



OFFICE OF THE POLICE & CRIME  
COMMISSIONER FOR NORFOLK



**NORFOLK**  
CONSTABULARY  
*Our Priority is You*

## **AUDIT COMMITTEE**

**Tuesday 30 July 2019 at 2.00pm**  
**Filby 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 the meeting held on 16 April 2019
4. Internal Audit – report from Head of Internal Audit (TIAA)
5. Statement of Accounts 2018/19 – sign off
  - CFO's covering report
  - Updated and highlighted PCC / Group Accounts (Appendix 1)
  - Updated and highlighted CC Accounts (Appendix 2)
  - Annual Governance Statement 2018/19 (Appendix 3)
  - Audit Results Report – Ernst and Young LLP (Appendix 4)
6. Forward Work Plan – Report from Chief Finance Officer

### **Part 2 – Private Agenda**

7. Strategic Risk Register Update
8. Date of Next Meeting: Tuesday 22 October 2019 at Broadland District Council

9. Dates of future meetings:-

14 January 2020  
14 April 2020  
9 June 2020 (*informal meeting*)  
28 July 2020  
20 October 2020  
12 January 2021

**Enquiries to:**

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

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# **Audit Committee Meeting**

**Tuesday 16 April 2019**

**1400 hours**

**Wroxham Room, Jubilee House, Falconers Chase,  
Wymondham**

## **MINUTES**

### **Members in attendance:**

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

### **Also in attendance:**

Mr L Green	Police and Crime Commissioner
Mr M Stokes	Chief Executive, OPCC
Mr P Jasper	Assistant Chief Officer
Mr P Sanford	T/Deputy Chief Constable
Mr C Harris	Head of Internal Audit, TIAA
Ms F Dodimead	Audit Director, TIAA
Ms Jill Penn	Chief Finance Officer, OPCC

### **Part 1 – Public Agenda**

#### **1. Welcome and Apologies**

- 1.1 The Chair welcomed members to the meeting and welcomed Jill Penn who has joined the PCC's office as Chief Finance Officer.
- 1.2 Apologies were received from M Hodgson and S Powell from Ernst & Young LLP.

## **2. Declarations of Personal and/or Prejudicial Interests**

- 2.1 It was noted that as of 31 March 2019 Mr P Hargrave is no longer the chair of the Audit Committee for the James Paget Hospital. It was also noted that Ms A Bennett is on the Audit Committee for the Saffron Housing Association. The Register of Interests will need to be updated with these changes. It was confirmed by the Chair that there were no items on the Agenda that could represent a potential conflict.

### **Action:**

**The Chair asked for all members to review their interests to make sure these are up to date; the PCC's office holds the Register of Interests and the Chief Executive will arrange to contact everyone as appropriate.**

## **3. To confirm the minutes of the meeting held on Tuesday 15 January 2019.**

- 3.1 Item 7 within the previous minutes of the 16 January 2019 to be amended as follows:

*Internal Audit – ~~2017/18~~ 2018/19 Audit Progress Report and Follow up Report*

- 3.2 There were no other amendments to the minutes of the 16 January 2019 and the Chair of the Audit Committee accordingly signed off the minutes as a correct record.
- 3.3. Item 4.3 action from the minutes of the 16 January 2019 'Self-Assessment' - it was agreed that this would be added to the Agenda for the next morning session of the Audit Committee in July 2019.
- 3.4 Item 4.4 and 9.1 action from the minutes of the 16 January 2019 – additional reports on VFM and fraud risk. These will be discussed under the forward plan items.
- 3.5 Item 7.1 from the minutes of the 16 January 2019 – annual report has been circulated and will be discussed later as an Agenda Item.
- 3.6 Item 7.8 from the minutes of the 16 January 2019 – internal audit plan 2019/20 has been circulated and will be discussed later as an Agenda item.
- 3.7 Item 12 from the minutes of the 16 January 2019 – this will be discussed on the Agenda Item 7.

## **4. Internal Audit Reports**

- 4.1 The update report for 2018/19, follow up report and audit plan for 2019/20 were presented to the committee by the Head of Internal Audit, and the Audit Director of TiAA. The Head of Internal Audit reported that this would be the last 2018/19 Progress Report but any outstanding items would be dealt with in the first 2019/20 report, in order for there to be a complete audit trail of work going through.
- 4.2 The Audit Director reported all field work has been completed, there are three reports in draft form and one of these in relation to risk management would be

issued shortly. The other two relate to Recovered Property and ERP Disaster Recovery. The Audit Director and Assistant Chief Officer (ACO) have met to discuss the reports and agreed that the ERP Disaster Recovery report would be in the form of a position statement rather than an assurance report.

4.3 The Audit Director reported the only other changes within the plan under section 6 of the progress report relate to Website Content and CAD grazing. Because of changes taking place in these areas of work, the audits will take place in quarter two or quarter three of 2019/20. This was agreed by the Committee.

4.4 Audits completed since the last report to the Committee as follows:

- a. Conflicts of Interest and Whistleblowing
- b. Establishment, Capacity, Recruitment and Retention
- c. Ethical Standards (relationship conduct)
- d. Purchase cards

4.5 **HR**

Ms A Bennett raised a query that some of the management replies to audit recommendations did not seem to give assurance that the recommendations would be implemented. The Audit Director informed the Committee that meetings took place on a monthly basis with HR to discuss areas of concern and progress against these areas. The ACO also informed the committee that the introduction of aspects of National Enablers Programme including the identity access management system and Windows 10/ Office 365 roll-out over the next six to twelve months would also impact on this area. This is due to improvements being required to the constabulary “Joiners / Movers / Leavers” processes before national sign-off will be secured. These processes will then feed into the Shared Service Transaction Centre that will bring the transactional services for HR and Finance together. The Audit Director confirmed there will be an audit of SSTC in next year’s plan.

4.6 **Agency Staff**

Mr P Hargrave questioned the governance processes over the use of agency staff by the Constabulary. The ACO informed the committee that there is a rigorous process around the recruitment of agency staff, and any recruitment has to be signed off by a Chief Officer. There is an issue within ICT for the recruitment of staff and market supplements have been included for a few posts where appropriate. The Audit Director confirmed that the issue of temporary staff will be included within this year’s audit, particularly looking at the extension of their contracts. There is a corporate contract with Reed to supply temporary staff and this will also be considered in the audit.

4.7 **Ethical Standards - Relationships**

Discussion took place around relationships and the keeping of records locally in relation to GDPR compliance. The T/DCC informed the committee that new NPCC guidelines around workforce relationships have just been received, and these will be discussed with the Constabulary’s staff associations and owned centrally by the Professional Standards Department. In some circumstances, declarations will be required around internal relationships. There are risks and challenges associated with this issue and work is taking place to ensure we are focusing on the correct areas.

#### 4.8 **Purchase Cards**

No new recommendations have been made and there have been significant improvements in respect of this area. Processes are now in place and these controls are now picking key issues. The ACO also informed the committee that the number of purchase cards issued across the Constabulary would be reduced. In addition in 2019/20 the payment of expenses will move to being on a weekly basis rather than monthly, and this will support the reduction in the number of purchase cards.

#### 4.9 **Follow up Report**

The Audit Director informed the committee that all the recommendations have been reviewed and revised dates have been given to those that were outstanding. The report now goes to the Joint Organisational Board and this part of the process is working well. It was noted that some of the recommendations will now be monitored through their appropriate project boards. The Audit Director advised that these will continue to be mapped through the TiAA portal and they will be highlighted in the next report.

**Action: The Audit Director and ACO to discuss revised dates, process and risks at their next meeting.**

#### 4.10 **Revised conditions of service for Police Staff in relation to expenses**

A Bennett questioned the reason for the delay in introducing the new conditions. The ACO informed the meeting that work has been taking place within HR Policy and Reward in relation to a number of related policies but this work has taken longer than anticipated. The T/DCC informed the committee that both the Constabularies now need to undertake a wider piece of work around policies on reward, bonus, honorariums etc. and the T/DCC and ACO have discussed the risk associated with this recently. The committee raised the issue that this could result in potential backpay claims if the delay in policy results in staff / officers not claiming correctly.

**Action: The ACO will consider this in relation to the accounts and discuss further with the Head of Financial Accounting and Specialist Functions.**

#### 4.11 **Repayment of Course Fees**

Discussion took place around the repayment of course fees as the private sector has the ability to reclaim course fees. The ACO informed the committee that under police regulations we are unable to reclaim course fees from police officers. Potentially this could be done for staff but that would have to be built into contracts and would cause inconsistency across the force.

#### 4.12 **Internal Audit Plan 2019/20**

The audit in respect of OPCC specified information orders has been removed from the audit plan. An audit on the Commissioner's grants has also now been removed for this year. Emergency planning and single tender actions have both now been included in this year's plan and partnership working will be included for the audit every year.

#### 4.13 **HR – Absence management and external training budgets**

Mr P Hargrave expressed concern in respect of the issues raised in this report. The Audit Director informed the committee that an in-depth review would be taking place in relation to absence in connection with workplace health, limited duties etc. and also external training budgets.

#### 4.14 **Policy delays**

Mrs J Hills raised issue of delays with reviewing and issuing new policies. The Audit Director informed the committee that the Policy audit took place last year and there are recommendations in the audit follow up process. The Audit Director meets with the policy unit every four to six weeks to monitor progress. Changes have now been put in place and policies are now being prioritised.

#### 4.15 **Audit Plan Confirmation**

The Chair asked the T/DCC, ACO and PCC CFO if they had any comments in respect of the plan and whether they are content with it. This was confirmed and the Committee formally approved the plan.

#### 4.16 **Internal Audit Annual Report**

The Head of Internal Audit reported that the 'limited assurances' has now been reduced to 2 from 8 last year and this is a positive outcome.

4.17 The Chair thanked the Head of Internal Audit, the Audit Director and their team for all their hard work in preparing these reports.

### 5. **Agenda 5 – Corporate Governance Statement Review**

The governance documents are reviewed by the Corporate Governance Group which meets throughout the year. The OPCC Chief Executive informed the committee that the Norfolk Scheme of Governance and Consent is aligned to that of Suffolk, with some local differences, as this significantly aids the collaboration. In 2019/20 there will be changes to this document due to the 7Force collaboration on Procurement.

5.1 In respect of para 3.4 of the Annual Governance Statement, the OPCC Chief Executive informed the committee that the OPCC has now received confirmation of their transparency award for the fourth year running.

5.2 Ms A Bennett raised query in relation to paragraph 3.8 and whether the new CFO arrangements could be described in more detail. It was noted that this document is in draft form this issue could be finalised before the final version is published at the end of July 2019.

5.3 **Action: The Chair raised issue of the amount of detail in this report and the ACO will be discussing this further with both OPCC Chief Executive and OPCC CFO in terms of addressing this for 2019/20 statement.**

### 6. **Agenda 6 – Forward Work Plan**

There was a discussion around whether Value For Money and Fraud should be reported at the next meeting or should form part of the morning briefing. It was agreed that these both should be formal agenda items for the October meeting. The risk register would also need to be formally presented at next appropriate meeting. Mr A Matthews asked for this item to be included formally for every agenda. The Chair, ACO and PCC CFO have also discussed some of the morning session topics for July and these were the committee self-assessment document, Early Help Hub visit and Professional Services Department briefing. The Head of Internal Audit also agreed to attend the morning session briefing on risk management. The PCC CFO

raised the issue that the October meeting is half term so the Early Help Hub have asked if there was flexibility about the date for this visit.

**Action: The Committee agreed a new date to be agreed and PCC CFO is to explore different dates for the visit to the Early Help Hub possibly in the week before October half term.**

- 6.1 A presentation is also to take place from the Treasury Advisors in the January 2020 meeting. The ACO has arranged for the appropriate person to be available on that date.
- 6.2 It was agreed that at the July meeting there would be a private session with internal audit and external audit between the briefing and the main meeting.

## **7. Agenda 7 – Private Agenda - Strategic Risk Register**

- 7.1 The ACO reported that a meeting had taken place with Mr Adrian Matthews and Vicky Curtis to discuss the Strategic Risk Register. This was a positive meeting and started the process around reviewing the Strategic Risk Register, making sure that it contains only key strategic risks. The team that co-ordinates the approach to risk is a joint department so the processes are the same across both Norfolk and Suffolk. A working group will be set up with both ACOs, Mr A Matthews and a member from the Suffolk Audit Committee to consider this and a progress report will be available at the July meeting. The ACO will also discuss this further with OPCC to ascertain impact on the PCC's office.

Meeting closed at 3.40pm





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

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## Audit Progress Report – Norfolk

2019/20

## 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 July 2019. 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 2019/20 ANNUAL PLAN

2. Our progress against the Annual Plan for 2019/20 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	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OE
Risk Management*	Reasonable	20/05/2019	20/05/2019	21/05/2019	0	0	0	0
Key Financials	Reasonable	31/03/2019	15/05/2019	15/05/2019	0	3	1	0
ERP Disaster Recovery	N/A	16/05/2019	16/07/2019	16/07/2019	0	4	1	0
Transport Strategy	Reasonable	13/03/2019	08/05/2019	15/05/2019	0	2	2	8
Control Room (Norfolk only report)	Reasonable	29/03/2019	24/06/2019	26/06/2019	0	2	0	2
Telematics and Fuel Usage	Reasonable	29/03/2019	07/05/2019	17/05/2019	0	1	1	1
Proceeds of Crime	Reasonable	27/06/2018	27/06/2019	27/06/2019	0	3	1	0
Recovered Property	Reasonable	07/06/2019	21/06/2019	24/06/2019	0	2	2	1

<b>Workplace Health</b>	<b>Reasonable</b>	<b>10/06/2019</b>	<b>25/06/2019</b>	<b>26/06/2019</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>1</b>
<b>Contracts</b>	<b>Reasonable</b>	<b>13/6/2019</b>	<b>05/07/2019</b>	<b>16/07/2019</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>0</b>
<b>Temporary Contracts</b>	<b>Reasonable</b>	<b>20/06/2019</b>	<b>05/07/2019</b>	<b>16/07/2019</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>
<b>Maintenance</b>	<b>Reasonable</b>	<b>07/06/2019</b>	<b>11/06/2019</b>	<b>12/06/2019</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>0</b>
<b>Single Tender Actions</b>	<b>Reasonable</b>	<b>27/06/2019</b>	<b>05/07/2019</b>	<b>16/07/2019</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>0</b>

Copies of the finalised reports are available to Audit Committee Members on request. The details for Norfolk only reports will only be included in the Norfolk progress report.

### CHANGES TO THE ANNUAL PLAN 2019/20

6. There has been the following changes made to the annual plan since the last meeting:
- Dog Handling; added to the firearms audit as this now sits with the firearms section, although will be reported separately. Days for risk management reduced to accommodate dog handling.
  - Use of vehicles / telematics; reduced original budget from 12 days to 10 days, with majority of the audit moved to 2020/21, retaining time to undertake an overview of telematics reporting. Further indepth review of how vehicles are being used through telematics information to be undertaken later as the system beds in.
  - Complaints; review of OPCC Norfolk complaints, at the request of the OPCC CFO.
  - Transport thefts; review at the request of the ACOs for risks and controls surrounding the thefts.
  - Information Management and Security; review of OPCC Norfolk, at the request of the OPCC CFO.
  - Shared Service Transaction Centre; audit moved to 2020/21 due to the timing for implementation of the new arrangements.

### 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 and ACOs: Regular progress meetings are held with the Chief Finance Officers and ACOs.
  - 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. We have not made any urgent recommendations (i.e. fundamental control issues) since the previous Progress Report.
10. 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 2019/20

System	Audit Ref	Planned Quarter	Planned Days	Changes to Days	Current Status	Audit Committee Reporting	Assurance	Comments
<b>2018/19 Plan</b>								
Risk Management – Embedding/Development	NSC1903	1-3	10		Final Report	July 2019	Reasonable	
Key Financial Systems	NSC1909	4	30		Final Report	July 2019	Reasonable	
ERP Disaster Recovery	NSC1913	3-4	12		Position Statement	July 2019	N/A	
Transport Strategy	NSC1918	2	6		Final Report	July 2019	Reasonable	
Control Room Norfolk only	NSC1924	3	14		Final Report	July 2019	Reasonable	
Telematics and Fuel Usage	NSC1920	4	12		Final Report	July 2019	Reasonable	
Proceeds of Crime	NSC1927	1	10		Final Report	July 2019	Reasonable	
Recovered Property	NSC1928	4	10		Final Report	July 2019	Reasonable	
<b>2019/20 Plan</b>								
2020 Strategic Change Programme (Norfolk)	NSC2001	1	9		In progress			
2025 Strategic Change Programme (Suffolk)	NSC2002	1	9		In progress			
Workplace Health	NSC2005	1	12		Final Report	July 2019	Reasonable	
Temporary Contracts	NSC2006	1	10		Final Report	July 2019	Reasonable	
Estates Maintenance	NSC2007	1	12		Final Report	July 2019	Reasonable	
Contracts	NSC2008	1	12		Final Report	July 2019	Reasonable	
Single Tender Actions	NSC2012	1	6		Final Report	July 2019	Reasonable	
Firearms	NSC2009	1	12		Draft report			Incorporated dog handling, with

System	Audit Ref	Planned Quarter	Planned Days	Changes to Days	Current Status	Audit Committee Reporting	Assurance	Comments
Dog Handling	NSC2029	1	0	+2	Draft report			separate reports Issued for different assurance levels
Stores and Uniform	NSC2010	1	14		Draft report			
Network Security	NSC2003	1	12		To be scheduled			
Software Licencing	NSC2004	1	12		To be scheduled			
Emergency Planning	NSC2011	2	14		In progress			
Data Protection – GDPR	NSC2016	2	12		In progress			
Mobile Device Management	NSC2017	2	12		To be scheduled			
Budgetary Control	NSC2018	2	12		Scheduled			
Website Content	NSC2019	2	12		To be scheduled			
Complaints	NSC2022	2	0	+8				
Limited Duties	NSC2024	2	12		Scheduled			
Transport Theft	NSC2030	2	0	+2	In progress			Agreed by ACOs/CFOs
Telematics / Use of Vehicles	NSC2026	2	12	-10	To be scheduled			Days reduced
Transformation – Business Cases	NSC2015	3	12					
Strategic Control and Governance	NSC2013	3	12					
Key Financials	NSC2021	3	30					
External Training Budget	NSC2025	3	12					
Information Management / Security – Norfolk OPCC	NSC2031	3	0	+8				
Corporate Policies	NSC2014	4	6					
Risk Management	NSC2020	4	12	-2				Days to dog handling

System	Audit Ref	Planned Quarter	Planned Days	Changes to Days	Current Status	Audit Committee Reporting	Assurance	Comments
Overtime	NSC2023	4	12					
Allowances and Expenses	NSC2027	4	14					
Collaborations (incl. Seven Force)	NSC2028	4	20					
Shared Service Transaction Centre	NSC2022	3	8	-8				Project completion 2020
Follow up of previous recommendations		1-4	12		Ongoing			
Management		1-4	20		Ongoing			
<b>Total Days Planned</b>			<b>376</b>					
<b>Annual Plan Days</b>			<b>330</b>					
<b>Contingency b/fwd</b>			<b>46</b>					
<b>Contingency (c/fwd)</b>			<b>(0)</b>					

**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: Risk Management (NSC1903)

Report: May 2019

#### SCOPE

The review considered how the Constabularies have engaged with risk management and how well risk management is embedded.

#### MATERIALITY

Commands/departments maintain their own local risk register, with a overriding joint strategic risk register.

#### KEY FINDINGS

Work is underway to strengthen and enhance the Constabularies risk management process. A risk management framework is in place, with operational risk registers recording operational risks and controls.

- An updated risk management policy has been produced and made accessible to staff.
- The format of the joint strategic risk register is going through revision, to include; each risk on the strategic risk register having its own page and a summary covering page for the strategic risk register. The summary page highlights new risks and risks that are increasing.
- Progress is being made to address recommendations that were raised in last year's audit.
- Upon review of the revised joint strategic risk register, training is to be provided to ensure that risks and controls are defined accordingly.

#### OVERALL ASSURANCE ASSESSMENT



#### ACTION POINTS

Urgent	Important	Routine	Operational
0	0	0	0



**Audit Report: Key Financials (NSC1909)**

**Report: May 2019**

**SCOPE**

The purpose of the review was to assess the adequacy and effectiveness of the internal controls in place for managing the key financial systems across the OPCCs and Constabularies, as follows:

- General Ledger;
- Payroll;
- Accounts Payable;
- Accounts Receivable;
- Treasury Management;
- Budget setting and Monitoring.

**MATERIALITY**

The annual budget for Norfolk for 2018/19 is £154,555k and for Suffolk the budget is £116,630k.

**KEY FINDINGS**

The overall opinion of the systems and process in place are reasonable. The recommendations raised for improvement are in relation to ERP, Enact, and the use of purchase orders, overdrafts and payment methods for contractors.

- Enact forms are not always processed promptly, with system reporting limitations preventing the highlighting of delays.
- Access to ERP requires oversight by a designated administrator, with regular review as staff change roles within the organisations.
- The use of retrospective purchase orders being raised to be reviewed, to promote purchase orders being raised in advance of any purchases.

