



JOINT AUDIT AND SCRUTINY PANEL

**TUESDAY 5 DECEMBER 2017 at 10.00 AM
FORCE HEADQUARTERS, SHERWOOD LODGE
ARNOLD, NOTTINGHAMSHIRE NG5 8PP**

Membership
Stephen Charnock (Chair)
Leslie Ayoola
John Brooks
Peter McKay
Philip Hodgson

A G E N D A

1. Apologies for absence
2. Declarations of interest by Panel Members and Officers (see notes below)
3. To agree the minutes of the previous meeting held on 28 September 2017
4. Progress Against Action Tracker
5. Presentation on the Business Change Programme and Planned Reviews for 2018/19
6. Annual Audit Letter 2016-17
7. Summary Statement of Accounts 2016-17
8. Police and Crime Commissioner's Update Report – to September 2017
9. Mid-Year Treasury Management Report 2017-18

10. Update on Insurance
11. Internal Audit progress report
12. Audit and Inspection Update Report
13. Work Plan and Meeting Schedule

NOTES

- Members of the **public are welcome to attend** to observe this meeting
- For **further information** on this agenda, please contact the Office of the Police and Crime Commissioner on 0115 9670999 extension 801 2005 or email nopcc@nottinghamshire.pnn.police.uk
- A **declaration of interest** could involve a private or financial matter which could be seen as having an influence on the decision being taken, such as having a family member who would be directly affected by the decision being taken, or being involved with the organisation the decision relates to. Contact the Democratic Services Officer: **Sara Allmond tel. 0115 977 3794** for clarification or advice prior to the meeting.

**MINUTES OF THE MEETING OF THE NOTTINGHAMSHIRE POLICE AND CRIME
COMMISSIONER JOINT AUDIT AND SCRUTINY PANEL HELD ON THURSDAY 28TH
SEPTEMBER 2017 AT COUNTY HALL, WEST BRIDGFORD, NOTTINGHAM
COMMENCING AT 3PM**

MEMBERSHIP

(A – denotes absent)

Mr Stephen Charnock (Chair)

Mr Leslie Ayoola A

Mr John Brooks

Dr Phil Hodgson

Mr Peter McKay

OFFICERS PRESENT

Sara Allmond	Democratic Services, Notts County Council
Rachel Barber	Deputy Chief Constable, Notts Police
Andrew Burton	Risk & Business Continuity Officer, Notts Police
Andrew Cardoza	KPMG
Paul Dawkins	Assistant Chief Officer, Finance
Mark Kimberley	Head of Finance, Notts Police
Anita Pipes	KPMG
Charlie Radford	Chief Finance Officer, OPCC
Leona Scurr	Detective Superintendent, Notts Police
Paddy Tipping	Police & Crime Commissioner

1) APOLOGIES FOR ABSENCE

Apologies for absence were received from Leslie Ayoola, Julie Mair and Brian Welch.

2) DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

No declarations of interest were made.

3) MINUTES OF THE PREVIOUS MEETING

The minutes of the last meeting held on 27 July 2017, having been circulated to all members, were taken as read and were confirmed and signed by the Chair.

4) ACTIONS ARISING FROM THE PREVIOUS MEETING

An action tracker would be circulated at future meetings.

5) EXTERNAL AUDIT OF ACCOUNTS 2016-17 (ISA 260)

Andrew Cardoza, KPMG introduced the report and explained the findings of the external audit of the 2016/17 annual accounts. Having received the necessary assurances from the

auditors of the LGPS pension scheme, unqualified audit opinions were issued on the Commissioners and Chief Constables financial statements.

During discussion the following points were raised:-

- A new system 'The Big Red Button' had added to the complexity of generating the accounts and caused some initial inaccuracies in data, however, having trialled the system this year as part of the pilot, Nottinghamshire would be in a good position for next year when the earlier reporting deadlines came into force.
- Discussions were ongoing regarding the additional fee request.
- The sickness absence levels were commented on and work was underway regarding this.

RESOLVED: 2017/013

- 1) To recommend the findings of the External Auditors report to the Police and Crime Commissioner and the Chief Constable.
- 2) To recommend the letter of representation to the Police and Crime Commissioner for signing and sending to the external auditors.

6) STATEMENT OF ACCOUNTS AND ANNUAL GOVERNANCE STATEMENTS FOR 2016-17

Charlie Radford introduced the report which provided the audited statement of accounts and annual governance statements for 2016-17.

During discussions the following points were raised:-

- Limitations on formatting via the Big Red Button meant the final documents were not as well formatted as hoped.
- A number of typographical errors were highlighted which would be corrected before final publication.

RESOLVED: 2017/014

- 1) To recommend the accounts, governance statements and letter of representation to the Police and Crime Commissioner for approval.
- 2) To recommend the accounts, governance statements and letter of representation to the Police and Crime Commissioner and the Chief Constable for signing

7) COMPLAINT AND MISCONDUCT INVESTIGATIONS

DS Leona Scurr introduced the report which provided information on force performance in relation to the handling of complaint and conduct matters.

During discussions the following points were raised:-

- There was an increase in the "unknown" category and work was being undertaken to determine what these actually related to, to enable more accurate recording in the future.

- The information provided was helpful, and the further analysis planned on the statistics was welcomed.

RESOLVED: 2017/015

To take assurance from the report that complaints are being appropriately investigated.

8) IPCC INVESTIGATIONS, RECOMMENDATIONS AND ACTIONS

DS Leona Scurr introduced the report which provided information on mandatory complaint and conduct matters which had been referred to the Independent Police Complaints Commissioner (IPCC) between 1st October 2016 and 1st August 2017, and the relevant recommendation and actions arising from them.

During discussions the following points were raised:-

- A new reporting system meant a referral was now required where someone with whom the police had previous involvement had committed suicide.
- IPCC had brought in a new system to fast track cases to six weeks.
- An overall dashboard style picture would be helpful in future reports to enable Panel Members to see trends and any backlogs.
- New tasers were in the process of being rolled out, once the new Mark 2 devices were available. Additional front line officers were being trained. Tasers did not get discharged very often, it being drawn was generally enough.

RESOLVED: 2017/016

That the Panel received assurance from the processes in place relating to IPCC investigations as detailed within the report.

9) REPORT ON THE WHISTLE BLOWING POLICY AND REVIEW OF COMPLIANCE (PROCESS OF GRIEVANCES AND APPEALS)

DS Leona Scurr introduced the report which set out how the Force ensured appropriate systems were in place to encourage and support Officers and Staff to report breaches in professional standards of behaviour and refer any matter that might amount to an allegation of criminal conduct.

RESOLVED: 2017/017

That the Panel received assurance from the processes in place relating to confidential reporting as detailed within the report.

10) PUBLIC FINANCE INITIATIVE CONTRACTS

Paul Burton introduced the report which set out the latest position regarding Public Finance Initiative (PFI) contracts.

RESOLVED: 2017/018

To note the report

11) AUDIT AND INSPECTION REPORT, QUARTER 2, 2017/18

DCC Rachel Barber introduced the report which provided an update on progress against recommendations arising from audits and inspections.

RESVOLVED: 2017/019

To note the progress made against audit and inspection recommendations and requested that further information on the Peel recommendations and outcomes be brought to the next meeting.

12) STRATEGIC RISK MANAGEMENT REPORT FOR FORCE AND NOPCC, QUARTER 2, 2017/18

Andrew Burton introduced the report which provided an up to date picture of strategic risk management across the Force and the Office of the Police and Crime Commissioner (OPCC).

During discussions the following points were raised:-

- A more thematic in-depth approach to how the Panel scrutinised the management of strategic risk was discussed with the Panel deciding which area to scrutinise.
- Balancing the budget was a low risk as it was being effectively managed on an ongoing basis.
- Departmental officers were being made aware of their responsibility to manage their strategic risks.
- Changing of external auditor should be a low/medium risk not high risk.

RESOLVED: 2017/020

- 1) That the Panel received assurance as to the effectiveness of the arrangements in relation to the management of strategic risk as set out in the report.
- 2) That the Panel acknowledges the removal of Management of Sexual Offences and Violent Offences (MOSOVO), the three risks relating to the Bridewell Custody Suite, the excessive fuel spillage risk, and the risk relating to the telephony infrastructure, which were not being managed at a departmental level.
- 3) That the Panel notes the addition of five new risks namely, Multi Agency Risk Assessment Conference (MARAC), Automatic Number Plate Recognition (ANPR), Upload of Police National Database (PND) information, East Midlands Special Operations Unit (EMSOU) Penetration Test and the risk of presenting a balanced budget.

4) That more detailed information on MARAC be provided to the next meeting.

13) APPOINTMENT OF EXTERNAL AUDITORS 2018

Charlie Radford introduced the report which provided an update on the appointment process for external audits for 2018.

RESOLVED: 2017/021

To note the appointment of Ernst & Young LLP as external auditors from 1 April 2018.

14) INTERNAL AUDIT PROGRESS REPORT

The item was deferred to the next meeting due to Brian Welsh being unable to attend the meeting at short notice.

15) PANEL WORK PROGRAMME AND MEETING SCHEDULE

RESOLVED: 2017/022

To note the work programme.

The meeting closed at 5.15pm

CHAIR

AUDIT & SCRUTINY PANEL MEETING

Actions arising from previous meetings an progress against action tracker

	ACTION	ALLOCATED TO	TIMESCALES FOR UPDATES	UPDATE
001	<p>Terms of Reference – draft document</p> <ul style="list-style-type: none"> a. Compare with ToR for other A&S panels in the region b. Review statutory responsibilities c. Refresh Work Programme d. Further develop Assurance Mapping 	CR/ JM		<p>The ToR have been updated.</p> <p>The statutory responsibilities have been reviewed and these have been mapped against the requirements for Audit Committees (CIPFA Practical Guidance for Local Authorities and Police.</p> <p>A draft work plan has been developed for discussion at the next JASP.</p> <p>The next steps will include the further development an Assurance Map that will help to inform the Internal Audit Plan and other areas of potential review.</p>
002	<p>Terms of Reference – draft document</p> <p>Panel members to comment</p>	A&S Panel	September 2017	<p>New ToR issued Dec 2017</p> <p>Electronic copies to be issued.</p>

003	Work plan and agenda items Use of assurance map	CR/JM/Chair	December 2017	On agenda for discussion at Dec JASP meeting
004	Internal Audit customer satisfaction surveys Review current from Liaise with A&I team re monitoring process to improve response rates	BW CR/BW/JM		The Audit and Inspection team within Force will start to coordinate the completion of the surveys. It is also proposed that highlights from these are discussed at the Regional meeting which is chaired by ACO Dawkins to help drive improvements.
005	Draft OPCC and Group final statutory accounts and draft Annual Governance statements Panel members to provide comments via the chair	Panel members	2 weeks	Completed Sept 2017
006	Internal Audit Progress Report Reporting on completion of management actions Identify ways of ensuring feedback for every report commissioned	BW JM RB CR		Amalgamates With item 4
007	PCC investigation – adoption of an overall dashboard style picture to enable panel members to see any trends and back logs and compare to other forces	Supt Leona Scurr	When next report is due	Future performance reports that are submitted to the JASP will include the Forces ranking in the national IPCC data. This is so the panel can see how we compare nationally and we aren't just comparing ourselves to ourselves

008	Information on the PEEL inspection be brought to next meeting	Brian Welch / Phil Gilbert	Next Meeting	This information is provided in the PCC's update report going to Dec JASP meeting
009	More detailed report on progress made against the risks associated with MARAC	Supt Rob Griffin	Next Meeting	Report to Dec JASP (App 2 of Audit and Inspection Report)

For Information / Consideration	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	December 2017
Report of:	Chief Finance Officer
Report Author:	Charlotte Radford
Other Contacts:	
Agenda Item:	6

ANNUAL AUDIT LETTER 2016-17

1. Purpose of the Report

- 1.1 To provide members with the Annual Audit Letter relating to the accounts for 2016-17.

2. Recommendations

- 2.1 Members are recommended to consider and accept this letter.

3. Reasons for Recommendations

- 3.1 This complies with good governance.

4. Summary of Key Points

- 4.1 Each year the Commissioner is required to publish the Statement of Accounts for the Group. The External Auditor on completion of the audit issues his Governance Report (ISA260).
- 4.2 Following receipt of the letter of Representation and conclusion of the full process the External Auditor will issue his Annual Audit Letter. His is attached at **Appendix A**.

5. Financial Implications and Budget Provision

- 5.1 None as a direct result of this report.

6. Human Resources Implications

- 6.1 None as a direct result of this report.

7. Equality Implications

- 7.1 None as a direct result of this report.

8. Risk Management

8.1 None as a direct result of this report.

9. Policy Implications and links to the Police and Crime Plan Priorities

9.1 This report complies with good governance and financial regulations.

10. Changes in Legislation or other Legal Considerations

10.1 None

11. Details of outcome of consultation

11.1 Not applicable

12. Appendices

12.1 Appendix A – Annual Audit Letter 2016-17



Annual Audit Letter 2016/17

Police and Crime Commissioner for
Nottinghamshire
&
Chief Constable for Nottinghamshire

kpmg.com/uk

October 2017

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This report is addressed to the PCC and CC (Authority) and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. Public Sector Audit Appointments issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website (www.psaa.co.uk).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public 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.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Andrew Cardoza, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers (andrew.sayers@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing generalenquiries@psaa.co.uk, by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

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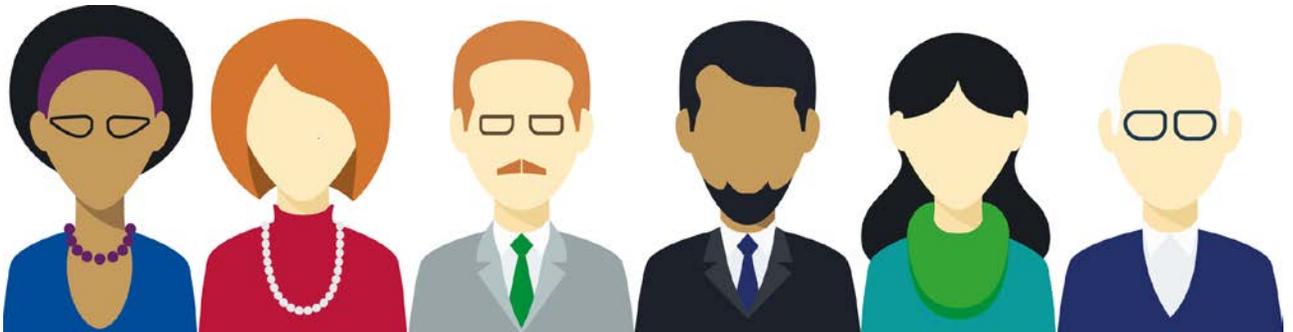
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Section one

Summary

This Annual Audit Letter summarises the outcome from our audit work at both the Police and Crime Commissioner (“PCC”) and Chief Constable (“CC”) for Nottinghamshire in relation to the 2016/17 audit year. Although it is addressed to the PCC and CC, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the PCC and CC’s websites.



VFM conclusion

We issued an unqualified conclusion on both the PCC and CC’s arrangements to secure value for money (VFM conclusion) for 2016/17 on 29 September 2017. This means we are satisfied that during the year the PCC and CC had appropriate arrangements for securing economy, efficiency and effectiveness in the use of their resources.

To arrive at our conclusion we looked at the PCC and CC’s arrangements to make informed decisions, sustainable resource deployment and working with partners and third parties.

VFM risk areas

We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements you have put in place to mitigate these risks.

Our work identified the following significant matters:

- Financial resilience and delivery of medium term financial plan: We assessed the arrangements put in place by the PCC and CC to maintain its record of meeting efficiency savings to address national funding changes, and, by relying on our accounts audit work where relevant, underpinned by a review of the PCC and CC’s budget setting process, financial management processes, and discussions with the senior management team. We were able to conclude that the PCC and CC had made proper arrangements to secure economy, efficiency and effectiveness in their use of resources.

Audit opinion

We issued an unqualified opinion on the PCC and CC’s financial statements on 29 September 2017. This means that we believe the financial statements give a true and fair view of the financial positions of the PCC and CC and of their respective expenditure and income for the year.

We did not issue our audit certificate to conclude the audit as we had not received the WGA pack by the required deadline of the 29 September. This was received on the 13 October and is yet to be audited.

Although we did issue an unqualified opinion we did find 2 further casting errors and a change to one note (made without our knowledge) on the day of signing the opinion, 29 September 2017. These errors then had to be rectified prior to the signed accounts being posted on the PCC website.

Section one

Financial statements audit

We found the audit of the 2016/17 financial statements more challenging than in previous years. The audit took significantly longer than expected as a result of the numerous changes that were required and in total we received four draft sets of accounts prior to the final version being agreed. In summary, we identified the following issues in the course of the 2016/17 audit:

- The initial draft set of accounts presented to audit was completed on a group basis only and therefore the main financial statements were not code compliant. Our opinion is given on the authority (in this case the PCC). In order to be code compliant and to receive an unqualified opinion a PCC CIES had to be compiled and the PCC costs had to be split out on the Balance Sheet, and Cash Flow. Notes were added to show the PCC element for the EFA and the MIRS;
- A number of notes did not show the required split between the PCC and Group costs as per the Code of Practice on Local Authority Accounting in the United Kingdom in 2016/17;
- A number of notes to the accounts were missing from the original draft. These included notes on cash and cash equivalents, borrowing, unusable reserves and the adjustment between funding and accounting basis note. Some additional notes were also required for financial instruments and pensions;
- There were a high number of casting and rounding errors and inconsistencies between the main statements and the main statements and notes. In addition some notes did not cast because information from the big red button was missing due to the functionality not being actioned correctly when the first draft was produced. This plus other items listed here indicate a lack of robust management review and checks;
- The template did not reference any of the key financial statements to the notes and had not been refined for Police Use i.e. it referred to the Housing Revenue Account in places which is not applicable to the Police;
- The Big Red Button (BRB) software was not set up to fully analyse the PCC costs in 2016/17. As a result some amendments were made in the group when they should be made in the PCC. All audit amendments to date have been made outside of the Big Red Button and these amendments need to be addressed and updated in the BRB system prior to next years audit;
- An amendment was required to the officers earning over £50k note to ensure the note agreed to the working paper. The Joint collaboration note also required amendment as the 2015/16 information was shown on a gross basis while the 2016/17 costs were shown net and were therefore not comparable;
- The narrative statement financial costs were amended a number of times to fully reflect the period 12 financial position and to include the HMIC peel review findings; and
- The audit was heavily reliant on one member of staff this year due to staff illness and this coupled with annual leave and working from home during part of the audit visit made it more difficult to progress with audit queries and working paper requests.

Our audit plan identified the Local Government pension scheme triennial revaluation, changes to CIPFA's Code on Local Authority Accounting, the introduction of the CIPFA Model (Big Red Button) and the change to the Payroll System as significant risks for the year. Assurance over the regional collaboration accounts and transactions was chose as an area of audit focus. We noted that most of these areas had been appropriately addressed by the PCC and CC. However, we recognise that there were issues with the introduction of the BRB and the new code requirements which led to issues with code compliance and working papers as mentioned in the key issues above.

We have had regular meetings with officers throughout the year which has facilitated delivery of the audit and have already discussed how we can work together to secure further improvement next year.

Section one

Other information accompanying the financial statements

Whilst not explicitly covered by our audit opinion, we review other information that accompanies the financial statements to consider its material consistency with the audited accounts. This year we reviewed the Annual Governance Statements and Narrative Reports. At our request a number of amendments were made to the PCC narrative report to ensure the financial information agreed to the period 12 Trial Balance and to make it clear to the reader it did not include Joint operations and pension costs and was therefore not fully comparable with the CIES. We also asked for the HMIC PEEL report to be included as a risk in the reports. After these amendments were actioned we concluded that they were materially consistent with our understanding although we noted that the Narrative Reports did not fully comply with CIPFA's requirements in that the use of both financial and non-financial performance indicators was expected.

Whole of Government Accounts

The PCC prepares a consolidation pack to support the production of Whole of Government Accounts by HM Treasury. We are not required to review your pack in detail as the PCC falls below the threshold where an audit is required.

The WGA pack was not received by the audit deadline of the 29 September. We received the pack on the 13 October 2017. As a result of this delay we have not yet audited the WGA and have not been able to issue our audit certificate or confirm the accuracy of the WGA pack with the National Audit Office.

High priority recommendations

We raised four high priority recommendations as a result of our 2016/17 audit work. This is detailed in Appendix 1 together with the action plan agreed by management.

— Financial Statements Code Compliance:

Our review of the accounts this year identified that the PCC/Group accounts presented for audit were not code compliant. In 2016/17 the split of PCC costs was not correctly applied in the main statements or all applicable notes. A number of notes were also missing from the accounts. All amendments were made.

— Management Review of the Draft Statement of Accounts:

The draft accounts provided for audit contained numerous errors and had not been subject to a timely or robust management review prior to audit which would have identified these problems. This issue continued in some form through the remaining 4 drafts with further errors identified on the final draft on our opinion deadline day.

— Management Review of Working Papers and Version Control:

Our testing this year identified that working papers were once again not subject to a thorough management review. This led to delays and additional work. Not all working papers requested on audit request were provided and in some instances we were not provided with the correct version of the working paper.

— Staff Availability:

This year the audit was heavily reliant on one member of staff. During the two week on site audit period the staff member was often on leave or working from home which led to delays in progressing with audit queries.

We will formally follow up these recommendations as part of our 2017/18 work.

Certificate

We did not receive the WGA pack by the required deadline of the 29 September 2017. The pack was received on the 13 October 2017 but at the time of writing this report this has yet to be audited. This means we are not yet able to issue our 2016/17 audit certificate and the 2016/17 accounts and audit remains open.

Audit fee

Our fees for 2016/17 were £35,220 and £15,000 excluding VAT, for the PCC and CC respectively. We have also proposed an additional fee of £10,000 to cover the extra audit work we had to undertake as part of the audit this year.

A breakdown of the additional fee was provided to both s151 Officers on the 3 October 2017 with a further breakdown provided as requested by the s151 officer of the PCC on the 6 October 2017. However, we are still awaiting final agreement of this overrun fee, prior to submission to the PSAA for their approval.

