1819	HR Absence Management		Mar-18	Limited								0		4
NSC1829	Payroll		Mar-18	Limited								0	1	3
NSC1830	Accounts Payable		Mar-18	Reasonable								0		1
TOTALS		2	24	0	12	0	12	0	0	0	0	8	1	12

KEY FINDINGS

- There are no urgent recommendations outstanding and past the agreed deadline.
- Several recommendations are awaiting upgrade to ERP and support from IT systems or from external sources to enable implementation.
- Over the last couple of months 12 outstanding recommendations have been implemented and action is being taken to implement further recommendations, with changes to responsible officer requiring time for those officers to implement. For those recommendations with an implementation date of 31st March 2018, updates are being requested from management.

THE BREAKDOWN OF THE ACTIONS ON RECOMMENDATIONS KEY:

- The direction of travel for implementing recommendations is shown from right to left.
- The audit will remain on the table until all P1 and P2 recommendations relating to that audit are complete and reported as such to Audit Committee, including those previously reported. Once an audit is reported as complete (highlighted in grey), the audit will be removed from the table.
- Outstanding with extended period agreed – outstanding past original deadline and an extension has been agreed with management.
- Outstanding and previously reported as such to Audit Committee – outstanding past agreed deadline and no extension has been agreed.
- New since the last Audit Committee meeting – deadline has recently passed and the recommendation is outstanding.
- Total outstanding – includes; extended period agreed, previously reported as outstanding and new outstanding.
- Not yet due for implementation – the agreed implementation deadline has not been reached.

SCOPE AND LIMITATIONS OF THE REVIEW

6. The review considers the progress made in implementing the recommendations made in the previous internal audit reports and to establish the extent to which management has taken the necessary actions to address the control issues that gave rise to the internal audit recommendations. The implementation of these recommendations can only provide reasonable and not absolute assurance against misstatement or loss.
7. 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.
8. For the purposes of this review reliance was placed on management to provide internal audit with full access to staff, accounting records and transactions and to ensure the authenticity of these documents.

RELEASE OF REPORT

9. The table below sets out the history of this report.

Date draft report issued:	N/A
Date management responses recd:	N/A
Date final report issued:	6 th April 2018

Detailed Report

FOLLOW UP

10. Management representations were obtained on the action taken to address the recommendations. Only limited testing has been carried out to confirm these management representations.
11. The following matters were identified as outstanding past their original/revised deadline:

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response	Audit Comment
NSC1703 Transport Services	The Joint Transport Policy be subject to document control and approval process and current operating procedures should be updated and maintained.	2	Joint Transport Policy Force Policy Officer, Corporate Development and Change to be consulted regarding document control and approval process. It should be noted this is a Transport Services only Policy as it was determined the Policy was more aligned to a standard operating procedure. The standard operating procedures are in the process of being updated to reflect T13 restructure and process changes.	Head of Transport	31/10/16	31/03/18	23/03/18	The SOPs have all been updated, the Transport Policy is being revised, with a completion date of 31st March 2018 for the first draft.	Recommendations relating to implementation of a new policy remain as outstanding until new policies have been approved and implemented. Due to the time taken to approve policies, such recommendations may remain for extended periods. This could impact on outdated processes remaining until a policy is approved.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response	Audit Comment
NSC1703 Transport Services	The weekly vehicle check form be standardised across both countries.	2	Within Norfolk weekly check sheets fall under the remit of the Driver of Police Vehicles Force Policy Document, with the Policy owner being Specialist Operations. Within Suffolk the remit is with the County Policing Command. Norfolk and Suffolk Constabularies are aligning their equipment levels and types. This will then allow the use of one form across both Counties. This is already in progress and will be managed through the Transport Strategic Group.	Head of Transport	31/12/16	31/03/18	23/03/18	The new revised driver of police vehicles FPD ended the initial consultation period on 5th January 2018. As previously advised some work has taken place to standardise equipment across both forces. However the Health and Safety Committee has a created vehicle equipment inventory review group chaired by the forces health and safety manager, to further align equipment across both forces and as recognised within each force. A revised implementation date is required of 31st March 2018.	Without standardising the forms and equipment there are possibilities for inappropriate / insufficient equipment to remain on vehicles at times of need.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response	Audit Comment
NSC1703 Transport Services	The system for recording and monitoring the completion of the weekly vehicle checks be standardised and a system for central oversight of the results of the checks be implemented.	2	There is scope for the central reporting hub to be Transport services. This will be progressed through the Transport Strategic Group.	Head of Transport	31/12/16	31/03/18	23/03/18	The new revised driver of police vehicles FPD ended the initial consultation period on 5th January 2018. As previously advised some work has taken place to standardise equipment across both forces. However the Health and Safety Committee has a created vehicle equipment inventory review group chaired by the forces health and safety manager, to further align equipment across both forces and as recognised within each force. A revised implementation date is required of 31st March 2018.	Without monitoring there is a risk that checks are not undertaken and vehicles fit for the intended purpose and risk incidents occurring.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response	Audit Comment
NSC1704 Corporate Communications	A corporate communications strategy/strategies be developed, embedded, aligned with the visions of the Norfolk and Suffolk Constabularies.	2	A communications strategy/separate strategies will emerge over the next six months. Revised Police and Crime Plans for both forces are awaited: these will form a central element of an effective strategy.	Head of Corporate Communications	31/03/17	30/06/18	07/03/18	The draft strategies of the Media Liaison Policy, a Protocol document have been completed. The policy is ready for consultation with other managers and is very high level. The protocols need further review as they are more directive and more tactical but are nearly complete. This is on track to be delivered by the end of spring 2018.	The timescale is deemed reasonable with the change in Head of Corporate Communications, to ensure that they are appropriate for need.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response	Audit Comment
NSC1704 Corporate Communications	Corporate communications policies be developed and embedded. Appropriate review periods be set for each policy.	2	Formal policies on specific areas (for example Social Media) are being developed on an ad hoc basis. This will be ongoing, with a date of 31/03/17 set for review.	Head of Corporate Communications	31/03/17	30/06/18	07/03/18	The draft strategies of the Media Liaison Policy, a Protocol document have been completed. The policy is ready for consultation with other managers and is very high level. The protocols need further review as they are more directive and more tactical but are nearly complete. The Communications Strategy is completed, but does still need some further work and more around a vision for the department within it. This is on track to be delivered by the end of spring 2018.	The timescale is deemed reasonable with the change in Head of Corporate Communications, to ensure that they are appropriate for need.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response	Audit Comment
NSC1704 Corporate Communications	Written protocols be prepared to cover the roles within the Corporate Communications teams, with appropriate references to College of Policing guidance, media law and best practice.	2	A series of communications protocols are being developed covering the core areas of the department's activities.	Head of Corporate Communications, Communications Managers	31/03/17	31/08/18	07/03/18	The draft strategies of the Media Liaison Policy, a Protocol document have been completed. The policy is ready for consultation with other managers and is very high level. The protocols need further review as they are more directive and more tactical but are nearly complete. The Communications Strategy is completed, but does still need some further work and more around a vision for the department within it. This is on track to be delivered by the end of spring 2018.	The timescale is deemed reasonable with the change in Head of Corporate Communications, to ensure that they are appropriate for need.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response	Audit Comment
NSC1707 Duty Management System	A full audit trail for all aspects of DMS to be made functional.	2	It has been raised with Crown the requirement to have an audit on the notes section on DMS, as have other Police Forces. This is with their Research and Development team to be looked at in the relation to future releases.	Chief Finance Officer (Norfolk)	30/06/17	31/03/19	27/03/18	This is still being considered by Crown for a future release of the DMS system. When Audit functionality is implemented this often affects the performance of systems and this will need to be tested and reviewed before any audit functionality within DMS is used.	It is acknowledged that implementing this recommendation is tied to Crown to develop.
NSC1707 Duty Management System	The exception rules inbuilt within DMS to be investigated to see if these are correct.	2	The RMU are currently working on exceptions and discussing with Crown the feasibility of changing the exception rules.	Chief Finance Officer (Norfolk)	31/03/17	30/06/18	27/03/18	A review of all the exceptions being generated by DMS is underway to agree what is required to update DMS or change working practices to eliminate, where possible exceptions. This work is being completed by the ERP Programme Delivery Manager and the RMU-System/Support and Management Information manager. A process for approving changes to the set-up of DMS has been agreed.	It is acknowledged that implementing this recommendation is tied to Crown to develop.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response	Audit Comment
NSC1707 Duty Management System	DMS to be used for recording overtime, and investigated to establish if approval of overtime can be recorded on DMS.	2	The RMU is working to reduce exceptions before embarking on the issues with overtime. Delivering overtime will require a project to be set up to deliver training and understanding to all line managers and the confidence that claims will be accurately recorded.	Chief Finance Officer (Norfolk)	31/01/18	31/08/18	27/03/18	Whilst the exceptions work is being completed we have agreed that we will not switch on the overtime claims approval process. To ensure overtime is approved correctly a temporary form outside DMS will be completed. Once the exceptions rules have been clarified a project will be set up to develop the overtime functionality within DMS.	Alternative processes are in place to manage overtime, using DMS would minimise the use of alternative temporary solutions.
NSC1707 Duty Management System	Monthly reconciliations to be undertaken between DMS and payroll to establish if the value of overtime on DMS agrees with the value of overtime paid by payroll.	2	Not all areas of the business provide information of Overtime to the RMU, and therefore this is challenging to deliver. This would be a Finance task.	Head of Transactional Services	30/06/17	31/06/18	27/03/18	The DMS system requires exceptions to be cleared prior to progress on reconciliation being made, actions are being taken by the ERP Project Group, led by the CFO for Norfolk.	It is acknowledged that exceptions need to be cleared, however a risk still remains that the systems do not agree and issues/reconciling items may be ongoing.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response	Audit Comment
NSC1714 Overtime, Expenses and Additional Payments	Joint policies for Norfolk and Suffolk Constabularies for police officers and police staff to be developed. The updated expenses policies to be placed on the intranet.	2	New Conditions of Service for Police Staff are to be introduced from April 2017 (this was expected to be implemented in October 2016 but was delayed nationally). As a result we will take this opportunity to revise once the new Conditions have been agreed and implemented.	Head of Transactional Services	30/06/17	31/03/18	07/03/18	The policies are being developed, but have not been harmonised as yet.	Policies require harmonisation to minimise inequalities in claims between forces.
NSC1716 Pensions Administration	The payroll system to be investigated to establish if a report can be run to calculate pensionable pay for staff.	2	The pension contributions are set at system level and the appropriate contribution is deducted from the employee in accordance with their pensionable pay each month. I accept that we cannot check this at a global level, however I am confident that the deductions made are correct at an employee level and the necessity for a pensionable pay figure is not considered as a significant issue. However when reporting for ERP is reviewed then this will be considered as part of the requirements.	N/A	01/03/17	30/09/18	07/03/18	Checks, balances and reconciliations that are completed in respect of pensionable pay, including some very challenging returns to Local Government Pension Scheme and Police Officer pension administrators at year end. The Audit Committee accepted these mitigations. In addition, the Constabulary is pursuing a new reporting tool that will address the issues but this will not be implemented until 2018/19.	This cannot be checked at a global level, to provide that oversight pension payments are correct.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response	Audit Comment
NSC1723 – ICT / ERP / Third Line Support	Business areas to be formally assigned ownership of processes that relate to their areas of responsibilities. Such areas include the management of interface jobs, error resolution and data reconciliation, working with other business areas as required to ensure that the processes are managed effectively.	2	An ERP and Shared Services Programme Board has recently been constituted. One of the key work streams is to clarify system management responsibilities and improve system governance. The issues highlighted will be addressed within the programme of work.	CFO Norfolk	31/03/18	30/09/18	27/03/18	We are in the process of forming the ERP Support & Development Team and this will be part of the team's responsibilities to work with the business areas and Capgemini to ensure the processes are managed effectively. The team should be in place within the next two months and the deadline of the end of September 2018 allows time for the process arrangements to be agreed and documented.	The action taken and proposed within the timescale is deemed reasonable.
NSC1725 – Estates Health and Safety	Quarterly updates on compliance of police leased buildings in relation to statutory health and safety to be provided to the Health and Safety Committee.	2	Historically we have updated H&S Committee on the works and servicing that we are "responsible for", arranging the same via our retained contractors. We are content to add our landlord's works and servicing, but intend to state this separately.	Estates Statutory Maintenance Officer	31/03/18	31/03/18	19/03/18	Outstanding as at 19 th March, with a further update to be provided to internal audit following the completion date.	Further update to be obtained from management following expected completion date.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response	Audit Comment
<p>NSC1725 – Estates Health and Safety</p>	<p>Properties leased by the police to have all necessary statutory health and safety checks undertaken. Evidence of compliance with statutory health and safety requirements to be maintained and recorded in a central location so that compliance can be demonstrated.</p>	<p>2</p>	<p>Due to the ongoing expansion of shared sites, we recognise our procedures need to change to better capture the works and servicing undertaken by landlords. Over the last year we have been reviewing our building leases to clarify in more detail the responsibilities of each party, as often, the wording of commercial leases is not clear. Carter Jonas (Chartered Surveyors) has assisted us to complete a standard template for each lease to summarise the repairing obligations and we have put together a master spreadsheet to capture and note who does what. We intend to send landlords an annual reminder letter that they need to copy us their works and servicing statutory certification, without which, service charge payments will not be made to the landlord.</p>	<p>Estates Statutory Maintenance Officer</p>	<p>31/03/18</p>	<p>31/03/18</p>	<p>19/03/18</p>	<p>Outstanding as at 19th March, with a further update to be provided to internal audit following the deadline.</p>	<p>Further update to be obtained from management following expected completion date.</p>

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response	Audit Comment
NSC1802 ICT Mobile Device Managem ent (body worn video)	The existing "Mobile Request" App process to be updated to include the following as a minimum - documented approval / sign off from the requestor's line management; A list of Active Directory groups that the app is to be provisioned for; testing results showing the app not conflicting with other apps in the whitelist, Information Security Office comments and recommendations; final sign off documenting the decision to deploy or not; Requestor's business case for making the request; next review date; the internal owner of the app - most likely the line manager of the original requestor or delegated authority - to be consulted during the subsequent review cycles, including where an approved app has been updated via a security update, or similar.	2	ICT to discuss with ISO required modifications to the existing forms and process.	Joint ICT Infrastructure Manager	29/12/17	30/03/18	30/01/18	A draft process has been produced and is currently being reviewed between ICT and the ISO. ICT (and ISO) have also looked to other forces to seek what is best practice. To this end the process being used by Warwickshire Police is also being reviewed.	Further update to be obtained from management following expected completion date.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response	Audit Comment
NSC1810 Procurement – Temporary Recruitment	The Constabularies procurement arrangements be followed when sourcing temporary and consultancy staff.	2	Checklists for both Agency Recruitment and Staff / Temporary Recruitment to be updated to ensure that spend is quantified and that the appropriate procurement process is identified and followed.	HR Service Centre Manager	31/03/18	31/03/18	22/02/18	Outstanding as at 22 nd February, with a further update to be provided to internal audit following the deadline.	Further update to be obtained from management following expected completion date.
NSC1810 Procurement – Temporary Recruitment	Request to Fill a Vacancy Forms, Agency Worker Request Forms and, where applicable, Single Tender Action Request Prior Approval Forms be fully completed, authorised and retained to support all agency appointments and to clearly set out the reasons for needing the resource. Authorisation to include the HR Business Partner and Finance Business Partner, in addition to the budget holder.	2	New Request to Recruit Agency Staff Specific approval form to be introduced for Agency Recruitment. Checklists for both Agency recruitment and staff/temporary recruitment to be updated to ensure that the request is not progressed until completed form is received. Guidelines for managers to be updated to reflect this requirement.	HR Service Centre Manager	31/03/18	31/03/18	22/02/18	Outstanding as at 22 nd February, with a further update to be provided to internal audit following the deadline.	Further update to be obtained from management following expected completion date.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response	Audit Comment
NSC1811 Procurement – Compliance with CSO within departments	Orders on Tranman to be authorised electronically, and authority limits on Tranman to be set so that they are in line with the Constabularies joint contract standing orders.	2	A review of the present and potential automation of Tranman will be carried out with a view to cost effectively maximising the ability of the system where appropriate. Transport service will adopt the organisations purchasing activity limits.	Head of Finance / Head of Transport Services	31/03/18	30/04/18	20/03/18	Discussions have been ongoing with Tranman for a period of time, they have now confirmed this is possible and work will proceed to implement this, with a deadline of 30/04/18.	Reasonable extension to the deadline.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response	Audit Comment
NSC1811 Procurement – Compliance with CSO within departments	Tranman to be investigated to see if it can interface with ERP.	2	A review of the present and potential automation of Tranman will be carried out with a view to cost effectively maximising the ability of the system where appropriate.	Head of Finance	31/03/18	30/06/19	20/03/18	There is a considerable programme of work in respect of ERP including investment in reporting and automated recruitment solutions. In addition, considerable business process improvement work is ongoing and is supporting the development of the Shared Services Transaction Centre (SSTC). At this point, with limited resources focussed on the above, the integration of Tranman is not currently a priority. Further phases of development of SSTC will in due course bring this issue into review, but not until 2019/20 at the earliest.	Due to the extent of work involved and this enhancing the systems and controls in place, the timing is deemed reasonable.



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

Internal Audit Annual Report

2017/18

Internal Audit Annual Report

INTRODUCTION

This is the 2017/18 Internal Audit 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. This report is designed to assist management in making its annual governance statement.

HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

TIAA is satisfied that, for the areas reviewed during the year, the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies have reasonable and effective risk management, control and governance processes in place. Also, there was evidence to support the achievement of value for money with regard to economy, efficiency or effectiveness of the systems reviewed. 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 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 2017/18 Annual Audit Plan endorsed by the Audit Committee was for 330 days of internal audit coverage in the year. During the year there were six changes to the Audit Plan and these changes were endorsed by the Audit Committee.

All the planned work has been carried out and the reports have been issued (Annex A).

There was no work carried out which was in addition to the work set out in the Annual Audit Plan.

ASSURANCE

TIAA carried out 28 reviews, 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 the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies objectives. 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 B, a summary is set out below.

Assurance Assessments	Number of Reviews	Previous Year
Substantial Assurance	6	8
Reasonable Assurance	14	12
Limited Assurance	8	5
No Assurance	0	0
Total Reviews	28	25

The areas on which the assurance assessments have been given can only give 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 2017/18. The full details of these are included in Annex C.

Year	Urgent	Important	Routine
2017/18	4	67	37
2016/17	2	54	36
2015/16	3	50	27

AUDIT SUMMARY

Control weaknesses: There were 8 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. It is noted that management directed internal audit to the weak areas, to assess the controls and support the organisations to improve on these areas. Action has already commenced on improvements to the control areas, which reduced the overall number of urgent recommendations and supports a positive overall opinion.

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

Risk Area	Total	Urgent	Important	Routine
Directed	56	2	29	25

Internal Audit Annual Report

Compliance	45	2	33	12
Operational	5		5	
Reputational				

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.