**OVERALL ASSURANCE ASSESSMENT**



**ACTION POINTS**

Urgent	Important	Routine	Operational
0	3	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	Directed	Whilst the reporting functionality on ERP is limited, it has been possible to obtain a report of staff that have access to ERP. It was found that there are a number of staff that have general ledger, accounts payable, accounts receivable, and payroll access who do not require access as part of their current role. When staff change roles and leave the finance department access rights on ERP are not always updated to reflect the access requirements of the new role.	A designated administrator be assigned to undertake regular reviews of staff access rights on ERP to ensure that access rights are appropriate.	2	<p><i>A review of ERP access rights to be undertaken by the ERP team.</i></p> <p><i>A designated administrator to be assigned upon the development of the Shared Service Transaction Centre. The requirement for a designated administrator for the ERP system to be included within the Shared Service Transaction Centre Business Case.</i></p>	31/03/2020	Head of Transactional Services

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Compliance	A sample of 30 purchase orders were randomly selected to test, to verify appropriate authorisation. Whilst authorisation was confirmed for all 30 purchase orders, it was found that 10 had been raised retrospectively. Retrospective raising of purchase orders is not in accordance with the approved procurement processes. There is a risk of duplicate goods and services being received if retrospective purchase orders are sent out to suppliers.	Staff raising retrospective purchase orders be reminded that purchase orders are to be raised in advance of procuring of goods/services.	2	<i>The Assistant Chief Offices will formally notify heads of department that it is not acceptable for purchase orders to be raised retrospectively.</i>	30/06/2019	<i>Head of Transactional Services</i>
4	Compliance	Enact is being replaced with Iforms. The implementation of the new system will provide an opportunity to introduce a control to flag and escalate forms that have not been processed promptly, to help avoid delays and possible overpayments to staff. There is a need to have any appropriate flagging and escalation process for Enact forms/Iforms to ensure that these are processed promptly to ensure that employees are paid correctly.	A flagging system be developed to identify Iforms that are not being processed promptly by Line Managers so that these can be escalated accordingly.	2	<i>A solution will be implemented upon "Go-Live". The nature of this will develop as the IForms project continues.</i>	30/09/2019	<i>HR Service Centre Manager</i>

**Audit Report: ERP Disaster Recovery (NSC1913)**

**Report: July 2019**

<p><b>SCOPE</b></p> <p>The objective of the review was to look at the adequacy, effectiveness and efficiency of the systems and controls in place to manage Disaster Recovery (DR) for the ERP infrastructure (to include but not be limited to: Applications, Authentication, Databases, DMS and BI reporting servers) are operating securely and effectively. The audit covered: Adequacy of DR Provision, Backup and Recovery Capabilities, DR Testing, Alignment with the Business Continuity Plan, Third Party Management and Continuous Improvement.</p> <p><b>MATERIALITY</b></p> <p>Robust Business Continuity and supporting Disaster Recovery planning is critical to securing the ability to recover the ERP and its relevant external components in a timely manner following an incident.</p>	<p><b>KEY FINDINGS</b></p> <ul style="list-style-type: none"> <li>• There are database backup processes in place across the infrastructure.</li> <li>• Internal and 3rd party responsibilities concerning the ongoing management of the ERP hardware and software environments need to be monitored regularly.</li> <li>• There are no formally documented Business Continuity and Disaster Recovery plans covering the ERP environments.</li> <li>• There is a need to design and implement an appropriate and proportional Business Continuity and Disaster Recovery test plan to demonstrate the ability to recover the relevant environments in a timely manner.</li> </ul>								
<p><b>OVERALL ASSURANCE ASSESSMENT</b></p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>No overall assurance assessment is provided as this was an appraisal, rather than an assurance review.</p> </div>	<p><b>ACTION POINTS</b></p> <table border="1" style="margin-top: 10px;"> <thead> <tr> <th style="background-color: #2c5e8c; color: white;">Urgent</th> <th style="background-color: #2c5e8c; color: white;">Important</th> <th style="background-color: #2c5e8c; color: white;">Routine</th> <th style="background-color: #2c5e8c; color: white;">Operational</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">0</td> <td style="text-align: center;">4</td> <td style="text-align: center;">1</td> <td style="text-align: center;">0</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	4	1	0
Urgent	Important	Routine	Operational						
0	4	1	0						


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

Rec.	Risk Area	Finding	Suggested Actions / Improvements	Priority
1	Directed	The audit noted that there are no formally documented ERP Business Continuity and Disaster Recovery Plans in place covering ERP and its related external systems.	ERP Management to work with the ICT department and Cap Gemini to design and implement an appropriate Business Continuity and Disaster Recovery Plan to support the timely recovery of the ERP environment and its related systems and ensure that these are communicated to all relevant staff and partners.	2
2	Compliance	It was noted that Cap Gemini acknowledge the need to ensure that both the Production (Prod) and Pre-Production (Pre-Prod) environments are kept aligned in terms of updates, patches and so on, although this is not currently the case as they do not believe that the Pre-Prod environment has been formally handed over to them. Evidence provided by the ICT department has confirmed that a formal handover has been undertaken.	Management to ensure that Cap Gemini are keeping the Prod and Pre-Prod environments under their management aligned in terms of any updates and patches at all times and for this to be formally confirmed by them by suitable means – a standing agenda item in service review meetings is suggested.	2

Rec.	Risk Area	Finding	Suggested Actions / Improvements	Priority
3	Operational	<p>Responsibility for the management of the ERP infrastructure and the environment that the infrastructure hosts is segregated as follows: The forces are responsible for the Production (Prod) and Pre-Production (pre-Prod) hardware, database hosting and relevant Virtual Machine environments.</p> <p>The Prod environment is located at the Norfolk Constabulary Operations and Communications Centre. The Pre-Prod environment is located at the Dereham station and acts as the Disaster Recovery site.</p> <p>Cap Gemini are responsible for the ERP application level at both sites.</p> <p>It was noted that the RACI list that sets out Responsibilities, Accountabilities and those roles to be Consulted and Informed, does not explicitly state Cap Gemini's responsibilities regarding their role in supporting a Disaster Recovery scenario where the applications are concerned. A recommendation to agree the relevant responsibilities is being raised.</p>	<p>ERP Management to work with relevant external and internal parties to agree formal responsibilities concerning Cap Gemini's role in supporting a Disaster Recovery scenario.</p>	2
4	Operational	<p>The audit noted that there is a technical refresh under way to replace all ERP-related hardware infrastructure. This work is also being seen as an opportunity to redesign the database environments so that they are all hosted together. At present, the databases are hosted across multiple Virtual hosts that are also hosting other Virtual Machine environments that are not related to ERP and its associated external systems. Where maintenance of ERP-related environments has been required, this has typically required the relevant hosts to be powered down, thus also rendering the other, non-ERP, environments installed on that host temporarily inaccessible. This situation increases the risk that other priority services cannot be undertaken adequately. A recommendation to support the completion of the redesign of the database hosting arrangements is being raised to support this work.</p>	<p>Management to ensure that the Technical Refresh project incorporates a review of the way that the ERP databases are hosted such that they are consolidated into dedicated Host environments that are separated from non-ERP environments as far as possible.</p>	2

**Audit Report: Transport Strategy (NSC1918)**

**Report: May 2019**

<p><b>SCOPE</b></p> <p>The audit appraised the strategy for managing the transport fleet for current and future requirements, with supporting policies across both Constabularies.</p> <p>The audit considered if the transport strategy is in line with corporate strategies and direction for current and future need.</p> <p><b>MATERIALITY</b></p> <p>Norfolk and Suffolk Constabularies have combined vehicle fleet of approximately 1,150 vehicles (exc bicycles).</p>	<p><b>KEY FINDINGS</b></p> <p>There is a current transport strategy in place, fleet vehicles are being procured and maintained in accordance with the transport strategy. Vehicles are procured through the Home Office Framework Agreement. A Joint Transport Policy was being developed at the time of audit.</p> <ul style="list-style-type: none"> <li>• There are potential tax implications for dual workplace workers with the shuttle bus being discontinued, as use of pool cars and hire cars to travel between dual workers workplaces are considered to be a benefit in kind.</li> <li>• Controls to ensure that staff claiming mileage have the appropriate insurance for business use and current licences could be tightened, to incorporate verification.</li> <li>• The records held by the Driving Training Unit are not updated for any changes following the initial approval. If unapproved drivers are driving fleet vehicles and are involved in an accident this may invalidate the Constabularies' insurance policy.</li> <li>• Proactive checks are not undertaken by the Driving Training Unit on cleared drivers to ensure they remain suitable to drive Constabulary vehicles.</li> </ul>								
<p><b>OVERALL ASSURANCE ASSESSMENT</b></p> 	<p><b>ACTION POINTS</b></p> <table border="1" data-bbox="1131 989 2011 1152"> <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>2</td> <td>8</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	2	2	8
Urgent	Important	Routine	Operational						
0	2	2	8						

**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)
3	Directed	<p>A spreadsheet is maintained of staff that have been given authority to drive Constabulary pool and/or hire cars. Once the initial clearance has been given no further updates are made for any changes to the authority.</p> <p>There is no requirement for cleared drivers to inform the Driving Training Unit when they have a change of circumstances.</p> <p>At the point of booking or physically driving any vehicle there are no checks undertaken to verify authority.</p>	<p>Records of drivers cleared to drive Constabulary pool and hire cars be regularly maintained by the Driving Training Unit, with proactive checks undertaken, to ensure that there has not been a change in circumstances for cleared drivers.</p>		<p><i>There is a requirement that all staff who avail themselves of driving authorisations complete a paper application process, which requires a copy of their driving licence and a DVLA print out of their driving licence summary. This is held on the individual's personal driving folder within the driving school.</i></p> <p><i>A reminder to all managers that have access to pool cars that their staff require this authorisation prior to the vehicles use, and/or a prompt when staff book pool cars via the intranet that there is a requirement that they need to be authorised by Driving School prior to the vehicles use, can be implemented fairly swiftly.</i></p> <p><i>Chronicle (Driver Management Unit) has now been approved for implementation to Norfolk and Suffolk Constabularies and this will ensure the future recording and checking of drivers is more robust.</i></p>	30 June 2019	Driver Training Team Leader



Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Directed	<p>With the shuttle bus having been discontinued there is a risk that staff may have to incur the tax liability for travelling between the two sites. Use of pool cars and/or hire cars to travel between dual workers work locations are considered to be a 'benefit in kind' by HMRC and therefore taxable.</p> <p>There are a number of employees for the Constabularies that are likely to fall within the category of dual workplace workers, which are required to pay tax on mileage payments for journeys between home and their second place of work.</p> <p>A recent review has not been undertaken to identify and notify dual work workers of the implication of being a dual work worker. Nor is a register maintained of dual workplace workers.</p>	<p>A review be undertaken to identify potential dual workforce workers, with a system to record those identified and verify that tax implications have been addressed.</p>	2	<p><i>A notification will be issued to all Department Heads to ensure that they consider staff travelling between sites comply with the Dual Workplace HMRC guidance and maintain records of those identified</i></p>	30 June 2019	Head of Transport Services

**Audit Report: Control Room (Norfolk only) (NSC1925)**

**Report: June 2019**

**SCOPE**

The review considered the arrangements within the Norfolk Contact and Control Room (CCR). The audit considered:

- Internal arrangements for monitoring performance against the CCR KPIs;
- Adequacy of information for the initial assessing of calls received by the CCR team;

Adequacy of management information to monitor performance of the CCR.

**MATERIALITY**

The CCR can receive approximately 800 to 900 calls per day with approximately 300 calls received into the emergency 999 line.

**Key Findings**

There is a standard process in place to assess calls received by the Contact and Control Room (CCR) to ensure that these are dealt with accordingly. Along with this there is a comprehensive process in place for training staff and new recruits to CCR.

- A new telephone system was introduced for managing calls to the CCR, providing additional functions. With the new system it is possible to prioritise 101 calls and assign calls to an appropriate queue following a risk assessment made by the switchboard operator to determine the level of threat, risk and harm. Calls waiting in the highest priority queues interflow after a set period of time in a further urgent queue which is highlighted to Supervisors.
- The Joint Performance Analysis Department and the technical CCR have worked together introducing separate interflows for the top three priority 101 queues which now separates the data for accuracy in performance reporting.
- The Duty Management System is not capable of rostering staff for the CCR. Manual spreadsheets are used to record CCR duties. The Duty Management System is the responsibility of the Resourcing Management Unit (RMU). The CCR have raised their concerns with RMU in relation to DMS.

**OVERALL ASSURANCE ASSESSMENT**



**ACTION POINTS**

Urgent	Important	Routine	Operational
0	2	0	2

**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	<p>With the new telephone system it is possible to prioritise calls and assign calls to an appropriate queue.</p> <p>When assigning calls to a new queue it was found that the clock for that call restarts when it is placed into a new queue, it is not appropriate for the clock to restart as the length of the call should commence when the call first enters the CCR.</p> <p>Review of CCR performance reports found that the total number of calls recorded is not accurate.</p>	Mitel to be requested to produce accurate data which reflects; the actual total length of calls received by the CCR, and to not restart the clock for calls when a call is assigned/reassigned to a new queue, and the total number of calls received by the CCR.	2	<i>Resolved as part of the Mitel data project group – separate interflows were introduced for high priority 101 calls with effect from 1<sup>st</sup> April in line with new financial year reporting requirements.</i>	Completed 1 <sup>st</sup> April 2019	Contact and Control Room Manager

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Compliance	<p>DMS is not capable of rostering staff for the CCR. Manual spreadsheets are used to record CCR duties.</p> <p>With DMS not being used for rostering of CCR staff, this is causing additional staffing pressure for the Resource Management Unit (RMU) as manual spreadsheets of staffing have to be produced.</p>	DMS be investigated to establish if this can be used by the CCR for rostering of staff.	2	<p><i>Historically the CCR in Suffolk have preferred to run their duties using a spreadsheet as it has appeared easier for their supervisors to work in this way. A significant amount of work is required in order for the RMU to transition from this approach to the duties management system, given the need to back-record etc. Given the ongoing work associated with the DMS upgrade and the shift changes already in train, the RMU will not be in a position to undertake this for some time. With agreement from the CCR, this will be added to the work programme for the next financial year.</i></p>	31/12/2020	DMS

**Audit Report: Fuel Usage and Telematics (NSC1920)**

**Report: May 2019**

**SCOPE**

The purpose of the audit was to review the arrangements in relation to fuel usage and assessed the progress in relation to implementation of telematics into fleet vehicles, across both Constabularies.

**MATERIALITY**

The value of telematics spend at the time of audit was £817k. At the time of audit telematics had been installed in 926 vehicles. There are 35 vehicles which are awaiting telematics to be installed.

**KEY FINDINGS**

A project plan is in place to support implementation of telematics in all necessary fleet vehicles, and this was on progress to have telematics fitted by the target date of 31<sup>st</sup> March 2019.

- The Transport Standards Group has been established, with a remit to manage and implement change following the analysis of telematics data.
- Standardised guidance and processes require development to address any potential adverse performance, along with managing high risk drivers highlighted through telematics.
- Installation of telematics needs to be recorded on the new vehicle checklist, to ensure that telematics is implemented timely in all necessary vehicles.

**OVERALL ASSURANCE ASSESSMENT**



**ACTION POINTS**

Urgent	Important	Routine	Operational
0	1	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)
2	Directed	<p>The Transport Standards Group is still to publish guidance for Line Managers on the process to adopt for any breaches of the telematics policy.</p> <p>Standardised guidance will help to ensure that adverse behaviour is dealt with consistently and the policy is complied with.</p>	<p>Standardised guidance and process be developed to address any potential adverse poor driving identified through telematics.</p>	2	<p><i>This is being developed by the Head of Transport and Transport Standards Group with assistance from Dr Julie Gandolfi who has been commissioned by our Motor Insurers, Edison.</i></p>	31/10/19	<p><i>Head of Transport and Uniform / Transport Standards Group</i></p>

**Audit Report: Proceeds of Crime (NSC1927)**

**Report: June 2019**

**SCOPE**

The review appraised the effectiveness of controls for managing the Proceeds of Crime for both Norfolk and Suffolk Constabularies, in particular the arrangements for securing and monitoring of the proceeds of crime which is held by the Forces and arrangements in place with the Eastern Regional Special Operations Unit (ERSOU).

**MATERIALITY**

Norfolk have received £137k and Suffolk received £109k through the incentivisation scheme during the 2017/18 financial year.

**KEY FINDINGS**

Norfolk and Suffolk Constabularies are members of ERSOU, which was set up to deliver an increased response to tackling the threat of organised crime across the Eastern Region, to provide specialist covert policing capability to law enforcement. The Regional Economic Crime Unit (RECU) consists of the Financial Investigation Team and the Money Laundering Investigation Team (MLIT). The FIT within the RECU is the department within ERSOU which is responsible for undertaking recovery work under the Proceeds of Crime Act. A service level agreement is in place with ERSOU, although this is not currently subject to annual review.

- There is a current Seizure, Retention and Disposal of Monies policy.
- The Constabularies have not assigned a contract manager to monitor the performance of ERSOU, to ensure that service delivery is in accordance with the service level agreement.
- Seized funds are not being banked promptly, within 28 days of receipt as stated in the Seizure, Retention and Disposal of Monies Policy.
- ERSOU has provided a number of training workshops during 2017/18 on proceeds of crime. However, a standard, mandatory proceeds of crime training programme is not in place.

**OVERALL ASSURANCE ASSESSMENT**

**ACTION POINTS**

Urgent	Important	Routine	Operational
0	3	1	8

**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	<p>The SLA states that the agreement will be reviewed annually to ensure that the agreement remains fit for purpose. The SLA has not been reviewed since January 2015.</p> <p>The SLA states that performance of the service area is via internal ERSOU performance measures, both qualitative and quantitative, the SLA does not state what these measures are and it is unclear what information is provided.</p> <p>The SLA states that ERSOU will provide a stated number of staff for each service, the number of staff actually provided is not reported or monitored.</p> <p>Without clarity over performance information the contract cannot be effectively monitored to achieve value for money.</p>	<p>Norfolk and Suffolk Constabularies to appoint a designated contract manager to monitor ERSOU in accordance with the SLA, with monitoring to include (but not restricted to): the provision of services; performance monitoring against agreed measures; number of staff provided for each service and an annual review of the SLA.</p>	2	<p>Designated Contract Manager – Head of Joint Protective Services Command.</p> <p>The SLA is currently under review. Single points of contact for the review are the Development and Change Support Manager for Joint Protective Services, and Detective Inspector for ERSOU.</p>	01/04/2020	Head of Joint Protective Services Command



Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	The Seizure, Retention and Disposal of Monies Policy does not provide guidance on the appropriate process to be adopted in the case of a sudden death when there is a significant quantity of cash, where the circumstances dictate the cash needs to be seized to prevent its loss or theft.	The Seizure, Retention and Disposal of Monies policy be updated to reflect the process to be followed when police attend a sudden death, there is a significant quantity of cash and the circumstances dictate the cash needs to be seized to prevent its loss or theft.	2	<p>The following will be added to Norfolk and Suffolk Constabularies' joint Seizure, Retention and Disposal of Monies policy:</p> <p>Seizure of money at scene of sudden death Where money is found at the scene of a sudden death, if there is someone present who is evidently legally and practically able to act in the situation, then the money can be left in their care. If an officer has any reason to take a deceased person's money into police possession it cannot be released until somebody shows they are entitled to it. This will usually be a Letter of Administration or Grant of Probate from a Probate Office. The money taken should be entered on Transearch as found property and linked to the Sudden Death occurrence.</p>	31/12/2019	Head of Joint Protective Services Command
4	Compliance	Seized funds should be banked within 28 days of receipt. Audit testing found that eight of the 20 cases tested had not been banked within 28 days. For one of the samples, it had taken 18 months for the funds to be banked.	Arrangements be introduced to ensure seized funds are banked within 28 days of receipt.	2	<p>The Seizure, Retention and Disposal of Seized Cash Policy is fit for purpose. An internal communication will be circulated to remind individuals of the importance of banking seized funds within 28 days of receipt.</p>	30/09/2019	Head of Joint Protective Services Command

**Audit Report: Recovered Property (NSC1928)**

**Report: June 2019**

**SCOPE**

The review appraised the effectiveness of controls for managing the recovery of property process for both Norfolk and Suffolk Constabularies, in particular the arrangements for securing and storing of property. The audit focused on the following key areas:

- Policies and procedure;
- Training and guidance provided to staff;
- Systems and processes for recording of property; and
- Accuracy of records maintained.

**MATERIALITY**

Recovered property is held at two main sites, Landmark House in Suffolk and Europa Way in Norfolk, tier one stations have facilities for recovered property storage, with tier two stations having facilities for temporary storage until items can be moved to either tier one sites or the two main sites.

- Suffolk have 87,193 items of volume property recorded on EPS at the time of reporting.
- Norfolk have 108,483 items of volume property.

**KEY FINDINGS**

- Seized and recovered property is held securely in the property stores, with restricted access in force.
- Property is currently managed on the Electronic Property System (EPS), which is a standalone web based application. Plans are in place to move the management of recovered property across to Athena, the crime recording system.
- There is a process in place for the disposal of recovered property following the closure of cases.
- Prompt decision making is required by officers on action to be taken regarding property held in the stores.
- Seized property training provided as part of the officers' initial induction training, which is delivered by the Learning and Development team, requires a refresh, to incorporate the requirements of the revised Standard Operating Procedures (SOPs).
- Annual audits have not been undertaken at the property stores.
- The labelling of seized property bags requires revision, property labels are not to be placed inside the bags and instead attached to the bag, to avoid potential contamination of evidence.

**OVERALL ASSURANCE ASSESSMENT**



**ACTION POINTS**

Urgent	Important	Routine	Operational
0	2	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	Compliance	Suffolk officers are placing property labels inside the property bag instead of attaching them to the outside of the bag. This could result in contamination of evidence.	Notification be issued to officers and training officers that property labels are to be attached to the outside of property bags and not placed inside the bags.	2	<i>Working with our Forensic Operations manager a joint Force Announcement will be issued to all Operational Officers and Staff around the appropriate methods of securing EPS paperwork to property items and the risk to the forensic integrity of items if paperwork is attached contrary to the advice. The PSE Policy will also be updated to ensure guidance reflects this advice. In addition CSI will report any incidents of poor practice to Senior CSI Officers and matters will be investigated with Police managers as case outcomes may be jeopardised.</i>	01/07/2019	PM&VRC

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Compliance	<p>The property staff are required to check EPS to identify property that could potentially be disposed of, and are having to send out regular reminders to OICs to establish whether a decision has been made for property awaiting decision.</p> <p>The OICs should be proactive and inform the property staff promptly of the decisions in relation to property held upon closing of a case.</p>	<p>The OICs to provide updates to the property stores staff, for decisions to be made on property, in conjunction with the closing of cases on Athena.</p>	2	<p><i>When a case on Athena is closed, Athena automatically raises a 'Dispose Of Any Property/Exhibits Associated With A Case' task for the OIC when a case is closed but there are still some non-disposed exhibits listed on the CASE/EXHIBITS tab. The OIC should perform the task and complete the task on Athena. There are Property Worktrays on Athena which OIC's can use to notify/task local property teams of disposal instructions. At present the EPS does not link in with Athena however a Property Module for Athena is on the roadmap for development.</i></p> <p><i>The PSE Policy will also remind Officers of their responsibilities in relation to promptly disposing of property which is no longer required once an investigation has completed.</i></p>	<p>Ongoing, with date for review 30/09/2019</p>	<p>PM&amp;VRC/Athena a Property Project Group</p>

**Audit Report: Workplace Health (NSC2005)**

**Report: June 2019**

**SCOPE**

The review focused on the effectiveness of any initiatives on reducing absence and promoting good health across Norfolk and Suffolk Offices of the Police and Crime Commissioners and Constabularies.