Key issues and recommendations

No.	H/M/L	Issue and recommendation	Summary management response/responsible officer/due date
1		<p>Code Compliance</p> <p>The PCC and CC should ensure that the draft provided for audit in 2017/18 are fully code compliant and include all relevant statements and notes.</p> <p>Sufficient time and resource should be devoted to the accurate completion of CIPFA's Code Disclosure Checklist, with any uncertainties over answers being investigated more thoroughly.</p> <p>The CIPFA BRB model should be updated to enable the PCC costs to be fully identifiable and mapped from 2017/18.</p>	<p>Management Response</p> <p>In relation to the notes this issue was picked up by the internal management review and was being addressed before the auditors identified it. One of the notes is actually more than required by the code and will be reviewed in the post audit review. It may be something that is kept as a working paper for the auditors, but removed from the statements as it adds no value to the reader of the statements.</p> <p>Owner PCC CFO/CC CFO</p> <p>Deadline 2016/17 and 2017/18 Statement of Accounts</p>
2		<p>Management Review of the Draft Statement of Accounts</p> <p>The PCC and CC should ensure that an appropriate, timely and robust level of review is put in place over the draft accounts next year particularly given the earlier deadline. This review should include the following checks:</p> <ul style="list-style-type: none"> • Agreeing PY figures agree to signed 2016/17 accounts; • Ensuring all statements and notes cast and cross cast; • Ensuring all figures within main statements are consistent and do not contain rounding errors; • Ensuring all notes agree to the main statements; • Ensuring the PCC plus CC equals the Group; • Ensuring all cross references are included in the main statements; • Ensuring all brackets are included; • Ensuring financial figures within the narrative agree to working papers; and • Ensuring the big red button functionality is turned on for all notes. 	<p>Management Response</p> <p>The CFO to the PCC and HoF to the CC have constantly reviewed and requested changes to the statements throughout the process. We identified part way through an issue with version control, which meant that changes made were not always tracked through fully to BRB so the next BRB update to the statements reverted to include previous errors.</p> <p>Casting errors arose where the functionality had not been turned on in the BRB.</p> <p>It should be emphasized that we were a PILOT for the BRB. We did not buy into something that was already fully developed and therefore we knew there would be issues. We also did not become a pilot until very late in the process.</p> <p>Owner Head of Finance</p> <p>Deadline 2017/18 Statement of Accounts</p>

 Low
  Medium
  High

Key issues and recommendations

No.	H/M/L	Issue and recommendation	Summary management response/responsible officer/due date
3		<p>Management Review of Working Papers and Version Control</p> <p>All working papers should be subject to a full and timely independent review. The review function for the CIPFA BRB should be utilised next year ensuring all work within the model is checked. Working papers provided outside of the model should also be reviewed for accuracy and to ensure that the figures agree to the draft provided for audit and have not been superseded by another version. All working papers requested on the PBC should be supplied.</p> <p>All changes made to this years accounts should be updated in the CIPFA model so that next year all prior year figures will be brought forward correctly.</p>	<p>Management Response</p> <p>The Management review of working papers did not take place this year. All effort was directed at getting the statements correct. With the exception of Officers Emoluments which was put through independent checks by staff and managers and different errors kept feeding through. Each time this was identified it was amended.</p> <p>Next year a change in process will ensure a peer review has time to take place, before the draft statements are issued to the auditors. As explained previously this was not possible this year.</p> <p>The planned post review of the accounts will ensure items that were not automated in BRB are for next year and all of the manual adjustments made are fully integrated into BRB. The one exception to this may be the rounding corrections that will be made at the very end.</p> <p>Owner PCC CFO/CC CFO</p> <p>Deadline 2016/17 and 2017/18 Statement of Accounts</p>
4		<p>Staff Availability</p> <p>Given the much earlier close down next year and the time pressures this will bring it is essential that all key finance staff are available during the 2 week audit period which will be in June and that leave/working from home is not allowed during this two week window.</p>	<p>Management Response</p> <p>It had not been our intention to be single person reliant and we could not have predicted the long term absence of another key member of the team. To negate the impact of this other members of staff in the OPCC and Force undertook the work (such as the asset management system and related accounts). These members of staff also made themselves available during the original audit period and beyond, with advance notice of intended holidays provided to the audit team.</p> <p>Currently, there is a review of the finance function underway and this will ensure more resilience to the closedown process in future years.</p> <p>Owner PCC CFO/CC CFO</p> <p>Deadline 2017/18 Statement of Accounts</p>



Key issues and recommendations

No.	H/M/L	Issue and recommendation	Summary management response/responsible officer/due date
5	M	<p>Audit Advert and Publication of Accounts</p> <p>The PCC and CC should ensure that the audit advert follows the recommendations provided to you in our letter and is provided to us to check prior to publication on the website.</p> <p>Both statements of accounts will need to be published by the required earlier deadline next year and audit evidence provided to us to enable us to prove this.</p>	<p>Management Response</p> <p>The advert was indeed worded that the public inspection period would run from 14 June to 24 July, which does equate to 29 working days not 30. However, the advert was on the website from the 16 May (and remains there today) and if a member of public had made enquiry or request on either the 13 June or the 25 July we would have responded fully. Indeed if a request is made at any time we would respond. There were no public enquiries.</p> <p>In relation to providing audit evidence: The advert was shared with the Audit Director on the 16 May 2017, and following his reply that the dates were “ok” was made live on the website. This error will not be made next year.</p> <p>Owner</p> <p>PCC CFO/CC CFO</p> <p>Deadline</p> <p>2016/17 and 2017/18 Statement of Accounts</p>

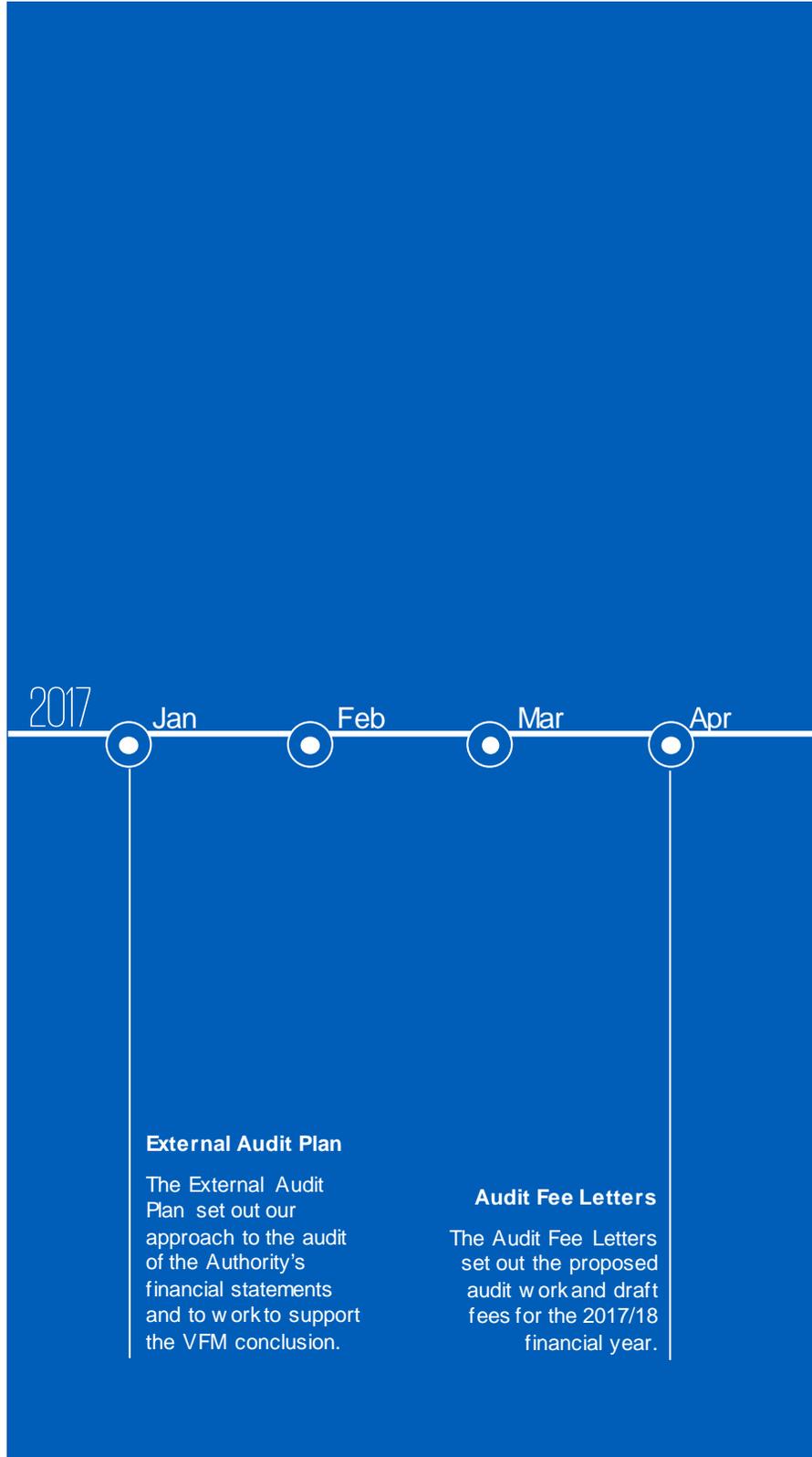
Follow up of previous recommendations

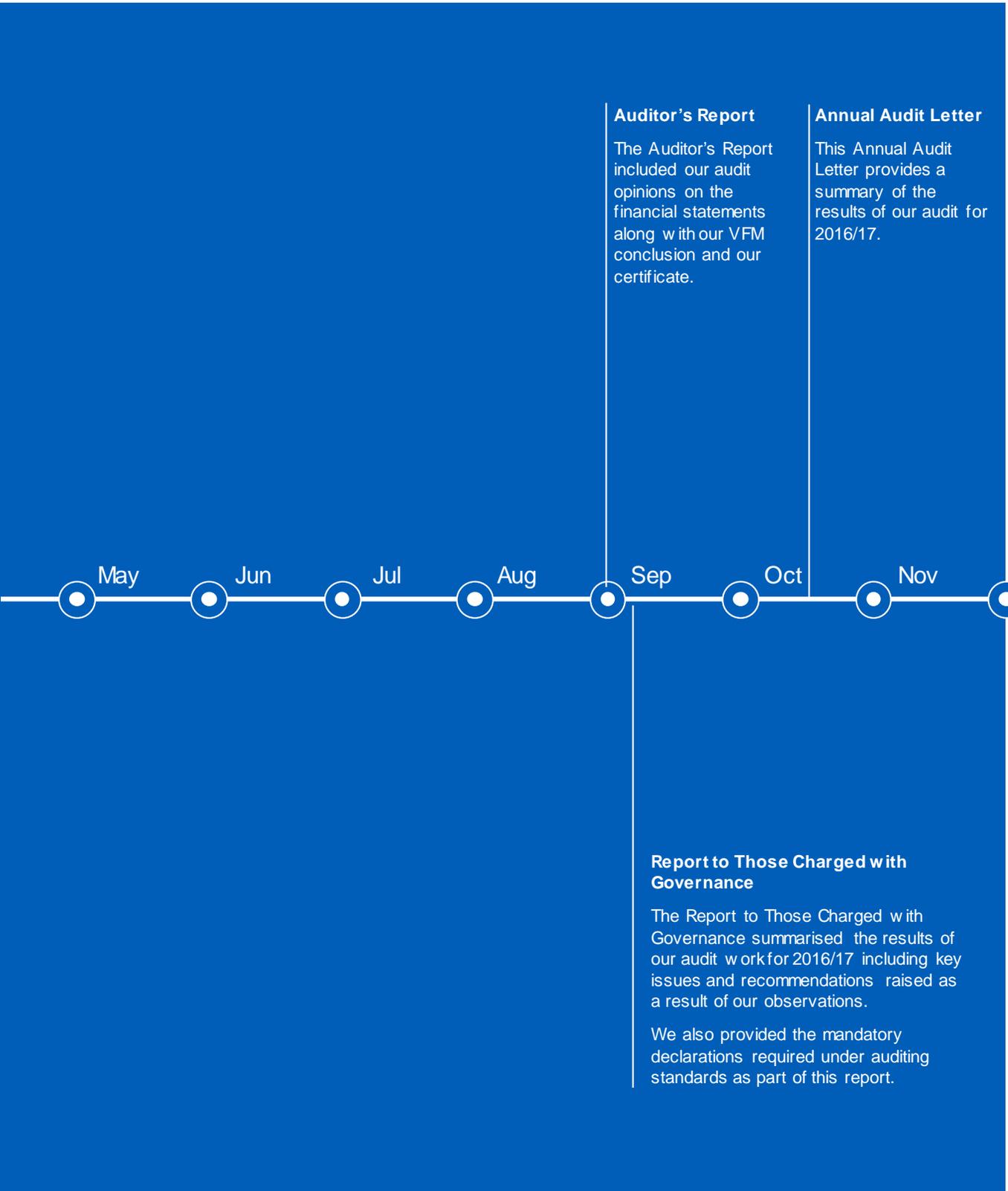
As part of our audit work we followed up on the PCC’s progress against the previous year’s audit recommendations. We found that the PCC and CC have only partly implemented the recommendation on improving the financial statements and working papers due to the issues identified this financial year. Given the issues found again in 2016/17 this recommendation was reiterated again this year.

Appendix 2

Summary of reports issued

This appendix summarises the reports we issued since our last Annual Audit Letter.





Auditor's Report

The Auditor's Report included our audit opinions on the financial statements along with our VFM conclusion and our certificate.

Annual Audit Letter

This Annual Audit Letter provides a summary of the results of our audit for 2016/17.

Report to Those Charged with Governance

The Report to Those Charged with Governance summarised the results of our audit work for 2016/17 including key issues and recommendations raised as a result of our observations.

We also provided the mandatory declarations required under auditing standards as part of this report.

Appendix 3

Audit fees

This appendix provides information on our final fees for the 2016/17 audit.

To ensure transparency about the extent of our fee relationship with the PCC and CC we have summarised below the outturn against the 2016/17 planned audit fee.

External audit

Our final fees for the 2016/17 audits of the PCC and CC were £35,220 and £15,000 respectively.

We have also raised an additional fee variation of £10,000. The reasons for this variance are:

- increased fees for the audit of the restatements necessary to the PCC and CC's accounts to reflect the revised CIES and new Expenditure and Funding Analysis reflecting additional costs incurred in carrying out the final accounts audit over and above our initial estimate;
- Increased fees for the work required to ensure the accounts were code compliant and to reflect the additional time required to audit the new statements and notes as well as technical specialists time;
- additional work to map the accounts to the CIPFA model known as the Big Red Button (BRB) which was implemented for the first time this financial year;
- additional work on the four further drafts of the accounts which included auditing the PCC statements which had initially been excluded, a variety of new notes as well as changes that we requested to disclosure notes and the narrative statements and AGS;
- Additional time needed to audit information which was not provided during the two week audit visit.

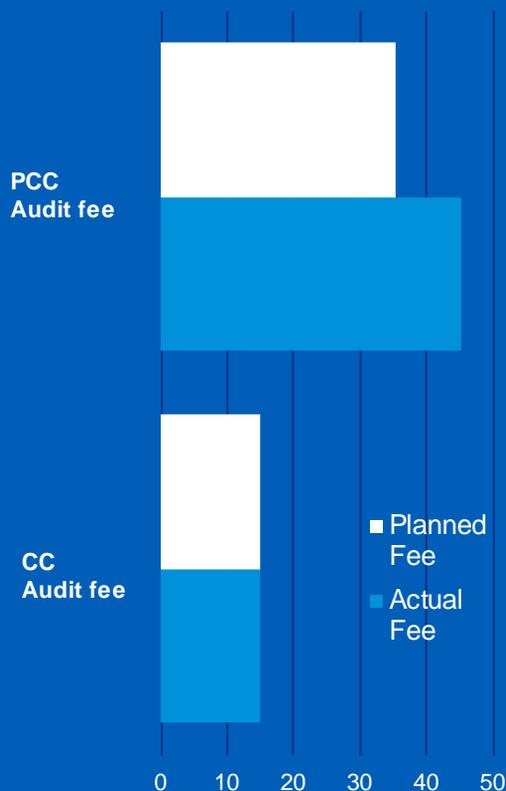
Our fees are still subject to final agreement with the s151 officers of the PCC and CC and determination by Public Sector Audit Appointments.

The additional fee and split between the CC and PCC was not submitted to the PSAA by ourselves by the required deadline of the 11 October 2017 as we did not receive a formal response from the PCC's s151 officer. We are still awaiting a formal response from the s151 officer of the PCC.

Other services

We did not charge any additional fees for other services.

External audit fees 2016/17
(£'000)



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For Information / Consideration	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	December 2017
Report of:	Chief Finance Officer
Report Author:	Charlotte Radford
Other Contacts:	
Agenda Item:	7

SUMMARY STATEMENT OF ACCOUNTS 2016-17

1. Purpose of the Report

- 1.1 To provide members with the summary version of the statement of accounts for 2016-17.

2. Recommendations

- 2.1 Members are recommended to consider whether this provides a suitable amount of information in a user friendly format.

3. Reasons for Recommendations

- 3.1 This complies with good governance.

4. Summary of Key Points

- 4.1 Each year the Commissioner is required to publish the Statement of Accounts for the Group. This a lengthy technical document in order to comply with the Code of Practice for Local Government Accounting.
- 4.2 Therefore, the attached Summary of Accounts is produced and made available on the Commissioners website.
- 4.3 This Summary of the Accounts excludes the financial details relating to pensions, which in size and complexity can be confusing especially as they do not impact on the funding available to the Commissioner for Policing in Nottinghamshire each year.
- 4.4 Instead this summary focuses on the resources directly available for Policing in Nottinghamshire and how this has been utilised, funded and the levels of reserves that ensure the continued financial viability of the Group.
- 4.5 Further detail is available on request and can be obtained from the full Statements of Accounts.

5. Financial Implications and Budget Provision

5.1 None as a direct result of this report.

6. Human Resources Implications

6.1 None as a direct result of this report.

7. Equality Implications

7.1 None as a direct result of this report.

8. Risk Management

8.1 None as a direct result of this report.

9. Policy Implications and links to the Police and Crime Plan Priorities

9.1 This report complies with good governance and financial regulations.

10. Changes in Legislation or other Legal Considerations

10.1 None

11. Details of outcome of consultation

11.1 Not applicable

12. Appendices

12.1 Appendix A – Summary Statement of Accounts 2016-17



Summary Financial Information – 2016-17

Nottinghamshire Police & Crime Commissioner and Group

The Police and Crime Commissioner for Nottinghamshire and the Chief Constable for Nottinghamshire have a statutory requirement to produce and publish their annual Financial Statements.

The Summary Financial Information for the Police and Crime Commissioner (PCC Group) provides a simple view of the consolidated financial position as at 31 March 2017.

The full published accounts of the PCC Group are available on the Police and Crime Commissioner website at www.nottinghamshire.pcc.police.uk in the section 'Our Money'.

This Summary Statement is based upon the published audited accounts, but in itself has not been independently audited.



Commissioner's Introduction

During the last year I'm pleased to say that we saw change and progress which is reflected in the accounts. There is a new financial team in place to manage the challenges resulting from central funding constraints and improvements in financial administration since 2015-16 have resulted in expenditure remaining below budget in 2016-17. This has led to a bigger contribution to future reserves than we anticipated. We also have a new Chief Constable and new Chief Officer Team to negotiate the challenges presented by crime and develop new ways of responding to threats.

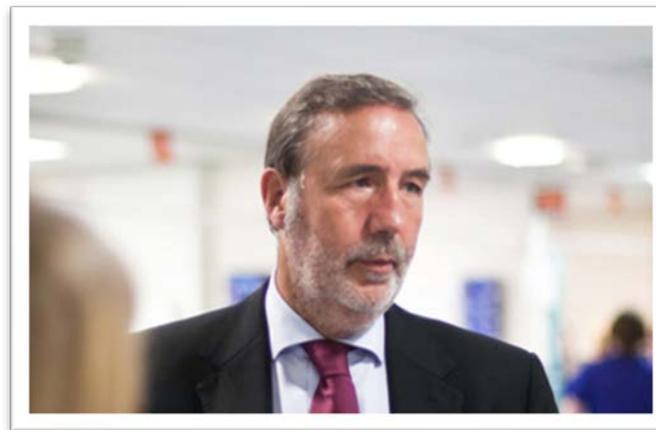
I'm delighted that I awarded a new contract for victims' services designed to improve the support and recovery of vulnerable people who suffer through crime and antisocial behaviour. Victim CARE (Cope and Recovery Empowerment), delivered by Catch 22, is already providing professional one-to-one support to a significant number of victims. This service has been built on the real experiences of victims of crime.

We've also introduced the new target operating model which means that we will be able to recruit more officers in the coming year. This hugely positive move will, I know, be really welcomed by our communities. Nottinghamshire became a national lead on Body Worn Video thanks to Home Office funding provided to the East Midlands Operational Support Service (EMOpSS). This relatively new technology has enhanced our investigation capabilities and evidence gathering, increased officer protection and enabled the Force to demonstrate greater accountability to the public, particularly in the light of Stop and Search powers.

Nottinghamshire's readiness to adapt and remain flexible to meet the changing needs of policing is demonstrated by the recent review of our Estates Strategy. This has resulted in us sharing more premises with our local partners and collaborating our skills and resources in co-location hubs like the one in Mansfield.

Like most forces across the county we saw an increase in offences. However, Nottinghamshire's increase was below the national average with a 13.7% increase in crime up to the end of March 2017. The increase is partly as a result of the robust processes put in place to ensure our compliance with continually changing national recording systems making comparisons with previous years difficult.

There are of course areas of service which require improvement, as Her Majesty's Inspectorate of Constabulary (HMIC) identified in its recent PEEL: Police Effectiveness 2016 assessment. However, these exceptions have and continue to be addressed to put the Force in the best possible position for the future HMIC inspections. Ultimately, my goal and the goal of everyone working for and with Nottinghamshire Police is to reduce harm from our communities and give people the tools they need to making lasting changes. With a new Chief Constable at the helm, the commitment of many partners on-board and the addition of extra police officers in the year ahead, I'm confident we can look forward to a positive future.



Revenue Income and Expenditure

The table below sets out the cost of policing in Nottinghamshire for 2016-17 financial year, with a comparison to the 2015-16 financial year. Pension cost adjustments for statutory reporting purposes are not included.

	2015-16	2016-17	2016-17
	£m	£m	%
Employees: Employee expenditure on police officers, police staff and police community support officers.	161.7	156.4	75.0
Premises: Operating the buildings.	6.8	5.7	2.7
Transport: Operating vehicles.	6.3	5.4	2.6
Supplies and Services: This includes IT and all other running costs.	22.4	17.3	8.3
Grants: These include supporting victims of crime and initiatives to prevent crime.	4.3	5.7	2.7
Collaborations and partnerships: This includes working with police partners and local authorities to provide services.	12.5	13.7	6.6
Capital Financing: The revenue cost of borrowing to pay for major assets.	3.5	4.3	2.1
Total Expenditure	217.5	208.5	100.0
Income: Generated from services, grants and contributions.	(19.3)	(21.4)	(10.1)
Main Grants: Core government funding.	(136.5)	(135.8)	(63.9)
Council Tax Income: Paid by Nottinghamshire households.	(53.1)	(55.4)	(26.0)
Total Income	(208.9)	(212.6)	(100.0)
Net Expenditure / (Income)	8.6	(4.1)	
Statutory and group adjustments excluding pensions required by proper accounting practice.	6.5	3.2	
Deficit / surplus (-) on the Provision of Services	15.1	(0.9)	

Financial Performance

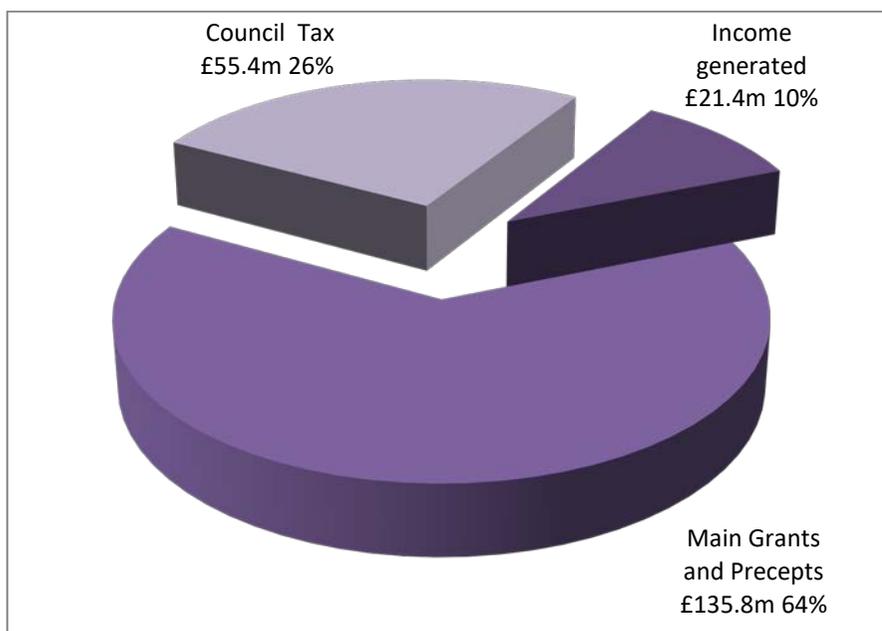
The actual net operational expenditure reported for the year is set out below and compared with the approved original budget for the year, pension costs and other adjustments are excluded.

SERVICES	Original Budget	Actual	(Under)/Over Spend
	£m	£m	£m
PCC	4.7	3.9	(0.8)
Chief Constable	184.5	183.2	(1.3)
Chief Constable planned repayment of reserves			(1.0)
Council Tax Surplus			(1.0)
Net Expenditure / (Income)			(4.1)
Appropriated to Usable Reserves			4.1

Income

Income received in 2016-17 was £212.6 million. The majority of the income was from Central Government, with 26% funded locally from Council Tax. The policing element of the Council Tax for a standard Band D property was £179.91 and £119.94 for a Band A property. Most properties in Nottinghamshire are classified as Band A or Band B.

Where the money came from:



Expenditure & Staffing

The Police and Crime Group spend mainly on people both directly employing police officers, police community support officers and staff and indirectly through the collaborations partnerships and grants given. Direct expenditure on employees accounts for 75% of all expenditure.

The Police and Crime Group employs approximately 1,886 police officers 184 PCSOs and 239 Specials and 1,168 staff in full-time and part-time positions. Active recruitment plans for 2017-18 include positive action to improve the diversity and reflect more closely that of the County.

The College of Policing is working actively to provide apprenticeship entry into Policing. Nottinghamshire will pay an apprenticeship levy from April 2017, equating to 0.5% of the total pay bill. This can be utilised to pay for apprenticeship training and to accredit specific specialist roles to a professional standard, including degree level. This will allow Nottinghamshire to focus on areas of skills shortage and future skills growth areas.

Overall Equality Characteristics

Ethnicity	Headcount	%
Asian/Asian British	80	2.3
Black/Black British	41	1.2
Mixed	38	1.1
White/White British	3,197	91.9
Other	2	0.1
Not Known/Provided	119	3.4

Self-Declared Disability	Headcount	%
No	3,287	94.6
Yes	88	2.5
Unspecified	102	2.9

Gender	Headcount	%
Male	2,005	57.7
Female	1,472	42.3

Age Band	Headcount	%
25 and under	222	6.4
26-40	1,423	40.9
41-55	1,563	45.0
56 or over	269	7.7

Balance Sheet as at 31 March 2017

The table below shows the overall financial position at the end of the financial year. It shows, in particular, the value of the assets owned and any sums owed by the Police and Crime Group.

The figures exclude the future pension liability of £2,734.3m, which will be paid for in increased contributions over the coming years. This is excluded because of the distorting effect on the balance sheet.