Year	Operational	No of Audits
2017/18	21	28
2016/17	24	25
2015/16	25	21

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

Internal Audit Annual Report

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%	96%
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 standards. An independent external review was carried out of our compliance of the Public Sector Internal Audit Standards (PSIAS) in 2016 and in particular to meet the requirement of an independent five 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:	April 2018
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Annexes

Annex A

Actual against planned Internal Audit Work 2017/18

System	Type	Planned Days	Actual Days	Audit Committee Reporting	Assurance Assessment	Comments
ICT Mobile Devices	Assurance	10	10	December 2017	Reasonable	
IM Audit Team Assessment	Assurance	8	8	September 2017	Substantial	
Ill Health Retirement	Assurance	8	8	March 2018	Reasonable	
Transport – Use of Vehicles	Assurance	10	10	September 2017	Reasonable	
Estates – Contract Management	Assurance	10	10	September 2017	Substantial	
Purchase Ordering	Assurance	10	10	September 2017	Reasonable	
Temporary Recruitment	Assurance	7	9	March 2018	Reasonable	
CSO Compliance and Single Tender Actions	Assurance	17	17	September 2017	Reasonable	
Business Interests	Assurance	8	8	July 2018	Reasonable	
ICT Governance	Assurance	12	12	July 2018	Reasonable	
IM Data Quality (Athena)	Assurance	12	12	December 2017	Limited	
MOPI Project	Assurance	10	10	July 2018	Limited	

Internal Audit Annual Report

System	Type	Planned Days	Actual Days	Audit Committee Reporting	Assurance Assessment	Comments
Joint PFI – Police Investigation Centres	Assurance	14	14	December 2017	Substantial	
Norfolk PFI (Norfolk only)	Assurance	14	14	December 2017	Substantial	
Overtime, Expenses and Additional Payments	Assurance	14	14	July 2018	Limited	
HR Absence Management	Assurance	12	12	March 2018	Limited	
Purchase Cards (Suffolk)	Assurance	5	5	March 2018	Reasonable	
Purchase Cards (Norfolk)	Assurance	5	5	March 2018	Limited	
Payroll	Assurance	10	10	July 2018	Limited	
Accounts Payable	Assurance	10	10	March 2018	Reasonable	
Corporate Policies	Assurance	10	10	July 2018	Limited	
Learning and Development - Skills	Assurance	12	10	July 2018	Limited	Increase in days for extended scope
Learning and Development – Student Officer Training	Assurance	-	10	July 2018	Reasonable	
Risk Management	Assurance	11	11	July 2018	Reasonable	
Safeguarding and Investigations	Assurance	10	10	July 2018	Substantial	
Commissioners Grants (Suffolk only)	Assurance	18	13	July 2018	Reasonable	Days decreased as only Suffolk reviewed
Key Financials	Assurance	30	30	July 2018	Substantial	

Internal Audit Annual Report

System	Type	Planned Days	Actual Days	Audit Committee Reporting	Assurance Assessment	Comments
Accounts Receivable Elements of Key Financials	Assurance	--	--	July 2018	Reasonable	
Governance and Ethics	Assurance	12	0	n/a	n/a	Postponed until 2018/19
ICT Data Assurance (GDPR)	Assurance	12	0	n/a	n/a	Postponed until 2018/19
Estates 3i Property Database	Assurance	4	--	n/a	n/a	Cancelled as 3i Database not implemented
ERP / Athena	Assurance	12	--	n/a	n/a	Postponed until 2018/19
Recovered Property	Assurance	10	--			Postponed until I2018/19 due to reorganisation
Follow Up Work	2 / 4	12	12			
Audit Management	1-4	20	20			
Contingency b/fwd		(62)	(62)			
Contingency c/fwd			58			
Total Days		330	330			

Assurance Assessments 2017/18

System	Substantial Assurance	Reasonable Assurance	Limited Assurance	No Assurance
ICT Mobile Devices		✓		
IM Audit Team Assessment	✓			
Ill Health Retirement		✓		
Transport – Use of Vehicles		✓		
Estates – Contract Management	✓			
Purchase Ordering		✓		
Temporary Recruitment		✓		
CSO Compliance and Single Tender Actions		✓		
Business Interests		✓		
ICT Governance		✓		
IM Data Quality (Athena)			✓	
MOPI Project			✓	
Joint PFI – Police Investigation Centres	✓			
Norfolk PFI (Norfolk only)	✓			
Overtime, Expenses and Additional Payments			✓	

Internal Audit Annual Report

System	Substantial Assurance	Reasonable Assurance	Limited Assurance	No Assurance
HR Absence Management			✓	
Purchase Cards (Suffolk)		✓		
Purchase Cards (Norfolk)			✓	
Payroll			✓	
Accounts Payable		✓		
Corporate Policies			✓	
Learning and Development			✓	
Risk Management		✓		
Safeguarding and Investigations	✓			
Commissioners Grants (Suffolk only)		✓		
Key Financials	✓			
Accounts Receivable Elements of Key Financials		✓		
Total	6	13	8	0

Annex C

Recommendations 2017/18

System	Priority 1 Urgent	Priority 2 Important	Priority 3 Routine	OEM
ICT Mobile Devices	-	4	1	1
IM Audit Team Assessment	-	-	3	2
Ill Health Retirement	-	2	-	-
Transport – Use of Vehicles	-	4	5	2
Estates – Contract Management	-	-	3	2
Purchase Ordering	-	1	-	-
Temporary Recruitment	-	3	4	-
CSO Compliance and Single Tender Actions	-	4	1	2
Business Interests	-	7	1	2
ICT Governance	-	5	-	-
IM Data Quality (Athena)	-	3	1	2
MOPI Project	1	4	-	-
Joint PFI – Police Investigation Centres	-	-	2	-
Norfolk PFI (Norfolk only)	-	-	3	-
Overtime, Expenses and Additional Payments	-	3	1	-

Internal Audit Annual Report

System	Priority 1 Urgent	Priority 2 Important	Priority 3 Routine	OEM
HR Absence Management	1	3	1	1
Purchase Cards (Suffolk)	-	1	1	-
Purchase Cards (Norfolk)	-	4	1	-
Payroll	1	3	0	1
Accounts Payable	-	1	2	-
Corporate Policies	-	4	3	2
Learning and Development - Skills	1	6	-	2
Learning and Development – Student Officer Training	TBA	TBA	TBA	TBA
Risk Management	TBA	TBA	TBA	TBA
Safeguarding and Investigations	TBA	TBA	TBA	TBA
Commissioners Grants (Suffolk only)	-	3	1	1
Key Financials	-	-	2	-
Accounts Receivable Elements of Key Financials	-	2	1	1
Total	4	67	37	21

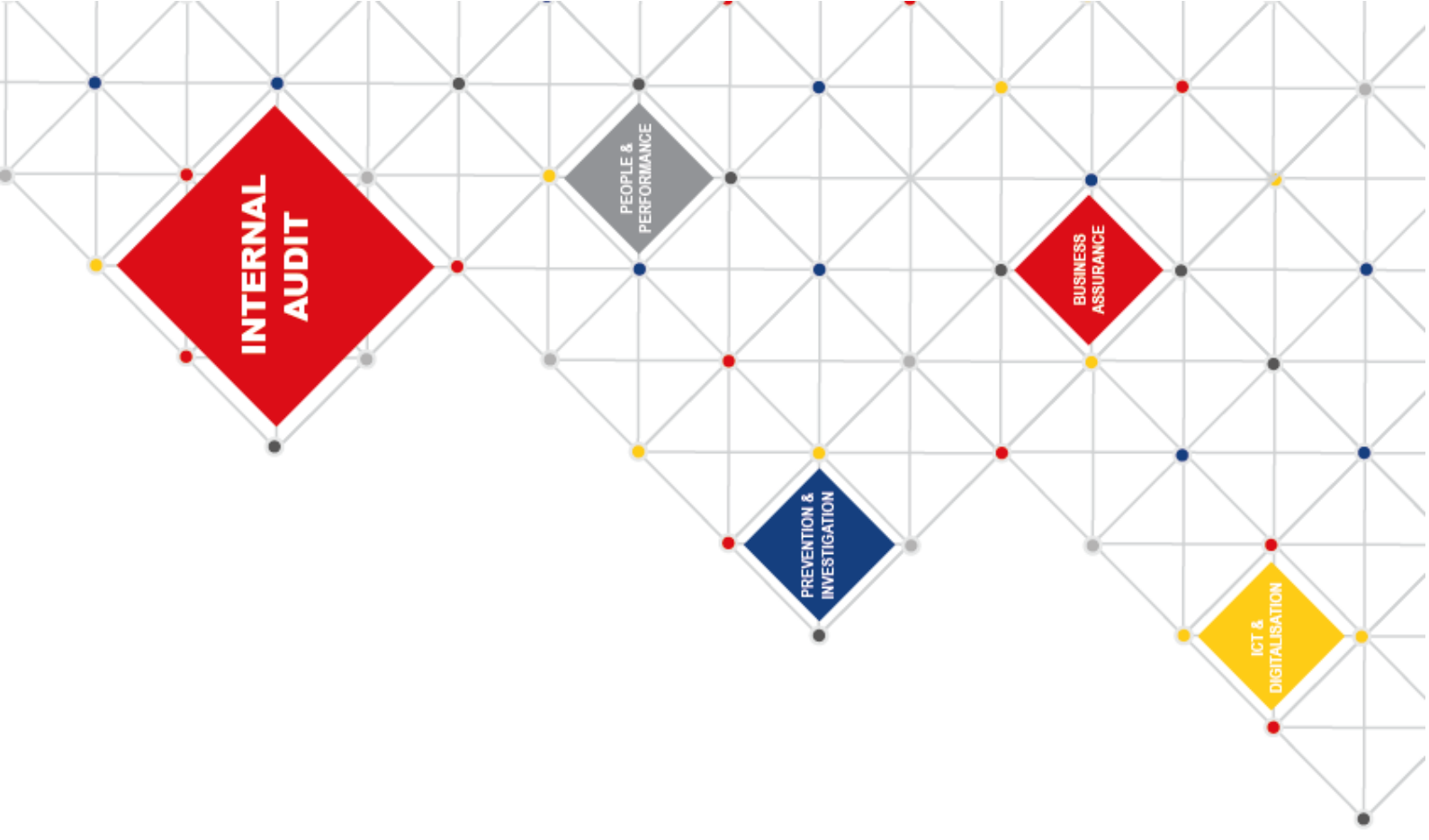


**Police and Crime Commissioners for
Norfolk and Suffolk and Chief
Constables of Norfolk and Suffolk
Constabularies**

Annual Internal Audit Plan

FINAL

2018/19



Overview

Introduction

The Audit Plan for 2018/19 has been developed by carrying out an update audit risk assessment to ensure that the planned coverage for the year is focussed on the key audit risk areas and that the coverage will enable an annual Head of Audit Opinion to be provided in the Annual Report.

Key Emerging Themes

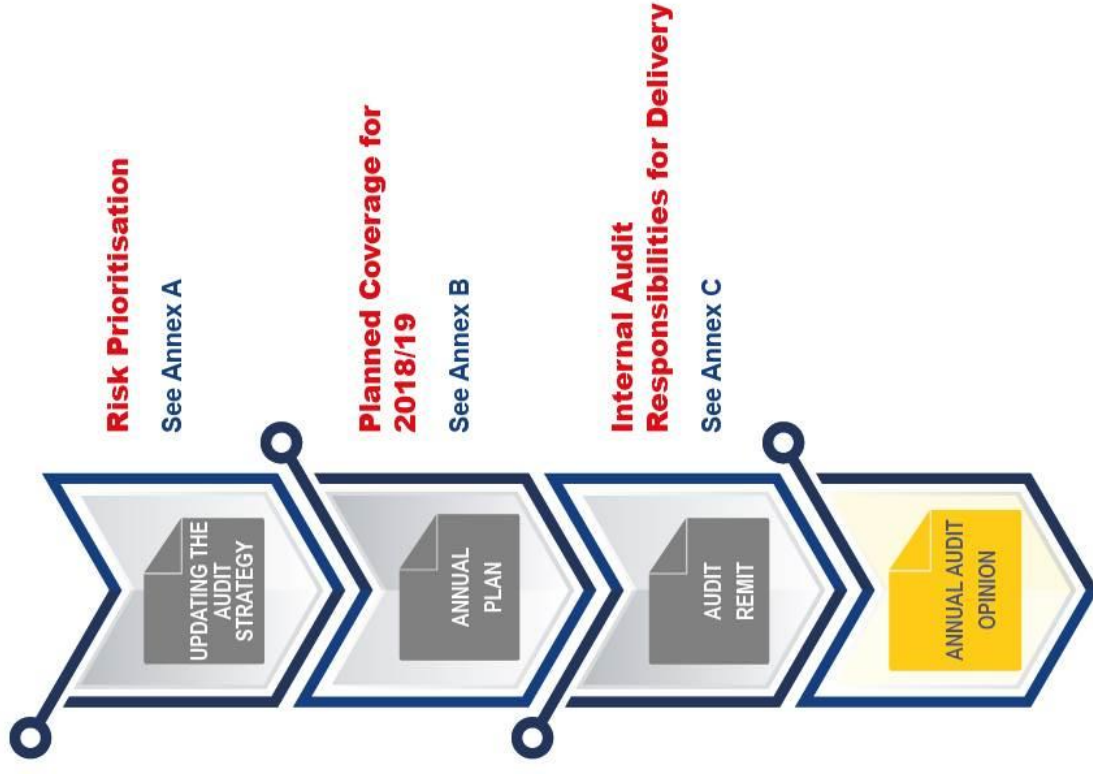
2018/19 will be a challenging year for Police organisations both in terms of funding and also the pressures on service delivery. We have identified a number of key areas which require internal audit coverage during the year.

- Transformation and Strategic Change – developments within organisational structures and transformation will impact on the decision making impacting on driving change programmes.
- Establishment, Capacity, Recruitment and Retention – The changing landscape of policing, along with the need to evolve skill sets, brings significant demands on managing the workforce.
- ICT - Enactment of GDPR – this will have a significant impact on how data is held and protected and Cybercrime – all the indications from 2017/18 is that there will be more sophisticated attempts to disrupt and deny services often for no clear motive.
- Finance – the introduction of Force Management Statements for all forces from April 2018.

Adequacy of the planned audit coverage

The Audit Plan for 2018/19 provides the level of coverage to enable a head of audit annual opinion to be made on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control as required by the Public Sector Internal Audit Standards (PSIAS).

Figure 1 – 2018/19 Audit planning process



Internal Audit Plan

Audit Strategy Methodology

We adopt a proprietary risk based approach (GUARD) to determining your audit needs each year which includes reviewing your risk register and risk management framework, previous internal audit work for the organisation, the Regulatory Framework and assessment of the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies, external audit recommendations together with key corporate documentation such as your business and corporate plan, standing orders, and financial regulations. The Strategy is based predominantly on our understanding of the inherent risks facing the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies and those within the sector and has been developed with senior management and Committee.

Risk Prioritisation

Each year an updated risk assessment is carried out to ensure the Audit Strategy remains fully aligned with the key risks facing the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies. The resultant changes for 2018/19 which underpin your Audit Plan is set out at Annex A.

Audit Strategy and Annual Plan

Following the risk prioritisation review the Audit Strategy has been updated (Annex B) and the Annual Plan (Annex C) sets out the reviews that will be carried out, the planned times and the scopes for each of these reviews. Annex D sets out the assurances provided for each of the audits undertaken since 2015/16 and when these audits will be undertaken again.

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, production and review of working papers and reports and site work. The Annual Plan has been prepared on the assumption that the expected controls will be in place.

Audit Remit

The Audit Remit (Annex E) 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 Chief Constables of Norfolk and Suffolk Constabularies and defines the scope of internal audit activities and ensures compliance with the PSIAS.

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 the Public Sector Internal Audit Standards (PSIAS).

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.

Annual Report: An Annual Report will be prepared for each year in accordance with the requirements set out in the Public Sector Internal Audit Standards (PSIAS). The Annual Report will include our opinion of the overall adequacy and effectiveness of Test Organisation's governance, risk management and operational control processes.

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 Mapping

For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks will be provided. The assurance mapping process is set out in Annex E.

Liaison with the External Auditor

We will liaise with the Police and Crime Commissioners for Norfolk and Suffolk and 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.

Performance

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.	95%
	Final report issued within 10 working days of receipt of responses.	95%
Professional Standards	Compliance with PSIAS Standards.	100%

Conflict of Interest

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

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 Chief Constables of Norfolk and Suffolk Constabularies and additional time will be required to carry out such testing. Police and Crime Commissioners for Norfolk and Suffolk and 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.

Audit Committee Responsibility

It is the responsibility of the Audit Committee 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.

Release of Report

The table below sets out the history of this plan.

Date plan issued:	April 2018
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Annex A: GUARD Risk Analysis

Changes for 2018/19

In addition to the core audit work required to underpin the Head of Audit Annual Opinion (governance, risk management, core financial systems, network controls, follow up etc) a GUARD assessment of key risks has been completed, to identify those that are most relevant to the organisation and where internal audit assurance would be best focussed. These are summarised below.