**MATERIALITY**

The wellbeing team provides support to both police officers and police staff. There are 15 wellbeing courses currently being run, that include areas of stress management and mindfulness.

**KEY FINDINGS**

Wellbeing focuses on people’s emotional health and happiness, ideally it is a proactive service to help officers and staff remain effective in work. The occupational health, safety and wellbeing teams have been brought together into one department and a strategy has been developed to help support the wellbeing team. The review highlighted areas where further development could enhance the control framework:

- The workplace team maintains hard copy personnel files that have not been fully assessed for GDPR compliance and requires considerable manual intervention to manage.
- Only one officer, the Workplace Health, Safety & Wellbeing Manager & TRiM Manager is trained to deliver and provides TRiM training.
- The Personal Development Review (PDR) process does not require Line Managers to discuss with their staff the wellbeing services that are available.

**OVERALL ASSURANCE ASSESSMENT**



**ACTION POINTS**

Urgent	Important	Routine	Operational
0	2	3	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	<p>The Constabularies do not have a designated occupational health and wellbeing system.</p> <p>Manual records are maintained of staff and officers that attend wellbeing courses. Without a designated system it makes record keeping cumbersome and time consuming.</p> <p>All members of the team spend a proportion of their time on data input.</p> <p>A designated occupational health and wellbeing system would enable team members to focus on delivering the service rather than data input.</p>	A review be undertaken on the value of procuring a wellbeing and occupational health system.	2	<i>The options for an OH system is currently being reviewed in order to provide efficiencies in the administration and clinical processes, as well as GDPR compliance.</i>	31/12/2019	<i>Head of Workplace Health, Safety and Wellbeing</i>

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>A review has not been undertaken on the hard copy personnel files to ensure that these files are GDPR compliant.</p> <p>Where individuals are referred to occupational health, a GDPR review is undertaken on the personnel files, although the files are not marked to provide a record of this review.</p> <p>The hard copy personnel files are stored in filing cabinets. Management have identified that the filing cabinets are not fire resistant. Consideration was given to replacing the cabinets and quotes were obtained. Management decided that a preferred investment of the money would be on procuring an electronic software package, to retain records electronically, become GDPR compliant and manage the service more effectively.</p>	<p>Following consideration of whether to continue with a manual system, action be taken to ensure files are GDPR compliant, including marking files subject to GDPR review.</p>	2	<p><i>Dependent on the outcome of the above point, this will be considered should the paper based files remain.</i></p>	31/12/2019	<p>Head of Workplace Health, Safety and Wellbeing</p>

**Audit Report: Temporary Contracts (NSC2006)**

**Report: June 2019**

**SCOPE**

The purpose of the review was to assess the adequacy and effectiveness of the internal controls in place at the Norfolk and Suffolk Constabularies and OPCCs for awarding and managing of temporary contracts. The audit focused on temporary contracts, and covered the following key areas:

- Policies and procedures;
- Roles and responsibilities;
- Systems and processes for appointing of staff into temporary contracts;

Systems and processes for extending of temporary contracts.

**MATERIALITY**

Norfolk entered into 128 fixed term contracts during the 2018/19 financial year. Suffolk entered into 53 fixed term contracts during the 2018/19 financial year.

**KEY FINDINGS**

- Reports are not produced for management on staff on fixed term contract. Producing of reports should aid line managers in ensuring approval is obtained for extension of employees' contracts on fixed term contracts.
- Testing identified instances where there wasn't approval to support the extension of fixed term contract for staff on fixed term contracts.
- Testing identified instances where there wasn't approval to support employees being made a permanent employee who were initially employed on a fixed term contract.
- Testing found an employee that commenced employment prior to the necessary employment checks being undertaken (occupational health and vetting)
- The end of contract field to be made mandatory on ERP for all staff that are on a fixed term contract length.
- Checks are not undertaken to monitor total employment length under fixed term contracts for staff that have their fixed term contracts extended.

**OVERALL ASSURANCE ASSESSMENT**



**ACTION POINTS**

Urgent	Important	Routine	Operational
0	3	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	Directed	There is a designated field on ERP for recording the expected end of fixed term contract date, by HR. This is not a mandatory field or restricted as to who can update it, as such a temporary contract may extend further than agreed.	The end of contract date field be made mandatory on ERP for staff on fixed term contracts, and In addition, the ability to amend the contract length period to be restricted to authorised personnel.	2	<p><i>Agreed.</i></p> <p><i>Access to alter ERP records will be reviewed on a regular basis to ensure that the list is fit for purpose.</i></p> <p><i>Changes to the ERP system will be explored, but may not be feasible due to cost implications. The Service Centre Manager will monitor the end of contract fields on ERP and ensure that end dates are included.</i></p>	31/08/2019	HR Service Centre Manager

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>Reports are not produced for monitoring staff on fixed term contracts. This could result in:</p> <ul style="list-style-type: none"> <li>• Contracts exceeding their agreed fixed period without approval or business need.</li> <li>• End of contract arrangements not being made to manage the work flow.</li> </ul> <p>Contracts exceeding a four year period, where they would automatically become a permanent employee, which may not be the intention for the post/post holder, at a detriment to the Constabularies.</p>	<p>Reports be produced monthly for line managers to review staff on fixed term contracts, to monitor the length of the contract, potential extensions required to be approved or to terminate the contract.</p>	2	<p>Agreed.</p> <p>Reports are available and will be run and distributed on a monthly basis to HR Business Partners as they are currently involved in managing the establishment within their individual portfolios. HR Business Partners will then work with commands/departments to ensure that action is taken to resolve issues that arise from this. The report will be implemented from August 2019</p>	31/08/2019	<p>Management Information Team/HR Business Partners</p>

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Compliance	<p>Testing found:</p> <ul style="list-style-type: none"> <li>Instances where there was insufficient evidence to support extension of fixed term contracts.</li> <li>Instances where ERP had not been updated to reflect that an employee has been made a permanent employee.</li> <li>An employee who had not received appropriate occupational health clearance and had not been vetted to the enhanced level required for the additional role moved to prior to commencing employment.</li> </ul> <p>Instances where approval had not been received to support a fixed term role/employee being made a permanent employee.</p>	Approval be obtained from the Resource Planning and Demand Group to extend any temporary contracts and to make temporary roles permanent, and ERP be updated when an employee moves from being a fixed term employee to a permanent employee.	2	<p>Agreed.</p> <p><i>This should continue to be managed by the normal channels (Establishment Change forms, Requests to fill a vacancy forms and enAct). An overall report will be presented at the Resourcing, Planning and Demand Meeting, to include reasons for the extension.</i></p>	30/09/2019	HR Business Partners

**Audit Report: Maintenance (NSC2007)**

**Report: June 2019**

**SCOPE**

The audit focussed on the maintenance programmes in place across both Suffolk and Norfolk Constabularies estates.

**MATERIALITY**

The Challenge Panel 2018/19 Submission refers to planned maintenance budgets of £246,000 for Norfolk and £336,500 for Suffolk, and reactive maintenance budgets of £220,000 for Norfolk and £190,000 for Suffolk.

**KEY FINDINGS**

There is an Estates Management Plan in place and a suite of policies, although these require review and update.

Condition surveys were undertaken in 2015/16 as part of a five year process.

Statutory compliance reports are presented to the Health and Safety Committee, although it would be comprehensive to include information from PFI providers and landlords.

Testing of maintenance records found that some information is incomplete, which should be resolved with planned additional administration support.

An Outcomes Based Budgeting (OBB) process uses Challenge Panels to scrutinise budgets, and monthly meetings are held with Finance to monitor expenditure.

**OVERALL ASSURANCE ASSESSMENT**



**ACTION POINTS**

Urgent	Important	Routine	Operational
0	3	3	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	Compliance	A statutory health and safety log is maintained in Excel, listing premises in tabs for each check undertaken (gas, electrical, asbestos etc.). A review of this found many 'red' entries, indicating overdue services. The Head of Estates stated this was due to difficulty coping with the volume of data input work in the department, which will be alleviated in the near future with the appointment of a part-time administration support officer.	The statutory health and safety log spreadsheet be kept up to date, so that management can monitor any red entries to ensure services have taken place.	2	<p><i>A review of the Estates Department is being undertaken to strengthen the staff time within the department spent on resourcing this area of work.</i></p> <p><i>This is subject to the introduction of two part time Facilities Assistant posts from current staff budget resources and part vacant FTE's. Hence due to HR processes and appointment – likely to be up and running around the start of November 2019.</i></p>	01/11/2019	Head of Estates

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Compliance	An Estates statutory compliance report is produced and assessed by the Health and Safety Team within the Constabulary, to ensure these services are carried out to expectations and as per contractual arrangements. The report is presented to the Health and Safety Committee on a quarterly basis. It was identified however that PFI contracts are not included in the report. This presents a risk that senior management may be unaware of any potential maintenance issues at the Wymondham Operational Commence Centre and Police Investigation Sites across the two counties.	PFI contracts be incorporated into the quarterly Estates statutory compliance reports. This will help provide the Health and Safety Committee with a complete picture of statutory requirements and assure them that responsibilities are being met.	2	<i>The Estates Dept PFI Unit have requested that both Interserve and Tascor provide evidence of their statutory compliance.  A new PFI statutory testing summary sheet will be provided for the next H&amp;S Committee.</i>	05/08/2019 (For the H&S Committee)	PFI Contracts Manager

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Compliance	Landlords are sent a Statutory Building Checklist to complete annually to request background evidence of the undertaking of statutory maintenance to keep premises, staff and visitors safe. Evidence is requested for each high risk area including fire risk assessments, legionella, lift services etc. These are not currently reported to the H&S Committee on the Estates Statutory Compliance Report however.	The completion of Landlords' Statutory Building Checklists be incorporated into the quarterly Estates Statutory Compliance Reports. This will help assure the Health and Safety Committee that all landlords are responding and that any issues arising are dealt with.	2	<i>The Estates Dept - Estates Unit will update the landlords evidence of statutory compliance into a new PFI statutory testing summary sheet will be provided for the next H&amp;S Committee.</i>	05/08/2019 <i>(For the H&amp;S Committee)</i>	<i>Estates officer – Statutory Maintenance</i>

**Audit Report: Contracts (NSC2008)**

**Report: July 2019**

**SCOPE**

The review appraised the arrangements for the letting, management and monitoring of contracts entered into by Norfolk and Suffolk Constabularies. The scope of the review did not include consideration of the funding arrangements or the specification of the contracts.

**MATERIALITY**

There are 538 entries on the contract register, many with three entries representing Suffolk, Norfolk and collaborative lines.

**KEY FINDINGS**

With effect from 1st April 2019 the Contract Standing Orders (CSOs) of the '7 Forces' collaboration are used. Prior to this local CSOs were in operation.

A suite of standard documentation is in place to support CSO compliance. A local Procurement Policy is awaiting approval.

Sample testing of 10 contracts awarded found that CSOs had been complied with, with one exception which could leave Norfolk Constabulary open to challenge.

Sample testing found that contracts had been set up with key performance indicators and measurement mechanisms in place.

Contracts are being monitored, although concerns were raised regarding aspects of one contract which requires an internal review.

**OVERALL ASSURANCE ASSESSMENT**



**ACTION POINTS**

Urgent	Important	Routine	Operational
0	2	1	0



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

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation	Responsible Officer
3	Compliance	A review of contract documentation and enquiries with responsible officers in departments found that contract measurement metrics, including Key Performance Indicators (KPIs), are set out in contracts, and mechanisms put in place to monitor against those metrics and to ensure payments are made correctly. However concerns were raised in respect of the monitoring of contract 2018-005 by the Sexual Assault Referral Centre (SARC) Manager, Suffolk relating to audit procedures, the General Data Protection Regulation (GDPR), resuscitation, the provider staff's orientation to the SARC and administrative issues.	A review of the monitoring processes over contract 2018-005 be undertaken to ensure that the service is being delivered effectively and efficiently, and to ensure that payments are made in line with the agreed contract to deliver value-for-money.	2	<i>A review is being undertaken with the stakeholders of this contract to ensure that contract management commensurate with the value, risk and criticality is in place.</i>	31/07/2019	Head of CP

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation	Responsible Officer
2	Compliance	Testing found that the CSOs have been followed in the majority of tenders, being advertised and managed in accordance with the rules, with the only exception related to contract 2018-015. Bids received for this tender were much higher than expected due to the inclusion in the bids of some work which had already been undertaken under an urgent Single Tender Action (STA). The Procurement Department had advised and agreed retendering the contract, however the Estates Department entered into additional talks with some of the bidders directly. While the award of the contract had approval from the PCC for Norfolk, there was nothing in the original tender to state that bidders would be shortlisted with further discussion to follow. Paragraph 3.4 of the CSOs require that: "Criteria for the award of contracts shall be recorded in advance of the invitation to tender and strictly observed by officers evaluating the bids. The criteria cannot be altered once the tender is advertised. The criteria may include cost and qualitative elements and shall take into account whole life costs." Non-compliance with this could lead the Constabulary vulnerable to challenge.	Measures be introduced to ensure the criteria for the award of contracts are strictly observed by all officers evaluating the bids.	2	<p><i>Provided Procurement is not excluded from the process then the requirement of paragraph 3.4 is strictly observed.</i></p> <p><i>It has been indicated that the Category Manager responsible for Estates will be included in Estates Board Meetings.</i></p> <p><i>The Category Manager responsible for Estates attends SMTs and will re-emphasise the requirement to comply with CSOs.</i></p>	30 July 2019	ACOs and Head of CP

**Audit Report: Single Tender Actions (NSC2012)**

**Report: June 2019**

**SCOPE**

The review focussed on the STAs that occurred in the previous 12 months, to ascertain the volume, process, sign off and reasoning, across the Offices of the Police and Crime Commissioner for Norfolk and Suffolk and the Constabularies.

**MATERIALITY**

Over the current and previous years the level of STAs are shown below.

Financial Year	Number of STAs	Total Value of STAs
2019/20 (April-May)	11	£347k
2018/19*	71	£1.35m
2017/18	75	£1.26m
2016/17	67	£983k

**KEY FINDINGS**

With effect from 1st April 2019 the Contract Standing Orders (CSOs) of the 7 Forces collaboration are used. Prior to this local CSOs were in operation.

CSOs state that Single Tender Actions (STAs) should only be used in very exceptional circumstances and staff have been reminded to follow CSOs.

An STA register is maintained, although gaps were identified in the completion of this which could result in the total value of STAs being under-reported.

Sample testing of STAs found that all were supported by forms setting out the reason and demonstrating compliance with the CSOs, although the form design could be improved further.

Sample testing found that all STAs were authorised at the appropriate levels in line with CSOs.

**OVERALL ASSURANCE ASSESSMENT**



**ACTION POINTS**

Urgent	Important	Routine	Operational
0	1	2	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)
2	Compliance	Eight lines in the 2018/19 STA register were blank, except for a file reference number. Three of these were included in the audit test sample. The Category Managers were able to provide the information missing from the register for the audit, but missing information from the register could lead to the total value of STAs being under-reported to management.	A periodic check be undertaken to ensure that all STA details are fully recorded in the STA register.	2	<i>Period checks are undertaken and reminders will be issued to individuals to complete the register.</i>	31/07/2019	Head of CP



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

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## **Follow Up Review**

**2019/20**

## 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 April 2019 Audit Committee meeting and those outstanding past their implementation dates. A breakdown of this summary is attached as Figure

Figure 1 - Summary of the action taken on Recommendations made

Evaluation	P1 - Urgent Recommendations	P2 - Important Recommendations	Total	April '19 Position for comparison
	Number	Number		Total
<b>Implemented Since Last Meeting</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>19</b>
<b>New Recommendations Added Since Last Meeting (without revised dates)</b>	<b>0</b>	<b>16</b>	<b>16</b>	<b>0</b>
<b>Outstanding – Past Original Deadline (incl. Deadlines Extended*)</b>	<b>3*(3)</b>	<b>42*(25)</b>	<b>45*(25)</b>	<b>30</b>
<b>Original Deadline Not Yet Reached</b>	<b>0</b>	<b>15</b>	<b>15</b>	<b>17</b>

				Completed since last Audit Committee		New Since last Audit Committee		Outstanding / Overdue		Outstanding with Extended Period Not Reached		Not Yet Due for implementation	
				P1	P2	P1	P2	P1	P2	P1	P2	P1	P2
Audit Ref	Audit Area	Date Presented to Audit Committee	Assurance Level										
<b>2016/17 Internal Audit Reviews</b>													
NSC1714	Overtime, Expenses	Mar-17	Reasonable								1		
NSC1716	Pensions	Mar-17	Reasonable		1								
<b>2017/18 Internal Audit Reviews</b>													
NSC1812	Business Interests	May-18	Reasonable		1								
NSC1814	Risk Management	May-18	Reasonable						1				
NSC1817	Data Quality - Athena	Nov-17	Limited								1		
NSC1823	Overtime, Expenses	May-18	Limited						1				
NSC1829	Payroll	Mar-18	Limited						1				
<b>2018/19 Internal Audit Reviews</b>													
NSC1901	Governance and Whistleblowing	Mar-19	Reasonable						2				1
NSC1906	Enact Replacement	Nov-18	Reasonable						1				
NSC1909	Key Financial Controls	Mar-19			1								2
NSC1910	Capital Programme	Nov-18	Reasonable						1				
NSC1912	Allowances	Nov-19	Limited						1	1	1		
NSC1915	Establishment	Mar-19	Reasonable						1		1		1
NSC1917	Vetting	Nov-18	Reasonable						1				1
NSC1918	Transport Services - Strategy	Jul-19							2				

				Completed since last Audit Committee		New Since last Audit Committee		Outstanding / Overdue		Outstanding with Extended Period Not Reached		Not Yet Due for implementation	
				P1	P2	P1	P2	P1	P2	P1	P2	P1	P2
Audit Ref	Audit Area	Date Presented to Audit Committee	Assurance Level										
NSC1920	Telematics and Fuel Usage	Jul-19											1
NSC1922	Stations, including building access and vehicle security	Jul-18	Reasonable							1			1
NSC1925	Control Room - Norfolk	Jul-19						1					
NSC1927	Proceeds of Crime	Jul-19											3
NSC1928	Recovered Property	Jul-19						1					1
NSC1929	Lone Working	Nov-18	Reasonable		1						1		
NSC1930	Ethical Standards	Mar-19	Reasonable						3				
<b>TOTALS</b>				<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17</b>	<b>1</b>	<b>6</b>	<b>0</b>	<b>11</b>
<b>DMS Project and L&amp;D Project</b>													
NSC1804	L&D Skills	Jul-18	Limited							1	7		
NSC1818	MOPI Project	Jul-18	Limited							1	4		
NSC1707	Duty Management	Dec-16	Limited								3		
NSC1916	Duty Management	Nov-18	Limited								5		4
<b>DMS Project and L&amp;D Project Totals</b>				<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>19</b>	<b>0</b>	<b>4</b>
<b>TOTALS</b>				<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17</b>	<b>3</b>	<b>25</b>	<b>0</b>	<b>15</b>

**KEY FINDINGS**

- All recommendations have gone through management review, to assign revised deadlines that are deemed realistic to achieve.
- There are three urgent recommendation outstanding and past the agreed deadlines:



- 4.1 L&D Skills (NSC1804) – this issue is around the skills data held by Learning and Development, the timescales were ambitious, following which the service manager has left the Constabularies. Discussions are being held with the department to identify reasonable timescales for implementation.
- 4.2 Allowances (NSC1912) – this is regarding the dog handling allowances policy, where there are variances with the interpretation of the policy that require consideration for update.
- 4.3 MoPI Project (NSC1818) – this is regarding the development of Genie. The MoPI project was being followed up/monitored separately to the main follow up process, it has now been brought in line with the Duty Management and Learning & Development recommendations, to be monitored within the general follow up, but reported separately.
- 4.4 It is noted that the majority of recommendations continuing to remain outstanding are largely due to resource and IT requirements to be sourced. Long standing recommendations have been retained on the report, as the risks are still present and require addressing.

#### 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

5. 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.
6. 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.

- 7. 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**

- 8. The table below sets out the history of this report.

<b>Date draft report issued:</b>	N/A
<b>Date management responses recd:</b>	N/A
<b>Date final report issued:</b>	July 2019

## Detailed Report

### FOLLOW UP

9. Management representations were obtained on the action taken to address the recommendations. Only limited testing has been carried out to confirm these management representations.
10. The following matters were identified as outstanding past their original/revised deadline, with the exception of Duty Management, Learning and Development and MoPI, which are being monitored as part of a separate project:

Job	Recommendation	Management Comments	Responsible Officer	Priority	Due Date	Revised Due Date	Last Update	Latest Response
NSC1814 Risk Management – Mitigating Controls	Controls on the strategic risk register be made specific, applying the 'so what' approach, to enable them to address the risk identified.	A pilot of the revised template for the Joint Strategic Risk register will incorporate this recommendation.	Risk & Compliance Manager	2	08/06/18	01/07/19	06/02/19	The March JCOT has been dedicated to key HR issues, relevant to issues raised in the action plan, so this will now be tabled for the April 2019 JCOT.