2015-16 £m	Police and Crime Group Balance Sheet	2016-17 £m
51.5	Property, Plant and Equipment	41.2
0.4	Investment Property	0.4
0.5	Intangible Assets	0.5
52.2	Long Term Assets	42.1
1.0	Assets Held for Sale	2.8
0.2	Inventories	0.3
27.7	Short-Term Debtors	32.2
9.2	Cash and Cash Equivalents	2.0
38.1	Current Assets	37.3
(13.3)	Short-Term Borrowing	(7.3)
(26.7)	Short-Term Creditors	(23.2)
(3.6)	Provisions	(3.3)
(43.6)	Current Liabilities	(33.8)
(31.2)	Long-Term Borrowing	(33.6)
(2.3)	Other Long-Term Liabilities	(1.9)
(33.5)	Long Term Liabilities	(35.5)
13.2	Net Assets	10.1
(16.2)	Usable Reserves	(22.2)
3.0	Unusable Reserves	12.1
(13.2)	Total Reserves	(10.1)

Useable Reserves 2016-17

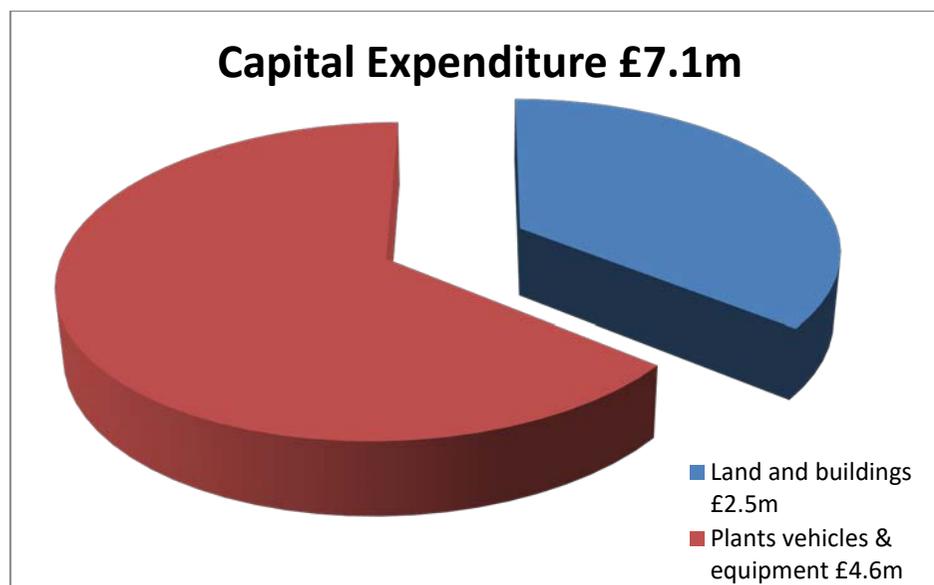
The table below gives more detail about the usable reserves held by the Group.

Reserves	Balance at 31 March 2016	Transfers In 2016-17	Transfers Out 2016-17	Balance at 31 March 2017
	£m	£000	£000	£m
Earmarked Reserves:				
Police Property Act	0.1	0.1	0	0.2
Drug Fund	0.1	0	0	0.1
PFI Life Cycle Costs	0.3	0	(0.3)	0.0
Revenue Grants	2.5	0.6	(0.4)	2.7
Medium Term Financial Plan	1.1	2.2	0	3.3
Tax Base Reserve	0.2	1.0	0	1.2
PCC	0.6	0	0	0.6
Grants and Commissioning	1.9	0.6	0	2.5
PCC Night Time Levy	0.2	0.1	0	0.3
Earmarked Reserve - Other Joint Operations	1.2	0	(0.3)	0.8
Total Earmarked Reserves	8.2	4.7	(1.1)	11.7
General Fund Reserve	7.1	0	0	7.1
Capital Receipts	0.6	2.7	0	3.3
Capital Grants	0.3	2.4	(2.7)	0.0
Total Usable Reserves	16.2	9.8	(3.8)	22.2

Capital Expenditure

Capital expenditure represents money spent on acquiring, upgrading and improving assets and major operational equipment. It relates to the provision of assets which will bring long-term benefit to the Police and Crime Group. The chart below sets out the capital investments made in 2016-17. The £7.1m of capital expenditure was financed by using £2.7m of capital grants and £4.4m of external borrowing.

The cost of servicing debt is a revenue expense.





Nottinghamshire
**POLICE & CRIME
COMMISSIONER**

The Chief Finance Officer
Nottinghamshire Office of the Police & Crime Commissioner
Arnot Hill House
Arnot Hill Park
Arnold
Nottinghamshire
NG5 6LU

For Consideration	
Public/Non Public*	Public
Report to:	Joint Audit & Scrutiny Panel
Date of Meeting:	8th December 2017
Report of:	Paddy Tipping Police and Crime Commissioner
Report Author:	Kevin Dennis
E-mail:	kevin.dennis@nottinghamshire.pnn.Police.uk
Other Contacts:	Kevin Dennis
Agenda Item:	8

POLICE AND CRIME COMMISSIONER'S UPDATE REPORT – to September 2017

1. PURPOSE OF THE REPORT

- 1.1 This report was also submitted to the Police and Crime Panel (PC Panel) on 27th November 2017.
- 1.2 In accordance with section 13 of the Police Reform and Social Responsibility (PR&SR) Act 2011 and subject to certain restrictions, the Commissioner must provide the PC Panel with any information which the PC Panel may reasonably require in order to carry out its functions. The Commissioner may also provide the PC Panel with any other information which he thinks appropriate.
- 1.3 This report provides the Joint Audit & Scrutiny Panel (JASP) with an overview of performance in respect of 1st April to 30th September 2017-18 where data is available. This is the second report for this financial year 2017-18.

2. RECOMMENDATIONS

- 2.1 JASP Members to note the contents of this update report, consider and discuss the issues and seek assurances from the Commissioner on any issues Members have concerns with.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To provide Members with information so that they can review the steps the Commissioner is taking to fulfil his pledges and provide sufficient information to enable JASP to fulfil its scrutiny role.

4. Summary of Key Points

POLICING AND CRIME PLAN – (2016-18)

Performance Summary

- 4.1 Performance against refreshed targets and measures across all seven themes is contained in the Performance section of the Commissioner's web site to September 2017.^a This report details performance from 1st April 2017 to 30th September 2017 where data is available and is the second report submitted to the PC Panel for this financial year 2017-18.

Reporting by Exception

- 4.2 The Commissioner's report focuses on reporting by exception. In this respect, this section of the report relates exclusively to some performance currently rated red i.e. significantly worse than the target (>5% difference) or blue, significantly better than the target (>5% difference).
- 4.3 The table below shows a breakdown of the RAGB status the Force has assigned to the 22 targets reported in its Performance and Insight report to September 2017.^{bc}
- 4.4 It can be seen that 12 (55%) of these measures are Amber, Green or Blue indicating that the majority of measures are close, or better than the target. Currently 41% (9) of targets reported are Red and significantly worse than target. It can be seen that 3 more targets have moved to Green, Amber rated measures have reduced by 5 and Reds targets have increased by 2. There are no measures rated Blue.

KEY to Performance Comparators					
Performance Against Target		Jul-17	%Total	Sep-17	%Total
<input checked="" type="checkbox"/>	Significantly better than Target >5% difference	0	0%	0	0%
<input checked="" type="checkbox"/>	Better than Target	5	23%	8	36%
<input checked="" type="checkbox"/>	Close to achieving Target (within 5%)	9	41%	4	18%
<input checked="" type="checkbox"/>	Significantly worse than Target >5% difference	7	32%	9	41%
<input type="checkbox"/>	No Longer Measured	1	5%	1	5%
Total		22	100%	22	100%

- 4.5 One measure i.e. the 'Percentage of victims and witnesses satisfied with the services provided in Court', taken from the Witness and Victim Experience Survey

^a <http://www.nottinghamshire.pcc.police.uk/Document-Library/Public-Information/Performance/2017/Performance-and-Insight-Report-to-September-2017.pdf>

^b A number of performance measures are monitor only and it has been agreed that it is not appropriate to assign a RAGB to such measures unless the measure is + or – 10%.

^c New RAGB symbols have been used for this report in case readers are limited to black and white print.

(WAVES) is no longer active and therefore it is not possible to report on this measure.

4.6 The table below provides an overview of the 9 targets (41%) graded Red, which is three more than the previous PC Panel report.

<input checked="" type="checkbox"/>	Objective / Target RAGB Status Red ●	Jul-17	Sep-17
	1. A reduction in All Crime compared to 2015-16	35.9%	29.6%
	2. A reduction in Victim-Based Crime compared to 2015-16	33.6%	27.8%
	3. To reduce the levels of rural crime compared to 2015-16 and report on: 1.1. Rural and 1.2. Urban	28.9%	25.3%
	4. A reduction in the number of non-crime related mental health patients detained in custody suites	100%	100%
	5. A 10% increase in the number of POCA orders compared to 2016-17	-46%	-48.7%
	6. Increase BME representation within the Force to reflect the BME community	4.3%	4.7%
	7. NEW: Percentage of people who agree that the police and local councils are dealing with Anti-Social Behaviour and other crime issues	56.7%	55.7%
	8. NEW: A reduction in the number of repeat victims of hate crime compared to 2016-17	-1	7
	9. NEW: The number of people Killed or Seriously Injured (KSIs) on Nottinghamshire's roads	-40.1%	-33.6%

4.7 PC Panel Members require the Commissioner's update report to:

1. Explain the reasons for improved performance and lessons learned for Blue graded measures and
2. Reasons/drivers for poor performance and an explanation as to what action is being taken to address underperformance in respect of Red graded measures.

4.8 The Force has provided the following responses to these questions in sections 5 and below. There are no Blue measures identified during this reporting period.

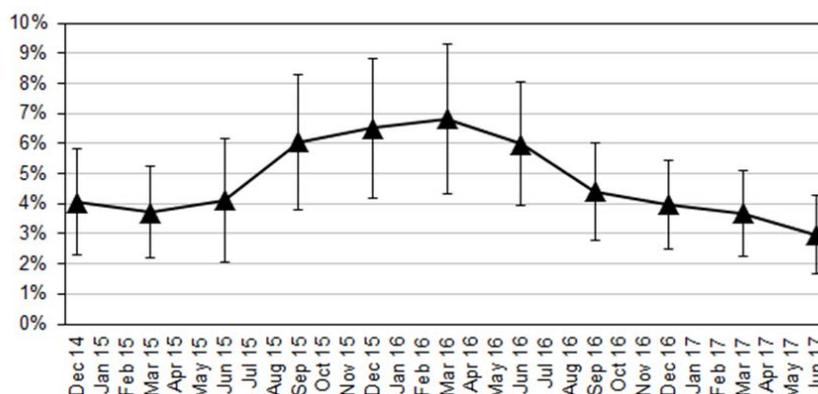
5. Red Rated Measures (● significantly worse than Target >5% difference)

- R1. A reduction in All Crime compared to 2015-16**
- R2. A reduction in Victim-Based Crime compared to 2015-16**
- R3. To reduce the levels of rural crime compared to 2015-16**

<input checked="" type="checkbox"/>	Objective / Target RAGB Status Red ●	Jul-17	Sep-17
	1. A reduction in All Crime compared to 2015-16	35.9%	29.6%
	2. A reduction in Victim-Based Crime compared to 2015-16	33.6%	27.8%
	3. To reduce the levels of rural crime compared to 2015-16 and report on: 1.1. Rural and 1.2. Urban	28.9%	25.3%

- 5.1 The first six months of this year have seen the Force record a 29.6% (10,930 offences) increase in All Crime compared to the same period last year. This is an improved position since the last report when recorded crime was +35.9%.
- 5.2 Victim-Based crime has increased by 27.8% (9,180 offences) year-to-date. Other Crimes Against Society have increased by 44.3% (1,750 offences). The increase in Other Crimes Against Society is driven by a 108.2% increase in Public Order offences. Public Order offence volumes remain high following the NCRS audit, as a result of the daily incident checks now in place.
- 5.3 Following the NCRS audit last year, the Force has put in place new daily processes to maintain compliance with the national standards (NCRS). This means that recorded crime volume remains at a higher level and this is expected to continue as the accepted new 'normal' level. The Force is now recording around 2,000 offences more each month than this time last year.
- 5.4 When considering the longer term trend, the Force has recorded a 30.4% (21,736 offences) increase in All Crime in the 12 months to September 2017 compared to the previous 12 months.
- 5.5 Forecast figures suggest that at the end of the year this position will have stabilised and the Force will end the year with an increase of approximately 12-17% which would be in line with the current national average increase
- 5.6 Recently published national data (covering performance in the 12 months to June 2017) reveals that almost all forces in England and Wales are recording increases in crime. Nottinghamshire is recording an increase above both the national and regional average.
- 5.7 However, in contrast to recorded crime, the most recent Crime Survey for England and Wales (CSEW) reveals that the risk of crime felt by household residents in Nottinghamshire fell from 6.8% in March 2016 to 3% (a fall of 3.8%) in June 2017 placing the Force third best in its MSG (Most Similar Group of forces) indicating that people's experience of crime is in stark contrast to recording crime. The IQuanta chart below illustrates the trend.

iQuanta Trend Chart
Nottinghamshire
Risk of crime (personal excluding computer misuse and fraud)
01 Dec 2014 - 30 Jun 2017



R4. A reduction in the number of non-crime related mental health patients detained in custody suites

<input checked="" type="checkbox"/>	Objective / Target RAGB Status Red ●	Jul-17	Sep-17
	4. A reduction in the number of non-crime related mental health patients detained in custody suites	100%	100%

5.8 Data for this measure relates to quarter one (April-June 2017^d). In this respect, two people have been presented to custody as a first place of safety. On average last year, less than 3% of mental health patients were taken to custody, with the vast majority taken to the mental health suite.

5.9 So whilst the measure is graded Red, this is due to the significant improvements made year on year since it was introduced as a measure in 2014-15. The table (right) provides a summary of the trend.^e It can be seen that in 2013-14 (prior to the target being set) there were on average 28 people detained under S136 each month; so far this year it is less than one person.

Year	No. Presented to Custody	Ave Per Month
2017-18 (Apr-Jun)	2	0.7
2016-17	11	0.9
2015-16 (Apr-Nov)	50	6.3
2014-15	167	13.9
2013-14	336	28.0

R5. A 10% increase in the number of POCA orders compared to 2016-17

<input checked="" type="checkbox"/>	Objective / Target RAGB Status Red ●	Jul-17	Sep-17
	5. A 10% increase in the number of POCA orders compared to 2016-17	-46%	-48.7%

5.10 The Force recorded 46 fewer Confiscation and Forfeiture Orders compared to last year-to-date; this equates to a reduction of 38.7%, placing the Force 48.7 percentage points below the 10% increase target.

5.11 It should be noted that any decision to apply for an order is made by the Crown Prosecution Service (CPS), based on information and advice provided by the Police. A decision to grant an order is one for the Court alone.

5.12 An order is not granted until sentencing and in many cases there can be a gap of many months between point of arrest and an order being granted.

^d Next Update will be November 2017

^e This table is a summary of analysis undertaken of previous Force Performance and Insight reports.

R6. Increase BME representation within the Force to reflect the BME community (11.2%)

☒	Objective / Target RAGB Status Red ●	Jul-17	Sep-17
	6. Increase BME representation within the Force to reflect the BME community	4.3%	4.7%

- 5.13 This measure is rated Red because the 11.2% representation as defined by the 2011 Census has not been achieved.
- 5.14 Staff turnover and recruitment causes changes to BME representation and in September 2017, data shows that the BME headcount increased to 4.62% for Police Officers (previously 4.45%) and increased to 4.69% for Police Staff (previously 4.23%) resulting in an increase of 0.4% since July and an overall representation of 4.7% (previously 4.3%). Representation of Police Cadets is 26% and Special Constables 8%.
- 5.15 The Commissioner has been working closely with the BME Steering Group since 2013 and established a BME Working Group to advance BME recruitment and selection, BME advancement and retention as well as other issues which may adversely affect attraction of BME candidates, i.e. stop and search and diversity training of officers. Members were provided with a case study on this work listed at [Appendix A](#) of the 18th April 2016 PC Panel meeting.
- 5.16 When the Commissioner took office in 2012 BME representation was 3.7% so overall representation has increased by 1% overall. Austerity and the 2 year recruitment freeze did hamper progress. However, the Chief Constable opened up recruitment for both PCSOs and Police Officers since January 2017 and numerous recruitment processes have been undertaken.
- 5.17 To achieve an 11.2% BME representation an additional 144 BME police officers would need to be recruited. The Commissioner has worked closely with the Chief Constable during 2017 in relation to the recruitment of Police officers especially from BME communities. A range of positive activities have been undertaken to attract applicants from BME communities under Operation Voice which included talent spotting, buddying, awareness events, marketing publications.
- 5.18 Since January this year, there have been four Police officer recruitment campaigns attracting 2,131 applicants with 11.54% from our BME communities and 3.28% from our Eastern European communities and 11.07% from our LGBT+ communities. There were 246 applications from Members of the BME community of which 103 (41.87%) passed the Competency Based Questionnaire (CBQ) which is slightly less than the overall figure (44%, 940).
- 5.19 Recruitment for PCSOs commenced in February this year and the Force received 131 applications with 17 (12.98%) from our BME communities. The total number of applicants passing CBQ was 60 (45.8%), of whom 8 were BME (47%). The latest PCSO recruitment attracted 210 applications with 21 (10%) from our BME communities.

5.20 The Chief Constable intends to recruit a total of 200 officers in 2017-18 (which started in September 2017) and has ambitions to recruit a further 158 in 2018-19.^f The Commissioner hopes to see the number of officers grow in Nottinghamshire to a figure approaching 2,000. However, that will depend upon November's budget and the outcome of discussions on the Police Funding Formula on Government funding.

7. NEW: Percentage of people who agree that the police and local councils are dealing with Anti-Social Behaviour and other crime issues

☒ Objective / Target RAGB Status Red ●	Jul-17	Sep-17
7. NEW: Percentage of people who agree that the police and local councils are dealing with Anti-Social Behaviour and other crime issues	56.7%	55.7%

5.21 Current performance covers interviews in the year to June 2017. The Force is now 4.3% below the 60% target. This measure has reduced for the third time since its peak in December 2016 when it was 58.7%. The average for the Force's Most Similar Force group (MSG) is 57.7% and Nottinghamshire is ranked in 5th place in this group of 8.

5.22 Of course this measure is as much about the Council as it is the Police. However, another measure specifically relating to the Police, *'The police do a good or excellent job'* has also fallen to 54.4% since December 2016 when it peaked at 60.6%. Although survey results do fluctuate, if this trend continues it may indicate that pressures of demand is placing greater pressure on available resources which in turn is having a detrimental effect on quality policing.

8. NEW: A reduction in the number of repeat victims of hate crime compared to 2016-17

☒ Objective / Target RAGB Status Red ●	Jul-17	Sep-17
8. NEW: A reduction in the number of repeat victims of hate crime compared to 2016-17	-1	7

5.23 The Force definition of a repeat victim is based on the national definition^g. Of a total of 150 hate crime victims in the month of September, 22 were repeat victims.^h

5.24 This compares to a baseline monthly average for the 2016/17 year of 15 repeat victims per month, which represents 7 more repeat hate crime victim in September compared to the baseline figure. However, the number is still relatively small.

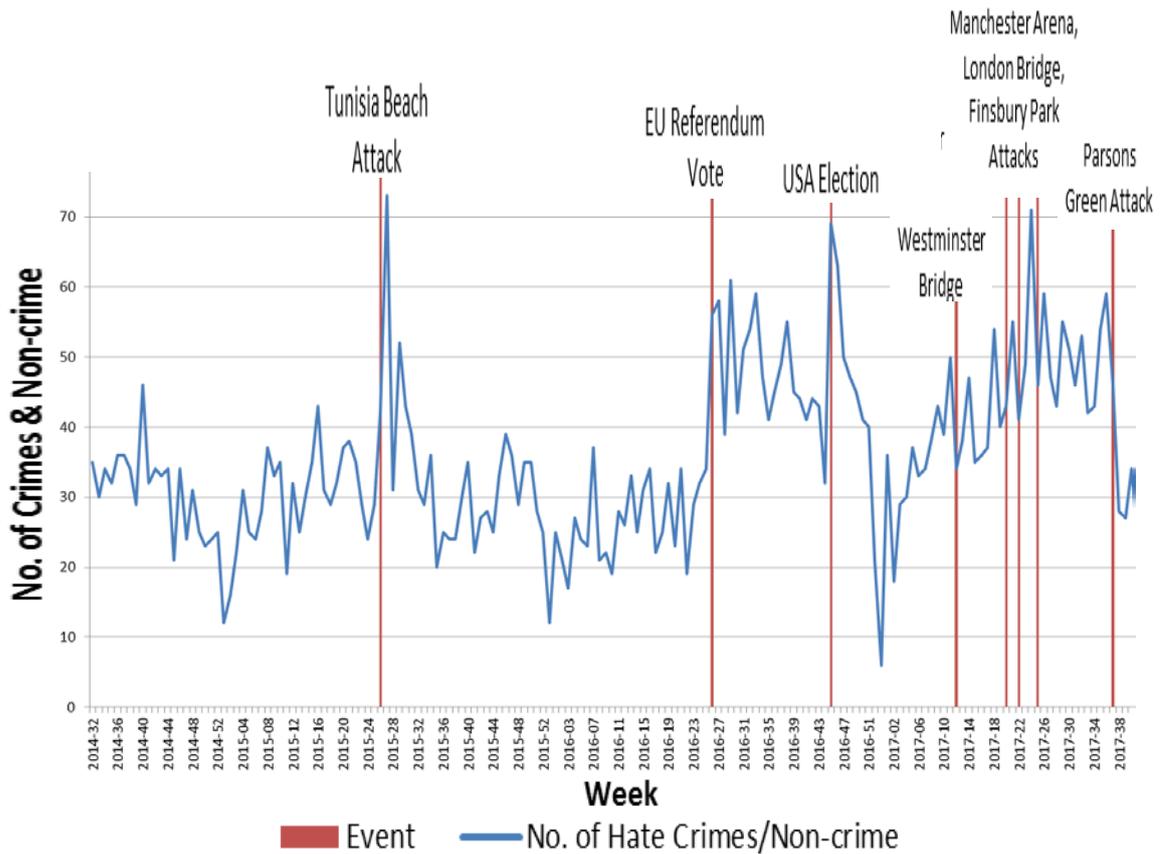
5.25 As a proportion, 14.7% of hate crime victims in September were repeat victims. This figure is greater than the baseline monthly average for 2016/17 (11.5%).

^f <http://www.nottinghampost.com/news/nottingham-news/chief-constable-pledges-200-new-281085>

^g A hate crime repeat victim is a victim of a hate crime or incident in the current month who has also been a victim of one or more hate crimes or incidents at any point in the previous twelve months.

^h 22 victims who had one or more previous hate crimes in the 12 months prior (October 2016 –September 2017).

5.26 Analysis of hate crime identifies a pattern of increase following national and international events as illustrated in the chart below. This will also include repeat offences. As can be seen spikes occur and then incidents fall back to lower levels.



9. NEW: The number of people Killed or Seriously Injured (KSIs) on Nottinghamshire’s roads (Target is 50% by 2020)

<input checked="" type="checkbox"/>	Objective / Target RAGB Status Red ●	Jul-17	Sep-17
	9. NEW: The number of people Killed or Seriously Injured (KSIs) on Nottinghamshire’s roads	-40.1%	-33.6%

5.27 Data for quarters one and two (1st January 2017 – 30th June 2017) shows a 33.6% reduction (111 fewer persons) in persons Killed or Seriously Injured (KSI) on Nottinghamshire’s roads compared to the 2005-2009 baseline period. However a slight increase is apparent when comparing the current year to the equivalent period of last year (+23.1% or 3 persons). In June 2017, the target was better with a -40.1% reduction.

5.28 All user groups with the exception of pedal cyclists are seeing a reduction in KSIs when compared to the baseline average. Pedal cyclist KSIs have increased by 4.3% (1 person) against the baseline average this period.

5.29 KSIs in the 0-15 age group have reduced by 55.6% (20 persons) compared to the 2005-2009 baseline.

5.30 In response to the deterioration of this target a representative from the Nottinghamshire Road Safety Partnership has been requested to attend the next

Force Performance Board in November 2017 to provide further insight so that appropriate remedial action can be considered and taken.

HMIC PEEL EFFECTIVENESS INSPECTION 2016 - UPDATE

- 5.31 At the PC Panel meeting of 29th June 2017 the Commissioner provided a further update on Her Majesty's Inspectorate of Constabulary (HMIC), PEEL Effectiveness (2016) report published 2nd March 2017 following its inspection of the Force in September last year.
- 5.32 The PC Panel should note that the Commissioner and Chief Constable's Joint Audit and Scrutiny Panel consider and monitor all recommendations from HMIC and internal audit reports.
- 5.33 The Commissioner had previously explained that in order to ensure that every critical aspect of the HMIC report (including comments, areas for improvement, areas of concern and recommendations) were all considered and responded to, that the Chief Constable would provide a written response for each point so he can be fully assured that improvements are being made in every area.
- 5.34 Since then, the fully completed template has been sent to PC Panel Members and the Commissioner has provided his written response to HMIC and the Home Office as required.¹
- 5.35 In his letter to HMIC the Commissioner states:

In addition, to obtaining written assurance on all points of criticism, it is my intention to go further by asking my internal auditors to test some of the new procedures implemented by the Force to ensure that vulnerable victims will never be exposed to the risk identified by HMIC. In this respect, my auditors will:

- 1) Review every point of criticism relating the management of domestic incidents as identified in the Assurance Framework Template to provide me with assurance that that victims are not exposed to any further risk.
- 2) Review every point of criticism relating to the need to better understand local communities identified in the Assurance Framework Template to provide me with assurance that officers do understand the risks they face, together with their vulnerabilities and their priorities.

- 5.36 At the last PC Panel meeting in September Members requested an update on progress. In this respect, as directed by the Commissioner, during the summer of 2017, Mazar's the internal auditor undertook an internal audit in respect of issues outlined in sections 1 and 2 above and provided a report in August 2017 (see **Appendix A**).
- 5.37 Mazar's concluded that the Force has clearly made progress against implementing actions to directly address HMIC concerns and to prevent a repeat of previous

¹ <http://www.nottinghamshire.pcc.police.uk/Document-Library/Public-Information/HMIC-Reports/Responses-to-HMIC/PCC-Response-PEEL-Police-Effectiveness-2016.pdf>

issues. However, in a number of the actions taken they remain on-going and the Force should consider reiterating the need to complete the agreed actions in a timely manner.