Area	Commentary	GUARD Risk Grade	Internal Risk Grade linked to Strategic Risk Register	Included in 2018/19 Audit Plan
Finance				
Capital	The Government announcement on the police funding settlement and capital grant proposals was made in December 2017. Resulting from this the process will be a rigorous approach to business cases and benefits realisation/return on investment, to ensure operational and capital programme needs are met.	Yellow	Yellow	✓
Force Management Statements	The introduction of Force Management Statements will impact on the finance team and the financial computer systems and processes, this will be incorporated into our key financial systems reviews.	Yellow	Yellow	✓
ICT				
GDPR	This becomes effective in May 2018 and will have a significant impact on how data is held and protected, including the impact of body worn cameras. There are significant reputational implications as well as financial penalties for non-compliance.	Red	Red	✓
Cybercrime	Cybercrime – all the indications from 2017/18 is that there will be more sophisticated attempts to disrupt and deny services often for no clear motive.	Red	Red	✓
EPR / Enact / DMS	Consistency of data and links between systems is crucial to ensure that the right data is being managed effectively.	Yellow	Yellow	✓
Human Resources				
Establishment, Capacity, Recruitment and Retention	The workforce and how it is managed is crucial to providing an efficient and effective service that meets the changing demands on the organisations.	Red	Extensive and effective recruitment drive in 2017/18	✓
Other				
Limited or no assurance in previous year	A compliance review of the processes will be carried to ensure the recommendations have been fully implemented following a limited assessment in 2017/18, with identified areas receiving a full audit in 2018/19.	Red	Yellow	✓

Key to Grades



Annex B: Rolling Strategic Plan

Review Area	Type	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Governance							
Strategic Control, Corporate Governance and Whistleblowing		12			10		10
Corporate Policies				10			
Performance Management			15			10	
Transformation and Strategic Planning / Change					12		10
2020 / 2025 Strategic Change Programmes						18	
Risk Management							
Strategy / Policy OPCC Suffolk			9				
Strategy / Policy OPCC Norfolk			9				
Mitigating Controls						10	
Embedding / Development		12		11	10		15
RAID log		15					
Corporate							
Complaints			10				10
Communications			18			9	
Collaborations			10			10	
Corporate H&S							10
Emergency Planning & Business Continuity						11	
Commissioners Grants		9	1	13	18	18	9
ICT							
Areas to be agreed							40
Cyber Security		10			10		
ITIL		10					10
Network Security						10	

Review Area	Type	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
t-Police		12					
EPR / Enact / DMS					12		
GDPR					18	12	
Exchange 2010/Email Archiving			12				
Website Content and CAD grazing					12		
Mobile Device Management (e.g. body worn video)		15		10			
Firewalls			12				
ICT Governance				12			
Disaster Recovery & Business Continuity			12			14	
ERP Second/third line support			12				
Software Licensing						10	
Finance							
Key Financials			30	30	30	30	30
Payroll, including ERP Reporting		10	10	10		10	
Accounts Payable		10		10			10
Accounts Receivable		10					
General Ledger		10					
Treasury Management		10					8
Capital Programme		10			10		
Budgetary Control			12			10	
Fixed Assets					10		
Pensions Administration			10				
Overtime, Expenses and Additional Payments			16	14			14
Allowances					14		
Information Management							
Audit Team Assessment				8			
Data Quality (Athena 2017/18)				12		12	12
Specified Information Order						10	
Records Management		4			12		

Review Area	Type	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Freedom of Information / Data Protection / Document Security Management			15			14	
MOPJ Project Implementation				10	4		
Human Resources							
HR Strategy & Workforce Planning			10				10
Establishment, Capacity, Recruitment and Retention					15		
Recruitment			12				
Absence Management		10		12		12	
Duty Management System			15		14		12
Learning and Development (Skills & Student Officer Training)				20			12
Vetting					10		
ill Health Retirement				8			
Transport							
Strategy and Policies					6		
Procurement					9		
Management - Maintenance, Repair, Disposal			15			14	
Fuel Usage					12		
Use of Vehicles				10			10
Estates							
Strategy and Policies					6		
Maintenance						12	
Health and Safety		8					
Catering (Suffolk) / Facilities			12				
Stations incl. Building Access and Vehicle Security		7	6		14		12
Contract Management				10			10
Suffolk & Norfolk PFI				14			
Norfolk OPCC PFI				14			
Procurement							

Review Area	Type	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Purchase Ordering		12		10			10
Purchase Cards (Suffolk)		5	6	5			
Purchase Cards (Norfolk)		5	6	5	6		
Contracts		12				10	
Compliance with contract standing orders in departments and single tender actions				17			14
Temporary Recruitment				9			10
Operational							
Control Room Norfolk					14		
Control Room Suffolk					14		
Custody Administration					14		
Firearms Certificates / Management			12			10	
Proceeds of Crime		15			10		
Recovered Property					10		
Business Interests				8			10
Safeguarding and Investigations				10			
Ethical Standards (Relationships Conduct)					10		
Lone Working					10		
Management and Planning							
Follow-up		8	10	12	12	12	12
Management, Planning and Reporting		20	20	20	20	20	20
Contingency to use in year						22	
Total In Year Days		261	337	334	382	330	330
Contingency b/fwd		-	(69)	(62)	(58)	-	-
Contingency c/fwd		69	62	58		-	-
Totals		330	330	330	330	330	330

Annex C: Annual Plan – 2018/19

Quarter	Audit	Type	Days	Rationale and Scope	Prog Ref
1	Strategic Control, Corporate Governance and Whistleblowing	Assurance	10	<p><u>Rationale</u> This is a key area of risk for the organisation</p> <p><u>Scope</u> To be confirmed with management. This will consider conflicts of interest, whistleblowing policies and practices and how these are communicated.</p> <p><u>Lead Officers</u> TBA</p>	NSC1901
2	Transformation and Strategic Planning / Change	Assurance	12	<p><u>Rationale</u> This is a key area of risk for the organisation</p> <p><u>Scope</u> The audit will focus on organisational structures, transformation programmes, strategic planning and change.</p> <p><u>Lead Officers</u> Corporate Development and Change</p>	NSC1902
3	Risk Management Embedding / Development	Assurance	10	<p><u>Rationale</u> The audit will focus on how the risk management framework is developing and being embedded across the organisations.</p> <p><u>Scope</u> This is a key area of risk for the organisations. A new risk manager was appointed in 2016/17, with systems and processes being embedded to monitor risk.</p> <p><u>Lead Officers</u> Risk Manager</p>	NSC1903
2	Commissioners Grants	Assurance	18	<p><u>Rationale</u> An important area requiring high levels of governance and probity.</p> <p><u>Scope</u> The review will consider the arrangements for the assessing, awarding and compliance monitoring process for the grants issued by the Commissioners.</p> <p><u>Lead Officers</u> OPCCs</p>	NSC1904
2	Cyber Security – Maturity Assessment	Assurance	10	<p><u>Rationale</u> Cyber-attacks are constantly evolving, as such regular review</p>	NSC1905

Quarter	Audit	Type	Days	Rationale and Scope	Prog Ref
1	EPR / Enact / DMS	Assurance	12	<p>is required.</p> <p><u>Scope</u> The audit will review the systems and controls around Cyber-security.</p> <p><u>Lead Officers</u> Director of ICT</p> <p><u>Rationale</u> The systems are independent of each other and hold conflicting data.</p> <p><u>Scope</u> The audit will focus on how the data is entered, held and reported to identify areas for possibly inconsistency.</p> <p><u>Lead Officers</u> Director of ICT</p>	NSC1906
1	GDPR Compliance Audit	Compliance	18	<p><u>Rationale</u> To help ensure compliance with the requirements of EU GDPR.</p> <p>The implementation of GDPR on 25th May requires significant changes to be made by organisations and breaches associated with non-compliance can be up to 4% of Global Turnover or €15M whichever is greater.</p> <p><u>Scope</u> The review will assess compliance with the key [EU] GDPR elements of:</p> <ul style="list-style-type: none"> • Privacy Impact Assessments • Data Subject rights (e.g. Right to be forgotten) • Data Classification and Asset management • Data Security and Breach Management • Governance and Consent • Data Controllers and Processors <p><u>Lead Officers</u> Director of ICT / Information Management</p>	NSC1907
2	Website Content and CAD Grazing	Assurance	12	<p><u>Rationale</u> There is great risk of inappropriate use of Constabulary IT for</p>	NSC1908

Quarter	Audit	Type	Days	Rationale and Scope	Prog Ref
				<p>website and CAD grazing.</p> <p><u>Scope</u> The audit will focus on the controls and systems in place to prevent and detect inappropriate website and CAD use.</p> <p><u>Lead Officers</u> Director of ICT / PSD</p>	
4	Key Financials	Assurance	30	<p><u>Rationale</u> The full audits for the financial systems will be undertaken on a systematic basis.</p> <p><u>Scope</u> The review considers the arrangements for key controls operating within the following systems; Payroll, Accounts Payable, General Ledger, Treasury Management, Capital Expenditure, Budgetary Control, Pensions and Force Management Statements.</p> <p><u>Lead Officers</u> Head of Transactional Services</p>	NSC1909
2	Capital Programme	Assurance	10	<p><u>Rationale</u> This is a key risk area.</p> <p><u>Scope</u> The review considers the arrangements for accounting for the capital programme. The scope of the review does not include consideration of the funding arrangements or the specification of the projects.</p> <p><u>Lead Officers</u> Head of Finance</p>	NSC1910
1	Fixed Assets	Assurance	10	<p><u>Rationale</u> Key audit risk area.</p> <p><u>Scope</u> The scope of the review will focus on maintenance of the asset register, acquisitions, disposals and valuations.</p> <p><u>Lead Officers</u> Head of Finance</p>	NSC1911
1	Allowances	Assurance	14	<p><u>Rationale</u> Key audit risk area.</p> <p><u>Scope</u></p>	NSC1912

Quarter	Audit	Type	Days	Rationale and Scope	Prog Ref
4	Records Management	Assurance	12	<p>The review will focus on the validity of allowances claimed, including on-call, overnight, mutual aid, meal allowances. Compliance with policy and clarification of claiming allowances.</p> <p><u>Lead Officers</u> Head of Transactional Services</p> <p><u>Rationale</u> Key audit risk area.</p> <p><u>Scope</u> The review will focus on records management, with further specified areas to be determined at the time of audit.</p> <p><u>Lead Officers</u> Head of Information</p>	NSC1913
3	MOPI Project Implementation	Assurance	4	<p><u>Rationale</u> MOPI is not currently compliant with national standards and was awarded a limited assurance in 2017/18.</p> <p><u>Scope</u> The audit will follow up on the previous recommendations raised, undertaking testing into current controls to move towards compliance.</p> <p><u>Lead Officers</u> Head of Information</p>	NSC1914
2	Establishment, Capacity, Recruitment and Retention	Assurance	15	<p><u>Rationale</u> Key audit risk area, with increased drive to recruit front line officers.</p> <p><u>Scope</u> 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, internal movement, freeze on posts and severance.</p> <p><u>Lead Officers</u> Director of HR</p>	NSC1915

Quarter	Audit	Type	Days	Rationale and Scope	Prog Ref
2	Duty Management System	Assurance	14	<p><u>Rationale</u> Key audit area of risk, with outstanding recommendations from previous audits.</p> <p><u>Scope</u> The review will appraise the effectiveness of the duty resource management system.</p> <p><u>Lead Officers</u> Director of HR</p>	NSC1916
1	Vetting	Assurance	10	<p><u>Rationale</u> Key audit risk area, new systems being introduced.</p> <p><u>Scope</u> The review will focus on the systems and processes for vetting new and existing staff, officers and contractors.</p> <p><u>Lead Officers</u> Vetting Unit</p>	NSC1917
1	Transport Strategy	Assurance	6	<p><u>Rationale</u> The strategy may not align with corporate strategies and direction.</p> <p><u>Scope</u> The audit will appraise the strategy and supporting policies for managing transport services.</p> <p><u>Lead Officers</u> Head of Transport</p>	NSC1918
1	Transport Procurement	Assurance	9	<p><u>Rationale</u> Vehicles may not be procured in the most effective and efficient manner to provide value for money, and in accordance with overall strategy and future business need.</p> <p><u>Scope</u> The review will focus on policy and compliance for purchasing vehicle for current and future requirements.</p> <p><u>Lead Officers</u> Head of Transport</p>	NSC1919
1	Fuel Usage	Assurance	12	<p><u>Rationale</u></p>	NSC1920

Quarter	Audit	Type	Days	Rationale and Scope	Prog Ref
				<p>This is a key area of risk, open to misuse.</p> <p><u>Scope</u> The audit will focus on the use of fuel, methods of purchase and trends in fuel usage.</p> <p><u>Lead Officers</u> Head of Transport</p>	
2	Estates Strategy and Policies	Assurance	6	<p><u>Rationale</u> The Estates strategy may not align with corporate strategies and direction for current and future need.</p> <p><u>Scope</u> The audit will appraise the strategy for managing the estates for current and future requirements, with supporting policies.</p> <p><u>Lead Officers</u> Head of Estates</p>	NSC1921
1	Stations, including building access and vehicle security	Assurance	14	<p><u>Rationale</u> The geographical spread of stations and offices increases the vulnerability of those sites in operating within the governing policies and management requirements.</p> <p><u>Scope</u> The review will visit stations to audit building access, vehicle security, management and running of stations.</p> <p><u>Lead Officers</u> Head of Transactional Services, Information management and officers in charge</p>	NSC1922
3	Purchase Cards (Norfolk)	Assurance	6	<p><u>Rationale</u> Purchase cards in Norfolk have been limited assurance in all previous years.</p> <p><u>Scope</u> The audit will focus on the use of purchase cards in Norfolk, and compliance with policy.</p> <p><u>Lead Officers</u> Head of Transactional Services</p>	NSC1923
3	Control Room (Norfolk)	Assurance	14	<p><u>Rationale</u> A key risk area not previously subject to audit.</p> <p><u>Scope</u> The review will select aspects relating to compliance with</p>	NSC1924

Quarter	Audit	Type	Days	Rationale and Scope	Prog Ref
3	Control Room (Suffolk)	Assurance	14	<p>policy and procedures within the control room.</p> <p><u>Lead Officers</u> TBA</p> <p><u>Rationale</u> A key risk area not previously subject to audit.</p> <p><u>Scope</u> The review will select aspects relating to compliance with policy and procedures within the control room.</p> <p><u>Lead Officers</u> TBA</p>	NSC1925
1	Custody Administration	Assurance	14	<p><u>Rationale</u> A key risk area not previously subject to audit.</p> <p><u>Scope</u> The audit will focus on the processes, coding and systems in operation to manage custody in accordance with protocols.</p> <p><u>Lead Officers</u> TBA</p>	NSC1926
1	Proceeds of Crime	Assurance	10	<p><u>Rationale</u> Previously a limited assurance audit outcome.</p> <p><u>Scope</u> The review will appraise the effectiveness of managing the Proceeds of Crime. In particular the review will focus on the securing and monitoring of the proceeds of crime which is held by the Forces</p> <p><u>Lead Officers</u> Head of PSD</p>	NSC1927
3	Recovered Property	Assurance	10	<p><u>Rationale</u> Clear processes are required to effectively manage property recovered.</p> <p><u>Scope</u> The review will focus on lost and found property, ownership, storage of claimed items (virtual and physical) and budget allocation.</p> <p><u>Lead Officers</u> TBA</p>	NSC1928

Quarter	Audit	Type	Days	Rationale and Scope	Prog Ref
1	Lone Working	Assurance	10	<u>Rationale</u> A key area of risk. <u>Scope</u> The audit will focus on the policy and practices in place. <u>Lead Officers</u> TBA	NSC1929
1	Ethical Standards (Relationships Conduct)	Assurance	10	<u>Rationale</u> This carries a reputational risk to the organisations. <u>Scope</u> The review will consider the policy and processes in place for identifying, reporting and managing inappropriate relationships. <u>Lead Officers</u> TBA	NSC1930
1-4	Follow-up	Follow up	12		
1-4	Management and Planning	Management	20		
	Contingency b/fwd		(58)		
	Contingency c/fwd				
		Total days	330		

Annex D: Audit Coverage 2015/16 – 2020/21

Review Area	2015/16	2016/17	2017/18	Date Report Issued	O' standing P1 Recs	O' standing P2 Recs	2018/19	2019/20	2020/21
Governance									
Strategic Control, Corporate Governance and Ethics	Reasonable							Y	Y
Corporate Policies			Limited	April 2018					Y
Performance Management		Substantial						Y	
Transformation and Strategic Planning / Change							Y		Y
2020 / 2025 Strategic Change Programmes								Y	
Whistleblowing							Y		
Risk Management									
Strategy / Policy OPCC Suffolk		Substantial							
Strategy / Policy OPCC Norfolk		Substantial							
Mitigating Controls								Y	
Embedding / Development	Reasonable		Reasonable	April 2018			Y		Y
RAID log	Substantial								
Corporate									
Complaints		Substantial							Y
Communications		Reasonable				3		Y	
Collaborations		Reasonable						Y	
Corporate H&S							Y		
Emergency Planning & Business Continuity								Y	
Commissioners Grants	Substantial		Reasonable	April 2018			Y	Y	Y
ICT									
Areas to be agreed								Y	Y
Cyber Security	Reasonable						Y		

Review Area	2015/16	2016/17	2017/18	Date Report Issued	O'standing P1 Recs	O'standing P2 Recs	2018/19	2019/20	2020/21
ITIL	Reasonable					1			Y
Network Security								Y	
t-Police	Reasonable								
EPR / Enact / DMS							Y		
GDPR							Y	Y	
Exchange 2010/Email Archiving		Substantial							
Website Content and CAD grazing							Y		
Mobile Device Management (e.g. body worn video)	Substantial		Reasonable	Oct 2017		1			
Firewalls		Substantial							
ICT Governance			Reasonable	April 18					
Disaster Recovery & Business Continuity		Reasonable						Y	
ERP Second/third line support		Reasonable				1			
Software Licensing								Y	
Finance									
Key Financials		Reasonable	Substantial	March 18			Y	Y	Y
Payroll, including ERP Reporting	Limited	Reasonable	Limited	March 18	1	3		Y	
Accounts Payable	Reasonable		Reasonable	March 18		1			Y
Accounts Receivable	Reasonable		Reasonable	March 18					
General Ledger	Substantial								
Treasury Management	Substantial								Y
Capital Programme	Substantial						Y		Y
Budgetary Control		Substantial						Y	
Fixed Assets							Y		
Pensions Administration		Reasonable				1			
Overtime, Expenses and Additional Payments		Reasonable	Limited	April 2018		1			Y
Allowances							Y		

Review Area	2015/16	2016/17	2017/18	Date Report Issued	O'standing P1 Recs	O'standing P2 Recs	2018/19	2019/20	2020/21
Information Management									
Audit Team Assessment			Substantial	Aug 2017					
Data Quality (Athena 2017/18)			Limited	Nov 2017		3		Y	Y
Specified Information Order								Y	
Records Management	n/a						Y		
Freedom of Information / Data Protection / Document Security Management		Reasonable						Y	
MOPJ Project Implementation			Limited	Feb 2018			Y		
Human Resources									
HR Strategy & Workforce Planning		Limited							Y
Workforce, Establishment, Capacity, Recruitment and Retention							Y		
Recruitment		Limited				1			
Absence Management	Substantial		Limited	Feb 2018		4		Y	
Duty Management System		Limited				4	Y		Y
Learning and Development - Skills			Limited	April 2018					Y
Learning and Development – Student Officer Training			Reasonable	April 2018					Y
Vetting							Y		
Ill Health Retirement			Reasonable	Feb 2018					
Transport									
Strategy							Y		
Procurement							Y		
Management - Maintenance, Repair, Disposal and Fuel Usage		Reasonable				3		Y	
Use of Vehicles			Reasonable	Sep 2017		1			Y
Estates									

Review Area	2015/16	2016/17	2017/18	Date Report Issued	O'standing P1 Recs	O'standing P2 Recs	2018/19	2019/20	2020/21
Strategy and Policies							Y		
Maintenance	Reasonable							Y	
Health and Safety		Reasonable				2			
Facilities / Catering (Suffolk)		Limited				1			Y
Stations incl. Building Access and Vehicle Security	Reasonable						Y		
Contract Management			Substantial	Sep 2017					Y
Suffolk & Norfolk PFI			Substantial	Oct 2017					
Norfolk OPCC PFI			Substantial	Oct 2017					
Procurement									
Purchase Ordering	Reasonable		Reasonable	Sep 2017					Y
Purchase Cards (Suffolk)	Limited	Reasonable	Reasonable	Jan 2018					
Purchase Cards (Norfolk)	Limited	Limited	Limited	Jan 2018			Y		
Contracts	Reasonable							Y	
Compliance with contract standing orders in departments and single tender actions						2			Y
Temporary Recruitment			Reasonable	Sep 2017					Y
Operational						3			
Control Room Norfolk							Y		
Control Room Suffolk							Y		
Custody Administration							Y		
Firearms Certificates / Management		Substantial						Y	
Proceeds of Crime	Limited						Y		
Recovered Property							Y		
Business Interests			Reasonable	Feb 2018					Y
Safeguarding and Investigations			Substantial	April 2018					
Relationships Conduct							Y		
Total Outstanding Recommendations					1	36			

Annex E: Audit Remit

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.

Role

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 Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies framework of governance, risk management and control. TIAA is responsible for giving assurance to the Police and Crime Commissioners for Norfolk and Suffolk and 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 Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies risk management, control and governance processes.

Scope

All Police and Crime Commissioners for Norfolk and Suffolk and 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 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 of the Police and Crime Commissioners for Norfolk and Suffolk and Chief

role of TIAA is not to investigate the irregularity unless commissioned to do so.