Job	Recommendation	Management Comments	Responsible Officer	Priority	Due Date	Revised Due Date	Last Update	Latest Response
NSC1823 Overtime, Expenses and Additional Payments	Sample testing on 10% of claims to include the validity of the claim and whether they are submitted within the guidelines.	<p>The claims selected for testing are checked that they comply with the policy and rejected if they do not.</p> <p>With regards to the validity it was agreed the Constabulary would manage the remaining risk.</p> <p>A new reporting solution is now in place and being configured and an early priority is to design reports for Finance, PSD and Heads of Departments to manage this going forward.</p> <p>This Audit report along with recent PSD issues raised has led to the conclusion the risks are higher than can be tolerated and as a result has been added to the Constabulary risk register.</p>	Head of Transactional Services	2	30/09/18	01/07/19	04/01/19	The reporting tool is currently being developed and is anticipated to be complete for the new financial year 2019/20, following which testing will commence.

Job	Recommendation	Management Comments	Responsible Officer	Priority	Due Date	Revised Due Date	Last Update	Latest Response
NSC1829 Payroll, including ERP Reporting	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.	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.	Head of Transactional Services	2	30/06/18	01/07/19	04/01/19	Work has progressed to the extent that the new reporting tool is anticipated to be implemented by the end of Q1 in 2019/20, with reporting availability following this.

Job	Recommendation	Management Comments	Responsible Officer	Priority	Due Date	Revised Due Date	Last Update	Latest Response
NSC1901 Governance and Whistleblowing	A form be developed for each member of the selection / promotion panel, requiring them to formally declare whether there are any potential conflicts of interest in relation to the recruitment process.	Action will be taken to add this detail to the shortlisting form and interview paperwork which is currently carried out by line managers. Before this is introduced, work will be undertaken to ensure that there is process to follow when a conflict is identified as well as ensuring that there is an available understanding of what is regarded as a conflict of interest for managers.	Head of HR	2	30/06/2019		13/03/2019	
NSC1901 Governance and Whistleblowing	HR to develop and maintain a conflicts of interest register in relation to recruitment and promotion exercises.	The forms outlined above will be held within HR, so that they can be referred to in case of any investigation into a recruitment process.	Head of HR	2	30/06/2019		13/03/2019	
NSC1906 Enact Replacement Project	Management to ensure that a local installation of the	Apex has been installed onto our test database to allow development	Toni Osborne ERP Systems and	2	23/11/18	01/06/19	03/01/19	The installation of APEX has been on-going since

Job	Recommendation	Management Comments	Responsible Officer	Priority	Due Date	Revised Due Date	Last Update	Latest Response
	Apex development tool is completed as soon as possible so that the relevant forms and other tools that are to replace the Enact system can be developed and implemented in a timely manner.	to begin. Some minor configuration is being finalised this week. Whilst this development is underway, Apex will be installed into our change controlled environment and production environment databases. This will not affect the forms development as these can be extracted from the test database and uploaded into each of the new environments without the need to recreate the whole form.	Development Manager					December. Issues have been encountered with it causing large trace files to be produced within the environments it is installed in. This has meant it is not practicable to install it into Production (Live) as we cannot afford for the system to run slowly. This issue has been resolved and once testing is completed, we will look to install APEX into Production which will be followed by iForms being loaded into APEX after confirmation of the successful installation.

Job	Recommendation	Management Comments	Responsible Officer	Priority	Due Date	Revised Due Date	Last Update	Latest Response
NSC1910 Capital Programme	Business case template documentation be used consistently across both forces for all capital bids, to ensure consistency of information presented and decisions made and recorded.	The PMO are currently reviewing the Business Case template for re-design. This review will ensure the use of a consistent template that captures all relevant information in order to prioritise projects and evaluate how they are contributing to strategic priorities, thus enabling a check on benefits realisation, post implementation review etc. As key stakeholders Finance, HR and ICT will be consulted on along with PM and other internal department resources.	Head of Programme Management Office	2	30/04/2019	30/06/2019	30/04/19	The templates are being updated, in line with the end of June deadline. This will be captured in meeting minutes as well, to provide a full audit trail.



Job	Recommendation	Management Comments	Responsible Officer	Priority	Due Date	Revised Due Date	Last Update	Latest Response
NSC1912 Allowances	A standard approach be adopted regarding the use of forms for claiming allowances. This is to be incorporated within guidance for staff and available on the intranet.	The content of the Payroll and HR Intranet pages are under review as part of the SSTC project. Forms will be loaded onto the intranet for staff to use and the teams will direct them to use the appropriate form. Future developments of forms on line will follow.	Head of Transactional Services	2	31/03/19	30/06/19	03/04/19	The SSTC Project Board have reviewed the content on the HR and Payroll On Line new Intranet pages and this will be live by 30 June 2019. The claim forms referred to are included on these pages.
NSC1915 Establishment	Approval and rationale for why officers and staff are acting up be recorded for all officers/staff.	The new Acting and Temporary Promotions Policy will be published in the Spring of 2019. This will standardise the process and this detail will therefore be captured. Staff are already covered within other HR policies and process.	Head of Resourcing	2	30/06/2019		12/03/2019	

Job	Recommendation	Management Comments	Responsible Officer	Priority	Due Date	Revised Due Date	Last Update	Latest Response
NSC1917 Vetting	The Vetting Policy be reviewed, approved, and communicated.	The existing policy has been withdrawn as non-compliant. Now working to a seven force policy in line with APP, with local guidance. Once the national guidance is produced in September 2018, the seven force approach will be agreed and local guidance produced on this basis.	Senior Complaints, Appeals and Policy Manager	2	31/03/19	30/06/19	03/04/19	The policy is being discussed between PSD and HR, regarding the elements of reimbursements within employment contracts and what would be enforceable by law, following which consideration is to be made by Unison and the Federation, along with both Executives. This requires additional time to resolve.
NSC1918 Transport Services - Strategy	Records of drivers cleared to drive Constabulary pool and hire cars be regularly maintained by the Driving Training Unit, with proactive checks undertaken,	There is a requirement that all staff who avail themselves of driving authorisations complete a paper application process, which requires a copy of their driving licence and a DVLA print out of	Driver Trainer Team Leader	2	30/06/2019		04/07/2019	

Job	Recommendation	Management Comments	Responsible Officer	Priority	Due Date	Revised Due Date	Last Update	Latest Response
	to ensure that there has not been a change in circumstances for cleared drivers.	their driving licence summary. This is held on the individual's personal driving folder within the driving school. A reminder to all managers that have access to pool cars that their staff require this authorisation prior to the vehicles use, and/or a prompt when staff book pool cars via the intranet that there is a requirement that they need to be authorised by Driving School prior to the vehicles use, can be implemented fairly swiftly. Chronicle (Driver Management Unit) has now been approved for implementation to Norfolk and Suffolk Constabularies and this will ensure the future recording and checking of drivers is more robust.						

Job	Recommendation	Management Comments	Responsible Officer	Priority	Due Date	Revised Due Date	Last Update	Latest Response
NSC1918 Transport Services - Strategy	A review be undertaken to identify potential dual workforce workers, with a system to record those identified and verify that tax implications have been addressed.	A notification will be issued to all Department Heads to ensure that they consider staff travelling between sites comply with the Dual Workplace HMRC guidance and maintain records of those identified.	Head of Transactional Services	2	30/06/2019		04/07/2019	
NSC1922 Stations, including building access and vehicle security	A review of officers that have access to the Bury St Edmunds armoury be undertaken to ensure that only officers that have current in date fire arms training and require access are able to access the armoury.	Firearms Officers use the Chronical application to access the armoury and the contents contained in it. e-Personnel files need to be updated to reflect the officers' current training status. ERP does not have an accurate record of officers that have undertaken firearms training. Work is underway to address the inaccuracies of records within ERP.	The Joint L&D and The Joint Information Security Dept	2	30/11/18	01/10/19	03/04/19	The Chronicle solution is now being re-configured to become a 7Force 'cloud hosted' application that all 7Forces access. This is to be built and hosted by Suffolk and Norfolk ICT in their DC. Therefore the process of integrating ERP records etc. will be included in the

Job	Recommendation	Management Comments	Responsible Officer	Priority	Due Date	Revised Due Date	Last Update	Latest Response
		Only officers that have undertaken firearms training are granted access to the armoury, it is the training records on ERP being incorrect.						<p>development of this new application. This is a new project, which is progressing.</p> <p>A revised date will be applied to assess progress of the application to address the risk of unauthorised officers having access.</p>
NSC1925 Control Room - Norfolk	DMS be investigated to establish if this can be used by the CCR for rostering of staff.	Not for the CCR to resolve as this system is owned by Human Resources. CCR is a key stakeholder and has provided feedback in order to assist HR with a resolution.	Human Resources	2	27/06/2019		28/06/2019	

Job	Recommendation	Management Comments	Responsible Officer	Priority	Due Date	Revised Due Date	Last Update	Latest Response
NSC1928 Recovered Property	Notification be issued to officers and training officers that property labels are to be attached to the outside of property bags and not placed inside the bags.	Working with our Forensic Operations manager a joint Force Announcement will be issued to all Operational Officers and Staff around the appropriate methods of securing EPS paperwork to property items and the risk to the forensic integrity of items if paperwork is attached contrary to the advice. The PSE Policy will also be updated to ensure guidance reflects this advice. In addition CSI will report any incidents of poor practice to Senior CSI Officers and matters will be investigated with Police managers as case outcomes may be jeopardised.	PM&VRC	2	01/07/2019		24/06/2019	

Job	Recommendation	Management Comments	Responsible Officer	Priority	Due Date	Revised Due Date	Last Update	Latest Response
NSC1930 Ethical Standards	Guidance be developed on personal relationships at work. The guidance should incorporate managing staff within close relationships at work where potential conflicts may arise.	The NPCC issued draft guidance for informal feedback in July 2018. Further national consultation then took place before a joint NPCC and College of Policing guidance document was published w/c 18/02/19 and is available on the COP website. Local discussions are now taking place to implement and raise awareness.	Head of ACU	2	01/07/2019		13/03/2019	
NSC1930 Ethical Standards	A standard form be developed for police staff and police officers to disclose a personal relationship at work, which is submitted to PSD for review and identification of any conditions to be imposed to manage any	The NPCC issued draft guidance for informal feedback in July 2018. Further national consultation then took place before a joint NPCC and College of Policing guidance document was published w/c 18/02/19 and is available on the COP website. Local discussions are now	Head of ACU	2	01/07/2019		13/03/2019	

Job	Recommendation	Management Comments	Responsible Officer	Priority	Due Date	Revised Due Date	Last Update	Latest Response
	identified risk.	taking place to implement and raise awareness.						
NSC1930 Ethical Standards	A register be developed for recording all staff personal relationships at work, which is maintained by the Professional Standards Department (PSD) and updated accordingly.	The NPCC issued draft guidance for informal feedback in July 2018. Further national consultation then took place before a joint NPCC and College of Policing guidance document was published w/c 18/02/19 and is available on the COP website. Local discussions are now taking place to implement and raise awareness, prior to publication.	Head of ACU	2	01/07/2019		13/03/2019	





**ORIGINATOR:** Chief Finance Officers

**REASON FOR SUBMISSION:** Decision

**SUBMITTED TO:** Audit Committee – 30 July 2019

**SUBJECT:** Statements of Accounts 2018/19

**SUMMARY:**

1. The Police and Crime Commissioner's (PCC) and Chief Constable's (CC) draft Statements of Accounts were considered at an informal (private) meeting of the Committee on 11 June 2019. The Committee asked to be informed of any significant changes following the audit. These are shown at Appendix 1.
2. The draft Annual Governance Statement published with the draft Statements of Account in June has been updated and is attached at Appendix 2.
3. The external auditor's Audit Results Report, (ARR), is circulated with this report and will be presented by Mark Hodgeson, Associate Partner, Ernst and Young.
4. The external auditor requires Letters of Representation to be signed by the Chief Finance Officers (CFO's) before issuing his final audit opinion on the Statements of Accounts and these are included within the ARR.
5. The PCC, Chief Constable, Chief Executive and both CFO's, will sign formally the accounts after endorsement by the Committee.

**NB Hard copies of the Statements of Accounts are available, on request to the Office of the Police and Crime Commissioner.**

**RECOMMENDATION:**

1. The Committee is invited to recommend the Statements of Accounts and the Annual Governance Statement for signature by the PCC and Chief Constable.

## **1. BACKGROUND**

- 1.1 The Accounts and Audit (England) Regulations 2015 require authorities to follow “proper practices in relation to accounts” for the preparation of the Statement of Accounts. The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) constitutes “proper accounting practice” in England and Wales under the terms of Section 21 (2) of the Local Government Act 2003. PCCs and CCs in England and Wales are defined as local authorities under Section 23 (as amended by the Police Reform and Social Responsibility Act 2011) and are required, therefore, to follow the Code.
- 1.2 The Home Office Financial Management Code of Practice for the Police Service of England and Wales requires the Chief Financial Officer (CFO) of the PCC to be responsible for ensuring the production of the Statements of Accounts and the Group Accounts of the PCC, and the CC CFO has the same responsibilities on behalf of the Chief Constable. The legal framework indicates that the Statements of Accounts including the Group Accounts and the single entity financial statements should be produced in accordance with the Code’s requirements.
- 1.3 The draft Statements of Accounts 2018/19 were considered informally by the Committee on 11 June 2019.

## **2. CHANGES TO THE ACCOUNTS AND THE AUDIT RESULTS REPORT**

- 2.1 Appendix 1 sets out the main changes which have been made to the draft accounts.
- 2.2 The external auditor’s Audit Results Report for the year ended 31 March 2019 is circulated with this report and will be presented by Mark Hodgson.

## **3. ANNUAL GOVERNANCE STATEMENT (AGS)**

- 3.1 The draft AGS was considered by the Committee at its March meeting. Attached at Appendix 2 is an updated and final AGS for consideration by the Committee following comments raised by the committee. The main change related to:-
  - The Audit Committee requesting further clarity about the changes in arrangements of the Chief Finance Officer roles of the PCC and Chief Constable in paragraph 3.8

## **4. LETTERS OF REPRESENTATION**

- 4.1 The appendices to the Audit Results Report include the draft Letters of Representation, which are required to be signed by each corporation sole and the relevant CFO and provided to the external auditor prior to issuing his opinion on the PCC and CC’s financial statements.

## **5. PROCESS FOR FINAL APPROVAL**

- 5.1 On the basis that there are no further comments from the Committee, the Annual Governance Statement, the Letters of Representation and the two sets of Accounts will be signed off by the relevant parties.
- 5.2 The auditor will then sign the accounts and the audited accounts will be placed on both websites.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 There are no financial implications of any significance arising from consideration of this report.

## **7. OTHER IMPLICATIONS AND RISKS**

- 7.1 There are no other implications or risks associated with consideration of this report.

<b>ORIGINATOR CHECKLIST (MUST BE COMPLETED)</b>	<b>PLEASE STATE 'YES' OR 'NO'</b>
Has legal advice been sought on this submission?	No
Has the PCC's Chief Finance Officer been consulted?	Yes
Have equality, diversity and human rights implications been considered including equality analysis, as appropriate?	Not applicable
Have human resource implications been considered?	Not applicable
Is the recommendation consistent with the objectives in the Police and Crime Plan?	Not applicable
Has consultation been undertaken with people or agencies likely to be affected by the recommendation?	Not applicable
Has communications advice been sought on areas of likely media interest and how they might be managed?	No – not considered necessary.
Have all relevant ethical factors been taken into consideration in developing this submission?	Ethical considerations have been taken into account in the production of the Annual Governance Statement and the Accounts.

In relation to the above, please ensure that all relevant issues have been highlighted in the 'other implications and risks' section of the submission.

## Main Changes to the Draft Accounts

In December 2018 the Court of Appeal ruled that the 'transitional protection' offered to some members, as part of the reform to public sector pensions, amounted to unlawful discrimination. On 27 June 2019 the Supreme Court denied the Government's request for an appeal in the McCloud case in respect of age discrimination and pension protection.

This trigger event has a direct impact on the pension liabilities of Police bodies, as claims against Chief Constables are likely to succeed. It is probable that pension regulations will need to be amended and compensation arrangements put in place.

As a result, the PCC and Chief Constable instructed pension actuaries to carry out additional IAS19 valuations to reflect estimated potential liabilities, these have been accounted in the Statement of Accounts as the trigger event took place between the reporting year end and the authorised for issue date of 31 July 2019.

The increase in pension liabilities arising from the change amounted to £78.0m in the Group and Chief Constable's Balance Sheets. The associated increase in the charge to the CIES was made up of: Past Service Costs £76.9m and Actuarial Gains and Losses £1.1m This has resulted in changes being made to the following main statements, the inclusion of an adjusting post balance sheet event note to the accounts and the removal of the associated contingent liability reported in the published draft accounts:

Statement being changed		Group £'000	CC £'000	PCC £'000
CIES - Total Comprehensive Income and Expenditure	Now	186,418	187,513	(1,095)
CIES - Total Comprehensive Income and Expenditure	Was	108,413	109,526	(1,113)
Balance Sheet - Total Reserves	Now	(1,910,478)	(1,917,713)	7,234
Balance Sheet - Total Reserves	Was	(1,832,473)	(1,839,726)	7,252
Balance Sheet – Long Term Liabilities	Now	2,001,434	1,916,951	84,484
Balance Sheet – Long Term Liabilities	Was	1,923,429	1,838,964	84,466
MiRS - Unusable Reserves	Now	(1,928,921)	(1,917,713)	(11,210)
MiRS - Unusable Reserves	Was	(1,850,916)	(1,839,726)	(11,192)

There are minor disclosure amendments between the published draft and final Statement of Accounts, but other than the above, none have an impact on the primary statement totals.



**NORFOLK**  
CONSTABULARY  
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## **ANNUAL GOVERNANCE STATEMENT FOR THE POLICE AND CRIME COMMISSIONER FOR NORFOLK AND THE CHIEF CONSTABLE OF NORFOLK 2018/19**

### **1. Background**

- 1.1 This Annual Governance Statement (AGS) covers the financial year 2018/19 [but extends to cover the period to the signing of the Statements of Accounts in July 2019]. 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](http://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 March 2018). 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 2018/19 (ending 31 March 2019) 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

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Code applies to all those who work for the Constabulary, be they police officers, police staff, contractors or volunteers. Staff has 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 Police Regulations are due to change together with statutory guidance in respect of the handling of complaint and conduct matters. The timing of this is not yet confirmed, however it is expected to happen within the next 12 months. The regulatory change will see PCCs handling appeals in respect of some complaints and less serious misconduct matters being dealt with as 'Practice Requiring Improvement' which will involve line managers in improving the officer's performance rather than instigating formal misconduct proceedings. The OPCC and the Constabulary have been working together to plan for these changes.
- 3.7 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.
- 3.8 From 1st April 2014 the Norfolk PCC's Chief Finance Officer (CFO) has acted in a dual capacity (as Section 151 officer) for both the Norfolk PCC and the Chief Constable. The CIPFA Code confirms that while combined CFO arrangements do not contravene the provisions of the Police Reform and Social Responsibility 2011 Act, the potential risks must be recognised and the governance framework should be structured in a way that accommodates and responds to any compromises which might arise. The local arrangements were considered by the Audit Committee and appropriate safeguards have been operating from 1<sup>st</sup> April 2014 to 31 January 2019. At this point, the dual role ceased when the Chief Constable appointed a new Assistant Chief Officer, Finance and Support Services. This role includes the responsibility of CFO for the constabulary. On retirement of the former incumbent on 31<sup>st</sup> March 2019, the PCC appointed a new PCC CFO, Jill Penn, who took up the post on the 1<sup>st</sup> April 2019.

**Principle B - Ensuring openness and comprehensive stakeholder engagement**

- 3.9 The OPCCN'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.
- 3.10 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



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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.

- 3.11 The Constabulary Community Engagement Strategy and Business Plan 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.
- 3.12 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 OPCCN has a Consultation and Engagement Officer to review, develop and deliver its engagement activities and oversee delivery of the Strategy.
- 3.13 The PCC held a countywide budget consultation asking Norfolk people whether they agreed to a precept rise for 2018/19. More than 2000 people took part. Key partners were also consulted. The results of the police budget 2018/19 consultation show that 59% of those who took part said they would be prepared to pay an extra 2% through the policing element of their council tax. Of those who showed a preference for an increase, 20% stated that they would not be willing to pay more than 2%, 14% stated that they would pay up to an extra 19p per week (4.5%), 23% said that they would pay an extra 25p per week (6%) and 43% said they would be prepared to pay an extra 50p per week (12%). See paragraph 3.20 for more information on the 2018/19 budget. The PCC holds regular public meetings (Police Accountability Forum) to hold the Chief Constable to account and hosts public Q&A meetings around the county where residents can quiz senior police officers about the policing of their neighbourhoods.
- 3.14 The OPCC manages a key independent advisory panel, the Independent Advisory Group (IAG).
- 3.15 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. It also reviews public confidence through monitoring of results through the Crime Survey of England and Wales.
- 3.16 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 to discuss and discharge their governance responsibilities. 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.

- 3.17 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**

- 3.18 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.

- 3.19 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>

- 3.20 There is a co-ordinated process for strategic and medium-term financial planning (MTFP) that uses Outcome Based Budgeting (OBB) principles. The budget for 2018/19 proposed by the PCC was based on a 'cash level' government funding settlement and an increase in the council tax (following consultation) of £12 per annum (Band D). The PCC's proposal was unanimously supported by the Police and Crime Panel. Budget reductions were required to balance the budget but it was possible to slightly increase police officer numbers with the additional precept. 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.
- 3.21 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, the Commissioner and the Norfolk Police and Crime Panel on

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performance against objectives. This includes detailed analysis and scrutiny of performance and compares performance against the most similar family of forces. A review of performance reporting is currently underway to ensure it continues to meet all parties needs and requirements and optimises insight and decision making.

- 3.22 Proposals for collaboration go through a detailed process, designed to ensure that all options are considered, outcome and risk assessed 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.
- 3.23 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 the Joint Norfolk and Suffolk Chief Officer Team.

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

- 3.24 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 2018 Strategic Assessment 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.
- 3.25 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.