The following is a Force update on recommendations identified in Mazar's Effectiveness Audit:

1. Implementation of E-Cins for sharing information, including processes for managing the information stored on the system and keeping it up to date;

ECINS has been implemented and is now being used by the police and a number of partners. It has a dedicated Project manager to ensure the effective roll out across Nottinghamshire. All statutory partners are signed up to an information sharing agreement that deals with the sharing, storing and management of information stored within the database and an audit is planned to ensure that information is being managed and stored in accordance with this agreement.

2. The completion, and approval, of an Engagement Strategy for local communities;

An Engagement Strategy for local communities has been produced and approved and guides our community engagement activity. This document outlines specific responsibilities for Neighbourhood Policing Inspector's in maintaining and updating local community profiles and engagement plans.

A copy of the Engagement Strategy is enclosed as Appendix to this report.

3. Management Information for breakdown of Force response time to visit domestic abuse victims.

Management information detailing a breakdown of Force response times in relation to visiting domestic abuse victims is now provided to Contact Management to enable them to consider the effectiveness of our response. The most recent data for attendance to Grade 1 incidents shows that our performance for domestic abuse attendance is slightly better than our wider Grade 1 times at an average of 13.42 minutes for both Urban and Rural incidents. This data provides assurance that we are responding promptly to those people who are most vulnerable and at risk of significant harm.

The long term police response trends show that overall Grade 1 and 2 times have increased and so a wider review of response times has now been completed by Process Evolution on behalf of the force, and this has indicated that improved response times will be achieved by a re-deployment of response officers to additional response bases. A business case is currently being prepared for consideration by the Chief Officer Team, with the aim of implementing by the end of this financial year.

4. Reconciliation of NICHE records to MARAC records to ensure all high risk cases recorded have been submitted for review.

This is an amalgamation between two areas of business that were being looked at by the HMIC. For clarity see the response below.

MARAC:

All High Risk cases of domestic abuse now go to the Multi Agency Risk Assessment Conference MARAC. Where incidents are brought to the MARAC by partners that were hitherto unknown to policing services, they now have a NICHE crime occurrence created to provide a corporate memory. All victims that are now heard at the MARAC are also flagged on NICHE. Police MARAC chairs now raise this as an action as a matter of course. As such the MARAC flag and associated vulnerability follows the victim and not the occurrence. In this way NICHE now correctly and adequately reflects all the HR cases that brought to both City and County MARAC's.

Repeat victims and IOM repeat offenders – High Risk:

Repeat victims (2 or more incidents in a 12 month process) of domestic abuse are identified during a Management Information search and discussed at the Public Protection Operational Performance Review. Incidents are then reviewed cumulatively to establish if there has been an increase in risk. If there is, resulting in an increase in risk level to high, then a referral will be made to commissioned services and safeguarding interventions put in place. Again this process is recorded on NICHE.

IOM repeat offenders

The most dangerous Domestic Abuse (DA) offenders (top 40) have been identified using the PPIT tool (Priority Perpetrator Identification Tool) which uses a scoring model (Cardiff Model) to tackle DA perpetrators using IOM techniques. The top 40 have been established, supporting IDVA's recruited and the first IOM panel meeting to manage these offenders took place on 18th October 2017.

In both above ways, all High Risk DA cases of victims (and offenders now) are submitted for review so that relevant risk be identified and addressed.

Additional Information

Since this audit was carried out, the force has been re-inspected as part of the 2017 Peel Effectiveness Inspection Programme. Whilst the force is yet to receive its report, the feedback from the 'hot debrief' provides further re-assurance that the force has made good progress with the areas for improvement from 2016.

Holding the Chief Constable to Account

- 5.38 The Commissioner is represented at the key Thematic, Partnership and Force Local Performance board meetings in order to obtain assurance that the Force and Partners are aware of the current performance threats, and are taking appropriate action to address the emerging challenges. Should there be any issues of concern these are relayed to the Commissioner who holds the Chief Constable to account on a weekly basis.

- 5.39 In addition, the Commissioner meets quarterly with the Head of Investigations and Intelligence and Head of Operations to gain a deeper understanding of threats, harm and risk to performance. The last meeting was held on 20th September 2017 and the next meeting will take place on 4th December 2017.
- 5.40 PC Panel Members have asked if a case study could be prepared for each meeting. Previous case studies were:
1. Shoplifting
 2. The Victims Code
 3. Improving BME Policing Experiences
 4. Hate Crime
 5. Knife Crime
 6. Stop and Search
 7. Rural Crime
 8. The new victim services CARE
 9. Evaluation of Community Remedy
 10. ECINS database
- 5.41 For this meeting, a case study has been prepared in respect of (11) Data Integrity and Compliance with NCRS (see **Appendix B**).

Updates Requested By the Panel (IDVA and Modern Slavery)

- 5.42 The County IDVA service is provided as part of two co-commissioned domestic abuse support contracts that are funded by the PCC and County Council, with the County Council acting as the lead body. The contracts were awarded for 3 years with the possibility of two one year extensions. We are currently in Year 3, which will finish in September 2018. The Commissioner and County Council are currently considering the options to extend the contracts.
- 5.43 The University of Nottingham is undertaking research alongside international modern slavery experts Professor Kevin Bales and Professor Zoe Trodd, as part of a multi-million pound investment to assist communities and Governments in achieving the United Nations goal of ending slavery and forced labour by 2030. The 'slavery-free communities' component of this research is being taken forward in collaboration with the Nottinghamshire Modern Slavery Partnership, and aims to:-
- **Strengthen local civic leadership** by encouraging local political, faith and business leaders to take a pro-active role in raising awareness of modern slavery and promoting local action.
 - **Raise public awareness** so that everyone understands how to recognise signs of slavery, and what action to take if they have concerns.
 - **Train staff working in frontline services**, across the public and private and voluntary sector, who may come into contact with individuals caught in slavery.
 - **Work with local businesses** to eradicate slavery from contracts and supply chains.
 - **Create a 'slavery-free economy'** finding ways to predict the distribution and prevalence of slavery, disrupt potential sites and practices and understand and promote conditions for sustainable economic growth.

- **Identify and co-ordinate support services** for survivors of slavery, such as temporary housing, legal and welfare advice, counselling and mental health support.

5.44 Similar models have been successfully developed with communities in the US, but this is the first time that an integrated place-based response has been developed and applied in a UK context. In addition, the University is undertaking **national comparative research** in partnership with the Independent Anti-Slavery Commissioner to map existing local, sub-regional and regional multi-agency modern slavery partnerships across the UK, identify emerging examples of 'good practice' among them and the conditions promoting success. Further information about the project and its aims can be found at the link below.^j

Activities of the Commissioner

5.45 The Commissioner continues to take steps to obtain assurances that the Chief Constable has not only identified the key threats to performance but more importantly that swift remedial and appropriate action is being taken to tackle the problems especially in the Priority Plus Areas in the County and High Impact Wards in the City. Key activities are reported on the Commissioner's web site.^k

DECISIONS

5.46 The Commissioner has the sole legal authority to make a decision as the result of a discussion or based on information provided to him by the public, partner organisations, Members of staff from the Nottinghamshire Office of the Police and Crime Commissioner (NOPCC) or Chief Constable. The Commissioner's web site provides details of all significant public interest decisions.^l

6. Human Resources Implications

6.1 None - this is an information report.

7. Equality Implications

7.1 None

8. Risk Management

8.1 Risks to performance are identified in the main body of the report together with information on how risks are being mitigated.

^j <https://www.nottingham.ac.uk/world/beacons/rights-lab/>

^k <http://www.nottinghamshire.pcc.police.uk/News-and-Events/Latest-News.aspx>

^l <http://www.nottinghamshire.pcc.police.uk/Public-Information/Decisions/Decisions.aspx>

9. Policy Implications and links to the Police and Crime Plan Priorities

9.1 This report provides Members with an update on performance in respect of the Police and Crime Plan.

10. Changes in Legislation or other Legal Considerations

10.1 The Commissioner publishes a horizon scanning document^m every two weeks and can be downloaded from his website. The horizon scanning undertaken involves reviewing information from a range of sources, including emerging legislation, government publications, audits and inspections, consultation opportunities and key statistics and research findings, in order to inform strategic planning and decision making locally.

11. Details of outcome of consultation

11.1 The Chief Constable has been sent a copy of this report.

12. Appendices

- A. Mazars Internal Auditor Report - PEEL Review Action Plan(August 2017)
- B. Case Study – Data Integrity NCRS Compliance

13. Background Papers (relevant for Police and Crime Panel Only)

- [Police and Crime Plan 2016-2018 \(published\)](#)

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^m <http://www.nottinghamshire.pcc.police.uk/Public-Information/Horizon-Scanning/Horizon-Scanning.aspx>



PEEL Review Action Plan

August 2017

(Final)

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- 02 Background
- 03 Key Findings
- 04 Conclusion

Appendices

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- A2 Audit Information
- A3 Statement of Responsibility

01 Introduction

This audit forms part of the agreement between Mazars LLP and the Office of the Police & Crime Commissioner (OPCC) for Nottinghamshire and Nottinghamshire Police. It has been carried out as an addition to the approved Internal Audit Plan for 2017/18, upon request of the Police & Crime Commissioner.

The audit review focused on Force responses and actions taken to address the issues in the Monitoring Assurance Framework that was produced by the OPCC following the publication of the HMIC PEEL: Police Effectiveness Report in March 2017. The audit focused on whether:

- The Force has effective and robust plans in place to address the issues raised in the PEEL report.
- The action plans specifically address the issues raised in the PEEL report.
- The plans have been approved and communicated, and there are effective processes in place to monitor their delivery.

We engaged with a number of staff members across the Force and OPCC during the review and are grateful for their assistance during the course of the audit.

02 Background

The Force were subject to a Her Majesty's Inspectorate of Constabulary ("HMIC" inspection in September 2016 as part of annual inspections of police effectiveness, efficiency and legitimacy (PEEL), HMIC assesses the effectiveness of police forces across England and Wales.

The outcome of the inspection was published in a HMIC report in March 2017. The report made a number of observations of how the Force could improve and, overall, it was rated as 'requires improvement'. The OPCC reviewed the report in full and created an Assurance Monitoring Framework, which includes 78 observations or comments in the HMIC report that the Force needed to action. Moreover, the Police & Crime Commissioner wrote an open letter in response to the report, and asked for the internal auditors to review the Force responses to ensure they were addressing HMIC concerns.

There were two specific areas of concern highlighted by the PCC; these were in respect of observations in relation to domestic abuse and the Force understanding of local communities. As a consequence, internal audit selected the observations in the Assurance Monitoring Framework that related to these two areas and carried out a review of the Force response.

Following the inspection in September 2016, a 'hot de-brief' was undertaken with HMIC, and the Force reviewed and responded to the observations that HMIC raised. A gold meeting group was formed and has been meeting regularly to action the concerns raised. Audit were informed that one of the key findings in the HMIC report highlighted a difference over the handling of vulnerability at the Force compared with HMIC's expectations. Therefore, at the request of the Chief Constable, a two day visit by HMIC is planned for August to directly address these differences in approach.

In addition to the Gold Group meetings, the Risk & Business Continuity Advisor has been monitoring the Force responses to the HMIC report and actions have been added to the '4action' monitoring software, which the OPCC have access to, which enables them to also track progress.

03 Findings

The Force have put in place an action plan where they have recorded all agreed actions following the PEEL inspection de-brief meeting and the subsequent publication of the report. Audit reviewed each of the observations under two areas 1) Domestic Abuse and 2) Local Communities. A detailed review of each Force action is documented in Appendix A1, with the findings summarised below.

3.1 Domestic Abuse

There are a total of 13 individual observations within the Monitoring Assurance Framework that related to domestic abuse, however there are a number of responses that address more than one observation. Audit confirmed that a Daily Management Briefing Process is now in place. This includes a daily review of outstanding Domestic Incidents and Domestic Abuse for appropriate priority rating and the resource allocation to address them. The aim is to prevent backlogs being created and abuse victims not receiving appropriate visits.

In addition, work has been carried out by the Force Crime Registrar to review the recording of incidents and crimes. A daily audit process is in place that highlights any incidents that are recorded with key markers, including domestic abuse, that have not been 'crimed'. These incidents are then allocated the appropriate response so victims are not missed. Moreover, updated guidance has been produced by the Contact Management Centre to ensure they are made aware of how to correctly record domestic incidents and domestic abuse. These factors combine to ensure victims are correctly recorded when the Police are made aware of them and that they receive a timely response through daily monitoring of outstanding incidents. Whilst general response times are monitored by the Force, at present they do not break these down by type of incident and therefore cannot see the response times for victims of domestic incidents. Whilst the information has been requested from the Performance Team, it is not in place as yet with no timetable for this to be completed.

The HMIC report highlighted that a high number of DASH forms were awaiting secondary assessment, resulting in cases involving abuse victims not being thoroughly assessed. Additionally, there was no process in place for escalating repeat victimisation. Audit confirmed that a Managing Demand Gold Group meeting is now in place and meet on a monthly basis to allow senior management to highlight any issues of concern across key areas in the Force. Since the HMIC inspection, the department in question, DASU, have increased its resources, they have also established a monitoring spreadsheet within the department so twice daily they are able to see how many DASH forms are awaiting the secondary assessment. This allows management in the department to allocate resources accordingly and ensure backlogs do not escalate.

The Force have also introduced a monthly management information report that highlights any repeat victims. These are reviewed by management at the Monthly Operational Performance Review and the risk level updated or escalated as required following review.

HMIC highlighted an inconsistency across the Force area in relation to Multi-Agency Safeguarding Hubs (MASH) and the Force has liaised with the OPCC and partners and a MASH was opened in June 2017 and has subsequently been visited by HMIC.

There was also an inconsistency in the Force approach to Multi-Agency Risk Assessment Conferences (MARAC) where the approach in the city and the county differed when referring high risk cases. The Force has a documented referral process for high risk victims to the DART (Domestic Abuse Referral Team). Agreement has recently been made with the Force's city partners to host a city MARAC on a more frequent basis to ensure all high risk cases will be reviewed at a MARAC. This is due to be put in place from September onwards.

A number of observations by HMIC focused on ensuring officers understanding of how children can be affected by domestic abuse. Audit confirmed that a Voice of the Child action plan had been created within the Public Protection department. This action plan included increasing awareness of staff and, as a result, a number of bite size videos have been produced and are available for staff to view on the Force intranet.

3.2 Local Communities

There are a total of nine observations made in the Monitoring Assurance Framework in respect of communities, with a number of these all relate to the Force's understanding of the communities that it serves. The Force response focuses on the creation of Community Profiles for each of the Force areas and the development of Engagement Plans for each area to reflect the needs and priorities of that area.

Audit confirmed that progress had been made in the development of the community profiles and engagement plans, with 23 profiles and associated engagement plans being put in place. The Force have put in place a Support and Scrutiny process for its individual engagement plans where the Neighbourhood Police Inspectors (NPI's) present their plans to senior management and open discussions are held to support the inspector and provide feedback on areas on which the plan could be further developed. The process is to be completed bi-annually to ensure NPI's remain focused on their engagement plans. In addition to the engagement plans, the Neighbourhood Policing Team are currently in the process of writing an Engagement Strategy, although there is no timeline for completion of this document at present.

An observation by the HMIC was that the Force did not effectively share information with its partners. The Force has worked with the OPCC on the implementation of the E-Cins software, a web based sharing portal, where the Force intends to hold the community profiles so partners can have access to appropriate levels of Force information. However, this process is still ongoing and a review of E-Cins found that data had not been uploaded as yet and levels of access for relevant police staff and partners was yet to be formalised.

The community profiles and engagement plans are considered 'live' documents and the NPI's are responsible for the regular update of these documents. However, at present this responsibility is not clearly documented and guidance is not in place to inform NPI's how this updating should be completed.

One of the other observations by HMIC was that the Force did not use the MoRiLE risk assessments methodology and this included how the Force assesses the vulnerability of communities. Audit confirmed that the Force have recently put in place a Strategic Intelligence Assessment that has adopted MoRiLE as its methodology.

04 Conclusion

The Force have clearly made progress against implementing actions to directly address HMIC concerns and to prevent a repeat of previous issues.

However, in a number of the actions taken they remain on-going and the Force should consider re-iterating the need to complete the agreed actions in a timely manner, these being:

- Implementation of E-Cins for sharing information, including processes for managing the information stored on the system and keeping it up to date;
- The completion, and approval, of an Engagement Strategy for local communities; and
- Management Information for breakdown of Force response time to visit domestic abuse victims.

There were also a number of actions that could be further strengthened to ensure the processes are clearly embedded, these being:

- Documentation of responsibilities for NPI's in managing the community profiles and engagement plans;
- Regular updating of the community profiles and engagement plans; and
- Reconciliation of NICHE records to MARAC records to ensure all high risk cases recorded have been submitted for review.

For one of the observations this was not listed on the Force action plan being monitored by the Risk Advisor. This related to a HMIC observation around the Operation Vanguard Team. The Forces' response in the monitoring assurance framework focused on the fact that this team has now been incorporated into a new structure. Clarification on how the new structure addressed the observation was sought and, although a response was provided to audit, the Force should review what processes it has in place within the new structure to ensure that the HMIC observation has clearly and fully been addressed.

A1 – Detailed Audit Findings

Local Community Understanding

We identified all instances of HMIC observations in relation to local community understanding listed in the action plan and reviewed the Force response to the observation, with the findings summarised in the table below.

HMIC Observation (Reference in Assurance Monitoring Template)	Force Response in Assurance Monitoring Template	Audit Findings
<p>The Force's understanding of the communities it serves, the risks they face and their priorities is limited (Reference Page 17, Item 2).</p> <p>Local teams still do not have sufficient information to enable them to improve their understanding of local communities (Reference Page 18, Item 3).</p> <p>Nottinghamshire Police has a limited detailed understanding of the communities it serves and the risks they face and their priorities (Reference Page 24, Item 10).</p> <p>We said that the force should ensure that its local teams have sufficient information available to enable them to improve their understanding of local communities. This situation has not improved. Local policing teams still do not have access to a comprehensive range of information (Reference Page 25, Item 12).</p> <p>There are inconsistent local arrangements to meet with communities and sometimes a limited understanding of their priorities (Reference Page 25, Item 14).</p> <p>The force should work with partner organisations to share information and improve its understanding of local communities (Reference Page 6, Item 1)</p>	<p>The force has updated the community profiles for each of its communities within the Neighbourhood Policing Teams. Every area now has a community profile and an engagement plan. The profiles and documents are 'live' and subject to regular review and update.</p> <p>Supt Fretwell is meeting each Neighbourhood Policing Inspector individually to review the profiles and plans to embed the process and share best practice across the force. The Community Profiles are shared with local authority partners and there has been positive feedback with some areas looking to now further develop joint community profiles. This will be systemised and shared through ECINS when all partners have access.</p> <p>The development of new partnership hubs in the County area, similar to those in existence already within the City, have been developed on the established best practice of Op Aurora 2.</p> <p>Mansfield Officers and staff now collocate with a range of partners in the Council offices, as do Ashfield. Both are proving effective in further developing the community profiles and engagement plans and increasing the knowledge of the communities in the areas.</p> <p>The force have completed a first round of support and challenge performance meetings and this cycle will repeat</p>	<p>The Force response to lack of local community understanding focuses around the development and ongoing monitoring of Community Profiles and Engagement Plans.</p> <p>Audit reviewed existing processes that have been developed and found the implementation of bi-annual support and scrutiny meetings to ensure Neighbourhood Police Inspectors are monitoring and updating engagement plans.</p> <p>Audit were provided with an example of an engagement plan and a community profile. It was noted that the profile stated that it was last updated in September 2016. Whilst it is a live document, care should be taken to ensure they are updated regularly.</p> <p>The Force has an Engagement Strategy in place, however there is a proposed addendum to this policy that will reflect how the Neighbourhood Policing Teams will engage with their local areas. It was noted there is no timetable for the completion of this strategy.</p> <p>Audit also observed in the Engagement Plans that a variety of ways to engage with the community are listed by type i.e. social media, joint events etc.</p> <p>Audit also agrees with the Force response in that engagement will be bespoke to the area and so will not</p>

	<p>every 6 month. Each Neighbourhood Policing Inspector will report on progress made to achieve the agreed engagement and identification of vulnerability.</p> <p>Our staff who work in the county are linked in to the SNB 'new and emerging communities' work stream.</p> <p>In the city our officers and staff work within the Cohesion Team to develop our understanding and engagement with communities, both existing and emerging.</p> <p>The force also works closely with the Officer of the Police and Crime Commissioner in developing the Police and Crime Needs Assessment.</p> <p>The Office of the Police and Crime Commissioner has funded a web based solution (ECINS) that allows for information sharing and tasking between partners to take place in an efficient way</p> <p>Community profiles, engagement plans and problem solving plans are uploaded onto the system and where appropriate then these can be shared on ECINS with relevant partners.</p> <p>Nottinghamshire Police has undertaken significant work to co-locate with partner organisations for example Central Police station and Mansfield District Council to name two, where fast time information sharing and partnership assets are deployed to service local need.</p> <p>The work within the city unitary council area and sharing of information through the joint working has been favourable reported upon by the Home Office in terms of Community Cohesion and Serious and Organised Crime.</p> <p>Since the last inspection Nottinghamshire Police has signed an Information Sharing Agreement with the Strategic Analytical Unit of the County Council to improve information sharing</p>	<p>necessarily be consistent across areas. However, the introduction of the template for all plans ensures a consistent way to document the approach.</p>
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	<p>which has now commenced.</p> <p>Data used within the Neighbourhood profiles is obtained from a number of partnership sources provided by the Strategic analytical unit at the County Council.</p> <p>Data sets used includes Nottingham Insight, census data, CCG data etc. Work is underway to access additional data sets to make the profiles even more meaningful and informative.</p> <p>The profiles are new and currently stored on force systems but they will go on to ECINS in the very near future and through that platform they will be shared with partners. All of the NPIs have had a one to one support and challenge meeting and in the next six months they have been tasked to approach Local partners and share the profiles with them and look at what data sets are held locally in order to grow the profiles and make them more informative at the local level.</p> <p>We are working with the County New and Emerging Communities Group to look at how the profiles can be further developed.</p> <p>We are also working with the Strategic Analytical Unit to develop improved data that can be made available on ECINS for partners.</p> <p>Nottinghamshire Police is committed to maintaining a substantial dedicated Neighbourhood Policing throughout the county and this supports vast community engagement activity thus ensuring that we understand local community priorities.</p>	
<p>In some areas there is a good understanding, for example, the community cohesion team in Nottingham has good links with minority communities, including Polish, Kurdish and Somali. However, this understanding is not widespread (Reference Page 25, Item 13).</p>	<p>The engagement plans that have been developed are bespoke around the local communities so will not look the same in all areas.</p> <p>Specific examples are:</p> <ol style="list-style-type: none"> 1. Emerging Romanian community in Warsop has led to 	<p>The work completed by Insp Kaur, in the Community Cohesion Team, in co-coordinating, liaising and communicating with local communities and partner organisations was highlighted as best practice. Insp Kaur has been involved in leading on the community engagement and advising on the engagement approaches taken and will</p>

	<p>bespoke plans around engagement</p> <p>2. Large Gypsy Roma Travelling community in Newark and refreshed engagement plan</p> <p>It should also be noted that Insp Kaur attends the NP 1/4ly meeting to share best practice. She has also led on a piece of work to develop the KIN network and utilise ECINS to share this information.</p> <p>Insp Kaur is also tactically advising Supt Firth around engagement approaches to identify and engage with at 'risk communities' around SOC, cyber-crime and fraud etc. This is a really good example of the sharing of best practice.</p>	<p>feed into the ongoing Engagement Strategy that will be completed to share this best practice approach.</p> <p>Consistency in engagement plans across the areas also assists in sharing best practice.</p>
<p>Although the link to the strategic assessment is not clear. It has not yet adopted the MoRiLE risk assessment process, which is the preferred model of assessment within the East Midlands region. The force currently assesses the threat and risk from organised crime using a risk assessment methodology which does not consider the capability or capacity of the force to deal with the problem, and is limited in how it assesses vulnerability in its communities.</p>	<p>The force is using MoRiLE in all tactical tasking and strategic processes</p>	<p>The Force published the Strategic Intelligence Assessment in April 2017 that clearly includes the MoRiLE risk assessment methodology.</p>
<p>Operation Vanguard team: While staff in this team are aware that the force's priorities are to cut crime and keep people safe, they <u>have limited knowledge of the national serious and organised crime priorities</u>. Work assignments do not routinely assess the threat, harm and risk of the organised crime group or its impact on local communities (Reference Page 44, Item 58)</p>	<p>This now sits within the Integrated Offender Management structures and is part of that governance process.</p> <p>The Vanguard Plus team has now been moved under the IOM structure. The cohort is now managed to IOM standards using systems and processes which have been rated as good practice by the HMIC. (Daily risk review, weekly multi agency case conference, intel and PND monitoring).</p> <p>The cohort is also now subject to a case management system (ECINS).</p> <p>The pertinent offences (knife and gun crime particularly) have been added to the IOM selection and risk matrix and as of April 2017. The Vanguard Plus managed cohort has been absorbed into the wider IOM cohort.</p>	<p>This particular observation was not part of the Force action log being managed by the Risk Advisor, however this was due to the fact the Force believe the new structure for Organised Crime covers the observation that was made in reference to the Operation Vanguard Team.</p> <p>The Force feel that the tasking element within the new structure ensures staff are tasked in regard to the national serious and organised crime priorities.</p>

	<p>The engagement staff from Vanguard Plus have been relocated to the City YOT (which also sits under the IOM structure) to deliver statutory/non statutory, early intervention and diversion work (including schools delivery). In addition to this the seconded officer within social care now operates under IOM with a view to coordinating action across CSE, Girls and Gangs and the exploitative part of the national EGVE strategy.</p> <p>DWP has also co-located within the IOM multi agency premises to share information more effectively and deliver pathways work around training, education and employment.</p>	
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Domestic Abuse

We identified all instances of HMIC observations in relation to domestic abuse listed in the action plan and reviewed the Force response to the observation, with the findings summarised in the table below.