Standards and Approach

TIAA's work will be performed with due professional care, in accordance with the requirements of the PSIAS.

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 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 Chief Constables of Norfolk and Suffolk Constabularies management.

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.

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 2003.

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

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Annex F: Assurance Mapping

Corporate Assurance Risks

We consider four corporate assurance risks; directed; compliance; operational and reputational, and tailor the type of audit accordingly. For all types of audit we also taken into account value for money considerations and any linkages to the organisational Assurance Framework. The outcomes of our work on these corporate assurance risks informs both the individual assignment assurance assessment and also the annual assurance opinion statement. Detailed explanations of these assurance assessments are set out in full in each audit report.

Assurance Assessment Gradings

We use four levels of assurance assessment: substantial; reasonable, limited and no. Detailed explanations of these assurance assessments are set out in full in each audit report.

LEVELS OF ASSURANCE PROVIDED

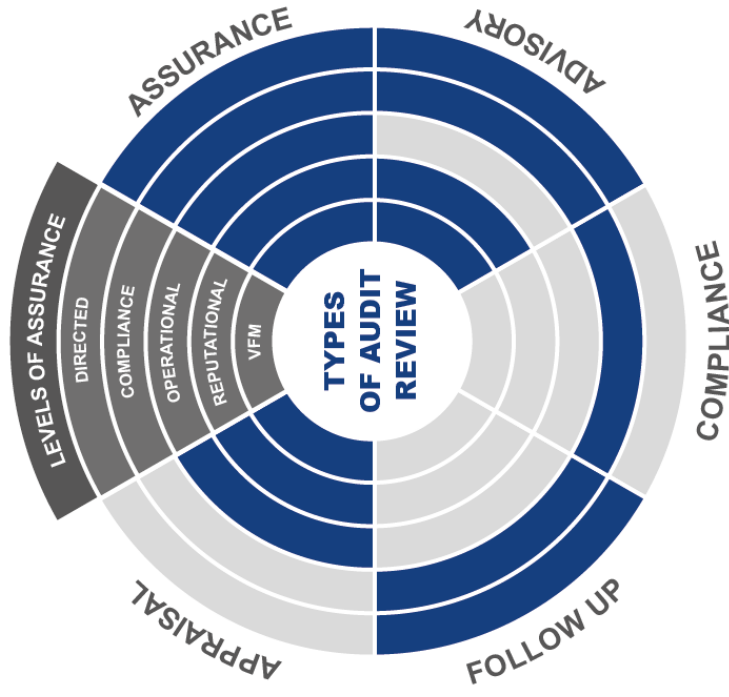


Benchmarking

Where a similar review is carried out at a number of our clients we will subsequent to the completion of the review at each of the clients we will where relevant provide a benchmarking and lessons learned digest. This digest will include Operational Effectiveness Matters for the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies to consider.

Types of Audit Review

The Annual Plan includes a range of types of audit review. The different types of review focus on one or more of the corporate assurance risks. This approach enables more in-depth work to be carried out in the individual assignments than would be possible if all four assurance risks were considered in every review. The suite of audit reviews and how they individually and collectively enable us to inform our overall opinion on the adequacy and effectiveness of the governance, risk and control arrangements is set out in the assurance mapping diagram.





ORIGINATOR: Chief Finance Officer

REASON FOR SUBMISSION: For endorsement

SUBJECT:

Review of the effectiveness of the system of internal control (SIC) and the draft Annual Governance Statement (AGS) 2017/18.

SUMMARY:

The report describes the review of the system of internal control and presents the Annual Governance Statement for endorsement.

RECOMMENDATION:

The Committee is asked to:-

- (i) note the completion of the review of the system of internal control.
- (ii) endorse the draft Annual Governance Statement for 2017/18.

1. Background

- 1.1 The governance arrangements and key documents were updated on the arrival of the new Police and Crime Commissioner (PCC).
- 1.2 The Accounts and Audit Regulations 2015 (Section 6) require the 'relevant authority', in this case both the PCC and the Chief Constable, to
- conduct a review of the system of internal control (the AGS process)
 - prepare an annual governance statement.
- 1.3 The 'relevant authority' must then consider the findings of the review and approve the annual governance statement.

2. Governance

- 2.1 The corporate governance arrangements of the PCC and Chief Constable (CC) are set out in the following documents:-

Corporate Governance Framework	Includes the Joint (PCC and CC) Code of Corporate Governance	The document has been reviewed and some changes made. The updated version is attached at Appendix 1 and will be published on PCC and Constabulary websites in due course.
Scheme of Governance and Consent	Prepared in conjunction with the Suffolk PCC, includes Financial Regulations and Contract Standing Orders	To be updated in the summer.

- 2.2 The Framework and the Code of Corporate Governance are drafted from the latest good governance guidance published by the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives (CIPFA/SOLACE) (2016 Edition) and the accompanying Police Guidance Note (June 2016).
- 2.3 The Framework includes the meeting structures for the PCC and the CC, both individually and jointly. Also presented are the meeting structures for Norfolk/Suffolk Constabularies (the Strategic Partnership) and the 7 Force Collaboration.

3. The Review of the Effectiveness of the System of Internal Control and the Annual Governance Statement.

- 3.1 The Corporate Governance Working Group, comprising the Chief Executive, Chief Finance Officer, Head of Strategic Business and Operational Services, the Head of Finance and one Audit Committee Member has overseen the review of the Framework and the Code of Corporate Governance and the preparation of the AGS. In the course of this work it has carried out the review. Agendas and Notes of meetings are available on request.
- 3.2 The Working Group concluded that the system of internal control and governance was fit for purpose.
- 3.3 The Audit Committee is also in a position to endorse the arrangements in place through its oversight of both governance and internal audit arrangements. The Head of Internal Audit's Annual Assurance Report 2017/18, elsewhere on the agenda, includes a positive opinion on the adequacy and effectiveness of the risk management, control and governance processes.
- 3.4 The Draft Annual Governance Statement which is, essentially, a commentary on compliance with the Code of Corporate Governance, is attached at **Appendix 2**.

4. Recommendations

- 4.1 The Committee is asked to:-
- (i) note the completion of the review of the system of internal control.
 - (ii) comment on the draft Annual Governance Statement which will be published alongside the draft Statements of Accounts 2017/18 by 31 May 2017.

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OFFICE OF THE POLICE & CRIME
COMMISSIONER FOR NORFOLK

Corporate Governance Framework (Including the Code of Corporate Governance)

Chief Executive

March 2018

Statement of Corporate Governance

Police and Crime Commissioner and the Chief Constable

Introduction

The purpose of this statement is to give clarity to the way the Police and Crime Commissioner (the PCC) and Chief Constable, will govern both jointly and separately, to do business in the right way, for the right reason at the right time.

The principle statutory framework within which the corporations sole will operate is:

- Police Reform and Social Responsibility Act 2011 (the Act),
- Policing Protocol Order 2011 (the Protocol),
- (Home Office) Financial Management Code of Practice,
- Strategic Policing Requirement.
- The Police and Crime Commissioner Elections (Declaration of Acceptance of Office) Order 2012

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

Principles

The seven core principles to be adopted by both corporations sole will be those highlighted by the good governance standard for local authorities (as applied to the PCC and Chief Constable):

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

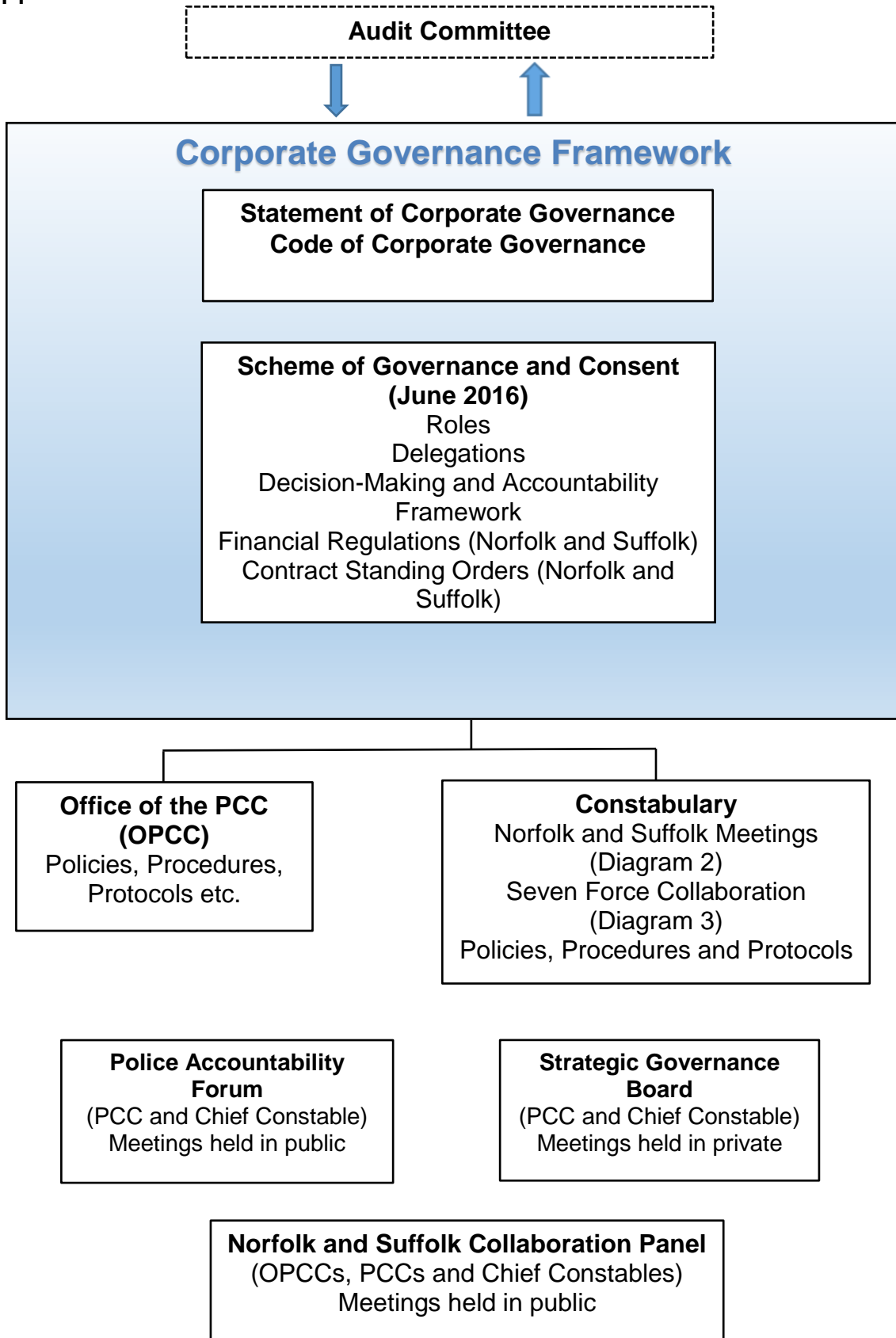
Framework / Instruments of governance

The Corporate Governance Framework within which both corporations sole will govern, both jointly and separately will comprise:

- Statement of Corporate Governance – statutory framework and local policy
- Code of Corporate Governance – setting out how the core principles will be implemented,
- Scheme of Governance and Consent – defining the parameters within which the corporations sole will conduct their business including the consents and delegations (published separately),
- Separate policy and procedures for each corporation sole, with protocols, memoranda of understanding etc., where they operate jointly.

The Framework

Diagram 1



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Diagram 2- Norfolk and Suffolk Constabularies Governance Meeting Structure

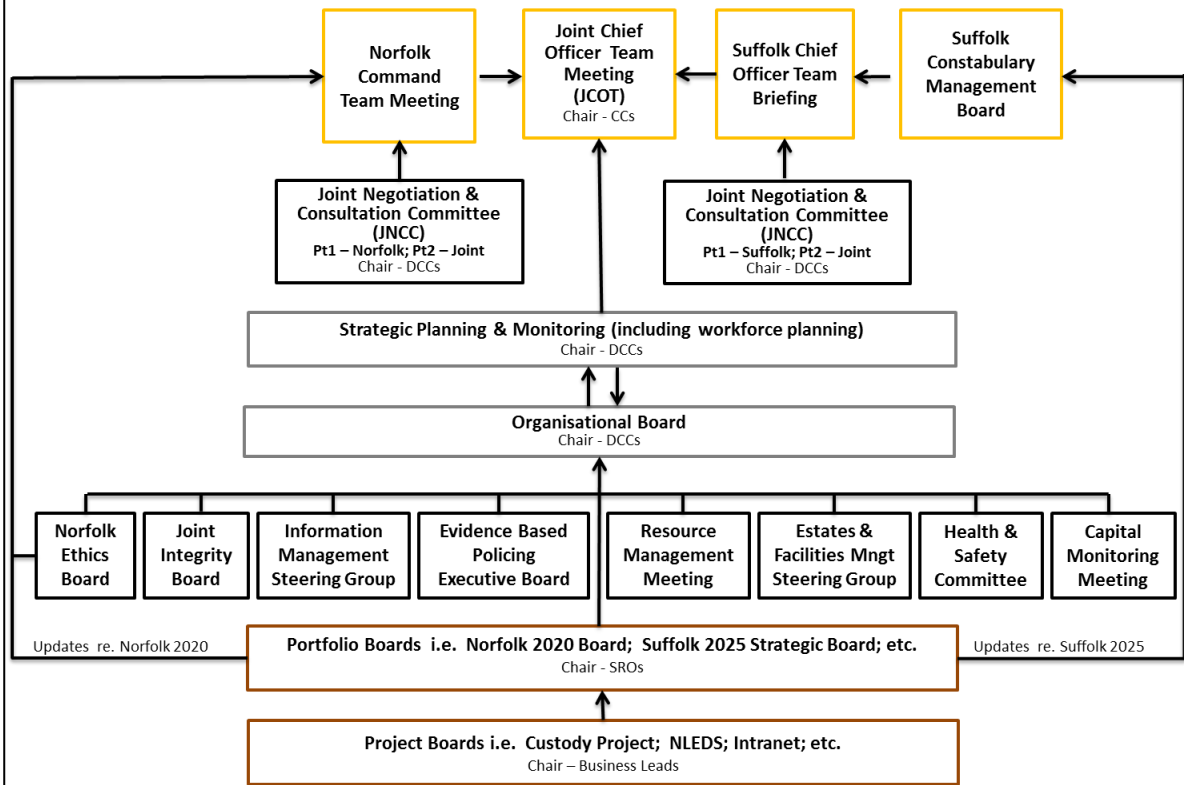
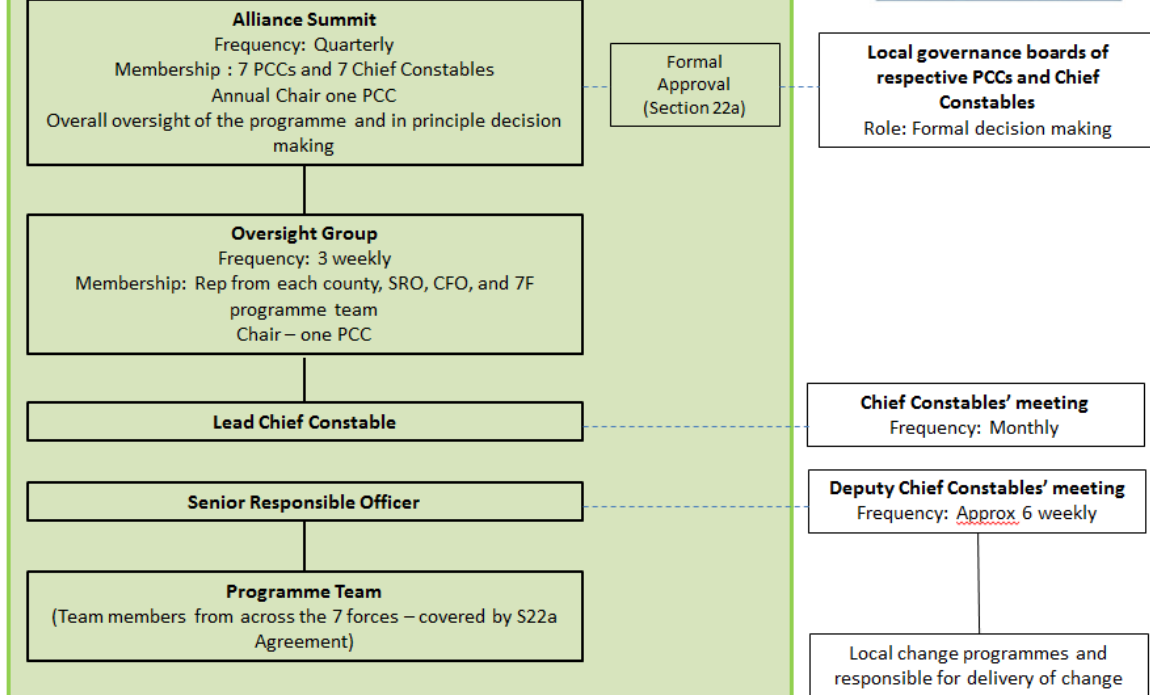


Diagram 3 – Seven Force Collaboration – Governance and Decision Making



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

1. Introduction

- 1.1 Governance is about ensuring that the right things are done in the right way, for the right people, in a timely, inclusive, open and accountable way. It comprises the systems, processes, culture and values by which organisations are directed and controlled, and through which they account to, engage with and, where appropriate, lead their communities.
- 1.2 The standard for good governance arrangements was set out in “The Framework: Delivering Good Governance in Local Government” originally published by CIPFA in conjunction with the Society of Local Authority Chief Executives (SOLACE) in 2007. The Framework was reviewed and an updated edition published in April 2016. A Guidance Note for the Police (2016 Edition) has been published by CIPFA and has been used to develop this Code of Corporate Governance (the Code).
- 1.3 The Code sets out how the Norfolk Police and Crime Commissioner (the PCC) and Chief Constable will govern their organisations both jointly and separately in accordance with the Corporate Governance Framework. It does this by highlighting the key enablers for ensuring good governance and using the seven good governance core principles as the structure for setting out the statutory framework and local arrangements.

2. The Code

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

The PCC and the Chief Constable are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for the outcomes they have achieved. In addition, they have a responsibility to serve the public interest in adhering to the requirements of legislation and government policies. They must demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

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

The 2014 Code of Ethics sets the standard of behaviour for all members of staff. The Code builds on the 7 Nolan principles with the addition of ‘Fairness’ and ‘Respect’. These principles will underpin every decision and action at whatever level they are taken.

The Financial Manage Code of Practice requires the PCC and Chief Constable to ensure that the good governance principles are embedded within the way the organisations operate.

The PCC and Chief Constable will set out their values in the respective corporate and strategic plans.

Principle B - Ensuring openness and comprehensive stakeholder engagement

Local Government, including the Police Service, is run for the public good. Organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation will be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

The Protocol highlights that the PCC is accountable to local people and that he draws on this mandate to set and shape the strategic objectives for the force area in consultation with the Chief Constable.

The Police and Crime Plan will clearly set out what the strategic direction and priorities are to be and how they will be delivered.

To complement this the communication and engagement strategies will set out how local people will be involved with the PCC and the Chief Constable to ensure they are part of the decision making, accountability and future direction. This will comprise involvement in the various planning processes (e.g. Police and Crime Plan and budget/precept setting) and involvement in issues of interest to local people as they emerge.