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- 3.26 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.
- 3.27 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. JPAD also produces analysis in collaboration with external organisations and partners (including Ambulance, fire service, county council, youth offending team, trading standards, etc.) in order to better understand performance in the context of shared demand and so identify how best to manage and resource. 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.**

- 3.28 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. Examples of these sessions include Coaching Conversations and Having Difficult Conversations. The Constabularies have re-designed the Professional Development Review process to include the opportunity for all staff and officers to have career conversation with their manager and build a plan for development and where appropriate progression. Following the annual Performance Development Review a number of succession planning checkpoint events will take place to assess the current leadership capacity and the future talent pipeline, allowing for pro-active development of Officers and staff to meet upcoming demand.
- 3.29 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. Recently the force commenced Leadership profiling and a full evaluation of this will take place in June when the organisation will consider the use of this for junior ranks and grades.
- 3.30 The Professional Development Review (PDR) process continues to be improved and a series of PDR Quality Assurance processes has begun. This provides one to one support for a selected sample of managers and allows for the gathering of data on the quality of PDRs across the organisation. This data will be fed into the organisation People Board.

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- 3.31 The new Learning Management System is also being developed for launch in early Spring of 2019. This system will allow for flexible blended learning approaches and aims to reduce classroom time as well as maximising opportunities for our staff and officers to access learning programmes remotely.

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

- 3.32 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.
- 3.33 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, where relevant, at Force performance meetings. They are also detailed on the risk register.
- 3.34 As noted in the 2017/18 Annual Governance Statement, Norfolk and Suffolk Constabularies have implemented a single IT system which joins up four key areas of the business; Intelligence, Investigation, Case and Custody as part of a nine force consortium. The Norfolk/Suffolk Athena development plan is nearer completion with the final stage (six) underway focussed on the review and restructure of the organisation to make the most efficient use of the application and then moving to implementation. This will conclude the transition of Norfolk and Suffolk to a business as usual model. Bespoke action plans continue to ensure the quality of crime recording is improved; this has included the retraining of all supervisors and Athena champions in understanding of Crime Data Integrity (CDI). Three dedicated data quality staff form part of the Athena business as usual (BAU) structure 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.
- 3.35 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

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Management Organisation (hosted by Essex) to PCCs and Chief Constables through Athena Management Boards.

3.36 Key areas of focus in relation to Athena have included:

- achieving implementation of the application across all nine forces; thereby moving the focus to a service maintenance and development structure.
- the delivery of refresher training to all supervisors and Athena champions; this including technical use of the system in conjunction with legislative updates and CDI compliance.
- the management of system performance
- the agreed plan to move all nine forces onto an automated update 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);
- improving data quality (regular monthly audits are undertaken to identify any issues and ensure crime data integrity, reporting into Chief Officers); and
- the replacement of the current management information system (MI) providing a stable ability to access, query and extract management information
- establishing a road map of changes and improvements to the Athena application;
- conclusion of the organisational review leading to a restructure implementation plan
- transition from the Athena project to a business as usual structure.

3.37 As referenced in paragraph 3.33, the Force Crime Registry team conducts regular audits of the Constabulary's Crime Data Integrity (CDI) compliance. These audits have highlighted a risk regarding the grading level the force may receive following its HMICFRS CDI inspection. There are various reasons for this, but primarily a failure to adequately record, or negate, allegations of crime at the first point of contact; often within the Violent Crime classification will impact on the grading. The local situation is being monitored by the CDI Group, chaired by the T/Assistant Chief Constable. Audit has been increased, visits and consultation with forces obtaining 'Good' grades continue to look at best practice, a member of the Norfolk audit team has continued to support HMICFRS in undertaking other inspections and the Norfolk 2020 team is currently reviewing working practices within the Control Room.

3.38 Even with the additional flexibility available to the PCC for precept increases in 2018/19 and 2019/20; over the medium term, efficiencies will continue to be identified so that operational demand and cost pressures can be met. By the 31 March 2019 some £34m of annually recurring savings will have been found. Over the MTFP period to 2022/23 a further £3m has been identified. The financial envelope for 2020/21 and beyond will be determined by the Spending Review 2019. The additional 'flexibility' on precept for 2019/20 (an increase of £24 per annum (at Band D) will enable a significant increase in addition police officers/detectives together with new technology to support investigations. Reserves are forecast to reduce from £16.8m at 31 March 2018 to £11.2m, the minimally acceptable level, by 31 March 2021.

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

3.39 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

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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.

- 3.40 The OPCC has received an award (for the fourth year running) for the quality of its website, which includes the transparency requirements set out by Regulations.
- 3.41 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
  - comments made by the external auditor and other review agencies and inspectorates.
- 4.3 A full report was presented to the April 2019 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 Director (Performance and Scrutiny) OPCC, the PCC's CFO, the Chief Constable's Assistant Chief Officer, the Head of Strategic, Business and Operational Services and one co-opted member of the Audit Committee. These 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. TIAA has 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.

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- 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 2018/19 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 2 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 paragraphs 5.2 and 5.3.

#### 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 2018/19 Statement of Accounts in July 2019 together with an unqualified value for money conclusion. The External Auditor’s Annual Audit Letter was issued in August 2018 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 & Rescue Services (HMICFRS), and there have been a number of thematic inspections carried out over the period. Reports relating to Norfolk can be found on the HMICFRS website:-

<https://www.justiceinspectors.gov.uk/hmicfrs/?type=publications&force=norfolk&&cat&year>



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In May 2018 the force was subject of an unannounced Custody inspection. This was a joint inspection with Suffolk, and was led by Her Majesty's Inspectorate of Prisons, as part of the rolling Joint Inspection programme with the HMICFRS. The report was positive, and made only two recommendations with nineteen areas for improvement. All have been considered, and progressed where appropriate by the Criminal Justice Command. Further details are contained at Appendix C.

As part of the yearly inspection programme the HMICFRS also undertook a PEEL inspection. There are four key areas known as the pillars of PEEL – Efficiency, Effectiveness, Legitimacy and Leadership. Each pillar has a subset of questions which have previously been assessed through two inspections; one in the spring Efficiency and Legitimacy, and one in the autumn, Effectiveness.

In 2018 the inspectorate changed their approach and now undertakes what is known as an Integrated PEEL Assessment or IPA. The level of inspection is dependent on the HMICFRS using IPA to take a 'Risk Based Approach' in deciding which areas to undertake field work. Norfolk was assessed as being suitable for a reduced fieldwork inspection. In November 2018 due to the changes in the policing model and previous AFIs, the HMICFRS undertook inspection fieldwork on crime prevention (Q1) and crime investigation (Q2), in addition to the four mandatory questions; vulnerability (Q3), strategic threats (Q5), future demand (Q7) and ethics and counter corruption (Q9).

The force has yet to receive a copy of the Inspectorate's report. It is expected early summer 2019, and so will be included in the 2019/20 Annual Governance Statement.

The report will also confirm whether the Force has cleared all the outstanding Areas for Improvement. If any remain, which is not expected, they are likely to be represented as new AFIs.

- 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 2020, 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 alongside the full implementation of the Data Protection Act which became law in May 2018.
- 4.6.4 Data Breaches continue to be reported to the relevant areas. Each one is investigated and appropriate action is taken to contain and manage the risk. The Deputy Chief Constables (Senior Information Risk Officers (SIRO)) are involved in the high risk data breaches that are considered for referral to the Information Commissioners Office. Norfolk and Suffolk Constabularies made 6 referrals in 2018. In 3 cases no further action was required by the ICO, one required a policy update and no response has yet been received from the ICO on the remaining two.

#### **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 Committee members have continued to receive briefings and training through the year.

#### **5. Significant Governance Issues**

- 5.1 Those internal control issues identified in the 2016/17 Annual Governance Statement have been subject to follow up by Internal Audit. The reconciliation of tax and national insurance deductions relating to 2015/16 has now been completed and £1,400 overpaid to HMRC will be recovered.
- 5.2 In 2017/18 there were eight areas reviewed by internal audit 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). The vast majority of the recommendations have been implemented and the current position is set out in Appendix A.
- 5.3 In the current year, only two audits (of the 26 scheduled to be completed for 2018/19) have received 'Limited Assurance'.

Allowances – including one priority 1 recommendation – see Appendix B.

Duty Management System – although there were no priority 1 recommendations there were nine priority 2 and two priority 3 recommendations. The Audit Committee received a full report on the DMS at its January 2019 meeting. The Committee was satisfied with the explanations and the progress. The Director of Audit indicated that a further audit should produce a more positive assurance level.

- 5.4 All recommendations in Internal Audit Reports are subject to follow up with a detailed report being presented to each meeting of the Audit Committee and to the Joint Constabularies Organisational Board (Delivery)
- 5.5 It has recently come to our attention that there has been a case of suspected theft and fraud in one of the departments of the constabularies. While the level of suspected theft / fraud in cash terms is in the low thousands of pounds, and is not significant in terms of the accounts, the issue does raise a potential significant governance issue. A criminal investigation is underway, and the relevant department

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is now working with Internal Audit to introduce additional controls and will implement these imminently.

**6. Conclusion and Assurance Summary**

- 6.1 This report has highlighted the issues which have been identified during the year and which are being addressed.
- 6.2 The Corporate Governance Working Group has concluded that the governance arrangements are fit for purpose in accordance with the governance framework.
- 6.3 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

Jill Penn CPFA  
Chief Finance Officer  
Office of the Police and Crime Commissioner

Peter Jasper  
Assistant Chief Officer  
Constabulary Chief Finance Officer

Date: xxxxxxxxxxxxxx

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.

Appendix A

Extract from 2017/18 AGS	Current position
<p>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 5 priority 2 and 3 recommendations; all of which are in hand. A full review of the number of cards in use, the spending being charged to the cards and the policy and procedures will be carried out over the next few months.</p>	<p>A further audit of purchase cards was carried out this year. No recommendations were raised and a Reasonable Assurance grading was given.</p>
<p>The Athena Data Quality audit recommendations are complex and Athena is referenced elsewhere in this report. The audit report contained 4 priority 2 and 3 recommendations.</p>	<p>One priority 2 recommendation remains outstanding at the time of writing.</p>
<p>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. There were 5 priority 2 and 3 recommendations</p>	<p>All recommendations have been actioned.</p>
<p>The Overtime, Expenses and Additional Payments audit has revealed examples of invalid claims not complying with guidelines and a risk that expenses could be claimed through two separate systems. There were 4 priority 2 and 3 recommendations.</p>	<p>One priority 2 recommendation remains outstanding at the time of writing.</p>
<p>The Review of Policies Management has identified policies that are outside the scope of the Policy Unit, and for which accountability is unclear. 25% of policies are past their review date although this is a big improvement on the 81% when the Unit was formed. There were 7 priority 2 and 3 recommendations.</p>	<p>Two priority 2 recommendation remains outstanding at the time of writing. One priority 2 recommendation has a completion date of 31/3/19.</p>
<p>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 priority 1 recommendation is set out in Appendix A along with</p>	<p>The Audit Committee received a full report on MOPI at its meeting 15 January 2019. The Committee understood that, in time, the new IT systems and more staff resources would address the risks associated with non-compliance. The project would remain on the Constabularies' Strategic Risk Register.</p>

Extract from 2017/18 AGS	Current position
the management response and the timetable for dealing with the issue.	
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 about self-certification of on-call payments where an immediate system change is being implemented. The priority 1 recommendation is set out in Appendix A along with the management response and the timetable for dealing with the issue.	At the time of writing, one priority 1 recommendation remains outstanding. This will be completed when a replacement system for EnAct goes live later this year. 2 priority 2 recommendations also remain outstanding.
The Learning and Development (L&D) Recording of Police Officer Skills report has identified problems with the recording of skills on the ERP system, especially if the training has not been arranged by L&D. Also the system is not being used effectively to book and fill courses. The priority 1 recommendation is set out in Appendix A along with the management response and the timetable for dealing with the issue.	Work to more fully utilise ERP has been explored. The cost of the RFCs to enable the system to be used has been adjudged to be prohibitive. A business case to use the Chronicle for the recording of skills is being progressed and updates will be provided forthwith. Seven priority 2 recommendations remain outstanding although work on many of them is nearing completion. The latest Internal Audit Follow Up Report suggests that the original timescales for completion of the recommendations were over ambitious and that the service manager had left the Constabularies with a successor recently appointed.

APPENDIX B

ALLOWANCES

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Compliance	<p>Testing concluded that rates of pay for each dog handled were calculated correctly, and authorised enact forms were in place to support any changes. Inconsistencies were identified between records held by payroll and the Inspector, Specialist Operations, with payroll holding the correct details; one paid dog handler was not on the records held by the Dog Unit and four police officers were paid for more dogs than recorded by the Dog Unit.</p> <p>It is not clear what expenses dog handlers are entitled to claim in addition to their dog handler allowance and what expenses are expected to be covered as part of the allowance; sample testing identified that two of the dog handlers only claimed the allowance, whilst other dog handlers claimed reimbursement for items such as dog grooming, mileage costs and valet vehicles, whilst the remaining dog handlers claimed additional expenses, which were inconsistently applied.</p>	<p>The policy and processes for dog handler allowances and associated expenses to be clarified, adopted within the policy, communicated to relevant staff/officers and accurate records maintained.</p>	1	<p><i>This will be referred to the Superintendent Specialist Operations, who will form a policy and process.</i></p>	31/03/19	Supt Specialist Ops

## HMICFRS/HMI Prisons - Inspection of Custody - Recommendations

### Recommendation 1

**The force must take immediate action to ensure that all custody procedures comply with legislation and guidance, and that officers consistently implement these. Quality assurance should be applied to test compliance with the legislative requirements.**

The Custody Command has taken immediate action to remedy the quality of the Inspectors review by producing an Inspectors Briefing called the 7 min guide. This has been provided electronically and also through face to face updates to Norfolk Inspectors Development days (Suffolk does not have these presently). Additionally updates on Bail and RUI have been provided to ensure legislative compliance which is overseen by a Strategic group chaired by the Head of Joint Justice.

An enhanced audit process of reviews has been put in place from the start of 2019 to improve the inspection of custody records in order to pick up on issues which need addressing around PACE compliance. A strong focus on data quality of rationales for authorisations texts.

### Recommendation 2

**The constabularies should strengthen their governance of use of force by ensuring that all incidents involving force in custody are properly recorded and are in line with recommendations from the National Police Chiefs Council. Incidents should be cross-referenced to CCTV to demonstrate that the force used is proportionate and justified.**

There is currently a national issue which is reflected locally which does not show alignment between Use of Force (UoF) reporting and custody systems. Much of this is system lead, with the UoF system not able to fully reference individual cases in Custody. However, a change plan is now in place which will develop that system further to allow for greater cross referencing of cases with the Athena custody module. Dip sampling continues to take place monthly on UoF cases.

A new Coercive Powers Independent Scrutiny Panel commenced in January 2019 with a focus on Sec 54 Strip Search Powers. These boards are made up of Independent Custody Visitors from Norfolk and Suffolk and look at the quality of the authorisations, as well as issues relating to race disproportionality.

A new Custody Development Day will have UoF recording as a mandatory element.

### Areas for Improvement

- 1. The forces should ensure that the accuracy, collation and monitoring of data on key areas of custody is sufficient to assess performance, identify trends and drive improvements.**

New Performance Framework linked to the custody Expectations guidelines is in development, and due to be launched in the late spring of 2019. It is linked to national work by the NPCC Custody Forum working group. The framework is currently within a Task and Finish group with wide ranging stakeholder engagement.

- 2. The forces should ensure that custody records are comprehensive and clear and that all decisions are appropriately justified and clearly recorded. Multiple cell checks should not be entered in individual detainee detention logs.**



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The Joint Justice Command does not agree with the area for improvement around multiple cell checks as we have an efficient staffing model which provides for quality checks but based on our ability to use our technology in an efficient way. Data quality dip sampling by PIC Inspectors continues to monitor quality of records, and learning issues are also relayed following cases referred to the PSD.

- 3. All staff should ensure that the individual and diverse needs of detainees are consistently met, particularly those of female and transgender detainees.**

A new Trans toolkit has been launched in Force, and a lead has been appointed in custody to develop a training package for the whole command, using the expertise of the National Trans Police Association as a partner. The forces Independent Advisory Panel includes an action lead for LGBT+ issues and gender issues who will be consulted on the L&D package.

- 4. Female Sanitary Provision is available across all PICS and is offered in a discrete way by all staff**

The action is complete, and new sanitary bins are also appropriately available to staff for disposal.

- 5. Anti-rip clothing should only be used in exceptional circumstances and following an individual risk assessment**

New NPCC Guidelines on "Dignity" are soon to be launched. This will look again at how we assess risk and now provide a "one size fits all" approach to risk. This will also require a cultural shift across policing, as there is currently a disconnect between what the IOPC would say retrospectively following an adverse incident, and what is being promoted by HMICFRS. ACC Kemp is taking forward this piece of work with support from the constabularies.

- 6. The forces should make suitable alternative arrangements for voluntary attendees so they do not have to be brought into custody**

A new Voluntary Attender Policy is in consultation as of March 2019. Improvements are currently being worked through with Athena, and with digital recording equipment in police stations ahead of any authorisation to use Body Worn Video for interviews. It is expected that a voluntary attendance decision mobile app will also be available for front line officers in the course of 2019.

- 7. Delays in progressing investigations while waiting for interpreters and/or AAs should be minimised.**

The CAPITA Contract is under review as there continue to be problems with the provision of the full service particularly for face to face interpretation. Contingency plans being considered for an alternative provider. This is also a national problem particularly in key languages from the Western Balkans (Romanian, Hungarian).

The new AA Contract has a performance monitoring provision around response times which are inspected on a quarterly basis.

- 8. The force should strengthen its approach to PACE reviews by ensuring:**

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- **all PACE reviews include the detainee's care and welfare needs, which are fully and accurately recorded**
- **that acting inspectors are authorised to carry out duties of a higher rank when conducting detention reviews in accordance with section 107 of PACE.**

This links to Recommendation 1, and the 7 Minute Guide alongside the Bail and RUI updates which have been provided to all Inspectors 07-12-18.

- 9. The forces should ensure that responsible individual officers update RUI suspects and that there is effective supervision to ensure investigations are conducted as quickly as possible**

The joint Bail & RUI Strategy Group is Chaired by DCS Wvndth and a new 7 minute guide for Inspectors has been published December 2018 around the authorisation for bail.

The tactical response to Bail and RUI management is under Inspector Beeby, who leads the Bail Management Team (2 Sgts and 1 support staff post). Monthly monitoring of the Bail and RUI cases with front line County Policing Teams, and specialist Investigations leads is in place to get effective oversight of all the cases currently RUI and ensuring expeditious closure.

- 10. Drugs for use in medical emergencies should align with the health care provider's policy, and the range of kit should be reviewed to ensure it is suitable**

A new Healthcare Provider (Castle Rock Group – CRG) commences from April 1st 2019. New policies and procedures are therefore forthcoming and compliance is being monitored by the Custody Healthcare lead, Paul Loveday. All medical dispensing will then only be done by an HCP.

- 11. The forces should offer detainees replacement shoes when their own footwear is removed and access to showers, hand-washing facilities, exercise and a selection of reading materials. Toilet paper should be in their cells except where there are risk assessment indicators.**

This area is currently compliant and is subject to Inspectors and Chief Inspectors monthly and six-monthly checks

- 12. The forces should continue to work with partner agencies to ensure that children charged and refused bail are moved to alternative accommodation.**

The Strategic Children & Young Persons Group under the Local Policing ACCs meet with Custody representation.

A tactical lead for Custody meets with heads of Children Services for Norfolk and Suffolk on a quarterly basis to discuss all cases where children were not transferred into LA care.

PACE beds continue to be a difficulty for both local authorities, but the position is improving. There remains no secure accommodation in either Norfolk or Suffolk.

- 13. All detainees should receive equitable access to primary care services in custody suites**

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This links to the provision of the new embedded custody Healthcare contract from CRG which commences April 1<sup>st</sup>. There will be a significant uplift in the quality of care and access to primary care services at all PICS.

- 14. Governance arrangements should be improved, including in areas of policy for police custody, leadership, responsiveness, clinical supervision, clinical supply chain reliability, access to online resources and service user consultation. Systems for clinical waste disposal should be suitable and labels completed**

This links to the provision of the new embedded custody Healthcare contract from CRG which commences April 1<sup>st</sup>. There will be a significant uplift in the quality of care and access to primary care services at all PICS. The response to this action can be reviewed in Quarter 3 2019-2020 once the new provider has embedded their service.

- 15. Medications due for administration while detainees are at court should be sent with them.**

This action can be recorded as complete as this is standard practice, but is a national thematic which does not reflect already good local practice.

- 16. Custody officers should not administer prescription-only medication without a signed medical prescription.**

All medical dispensing will only be done by an HCP in the new contract from April 1<sup>st</sup>.

- 17. Detainees with substance misuse issues should have access to specialist services**

We will be certain these will be met from April 1st when the new health care contract commences but also Liaison and Diversion Services, which if engaged with, offer the detainee bespoke and specialist services to assist with their addiction in order to reduce the likelihood of return to the criminal justice system.

