



JOINT AUDIT AND SCRUTINY PANEL

**WEDNESDAY 7 NOVEMBER 2018 at 10.00 AM
FORCE HEADQUARTERS, SHERWOOD LODGE
ARNOLD, NOTTINGHAMSHIRE NG5 8PP**

(pre-meeting for Panel Members at 9:30 am)

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

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 24 July 2018
4. Progress Against Action Tracker
5. Chair's topic: Schools and Early Intervention Officers (SEIO) - Presentation
6. Audit and Inspection Update
7. Internal Audit Progress Report
8. Annual Audit Letter 2017-18
9. Crime Data Integrity Inspection Assurance Report

10. Strategic Risk Management Report for Force and Nottinghamshire Police and Crime Commissioner (NOPCC), Quarter 2, 2018/19
11. Business Continuity Testing Update
12. Summary set of Accounts
13. Mid-Year Treasury Management Report 2018-19
14. Joint Code of Corporate Governance and Working Together (Part A and B)
15. Police and Crime Commissioner's Update Report – to July 2018
16. Complaints and Misconduct Investigations
17. IPOC Investigations, Recommendations and Actions
18. Professional Standards Confidential Reporting Procedure (“Whistleblowing”)
19. Joint Audit and Scrutiny Panel Work Plan 2018/19
20. Summary of Actions (verbal)

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 8445998 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 WEDNESDAY 24TH
JULY 2018 AT GEDLING BOROUGH COUNCIL, CIVIC CENTRE, ARNOT HILL PARK,
ARNOLD, NOTTINGHAMSHIRE NG5 6LU COMMENCING AT 10AM**

MEMBERSHIP

(A – denotes absent)

Mr Stephen Charnock (Chair)

Mr Leslie Ayoola

Dr Phil Hodgson

Mr Peter McKay

Vacancy

OFFICERS PRESENT

Sara Allmond	Democratic Services, Notts County Council
Andrew Cardoza	KPMG
Craig Guildford	Chief Constable, Notts Police
Mark Kimberley	Head of Finance, Notts Police
Charlie Radford	Chief Finance Officer, OPCC
Paddy Tipping	Police & Crime Commissioner
Brian Welch	Mazars
Lee Young	Detective Chief Inspector, Notts Police

1) ELECTION OF CHAIR

Stephen Charnock was elected as Chairman of the Panel for 2018/19.

2) APOLOGIES FOR ABSENCE

An apology for absence was received from Deputy Chief Constable Rachel Barber.

3) DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

Dr Phil Hodgson declared an interest in item 7 as he was the Head of Law and Social Services, University of Derby who had the contract for apprenticeship training.

Leslie Ayoola declared an interest in 7 as he was a Councillor for Nottingham City Council representing Mapperley ward.

4) MINUTES OF THE PREVIOUS MEETING

The minutes of the last meeting held on 30 May 2018, having been circulated to all members, were taken as read and were confirmed and signed by the Chair.

AGENDA ORDER

The Chairman agreed to change the agenda order to allow DCI Young to present his item first.

8) TACKLING FRAUD – NOTTINGHAMSHIRE POLICE

DCI Lee Young introduced the report on the approach being taken by Nottinghamshire Police in tackling fraud.

During discussion the following points were raised:-

- There was good collaborative working with Council Trading Standards teams.
- Work was being undertaken to support victims to reduce repeat victimisation.
- The fraud currently reported to police was the tip of the iceberg. There was a level of acceptance by the public about lower level fraud such as phishing emails which meant these were not reported.
- The Force would visit fresher's week at the universities to raise awareness with the new students coming into the city.
- The priority had to be on prevention and education due to the amount of fraud and attempted fraud taking place and to best support the victims.

RESOLVED 2018/017

To receive assurance from the information contained in the report in relation to how Nottinghamshire Police were tackling fraud.

5) PROGRESS AGAINST ACTION TRACKER

The action tracker was received.

6) EXTERNAL AUDIT OF THE ACCOUNTS 2017-18 (ISA260)

Andrew Cardoza introduced the report which provided the Panel with the results of the review of the Statement of Accounts and supporting documentation for the Financial Year 2017-18.

During discussion the following points were raised:-

- The majority of the partial recommendations were due to having to switch off the Big Red Button part way through the process and the delays that caused.

- In relation to MFSS, Nottinghamshire were now front-running the development with a plan to bring it back on track as quickly as possible.
- A national consulting company were carrying out a piece of work on shared savings with a view to saving £20million nationally. The report would be available for circulation to Panel Members in October.