The PCC holds the Chief Constable to account at a meeting held in public (the Police Accountability Forum) for delivery of the strategic priorities set out in the Police and Crime Plan.

The PCC and Chief Constable will develop arrangements for effective engagement with key stakeholders, ensuring that where appropriate they remain closely involved in decision making, accountability and future direction.

The PCC will maintain a strong working relationship with the Police and Crime Panel, constituent local authorities and other relevant partners.

A preferred partnership collaboration strategy was signed by PCCs of Norfolk and Suffolk in 2013.

A business case for 7 Force collaboration (East of England forces and Kent) and a Section 22A agreement were endorsed in March 2016.

Principle C - Defining outcomes in terms of sustainable economic, social and environmental benefits

The long term nature and impact of many of the PCC and Chief Constable's responsibilities mean that they will seek to define and plan outcomes that are sustainable. Decisions should contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

The PCC will issue a Police and Crime Plan (the Plan) for one year beyond his term of office. It will outline the police and crime objectives (outcomes) and the strategic direction for policing. Both the PCC and the Chief Constable must have regard to the Plan and the PCC must have regard to the priorities of the responsible authorities (as set out in the Act) during its development.

The OPCC has developed a business plan consistent with the need to support the PCC in the delivery of his priorities. The Constabulary has a Strategic Assessment which for the first time in 2017/18 will consider both organisational and operational issues. In addition, the Strategic Planning and Monitoring Board (Diagram 2) oversees and quality assures all business related matters including oversight of the programme of change, all new work requests, Project Initiation Documents (PID) and requests for change. The Organisational Board - Delivery (Diagram 2) then monitors and receives updates in relation to all projects to ensure risks, issues and dependencies are aired and considered and action taken accordingly to mitigate these. HMICFRS will be requiring every force to produce a 'Force Management Statement' from May 2018. These are expected to be business plans by another name.

Collaboration agreements will set out those areas of activity to be undertaken jointly with other forces and local policing bodies. These collaborations may reduce costs or increase capability to protect local people, or both.

A medium term financial strategy will be jointly developed and thereafter regularly reviewed to support delivery of these plans.

A commissioning framework (within the Police and Crime Plan) sets out the PCC's commissioning intentions and priorities, and will be kept under review.

A complaints protocol will be jointly agreed to provide clarity over the arrangements to respond to the breadth of concerns raised by local people, whether they be organisational or individual failures. This will complement other statutory arrangements.

Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes

Local Government, including the Police, achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

The PCC and the Chief Constable will maintain a medium term financial strategy which will form the basis of the annual budgets, and provide a framework for evaluating future proposals.

There will be a comprehensive process of analysis and evaluation of plans, which will normally include option appraisal, techniques for assessing the impact of alternative approaches on the service's outcomes, and benefits realisation.

Processes will be in place to monitor efficiency and value for money, including benchmarking of performance and costs.

The PCC and the Chief Constable will maintain effective workforce development and asset management plans (e.g. Estates; Information Technology).

Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it

The OPCC and the Constabulary need appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A public organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Both the individuals involved and the environment in which the Police operate will change over time, and there will be a continuous need to develop its capacity as well as the skills and experience of the leadership and individual staff members. Leadership in the Police service is strengthened by the participation of people with many different types of background, reflecting the structure and diversity of communities.

The Leadership, 'People' and personal development strategies of the Office of the PCC and the Constabulary set the climate for continued development of individuals. The respective performance development review processes will ensure that these strategies are turned into reality for officers and members of staff.

Principle F - Managing risks and performance through robust internal control and strong public financial management

Public bodies need to ensure that the organisations and governance structures that they oversee have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management, business continuity and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving outcomes. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.

The Decision-making and Accountability Framework (in the Scheme of Governance and Consent) sets out the principles and processes underlying how decisions will be taken by the PCC and Chief Constable and the standards to be adopted.

It requires a combined forward plan of decisions, which brings together the business planning cycles for the Police and Crime Plan, and the OPCC/Constabulary integrated business management process. This will ensure proper governance by bringing together the right information at the right time e.g. needs assessments, costs, and budgets.

The national decision making model will be applied to spontaneous incidents or planned operations, by officers or staff within the Constabulary as individuals or teams, and to both operational and non-operational situations.

The Scheme of Governance and Consent highlights the parameters for decision making, including the delegations, consents, financial limits for specific matters and standing orders for contracts.

The Risk Management Strategy (one for the PCC and one for the Constabulary) establish how risk is embedded throughout the various elements of corporate governance of the corporations sole, whether operating solely or jointly.

The Communication and Engagement Strategies demonstrate how the PCC and Chief Constable will ensure that local people are involved in decision making.

Furthermore the Publication Scheme (a requirement of the Freedom of Information Act 2000) will ensure that information relating to decisions will be made readily available to local people, with decisions of greater public interest receiving the highest level of transparency, except where operational and legal constraints exist.

The forward plan of decisions combined with an open and transparent Publication Scheme will enable the Police and Crime Panel to be properly sighted on the decisions of the PCC.

Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Legislation sets out the functions of the PCC and the Chief Constable. The Protocol describes how these functions will be undertaken to achieve the outcomes of the Police and Crime Plan.

The legislation also enables the PCC to appoint a deputy, whose role will be prescribed by the PCC and set out in the Schemes of Governance and Consent where appropriate.

The Act requires the PCC to appoint a Chief Executive and a Chief Financial Officer. It prescribes that the Chief Executive will act as Head of Paid Service and undertake the responsibilities of Monitoring Officer.

The Act requires the Chief Constable to appoint a Chief Financial Officer.

The Financial Management Code of Practice sets out the responsibilities of the CFOs for both the PCC and the Chief Constable.

The Scheme of Governance and Consent highlights the parameters for key roles in the OPCC and Constabulary including consents from the PCC or Chief Constable, financial regulations and standing orders.

Officers, Police support staff and staff of the OPCC will operate within:-

- OPCC or Constabulary policies and procedures
- The corporate governance framework
- Disciplinary regulations
- Codes of conduct
- Code of Ethics

A joint independent Audit Committee operates within the CIPFA guidance and in accordance with the Financial Management Code of Practice. The Committee oversees

the work of the Head of Internal Audit and Ernst and Young LLP, the currently appointed external auditor.

3. Governance Review Arrangements

3.1 The PCC has overall responsibility for approving the Code of Corporate Governance and has put in place the following arrangements to review the effectiveness of the Code.

The Office of the PCC for Norfolk

3.2 The PCC has set up a Corporate Governance Working Group comprising senior managers from the OPCC and the Constabulary to review the governance arrangements and oversee the production of the Annual Governance Statement. This work is reported to the Audit Committee.

The Constabulary

3.3 The Chief Constable is responsible jointly with the PCC for compliance with the corporate governance arrangements but particularly for ensuring that appropriate reviews are carried out within the Constabulary for key areas including:-

- optimisation of operational delivery, with adequate service, governance and financial controls
- professional standards and performance
- management of information, including security and data protection
- strategic co-ordination of service and financial planning, including risk management
- the process for evaluation and achievement of value for money.

Audit Committee

3.4 The terms of reference of the Joint Audit Committee of the PCC and Chief Constable include the following:-

- Review the corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
- Review the Annual Governance Statement[s] (AGS) 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.

Internal Audit

3.5 The role of internal audit is to give assurance to the PCC and the Chief Constable, through the Audit Committee, on the effectiveness of the controls in place to manage risks. To this end, The Head of Internal Audit reports on a quarterly basis, highlighting any major control weaknesses identified.

3.6 Corporate Governance and Risk Management arrangements feature in the audit strategy and annual plan both of which are received by the Committee.

External Audit

3.7 The External Auditor audits the financial statement of the Chief Constable, the PCC and the Group. The auditor also reviews the Annual Governance Statement and gives an opinion

on value for money. The auditor's plans, reports and annual letter are considered by the Committee at appropriate times in the annual cycle of meetings.

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services

- 3.8 Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) independently assesses police forces and policing across the whole range of their activities – in the public interest.
- 3.9 In preparing their reports, they provide authoritative information to allow the public to compare the performance of the local force against others, and their evidence is used to drive improvements in the service to the public.
- 3.10 HMICFRS is independent of Government and the police. HMICFRS decides on the depth, frequency and areas to inspect based on their judgments about what is in the public interest.
- 3.11 Inspection programmes are demanding and, as a minimum, the main outcomes will be reported to the PCC and any improvement actions required will be recorded in the AGS.



**ANNUAL GOVERNANCE STATEMENT FOR
THE POLICE AND CRIME COMMISSIONER FOR NORFOLK AND
THE CHIEF CONSTABLE OF NORFOLK 2017/18
DRAFT v8**

1. Background

- 1.1 This Annual Governance Statement (AGS) covers the financial year 2017/18 [but extends to cover the period to the signing of the Statements of Accounts in July 2018]. This statement is an opportunity to demonstrate compliance with the Code of Corporate Governance.
- 1.2 The Police and Crime Commissioner (PCC) and the Chief Constable for Norfolk are responsible for ensuring that their business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- 1.3 In discharging this overall responsibility, the PCC and Chief Constable are also responsible for putting in place proper arrangements for the governance of their affairs and facilitating the exercise of their functions, which includes ensuring a sound system of governance (incorporating the system of internal control) is maintained through the year and that arrangements are in place for the management of risk.
- 1.4 The Corporate Governance Framework which sets out how governance 'works' for the PCC and Chief Constable can be found on the PCC's website (www.norfolk-pcc.gov.uk) or may be obtained from the Office of the Police and Crime Commissioner for Norfolk, Building 8, Jubilee House, Falconers Chase, Wymondham, Norfolk, NR18 0WW.
- 1.5 This Framework includes the joint Code of Corporate Governance (the Code) which is consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government [April 2016] (as expanded by a Guidance Note for Police [June 2016]).
- 1.6 The PCC's and Chief Constable's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of Chief Financial Officers in Policing (draft update May 2017). However, please see further commentary at 3.7 below.
- 1.7 This AGS also explains how the PCC and Chief Constable have complied with the Code and also meets the requirements of Regulation 6 of the Accounts and Audit (England) Regulations 2015 in relation to the review of the effectiveness of the system of internal control and the publication of an annual governance statement.

2. The Purpose of the Governance Framework

- 2.1 The governance framework comprises the systems and processes and culture and values by which the PCC and Chief Constable are directed and controlled, and the activities through which they account to and engage with the community. It enables the PCC and Chief Constable to monitor the achievement of their strategic objectives and to consider whether those objectives have led to the timely delivery of appropriate, cost-effective services, including achieving value for money.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the PCC's and Chief Constable's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically.
- 2.3 However, good governance is not only about processes, rules and procedures. The governance framework should be applied in a way which also demonstrates the spirit and ethos of good governance. Shared values which are integrated into the culture of an organisation and are reflected in behaviour and policy are essential hallmarks of good governance.

3. The Governance Framework

- 3.1 The Chief Constable is responsible for operational policing matters, the direction and control of police officers and police staff, and for putting in place proper arrangements for the governance of the Constabulary. The PCC is required to hold the Chief Constable to account for the exercise of those functions and those of the persons under the Chief Constable's direction and control. It therefore follows that the Commissioner must satisfy himself that the Constabulary has appropriate mechanisms in place for the maintenance of good governance, and that these operate in practice.
- 3.2 The PCC has adopted a Corporate Governance Framework (including the Code of Corporate Governance) and a Scheme of Governance and Consent which includes Financial Regulations and Contract Standing Orders. These are reviewed periodically in accordance with requirements.
- 3.3 The governance framework has been in place throughout the financial year 2017/18 (ending 31 March 2018) and [up to the date of the approval of the Statements of Accounts].
- 3.4 The key elements of the systems and processes that comprise the PCC's and Chief Constable's governance arrangements and how these adhere to the seven principles in the Code are set out below:-

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

- 3.5 The Police Code of Ethics, produced by the College of Policing, describes the principles that every member of the policing profession in England and Wales is expected to uphold and the standards of behaviour they are expected to meet. This Code applies to all those who work for the Constabulary, be they police officers, employees, contractors or volunteers. Staffs have been made aware of the Code of Ethics and its implications. Policies, procedures and training products are reviewed in line with the Code and it is

central to decision making using the National Decision Making Model. Where there are breaches of the Code of Ethics or the Standards of Professional Behaviour there is a positive duty to report these matters. The Joint Professional Standards Department receives such reports and these are investigated appropriately and in accordance with Police Regulations. A Code of Conduct based on the Code has also been adopted by the PCC and staff of the OPCC.

- 3.6 Formal policies also exist in respect of whistle blowing, public complaints, anti-fraud and corruption, declaration of business interests, gifts, loans and hospitality and disclosable associations. An Ethics Committee has been established to enable staff to raise for consideration ethical issues affecting the Constabulary to enable further improvement in the transparency, professionalism and ethical approach of staff, policies and procedures to such issues. A joint Integrity Board has also been established with the aim of securing the internal confidence of staff and officers in the fair application of policy and process in matters of integrity and ethics and to ensure that the organisations manage risk and learn from cases to improve the service provided. (Inserted by Gemma)
- 3.7 Since 1st April 2014 the Norfolk PCC's Chief Financial Officer (CFO) has acted in a dual capacity (as Section 151 officer) for both the Norfolk PCC and the Chief Constable. The CIPFA Code says that some PCCs and Chief Constables have agreed locally to combine the two CFO posts and designate a single officer. It also says that whilst this arrangement may be regarded as a pragmatic and cost saving solution, it is essential that the potential risks are recognised and that the governance framework is structured in a way that accommodates and responds to any compromises which might arise. The guidance confirms that combined CFO arrangements do not contravene the provisions of the Police Reform and Social Responsibility 2011 Act. The local arrangements have been considered by the Audit Committee and appropriate safeguards put into place.

Principle B - Ensuring openness and comprehensive stakeholder engagement

- 3.8 The PCC's website contains details of the meetings the PCC holds with the public, partners, Chief Constable, Audit Committee and Police and Crime Panel. Agendas, reports and minutes are available for public scrutiny where appropriate and social and digital media are frequently used to inform people unable to attend and to summarise meetings and key decisions.
- 3.9 The Constabulary offers regular, direct updates via its social and digital channels including Twitter, Facebook, the force website, and indirectly via the local media. In addition, members of the public can sign up to the free Police Connect service to receive details of local crimes, initiatives and engagement opportunities via e-mail, voicemail or text.
- 3.10 The Constabulary Community Engagement Strategy sets out how the Constabulary will effectively engage with the residents of Norfolk in accordance with Section 34 of the Police Reform and Social Responsibility Act 2011. Key aims include actively engaging with the public, using digital technology to reach a wider audience, ensuring officers and staffs have a clear understanding of expectations, working with partners, and acting on feedback to ensure we meet needs and requirements. Seven Community Engagement Officers have been appointed to each of the policing districts within the county and are using social media in a number of different ways to communicate effectively with the public.
- 3.11 Representatives of the PCC attend meetings regularly to ensure that the arrangements the Constabulary has in place are effective. The PCC's Office (OPCC) also has its own Communications and Engagement Strategy setting out how it will obtain the views of the community and victims of crime regarding policing. This was updated for 2016-2020. The OPCC has recently appointed a Consultation and Engagement Officer to review, develop and deliver its engagement activities and oversee delivery of its overarching Strategy.

- 3.12 The PCC held a countywide budget consultation asking Norfolk people whether they agreed to a 2% precept rise for 2017/18. More than 2,200 people responded with 76% in favour of a rise. Key partners were also consulted. The PCC holds regular public meetings (Police Accountability Forum) to hold the Chief Constable to account.
- 3.13 The PCC has established a Victims' Panel which is enabling him to consult directly with victims on a wide range of subjects and issues. The OPCC manages a key independent advisory panel, the Independent Advisory Group (IAG).
- 3.14 The Constabulary measures the satisfaction of service users through the use of victim surveys and reports to the Office of the PCC on levels of satisfaction as one of the agreed Police and Crime Objectives.
- 3.15 Norfolk Constabulary collaborates extensively with Suffolk Constabulary as it has done since 2008. This formal collaboration is across a range of services including operational policing and back office functions. The PCC is required to give approval to collaborative opportunities before they can commence. The PCCs of Norfolk and Suffolk meet during the year along with the Chief Constables to consider issues impacting on the organisations and to discharge the governance responsibilities between Norfolk and Suffolk. In addition to this there are governance arrangements that cover operational managers and Chief Officers. The main drivers have been to maintain the effectiveness of operational and organisational support and to drive out savings through economies of scale and efficiencies in order to protect front line resources wherever possible.
- 3.16 There are also services that are subject to ongoing regional collaboration. A Seven Force Strategic Collaboration Programme has been established (this is essentially the three strategic collaborations of Norfolk/Suffolk, Kent/Essex and Bedfordshire/Cambridgeshire/Hertfordshire) with a mission to develop options for wider collaboration in order to make efficiencies and drive out further savings. The programme is governed jointly by the seven PCCs and seven Chief Constables.

Principle C - Defining outcomes in terms of sustainable economic, social and environmental benefits

- 3.17 Following his arrival in May 2016, the PCC has consulted widely on his Police and Crime Plan (2016/20) and this was published in March 2017. The Plan sets out seven core priorities for Norfolk and outlines the PCC's vision for tackling and preventing crime, protecting the most vulnerable and supporting victims.

The seven priorities are:-

- Increase visible policing
- Support rural communities
- Improve road safety
- Prevent offending
- Support victims and reduce vulnerability
- Deliver a modern, innovative service
- Good stewardship of taxpayers' money.

- 3.18 The Plan is monitored through two public forums:

- The Police Accountability Forum where the Chief Constable is held to account by the PCC for delivery against the Police and Crime Plan.
- The Norfolk Police and Crime Panel where the PCC is held to account by the Panel for delivery against the Police and Crime Plan.

All of these performance reports are published on the OPCCN website <https://www.norfolk-pcc.gov.uk/police-accountability-forum/> and the Police and Crime Panel section of the Norfolk County Council website. <https://www.norfolk.gov.uk/what-we-do-and-how-we-work/policy-performance-and-partnerships/partnerships/crime-and-disorder-partnerships/police-and-crime-panel>

- 3.19 There is a co-ordinated process for strategic and medium-term financial planning (MTFP) that uses Outcome Based Budgeting principles (OBB).. The budget for 2017/18 was set by the PCC based on a 'cash level' government funding settlement. The ability to maintain direct funding at 'cash level' was dependant on the precept being increased by 2% and as a result, the PCC recommended this increase and this was supported by the Police and Crime Panel. With funding the same in cash terms (as in 2016/17), budget reductions were required to finance pay awards, price inflation and service pressures over the medium term. The work involved in preparing the budget and the MTFP requires close liaison with operational staff and budget managers followed by a detailed process of scrutiny and challenge by Chief Officers in order to ensure that the MTFP can finance the strategic aims of the Constabulary and the PCC.
- 3.20 There is a clearly defined corporate performance management framework. Objectives and key performance indicators are established and monitored both at a corporate and local level. Regular reports are made to senior managers, the Command Team and to the Commissioner on performance against objectives. This includes detailed analysis and scrutiny of performance and compares performance against the most similar family of forces.
- 3.21 Proposals for collaboration go through a detailed process, designed to ensure that all options are considered and that all parties can sign up to formal agreements in the knowledge that future policy, performance and resource levels are recognised at the offset. Dedicated resources are in place to support those units subject to Norfolk / Suffolk collaboration, including the formulation of detailed business cases. The business cases are subject to review by senior officers and the Joint Chief Officer Teams of the two constabularies. Proposals are further discussed before final sign off by the two PCCs. This is underpinned by formal agreements covering the legal aspects of collaboration. A similar process applies to regional proposals.
- 3.22 A Programme Management Office oversee the planning, implementation and delivery of Norfolk and Suffolk Constabularies' overarching change programme in accordance with the two force's strategic priorities and reports upwards via the Joint Strategic Planning and Monitoring Board meeting into a Joint Norfolk and Suffolk Chief Officer Team.

Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes

- 3.23 Norfolk and Suffolk Constabularies gather data and intelligence from a range of sources to produce an annual Strategic Assessment. The Strategic Assessment takes into account all relevant internal and external factors that might impact upon policing, crime and disorder at county and local level, highlighting emerging issues, risks and threats. The 2017 Strategic Assessment expanded on that completed in 2016 and looked at the operational threats Norfolk and Suffolk constabularies face in the context of capacity and capability. One key difference was that the 2017 document included an organisational threat assessment – using outcome based budgeting, this section looks at how the constabularies could review

internal processes and structures, such as overtime and sickness management, to make financial savings and improve efficiencies. All operational issues are risk assessed using the nationally recognised Management of Risk in Law Enforcement (MoRiLE) framework. The Strategic Assessment is then used to inform the development and review of the Police and Crime Plans and the local policing plans and performance frameworks. It also leads to the setting of the Operational Control Strategy for which there are identified strategic leads for each theme area. Partners are consulted in the development of the Strategic Assessment and the final document is also shared with them to help aid their decision making and planning.

- 3.24 The Constabulary also undertakes strategic analysis in the form of Strategic Profiles. Where relevant, these are produced jointly for Norfolk and Suffolk, highlighting any cross force and single force issues. The profiles cover a range of strategic crime and thematic topics, including some looking at organisational issues such as sickness and absence management and overtime. They provide a comprehensive account of the topic, taking into consideration any existing research or 'what works' evidence to inform strategic and tactical action plans and decision making. Partnership data is utilised wherever possible and consultation is also undertaken with stakeholders outside of policing as a key part of the process to ensure they are widely informed. These strategic profiles are used to inform the overall Strategic Assessment.
- 3.25 The Joint Performance and Analysis Department (JPAD) undertakes analysis, research, consultation and improvement and evaluation activity across the Constabulary. The collaboration of these distinct areas of business within one department allows for more informed analysis to take place which could relate to any part of the organisation, whether operational or organisational. This collaboration also results in the greater use of a variety of techniques to aid tactical and strategic decision making and to formulate problem solving approaches. The department seeks to use an evidenced based approach to its work ensuring that the best available evidence regarding 'what works' is considered as part of the Constabulary's problem solving activity and evaluations are conducted to ensure lessons are learnt and successes identified.
- 3.26 The department produces analytical work to support a number of forums and groups, including the Tasking and Co-ordination Group meetings and Performance and Accountability meetings, delivering strategic and tactical products which facilitate forward resource planning and the identification and management of threat, risk and harm, thereby minimising costs to the organisation. The department supports the Constabulary in meeting its statutory and legislative requirements regarding information and data provision including the Annual Data Returns as set out by the Home Office and provision of data for a large proportion of Freedom of Information Requests.

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

- 3.27 Norfolk and Suffolk Constabularies have a Leadership Development Programme called Best I Can Be and run a quarterly series of professional development events as part of the work being delivered under the Leadership Strategy. The Constabularies are also rolling out a Succession Planning and Talent Identification process which utilises career conversations and a nine-box grid matrix to identify and develop potential as part of its overall leadership and workforce planning strategies.
- 3.28 The Leadership Strategy promotes the idea that Leadership is not necessarily about rank. It advocates 'Courageous, Inclusive and Ethical' leadership. It goes further to describe the development of the whole workforce which is engaged not only in day to day activity but also in strategic projects and change programmes.

- 3.29 The Professional Development Review (PDR) process continues to be improved and embedded and work continues to develop an ePDR system.

Principle F - Managing risks and performance through robust internal control and strong public financial management

- 3.30 The PCC and Chief Constable have Risk Policies in place to ensure that the risks facing the organisation are effectively and appropriately identified, evaluated and reported. The Joint Norfolk and Suffolk (Constabularies) Risk Management Policy includes details of the risk management framework within the governance structure of Norfolk Constabulary.). It sets out risk management requirements and practices that should be undertaken; by whom and when, and outlines the consequences of non-adherence. The policy supports a robust risk management approach for ensuring that strategic objectives are achieved and shows how risk is dealt with, by mitigation and/or escalation to the appropriate level in the organisations. A similar policy has been drawn up by the Norfolk Office of the PCC (OPCC). The Audit Committee routinely sees the Strategic Risk Registers.
- 3.31 The Crime Registry and Audit functions for Suffolk and Norfolk, which are part of the Joint Performance and Analysis Department (JPAD) carries out independent and rigorous audit of crime and incident recording. It provides an objective assessment of how the Constabularies are complying with the National Crime and Incident Recording Standards. The audit reports produced are reviewed by Chief Officers and if areas for improvement are identified, action is allocated and taken accordingly. As necessary, any areas of risk in relation to Crime Data Integrity are also raised at the Force Crime Data Integrity meetings and detailed on the risk register.
- 3.32 As noted in the 2016/17 Annual Governance Statement, following the introduction of Athena (a new major operational policing system) a detailed action plan was introduced to ensure the quality of crime recording was improved to levels that give confidence in the data. In response to this action plan; bespoke training is being delivered to supervisory staff to ensure a greater operational understanding of Crime Data Integrity (CDI). In addition specially trained data quality staff has been introduced to manage the data quality issues currently within the Athena system, supported by quality assurance measures within the business as usual Athena processes. Data quality remains a key focus for the organisations with activity coordinated at Athena and Crime Data Integrity meetings

Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability

- 3.33 The Commissioner has a statutory duty to produce and publish an Annual Report which details performance for the previous year against the objectives and performance measures set in the Annual Policing Plan. Financial performance against the revenue budget, capital programme and levels of reserves is reported regularly through the Police Accountability Forum. The Annual Report and financial performance papers are published on the OPCC website.
- 3.34 The OPCC has received an award (for the third year running) for the quality of its website, which includes the transparency requirements set out by Regulations.
- 3.35 The Audit Committee (now meeting in public) has overseen the full programme of internal and external audit activity. See para 4.5 below.

4. Review of Effectiveness

- 4.1 The PCC and Chief Constable have responsibility for conducting an annual review of the effectiveness of the governance framework, including the system of internal control.
- 4.2 This review of effectiveness is informed by the work of executive managers within the Constabulary and the OPCC who have the responsibility for the development and maintenance of the governance environment, the head of internal audit's annual report and also by comments made by the external auditor and other review agencies and inspectorates.
- 4.3 A full report was presented to the June meeting of the Audit Committee and the groups and processes that have been involved in maintaining and reviewing the effectiveness of internal control include the following:

4.4 Corporate Governance Working Group

- 4.4.1 This Group has been established to review the corporate governance framework and systems of internal control and to oversee the preparation of this Annual Governance Statement. The group comprises the Chief Executive of the PCC, the PCC's and Chief Constable's Chief Finance Officer, the Head of Strategic, Business and Operational Services and the Head of Joint Finance together with one co-opted member of the Audit Committee. The officers have involvement in the oversight of the governance framework and its processes and are in a position to review its effectiveness.

4.5 Internal Audit

- 4.5.1 Internal audit (delivered under contract by TIAA from 1 April 2015) provides independent and objective assurances across the whole range of the PCC's and Constabulary's activities and regularly presents findings to the Audit Committee of the PCC and Chief Constable. They have taken a managed audit approach in conjunction with external audit to ensure that all necessary areas of compliance are covered. The audit programme for the year was prepared and agreed with the PCC and Chief Constable following a risk based assessment. The managed audit approach has been developed successfully over past years, in agreement with external audit to bring further efficiency to audits. At each meeting of the Audit Committee the Head of Internal Audit also presents a 'Follow-Up' Report which sets out the numbers of implemented recommendations and those which remain outstanding.
- 4.5.2 The external auditor (Ernst and Young LLP), re-appointed by Public Sector Auditor Appointments in 2017) is able to place reliance on the work of internal audit.
- 4.5.3 Internal audit is required to give an overall opinion on the adequacy and effectiveness of the framework of the internal control and risk management environment.
- 4.5.4 The overall opinion for 2017/18 from the Head of Internal Audit was:

"TIAA is satisfied that, for the areas reviewed during the year, the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies have reasonable and effective risk management, control and governance processes in place. Also, there was evidence to support the achievement of value for money with regard to economy, efficiency or effectiveness of the systems reviewed. 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 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.”

The Head of Internal Audit’s Annual Report also includes the following statement:

“Control weaknesses: There were 8 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. It is noted that management directed internal audit to the weak areas, to assess the controls and support the organisations to improve on these areas. Action has already commenced on improvements to the control areas, which reduced the overall number of urgent recommendations and supports a positive overall opinion.”

More information on the ‘Limited Assurance’ audits is set out in paragraph 5.2.

4.6 External Audit and Other External Review Bodies

4.6.1 External Audit provides a further source of assurance by reviewing the annual accounts and value for money assessment and reporting upon internal control processes and any other matters relevant to their statutory functions and codes of practice. An unqualified audit report was issued on the 2016/17 Statement of Accounts at the end of September 2017 together with an unqualified value for money conclusion. The External Auditor’s Annual Audit Letter was issued in October 2017 and it did not identify any matters to be addressed.

4.6.2 The Constabulary is subject to almost continuous review by Her Majesty’s Inspector of Constabulary and Fire Service (HMICFRS) and a number of inspections were carried out over the period. Reports relating to Norfolk can be found on HMIC website:- <https://www.justiceinspectorates.gov.uk/hmicfrs/?type=publications&force=norfolk&s&cat&year>

In the last audit report a number of Areas for Improvement (AFI) were reported on. During the 2017 fieldwork the HMIC considered evidence presented by the force for those areas in their inspection key lines of enquiry, and accepted the force had improved in those areas. One AFI was carried forward from 2016 (**highlighted in bold**).

Of note are the following reports ([Comments/actions taken by the Constabulary in blue text](#)):-

PEEL: Police Effectiveness 2017

Only two areas were inspected,

- Protecting vulnerable people - Good
- Specialist capabilities - ungraded

The Constabulary maintained its gradings for the other three areas

- Preventing crime and tackling anti-social behaviour – Outstanding
- Investigating crime and reducing re-offending – Good
- Tackling serious and organised crime – Good.

Areas for improvement:

The force should ensure that appropriate supervision is put in place consistently to monitor the quality and progress of investigations involving vulnerable people.

In February 2018 the Force published its Investigation Management Policy for Children and Vulnerable Persons. The policy covers management oversight and investigation review periods with strategic aims to:

Prepare: Reduce harm caused to children & vulnerable persons & make the county a safe place for them to live

Prevent: children & vulnerable persons from becoming victims & prevent repeat victimisation

Protect: Safeguard children & vulnerable persons

Pursue: Prosecute those responsible for offending against children and vulnerable persons

The force should review its use of DVPOs/DVPNs and Clare's Law to ensure it is making best use of these powers to safeguard victims of domestic abuse.

Domestic Violence Protection Notices (DVPN) and their associated Orders (DVPO) have been used to good effect across Norfolk since they became available as an additional response to safeguard victims. Their use remains based upon a high risk assessment by the first attending officer at a Domestic crime, using the DASH question set to inform this risk assessment. The vast majority of DVPNs are awarded following request by Custody Investigation Unit which seeks them as part of their safeguarding responsibilities when dealing with perpetrators arrested for domestic related offences. Norfolk is fortunate to have an embedded legal services team which manages the process through the magistrate's court. The MASH Domestic Abuse Safeguarding Team (DAST) is made aware of the issue of a Notice and monitors to see if that is turned into an Order at Court. It is then part of the safeguarding planning for the vulnerable victim, as well as the gateway to additional support from the IDVA service, provided by Leeway.

The issuing of DVPN/O is in the process of being formally recorded on the Force Crime and intelligence system, Athena, and this recording is being reviewed by CIU Management at the request of the head of CJS. We are also closely monitoring the new Domestic Violence and Abuse Bill as it contains new Domestic Abuse Protection Notices. The widening of the Notice to include Abuse rather than Violence would be welcome.

Clare's Law, or the domestic Violence Disclosure Scheme (DVDS) process has now been fully embedded into the Domestic Abuse Safeguarding Team (DAST) within Norfolk MASH. This places the process at the heart of the multi-agency environment, which aids the prompt formation of the Multi-Agency Panel to discuss and, where appropriate, agree disclosures. There are three main agency representatives on the panel, being the Police, Children's Services and Leeway (a domestic abuse charity), who provide the Norfolk IDVA service. If disclosure is authorised by the Panel then one of the disclosure team within the DAST will make the disclosure face to face, usually alongside one of the IDVAs. This process has recently been subject to review by the Detective Inspector in charge of the DAST team due to the Child Sexual Offences Disclosure (CSODs) process being brought into the Disclosure Team's terms of reference.

PEEL: Police Efficiency 2017

HMIC Overall Judgement: Good

Areas for Improvement

The force should undertake appropriate activities to understand fully its workforce's capabilities, in order to identify any gaps and put plans in place to address them. This will enable the force to be confident in its ability to be efficient in meeting current and likely future demand.

Workforce planning is an ongoing area of development for the force. Current key areas of work are:

- Launch of the new Local Policing Model. The new '2020 model' will help the Constabulary to meet current and future challenges by prioritising the biggest risks to Norfolk's communities, investing in safeguarding, investigations and proactive capabilities.
- Building on the work undertaken in 2016 to centralise workforce data a corporate needs analysis was undertaken, and a force training plan has been completed.
- Detective and Investigators Career Pathway programme has been developed for officers and staff and will be rolled out in 2018.
- A Succession Planning and Talent Identification programme has been drawn up, and will be roll out from February 2018.

PEEL: Police Legitimacy 2017

HMIC Overall Judgement: Good.

Areas for improvement:

The force should improve the quality and timeliness of updates to complainants, including matters of misconduct, in line with IPCC statutory guidance.

Guidance has been made available on the intranet advising those conducting investigations of their responsibility to update complainants every 28 days with meaningful updates and to make a record of all contacts. Contact with complainants is reviewed during the quality assurance process when the complaint is finalised by PSD. Complaints and conduct matters handled within PSD all include a contact log which includes contact with complainants, witnesses and subjects of the allegations.

The force should improve the level of understanding among its workforce so they can identify and respond appropriately to initial reports of discrimination at the earliest opportunity

Guidance on how to investigate allegations involving complaints of discrimination is available on the Professional Standards Department Force intranet site. This guidance also points to the Independent Office for Police Conduct guidance on these matters. Further research of the complaints data is required to establish whether there are lessons to be learned. This is covered within initial recruitment and then refreshed within Personal Safety Training.

The force needs to ensure that selection and promotion processes are open and fair, and are perceived to be so by the workforce.

The National Police Promotion Framework process for Sergeants and Inspectors has been revised and the Constabulary now works with College of Policing in the design of its

assessment exercises. Feedback has been positive following the pilot process in the latter part of 2017. The Recruitment and Selection Code of Practice has been drafted and contains appendices concerning promotion at levels above Inspector, and how to manage acting and temporary appointments. The new promotion process, for more senior ranks is being piloted in Norfolk for Superintendents. Again the Constabulary is working with College of Policing in the design of assessments. Additional work is being undertaken to develop a postings framework that will identify when and how posts, particularly Sergeant posts, should be filled.

The force needs to ensure that the staff performance assessment framework is applied consistently and fairly across the entire organisation and that staff consider it valuable in supporting their development

The PDR process was launched in April 2016 and continues to be developed. A working group with a diverse range of stakeholders is developing this, and running focus groups in their area, for the improved process to go live in April 2018. The overarching aim for the group is to ensure that the PDR process is relevant, not time consuming and appropriate for everyone regardless of their career or development aspirations. Phase 1 of the project is focused upon ensuring that the process is fit for purpose and is being used throughout the organisation, whilst Phase 2 will focus on an online solution to allow easier reporting, tracking and updating of PDRs.

- 4.6.3 Information Management - Following the audit undertaken by the Information Commissioner's Office (ICO) in April 2016 across Norfolk/Suffolk Constabularies, work has progressed to action the recommendations to help reduce the risk of non-compliance with the Data Protection Act. Resourcing levels were reviewed and three temporary appointments, to end March 2019, are in place, addressing the information sharing, auditing and compliance requirements. The audit findings continue to be progressed and managed through the Information Management Steering Group.
- 4.6.4 Information Management dealt with a number of data breaches in 2017 of which none were referred to the Information Commissioner's Office (ICO) as they have either been contained between the relevant parties or not of serious enough impact to warrant referral. All data breaches reported to Information Management are thoroughly investigated and the final report is considered by the respective force Deputy Chief Constable (Senior Information Risk Owner (SIRO)) for a final decision as to whether to refer to the ICO. At present there is no mandatory requirement to refer data breaches to the ICO, however, this will change when the new Data Protection Act 2018 becomes law in May 2018. High risk data breaches have to be referred to the ICO within 72 hours.

4.7 Police and Crime Panel

- 4.7.1 The Police and Crime Panel provides checks and balances in relation to the performance of the PCC and scrutinises the PCC's exercise of his statutory functions. The Panel is independent of the PCC and consists of 3 county councillors, 7 district councillors and 2 independent co-opted members.

4.8 Audit Committee

- 4.8.1 The Committee provides advice, to the PCC and Chief Constable, on audit and governance issues and champions both audit and the embedding of risk management. Specifically, it receives and scrutinises the review of the system of internal control, and agrees and monitors any action plans resulting from those reviews. The Committee regularly reviews its own performance and prepares an annual report for submission to the PCC and Chief Constable.

4.8.2 In addition to this the Committee also examines and considers the draft Annual Governance Statement, and reviews the draft accounts of the PCC and Chief Constable to make recommendations in this respect. Also, it reviews the annual draft Treasury Management Strategy, monitors its application during the year and makes recommendations as appropriate.

4.8.3 Members have continued to receive briefings and training through the year and one vacancy has been filled.

5. Significant Governance Issues

5.1 The significant governance (internal control) issues identified in the 2016/17 Annual Governance Statement have been subject to follow up by Internal Audit. Reconciliation of tax and national insurance deductions relating to 2015/16 remains outstanding; however, payments have been made to HMRC. The latest position is that an 'Earlier Year Update' process will be run and HMRC provided with the correct information on the 70 affected staff records.