- 18. Detainees requiring Mental Health Act assessments should be seen promptly, and transfers to hospital facilities should be expeditious**

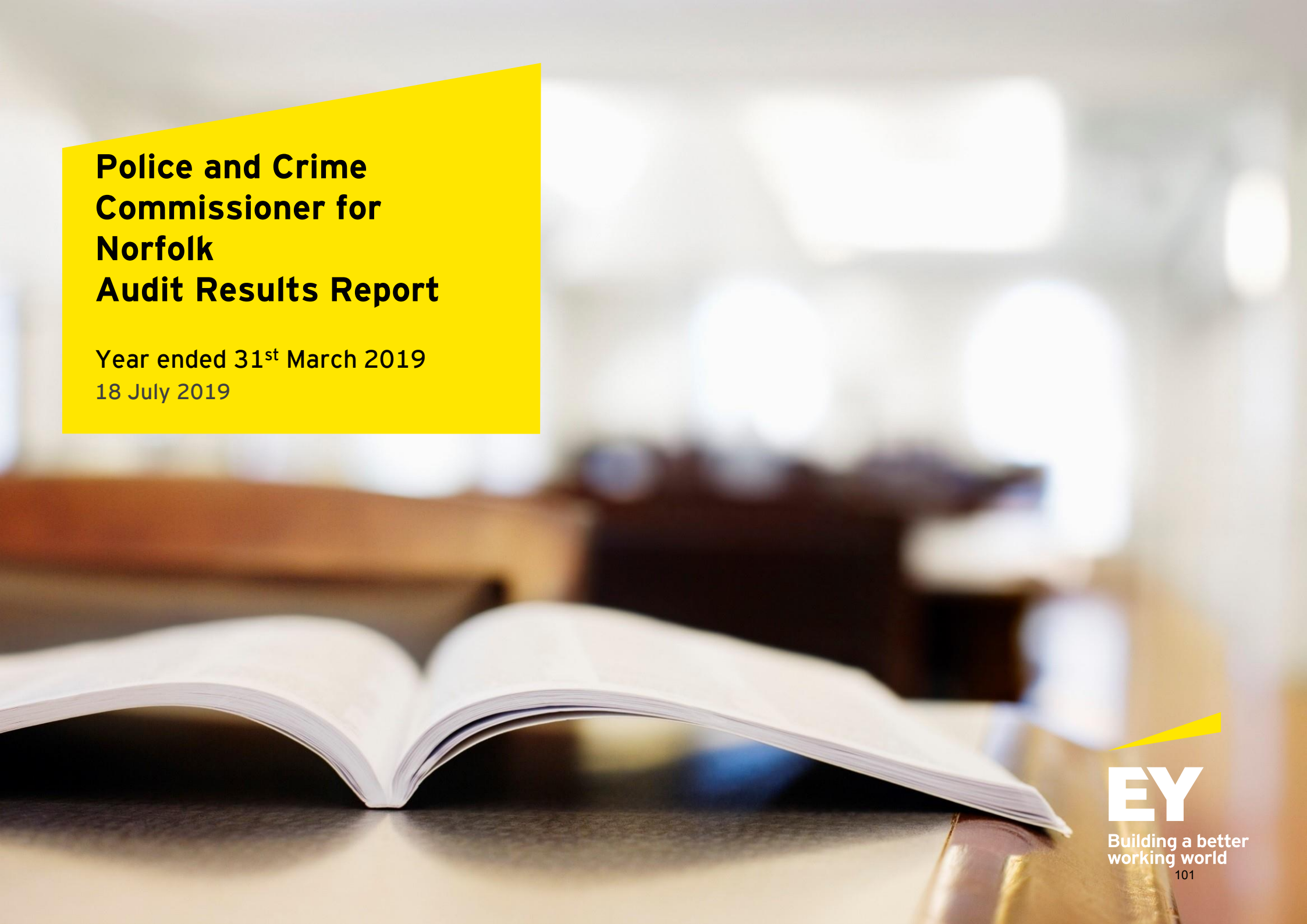
All Mental Health cases are currently reviewed but there is not currently the strength in our performance framework to do this efficiently - improvements are planned to commence April 2019 in conjunction with a new Safer Detention referral mechanism for Sergeants to notify the Custody Bronze Inspectors who will then ensure they grip this issue when MH assessments are unduly delayed due to staffing problems in the local MH Trust.

- 19. The forces should continue to work with HMCTS to ensure that the time detainees wait for virtual court appearances is minimised, with cases prioritised appropriately. Where detainees are remanded to prison they should be transported there without undue delay.**

Norfolk and Suffolk Constabularies are now engaged with the consortium of South East forces for the new Video Enabled Justice programme. An A/Inspector is currently seconded to that project, and the new system will go live on 27<sup>th</sup> March across five PICS.

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Additionally, funding for five VCDOs has been obtained and those post holders have been recruited to commence training on the 1<sup>st</sup> April. This new programme will deliver improved efficiency and timings for remand hearings.



**Police and Crime  
Commissioner for  
Norfolk  
Audit Results Report**

Year ended 31<sup>st</sup> March 2019  
18 July 2019



**EY**

Building a better  
working world

18 July 2019



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Wymondham  
Norfolk  
NR18 0WW

Dear Lorne and Simon

We are pleased to attach our Audit Results Report for the forthcoming meeting of the Joint Audit Committee (JAC). This report summarises our preliminary audit conclusion in relation to the audit of the Police and Crime Commissioner for Norfolk for 2018/19.

We have substantially completed our audit of the Police and Crime Commissioner for Norfolk (the PCC and CC) for the year ended 31<sup>st</sup> March 2019.

Subject to concluding the outstanding matters listed in our report, we confirm that we expect to issue an unqualified audit opinion on the financial statements in the form at Section 3, before the 31<sup>st</sup> July 2019.

This report is intended solely for the use of the JAC, other members of the PCC and CC, and senior management. It should not be used for any other purpose or given to any other party without obtaining our written consent.

We would like to thank your staff for their help during the engagement.

We welcome the opportunity to discuss the contents of this report with you at the JAC meeting on 30 July 2019.

Yours faithfully

*MARK HODGSON*

Mark Hodgson

Associate Partner

For and on behalf of Ernst & Young LLP

Encl

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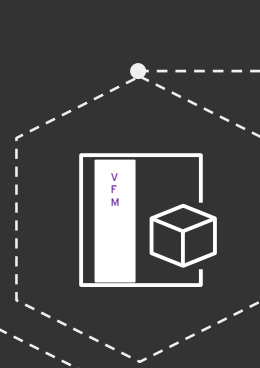
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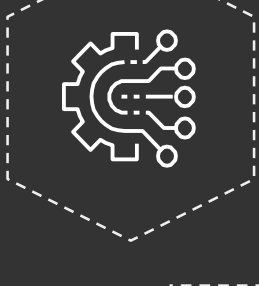
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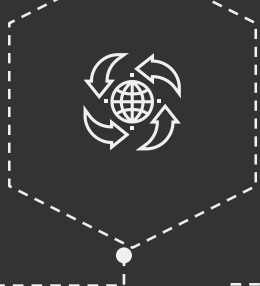
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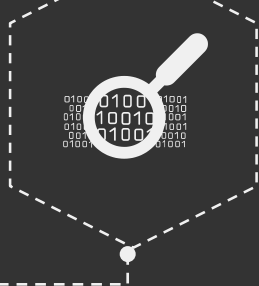
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Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website ([www.psa.co.uk](http://www.psa.co.uk)).

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

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

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

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



# 01 Executive Summary



# Executive Summary

## Scope update

In our Audit Plan presented to the 15 January 2019 JAC meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements.

### Changes in materiality

We updated our planning materiality assessment using the draft consolidated accounts and have also reconsidered our risk assessment.

Based on our materiality measure of 2% of gross revenue expenditure on provision of services we have updated our overall materiality assessment:

- The PCC Group has decreased to £5.039 million (Audit Planning Report £5.2 million)
- The CC Single Entity has decreased to £4.626 million (Audit Plan £4.7 million)
- The PCC Single Entity has increased to £2.213 million (Audit Plan £2 million)

In addition the Police Pension Fund materiality has stayed the same at £0.931 million.

This results in updated performance materiality levels set at overall materiality of £3.779 million , £3.470 million, £1.659 million and £0.698 million respectively for the PCC Group, CC Single Entity, PCC Single Entity, and the Police Pension Fund.

Thresholds for reporting uncorrected mis-statements has increased to £0.251 million, £0.231 million, £0.110 million, £0.046 million respectively.

## Areas of audit focus

Our Audit Plan identified key areas of focus. This report sets out our observations and conclusions on these. We summarise our consideration of these matters, and any others identified, in the "Key Audit Issues" section of this report.

We ask you to review these and any other matters in this report to ensure:

- ▶ There are no other considerations or matters that could have an impact on these issues
- ▶ You agree with the resolution of the issue
- ▶ There are no other significant issues to be considered.

There are no matters, apart from those reported by management or disclosed in this report, which we believe should be brought to the attention of the PCC and the CC.

## Executive Summary

### Status of the audit

We have substantially completed our audit of the Police and Crime Commissioner's and Chief Constable's financial statements for the year ended 31<sup>st</sup> March 2019 and have performed the procedures outlined in our Audit Plan.

Subject to satisfactory completion of the following outstanding items we expect to issue an unqualified opinion on the Group financial statements.

- Pensions (IAS19);
- Cashflow statement;
- Collaboration and intra group funding;
- Officer remuneration - Benefits in kind disclosure;
- Review of the final version of the financial statements;
- Completion of subsequent events review;
- Receipt of the signed management representation letter; and
- Final Manager and Engagement Partner reviews.

In addition to the above, there is an ongoing national issue which has required a late and pervasive change to the accounts and related IAS19 Pensions liability disclosures. It relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements, commonly described as the McCloud ruling. The draft accounts have recognised this matter as a contingent liability in line with the recognised position as at the year-end and industry guidance on the matter. However, since the year-end there has been additional evidence, including the legal ruling by the Supreme Court on 27 June 2019 which rejected the Government's appeal, which suggested that the amounts should in fact be able to be fully calculated and so included within the financial statements. In summary, the changes have increased the past service costs and in turn the pensions liability figure for the Police Pension Fund by approximately £75.6 million and for the Local Government Pension Fund by £2.3 million.

### Audit differences

There is one unadjusted judgemental audit difference arising from our audit. This is in relation to PFI accounting under IAS 17.

There are no adjusted audit differences to the primary statements. We have identified a limited number of disclosure adjustments, none of which we deem so significant as to merit bringing to your attention.

For further details see Section 4. Until we have concluded on the outstanding work it is possible that further adjustments will also need to be reported. We will update the Committee verbally accordingly.

## Executive Summary

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### Control observations

We have adopted a fully substantive approach, and so have not tested the operation of controls. We have, however, updated our understanding of key processes and the controls which are in place to detect or prevent error. Through this work, we have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements and which is unknown to you.

### Value for money

We have considered your arrangements to take informed decisions; deploy resources in a sustainable manner; and work with partners and other third parties. In our Audit Plan we identified a significant risk in respect of deploy resources in a sustainable manner. We have carried out work as set out in the Audit Plan and have concluded that there is no risk to value for money and an unqualified opinion will be issued. See work as set out in section 5.

### Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the PCC and CC. We have no matters to report as a result of this work.

We have performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission. We have no issues to report.

We have no other matters to report.

### Correspondence from the Public

We have not received any correspondence from members of the public. We did not receive any formal objections or questions from members of the public.

### Independence

We can confirm that we remain independent of the PCC and CC and include an update in Section 8.



02

## Areas of Audit Focus



## Areas of Audit Focus

### Significant risk

#### Risk of misstatements due to fraud or error (Group, PCC, CC)

##### What is the risk?

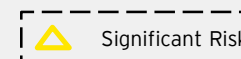
The financial statements as a whole are not free of material misstatements whether caused by fraud or error. As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement. For the Group and PCC Single Entity, we have identified the potential for the incorrect classification of revenue spend as capital as a particular area where there is a risk of fraud or error.

Under ISA240 there is also a presumed risk that revenue may be misstated due to improper recognition of revenue. In the public sector, this requirement is modified by Practice Note 10, issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. We consider this risk is not material in relation to our audit.

##### What did we do and what judgements did we focus on?

We performed mandatory procedures, including:

- ▶ Identified fraud risks during the planning stages.
- ▶ Enquired of management about risks of fraud and the controls put in place to address those risks.
- ▶ Understood the oversight given by those charged with governance of management’s processes over fraud.
- ▶ Considered the effectiveness of management’s controls designed to address the risk of fraud.
- ▶ Tested journals at year-end to ensure that there were no unexpected or unusual postings.
- ▶ Reviewed accounting estimates for evidence of management bias.
- ▶ Looked for and investigated any unusual transactions.



ISA 240 mandates we perform procedures on: accounting estimates, significant unusual transactions and journal entries to ensure they are appropriate and in line with expectations of the business. We used our data analytics capabilities to assist with our work, including journal entry testing. We assessed journal entries for evidence of management bias and evaluated for business rationale. We specifically reviewed any elements where judgement could influence the financial position or performance of the Authority in a more positive or more favourable way.

##### What are our conclusions?

We have not identified any material weaknesses in controls or evidence of material management override. We have not identified any instances of inappropriate judgements being applied or management bias. We did not identify any other transactions during our audit which appeared unusual or outside the normal course of business.



## Areas of Audit Focus

### Significant risk

#### Misstatements due to fraud or error - Incorrect capitalisation of Revenue Expenditure (Group, PCC)

##### What is the risk?

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

Local authorities have a statutory duty to balance their annual budget and are operating in a financially challenged environment with reducing levels of government funding and increasing demand for services. Achievement of budget is critical to minimizing the impact and usage of the Authority's usable reserves and provides a basis for the following year's budget. Any deficit outturn against the budget is therefore not a desirable outcome for the authority and management, and therefore this desire to achieve budget increases the risk that the financial statements may be materially misstated.

Taking these pressures into account we have concluded that there is a risk of management manipulation of revenue expenditure to re-classify it as capital to improve the financial position over the medium term.

##### What judgements are we focused on?

We focus on whether expenditure is properly capitalised in its initial recognition, or whether subsequent expenditure on an asset enhances the asset or extends its useful life.

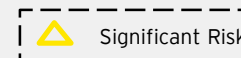
##### What did we do?

We performed the following procedures:

- ▶ Tested Property, Plant and Equipment additions to ensure that the expenditure incurred and capitalised is clearly capital in nature; and
- ▶ Sought to identify and understand the basis for any significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

##### What are our conclusions?

Our testing has not identified any inappropriate capitalisation of revenue expenditure.





## Areas of Audit Focus

### Other areas of focus

#### Property, plant and equipment valuation (Group, PCC)

##### What is the risk?

Property, Plant and Equipment represent a significant balance in the PCC's accounts and are subject to valuation changes, impairment reviews and depreciation charges.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the Balance Sheet for land and buildings in particular.

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

As the PCC's asset base is significant, and the outputs from the valuer are subject to estimation, there is a risk fixed assets may be under/overstated.

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

##### What judgements are we focused on?

We focused on the following:

- The adequacy of the scope of the work performed by the PCC's expert valuer, including their professional capabilities; and
- The reasonableness of the underlying assumptions and estimates used by the PCC's expert valuer to calculate the valuation.

##### What did we do?

In response, we completed the following procedures:

- Considered the work performed by the PCC's valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- Sample tested key asset information used by the valuers in performing their valuation;
- Considered the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code for PPE. We also considered if there were any specific changes to assets that had occurred and that these had been communicated to the valuer;
- Reviewed assets not subject to valuation in 2018/19 to confirm that the remaining asset base is not materially misstated;
- Considered changes to useful economic lives as a result of the most recent valuation; and
- Tested accounting entries had been correctly processed in the financial statements.

##### What are our conclusions?

The PCC's expert valuer possesses the relevant qualifications and experience, and undertook a review of a selection of assets as instructed.

We considered the underlying assumptions made by the expert valuer and concluded that they were reasonable.

Our testing has not identified any material misstatements from inappropriate judgements being applied to the property valuation estimates.



## Areas of Audit Focus

### Other areas of audit focus

#### Pension valuation & disclosures (Group, PCC, CC)

##### What is the risk?

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

The PCC and CC's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the respective balance sheets of the PCC and CC.

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

##### What judgements are we focused on?

We focused on the following:

- The reasonableness of the underlying assumptions used by the experts - Hymans Robertson LLP and Government Actuarial Department (GAD); and
- Ensuring the accounting entries and disclosures made in the financial statements were consistent with the reports from Hymans Robertson and GAD.

##### What did we do?

In response, we completed the following procedures:

- Liaised with the auditors of the administering authority (Norfolk Pension Fund) to obtain assurances over the information supplied to the actuary in relation to Norfolk Police;
- Assessed the work of the Pension Fund actuaries including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by National Audit Office for all Local Government sector auditors, and considering any relevant reviews by the EY actuarial team; and
- Reviewed and tested the accounting entries and disclosures made within the PCC's and the CC's financial statements in relation to IAS19.

##### What are our conclusions?

We have assessed and are satisfied with the competency and objectivity of the PCC's and the CC's actuaries. EY pensions team and PwC (Consulting Actuary to the NAO) have reviewed the work of the actuaries and have deemed the assumptions used to be reasonable.

In addition, there is an ongoing national issue which may require a late change to the pension fund accounts and IAS19 and IAS26 fund liability disclosures. It relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements, commonly described as the McCloud ruling.

The draft financial statements had recognised this matter as a contingent liability. However, since the year-end there have been some movement in the understanding and assessment of the likely outcome and in the potential impact of any outcome, which has led to the need for a re-assessment of the scheme liabilities under IAS19, together with supporting disclosure notes. In summary, the changes have increased the past service costs and in turn the pensions liability figure for the Police Pension Fund by approximately £75.6 million and for the Local Government Pension Fund by £2.3 million. Section 4 has greater detail.

Our testing has not identified any material misstatements in the PCC or the CC liability or related disclosures in this regard.





## Areas of Audit Focus

### Other areas of audit focus

#### PFI valuation (Group, PCC)

##### What is the risk?

The PCC and CC discloses two PFI contracts within their financial statements for:

- The use of Jubilee House, Operations and Communications Centre at Wymondham from 2001 until 2037. At the 31 March 2018 the PFI Liability associated with the OCC amounted to £25.5m; and
- The use of six Police Investigation Centres shared with the Police and Crime Commissioner for Suffolk from 2011 until 2041. The arrangements also includes payments by the Police and Crime Commissioner for Cambridgeshire. At 31 March 2018, the PCC for Norfolk's share of the PFI liability was £35.8million.

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

##### What judgements are we focused on?

We focussed on the following:

- Ensuring that the inputs into the accounting models are consistent with the PFI contract and agree to underlying records; and
- Ensuring the accounting entries and disclosures made in the financial statements were consistent with the accounting models.

##### What did we do?

In response, we completed the following procedures:

- Agreed that no significant changes had been made to the PFI contracts or PFI models from prior year;
- Agreed the historic inputs in the accounting models had not changed from prior year; and
- Agreed the disclosures in the financial statements are consistent with the accounting models.

##### What are our conclusions?

We identified one judgemental difference.

The model used by management assumes the minimum lease rentals match an element of the unitary charge. This methodology risks including cash in contingent rentals that do not meet the definition in IAS 17. The model is based on estimates and any change in estimates would be prospective under IAS 8 and therefore would only effect the year under review. We have quantified the difference that would impact capital payments, interest and contingent rent, and it is below our performance materiality of £1.659 million and we have therefore concluded the estimate used by management is within a reasonable tolerance.

**Recommendation: We would recommend that the PCC considers updating the model in relation to IAS17 definitions.**

With the exception of the above issue, the PFI has been accounted for appropriately within the accounts.



## Areas of Audit Focus

### Other areas of audit focus

#### New Accounting Standards - IFRS 9 and 15 (Group, PCC, CC)

##### What is the risk?

###### IFRS 9 financial instruments

This new accounting standard changes:

- How financial assets are classified and measured;
- How the impairment of financial assets are calculated; and
- The disclosure requirements for financial assets.

There are transitional arrangements within the standard; and the 2018/19 CIPFA Code of Practice on local authority accounting provides guidance on the application of IFRS 9.

###### IFRS 15 Revenue from contracts with customers

This new accounting standard covers the identification of performance obligations under customer contracts and the linking of income to the meeting of those performance obligations.

##### What did we do and what judgements are we focused on?

We have performed the following procedures:

- ▶ Assessed the Authority's implementation arrangements that should include an impact assessment paper setting out the application of the new standards, transitional adjustments and planned accounting for 2018/19;
- ▶ Considered the classification and valuation of financial instrument assets for IFRS 9;
- ▶ Reviewed the new expected credit loss model impairment calculations for assets for IFRS 9;
- ▶ Considered application to the authority's revenue streams, and where the standard is relevant test to ensure revenue is recognised when (or as) it satisfies a performance obligation for IFRS 15; and
- ▶ Checked additional disclosure requirements.

##### What are our conclusions?

We concluded that IFRS 9 financial instruments had been applied correctly. We agree with the Authority's conclusion that IFRS 15 has not had a material impact on the financial statements. This reflects the nature of revenue in effect and the fact that the majority of the revenue does not meet the specific criteria to satisfy applicability under IFRS 15.



## 03 Audit Report



# Draft Audit Report - Group & Police & Crime Commissioner

## Our opinion on the financial statements

### INDEPENDENT AUDITOR'S REPORT TO THE POLICE AND CRIME COMMISSIONER FOR NORFOLK

#### Opinion

We have audited the financial statements of the Police and Crime Commissioner for Norfolk for the year ended 31 March 2019 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Police and Crime Commissioner for Norfolk and Group Movement in Reserves Statement;
- Police and Crime Commissioner for Norfolk and Group Comprehensive Income and Expenditure Statement;
- Police and Crime Commissioner for Norfolk and Group Balance Sheet;
- Police and Crime Commissioner for Norfolk and Group Cash Flow Statement;
- Police and Crime Commissioner for Norfolk Pension Fund Account Statements; and
- the related notes 1 to 32 the related notes 1 to 34 and the Expenditure and Funding Analysis to the Police and Crime Commissioner and Group Accounts.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Police and Crime Commissioner for Norfolk and Group as at 31 March 2019 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Police and Crime Commissioner for Norfolk and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



# Draft Audit Report - Group & PCC (continued)

## Our opinion on the financial statements

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Financial Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The other information comprises the information included in the "*Group and PCC Statement of Accounts 31 March 2019*", other than the financial statements and our auditor's report thereon. The Chief Financial Officer is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinion on other matters prescribed by the Local Audit and Accountability Act 2014

#### Arrangements to secure economy, efficiency and effectiveness in the use of resources

In our opinion, based on the work undertaken in the course of the audit, having regard to the guidance issued by the Comptroller and Auditor General (C&AG) in November 2017, we are satisfied that, in all significant respects, the Police and Crime Commissioner for Norfolk put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.