RESOLVED: 2018/018

- 1) That the findings of the External Auditor be recommended to the Police and Crime Commissioner and the Chief Constable.
- 2) That the letter of representation be recommended to the Police and Crime Commissioner for signing and sending to the external auditors.

7) STATEMENT OF ACCOUNTS AND ANNUAL GOVERNANCE STATEMENTS FOR 2017-18

Mark Kimberley introduced the report which provided members with a copy of the audited statement of accounts and annual governance statements for 2017-18.

RESOLVED: 2018/019

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

9) INTERNAL AUDIT PROGRESS REPORT

Brian Walsh introduced the report which provided members with an update on progress against the Internal Audit Plan 2018-19 and the findings from audits completed to date.

During discussions the following point was raised:-

- In relation to the collaboration assurance statements, there was a mix of how well they were completed with very little action coming out of them. There were discussions ongoing as to how to the governance of the various collaborations.

RESOLVED: 2018/020

To note the progress report.

10) AUDIT AND INSPECTION UPDATE

Chief Constable Craig Guildford introduced the report which provided an update on progress against recommendations arising from the audits and inspections which had taken place during quarter 1, 2018/19, provided information on the schedule of planned

audits and inspections and provided additional information on the inspection Stolen Freedom; the Policing Response to Modern Slavery and Human Trafficking.

During discussions the following point was raised:-

- The Force Management Statement had been prepared as required by HMICFRS. This had taken a considerable amount of resource and time to produce and the Force were looking at how it could be made useful for the Force as well as HMICFRS.

RESOLVED: 2018/021

To note the status of the audits and inspections carried out over the last quarter

11) TREASURY MANAGEMENT YEAR END REPORT

Charlie Radford introduced the report which provided members with details of compliance with the Treasury Management Strategy and prudential indicators for 2017-18

RESOLVED: 2018/022

To receive assurance from the information contained within the report.

12) PUBLICATION SCHEME MONITORING, REVIEW AND ASSURANCE

Charlie Radford introduced the report which provided the Panel with assurance that the Office of the Police and Crime Commissioner was working in full compliance of the Freedom of Information (FOI) Act 2000 and The Elected Local Policing Bodies (Specified Information) Order 2011.

RESOLVED: 2018/023

That the Panel received assurance from the information contained within the report.

13) NOTTINGHAMSHIRE POLICE INFORMATION MANAGEMENT, FREEDOM OF INFORMATION AND DATA PROTECTION UPDATE FOR CALENDAR YEAR 2017

Chief Constable Craig Guildford introduced the report which provided the Panel with data on the legislative compliance of the Freedom of Information Act 2000 and Data Protection Act 1998 by Nottinghamshire Police for the calendar year of 2017.

RESOLVED: 2018/024

That the Panel received assurance from the information contained within the report.

14) PRIORITY PLAN PROGRAMME UPDATE MAY 2018

Chief Constable Craig Guildford introduced the report which provided an update on the activity of the Priority Plan Programme.

During discussions the following points were raised:-

- The Force were ahead of the curve and taking all opportunities to invest to save. The Force were open to suggestions from employees and were taking a whole organisation approach.
- Morale within Force had been significantly boosted by the additional front line officers, however other organisations having budget pressures such as the ambulance service was having an impact on officer time. The apprenticeships scheme would bring new officers on board along with the recruitment of additional PCSOs.

RESOLVED: 2018/025

To note the report

15) PANEL WORK PROGRAMME AND MEETING SCHEDULE

RESOLVED: 2018/026

To note the report.

16) SUMMARY OF ACTIONS

RESOLVED: 2018/27

To include the following items on the action tracker:-

Action 016 – PCC to circulate PA Consulting report on shared services with panel members when available