5.2 There were eight areas reviewed by internal audit in 2017/18 where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' assurance (Purchase Cards, Data Quality Arrangements for Athena, Absence Management, Management of Police Information [MOPI]), Payroll, Overtime, Expenses and Additional Payments, Corporate Policies and Learning and Development – Skills. Recommendations were made to further strengthen the control environment in these areas and the management responses indicated that the recommendations had been accepted. A summary of the findings in each business area is set out below:

- The Purchase Cards audit has resulted in a 'limited assurance' assessment for 2 years in a row now. The spending on the cards is not material (£93,000 for April to August 2017) and there is no evidence of any inappropriate use of the cards. The 'limited' assessment arises because there were 6 priority 2 and 3 recommendations; all of which are in hand. A full review of the number of cards in use, the spending being charges to the cards and the policy and procedures will be carried out over the next few months
- The Athena Data Quality audit recommendations are more complex and Athena is referenced elsewhere in this report. The audit report contained 4 recommendations (priority 2 and 3).
- The Absence Management audit identified that the various systems in use record sickness in different ways (not user errors). Further training of managers is needed to ensure that rest days and free days are not included within sickness periods (this does not affect reported sickness figures as 'working days lost' exclude rest and free days). Line managers also need to be reminded of the requirement for Attendance Support Meetings and of the option to refer to occupational health.
- Compliance with the Management of Police Information (MOPI) requirements is an issue for all police forces. A project has been underway for some time and software developed to interrogate some 35 systems which hold information. Some manual records need to be transferred to electronic format. The matters identified by Internal Audit are known and a Project Board is in place to oversee the activity.
- The Payroll audit again highlighted the problem described at 5.1 above and also made recommendations about continuing to ensure there is compliance with IR35 (contractors to be paid via payroll) and self-certification of on-call payments where an immediate system change is being implemented.
- Overtime, Expenses and Additional Payments)
- Corporate Policies) awaiting information
- Learning and Development – Skills)

- 5.3 No 'significant' governance issues have been identified this year. In 2016/17 a number of internal audit recommendations made reference to the Enterprise Resource Planning System. A project is underway (commenced May 2017) to ensure that the system is running as efficiently and effectively as possible with business processes aligned and reducing the administrative burden for supervisors and managers.
- 5.4 Even with the additional flexibility available to the PCC for precept increases in 2018/19 and 2019/20, over the medium term, real terms reductions to balance the budget are required to finance inflation, pay awards (the public sector pay cap has been lifted) and operational demand pressures. By the end of the current year some £34m annually recurring savings will have been found. Over the MTFP period 2018/22 a further £9m is estimated to be required. An earlier start was made on the 2018/19 budget and MTFP processes and this gave opportunity for the Chief Constable and PCC to take measured decisions as regards the budget reductions that were required for 2018/19. Operational demands continue to put pressure on the budget and there is expected to be a significant overspending in the budget in 2017/18.
- 5.5 Project Athena remains on the Constabulary Strategic Risk Register. There are strong governance mechanisms in place locally and regionally to manage and monitor Athena risks, issues, developments and changes. The Norfolk and Suffolk Athena Strategic Board oversees all issues and risks as well as monitoring general performance, development of the systems and the Athena change work. Relevant updates are presented to the Joint Organisational Board chaired by the Deputy Chief Constable and all strategic risks and issues also reported into the Joint Chief Officer Team meeting. Regionally the governance matrix extends through the Athena Management Organisation (hosted by Essex) to PCCs and Chief Constables through Athena Management Boards.

Key areas of focus in relation to Athena have included:

- system performance issues (recent upgrades to the system have had noticeable system performance improvements);
- the interface between Athena and Police National Computer (manual workarounds have been implemented whilst system developments are being designed and rolled out to permanently resolve the issues);
- data quality (regular monthly audits are undertaken to identify any issues and ensure crime data integrity, reporting into Chief Officers); and
- the ability to access, query and extract management information (two change control notices have been developed and are being considered through the regional Athena governance mechanisms in order to provide alternate management information functionality and local options are also being considered).

6. Assurance Summary

- 6.1 The Corporate Governance Working Group has concluded that the governance arrangements are fit for purpose in accordance with the governance framework. Those areas to be specifically addressed are set out in Section 5 above.
- 6.2 Finally, we are satisfied that this report is an accurate commentary on the governance arrangements in place in the Constabulary and the OPCC and of their effectiveness during this period.

Signed

Lorne Green
Police and Crime Commissioner for Norfolk

Simon Bailey QPM
Chief Constable of Norfolk

Mark Stokes
Chief Executive
Office of the Police and Crime Commissioner

John Hummersone FCPFA
Chief Finance Officer

Date: xx xx 2018

Signed on behalf of the senior staff of the Police and Crime Commissioner for Norfolk and on behalf of the Chief Officers of Norfolk Constabulary.



Audit Committee Forward Work Plan

14 June 2018 (13:00 hours) Private (informal meeting)

Draft Statements of Accounts 2017/18	Reports from CFO
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30 July 2018

Welcome and Apologies	
Declarations of Interest	
Minutes of meeting 17 April 2018	
Internal Audit 2018/19 Progress Report (including outstanding reports from 2017/18)	Report from Head of Internal Audit
Final Accounts 2017/18 Approval including External Auditor's Audit Results Report	Reports from CFO and E&Y
Forward Work Plan	Report from CFO

23 October 2018

Welcome and Apologies	
Declarations of Interest	
Minutes of meeting 30 July 2018	
Internal Audit 2018/19 Plan update and follow-up Report	Report from Head of Internal Audit
Strategic Risk Register update	Report from Chief Exec and CC
Forward Work Plan	Report from CFO

15 January 2019

Welcome and Apologies	
Declarations of Interest	
Minutes of meeting 23 October 2018	
Audit Committee Terms of Reference	Report from CFO
Internal Audit 2018/19 Plan update 2019/20 Internal Audit Plan (draft)	Reports from Head of Internal Audit
External Audit 2017/18 Accounts Annual Audit Letter 2018/19 Audit Plan	Reports from Director, E&Y
Treasury Management 2018/19 Half Year Update 2019/20 Strategy	Report from CFO
Strategic Risk Register Update	Report from Chief Exec and CC
Forward Work Plan	Report from CFO

16 April 2019

Welcome and Apologies	
Declarations of Interest	
Minutes of meeting 15 January 2019	
Internal Audit 2018/19 Progress Report and Follow Up Review 2018/19 Annual Report 2019/20 Internal Audit Plan (Final)	Reports from Head of Internal Audit
Annual Governance Statement 2018/19	Report from CFO
External Audit Plan 2018/19	Report from Director, E&Y
Strategic Risk Register update	Report from Chief Exec and CC
Forward Work Plan	Report from CFO

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OFFICE OF THE POLICE & CRIME
COMMISSIONER FOR NORFOLK



NORFOLK
CONSTABULARY
Our Priority is You

ORIGINATOR: Chief Finance Officer

REASON FOR SUBMISSION: For Overview

SUBJECT: Risk Management – OPCC and Constabulary

SUMMARY:

The report presents the latest Strategic Risk Registers for the Constabulary and the OPCC.

RECOMMENDATION:

The Committee is asked to review and raise any questions.

1. Introduction

- 1.1 At each meeting the Committee receives the latest strategic risk registers for the Office of the PCC and the Constabulary.
- 1.2 Recent discussions at the Committee have focused on:-
- How strategic risks are identified
 - Scoring pre and post counter measures
 - Controls assurance
- 1.3 The Risk Manager is leading some work, with input from TIAA, to consider the above points with a view to the system delivering clearer information on the status of strategic risks with assurance that they are being adequately managed.
- 1.4 It is hoped to engage the Committee informally prior to finalisation of this work.

2. Background

- 2.1 Risk evaluation is the **likelihood** or probability of a risk actually happening and how often it may arise which is considered against the **impact** or the evaluation of a risk if it actually occurs. Once this has been considered a risk is then scored using the Risk Score Matrix as set out below:

RISK SCORE MATRIX		LIKELIHOOD			
		Remote Possibility (1)	Possible (2)	Likely (3)	Almost Certain (4)
IMPACT	Critical Impact (4)	4	8	12	16
	Serious Impact (3)	3	6	9	12
	Marginal Impact (2)	2	4	6	8
	Negligible Impact (1)	1	2	3	4

- 2.2 The OPCC Strategic Risk register (Appendix A) is monitored by the Chief Executive and the OPCC Senior Management Team.
- 2.3 The Constabulary Joint Strategic Risk Register (Appendix B) is presented on the following basis:-
- Responsibility for integrating risk management into normal working practice lies with the Senior Management Team of each command or department through their own departmental risk registers. These are collated, reviewed and analysed on a monthly basis by the Risk & Compliance Manager. All

risks scoring 9 or above are then reported through Organisational Board and then by exception to the Joint Chief Officer Team (JCOT) meeting.

- The Norfolk and Suffolk Joint Strategic Risk Register is attached at Appendix B. These risks are identified through Chief Officer meetings and reported to the Risk & Compliance Manager to monitor and report on.

2.4 Current risks contained with the Joint Strategic Risk Register are being appropriately managed through identified control measures and robust monitoring. All risks are assessed and given an initial (or inherent) score based on the level of impact and likelihood at the time they are placed on the risk register. Control measures are then put in place to try and manage the risk to a more acceptable level. The risk is given a secondary (or residual) score which should reflect whether the controls are sufficient to reduce the risk. If not then further work will be required. Whilst some risks will remain static for a period of time, it is anticipated as revised or new control measures are put in place, these will further reduce the level of risk.

2.5 The Joint Strategic Risk Register attached at Appendix B was presented to the Joint Chief Officer (JCOT) meeting on 12th March 2018. Two new risks have been added since the last reporting period; item 10 in relation to compliance with GDPR and the new Data Protection Act 2018 and item 11 concerning the ability to secure motor insurance cover and implement and install telematics by 1st October 2018. Further details on these risks and the remaining risks are set out below:

- **Risk 1 and 2 - Risk of not being able to meet operational and financial commitments and ability to manage the capital programme with reducing resources – risk level 9 (medium amber):**

Following the police funding settlement announcement in December 2017, the grant for 2018/19 was kept at the same cash level as the previous year. The Norfolk PCC consulted on precept options after the Government raised the precept cap and the majority of respondents were in support of the £12 per annum rise. Even though the settlement and precept increase was better than anticipated, the joint space is still required to deliver savings of £3.7m in 2018/19 and the Norfolk local policing model required to make savings of £1m.

A new fortnightly meeting schedule was therefore put in place in January 2018 to ensure a much more rigorous approach is taken regarding business cases and benefits realisation/return on investments. The increased monitoring and reporting through Organisational Board will drive the business change needed to deliver the required savings and the updated change programme.

Planned contributions to reserves are required in 2019/20, 2020/21 and 2021/22 and the risks around capital planning and funding form part of the new MTFP. Initial discussions have taken place with Link, the Constabulary's Treasury Management Consultants, about the timing of long-term borrowing requirements and recently more discussions have taken place between Norfolk CFO, Head of Finance and Head of Financial Accounting and Specialist Functions on this issue.

This is likely to remain a long term risk due to the future uncertainty around funding, budget management and savings realisation.

Risk 3 – Risk of insufficient capacity and resources to implement and deliver future local, regional and national change programmes – risk level 6 (medium/low yellow):

A revised governance structure has been put in place which will ensure all new work requests or requests for change are considered by the monthly Strategic Planning & Monitoring (SP&M) meeting chaired by the DCC and comprising representatives from HR, ICT, Finance and Change Management. This will ensure all work, including existing and planned projects, are considered and prioritised against the regional 7 force and national criteria, while taking account of local priorities. SP&M reports into Organisational Board and JCOT to ensure monitoring and compliance is maintained whilst balancing conflicting national, regional and local change requirements.

As the new governance structure and processes embed and become business as usual, it is hoped the likelihood and level of risk can be further reduced.

- **Risk 4 – Inability to recruit sufficient numbers to the Special Constabulary – risk level reduced to 6 (medium/low yellow):**

A minimum of 16 hours duty per month is expected from Special Constables. Current figures show an average of 29.2 hours per active officer which is well above national best practice.

A new recruitment strategy and action plan is being progressed which includes a proposal for assessment centres to be run across the county and enhanced recruitment evenings to provide potential candidates with greater insight into the role of a Special Constable. A Specials and Volunteers Working Group, chaired by the T/ACC Local Policing, has been established to oversee and provide strategic direction of work and increase establishment. This includes a redesign and modernisation of Special Constabulary marketing products. The Special Constabulary Manager is also working with HR to progress a new recruitment plan which includes a review of the induction process and retention of existing Specials.

It is anticipated as plans are progressed by the Specials and Volunteers Working Group, the Special Constabulary Manager and HR managers, this risk will continue to reduce.

- **Risk 5 – Organisational and operational impact of Athena post implementation – risk level 9 (medium amber):**

Northgate Public Services (NPS) are rolling out a number of service management updates to Athena designed to upgrade the system architecture to resolve system performance issues. The first two were deployed on 12th Feb and 12th March and two further upgrades planned overnight on 9th and

16th of April. There has been a noticeable performance improvement in the live system.

Despite the above, the ability to access and extract Management Information (MI) and Data Quality (DQ) are causing significant issues for JPAD. Managing operability and access issues are also having an operational impact on PNC records (court bail records being removed or changed).

As part of a MI solution, two changes notices are being considered in relation to replacing the existing MI environment. This is a considerable work stream for both the NPS and internal resources, including ICT.

An action plan has been constructed by Force PNC representatives with the Athena Management Organisation (AMO) and NPS regarding the issues with the Athena/PNC interface. It is hoped some fixes will be in version releases later this year; V5.3 is due in June 2018 and V6 towards the end of the year. There are manual workarounds being completed by PNC and this matter is subject of an Athena SIRO report.

For strategic risk reporting the current risk score and position overall across the Constabulary is considered to be a medium amber 9 when taking account the considerable improvements and savings achieved post implementation and the work of the Athena project team. However, noted on departmental risk registers as higher grade risks are the specific elements regarding MI extraction, Data Quality and PNC changes, all of which are being progressed via the Athena Strategic Board chaired by the DCC and the Athena User Group.

The organisational and operational impact of MI, DQ and PNC will continue to be closely monitored and managed as the long term impact is likely to remain.

- **Risk 6 – Non-compliance with MoPI – risk level 9 (medium amber):**

A Senior Information Risk Owner (SIRO) report has been issued to articulate the current information risks following delivery of Phase 1. Richard Strauch (Infoshare) has configured the first two systems within ClearCore and David Caley (Software Initiatives) is working with him on the integration set up. A records transfer test from Norfolk CRICS and Suffolk CIS into ClearCore has provided invaluable information.

David Caley continues to progress interface development between Genie and ClearCore and following ICT intervention will be asking Records Management to commence testing/reviewing and matching records.

Until all phases of the project are delivered, the Constabulary will remain MoPI non-compliant, however this is complex work linking to many systems and work will continue throughout 2018.

The level of risk is therefore likely to remain but all efforts are being made to reduce it further.

- **Risk 7 – Failure to fully exploit ERP and its component systems – risk level 8 (medium amber):**

A review of current ERP utilisation, the modules required (recruitment), improvements to management information and DMS operation has been undertaken. This has highlighted the key areas for progression including implementation of changes to business processes as indications are that ERP is not be used as designed in some areas. A change to business processes will be also be required to enable future proposals for a Shared Service Transactional Centre (SSTC) to operate effectively. Key to this work will be the support from senior managers to agree the required changes and provide resources to assist with implementation of business process changes.

This risk remains static at amber 8; however it is hoped it will be further reduced as work is progressed by David Slater, the ERP Programme Delivery Manager.

- **Risk 8 – Risk of terrorist attack as the national threat level to police and UK remains at severe – risk level 9 (medium amber):**

Operation Skilgate remains in place and has been activated twice following the attacks in Manchester and London. Plans were effective and modified as a result of learning presented. Table Top Exercises (TTX) are regularly conducted in Norfolk and Suffolk enabling officers and staff to receive national updates, test plans using terrorist scenarios and identify areas of improvement and development through lessons learned logs. ACC Megicks provides strategic oversight as Gold Commander and regular Silver Command meetings are held to monitor the current situation.

Until the threat of an attack is reduced nationally, this risk will remain.

- **Risk 9 – HMIC Crime Data Integrity (CDI) inspection and compliance with NCRS – risk level 9 (medium amber):**

T/ACC Sanford chairs monthly CDI meetings and all local policing inspectors carry out monthly audits and provide feedback on areas of improvement direct to officers. Training also continues to be delivered to frontline officers to improve their knowledge of the National Crime Recording Standards. It has been recognised that the structure and processes in CCR may contribute towards the CDI challenges; therefore the Norfolk 2020 team has been tasked with undertaking a CCR review in the next phase of their work.

The Deputy Crime Registrar maintains a high level of oversight to ensure compliance with NCRS and South Wales Police, which has recently been rated 'good' by HMICFRS, will be visited to identify areas of good practice and compliance.

Due to the level of likelihood and impact, this risk is likely to remain at its current level despite rigorous controls and monitoring in place.

- **Risk 10 – Non-compliance with GDPR and the new Data Protection Act which comes into effect on 25th May 2018 – risk level 12 (high red):**

Nationally, templates, guidance material and action plans are being produced which will ensure consistency across the service and help inform local activity and action plans. The Information Commissioner's Office (ICO) has issued a self-assessment and 12 step checklist which forms part of the larger National Implementation Plan.

Information Management has set up a DP Reform Project lead by Hayley Youngs and this work will be overseen by the DCC. A DP Reform Risk Register is being produced which will detail areas/gaps that require attention and the ICO self-assessment has also been completed.

The College of Policing (CoP) is preparing an NCALT training package for dissemination to forces (anticipated early May).

All suppliers with contracts that may involve processing personal data have been contacted by Procurement in preparation for contract amendment.

Assistance is being provided from CD&C, Corporate Communications and departmental SPOCs to help drive forward implementation, including internal training and a communications plan.

This risk currently rated at red 12 at both the initial level and residual level due to the close proximity of 25th May 2018 implementation. National Guidance is still awaited and the DP Bill has not yet received Royal Assent. It is therefore too early to gauge the effectiveness of the control measures currently in place.

- **Risk 11 – Ability to secure Motor Insurance Cover either through SEERPIC Eastern Region insurance consortium or jointly as Norfolk/Suffolk - risk level 16 (very high red):**

Significant work is going on within the South East and Eastern Region Police Insurance Consortium (SEERPIC) working group and the SEERPIC board to address these issues and this includes working with the insurance broker (JLT) to explore what options there are to mitigate these risks as much as possible and demonstrate this to the market.

The motor tender process would need to start by June 2018, and SEERPIC Board is considering engaging with an experienced consultant to help produce an implementation plan that will demonstrate robust plans around SEERPIC reducing their risk profile and making better use of telematics as part of this solution. The Board is also considering tendering in "lots" either as 10 lots in one process, or risk based groupings.

The commercial procurement team is working through a process to try and reduce the time it takes to aware and telematics solution.

A telematics project is in place and will explore options and the viability of achieving a 1st October 'go-live'. ACC Kearton has been appointed Senior Responsible Officer (SRO) and Mark Davy, Head of Transport Services, the Business Lead.

This risk has only recently been placed on the risk register and is rated 16 within both scoring sets as the control actions currently in place are in their infancy and have not sufficiently progressed to reduce the risk level. Once the decision on 'lots' is taken and reflected in the tender (therefore recognising Norfolk and Suffolk as low risk forces), the consultant is engaged and working on the plan and deadlines for the telematics solution are being met, it is hoped the level of risk will start to reduce.

3. Recommendation

- 3.1 The Committee is asked to note the work in progress as detailed in Section 1 and review the risk registers.