HMIC Observation (Reference in Assurance Monitoring Template)	Force Response in Assurance Monitoring Template	Audit Findings
<p>During fieldwork, HMIC identified serious concerns with crimes still not being recorded for those incidents that are not allocated to an officer...they include crimes of domestic abuse where victims have not been visited, in some cases for many weeks, and are not recorded as a crime. (Reference Page 24, Item 9)</p> <p>The force reports that on most days there are 130 unallocated incidents and these are described as lower-risk incidents. During our fieldwork, we found 247 unallocated incidents, none of which had been assessed to see if a crime needed to be recorded. Of these, 61 were domestic incidents and when these were examined, 23 incidents were immediately brought to the attention of the force because of serious concerns regarding welfare and safeguarding (Reference Page 38, Item 39).</p> <p>There are significant delays in attending some of these incidents; one domestic related incident had still not been attended after four weeks and the victim did not wish to have any further police contact. Appointments are booked with victims and witnesses, but sometimes these appointments take place a considerable time after the incident (Reference Page 39, Item 41).</p> <p>HMIC is seriously concerned about the number of incidents which remain unallocated and which involve victims who are</p>	<p>Nottinghamshire Police identified that as a result of reducing the Crime Management Bureau (the unit that traditionally conducted audits and compliance work) staff in an attempt to release staff to deal with demand, the force began to see a dip in overall NCRS compliance.</p> <p>To remedy this dip in NCRS performance, Nottinghamshire Police introduced a daily audit regime looking at closed incidents, prioritising violence and sexual offences, to provide assurance that our compliance would improve.</p> <p>Rather than simply look at current incidents, the force led an internal review of all incidents over the period from when the CMB team was disbanded. This identified a number of incidents where NCRS standards were not achieved and all of these were allocated crime numbers retrospectively and further reviewed to ensure that a proper service had been given to the victims. Nottinghamshire police highlighted these shortfalls to the HMIC when they visited.</p> <p>Going forward, Nottinghamshire Police will have an established review and audit team (NCRS Champions team) who will work closely with the CRIM to ensure that all incidents are reviewed to ensure NCRS compliance.</p> <p>Until fully established, the daily audits remain in place to ensure compliance going forward.</p>	<p>An audit is undertaken on a daily basis by the NCRS Team – headed by Paul Cook, the Force Crime Registrar. Internal Audit carried out a review of this area of work in May 2017 with Satisfactory Assurance Opinion give.</p> <p>As part of this teams work, they identify where incidents are not recorded as crimes when they should do and therefore prevent any domestic incidents being incorrectly recorded and thus not being allocated to officers in a timely manner.</p> <p>Audit were provided with the updated Contact Management Process – this states any incidents of domestic abuse will be a Grade 2 (out of 5 grades) and this will have a quicker response to it.</p> <p>Each Head of Dept is provided with a daily management briefing which includes a review of all incidents that are outstanding from the last 24 hours. IT provides a breakdown of outstanding incidents across the policing areas. However, it also includes a list of individual incidents that are recorded as Domestic Incident, Domestic Abuse and Vulnerabilities. During the meeting the management team in that area review each case to ensure the grading is correct and then they will allocate the necessary resources to ensure it is dealt with.</p> <p>The Force does have performance monitoring in general for its response times to incidents however, at present, it does not break this information down at a type of incident level. Det Ch</p>

<p>vulnerable, particularly domestic abuse victims. At the time of our inspection, there were 61 domestic-related incidents where the victim had yet to receive a visit from the force, the oldest of which dated back four weeks. This level of backlog is unacceptable. It means that the force is not giving vulnerable victims any form of protection for several days and is missing valuable opportunities to collect evidence and move an investigation forward (Reference Page 40, Item 46).</p>	<p>This finding was immediately actioned by the force with the establishment of the Vulnerability Gold Group Chaired by the ACC.</p> <p>This has cross references with the Demand Gold Group that is planning to mitigate seasonal demand spikes.</p> <p>Key Police officers and staff attended these meetings and a series of actions were created and completed to address the concerns raised.</p> <p>The Review of unallocated domestic abuse at the Daily Management Meeting ensures that this is no longer possible.</p> <p>A review of incidents on the 27/4/17 showed that there were 17 domestic incidents in total that were yet to be resourced and of those 8 were older than 24 hours and the eldest was 8 days.</p> <p>The daily review ensures that the force is constantly making attempts to see the victim and in cases where we are not able to attend it is usually because of an uncooperative victim rather than because we have been unable to identify a resource to attend.</p>	<p>Insp Foster informed audit that he has requested that this information become available from the Performance Team, and it is anticipated that this will be in place by Sept 2017.</p> <p>Audit were informed that a HMIC Vulnerability and Managing Demand meeting now takes place on a monthly basis and heads of departments review their staffing level against current demand to highlight where outstanding incidents maybe increasing. Audit confirmed that a specific Managing Demand Action Plan is in place where agreed actions are tracked to confirm they are completed.</p>
<p>The appointments which involve a domestic abuse incident are booked for a two-hour slot, which means that although this gives sufficient time to conduct an initial investigation, it means that there is sometimes a lack of resources to cover other appointments (Reference Page 39, Item 42)</p>	<p>The response to this point reflects the observation and also comments made during the inspection 'Hot debrief'</p> <p>Nottinghamshire Police continues to make use of scheduled appointments to respond to the needs of victims of domestic abuse and a 2 hour slot provides sufficient time for an officer to attend and make relevant enquires. Officers attending these incidents are trained to provide a response in line with force policy.</p> <p>The number of diary appointments available is regularly reviewed by contact management and the Scheduled Appointments Inspector</p>	<p>The Force carried out a review of its scheduled appointments and found that they believed a 2 hour slot was still required to give sufficient time to conduct investigations into the domestic abuse incidents.</p> <p>Lack of resources are managed through the Daily Management Briefing, see the audit finding recorded above, where outstanding DV incidents are reviewed and resources allocated where required.</p>

<p>In this inspection, we found the backlog had been considerably reduced, but there were 171 DASH forms still awaiting secondary assessment by domestic abuse specialists.</p> <p>We found that only those cases involving victims at high risk are thoroughly assessed and there is no escalation process in terms of repeat victimisation (Reference Page 40, Item 49)</p>	<p>The influx of additional resource into this area of business has enabled the Domestic Abuse Support Unit to completely clear this backlog.</p> <p>The issue described is not whether the DASH form had been completed and initially assessed and graded by the attending Officer. This relates to the “backlog” within the unit re-assessing the DASH forms. The backlog was caused by a lack of resourcing which has now been addressed and the team are now established.</p>	<p>Audit confirmed that the DASU Team that handles the DASH forms has been further resourced, they have also implemented a monitoring system so twice a day management have a clear view of the number of outstanding forms and can allocate resources to ensure backlogs are managed in a timely manner.</p> <p>Audit confirmed that management have an automated reporting system to highlight any potential repeat victims and these are reviewed on a monthly basis and risk escalated where necessary.</p>
<p>However, there is inconsistency across the force area in how the processes work and the type of information shared between the multi-agency safeguarding hub (MASH) located in the county area, involving Nottinghamshire County Council and the domestic abuse referral team (DART), covered by Nottingham City Council. For example, in the MASH there are daily ‘Encompass’ meetings to review all high and medium-risk domestic abuse incidents where a child lives within the family unit and a referral is made to the education authorities. This allows for the early exchange of information and a safeguarding function with schools. There is no equivalent process in the city, and, in addition, city-based partner organisations which were co-located with police have moved out to other premises. This reduces the opportunities for sharing information and working together (Reference Page 41, Item 51).</p>	<p>The City Encompass meeting has been running since November 2016, and mirrors the arrangements that already existed in the County. A Daily meeting now takes place, each morning with both City and County in the same way.</p> <p>Agreement has been reached with partners in the city to establish a City MASH accommodation has been identified and agreed and final arrangements are being implemented around IT and data security arrangements that will enable the team to commence work together in the next few weeks.</p>	<p>A business case was put forward for the implementation of a Multi-Agency Safeguarding Hub (MASH) in the City in March 2017, and the unit was opened on 1st June 2017 and has since been visited by the HMIC during their last visit in June 2017.</p>
<p>National Report: Figure 28: Rate of ‘Evidential difficulties: victim does not support action’ outcomes recorded in the 12 months to 30 June 2016 for domestic abuse-related offences. Notts unable to provide this data. (Reference Page 45 Item 64).</p>	<p>Nottinghamshire Police is reviewing any data that it was unable to provide when requested for this inspection to ensure that it is able to respond to future data requests.</p>	<p>The Management Information Team, headed by Kate Hemstock, are responsible for providing HMIC with appropriate data sets. Audit were informed the process for collating data for the next inspection in Sept 17 is currently ongoing and at present the Force are on track to provide all data sets.</p>

<p>The force should ensure that officers and staff understand how children can be affected by domestic abuse....., and that there is a process to ensure they undertake safeguarding actions and make referrals to other organisations which have a role in safeguarding (Reference Page 9, Item 4)</p>	<p>Following the HMIC visit in September 2016, Public Protection conducted a further audit/review of our approach to children in the context of Domestic abuse. An action plan was then developed, which is RAG rated and designed specifically to further embed the “Voice of the Child “ in our response to Domestic abuse incidents.</p>	<p>The action plan included the production of bite size training videos that were rolled out to officers to increase understanding. These are available on the Intranet for officers and staff to view.</p> <p>It also includes how to place MARAC flags on Niche to refer cases to other organisations, and mentioned including other agencies to Encompass meetings to support families and children. The Domestic Abuse Procedure makes reference to the DASH Form Pathway and shows high risks needed to be referred to MASH, or Women’s Aid, IDVA or DART. The Operating Protocol for the Nottingham City MARAC clearly states that all High Risk evaluated cases should be forwarded to MARAC via the DART so procedure can be seen within the Police.</p> <p>A pre-programmed search of the Niche System is undertaken that shows all High Risk cases and is compared to the Case Logs created by the Administrators to confirm all cases have been referred. However this reconciliation process is not documented or recorded.</p>
<p>Moreover, repeated incident reports relating to domestic abuse but graded as standard risk would not receive any additional scrutiny or review by partner organisations. It is unclear whether children’s services would escalate any child referrals within this context, so it is therefore possible that nothing would be done to limit the effect on a child’s welfare in respect of exposure to on-going domestic abuse (Reference Page 41 Item 50).</p> <p>The force does not refer all high-risk cases to multi-agency risk assessment conferences (MARACs). High risk domestic abuse victims are those who are at risk of murder or serious harm and the criteria differ between the county and city areas for those cases that will and will not be</p>	<p>Repeat victimisation is now identified through an automated search developed by MI for the Head of PP, and features in the monthly Operational Performance review.</p> <p>The review at OPR then triggers a “re-view” of repeats (at any level, including standard) by the DASU, who then determine whether or not the information needs to be shared.</p> <p>All County high risk cases are now referred to and considered by a Multiagency risk assessment conference on a weekly basis.</p>	<p>A monthly Operational Performance Review includes Management Information that highlights repeat victimisation and these are reviewed at this forum and they escalate based on level of risk where they feel it is appropriate to do so. There is an on-going Domestic Abuse Action Plan, which included the review of repeat victims. Audit observed the monthly report of repeat victims’ data that is produced and reviewed.</p> <p>There has been a recent agreement by the Force and City partners to resource a City MARAC that is able to meet more frequently and thus all high risk referrals are able to be reviewed.</p>

<p>considered. In this inspection we again saw that this triage process does not involve all partner organisations and is contrary to national guidance. (Reference Page 41, Item 52)</p> <p>The force should improve the way it works with partner organisations to share information and safeguard victims of domestic abuse and their children, specifically in relation to addressing the backlog of cases that require further assessment and referral to other organisations (Reference Page 10 Item 5)</p> <p>The force should improve its approach to safeguarding victims of domestic abuse who are assessed as high risk. It should review the referral process to multi agency risk assessment conferences to ensure that victims of domestic abuse are not being placed at risk as a result (Reference Page 10, Item 6)</p>	<p>When we were inspected City Partners were unable to resource sufficient MARAC meetings for all high risk cases and so the following approach was being followed:</p> <p>Nottinghamshire Police is committed to running additional meetings to ensure that all High Risk Cases go to MARAC. This position was articulated by the Head of PP at the City MARAC Steering group on 11th April, 2017. – Where the proposal has been agreed.</p> <p>The current establishment for risk assessors within DASU is 8. For a number of reasons (including sickness and some challenges with recruitment), the team had been running with 4 assessors. Inevitably, this had meant an ever growing backlog in risk assessments, which hit its high point in and around the HMIC Inspection in September 2016, when the figure was 273. The resource position as of today (26th April 2017) is, 8 staff operating full time. The figure now reads 40-50 on a daily basis - which is approximately equal to one-days work. It is felt that now the team are up to full strength there is sufficient resilience to meet demand and this risk is constantly being monitored, not only in the daily PP management meeting but also on the force risk register.</p>	<p>The previous 'triage process' that had a pre meeting review of the high risks to reduce the number of referrals has been removed as all high risks will now be submitted.</p> <p>The MARAC has all partner organisations so the review of all high risk referrals will be in line with national guidance.</p> <p>The Daily Management Briefings are now reviewing all outstanding incidents of domestic abuse (see audit findings to the first action noted above).</p>
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A2 - Appendix 2 – Audit Information

Audit Control Schedule	
Client contacts:	Charlie Radford, OPCC Chief Financial Officer Chief Supt, Paul Winter DCI Leigh Saunders DCI Phil Davies Amanda Frogatt, Risk and Business Continuity Officer
Internal Audit Team:	David Hoose, Partner Brian Welch, Internal Audit Senior Manager Mark Lunn, Senior Auditor
Finish on Site \ Exit Meeting:	6 th July 2017
Draft report issued:	24 th July 2017
Management responses received:	25 th August 2017
Final report issued:	29 th August 2017

Scope & Objectives

Our audit considered the following area objectives:

- The Force has effective and robust plans in place to address the issues raised in the PEEL report.
- The action plans specifically address the issues raised in the PEEL report.
- The plans have been approved and communicated, and there are effective processes in place to monitor their delivery.

The objectives of our audit were to evaluate the adequacy and effectiveness of the Force response to the observations highlighted in the HMIC PEEL report.

In giving this assessment it should be noted that assurance cannot be absolute. The most an Internal Audit Service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control.

We are only able to provide an overall assessment on those aspects of the Force response and actions that we have tested or reviewed. Testing has been performed on a sample basis, and as a result our work does not provide absolute assurance that material error, loss or fraud does not exist.

A3 - Statement of Responsibility

Status of our reports

We take responsibility to the Office of the Police & Crime Commissioner for Nottinghamshire and Nottinghamshire Police for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or reply for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

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APPENDIX B

Case Study - Crime Data Integrity

Paul Cook - Force Crime Registrar

Summary

This case study provides a summary of the activity undertaken locally over the past three years to increase compliance with the national crime recording standard (NCRS). In simple terms a compliance rate of 90% equates to a crime reduction of 10%. However, failing to record certain incidents as crimes may mean some victims are deprived the support services they need.

In 2014 the Commissioner was made aware that compliance with the standard was an issue locally and nationally. This case study briefly explains what action the Commissioner took and how the Force has responded. It will be seen that the Force compliance rate has improved from a low of 88.6% in 2013/14 (the national average was 79.6%) to 95.9% currently and indications are that it is one of the highest nationally. Whilst crime levels may have increased as a result of improved compliance, we can be assured that all victims are being offered the support they need as this is triggered by a crime record.

The National Crime Recording Standard (NCRS)

The National Crime Recording Standard (NCRS) was introduced to all 43 forces in England & Wales on 1st April 2002, with the aim of:

- promoting greater consistency in the recording and disposal of crime
- and, **crucially**, to take a more victim oriented approach.

It identifies the criteria which must be applied in determining whether or not to formally record an incident as a crime.

The standard is underpinned by the Home Office Counting Rules which set out 'whether and when' a crime should be recorded, the 'classification' to be applied, how many crimes should be recorded, when a recorded crime can be 're-classified' or 'cancelled' and so on. They also govern the application of the crime 'outcomes' framework.

Chief Constables have a legal requirement under Section 45 of the Police Act 1996 to return accurate and timely recorded crime figures to the Home Office.

Confidence in Police Recorded Crime Figures

On 24th January 2013, a report was published by the Office for National Statistics (ONS), in consultation with the Crime Statistics Advisory Committee (CSAC), highlighting a divergence between Police Recorded Crime (PRC) figures and the Crime Survey of England and Wales (CSEW) statistics.

Briefly, the two series were moving in different directions. The results showed that following the introduction of NCRS in 2002 the two datasets became very close for four or five years, running in parallel, but for the five years or so preceding the report, they had drifted apart, undermining trust and confidence in the figures. HMIC was commissioned by the Policing Minister to find out and report back by the end of that financial year (March 2014).

On 16th October, 2013, a Public Administration Select Committee (PASC) inquiry into the Accuracy of Police Recorded Crime (PRC) data was commenced.

The committee's report 'Caught Red Handed: Why we can't count on Police Recorded Crime Statistics' was published on the 9th April 2014; whilst in the intervening period, based in part on evidence being exposed by the Committee, the UK Statistics Authority (UKSA) decided in January 2014 to strip PRC data of its designation as 'National Statistics'.

Local Commissioner Action

In Nottinghamshire, as a result of discussions which took place at the Joint Audit and Scrutiny Panel meeting on 18th February 2014, the Commissioner requested Baker Tilly (the NOPCCs Internal Auditors) to conduct an audit review of Nottinghamshire Police, to provide independent assurance around crime recording, the robustness of the governance framework, processes, accuracy and management information.

Baker Tilly reported back on their findings on 9th May 2014. At a time of reducing budgets and competing demands the report ensured that the strategic focus was on maintaining a robust crime management process, when it would have been so easy to have made savings in that area; something that was being seriously considered at the time. Baker Tilly made a number of key recommendations to ensure increased compliance with NCRS. There can be no doubt whatsoever that the recommendations within the report helped to increase NCRS compliance.

On 18th November 2014 HMIC published its final report on the inspection of crime data integrity in police forces in England and Wales – 'Crime Recording – Making the Victim Count'. Individual force reports were also published on the same date.

In Nottinghamshire, although the overall NCRS compliance rate wasn't good – 87.3% - it compared very favourably with most forces nationally, with the national average being 79.6%, and compliance rates ranging from 97.4% down to 65.8%. Nottinghamshire was ranked 10th best nationally, albeit with work to do.

Similarly, compliance for No Crime decisions made was very good in Nottinghamshire, again when compared to the national figures: Nottinghamshire 92.3% compliant against a national average of 79.5% and compliance rates ranging from 100% to 44.3%. Nottinghamshire was ranked 9th best nationally.

Nottinghamshire Police was identified as 'best practice' nationally for its Rape 'No Criming' processes in that: all requests had to be submitted to a Rape Detective Inspector in the first instance; then if appropriate to the Superintendent Head of Public Protection; and then if deemed appropriate to the Force Crime Registrar for final approval. This was subsequently included as a national recommendation in HMICs report and later mandated as a requirement within the Home Office Counting Rules.

Baker Tilly re-visited Nottinghamshire Police on 2nd March 2015 to undertake a follow up review of the progress the Force has made with implementing the 17 advisory recommendations included within their Crime Recording report in May 2014 concluding that the Force had demonstrated good progress in implementing actions agreed to address internal audit recommendations.

It was essential that governance arrangements improved, culture changes are embedded and training takes place. It is pleasing to report that these significant findings have either being fully addressed, or are in the process of being fully addressed. Culture changes will take time, but early indications highlight the positive steps being made. Changes and clarifications around the governance, leadership and ownership of this particular area have taken place.

Force Activity

In response to the Commissioner's leadership a lot of hard work was undertaken and continues to be done in Nottinghamshire Police to change the culture with regards to crime recording in line with the national and local recommendations; driven by the Command Team and more specifically the various

NCRS Chief Officer leads – ACC Jupp, followed by DCC Torr and currently DCC Barber. They have enjoyed the complete support of the Police and Crime Commissioner throughout and continue to do so. Ongoing activity includes the following:

- Clear and unequivocal Communications Strategy including the development of an internal NCRS website for reference and support
- NCRS training delivered to all staff (over 70 x 2 hour inputs delivered in person by the FCRs; opened by the Chief Officer lead) Training continues.
- Robust centralised independent audit, crime validation and intervention process.
- Strong Governance and oversight regime – Quarterly Crime and Incident Data Quality Board chaired by the NCRS Chief Officer lead – with representation from the OoPCC

As a result, overall NCRS compliance increased by the end of 2014/15 to 95.8% from **88.53%** in 2013/14. That excellent level of compliance was maintained in 2015/16 at 95.6%.

The Current Position

HMIC is currently engaged in completing a 4 year programme of ‘unannounced’ Crime Data Integrity Inspections of all Forces in England and Wales. To date the results of 14 forces inspected are in the public domain. Of these, 7 have been graded as ‘Inadequate’, 4 ‘Requiring Improvement’ and only 3 graded as ‘Good’. None of the forces inspected to date have received a grade of ‘Outstanding’. Please see **Annex 1** for a breakdown of their results.

Although Nottinghamshire Police has still to be inspected, it is anticipated that the Force will receive a favourable report and grade as it continues to maintain very good overall NCRS compliance – **95.9%** this year to date.

New staff are being recruited into the proposed NCRS Compliance Team. In addition to the daily checks and validation activity outlined above, the team are also now reviewing all open incidents with a ‘vulnerable’ or ‘domestic’ marker and recording crimes where appropriate.

In order to ensure that excellent data quality in all areas of the Force’s business is achieved and maintained, a Force Data Quality Strategy and Improvement Plan is currently being developed by the new Data Quality Working Group reporting to DCC Barber. It will incorporate a Performance Management Framework to address on-going prioritised issues including NCRS Compliance.

Nottinghamshire Police, the Police and Crime Commissioner and partners are committed and determined to ensure that victims of crime and the communities of Nottinghamshire continue to receive the tailored service they expect and deserve.

ANNEX 1

HMIC Crime Data Integrity Inspections – Summary Results of Forces Inspected

(Reports Published between 25th August 2016 and 7th September 2017)

FORCE	GRADE	OVERALL COMPLIANCE	Overall - Estimated under recording per year	VAP recording rate	VAP - Estimated under recording per year	Sexual offences (inc Rape) recording rate	Sex off's - Estimated under recording per year
Sussex	Good	94.6%	5,300+	95.7%	1,100+	95.6%	130+
Northumbria	Req. Improvement	92.7%	7,300+	93.7%	1,400+	91.9%	240+
Staffs	Good	91.0%	6,700+	90.0%	2,500+	94.7%	120+
Wiltshire	Good	90.9%	4,100+	87.7%	1,800+	97.8%	30+
Avon & Somerset	Req. Improvement	89.6%	13,700+	88.5%	4,000+	91.9%	270+
North Wales	Req. Improvement	88.3%	5,300+	82.9%	2800+	96.9%	50+
Cambridgeshire	Req. Improvement	87.8%	7,000+	80.0%	2,900+	91.1%	130+
GMP	Inadequate	85.5%	38000+	75.4%	16,800+	91.7%	500+
Merseyside	Inadequate	84.2%	19,200+	81.4%	5,600+	91.2%	220+
West Mids	Inadequate	83.8%	38,800+	77.9%	13,600	91.4%	440+
Kent	Inadequate	83.6%	24,300+	79.2%	10600+	90.2%	400+
Cheshire	Inadequate	83.6%	11,600+	80.9%	3,800+	84.8%	280+
Devon & Cornwall	Inadequate	81.5%	17,400+	76.1%	7,700+	85.2%	470+
Leicestershire	Inadequate	75.8%	21,200+	65.8%	7,900+	79.4%	400+

For Information / Consideration	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	December 2017
Report of:	Chief Finance Officer
Report Author:	Charlotte Radford
Other Contacts:	
Agenda Item:	9

Mid-Year Treasury Management Report 2017-18

1. Purpose of the Report

- 1.1 To provide members with the mid-year position of the treasury management performance compared with the approved strategy.

2. Recommendations

- 2.1 Members are recommended to consider and note this report.

3. Reasons for Recommendations

- 3.1 This complies with good governance.

4. Summary of Key Points

- 4.1 The key factor influencing the Treasury Management Strategy approved in February is the ability of the force to deliver the capital programme. This has an impact on the amount that we will borrow and traditionally the original budget is not delivered with slippage being identified in-year and at year-end.
- 4.2 The current estimate of slippage identified is £6.850m from the approved budget of £13.181m. This is likely to be higher by year end.
- 4.3 Items identified for slippage will need to be re-evaluated against proposed new expenditure for 2018-19 as part of the budget process.
- 4.4 Detail of performance against the Prudential and Treasury management indicators is provided in **Appendix A**.