# Draft Audit Report - Group & PCC (continued)

## Our opinion on the financial statements

### Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the entity;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

### Responsibility of the Chief Financial Officer

As explained more fully in the “*Statement of Responsibilities for the Statement of Accounts*” set out on page 4, the Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19, and for being satisfied that they give a true and fair view.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Police and Crime Commissioner’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Police and Crime Commissioner either intends to cease operations, or have no realistic alternative but to do so.

The Police and Crime Commissioner is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

### Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor’s report.



# Draft Audit Report - Group & PCC (continued)

## Our opinion on the financial statements

### Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, as to whether the Police and Crime Commissioner had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Police and Crime Commissioner put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Police and Crime Commissioner had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our conclusion relating to proper arrangements.

We report if significant matters have come to our attention which prevent us from concluding that the Police and Crime Commissioner has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

### Certificate

We certify that we have completed the audit of the accounts of the Police and Crime Commissioner for Norfolk in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

### Use of our report

This report is made solely to Police and Crime Commissioner for Norfolk, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Police and Crime Commissioner for Norfolk, for our audit work, for this report, or for the opinions we have formed.



# Draft Audit Report - Chief Constable

## Our opinion on the financial statements

### INDEPENDENT AUDITOR'S REPORT TO THE CHIEF CONSTABLE OF NORFOLK

#### Opinion

We have audited the financial statements of the Chief Constable of Norfolk for the year ended 31 March 2019 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Chief Constable of Norfolk Movement in Reserves Statement;
- Chief Constable of Norfolk Comprehensive Income and Expenditure Statement;
- Chief Constable of Norfolk Balance Sheet;
- Chief Constable of Norfolk Cash Flow Statement;
- the related notes 1 to 16 and the Expenditure and Funding Analysis to the Chief Constable Account; and
- Chief Constable of Norfolk Pension Fund Account.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

In our opinion the financial statements:

give a true and fair view of the financial position of the Chief Constable of Norfolk as at 31 March 2019 and of its expenditure and income for the year then ended; and have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Chief Constable for [insert location] in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

the Chief Financial Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.





# Draft Audit Report - CC

## Our opinion on the financial statements

### Other information

The other information comprises the information included in the “*Statement of Accounts – 31 March 2019*”, other than the financial statements and our auditor’s report thereon. The Chief Financial Officer is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinion on other matters prescribed by the Local Audit and Accountability Act 2014

#### Arrangements to secure economy, efficiency and effectiveness in the use of resources

In our opinion, based on the work undertaken in the course of the audit, having regard to the guidance issued by the Comptroller and Auditor General (C&AG) in November 2017, we are satisfied that, in all significant respects, the Chief Constable for Norfolk put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

#### Matters on which we report by exception

We report if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the entity;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.



# Draft Audit Report - CC

## Our opinion on the financial statements

### Responsibilities of the Chief Financial Officer

As explained more fully in the “*Statement of Responsibilities for the Statement of Accounts*” set out on page 4 the Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19, and for being satisfied that they give a true and fair view.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Chief Constable’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Constable either intends to cease operations, or have no realistic alternative but to do so.

The Chief Constable is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

### Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor’s report.

### Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, as to whether the Chief Constable had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Chief Constable put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Chief Constable had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.



# Draft Audit Report - CC

## Our opinion on the financial statements

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Chief Constable of Norfolk has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our conclusion relating to proper arrangements.

We report if significant matters have come to our attention which prevent us from concluding that the Chief Constable has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

### Certificate

We certify that we have completed the audit of the accounts of the Chief Constable of Norfolk in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

### Use of our report

This report is made solely to the Chief Constable of Norfolk, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chief Constable of Norfolk, for our audit work, for this report, or for the opinions we have formed.



# 04 Audit Differences



# Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as “known” or “judgemental”. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

## Summary of unadjusted differences

We have included all known amounts greater than £0.110 million relating to the Group/PCC/CC in our summary of misstatements.

We identified one judgemental difference.

The model used by management assumes the minimum lease rentals match an element of the unitary charge. This methodology risks including cash in contingent rentals that do not meet the definition in IAS 17. The model is based on estimates and any change in estimates would be prospective under IAS 8 and therefore would only effect the year under review. We have quantified the difference that would impact capital payments, interest and contingent rent, and it is below our performance materiality of £1.659 million and we have therefore concluded the estimate used by management is within a reasonable tolerance. We would recommend that the PCC considers updating the model in relation to IAS17 definitions.

**Group/PCC accounts: Balance Sheet - Capital Adjustment Account (via MRP) - Credit - £0.938 million**

**Group/PCC accounts: Balance Sheet - PFI liabilities - Debit - £0.938 million**

## Summary of adjusted differences

We have included all known amounts greater than £0.110 million relating to the Group/PCC/CC in our summary of misstatements.

We not identified any misstatements in the financial statements identified during the audit above this level.

### Disclosure Adjustments

There were some minor disclosure amendments, which management have been made within the revised financial statements, and which we deem do not need to be brought to the Committee’s attention.



## Audit Differences

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### McCloud ruling

As noted in the Executive Summary a national issue has resulted in a relatively late change to the pension fund accounts and IAS 19 fund liability disclosure. It relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements, commonly described as the McCloud ruling. The draft pension fund accounts did recognise this matter as a contingent liability.

However, since the year-end there have been some movement in the understanding and assessment of the likely outcome and in the potential impact of any outcome, which has led to the need for a re-assessment of the scheme liabilities under IAS19, together with supporting disclosure notes. Revised actuarial reports provided by the actuaries show an increase in the liability of £78 million to the Group Pension Liabilities as a result of the adjustments, with further associated disclosure added to recognise this as a source of estimation uncertainty and an adjusted Post Balance sheet event.

- ▶ Change in the net pension liability of £2.335 million for the Local Government Pension Fund
- ▶ Change in the net pension liability of £75.670 million for the Police Pension Fund



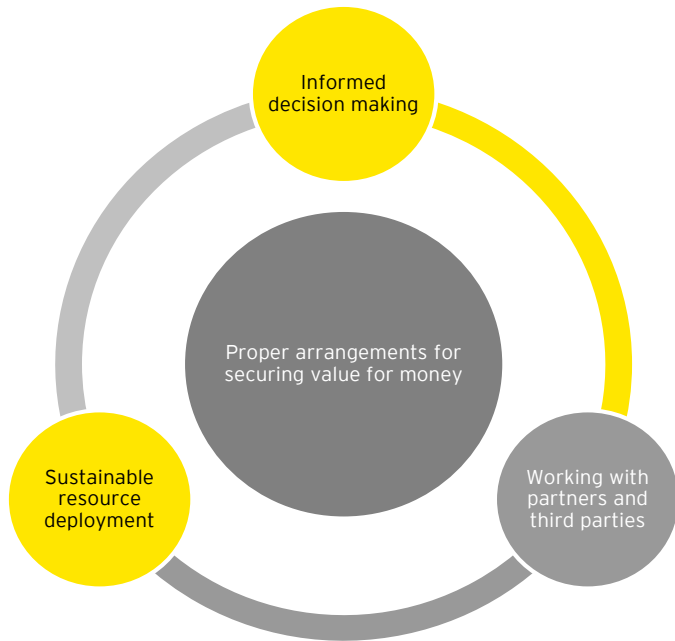
05

# Value for Money Risks





# Value for Money



## Background

We are required to consider whether the PCC and CC have put in place ‘proper arrangements’ to secure economy, efficiency and effectiveness on their use of resources. This is known as our value for money conclusion. For 2018/19 this is based on the overall evaluation criterion:

“In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.”

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

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

In considering your proper arrangements, we will draw on the requirements of the CIPFA/SOLACE framework for local government to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

## Financial Resilience and Assessment of the Authority's Reserve Position

As part of our assessment of your proper arrangements, we considered the Authority's financial resilience over the medium term and the impact on the level of General Fund Reserve balances at the 31 March 2019 and at the 31 March 2022.

Our assessment of this is set out on the next page.

## Overall conclusion

We did not identify any significant risks around these criteria.

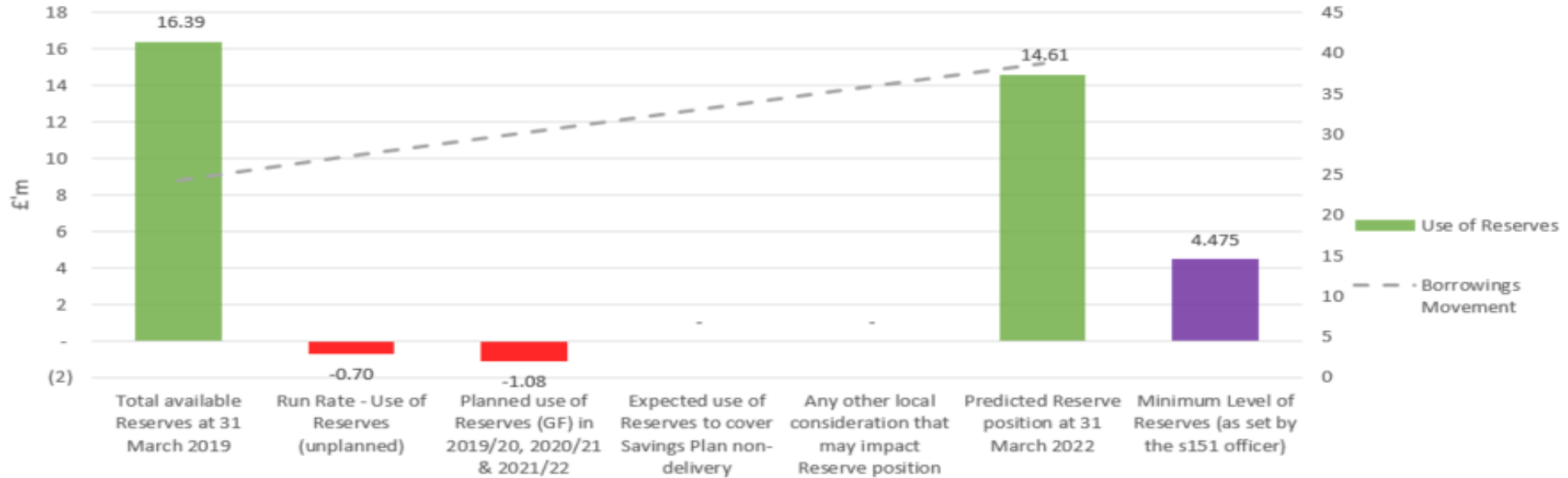
We therefore expect having no matters to report about your arrangements to secure economy, efficiency and effectiveness in your use of resources.





# Value for Money

### Assessment of Reserves Position to 2022



## Our Assessment

In our assessment we considered:

- The PCC's and CC's level of savings requirement to balance the General Fund budget in each of the next 3 years;
- The PCC's and CC's planned use of reserves to support the General Fund budget in each of the next 3 years;
- The PCC's and CC's history of delivering savings plans and therefore the potential to call upon reserves to make up a shortfall in future savings plan delivery;
- The PCC's and CC's history of over or under spending on the General Fund budget, and the impact this trajectory would have on the use of General Fund reserves; and
- reliance upon any income other than grant income which has not been confirmed post 2019/20, upon which the PCC and CC are reliant.

In addition, the graph shows borrowing increasing over the next three years.

As a result of our assessment, we have noted that the PCC and CC have sufficient reserves above the minimum level of £4.475 million General Fund reserve balance at the 31 March 2022.



# 06 Other reporting issues



## Other reporting issues

### Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the PCC and CC Statement of Accounts 2018/19 with the audited financial statements. We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

- We have concluded that, subject to reviewing the final versions of the accounts, the financial information in the PCC and CC Statement of Accounts 2018/19 and published with the financial statements is consistent with the audited financial statements.
- We have also concluded that the Annual Governance Statement is consistent with other information from our audit of the financial statements and we have no other matters to report.

### Whole of Government Accounts

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

As the Authority falls below the £500 million threshold for review as per the NAO's group instructions, we are not reporting any matters to the National Audit Office (NAO) regarding the Whole of Government Accounts submission.

### Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We did not identify any issues which required us to issue a report in the public interest. We also have a duty to make written recommendations to the Authority, copied to the Secretary of State, and take action in accordance with our responsibilities. We have taken no such action.

### Correspondence from the Public

We have not received any correspondence from members of the public. We did not receive any formal objections or questions from members of the public

## Other reporting issues

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### Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Authority's financial reporting process. They include the following:

- Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
- Any significant difficulties encountered during the audit;
- Any significant matters arising from the audit that were discussed with management;
- Written representations we have requested;
- Expected modifications to the audit report;
- Any other matters significant to overseeing the financial reporting process;
- Related parties;
- External confirmations;
- Going concern;
- Consideration of laws and regulations.

We have no other matters to report.



07

# Assessment of Control Environment



# Assessment of Control Environment

## Financial controls

It is the responsibility of the PCC and CC to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the PCC and CC have put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. As we have adopted a fully substantive approach, we have not tested the operation of controls.

Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control.

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware.



09

# Independence

## Confirmation

We confirm that there are no changes in our assessment of independence since our confirmation in our Audit Plan dated 3 January 2019.

We complied with the FRC Ethical Standards and the requirements of the PSAA's Terms of Appointment. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.

We consider that our independence in this context is a matter which you should review, as well as us. It is important that the JAC consider the facts known to you and come to a view. If you would like to discuss any matters concerning our independence, we will be pleased to do this at the meeting of the Audit JAC on the 30 July 2019.

The FRC Ethical Standard also requires that we provide details of all relationships between Ernst & Young (EY) and your Authority, and its directors and senior management and its affiliates, including all services provided by us and our network to your Authority, its directors and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2018 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.



# Independence

## Fee analysis

As part of our reporting on our independence, we set out below a summary of the fees paid for the year ended 31<sup>st</sup> March 2019.

We confirm that we have not undertaken non-audit work outside the PSAA Code requirements. Non-audit work is work not carried out under the Code.

	Final Fee 2018/19	Planned Fee 2018/19	Scale Fee 2018/19	Final Fee 2017/18
	£'s	£'s	£'s	£'s
Total Audit Fee - PCC Code work	Note 1	26,045	26,045	37,898
Total Audit Fee - CC Code work	Note 1	11,550	11,550	20,387
Total		37,595	37,595	58,285

\* We have yet to conclude our 2018/19 audit and are therefore not in a position to conclude on the final fee for 2018/19. Any fee increases will be discussed with management and need to be approved by Public Sector Audit Appointments Ltd. We will report the final fee within the Annual Audit Letter.





A close-up photograph of a person's hand reaching into a filing cabinet to touch a folder. The cabinet is filled with numerous folders of various colors (yellow, blue, white) and sizes, each containing stacks of papers. The background is a textured, light-colored wall.

# 10 Appendices





## Appendix A

# Required communications with the PCC and CC

There are certain communications that we must provide to the PCC and CC. We have detailed these here together with a reference of when and where they were covered:

		 Our Reporting to you
<b>Required communications</b>	 <b>What is reported?</b>	  <b>When and where</b>
Terms of engagement	Confirmation by the PCC and CC of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Audit Plan presented at the JAC meeting on 15 January 2019
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.	Audit Plan presented at the JAC meeting on 15 January 2019
Significant findings from the audit	<ul style="list-style-type: none"> <li>▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li> <li>▶ Significant difficulties, if any, encountered during the audit</li> <li>▶ Significant matters, if any, arising from the audit that were discussed with management</li> <li>▶ Written representations that we are seeking</li> <li>▶ Expected modifications to the audit report</li> <li>▶ Other matters if any, significant to the oversight of the financial reporting process</li> </ul>	Audit Results report presented at the JAC meeting on 30 July 2019





## Appendix A

		 Our Reporting to you
<b>Required communications</b>	 <b>What is reported?</b>	  <b>When and where</b>
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> <li>▶ Whether the events or conditions constitute a material uncertainty</li> <li>▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements</li> <li>▶ The adequacy of related disclosures in the financial statements</li> </ul>	No conditions or events were identified, either individually or together to raise any doubt about the PCC for Norfolk's ability to continue for the 12 months from the date of our report
Misstatements	<ul style="list-style-type: none"> <li>▶ Uncorrected misstatements and their effect on our audit opinion</li> <li>▶ The effect of uncorrected misstatements related to prior periods</li> <li>▶ A request that any uncorrected misstatement be corrected</li> <li>▶ Material misstatements corrected by management</li> </ul>	Audit Results report presented at the JAC meeting on 30 July 2019
Subsequent events	<ul style="list-style-type: none"> <li>▶ Enquiry of the audit committee where appropriate regarding whether any subsequent events have occurred that might affect the financial statements.</li> </ul>	Audit Results report presented at the JAC meeting on 30 July 2019
Fraud	<ul style="list-style-type: none"> <li>▶ Enquiries of the PCC, CC, the Monitoring Officer and senior officers to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the PCC and CC</li> <li>▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist</li> <li>▶ Unless all of those charged with governance are involved in managing the PCC and CC, any identified or suspected fraud involving:               <ol style="list-style-type: none"> <li>a. Management;</li> <li>b. Employees who have significant roles in internal control; or</li> <li>c. Others where the fraud results in a material misstatement in the financial statements.</li> </ol> </li> <li>▶ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected</li> <li>▶ Any other matters related to fraud, relevant to PCC, CC &amp; Management responsibility.</li> </ul>	Audit Results report presented at the JAC meeting on 30 July 2019

# Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	<p>Significant matters arising during the audit in connection with the PCC's and CC's related parties including, when applicable:</p> <ul style="list-style-type: none"> <li>▶ Non-disclosure by management</li> <li>▶ Inappropriate authorisation and approval of transactions</li> <li>▶ Disagreement over disclosures</li> <li>▶ Non-compliance with laws and regulations</li> <li>▶ Difficulty in identifying the party that ultimately controls the PCC or CC</li> </ul>	Audit Results report presented at the JAC meeting on 30 July 2019
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence.</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> <li>▶ The principal threats</li> <li>▶ Safeguards adopted and their effectiveness</li> <li>▶ An overall assessment of threats and safeguards</li> <li>▶ Information about the general policies and process within the firm to maintain objectivity and independence</li> </ul> <p>Communications whenever significant judgments are made about threats to objectivity and independence and the appropriateness of safeguards put in place.</p>	<p>Audit Plan presented at the JAC meeting on 15 January 2019; and</p> <p>Audit Results report presented at the JAC meeting on 30 July 2019</p>

## Appendix A


		 Our Reporting to you
<b>Required communications</b>	 What is reported?	  When and where
External confirmations	<ul style="list-style-type: none"> <li>▶ Management's refusal for us to request confirmations</li> <li>▶ Inability to obtain relevant and reliable audit evidence from other procedures.</li> </ul>	Audit Results report presented at the JAC meeting on 30 July 2019
Consideration of laws and regulations	<ul style="list-style-type: none"> <li>▶ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur</li> <li>▶ Enquiry of the PCC, CC and audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of</li> </ul>	We have asked management and those charged with governance. We have not identified any material instances or non-compliance with laws and regulations.
Significant deficiencies in internal controls identified during the audit	<ul style="list-style-type: none"> <li>▶ Significant deficiencies in internal controls identified during the audit.</li> </ul>	Audit Results report presented at the JAC meeting on 30 July 2019

# Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Group Audits	<ul style="list-style-type: none"> <li>▶ An overview of the type of work to be performed on the financial information of the components</li> <li>▶ An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components</li> <li>▶ Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work</li> <li>▶ Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted</li> <li>▶ Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements.</li> </ul>	<p>Audit Plan presented at the JAC meeting on 15 January 2019; and</p> <p>Audit Results report presented at the JAC meeting on 30 July 2019</p>
Written representations we are requesting from management and/or those charged with governance	<ul style="list-style-type: none"> <li>▶ Written representations we are requesting from management and/or those charged with governance</li> </ul>	<p>Audit Results report presented at the JAC meeting on 30 July 2019</p>
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	<ul style="list-style-type: none"> <li>▶ Material inconsistencies or misstatements of fact identified in other information which management has refused to revise</li> </ul>	<p>Audit Results report presented at the JAC meeting on 30 July 2019</p>
Auditors report	<ul style="list-style-type: none"> <li>▶ Any circumstances identified that affect the form and content of our auditor's report</li> </ul>	<p>Audit Results report presented at the JAC meeting on 30 July 2019</p>
Fee Reporting	<ul style="list-style-type: none"> <li>▶ Breakdown of fee information when the audit planning report is agreed</li> <li>▶ Breakdown of fee information at the completion of the audit</li> <li>▶ Any non-audit work</li> </ul>	<p>Audit Results report presented at the JAC meeting on 30 July 2019</p>


# Management representation letter - Group/PCC

## Management Rep Letter



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18 July 2019

Re:  
Your ref:  
Direct line: 01223 394547  
Email: [sh.hodges@pcc.norfolk.nhs.uk](mailto:sh.hodges@pcc.norfolk.nhs.uk)

Jill Penn  
Chief Finance Officer  
Police and Crime Commissioner for Norfolk  
Jubilee House  
Falconers Chase  
Wymondham  
NR18 0WW

Dear Jill,

**Office of the Police & Crime Commissioner for Norfolk – 2018/19 financial year  
Request for a letter of representation**

International Standards on Auditing set out guidance on the use by auditors of management representations (ISA (UK&I) 580) and on possible non-compliance with laws and regulations (ISA (UK&I) 250). I have interpreted this guidance as it affects Local Government bodies and I expect the following points to apply:

- auditors may wish to obtain written representation where they are relying on management's representations in respect of judgemental matters (for example the level of likely incidence of a claim), which may not be readily corroborated by other evidence;
- auditors are likely to request written representations on the completeness of information provided;
- auditors may wish to obtain written representation on issues other than those directly related to the Statement of Accounts;
- the letter is dated on the date on which the auditor signs the opinion and certificate;
- the letter is signed by the person or persons with specific responsibility for the financial statements; and
- the letter is formally acknowledged as having been discussed and approved by the Audit Committee, as those charged with governance of the Police & Crime Commissioner (PCC).


I would expect the letter of representation to include the following matters.

General statement

That the letter of representations is provided in connection with our audit of the financial statements of the Office of the Police & Crime Commissioner for Norfolk ("the Group and PCC") for the year ended 31 March 2019.