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JOINT STRATEGIC RISK REGISTER (March 2018)

(RISKS - An uncertain event (or events) which, should it occur, will have an effect on the achievement of objectives)

RESTRICTED

(Updates since last reporting period shown in blue)

No	Category	Norfolk/Suffolk/Joint	Owner	Date Added	Risk	Risk Description	Likelihood	Impact	Score (Inherent)	Risk Control/Counter measure	Likelihood	Impact	Score (Residual)	Response	Risk status
1	Financial	Joint	ACO Hummersone/ CFO Bland	Feb-17	The risk of not being able to meet operational and financial commitments.	<ul style="list-style-type: none"> With no let up in austerity measures from the Government, the PCC/Constabularies will need to identify budget reductions year on year. An approach to mitigate the risks identified in the current MTFP and any new pressures emerging in preparation for the new MTFP to 2021/22 will need to be developed. Any slippage on the change programme will need to be monitored. The additional 1% pay award for officers will place a further strain on finances and budget management. The pay award for staff is assumed to be the same for planning purposes but is due to go to ballot. 	4	3	12	<p>The Government announcement on the police funding settlement was made on 19th December along with the announcement on referendum principles for Council Tax precept limits.</p> <p>The grant for 2018/19 was kept at the same cash level as 2017/18, and the precept cap was raised to a maximum of £12 per year for each force.</p> <p>Both the Suffolk PCC and Norfolk PCC consulted on precept options going up to the £12 p.a. option. A majority of respondents in support of the £12 p.a. rise.</p> <p>Even though the settlement and precept increase was better than previously planned, the joint space is still required to deliver savings of £3.7m in 2018/19 and both local policing models are required to make savings (Norfolk £1m; Suffolk £0.7m).</p> <p>A new fortnightly meeting schedule is in place from Jan 2018 that will drive the business change required to deliver the revised and updated change programme.</p> <p>Planned contributions to reserves are required for both forces in 2019/20, 2020/21 and 2021/22 and the risks around capital funding form part of the new MTFP.</p>	3	3	9	Tolerate	↔
2	Financial	Joint	ACO Hummersone/ CFO Bland	Oct-17	The risk of not being able to manage the capital programme with reducing resources.	<ul style="list-style-type: none"> The impact of the growing capital programme, on the estate but also particularly for the investment in short term assets (e.g. BWV, Mobile Working, ANPR etc etc). The “cash flat” settlement and the capital grant from government being halved is putting acute pressure on reserves and requirements to borrow over the medium-term and beyond. This will increase the savings requirement for the constabularies for the foreseeable future and therefore increase the budget gap (the risk was identified in last year’s MTFP but the revised capital programme has seen further growth). A detailed, and stringent invest to save approach needs to be adopted in regard to the capital programme, and planning for financing the programme needs to be developed beyond the life of the medium-term financial plan. 	3	4	12	<p>As part of this new process there will be a much more rigorous approach to business cases and benefits realisation/return on investments. The new fortnightly meeting process and increased reporting to Organisational Board will ensure robust monitoring is maintained.</p> <p>Capital planning has been a key part of the financial planning process for the new MTFP. Financing considerations have been extended to 20 years after the life of the new MTFP.</p> <p>Initial discussions took place with Link, our Treasury Management consultants about the timing of long-term borrowing requirements and recently more discussions have taken place between Norfolk CFO, Head of Finance and Head of Financial Accounting and Specialist Functions on this issue. At this point Suffolk does not need to have additional long-term borrowing.</p> <p>A revised approach needs to be taken to make more robust the invest to save issues at Business Case stage rather than, in some cases, post implementation phase.</p>	3	3	9	Treat	↔
3	Financial	Joint	DCC Jupp/ DCC Dean	Oct-17	Risk of insufficient capacity and resources to implement, deliver and manage current and future local, regional and national change programmes.	<ul style="list-style-type: none"> There is a large amount of change already underway within both Constabularies and this is due to increase with proposed National programmes, 7 Force Regional work and within local change programmes (Norfolk 2020, Suffolk 2025). There is a risk of insufficient financial and ICT capacity and resources to implement, manage and deliver conflicting proposals against an increasing volume of projects and national/regional demand. Communication and information will be essential to ensure all work demands are captured and effectively and efficiently managed. 	4	3	12	<p>A new governance structure is in place that looks to ensure all new work requests and/or requests for change are considered as part of a group (strategic planning & monitoring) chaired by the DCCs and consisting of representatives from HR, ICT, Finance and Change to ensure that the work is considered and prioritised against the 7 Force and national criteria while taking account of local priorities. The group reports into Organisational Board and JCOT.</p> <p>Prioritisation of projects will be managed through the monthly Strategic Planning & Monitoring (SP&M) meeting, reporting into JCOT and will take account of existing departmental and project/programme plans, priorities and balancing conflicting national, regional and local change requirements.</p> <p>Each business case will attract a cost for additional ICT staff where timescales are beyond ICT capacity to deliver. This will be robustly managed through SP&M, Organisational Board and JCOT reporting.</p>	2	3	6	Treat	↔

No	Category	Norfolk/ Suffolk/ Joint	Owner	Date Added	Risk	Risk Description	Likelihood	Impact	Score (Inherent)	Risk Control/Counter measure	Likelihood	Impact	Score (Residual)	Response	Risk status
4	HR / Resources	Norfolk	T/ACC Sanford	Sep-17	The risk is inability to recruit sufficient numbers to the Special Constabulary.	<ul style="list-style-type: none"> Current membership of Specials - approximately 200 volunteers. Links with PCC plan to increase visible policing. There is a need to debate the re-framing of a recruitment target to recognise the high level of hours given by the current establishment and its contribution to visibility. 	4	3	12	<p>A minimum of 16 hours per month in line with national best practice is expected. Current figures show an average of 29.2 hours per active officer per month.</p> <p>A recent Special Constabulary assessment centre resulted in 20 successful applicants.</p> <p>A new recruitment strategy and action plan is being worked on which contains proposals for assessment centres to run across the county making it easier for potential applicants to attend.</p> <p>As part of future plans, the recruitment evenings run by the Special Constabulary manager will be enhanced to provide potential candidates with greater insight into the work and role of a Special Constable.</p> <p>A Specials & Volunteers Working Group led by the T/ACC Local Policing has been established to oversee and provide strategic direction of work to increase Special Constabulary numbers.</p> <p>A redesign and modernisation of Special Constabulary marketing products and the approach taken is underway.</p> <p>The new HR Senior Recruitment/Workforce Manager and HR Recruitment Manager have commenced in post and are working with Special Constabulary Managers to progress recruitment plans which includes a review of the induction process.</p>	2	3	6	Treat	↓
5	Technology	Joint	DCC Jupp/ DCC Dean	2016	Organisational and operational impact of Athena post implementation could lead to compliance, reputational and operational risks.	<ul style="list-style-type: none"> Implementing Athena alongside an extensive programme of change requiring interoperability with existing systems and processes. Managing operability and access issues is having an operational impact on PNC records (court bail records being removed/changed). The ability to access, query and extract Management Information (MI) and Data Quality (DQ) are causing significant issues for JPAD and the wider constabularies in terms of performance reporting and ensuring statutory compliance with data provision. Data quality issues are also impacting on analysis and having an effect on intelligence, performance, operational effectiveness etc. 	4	3	12	<p>Service Management - Northgate Public Services (NPS) are rolling out a number of Service Management Updates to Athena designed to upgrade the system architecture to resolve System performance issues. The first two were deployed 12th Feb and 12th March and two further upgrades planned overnight 9th and 16th of April. There has been a noticeable performance improvement in the live system.</p> <p>MI - Two CCN's are being considered in relation to replacing the existing MI environment, the stability of this system and the performance have been long term issues. This is a considerable work stream for both the NPS and internal resources, including ICT.</p> <p>PNC - An action plan has been constructed by Force PNC representatives with the AMO and NPS regarding the issues with the Athena/PNC interface, it is hoped some fixes will be in version releases later this year; V5.3 is due in June 2018 and V6 towards the end of the year. There are manual workarounds being completed by PNC staff that are resource intensive to mitigate data quality issues. This matter is subject of a Athena SIRO report.</p> <p>The current risk score and position overall across both forces is considered to be an amber 9 when taking account the considerable improvements and savings achieved across both organisations post implementation and the work of the Athena project team. However, noted on departmental risk registers are specific elements regarding MI extraction, Data Quality and PNC changes, all of which are being progressed via the Athena Strategic Board chaired by the DCC and the Athena User Group. These are showing a current risk score of 16, 12 and 12 respectively.</p>	3	3	9	Treat	↔

No	Category	Norfolk/Suffolk/Joint	Owner	Date Added	Risk	Risk Description	Likelihood	Impact	Score (Inherent)	Risk Control/Counter measure	Likelihood	Impact	Score (Residual)	Response	Risk status
6	Legal, National Standards & Policy	Joint	DCCs	Jun-16	Risk is non-compliance with MoPI (crime related information assets)	<ul style="list-style-type: none"> Both forces remain non-MoPI (RRD) compliant until the delivery of Genie and Clearcore (DQ tool) software and the essential deletion of source records is complete. The introduction of NLED (National Law Enforcement Data) will evidence those forces which are not MoPI/RRD compliant. Following the HMIC reports 'mistakes were made' and 'Building the Picture' all forces have been sent recommendations for MoPI(RRD) compliance. 	4	3	12	<p>A SIRO report has been issued to articulate the current information risks following delivery of Phase 1 (with the exception of some remaining crime relating systems).</p> <p>Richard Strauch (Infoshare) has configured the first two systems within ClearCore and David Caley (Software Initiatives) is working with him on the integration set up. A records transfer test from Norfolk CRICS and Suffolk CIS into ClearCore has provided invaluable information.</p> <p>David Caley continues to progress interface development between Genie and ClearCore and following ICT intervention will be asking Records Management to commence testing/reviewing and matching records.</p> <p>Phase 1.1, 2 and 3 of the project deliverables remain to bring the Constabulary compliant from a MoPI RRD perspective. This is complex work linking to many systems but will remain ongoing through 2018.</p> <p>The NLED programme nationally is led by CC Sara Thornton and progress is being monitored by Hayley Youngs and the Information Management Team.</p> <p>The HMIC recommendations are under constant review by the Information Management Team to ensure compliance.</p>	3	3	9	Tolerate	↔
7	Technology	Joint	DCC Dean/ACO Hummersone	Jan-17	Failure to fully exploit ERP and its component systems ie. DMS	<ul style="list-style-type: none"> There are many workarounds in place which may be having a detrimental effect upon the stability of the system. Knowledge of the system is poor and there is no manual or guide to show how the system should be used. Business processes were not mapped at implementation so have developed organically through those using the system based on knowledge of what needs to be done and not what the system can do. 	4	3	12	<p>David Slater has completed a review of how ERP is currently being utilised, modules required (recruitment), improvements to management information and utilisation of DMS.</p> <p>A key area for progression is implementation of changes to business processes as following initial review by CD&C, indications are ERP is not being used as designed in many areas.</p> <p>A change to business processes will also be required to enable future proposals for a Shared Service Transactional Centre (SSTC) to operate effectively.</p> <p>Key to this work will be the support from senior managers to agree the required changes and provide resources to assist with implementation.</p> <p>DCC Dean continues to chair the ERP & Shared Services Programme Board which oversees the overall programme of work.</p> <p>The ERP Management Group has been formed to manage the changes to the ERP system on behalf of CFO Hummersone (ERP System Owner).</p>	2	4	8	Tolerate	↔
8	Operational	Joint	ACC Megicks	May-17	Risk of terrorist attack and raising of threat level to critical	National threat level to police and UK remains at severe - an attack is highly likely, although no specific intelligence suggesting an attack in Norfolk or Suffolk is imminent.	3	4	12	<p>Op Skilgate has been activated in Norfolk and Suffolk twice following attacks in Manchester and London during 2017. The plans were effective and were modified as a result of the learning presented.</p> <p>Table Top Exercises (TTX) are regularly conducted in Norfolk and Suffolk enabling officers and staff to receive national updates, test plans using terrorist scenarios and identify areas of improvement and development through lessons learned logs. The latest TTX was undertaken on 4th April 2018 and a further is planned for 4th October 2018. A regional Tier 3 CT exercise also took place in November 2017.</p> <p>Silver Command meetings are held every 6 weeks so that plans can be improved and refined based on new national guidance and local learning.</p>	3	3	9	Treat	↔

No	Category	Norfolk/Suffolk/Joint	Owner	Date Added	Risk	Risk Description	Likelihood	Impact	Score (Inherent)	Risk Control/Counter measure	Likelihood	Impact	Score (Residual)	Response	Risk status
9	Legal, National Standards & Policy	Norfolk	DCC Dean/ T/ACC Sandford	Jul-17	Risk of failure of HMICFRS CDI inspection and compliance with NCRS.	<ul style="list-style-type: none"> Based on current checks, there is a likelihood of HMICFRS CDI inspection outcome of 'inadequate' or 'requires improvement' due to timeliness of crime recording, victim and crime information reporting, a current inability to capture crime at the first point of contact, interpretation of crime recording rules and lack of supervisory checks at point of closure of an incident. Audit findings indicate the compliance rate is below the standard required by HMIC for incidents of 'Violence' and 'Other Crime'; however, a higher level of compliance is found on Sexual and Rape investigations. 	4	3	12	<p>All local policing inspectors carry out monthly audits and provide feedback on areas of improvement direct to officers. A further Hate Crime briefing blog by T/ACC Sandford has been issued to officers.</p> <p>It is recognised that the structure and processes in CCR may contribute towards the CDI challenges, therefore Norfolk 2020 have been tasked with undertaking a CCR review in the next phase of their work early in the new year.</p> <p>Training has been rolled out to all frontline officers to improve their knowledge of the National Crime Recording Standards.</p> <p>T/ACC chairs monthly CDI meetings to monitor and review. CDI is a standing TCG agenda item.</p> <p>Deputy Force Crime Registrar maintains a high level of oversight of sexual, including rape, reports to ensure compliance with NCRS.</p> <p>Funding for one additional FTE to continue working to the Force Crime Registrar has been agreed for FY 2018/19.</p> <p>South Wales Police, which has recently been rated 'Good' by HMICFRS, is being visited to assist with identifying good practice and system/structural delivery of CDI compliance.</p>	3	3	9	Treat	↔
10	Legal, National Standards & Policy	Joint	DCC Jupp/ DCC Dean	Jan-18	Non-compliance with GDPR and new Data Protection Act 2018 could result in penalties, legal action and reputational risk.	<p>EU General Data Protection Regulation (GDPR) and Law Enforcement Directive, collectively will be the new Data Protection Act 2018 (DPA 18). There is a risk that Norfolk and Suffolk will not have the necessary changes in place or be compliant with all elements of the DPA 18 which comes into effect on 25th May 2018.</p> <p>All forces must be compliant with DPA 18, which includes new data rights and other obligations by 25th May and failure to do so could invoke enforcement action and/or a civil monetary penalty.</p> <p>The Data Protection Bill has been published and is progressing through Parliament machinations and readings.</p>	3	4	12	<p>NPCC has a National Working Party in place with national leads for key areas and workstreams. National Action plans are being progressed which will help inform local activity and action plans. National guidance is however still awaited.</p> <p>The Information Commissioner's Office (ICO) has produced a self-assessment and general guidance to assist with compliance together with a 12 step checklist to help organisations prepare for the DPA 18. Detailed guidance is however still awaited.</p> <p>The College of Policing (CoP) is preparing an NCALT training package for dissemination to forces (anticipated early May).</p> <p>Information Management have set up a DP Reform Project lead by Hayley Youngs and a DP Reform Risk Register which will detail areas/gaps that require attention. An ICO self-assessment has been completed.</p> <p>All suppliers with contracts that may involve processing personal data have been contacted by Procurement in preparation for contract amendment.</p> <p>Assistance is being provided from CD&, departmental SPOCs and Corporate Communication to help drive forward implementation, including internal training and a communications plan.</p>	3	4	12	Tolerate	↑

No	Category	Norfolk/Suffolk/Joint	Owner	Date Added	Risk	Risk Description	Likelihood	Impact	Score (Inherent)	Risk Control/Counter measure	Likelihood	Impact	Score (Residual)	Response	Risk status
11	Legal, National Standards & Policy	Joint	CC Bailey/ CC Wilson	Mar-18	Risk of Norfolk and Suffolk Constabularies not being able to secure motor insurance cover, either through the SEERPIC Eastern Region insurance consortium or jointly as Norfolk/Suffolk. (NEW)	<p>The current insurers, Zurich, are making a loss and therefore the viability of insurance through SEERPIC will need to be explored.</p> <p>Zurich and other insurers have indicated that before they will offer any insurance, there is a requirement to procure and install video recording and telematics in a large proportion of police vehicles by 1st October 2018.</p> <p>There is also a requirement to monitor driver behaviour and take necessary corrective action.</p>	4	4	16	<p>Significant work is going on within the SEERPIC working group and the SEERPIC board to address these issues and this includes working with the insurance broker (ILT) to explore what options there are to mitigate these risks as much as possible and demonstrate this to the market.</p> <p>The motor tender process would need to start by June 2018, and SEERPIC Board is considering engaging with an experienced consultant to help produce an implementation plan that will demonstrate robust plans around SEERPIC reducing their risk profile and making better use of telematics as part of this solution. The Board are also considering tendering in "lots" either as 10 lots in one process, or risk based groupings.</p> <p>The Commercial Procurement team are also going through a process to reduce the time it takes to award a contract for the Suffolk and Norfolk telematics solution. In addition the project team are looking at how they could accelerate implementation and widen remit to all eligible vehicles.</p> <p>A telematics project is in place and will explore options and the viability of achieving a 1st October 'go-live'. ACC Kearton has been appointed Senior Responsible Officer (SRO) and Mark Davy, Head of Transport Services, the Business Lead.</p>	4	4	16	Treat	↑

Category Key:

- Operational
- HR / Resources
- Technology
- Governance
- Legal, National Standards & Policy
- Financial

Operational	OPERATIONAL	Norfolk	Terminate
HR / Resources	Communication	Suffolk	Treat
Technology	Management Information	Joint	Tolerate
Governance	Data Quality		Transfer
Legal, National Standards & Policy	Service Provision		
Financial	HR / RESOURCES		
	Health, Safety & Welfare		
	Recruitment & WFP / Succession Planning		
	L&D		
	Skills		
	TECHNOLOGY		
	Integration		
	Performance / Development		
	Information Security		
	Threats		
	GOVERNANCE		
	Goals / Objectives		
	Integrity, Assurance & Compliance		
	Communication		
	LEGAL, NATIONAL STANDARDS & POLICY		
	Regulatory		
	Contractual		
	Policy		
	HMIC		
	FINANCIAL		

Budget Pressure
Procurement
Systems / Processes

(Terminate (avoid activity))	LIVE	↕
(Treat (reduce uncertainty/likelihood and impact))	CLOSED	⇓
(Tolerate (within tolerance levels)) (Transfer (transfer risk))	NEW	↔

RISK SCORE MATRIX		LIKELIHOOD			
		Remote Possibility (1)	Possible (2)	Likely (3)	Almost Certain (4)
IMPACT	Critical Impact (4)	4	8	12	16
	Serious Impact (3)	3	6	9	12
	Marginal Impact (2)	2	4	6	8
	Negligible Impact (1)	1	2	3	4