5. Financial Implications and Budget Provision

- 5.1 None as a direct result of this report.

6. Human Resources Implications

- 6.1 None as a direct result of this report.

7. Equality Implications

7.1 None as a direct result of this report.

8. Risk Management

8.1 None as a direct result of this report.

9. Policy Implications and links to the Police and Crime Plan Priorities

9.1 This report complies with good governance and financial regulations.

10. Changes in Legislation or other Legal Considerations

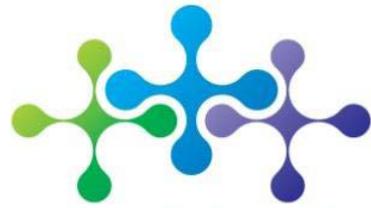
10.1 None

11. Details of outcome of consultation

11.1 Not applicable

12. Appendices

12.1 Appendix A – Treasury Management Mid-Year Review



Nottinghamshire

POLICE & CRIME COMMISSIONER

**Treasury Management Strategy
Statement Mid-year Review Report
2017-18**

**Incorporating Review of Minimum Revenue Provision
Policy and Annual Investment Strategy**

Contents

- 1 Background**
- 2 Introduction**
- 3 Economic update**
- 4 The Commissioner's Office Capital Position (Prudential Indicators)**
- 5 Investments**
- 6 Borrowing**
- 7 Review of Minimum Revenue Provision Policy Statement**

1 Background

The Nottinghamshire Office of the Police and Crime Commissioner (NOPCC) operates a balanced budget, which broadly means income raised during the year (plus planned spending from reserves) will meet its planned expenditure. The treasury management operation ensures the resulting cash flow is adequately planned, with surplus monies being invested in low risk counterparties. It provides adequate liquidity before considering optimising investment return.

The treasury management operation also arranges the funding of capital plans. These capital plans provide a guide to the borrowing need, and form the basis of longer term cash flow planning to ensure that the capital spending operations can be met. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet risk or cost objectives.

Accordingly, treasury management is defined as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks." The responsible officer for treasury management is Chief Finance Officer to the Police & Crime Commissioner (Chief Finance Officer).

2 Introduction

The Commissioner complies with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management.

The primary requirements of the Code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of treasury management activities.
- Creation and maintenance of Treasury Management Practices which set out the manner in which to achieve those policies and objectives.
- Reporting requirements

The Commissioner is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead.

Mid-year Review Report (this report) will update the Commissioner with the position regarding capital, and amend prudential indicators as necessary. It also monitors whether the treasury activity is meeting the strategy and whether any policies require revision. It includes an economic update for the first part of the financial year.

An Annual Report (stewardship report) covering activities during the previous year compared to estimates.

- The responsibility for scrutiny lies with the Commissioner supported by the Audit and Scrutiny Panel. The above reports are reviewed at the Strategic Resources and Performance meetings of the Commissioner.

The codes covering these areas are being revised and early compliance is planned. One of the main items that will require review is that the prudential indicator that links the cost of extra capital to the cost of a Band D council Tax Charge. The reason for this is that the actual impact on a precept increase is influenced by many things and the cost of capital is only one of these. The CFO is considering the alternatives to this now and the views of committee are sought as to what might replace this. There is no standard being suggested and each entity is to decide their own. The existing indicator could still be used if it is considered clear and understandable.

3 Economic update

3.1 Economic performance to date and outlook

3.1.1 U.K.

Following strong growth in 2016, growth in 2017 has been disappointingly weak. Growth in the first half of 2017 was the slowest for the first half of any year since 2012. The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the referendum, which increases the cost of imports. This in turn reduces consumer disposable income. On the positive side there have been encouraging statistics from the manufacturing sector which is seeing strong growth, particularly in exports. However, this sector only accounts for around 11% of GDP.

The Monetary Policy Committee (MPC) meeting of 2 November 2017 increased the bank rate back to 0.5%, the first rise since July 2007. The Bank of England Inflation Reports during 2017 have clearly flagged up that they expected CPI inflation to peak at around 3% in 2017, before falling back to near to its target rate of 2% in two years' time. The focus was on an emerging view that with unemployment falling to only 4.3%, the lowest level since 1975, but with little improvement in productivity that the amount of spare capacity in the economy had reached a trigger point for action. In addition, the MPC took a more tolerant view of low wage inflation as this now looks like a common global factor. This effectively means that the UK labour faces competition from overseas labour which depresses the negotiating power of UK labour

The minutes from the MPC's meeting indicated that the central bank is in "no hurry to raise interest rates again" and that further increases will be limited. There will be careful assessment of the economic situation before further rises takes place.

3.1.2 U.S.A.

Growth in the American economy has been volatile for the last 3 years. For instance in quarter 1 growth was only 1.2%, but quarter 2 rebounding to 3.1%. Unemployment in the US has fallen to the lowest level for many years, reaching 4.4%, while wage and other inflationary pressures have been building. The Fed has started on a gradual upswing in rates with four increases since December 2016, and a further steady incline expected. The Fed has begun to unwind its \$4.5 trillion balance sheet holdings of bonds and mortgage backed securities by reducing its reinvestment of maturing holdings at a rate of \$10 billion per month. This unwinding of the quantitative easing introduced shortly after the global financial crisis of 2009 is expected to gradually increase to \$50 billion per month, as long as the economy continues not to be adversely impacted.

3.1.3 Eurozone

Economic growth in the EU has been lack lustre for several years since the financial crisis, despite the European Central Bank eventually cutting its main rate to -0.4% and embarking on a massive programme of quantitative easing. However, growth picked up in 2016 and now looks to have gathered some momentum due to this stimulus. GDP growth was 0.5% in quarter 1 (2.0% y/y) and 0.6% in quarter (2.3% y/y). Despite

this monetary stimulus inflation is 0.5% behind target. It is therefore unlikely to have an upswing in rates until possibly 2019.

3.1.4 China and Japan

Chinese economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

Japan is struggling to stimulate consistent significant growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

3.2 Interest rate forecasts

The CFO's treasury advisor, Link Asset Services (formerly known as Capita Asset Services), has provided the following forecast.

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%
5yr PWLB Rate	1.50%	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%
10yr PWLB View	2.10%	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%
25yr PWLB View	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.50%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%

The above forecast shows a steady incline in interest rates over the coming years.

Our PWLB rate forecasts are based on the Certainty Rate (minus 20 bps) which is available as long as debt planning information is provided to the Debt Management Office in a timely manner.

The overall balance of risks to economic recovery in the UK remains to the downside, although much depends on the exit deal achieved on the departure from the EU

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Monetary policy action failing to stimulate significant sustainable growth.
- Weak capitalisation of some European banks.
- A resurgence of the Eurozone sovereign debt crisis.
- Global geopolitical risks increasing safe haven flows.
- Weaker than anticipated UK economic growth and increases in inflation.
- Weak growth or recession in the UK's main trading partners - the EU and US.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include:

- The pace and timing of increases in the USA rate causes a major flight from bonds to equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

4 The Commissioner's Office Capital Position (Prudential Indicators)

The Treasury Management Strategy Statement (TMSS) for 2016-17 was approved by the Commissioner on 14 February 2017 (Decision record 2017.006). An update of that information is included here. There are 2 changes required to that information. The first is the incremental impact on band D council tax which unfortunately was reported as £0.35 instead of £3.50. The second is that the CFR will need increasing from £59.775m to £60.987m. Please refer to section 4.2.

4.1 Prudential Indicator for Capital Expenditure and Financing

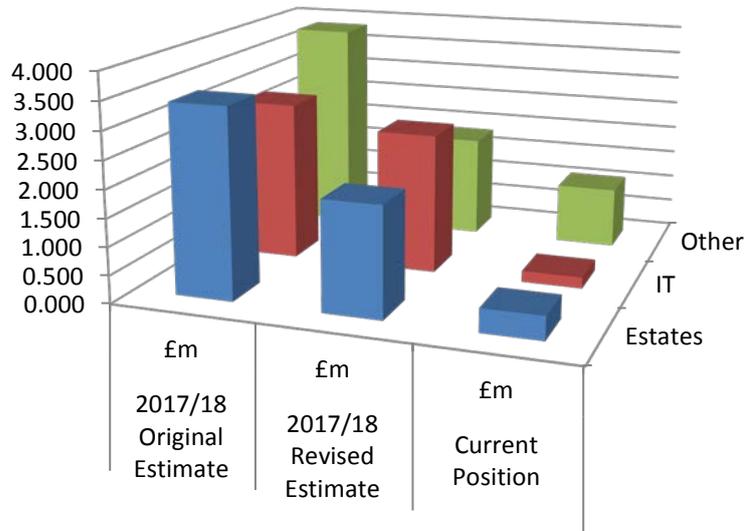
This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget. It also shows the anticipated method of financing.

The borrowing element of the table increases the underlying indebtedness of the Commissioner's Office by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This new borrowing need may also be supplemented by the need to replace maturing debt.

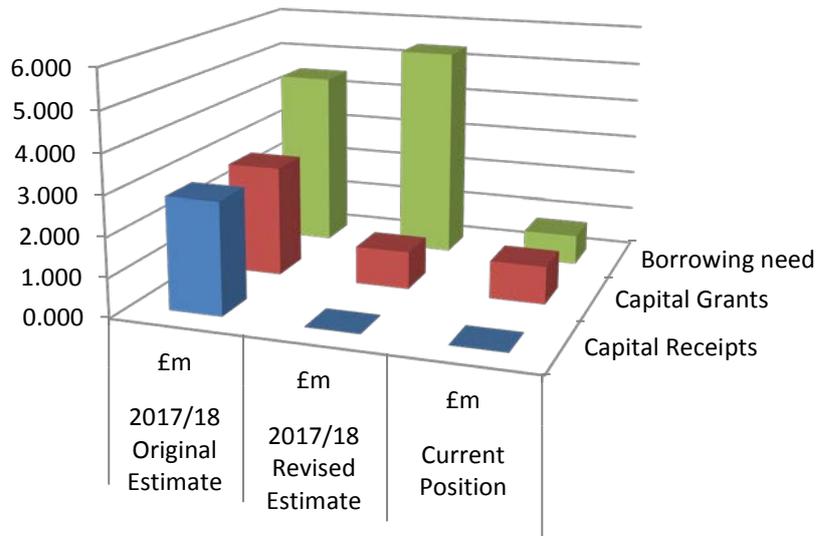
Capital Expenditure 2017/18 by Service

	Original Estimate £m	Original plus Approved Slippage £m	Current Position £m	Revised Estimate £m
Estates	3.393	4.065	0.422	1.970
IT	2.877	5.189	0.200	2.519
Other	3.842	3.927	1.091	1.842
Total	10.112	13.181	1.713	6.331
Financed by:				
Capital Receipts	2.828	2.828	0.000	0.000
Capital Grants	2.793	2.793	0.956	0.956
Total Financing	5.621	5.621	0.956	0.956
Borrowing need	4.491	7.560	0.757	5.375

2017-18 Capital Expenditure



2017-18 Capital Financing



4.2 Prudential Indicator Monitoring

	2016/17 Authority Approved Indicator	2016/17 Outturn @ 31/3/17	2017/18 Authority Approved Indicator	2017/18 Estimate Outturn @ 31/10/17
<u>Section 1 - Indicators Based on Expected Outcomes</u>				
<u>Affordability:</u>				
1) Ratio of Financing Costs to Net Revenue Stream (%)	2.4	1.7	2.1	1.7
2) Incremental Impact of Capital Investment Decisions on Band D Council Tax **	£2.83	-	£3.50	£3.10
3) Actual Capital Expenditure 31/10/17 (£m)	-	7.132		1.712
Estimated Capital Expenditure 31/10/17 (£m)	-	-	10.122	6.331
4) Capital Financing Requirement (£m)	64.261	59.137	59.775	60.987
<u>Section 2 - Indicators Based on Limits</u>				
<u>Affordability:</u>				
1) Actual External Debt 31/10/17 (£m)	-			40.878
Estimated External Debt 31/03/18 (£m)	-	44.303	49.064	45.153
2) Authorised Limit for External Debt (£m)	70.000	-	70.000	
3) Operational Boundary for External Debt (£m)	80.000	-	80.000	
<u>Prudence:</u>				
1) Net Borrowing Requirement & CFR (£m)	64.941	58.220	64.266	66.362

** The approved indicator 2) was published in error at £0.35 for 2017/18 rather than £3.50

The Capital Financing Requirement is the underlying external need to incur borrowing for a capital purpose. This is calculated on using the best estimate of slippage and capital forecast of project managers at the date of writing (14 November). This is currently within the approved indicator. It also shows the expected debt position over the period, known as the Operational Boundary, the additional amount representing PFI and leasing liabilities and a safety margin.

A key control over treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for capital purposes. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for this year and next two financial years. This allows some flexibility for limited early borrowing for future years. The Commissioner has approved a policy for borrowing in advance of need if this proves prudent. The Chief Financial Officer reports that no difficulties are envisaged for the current year but that future capital requirements for significant buildings in the near future require careful consideration and phasing to ensure that this continues to be the case in future years.

A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, (The statutory limit determined under section 3 (1) of the Local Government Act 2003). This is approved by the Commissioner and reflects the maximum level of borrowing which, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. As with the previous indicator the Chief Financial Officer reports that no difficulties are envisaged for the current year but future years need careful consideration.

5 Investments

In accordance with the Code, the priority is to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Commissioner's risk appetite. It will continue to be a very difficult investment market in terms of earning the level of interest commonly seen prior to the financial crisis. Rates are very low in line with the 0.25%/0.5% Bank Rate which has prevailed and are also adversely affected by the new liquidity constraints on financial institutions. The economic situation prompts a low risk and short term strategy.

The Commissioner held £46.8m of investments as at 30 September 2017 (£2.15m at 31 March 2017) and the weighted investment portfolio yield for the first six months of the year is 0.30% against a benchmark (7 day LIBID) of 0.11%

	Position @ 01/04/17 £	Investments made £	Investments withdrawn £	Position @ 30/09/17 £
<u>Temporary Investment</u>				
Banks	0.000	-5.000	0.000	-5.000
Building Societies	0.000	-4.000	0.000	-4.000
Local Authorities	0.000	-17.000	0.000	-17.000
MMF	-2.150	-138.000	119.350	-20.800
Total Investment	-2.150	-164.000	119.350	-46.800

Investment:

	Position @ 01/04/17 £m	Investments made £m	Investments withdrawn £m	Position @ 30/09/17 £m
Fixed Term Investment	0.000	-26.000	0.000	-26.000
Variable Term Investment	-2.150	-138.000	119.350	-20.800
	-2.150	-164.000	119.350	-46.800

Proportion of Fixed Term Investment held	55.56%
Proportion of Variable Term Investment held	44.44%

The main investment type employed by the Commissioner is Money Market Funds. (MMF). These are used because they are highly rated (AAA), and they work by spreading the investments over a wide range of high quality counterparties that would be unavailable at the levels of investment monies available. This approach also helps to eliminate risk whilst maintaining liquidity. They also have the advantage of being easy to manage via an online platform and are liquid to meet cash flow demands. Currently 3 are being utilised and at certain times of the year the deposit capacity has been insufficient at a time when alternative institutions of sufficient calibre are reducing or have very low interest rates. There are some counterparties available at reasonable interest rates but they involve fixed term deposits and the cash surplus tends not to be available for a sufficient length of time. Also the interest rate on current account balances with Barclays is minimal.

The current limits in the investment policy for MMFs are for £10m, and £15m with the consent of the CFO. On some occasions the CFO has agreed to temporarily increase this limit. In the first half year when cash surpluses are at their highest there have been there has been 65 days when 1 or more of the 3 funds have been over £10m and up to £15m. There have been 7 days when this has been over £15m, with the consent of the CFO. The maximum value has been £19m in one fund. One option to alleviate this situation would be to open a new MMF, but this is not really widening the portfolio any further, as comparisons of where the MMFs invest show a high degree of overlap.

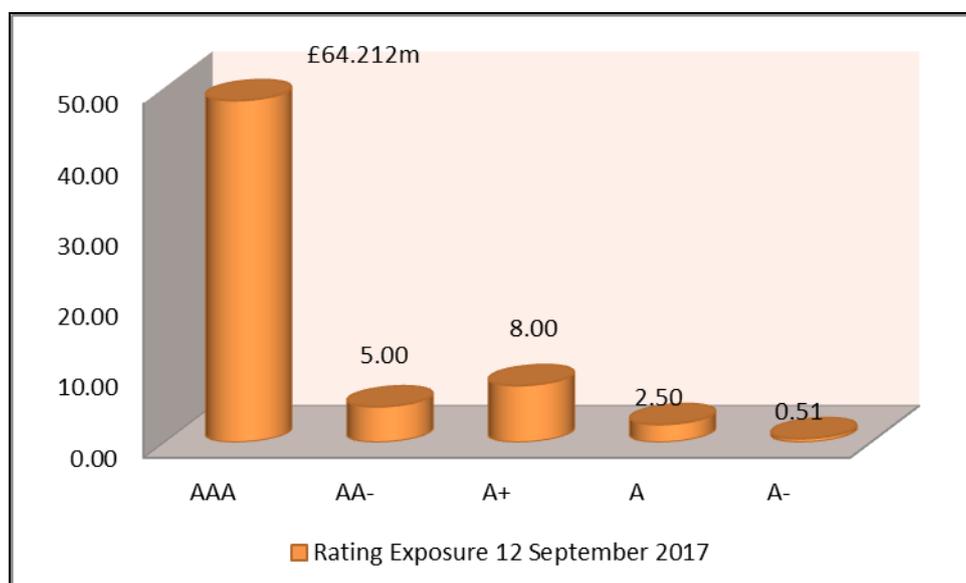
No other approved limits have been exceeded.

The budgeted investment return for 2017-18 is £0.064m. Although the rate of return is higher than the performance benchmark, for the year to date, the forecast is currently not expected to earn this. This is because there have been lower levels of surplus to invest and the rates available for immediate access have continued to fall.

5.1 Investment Counterparty criteria

The Commissioner's investment policy has regard to the Department for Communities & Local Government's (CLG) and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sector Guidance Notes ("the CIPFA TM Code"). The continuing potential for a re-emergence of a Eurozone sovereign debt crisis together with other risks which could impact on the creditworthiness of banks, prompts a low risk strategy. Given this risk environment, investment returns are likely to remain low. Therefore the Commissioner's investment priorities in order of importance will be security, liquidity and return.

The maximum exposure to the investment markets in the year to date was the 12 September 2017, when £64.21m (as a result of Police Grant, Top-Up Grant and Precept) was placed within the markets. The following graph demonstrates the quality of counterparties:



5.2 Creditworthiness policy

The Chief Financial Officer will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to the Commissioner for approval as necessary. The minimum rating criteria uses the lowest common denominator method of selecting counterparties and applying limits. There are no changes to the counterparty list proposed.

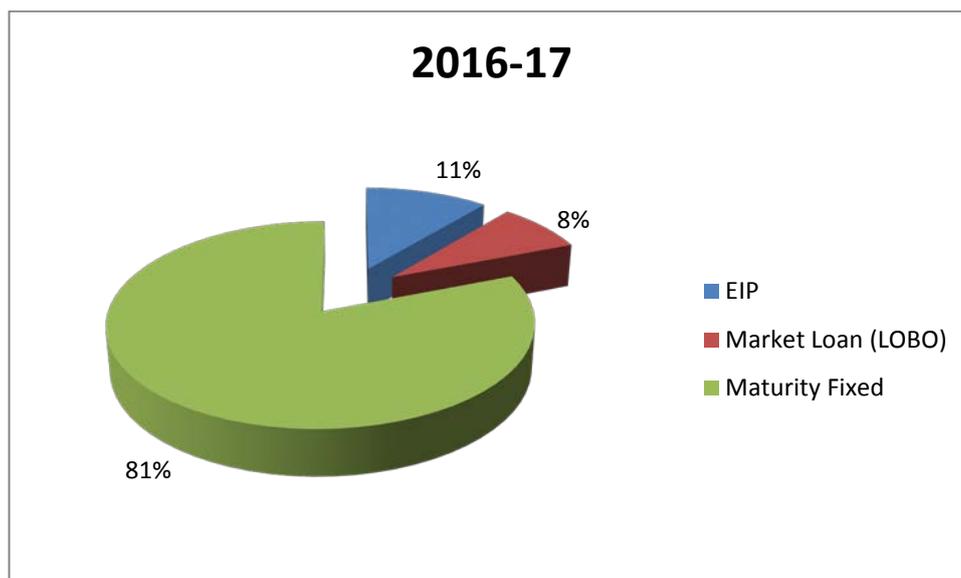
	Fitch Long term Rating (or equivalent)	Value Limit	Time Limit
Banks 1 higher quality	AAA	£5m	1 yr
Banks 1 medium quality	AA-	£5m	1 yr
Banks 1 medium / lower quality	A	£4m	6 months
Banks 1 lower quality	A-	£3m	100 days
Banks 2 — part nationalised	N/A	£5m	1yr
Limit 3 category — Commissioners banker (not meeting Banks 1)	AA	£5m	1 day
UK Govt - DMADF	AAA	Unlimited	6 months
Local authorities	N/A	£5m	2 yrs
Enhanced money market funds with instant access	AAA	£10/£15m	liquid
Enhanced money market funds with notice	AAA	£3-5m	liquid

6 Borrowing

The capital financing requirement (CFR) for 2017-18 is £59.775m which is not adequate with current spending and financing plans. The main reason for this is that capital receipts are being accumulated to be applied to future major projects. It needs to be increased to £61.000m

The CFR denotes the underlying need to borrow for capital purposes. If the CFR is positive monies may be borrowed (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions and level of reserves. The table below shows activity on borrowings for the first half year.

	<u>Position @</u> <u>01/04/17</u> £m	<u>Loans taken</u> £m	<u>Loans repaid</u> £m	<u>Position @</u> <u>30/09/17</u> £m
<u>Long Term Borrowing</u>				
PWLB	33.204	0.000	-0.550	32.654
LOBO	3.500	0.000	0.000	3.500
Local Authorities	4.000	0.000	0.000	4.000
Total Long Term Borrowing	40.704	0.000	-0.550	40.154
<u>Temporary Borrowing</u>				
Local Authorities	0.000	11.500	-1.500	10.000
Banks & Other Institutions	0.000	0.000	0.000	0.000
Total Temporary Borrowing	0.000	11.500	-1.500	10.000
Total Borrowing	40.704	11.500	-2.050	50.154



By the year end it is anticipated that there will be external borrowing of £45.153m compared to a CFR of £60.987m. The remainder will be utilisation of internal balances.

No new borrowing has been undertaken up until the time of writing (14 November). There were no opportunities for debt rescheduling in the first half year. This is regularly reviewed for saving opportunities. It is anticipated that borrowing of £5.5m will be taken during the latter half of the year for the capital programme, if it is in line with the current forecast. A further £2.5m is required to replace debt maturing. The actual amounts borrowed and the timing thereof is in the judgement of the CFO with due regard to market conditions. Interest rates remain low across all PWLB bands with prospects of a rise in base rates not on the short term horizon.

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	0.8	1.14	1.78	2.52	2.25
Date	03/05/2017	15/06/2017	15/06/2017	08/09/2017	08/09/2017
High	1.16	1.62	2.22	2.83	2.57
Date	15/09/2017	28/09/2017	28/09/2017	07/07/2017	07/07/2017
Average	0.9408	1.2981	1.9470	2.6475	2.3917

7 Review of Minimum Revenue Provision Policy Statement Interpretation

7.1 Introduction

The Commissioner's Office repays each year part of the accumulated capital spend (CFR) through a revenue charge (MRP). An additional voluntary payment may also be made (VRP). A VRP of £0.750m was made in 2016-17. The MRP can be calculated in various ways but the overarching principles are that the repayment must be prudent and affordable.

7.2 The Stated Policy

The existing policy was approved by The Commissioner on 14 February 2017 and is as follows:

The Commissioner will set aside an amount for MRP each year, which is deemed to be both prudent and affordable. This will be after considering statutory requirements and relevant guidance from the DCLG.

Repayments included in annual PFI or finance leases are applied as MRP.

It is considered that this policy is both prudent and affordable, therefore no changes are proposed.

For Information / Consideration	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	5 December 2017
Report of:	Chief Finance Officer
Report Author:	Charlotte Radford
Other Contacts:	
Agenda Item:	10

UPDATE ON INSURANCE

1. Purpose of the Report

- 1.1 To provide members with an update on Insurance and the potential costs of future insurance policies.

2. Recommendations

- 2.1 Members are recommended to consider this report.

3. Reasons for Recommendations

- 3.1 This complies with good governance.

4. Summary of Key Points

- 4.1 An update report on the current insurance contracts and is attached at **Appendix A**.
- 4.2 The key points to note are the effects of Government policy relating to the discount rate. These are likely to result in increased premiums in the future.
- 4.3 The indication of the significant increase to all premiums for 2018-19.
- 4.4 The suggestion to undertake an actuarial review of our claims history.

5. Financial Implications and Budget Provision

- 5.1 The indicated increases to next years insurance premiums will be included in the budget calculations.

6. Human Resources Implications

- 6.1 None as a direct result of this report.

7. Equality Implications

7.1 None as a direct result of this report.

8. Risk Management

8.1 None as a direct result of this report.

9. Policy Implications and links to the Police and Crime Plan Priorities

9.1 This report complies with good governance and financial regulations.

10. Changes in Legislation or other Legal Considerations

10.1 None

11. Details of outcome of consultation

11.1 Not applicable

12. Appendices

12.1 Appendix A – Insurance Report



Nottinghamshire

POLICE & CRIME COMMISSIONER

INSURANCE UPDATE NOVEMBER 2017

1. Introduction

The current insurance policies were tendered for in 2015-16. We did this as part of the North West Police Consortium (NWPC), for a three years long term agreement with an option to extend for a further two years. The three year period expires 31st March 2018. Therefore the renewal for 2017-18 was potentially the last one under this agreement.