That you recognise that obtaining representations from you concerning the information contained in this letter is a significant procedure in enabling us to form an opinion as to whether the financial statements give a true and fair view of the financial position of the Office of the Police & Crime Commissioner for

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Norfolk as of 31 March 2019 and of its income and expenditure for the year then ended in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

You understand that the purpose of our audit of your financial statements is to express an opinion thereon and that our audit is conducted in accordance with International Standards on Auditing (UK and Ireland), which involves an examination of the accounting system, internal control and related data to the extent we considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, you make the following representations, which are true to the best of your knowledge and belief, having made such inquiries as you considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. That you have fulfilled your responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, for the Group and PCC the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.
2. That you acknowledge as members of management of the Group and PCC, your responsibility for the fair presentation of the consolidated and PCC financial statements. We believe the consolidated and PCC financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Group and PCC in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 and are free of material misstatements, including omissions. We have approved the consolidated and PCC financial statements.
3. That the significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. As members of management of the PCC, we believe that the PCC has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19, that are free from material misstatement, whether due to fraud or error.
5. That you believe that the effects of any unadjusted audit differences, summarised in the Audit Results Report, if relevant, accumulated by us during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.


That you have not corrected these differences identified and brought to your attention by us because (please specify the reasons for not correcting the misstatements),  
or;

6. That there are no unadjusted differences identified during the current audit and pertaining to the latest period presented.



# Management representation letter - Group/PCC

## Management Rep Letter


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**B. Non-compliance with law and regulations, including fraud**

- You acknowledge that you are responsible to determine that the Group and PCC's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.
- You acknowledge that you are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
- You have disclosed to us the results of your assessment of the risk that the consolidated and PCC financial statements may be materially misstated as a result of fraud.
- You have disclosed to us, and provided us full access to information and any internal investigations relating to, all instances of identified or suspected non-compliance with law and regulations, including fraud, known to you that may have affected the Group or PCC (regardless of the source or form and including, without limitation, allegations by "whistleblowers") including non-compliance matters:
  - involving financial statements;
  - related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the consolidated or PCC's financial statements;
  - related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Group or PCC's activities, its ability to continue to operate, or to avoid material penalties;
  - involving management, or employees who have significant roles in internal controls, or others; or
  - in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

**C. Information Provided and Completeness of Information and Transactions**

- You have provided us with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters as agreed in terms of the audit engagement.
  - Additional information that we have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom we determined it necessary to obtain audit evidence.
- That all material transactions have been recorded in the accounting records and are reflected in the financial statements.

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- That you have made available to us all minutes of the meetings of the PCC and its relevant committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: 30 July 2019.
- That you confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the PCC related parties and all related party relationships and transactions of which you are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.
- That you believe that the significant assumptions you used in making accounting estimates, including those measured at fair value, are reasonable.
- That you have disclosed to us, and the Group and PCC has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

**D. Liabilities and Contingencies**

- All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to us and are appropriately reflected in the financial statements.
- That you have informed us of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
- That you have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in the financial statements all guarantees that you have given to third parties.

**E. Subsequent Events**

- That other than described in the relevant note to the Group and PCC's financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

**F. Group audits**

- You confirm that the necessary adjustments have been made to eliminate all material intra-group unrealised profits on transactions amongst the PCC and its subsidiary undertakings (Chief Constable) and associated undertakings.


**G. Accounting Estimates**

- That you believe that the significant assumptions you used in making accounting estimates, including those measured at fair value, are reasonable.
- In respect of accounting estimates recognised or disclosed in the financial statements:

# Management representation letter - Group/PCC

## Management Rep Letter

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- That you believe the measurement processes, including related assumptions and models, you used in determining accounting estimates is appropriate and the application of these processes is consistent.
- That the disclosures relating to accounting estimates are complete and appropriate in accordance with the applicable financial reporting framework.
- That the assumptions you used in making accounting estimates appropriately reflects your intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures.
- That no subsequent event requires an adjustment to the accounting estimates and disclosures included in the financial statements.

H. Group audits

2. That there are no significant restrictions on your ability to distribute the retained profits of the Group because of statutory, contractual, exchange control or other restrictions other than those indicated in the Group financial statements.
3. That the necessary adjustments have been made to eliminate all material intra-group unrealised profits on transactions amongst PCC, subsidiary undertakings and associated undertakings.
4. You confirm that entities excluded from the consolidated financial statements are immaterial on a quantitative and qualitative basis.

I. Expenditure Funding Analysis

1. You confirm that the financial statements reflect the operating segments reported internally to the PCC.

J. Going Concern

1. That you have made us aware of any issues that are relevant to the Group and PCC's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.


K. Ownership of Assets

1. That except for assets capitalised under finance leases, the Group and PCC has satisfactory title to all assets appearing in the balance sheet(s), and there are no liens or encumbrances on the Group and PCC's assets, nor has any asset been pledged as collateral. All assets to which the Group and PCC has satisfactory title appear in the balance sheet(s).

L. Valuation of Property, Plant and Equipment Assets

1. You believe that the measurement processes, including related assumptions and models, used to determine the accounting estimate(s) have been consistently applied and are appropriate in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

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2. You confirm that the significant assumptions used in making the valuation of assets appropriately reflect your intent and ability to carry out specific courses of action on behalf of the entity.
3. You agree with the findings of the specialists that you engaged to evaluate the Valuation of Property Plant and Equipment and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the consolidated and PCC financial statements and the underlying accounting records. You did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.
4. You confirm that the disclosures made in the consolidated and PCC financial statements with respect to the accounting estimate(s) are complete and made in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.
5. You confirm that no adjustments are required to the accounting estimate(s) and disclosures in the consolidated and PCC financial statements due to subsequent events.
6. You confirm that you have performed a desktop review of all assets not subject to revaluation as part of the 5 year rolling programme for valuations and that each asset category is not materially misstated.
7. You confirm that for assets carried at historic cost, that no impairment is required.

L. Reserves

1. You have properly recorded or disclosed in the consolidated and PCC financial statements the useable and unusable reserves.

M. Retirement benefits

1. On the basis of the process established by you and having made appropriate enquiries, you are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with your knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

N. Use of the Work of a Specialist – Pension Liabilities


1. You agree with the findings of the specialists that you engaged to evaluate the Valuation of Pension Liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the consolidated and PCC financial statements and the underlying accounting records. You did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and you are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

O. Valuation of Pension Liabilities

1. You believe that the measurement processes, including related assumptions and models, used to determine the accounting estimate(s) have been consistently applied and are appropriate in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

# Management representation letter - Group/PCC

## Management Rep Letter

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2. You confirm that the significant assumptions used in making the valuation of the pension liability appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity.

3. You confirm that the disclosures made in the consolidated and PCC financial statements with respect to the accounting estimate(s) are complete and made in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

4. You confirm that no adjustments are required to the accounting estimate(s) and disclosures in the consolidated and PCC financial statements due to subsequent events.

P. Other information

1. You acknowledge your responsibility for the preparation of the other information. The other information comprises the Narrative Report included in the Statement of Accounts 2018-2019.

2. You confirm that the content contained within the other information is consistent with the financial statements.

Q. Specific Representations

We do not require any specific representations in addition to those above.

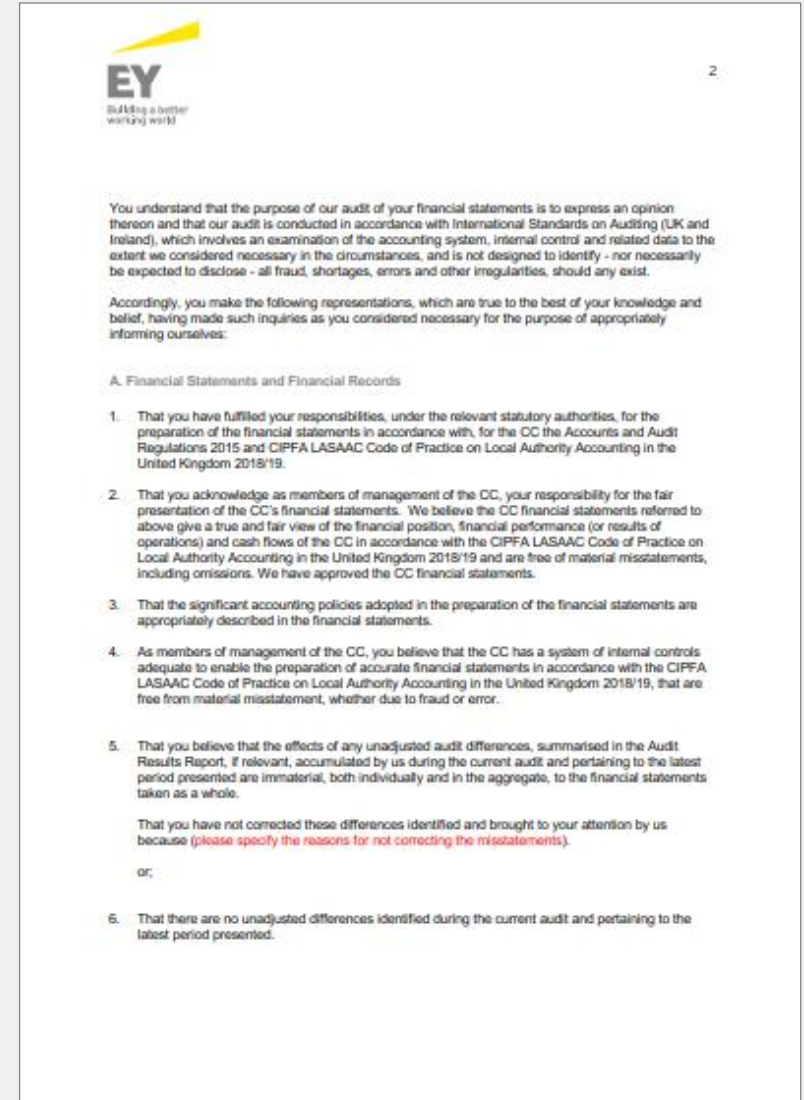
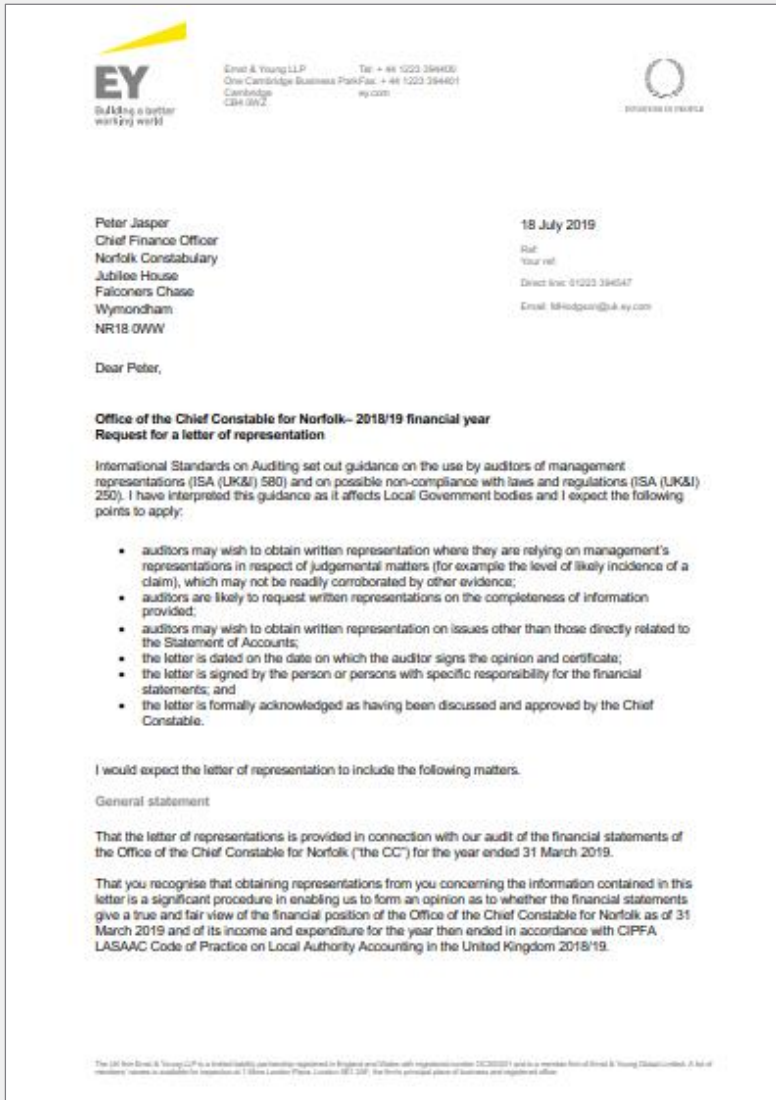
I would be grateful if you could provide a letter of representation, which is appropriately signed and dated (by the PCC, the PCC's s151 officer and Chair of the Joint Audit Committee) on the proposed audit opinion date (currently 30 July 2019) on formal headed paper.

Yours sincerely

Mark Hodgson  
Associate Partner  
Ernst & Young LLP  
United Kingdom


# Management representation letter – CC

## Management Rep Letter



# Management representation letter – CC

## Management Rep Letter



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**B. Non-compliance with law and regulations, including fraud**

1. You acknowledge that you are responsible to determine that the Group and Council's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.
2. You acknowledge that you are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
3. You have disclosed to us the results of your assessment of the risk that the consolidated and Council financial statements may be materially misstated as a result of fraud.
4. You have disclosed to us, and provided us full access to information and any internal investigations relating to, all instances of identified or suspected non-compliance with law and regulations, including fraud, known to you that may have affected the Group or Council (regardless of the source or form and including, without limitation, allegations by "whistleblowers") including non-compliance matters:
  - involving financial statements;
  - related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the consolidated or Council's financial statements;
  - related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Group or Council's activities, its ability to continue to operate, or to avoid material penalties;
  - involving management, or employees who have significant roles in internal controls, or others; or
  - in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

**C. Information Provided and Completeness of Information and Transactions**

1. You have provided us with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters as agreed in terms of the audit engagement.
  - Additional information that we have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom we determined it necessary to obtain audit evidence.


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2. That all material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. That you have made available to us all minutes of the meetings of the CC and its relevant committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: 30 July 2019.
4. That you confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the CC related parties and all related party relationships and transactions of which you are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. That you believe that the significant assumptions you used in making accounting estimates, including those measured at fair value, are reasonable.
6. That you have disclosed to us, and the CC has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

**D. Liabilities and Contingencies**

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to us and are appropriately reflected in the financial statements.
2. That you have informed us of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. That you have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in the financial statements all guarantees that you have given to third parties.

**E. Subsequent Events**

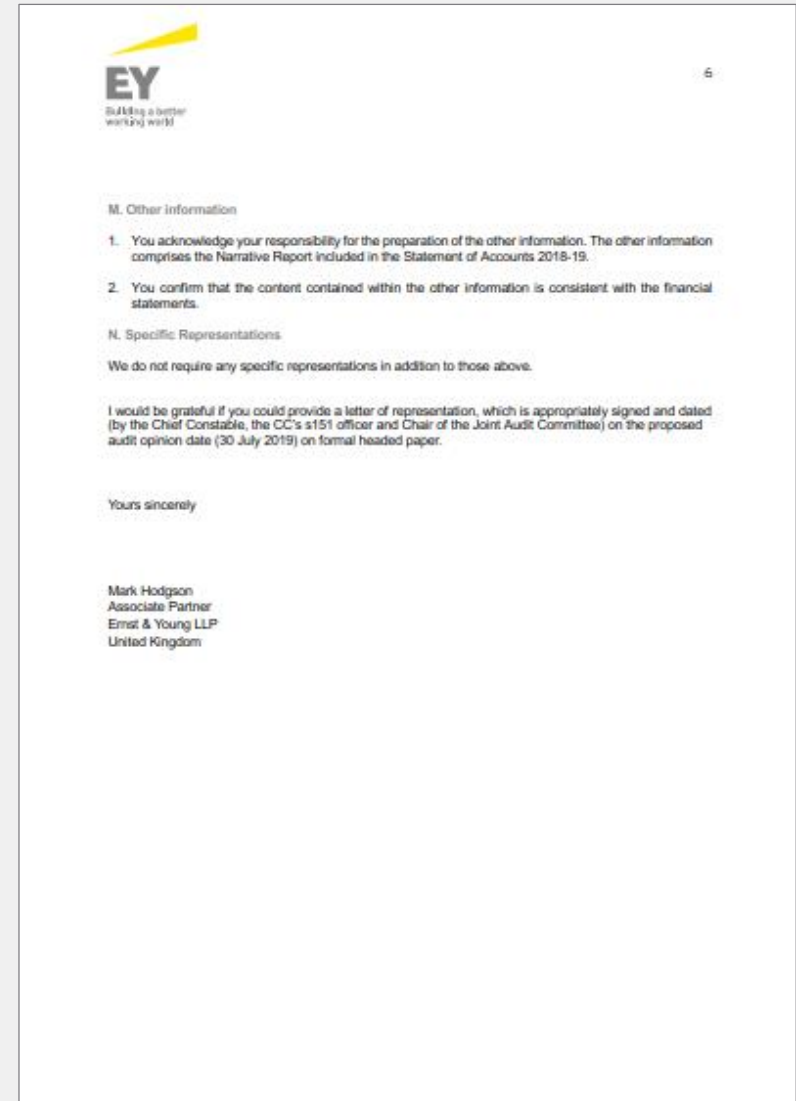
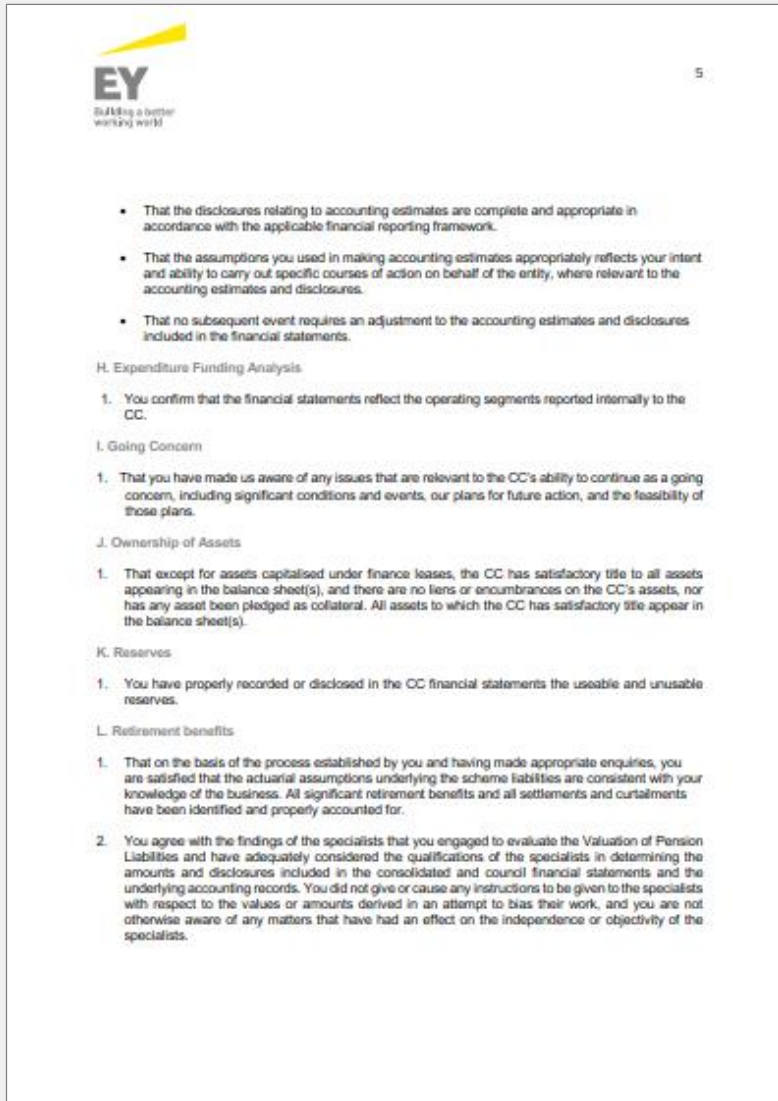
1. That other than described in the relevant note (Note X) to the CC's financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

**F. Accounting Estimates**

1. That you believe that the significant assumptions you used in making accounting estimates, including those measured at fair value, are reasonable.
2. In respect of accounting estimates recognised or disclosed in the financial statements:
  - That you believe the measurement processes, including related assumptions and models, you used in determining accounting estimates is appropriate and the application of these processes is consistent.

# Management representation letter – CC

## Management Rep Letter



## EY | Assurance | Tax | Transactions | Advisory

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ED None

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## Audit Committee Forward Work Plan

### 22 October 2019

Welcome and Apologies	
Declarations of Interest	
Minutes of meeting <b>30 July 2019</b>	
Annual Audit Letter	Report from EY
Internal Audit 2019/20 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

### 14 January 2020

Welcome and Apologies	
Declarations of Interest	
Minutes of meeting <b>22 October 2019</b>	
Audit Committee Terms of Reference	Report from CFO
Internal Audit 2019/20 Plan update 2020/21 Internal Audit Plan (draft)	Reports from Head of Internal Audit
External Audit 2018/19 Accounts Annual Audit Letter 2019/20 Audit Plan	Reports from Director, E&Y
Treasury Management 2019/20 Half Year Update 2020/21 Strategy	Report from CFO
Strategic Risk Register Update	Report from Chief Exec and CC
Forward Work Plan	Report from CFO

### 14 April 2020

Welcome and Apologies	
Declarations of Interest	
Minutes of meeting <b>14 January 2020</b>	
Internal Audit 2019/20 Progress Report and Follow Up Review 2019/20 Annual Report 2020/21 Internal Audit Plan (Final)	Reports from Head of Internal Audit
Annual Governance Statement 2019/20	Report from CFO



External Audit Plan 2019/20	Report from Director, EY
Strategic Risk Register update	Report from Chief Exec and CC
Forward Work Plan	Report from CFO

**9 June 2020 Private (informal meeting)**

Draft Statements of Accounts 2019/20	Reports from CFO's
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**Report Author**

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