2. Insurance Premium Tax

This year's renewals will be subject to 10% insurance premium tax which was increased, by the Government, from 9.5% in last year's budget. This will further increase by 2% for next year's renewal.

3. The Renewal Process for 2017-18

This year through increased engagement with the insurers and by starting the renewal process earlier, the problems incurred with the previous year's renewal were eradicated. Terms were received in good time and no long term agreements were breached.

A stable claims history has meant that the renewal for 2017-18 is comparable with the premiums paid for 2016-17. The Liability insurance premium has increased slightly, because the Professional Indemnity cover now includes income generation. Property insurance has decreased in line with the reduction in the value of the estate owned. The property policy received a low claims discount during the year of £0.005m and a similar amount has been received during 2017-18.

Despite motor vehicle premiums rising sharply in recent years – the efforts in risk management including Artemis are starting to show results in that a low claims rebate of £0.017m relating to the 2015/16 policy year has been received

The premium figures shown in the summary (section 6) with an asterisk include a 3.5% discount for being part of the NWPC. This equates approximately £0.021m. The level of discount is dependent on the level of business received across all members of the consortium.

4. Future Costs and the Discount Rate

Recently, the Ministry of Justice announced that the “discount rate” used when calculating compensation payment to people who suffer life-changing injuries would be changing, with effect from 20th March 2017. Previously, courts would take 2.5 per cent off compensation pay-outs “to reflect the interest that would be earned by long term investment”. This has been changed to an increase in compensation of 0.75 per cent to reflect the low investment opportunities currently available. This means that settlements will be higher and inevitably this will result in higher premiums next year. The government have recognised the impact of this change following years of no adjustment and have undertaken to review the situation. This will not be before autumn 2018, followed by a 3 yearly review. It is widely predicted by the insurance market that the change will be in the range of no adjustment to a reduction of 1%

To assess the impact of what this might have on the insurance of Nottinghamshire Police, QBE our insurers have been asked to provide indicative premiums for 2018/19 based on the claims experience at 30 September 2017. These are not firm quotations but are a good indication of what premiums are likely to be. The results of this can be seen in the table in section 6. It can be seen that the proposed rises are less than the 60% rise elsewhere, but still substantial in this financial climate.

The indications for 2018-19 have been given by our current insurer based on the claims experience at 30 September 2017. It can be seen that there are substantial increases proposed for 2018-19, which would normally indicate that re-tendering was appropriate. However, the reason being given by QBE for the increase is solely related to the government action relating to the discount rate applied to severe injury claims and do not consider this to be a breaking of the long term agreement (LTA) because it is out of their control.. The premium indications are not offers of renewal and will depend on the claims experience as at December 2017.

The option for going to tender is still available, because of the natural break clause in the contract. The discount rate issue is across all insurers and the premiums would be impacted from any alternate provider and increases of 60% in other recent police renewals have been reported. The other risk is that our current insurer declines to re-tender and we receive no other quotes leaving us effectively without insurance in 2018-19.

The property insurers Tokio Marine have indicated that they have no plans to put up insurance rates the final premium being based on the cost of rebuilding assets

5. Summary of premiums

	2016-17 £m	2017-18 £m	2018-19 indications £m	% increase
Property	0.087	0.077	0.077	0
Liability *	0.310	0.315	0.359	14
Motor *	0.320	0.320	0.416	30
Minor policies *	0.018	0.018	0.018	0
Claims handling	0.012	0.010	0.010	0
Total	0.747	0.740	0.880	19
Plus IPT 9.5%/ 10%/ 12%	0.069	0.074	0.106	43
Total incl IPT	0.816	0.814	0.986	21

6. Alternate premium proposals

QBE has also offered a range of proposals where we could accept a higher excess in exchange for a lower premium. These are summarised in the table below. If excesses rise then it is inevitable that retained costs and contributions to reserves will increase, and the levels of aggregate which are the maximum exposure in a year reflect this. Good risk reduction measures can mitigate this.

	2017/18 £m	2018/19 £m	2018/19 £m	2018/19 £m
EL/PL only (table above includes officials indemnity cover etc)				
Excess	0.150	0.150	0.175	0.200
Aggregate	1.700	1.700	1.850	2.000
Premium gross of consortium discount	0.299	0.344	0.321	0.299
Insurance premium tax 10% / 12%	0.030	0.041	0.039	0.036
Total	0.329	0.385	0.360	0.335
Motor				
Excess	0.175	0.175	0.225	0.275
Aggregate	0.612	0.612	0.662	0.712
Premium gross of consortium discount	0.332	0.431	0.382	0.332
Insurance premium tax 10% / 12%	0.033	0.052	0.046	0.040
Total	0.365	0.483	0.427	0.372

To assist in the establishment of the most advantageous level of excess or premium it is recommended that the brokers are commissioned to undertake an actuarial review on the claims history. This also gives confidence that the level of provision made for claims pay-out is adequate. An exercise of this type has not been undertaken for several years. More information about the review service is included as an addendum to this report.

This is an additional item already tendered for within our NWC brokerage contract and would cost £3,850, which compares well to their average charge of £6000.

7. The North West Police Consortium

As previously mentioned this is the method by which we procure insurance and a group consensus is key to preserving the benefits of this arrangement which include better purchasing power and negotiating powers. Other benefits include benchmarking and shared knowledge.

The eight members of the consortium have all received their indicative premiums individually with similar levels of increases. The perceived lack of competition in the insurance market and the knowledge that all insurers will be applying similar rationale has led to no one in the group planning to go to tender although in most cases final decisions are to be made. Essentially if Nottinghamshire went out to tender it likely would be on a 'stand alone basis'

Additionally, the broker to the group Arthur J Gallagher, who has provided that service for several years with the current contract due to expire 30 June 2018. The group agreed not to extend the contract and a procurement exercise is currently being undertaken by Greater Manchester Police on behalf of the group. No service issues were identified with the current provider. The result of the tender will be reported in due course. It is expected that the new contract will be in place by 1 June 2018.

8. Insurance Provision

The payment of the excesses is met from revenue contributions to a provision, which is maintained at the level of outstanding reserves and pays for claims above the excess. The contribution is dependent on the assessed level of claims received and the actual claims paid. The mid-year review showed an improved position on claims settled and claims reserved from the position at the end of 2016-17.

The budget for contributions is £0.850m and the current assessments expect that this budget will be sufficient. Also if a fund review is undertaken then this will impact on the sufficiency of the budget. The position continues to be subject to close monitoring and claims experience has historically shown large fluctuations from year to year.

OUTSTANDING CLAIMS	31.3.17	30.9.17
	£000	£000
Employers Liability	334	89
Public Liability	2,246	2,092
Motor	477	356
TOTAL	3,057	2,537

Addendum – More detailed information regarding the fund review service.



Nottinghamshire
Police fund review 20

For Information / Consideration	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	December 2017
Report of:	Chief Finance Officer
Report Author:	Charlotte Radford
Other Contacts:	Brian Welch
Agenda Item:	11

INTERNAL AUDIT PROGRESS REPORT

1. Purpose of the Report

- 1.1 To provide members with an update on progress against the Internal Audit Annual Plan for 2017-18 and the findings from audits completed to date.

2. Recommendations

- 2.1 Members are recommended to consider the report and where appropriate make comment or request further work in relation to specific audits to ensure they have adequate assurance from the work undertaken.

3. Reasons for Recommendations

- 3.1 This complies with good governance and in ensuring assurance can be obtained from the work carried out.

4. Summary of Key Points

- 4.1 The attached report details the work undertaken to date and summarises the findings from individual audits completed since the last progress report to the panel.

5. Financial Implications and Budget Provision

- 5.1 None as a direct result of this report.

6. Human Resources Implications

- 6.1 None as a direct result of this report.

7. Equality Implications

- 7.1 None as a direct result of this report.

8. Risk Management

- 8.1 None as a direct result of this report. Recommendations will be actioned to address the risks identified within the individual reports and recommendations implementation will be monitored and reported within the audit and inspection report to this panel.

9. Policy Implications and links to the Police and Crime Plan Priorities

- 9.1 This report complies with good governance and financial regulations.

10. Changes in Legislation or other Legal Considerations

- 10.1 None

11. Details of outcome of consultation

- 11.1 Not applicable

12. Appendices

- 12.1 Appendix A – Internal Audit Progress Report 2017-18



Office of the Police & Crime Commissioner for Nottinghamshire and
Nottinghamshire Police

Internal Audit Progress Report 2017/18

November 2017

Presented to the Joint Audit & Scrutiny Panel meeting of: 5th December 2017

Contents

- 01 Introduction
- 02 Summary and conclusions from Internal Audit work to date
- 03 Performance

Appendices

- A1 Summary of Reports 2017/18
- A2 Internal Audit Plan 2017/18
- A3 Definition of Assurances and Priorities
- A4 Contact Details
- A5 Statement of Responsibility

01 Introduction

- 1.1 The purpose of this report is to update the Joint Audit & Scrutiny Panel (JASP) as to the progress in respect of the 2017/18 Internal Audit Plan which was considered and approved by the JASP at its meeting on 9th March 2017.
- 1.2 The Police and Crime Commissioner and Chief Constable are responsible for ensuring that the organisations have proper internal control and management systems in place. In order to do this, they must obtain assurance on the effectiveness of those systems throughout the year, and are required to make a statement on the effectiveness of internal control within their annual report and financial statements.
- 1.3 Internal audit provides the Police and Crime Commissioner and Chief Constable with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the organisation's agreed objectives. Internal audit also has an independent and objective advisory role to help line managers improve governance, risk management and internal control. The work of internal audit, culminating in our annual opinion, forms a part of the OPCC and Force's overall assurance framework and assists in preparing an informed statement on internal control.
- 1.4 Responsibility for a sound system of internal control rests with the Police and Crime Commissioner and Chief Constable and work performed by internal audit should not be relied upon to identify all weaknesses which exist or all improvements which may be made. Effective implementation of our recommendations makes an important contribution to the maintenance of reliable systems of internal control and governance.
- 1.5 Internal audit should not be relied upon to identify fraud or irregularity, although our procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control will not necessarily be an effective safeguard against collusive fraud.
- 1.6 Our work is delivered in accordance with the Public Sector Internal Audit Standards (PSIAS).

02 Summary of internal audit work to date

- 2.1 We have issued one final report in respect of the 2017/18 plan since the last progress report to the JASP, this being in respect of Seized Property. We have also issued two draft reports in respect of the Core Financial Systems and Procurement Follow-up where we await management's responses and the final reports will be issued shortly. Further details are provided in Appendix 1.

Nottinghamshire 2017/18 Audits	Report Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
Seized Property	Final	Limited	5	4	1	10
Workforce Planning	Final	Satisfactory	-	4	4	8
Estates Management	Final	Satisfactory	-	-	3	3
Fleet Management	Final	Satisfactory	-	5	1	6
PEEL Review Action Plan	Final	N/A ¹	-	-	-	-
Road Safety Partnership	Draft					
Procurement Follow-up	Draft					
Core Financial Systems	Draft					
Total			5	13	9	27

¹PEEL Review Action Plan – this was carried out as an addition to the approved Internal Audit Plan for 2017/18, upon request of the Police & Crime Commissioner. The audit review focused on Force responses and actions taken to address the issues in the Monitoring Assurance Framework that was produced by the OPCC following the publication of the HMIC PEEL: Police Effectiveness Report in March 2017 and not to provide an opinion on the adequacy and effectiveness of controls.

- 2.2 Fieldwork in respect of Counter Fraud is in progress, whilst we are in the process of agreeing the scope for final quarter four audit, DMS Follow-up. The audit of IT Strategy, which was originally planned for quarter 3 and was intended to encompass Northamptonshire and Leicestershire as well, has been deferred to quarter four following management's request to allow time for each force to reassess its IT arrangements. Further details are provided within Appendix A2.

2.3 Similarly to 2016/17, five specific areas have been identified in terms of the collaborative audits for 2017/18 and a lead officer (OPCC CFO) has been identified as a single point of contact. Four of the audits will adopt a similar scope to that of the 2016/17 audits and will look at the business plan and S22 agreement in terms of whether it is being delivered and is fit for purpose going forward; the scope will also include value for money considerations and arrangements for managing risk. The four areas of collaboration that will form the focus of these initial reviews are:

- EMCHRS Learning & Development
- EMCHRS Occupational Health
- EMSOU Forensic Services
- Criminal Justice (EMCJS)

The fifth audit within the Collaboration plan relates to the Proceeds of Crime Act (POCA) and will review the arrangements in place across the region to manage cash and property seizures.

2.4 We have issued two final reports since the last progress report to the JASP, these being in respect of EMCHRS Occupational Health and EMSOU Forensic Services. Further details are provided in Appendix 1.

Collaboration Audits 2017/18	Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
EMCHRS Learning & Development ¹	Final	Satisfactory		2	3	5
EMSOU Forensic Services ¹	Final	Significant			3	3
EMCHRS Occupational Health ¹	Final	Substantial			3	3
Total			-	2	9	11

¹Denotes those collaborative arrangements which Nottinghamshire are a part of.

03 Performance

3.1 The following table details the Internal Audit Service performance for the year to date measured against the key performance indicators that were set out within Audit Charter.

No	Indicator	Criteria	Performance
1	Annual report provided to the JASP	As agreed with the Client Officer	N/A
2	Annual Operational and Strategic Plans to the JASP	As agreed with the Client Officer	Achieved
3	Progress report to the JASP	7 working days prior to meeting.	Achieved
4	Issue of draft report	Within 10 working days of completion of final exit meeting.	100% (8/8)
5	Issue of final report	Within 5 working days of agreement of responses.	100% (5/5)
6	Follow-up of priority one recommendations	90% within four months. 100% within six months.	N/A
7	Follow-up of other recommendations	100% within 12 months of date of final report.	N/A
8	Audit Brief to auditee	At least 10 working days prior to commencement of fieldwork.	100% (9/9)
9	Customer satisfaction (measured by survey)	85% average satisfactory or above	100% (2/2)

Appendix A1 – Summary of Reports 2017/18

Below we provide brief outlines of the work carried out, a summary of our key findings raised and the assurance opinions given in respect of the final reports issued since the last meeting of the JASP:

Seized Property

Assurance Opinion	Limited
Recommendation Priorities	
Priority 1 (Fundamental)	5
Priority 2 (Significant)	4
Priority 3 (Housekeeping)	1

Our audit considered the following area objectives:

Policies, Procedures and Training

- Policies and procedures are in place to ensure that cash / property detained is dealt with in accordance with relevant legislation and the Force's policies and procedures.
- Suitable training is provided to officers and staff to ensure they are aware of requirements when dealing with seized property.
- An appropriate insurance policy for the handling, retention and movement of cash / property is in place.

Receiving and Recording

- Cash is counted in a secure and controlled environment, with an appropriate level of independent verification.
- Cash / property initially seized or received is accurately recorded on the property system in line with relevant procedures.
- Appropriate mechanisms are in place to accurately record the movement and disposal of cash / property.

Security Arrangements

- Cash / property is stored securely, with restricted and controlled access to nominated officers and staff.
- Cash / property is transported securely by the appropriate number of authorised officers or staff in line with procedural and insurance requirements.

Disposal of Property

- Physical cash / property is only retained by the Force for the necessary period of time.
- Cash / property is disposed of in an appropriate manner and evidence of the reasons for, and method of, disposal is retained for confirmation.
- Authorised officers or staff provide approval for the disposal of cash / property in line with relevant procedures.

Property Management

- An appropriate safe audit regime is in place to identify breaches of agreed procedure and confirm cash / property stored.
- Mechanisms for monitoring the cash / property stored and disposed of at the Force are in place.

We raised five priority 1 recommendations of a fundamental nature that require addressing. These are set out below:

Recommendation 1	Officers should be reminded to ensure property is checked in and out correctly whenever property has been moved from the temporary locations.
Finding	<p><u>Property Tracking on NICHE</u></p> <p>Review of the Temporary Store at Hucknall (Red, Amber, and Green Shelves) could not identify 186 items (73%) stated to be located in this storage facility on Niche.</p> <p>Review of the Temporary Store at Mansfield (Amber Shelf) could not identify 255 items (81%) stated to be located in this storage facility on Niche.</p> <p>Review of the Cash & Drugs Safe at Headquarters could not identify one Item (33%) stated to be located in this storage facility on Niche.</p> <p>In total, 572 items were reviewed as part of the Temporary Storage audit; 442 items could not be located and were not stored in the location stated on the Niche system (77%).</p> <p>The temporary storage review was completed on a section of three temporary stores, in which Nottinghamshire currently has between 30-35 locations.</p>
Response	<p>a) Agreed: The importance of the check in and check out process has been highlighted on the A&E automatic replies sent out to officers when they email the department and information is available on the Force Intranet.</p> <p>b) The Force Training Priorities Panel has agreed to all officers having a classroom based input on property management and exhibits, which will incorporate the importance of the audit trail for the movement of exhibits.</p> <p>c) The Force has also agreed as part of the A&E Departments Annual Departmental Assessment to develop an app on the Blackberry which links to Niche to allow officers to be able to check items into and out of holding stores using this mobile technology to facilitate easier access for frontline resources</p>
Timescale	<p>a) Already actioned / Head of A&E</p> <p>b) Training expected during April 2018 to Sept 2018 Force wide / Head of A&E in conjunction with EMCHRIS</p> <p>c) Planned for Development and Implemented during 2018 / Head of A&E in conjunction with INS Dept</p>

Recommendation 2	Cash should be stored securely in a safe at all times when not in use. This should be held within a holding safe or the main vaults at the Northern, Central or Southern Main Stores in line with the cash handling procedures.
Finding	<p><u>Cash Storage at Temporary Locations</u></p> <p>Review of the Hucknall Temporary Store identified two cash property items held on the Red Shelf (Retention for 28 Days). These property items were for £400 and £410 in cash and should have been placed within a safe in line with the appropriate cash handling and storage procedures.</p>
Response	<p>a) Agreed: This was an isolated incident and the officer who made the error has been given feedback on the correct processes.</p> <p>b) The Force Training Priorities Panel has agreed to all officers having a classroom based input on property management and exhibits, which will incorporate the importance of handling cash and valuables correctly and the use of the Safes System.</p>

Timescale	<ul style="list-style-type: none"> a) Already Actioned / Head of A&E b) Training expected during April 2018 to Sept 2018 Force wide / Head of A&E in conjunction with EMCHRIS
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Recommendation 3	Access to the Temporary Stores should be restricted to only police officers or the Archive & Exhibit Team who require access. Those who do not have a job related purpose should have their access to these areas removed.
Finding	<p><u>Temporary Storage Access</u></p> <p>Temporary Store access is restricted via a key or an access pass, depending on the store location. It was confirmed that most locations are now moving towards the access pass system and this is currently in place at some temporary stores.</p> <p>Access via an access pass is not restricted to only police officers. Any member of police staff may access a temporary store if they hold an access pass. This is the case at the Force HQ and Hucknall which were reviewed. Access to these stores are not restricted and may be entered by personnel with no requirement to use the facility.</p>
Response	Agreed: The Force has agreed as part of the A&E Departments Annual Departmental Assessment for swipe card access controls to be fitted to all Temporary Stores as part of the upgrade of the Door Access Control System. This has also been ratified through the Door Access Control Board and the doors are in the process of being upgraded and specified groups set up on the system to limit access to specific groups based on their business need
Timescale	In Progress, Completion expected by December 2017 / Head of A&E in conjunction with Estates Dept

Recommendation 4	The Main Vault in the main stores should be subject to an audit on a periodic basis, every 6-12 months. This audit should be completed to ensure that all valuables and cash stated to be held in the vault is accounted for.
Finding	<p><u>Vault Audit</u></p> <p>It was confirmed that the Main Vault stores a large quantity of cash and high valuable items, with the value likely to exceed £1 million since EMSOU have started to use the Nottinghamshire facilities in 2016. The main vault has not been fully audited / reviewed in more than two years due to staffing constraints.</p>
Response	<ul style="list-style-type: none"> a) Agreed. As explained during the audit a 100% audit of the vault has not been possible due to sustained staffing shortages over the last two years, however the Standard Operating Procedures and Protocols around accessing this location minimise risk as there is a two key system where the keys are drawn by two separate persons who then only ever enter the vault together and any items removed or deposited are registered on the Niche or CRMS/IMS Systems. The vault is also covered by CCTV which is in constant operation. b) The Force has also agreed as part of the A&E Departments Annual Departmental Assessment to review the staffing levels within the Cash & Confiscations Function to provide increased capacity to enable regular audits of the vaults and to enable proactive regular reviews of cash which is held as exhibits in its original format to assess any that are no longer required evidentially and can be banked to minimise the amounts needing to be retained in the vault.
Timescale	<ul style="list-style-type: none"> a) Already in place / Head Of A&E b) Activity Request is being drawn up with proposed Project Completion expected by March 2018 / Head of A&E in conjunction with Business Improvement and HR Dept for recruitment.

Recommendation 5	Temporary Locations should be reviewed and audited during the collection and delivery runs. Where discrepancies are identified, these should be raised with the Officer in Case to verify the location of property.
Finding	<p><u>Temporary Store Audit</u></p> <p>Review of three temporary stores identified two stores which had significant discrepancies to the underlying records held on Niche. In one case the location report from Niche indicated 255 items were present in the location, yet 186 of which could not be located within the temporary store. A further 10 items were held within the store, but not assigned to the store on NICHE, along with two boxes on property ranging from note books to mobile phones.</p> <p>In the second location the report stated 314 items should be available, 255 of which could not be found.</p>
Response	<p>a) Agreed: The importance of the check in and check out process has been highlighted on the A&E automatic replies sent out to officers when they email the department and information is available on the Force Intranet.</p> <p>b) The Force Training Priorities Panel has agreed to all officers having a classroom based input on property management and exhibits, which will incorporate the importance of the audit trail for the movement of exhibits.</p> <p>c) The Force has also agreed as part of the A&E Departments Annual Departmental Assessment to develop an app on the Blackberry which links to Niche to allow officers to be able to check items into and out of holding stores using this mobile technology to facilitate easier access for frontline resources.</p> <p>d) A review of the processes for audit of the temporary stores is being progressed for approval by the Force, however the following up of every individual exhibit will not be possible until the launch of the Niche Workflows planned late 2017/early 2018.</p>
Timescale	<p>a) Already in Place / Head of A&E</p> <p>b) Training expected during April 2018 to Sept 2018 Force wide / Head of A&E in conjunction with EMCHRIS</p> <p>c) Planned for Development and Implemented during 2018 / Head of A&E in conjunction with INS Dept.</p> <p>d) In Progress needs to be ratified by the Force. Niche Workflows planned for implementation later 2017/early 2018</p>

We raised four priority 2 recommendations where we believe there is scope for improvement within the control environment. These are set out below:

- The Insurance Policy should be updated to ensure that the coverage limit matches that held within the Vaults at Nottinghamshire Police. This should include the use of the Vault by the East Midlands Special Operations Unit (EMSOU).
- Property should be logged onto Niche at the point of seizure, or earliest opportunity, prior to being placed in a temporary store. Items held within the temporary store that have not been appropriately logged should be raised with the responsible officer.
- Officers within the Force should be provided with further Niche Training in relation to the continuity of property management, including the checking in and out of property from temporary storage.
- Policies and Procedures in relation to seized property should be updated to reflect the current adopted process since implementation of Niche in February 2016.

We also raised one housekeeping issue with regards request forms.

Management confirmed that all actions have either been implemented or will be actioned as part of force wide training during 2018.

East Midlands Special Operations Unit (EMSOU) – Forensic Services

Assurance Opinion	Significant
Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	-
Priority 3 (Housekeeping)	3

The East Midlands Specials Operations Unit – Forensic Services (EMSOU-FS) unit is a five force collaboration between Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire Police. The Collaboration Unit formed as a five Force collaboration in March 2014 when the five forces agreed to progress with a regional approach to forensic services.

EMSOU-FS aims to provide a quality assured forensic science and investigation service to the police forces of Derbyshire, Lincolnshire, Nottinghamshire, Leicestershire and Northamptonshire, with the strategic objective of supporting the efficient and effective investigation of crimes and incidents by these Forces in accordance with their statutory and common law responsibilities.

The Unit provides various forensic services, such as:

- Fingerprint Bureau;
- Forensic Analytical Services Team;
- Forensic Case Management;
- Crime Scene Investigation and Digital Forensic

Our audit considered the following risks relating to the area under review:

- A Section 22 agreement is in place that clearly sets out the decision making and governance framework that is in place;
- A clearly defined Business Plan is in place that sets out the statutory duties, objectives and the key performance indicators for the services to be provided;
- The Business Plan is set in line with the Section 22 agreement and it is regularly reviewed to ensure it remains ‘fit for purpose’;
- There are effective reporting processes in place to provide assurances to the Forces on the performance of the unit;
- Value for money considerations are regularly reviewed and reported to the Forces; and
- The unit has procedures in place to ensure that risks are identified, assessed recorded and managed appropriately.

We raised three priority 3 recommendations of a housekeeping nature. These were in respect of the following:

- The updated Section 22 agreement should be circulated and signed off by the five PCC’s and CC’s in a timely manner to ensure a clear agreement is established.

EMSOU-FS should agree Terms of Reference for the Managers Network. Operations and Centre groups. This should ensure they are aligned to the governance structure of the unit and that there is no duplication in the issues discussed at the governance groups across the unit.

- The overdue reviews should be carried out and the unit should consider putting a process in place to ensure that annual reviews of policies and procedures are undertaken in a timely manner.
- The Unit should consider putting a Risk Management Policy in place to formally document their existing system for managing risk.

Management confirmed that these recommendations will be actioned by April 2018.

EMCHRS – Occupational Health

Assurance Opinion	Significant
Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	-
Priority 3 (Housekeeping)	3

The East Midlands Specials Operations Unit – Forensic Services (EMSOU-FS) unit is a five force collaboration between Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire Police. The Collaboration Unit formed as a five Force collaboration during 2012/13 when each force agreed to progress with a regional approach to occupational health.

The Occupational Health Unit aims to support each regional force through the delivery of a number of services including:

- Medical requirements for recruits;
- Health Screening / Health Surveillance;
- Occupational Vaccinations;
- Professional Support; and
- Incident Support – post incidents, follow up, advice and guidance.

Our audit considered the following risks relating to the area under review:

- A Section 22 agreement is in place that clearly sets out the decision making and governance framework that is in place;
- A clearly defined Business Plan is in place that sets out the statutory duties, objectives and the key performance indicators for the services to be provided;
- The Business Plan is set in line with the Section 22 agreement and it is regularly reviewed to ensure it remains 'fit for purpose';
- There are effective reporting processes in place to provide assurances to the Forces on the performance of the unit;
- Value for money considerations are regularly reviewed and reported to the Forces; and

- The unit has procedures in place to ensure that risks are identified, assessed recorded and managed appropriately.

We raised three priority 3 recommendations of a housekeeping nature. These were in respect of the following:

- The terms of reference for the SLT and Client Liaison Group should be updated to ensure consistency in the governance structure. These should include, but not be limited to:
 - Purpose
 - Scope
 - Membership
 - Decision making authority
 - Reporting Requirements
 - Frequency of meetings
 - Review
- The Unit should review and update the Risk Management Policy to ensure it matches their current needs and approach to managing risks.
- The Unit should review the performance data included within the performance pack that is presented to the Board each quarter

Management confirmed that these recommendations will be actioned by January 2018.

Appendix A2 Internal Audit Plan 2017/18

Auditable Area	Planned Fieldwork Date	Draft Report Date	Final Report Date	Target JASP	Comments
Core Assurance					
Core Financial Systems	Oct 2017	Nov 2017		Dec 2017	Draft report issued.
Procurement Follow-up	Sept 2017	Sept 2017		Dec 2017	Draft report issued.
Strategic & Operational Risk					
Implementation of DMS	Feb 2018			Mar 2018	
Counter Fraud Review	Oct 2017			Dec 2017	Work in progress.
Workforce Planning	May 2017	June 2017	Sept 2017	Sept 2017	Final report issued.
Seized & Found Property	May 2017	June 2017	Oct 2017	Sept 2017	Final report issued.
Information Technology Strategy	Oct 2017			Dec 2017	Audit deferred to Q4 following request.
Estates Management	July 2017	July 2017	Aug 2017	Sept 2017	Final report issued.
Fleet Management	July 2017	July 2017	Aug 2017	Sept 2017	Final report issued.
Other					
PEEL Review Action Plan	July 2017	Aug 2017	Aug 2017	Sept 2017	Final report issued.
Road Safety Partnership	Sept 2017	Oct 2017		Dec 2017	Draft report issued.

Auditable Area	Planned Fieldwork Date	Draft Report Date	Final Report Date	Target JASP	Comments
Collaboration					
EMCHRS Learning & Development	Aug 2017	Aug 2017	Sept 2017	Dec 2017	Final report issued.
EMCHRS Occupational Health	Oct 2017	Nov 2017	Nov 2017	Dec 2017	Final report issued.
EMSOU Forensic Services	Sept 2017	Oct 2017	Oct 2017	Dec 2017	Final report issued.
Criminal Justice (EMCJS)	Dec 2017			Mar 2018	F/w starts 4 th Dec.
POCA	Jan 2018			Mar 2018	

Appendix A3 – Definition of Assurances and Priorities

Definitions of Assurance Levels		
Assurance Level	Adequacy of system design	Effectiveness of operating controls
Significant Assurance:	There is a sound system of internal control designed to achieve the Organisation's objectives.	The control processes tested are being consistently applied.
Satisfactory Assurance:	While there is a basically sound system of internal control, there are weaknesses, which put some of the Organisation's objectives at risk.	There is evidence that the level of non-compliance with some of the control processes may put some of the Organisation's objectives at risk.
Limited Assurance:	Weaknesses in the system of internal controls are such as to put the Organisation's objectives at risk.	The level of non-compliance puts the Organisation's objectives at risk.
No Assurance	Control processes are generally weak leaving the processes/systems open to significant error or abuse.	Significant non-compliance with basic control processes leaves the processes/systems open to error or abuse.

Definitions of Recommendations	
Priority	Description
Priority 1 (Fundamental)	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.
Priority 2 (Significant)	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
Priority 3 (Housekeeping)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

Appendix A4 - Contact Details

Contact Details

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A5 Statement of Responsibility

Status of our reports

The responsibility for maintaining internal control rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy of the internal control arrangements implemented by management and perform testing on those controls to ensure that they are operating for the period under review. We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone are not a guarantee that fraud, where existing, will be discovered.

The contents of this report are confidential and not for distribution to anyone other than the Office of the Police and Crime Commissioner for Nottinghamshire and Nottinghamshire Police. Disclosure to third parties cannot be made without the prior written consent of Mazars LLP.

Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales to carry out company audit work.

For Information	
Public/Non Public	Public
Report to:	Joint Audit and Scrutiny Panel (JASP)
Date of Meeting:	December 2017
Report of:	Julie Mair, Head of Corporate Development
Report Author:	Amanda Froggatt, Risk and Business Continuity Officer
E-mail:	amanda.froggatt@nottinghamshire.pnn.police.uk
Other Contacts:	
Agenda Item:	12

Audit and Inspection Update

1. Purpose of the Report

- 1.1 To provide the Joint Audit and Scrutiny Panel with an update on progress against recommendations arising from audits and inspections which have taken place during Quarter 3, 2017/18.
- 1.2 To inform the Board of the schedule of planned audits and inspections.
- 1.3 To provide further information on the outstanding action from the Policies Approach to DA Inspection as requested by the JASP at the last meeting.
- 1.4 To give an insight into the new proposed HMICFRS Force Management Statement and provide an opportunity for JASP members to be involved in the consultation process.
- 1.5 To provide an update on the Forces approach to safeguarding victims of DA who are assessed as high risk CAPP 2.

2. Recommendations

- 2.1 That the Panel notes the status of audits and inspections carried out over the last quarter.
- 2.2 That the Panel review Appendix 1 and if required request further detail which will be reported at the next meeting.
- 2.3 That the Panel participate in the consultation process offered by HMIC regarding the Force Management Template and feedback any comments to The Audit and Inspection Team mailbox, auditandinspectionteam@nottinghamshire.pnn.police.co.uk by the 12th December.

3. Reasons for Recommendations

- 3.1 To enable the Panel to fulfil its scrutiny obligations with regard to Nottinghamshire Police and its response to audits and inspections.
- 3.2 To provide the Panel with greater scrutiny opportunities and to reach more informed decisions.
- 3.3 To provide the Panel with the opportunity to shape the focus and data inputs for future HMIC inspections.

4. Summary of Key Points

Audit and Inspection Action Updates

- 4.1 The actions referred to in this report are the result of recommendations made by Nottinghamshire Police's internal auditors and external inspectorates, including HMIC.
- 4.2 There are currently 0 actions which have exceeded their target date. There are 9 actions showing as 'at risk' of being off target i.e. they will exceed their target date in the next month.
- 4.3 There are 18 actions which have been closed during this quarter.
- 4.4 Recent and Forthcoming Inspections.

Recent Inspection Activity

Date of Inspection	Inspection Area	Date Report Received	Final Grading	Status
May 2017	PEEL: Leadership and Efficiency	October 2017	TBC	Draft report checked for factual accuracy. Awaiting publication of final report
May 2017	PEEL: Legitimacy	October 2017	TBC	Draft report received for factual accuracy – to be returned by 17 th October
June 2017	PEEL: Effectiveness – Re-visit	-	N/A	Awaiting report

July 2017	Historical Recommendation Review	-	N/A	286 recommendations reviewed, 280 signed off, 6 to be re-submitted
July 2017	Crime File Review	-	N/A	Will be incorporated into final PEEL Effectiveness Report
September 2017	PEEL: Effectiveness	-	TBC	Awaiting report
September 2017	Office of Surveillance Commission	-	N/A	Hot debrief identified no significant recommendations. Awaiting report
N/A	Abuse of Position for a Sexual Purpose	-	N/A	Assessment of Action Plan received

Forthcoming Inspections

Date of Inspection	Inspection Area	Status
TBC	Crime Data	Date not yet confirmed

Publications

Date of Publication	Inspection Area	Status
July 2017	Disclosure of Unused Material in Volume Crown Court Cases	Actions being monitored on 4Action
July 2017	HMIC report 'Living in Fear the Police and CPS response to Harassment & Stalking'	Actions incorporated into Domestic Violence Action Plan, being monitored on 4Action

4.5 Recent and Forthcoming Audits

Recent Audit Activity

Date of Audit	Auditable Area	Date Report Received	Final Grading	Status
May 2017	Workforce Planning	June 2017	Satisfactory Assurance	Actions being monitored on 4Action
May 2017	Seized and Found Property	June 2017	Limited Assurance	Actions being monitored on 4Action
July 2017	Estates	August 2017	Satisfactory Assurance	Actions being monitored on 4Action
July 2017	Fleet	August 2017	Satisfactory Assurance	Actions being monitored on 4Action
September 2017	Procurement Follow Up	September 2017	Satisfactory Assurance	Out for Management Comment
August 2017	EMCHRS L&D	-	-	Out for Management Comment
September 2017	Safety Camera Partnership	-	-	Out for Management Comment
October 2017	Core Financials	-	-	Audit currently on-going

Forthcoming Audits

Date of Audit	Auditable Area	Status
October 2017	Collaborative Audit of Counter Fraud	Terms of reference agreed, questionnaire currently on Intranet to be completed by 17 th November

Overview of all ongoing actions from Audits & Inspections

Appendix 1 provides an overview of all ongoing actions from Audits and Inspections. The panel are recommended to scrutinise this information and to feedback on any further information or updates in any particular areas. This information will then be brought back to the next Audit and Scrutiny Panel for discussion.

Area Identified for further scrutiny –

The area identified by the Chair of the Panel for further scrutiny this period is the Nottinghamshire Police's approach to tackling Domestic Abuse which was a local HMIC Inspection completed in 2014. The key reason for this choice is to gain assurance of progress against key actions. The outstanding recommendation identified that the force should have a stronger, more formalised process on prevention, identification and management of serial and serious perpetrators, with clear responsibility and actions for officers, including how partner agencies will work with the police to reduce re-offending.

This recommendation was linked to national work which, at the time of the recommendation was identified as on-going. After completion, the force then undertook to bring the Domestic Violence cohort into the IOM process, so that Nottinghamshire would have a stronger focus on repeat victims and serial perpetrators.

The Serial Perpetrator management has now formally started and Offender Managers (Police, Probation and Independent Domestic Violence Advisor's (IDVA's)) have been identified to the most risky 'Top 40' offenders.

As of the 18th October the Top 40 serial Domestic Violence cohort were brought into the process and these have all been subject to at least one case review and the multi-agency working between Police, Probation, Public Protection Unit and IDVA's which has produced some great early wins.

Force Management Statement

The Force Management Statement is an instrument of self-assessment, designed to improve and streamline information provided by the Police service. The intention of the statement is to encourage forces to ask themselves what needs to be done now and in the immediate term to prepare for the demands of the future.

The template is currently in its developmental phase so HMICFRS are asking for feedback on the draft statement embedded within the document. Any opinions or views on the structure and contents of this document should be sent to auditandinspectionteam@nottinghamshire.pnn.police.uk by the 12th December. The consultation document is attached below.



Template for
Consultation.docx

5. Financial Implications and Budget Provision

5.1 If financial implications arise from recommendations raised from audits, inspections and reviews, these implications are considered accordingly.

Where an action cannot be delivered within budget provision, approval will be sought through the appropriate means.

6. Human Resources Implications

- 6.1 There are no direct HR implications as a result of this report. HR implications resulting from specific actions will be managed on a case by case basis.

7. Equality Implications

- 7.1 There are no direct HR implications as a result of this report. HR implications resulting from specific actions will be managed on a case by case basis.

8. Risk Management

- 8.1 Some current actions involve the completion of formal reviews of specific business areas. It is possible that some or all of these reviews will identify and evaluate significant risks, which will then be incorporated into the Force's risk management process.

9. Policy Implications and links to the Police and Crime Plan Priorities

- 9.1 Any policy implications will be subject to current policy development process.

10. Changes in Legislation or other Legal Considerations

- 10.1 There are no direct legal implications as a result of this report.

11. Details of outcome of consultation

- 11.1 Following receipt of a final audit or inspection report a member of the Governance and Planning team consults with the appropriate Lead Officer and other stakeholders to plan appropriate actions in response to each relevant recommendation, or to agree a suitable closing comment where no action is deemed necessary.
- 11.2 All planned actions are added to the action planning system, 4Action, for management and review until completion.

12. Appendices

- 12.1 Appendix 1: Overview of all ongoing actions from Audits and Inspections
Appendix 2: PEEL Effectiveness - AF/149c/4717

Overview of all ongoing actions from Audits and Inspections

Audit/Inspection	Source Title	Date	Number of Actions	Number Open	Number Closed	Number on Target	Number At Risk
Audit-Mazars	Procurement January 2016	January 2016	10	1	9	1	0
Audit-Mazars	Implementation of DMS June 2016	June 2016	6	3	3	3	0
Audit-Mazars	Data Protection Act Compliance Oct 2016	October 2016	14	6	8	6	0
Audit-Mazars	Procurement Follow up Nov 2016	November 2016	6	1	5	0	1
Audit-Mazars	Core Financials Systems Assurance Dec 2016	December 2016	9	2	7	2	0
Audit-Mazars	HR Recruitment and Selection	January 2017	4	3	1	3	0

Overview of all ongoing actions from Audits and Inspections

Audit/Inspection	Source Title	Date	Number of Actions	Number Open	Number Closed	Number on Target	Number At Risk
Audit-Mazars	Data Quality 2016/17	May 2017	4	3	1	3	0
Audit-Mazars	Risk Management	May 2017	7	7	0	7	0
Audit-Mazars	Estates Management	August 2017	3	3	0	1	2
Audit-Mazars	Fleet Management	August 2017	6	6	0	6	0
Audit-Mazars	Workforce Planning	September 2017	8	6	2	6	0

Overview of all ongoing actions from Audits and Inspections

Audit/Inspection	Source Title	Date	Number of Actions	Number Open	Number Closed	Number on Target	Number At Risk
Inspection-HMIC	Nottinghamshire Police's approach to tackling Domestic Abuse (local report)	May 2014	13	1	12	1	0
Inspection-HMIC	Welfare of Vulnerable People in Custody	March 2015	8	2	6	1	1
IPCC	Use of Force Report	September 2016	15	5	10	5	0
Inspection-HMIC	Efficiency Nov 2016 'Hot De Brief' actions	November 2016	31	6	25	6	0
Inspection-HMIC	Legitimacy 2016	December 2016	10	2	8	2	0
Inspection-HMIC	Effectiveness 2016	March 2017	10	10	0	6	4

Overview of all ongoing actions from Audits and Inspections

Audit/Inspection	Source Title	Date	Number of Actions	Number Open	Number Closed	Number on Target	Number At Risk
Inspection-HMIC	Efficiency, Legitimacy and Leadership Hot Debrief 2017	May 2017	9	8	1	7	0
Inspection-HMIC	Making it Fair: Disclosure of unused material in volume Crown Court Cases	July 2017	6	5	1	4	1

For Information	
Public/Non Public	Public
Report to:	Joint Audit and Scrutiny Panel (JASP)
Date of Meeting:	December 2017
Report of:	Stephen Charnock – Chair of JASP Charlie Radford – Treasurer Rachel Barber – Deputy Chief Constable
Report Author:	Julie Mair, Head of Corporate Development
E-mail:	julie.mair@nottinghamshire.pnn.police.uk
Other Contacts:	
Agenda Item:	13

Joint Audit and Scrutiny Panel Draft Work Programme 2018/19

1. Purpose of the Report

- 1.1 To provide the Joint Audit and Scrutiny Panel with a draft work programme for consideration and to provide an opportunity for panel members to feedback any comments before final consultation with the PCC and CC.

2. Recommendations

- 2.1 That the Panel review the draft work programme and provide feedback so that the final work programme can be presented to the PCC and Chief Constable before approval at the JASP in March 2018.

3. Reasons for Recommendations

- 3.1 To provide a work programme that ensures statutory obligations are met and that appropriate assurance is provided to the JASP, PCC and CC.

4. Summary of Key Points

- 4.1 The draft work programme includes 5 meetings which consist of:
- One meeting from 2017/18 work programme cycle which will take place in March 2018, and
 - Four meetings from the 2018/19 work programme cycle commencing in May 2018.
- 4.2 The key areas identified on the draft work programme focus on the core responsibilities of an Audit Committee as identified in the CIPFA Audit Committees Practical Guidance for Local Authorities and Police guidance document. The core areas where assurance is required are:
- Annual Governance Statement and processes
 - Internal and External Audit
 - Effectiveness of risk management arrangements

- Review of financial accounts

4.3 In addition to the core functions identified above the JASP are also required to get assurance on other areas, some of these include:

- Report on complaints, misconduct and investigations (to include dip sampling actions completed as a result of recommendations and lessons learned).
- Report on IPCC investigations (to include dip sampling actions completed as a result of recommendations and lessons learned. Review of Whistle blowing (Policy/procedure/grievances & appeals)
- Review of Antifraud & Corruption Policy (Policy/procedure/grievances & appeals)
- Review of Business Continuity Management
- Effectiveness of partnerships
- Monitor the application of the pension schemes
- Review of delegated powers
- Review Register of Interests
- Financial Management/Financial Systems
- Legislative change
- Scheme of delegation
- Annual report on PSD activity
- Anti-fraud and corruption (staff)

4.4 There may be other areas that need to be added to the areas above and this will be finalised once the full review of requirements is complete. The review is considering areas identified in the CIPFA Audit Committees Practical Guidance and the areas identified in the guidance around the preparation of Annual Governance Statements.

4.5 It is proposed that the areas above and any other that come from the review are identified as areas for scrutiny on a rolling programme. This programme would be based on areas of risk or gaps in assurance that would be provided by the Assurance Map that will help to inform the Internal Audit Plan or assurance reports that will be presented to the JASP. The report detailing the final proposed work plan would present options around the rolling programme; this report will be presented to the JASP in March 2018.

5. Financial Implications and Budget Provision

5.1 None identified

6. Human Resources Implications

- 6.1 There are no direct HR implications as a result of this report. HR implications resulting from specific actions will be managed on a case by case basis.

7. Equality Implications

- 7.1 There are no direct HR implications as a result of this report. HR implications resulting from specific work areas will be managed on a case by case basis.

8. Risk Management

- 8.1 The work programme for the JASP will help to fulfil the panel's responsibilities with regard to assurance around risk management processes.

9. Policy Implications and links to the Police and Crime Plan Priorities

- 9.1 None identified

10. Details of outcome of consultation

10.1 The following stakeholders have been consulted with on the draft work programme:

- Chair of JASP – Stephen Charnock
- DCC – Rachel Barber
- Charlie Radford – Treasurer
- Mark Kimberley – Head of Finance

11. Appendices

- 11.1 Appendix 1 Draft Joint Audit and Scrutiny Panel Work Plan

DRAFT JOINT AUDIT AND SCRUTINY PANEL WORK PLAN 2017/18

FRI 2nd March 2018			
	New Internal Audit Plan 2018/19	Annual	Mazars – Brian Welch
	Review of OPCC Risk Management arrangements	Each Meeting	OPCC – Kevin Dennis?
	Review of Force Risk Management arrangements		Force - DCC
	Review and update of JASP Work Programme	Annual	Charlie Radford/Julie Mair
	Update on actions from audits, inspections and reviews <i>(Includes Internal audit, External Audit, HMIC, AGS improvements)</i>	Each meeting	OPCC – where appropriate Force – DCC
	Budget reports(for information) <ul style="list-style-type: none"> • Treasury Management Strategy • Reserves Strategy • Capital Report • MTFS • Budget Report 	Annual	Charlie Radford
	PCC's Update Report (For information)	Each meeting	OPCC - Phil Gilbert

Appendix 1

PROPOSED JOINT AUDIT AND SCRUTINY PANEL WORK PLAN 2018/19

WEDNESDAY 30th MAY 2018			
	Annual Internal Audit Report (including review of past year and audit schedule for 2018/19)	Annual	Mazars – Brian Welch
	Draft CC's Statement of Accounts 17/18	Annually	OPCC – Charlie Radford
	Draft Group Statement of Accounts 17/18		Force – Paul Dawkins
	Draft Annual Force Governance Statement 2017/18	Annually	Force – DCC
	Draft Annual OPCC Governance Statement 2017/18		OPCC – Charlie Radford
	External Audit Plan	Annually	KPMG – Andrew Cardoza
	Annual Internal Audit Assurance Report	Annually	OPCC – Charlie Radford
	Internal Audit Progress Report same as top line	Each Meeting	Mazars – Brian Welch
	Review of OPCC Risk Management arrangements	Each Meeting	OPCC – Kevin Dennis
	Review of Force Risk Management arrangements		Force – DCC
	Update on actions from audits, inspections and reviews (Includes Internal audit, External Audit, HMIC, AGS improvements)	Each meeting	OPCC - as required
	PCCs Update Report	Each Meeting	Force – DCC OPCC – Phil Gilbert

Appendix 1

FRIDAY 27th JULY 2018			
	Final Force Statement of Accounts 17/18	Annually	OPCC – Charlie Radford
	Final Group Statement of Accounts 17/18 (OPCC and Force AGS to be added as an appendix)		Force – Paul Dawkins
	Summary set of accounts for publication 17/18? If available/ could be next meeting	Annually	OPCC – Charlie Radford
	Internal Audit Progress Report	Each Meeting	Mazars – Brian Welch
	Review of OPCC Risk Management arrangements	Each Meeting?	OPCC – Kevin Dennis
	Review of Force Risk Management arrangements		Force – DCC
	Update on actions from audits, inspections and reviews (Includes Internal audit, External Audit, HMIC, AGS improvements)	Each meeting	OPCC - as required
			Force - DCC
	PCC Update Report	Each Meeting	OPCC – Phil Gilbert

Appendix 1

WEDNESDAY 7th NOVEMBER 2018			
	Internal Audit Progress Report	Each Meeting	Mazars – Brian Welch
	Review of OPCC Risk Management arrangements	Each Meeting?	OPCC – Kevin Dennis
	Review of Force Risk Management arrangements		Force – DCC
	Update on actions from audits, inspections and reviews (Includes Internal audit, External Audit, HMIC, AGS improvements)	Each meeting	OPCC - Where appropriate Force - DCC
	Annual Audit Letter – External Audit	Annual	KPMG - Andrew Cordoza
	PCC Update Report	Each Meeting	OPCC – Phil Gilbert

MARCH ?? 2019			
	New Internal Audit Plan 2019/20	Annual	Mazars – Brian Welch
	PCC Update Report	Each Meeting	OPCC – Phil Gilbert
	Budget Reports (for information) <ul style="list-style-type: none"> • Treasury Management Strategy • Reserves Strategy • Capital Report • MTFS • Budget Report 	Annually	OPCC – Charlie Radford
	External Audit Plan if available	Annually	Ernst & Young
	Annual Internal Audit Assurance Report	Annually	OPCC – Charlie Radford
	Internal Audit Progress Report	Each Meeting	Mazars – Brian Welch
	Review of OPCC Risk Management arrangements	Each Meeting?	OPCC – Kevin Dennis
	Review of Force Risk Management arrangements		Force - DCC
	Update on actions from audits, inspections and reviews (Includes Internal audit, External Audit, HMIC, AGS improvements)	Each meeting	OPCC - where appropriate Force - DCC
	Note -If possible – invite new External Auditor – Ernst & Young		

Appendix 1

Review of key areas to support Corporate Governance arrangements: *(review of requirements to be finalised and then prioritised. Areas to be identified for reports or internal audits and will be informed by assurance mapping)*

Sources of assurance to include:

- Report on complaints, misconduct and investigations (to include dip sampling actions completed as a result of recommendations and lessons learned. Could this be incorporated into report of all actions?)
- Report on IPCC investigations (to include dip sampling actions completed as a result of recommendations and lessons learned. Could this be incorporated into report of all actions?)
- Review of Whistle blowing (Policy/procedure/grievances & appeals)
- Review of Antifraud & Corruption Policy (Policy/procedure/grievances & appeals)
- Review of Business Continuity Management
- Effectiveness of partnerships
- Monitor the application of the pension schemes
- Review of delegated powers
- Review Register of Interests
- Financial Management/Financial Systems
- Legislative change
- Scheme of delegation
- Annual report from PSD on their activity - i.e. no of dismissals final letters and nature of the events
- Annual report on Anti-fraud and corruption - This report should be prepared by the Head of PSD and should report on all instances/non-instances of fraud and corruption by staff (including EMSCU).