Action 017 – Copy of Force Management Statement to be provided to panel members

The meeting closed at 12.22pm

CHAIR

AUDIT & SCRUTINY PANEL MEETING

Actions arising from previous meetings an progress against action tracker

	ACTION	ALLOCATED TO	TIMESCALES FOR UPDATES	UPDATE
010	Update on Business Change (report titled Priority Plan Programme Update May 2018)	Matt MacFarlane	To be reported to Nov 2018 meeting	Completed at 24 th July 2018 meeting Complete and close
011	Report and presentation on Notts Police strategy on dealing with fraud including how engage with other partners such as charities	DCI Young	Next meeting	Completed at 24 th July 2018 meeting
012	Panel members to meet officers who are appointed as lead officers on risks within risk register	DCC Barber / Stephen Charnock	Meetings to start from Autumn 2018	
013	More detailed update on the HMIC Inspection - Stolen freedom: the policing response to modern slavery and human trafficking to be included in next Update on Actions from Audits, Inspections and Reviews report	Amanda Froggatt	Next meeting	Completed at 24 th July 2018 meeting Complete and close
014	HMIC to be invited to attend a Panel meeting to present on their views of the current landscape in Policing	DCC Barber	To a future meeting	
015	Update to Panel members on the new Force structure and other relevant changes within the Force and OPCC via a briefing meeting	DCC Barber	By Autumn 2018	Briefing took place on 11 th October Complete and close
016	PCC to circulate PA Consulting report on shared services with panel members when available	PCC Tipping	When available – expected Oct 2018	Not now expected until end of October at the earliest
017	Copy of Force Management Statement to be provided to panel members	CC Guildford	Before next meeting	Copy of executive summary circulated.

For Information	
Public	
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	7th November 2018
Report of:	Chief Constable, Craig Guildford
Report Author:	Ch Insp Stapleford
E-mail:	richard.stapleford@nottinghamshire.pnn.police.uk
Other Contacts:	
Agenda Item:	5

Schools and Early Intervention Officers (SEIO)

1. Purpose of the Report

- 1.1 The purpose of the presentation will be to update the Joint Audit and Scrutiny Panel on the Force's Schools and Early Intervention Officers Programme.

2. Recommendations

- 2.1 It is recommended that the Panel receives assurance from the information provided in the presentation to be given at the meeting.

3. Reasons for Recommendations

- 3.1 To ensure that the Panel is updated on the work in this particular area of business.

4. Summary of Key Points

- 4.1 These will be covered in the presentation to be given on the day.

5. Financial Implications and Budget Provision

- 5.1 There are no additional financial implications arising from this report.

6. Human Resources Implications

- 6.1 There are no additional financial implications arising from this report.

7. Equality Implications

- 7.1 There are no additional equality implications arising from this report.

8. Risk Management

- 8.1 There are no risk management issues arising from this report.

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

9.1 This work is intrinsically linked to the Police and Crime Plan priorities as follows; Protecting People from Harm, Tackling Crime and Antisocial Behaviour and Transforming Services and Delivering Quality Policing.

10. Changes in Legislation or other Legal Considerations

10.1 There are no changes in legislation arising from this report.

11. Details of outcome of consultation

11.1 There has been no additional consultation relating to this report.

12. Appendices

12.1 There are no appendices related to this report.

For Information	
Public/Non Public	Public
Report to:	Joint Audit and Scrutiny Panel (JASP)
Date of Meeting:	7th November 2018
Report of:	Chief Constable
Report Author:	Amanda Froggatt, Strategic Support Officer
E-mail:	amanda.froggatt@nottinghamshire.pnn.police.uk
Other Contacts:	N/A
Agenda Item:	6

Audit and Inspection Update

1. Purpose of the Report

- 1.1 To provide the Joint Audit and Scrutiny Panel (JASP) with an update on progress against recommendations arising from audits and inspections which have taken place during Quarter 2, 2018/19.
- 1.2 To inform the Board of the schedule of planned audits and inspections.
- 1.3 To provide further information on the area identified for further scrutiny as requested at the last JASP (Appendix 2 – Nottinghamshire Police’s Approach to tackling Domestic Abuse).

2. Recommendations

- 2.1 It is recommended 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.

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 HMICFRS 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 HMICFRS.
- 4.2 There are currently 0 actions which have exceeded its target date. There are 100 actions showing as 'at risk' of being off target i.e. they will exceed their target date in the next month.
- 4.3 There were 70 actions closed during this quarter.
- 4.4 Recent and forthcoming Inspections.

Recent Inspection Activity

Date of Inspection	Inspection Area	Date Report Received	Final Grading	Status
July 2018	Serious and Organised Insight Visit	-	-	Will be incorporated into Integrated PEEL Inspection report
September 2018	Integrated PEEL Inspection	-	-	Inspection undertaken

Forthcoming HMICFRS Inspections

Date of Inspection	Inspection Area	Status
October 2018	Unannounced Custody Inspection	Currently taking place
December 2018	Counter Terrorism	N/A
April – June 2019	Cyber-Dependent Crime	N/A

Publications

Date of Publication	Inspection Area	Status
July 2018	Older Children Neglect	Out for Management Action

4.5 Recent and Forthcoming Audits

Recent Audit Activity

Date of Audit	Auditable Area	Date Report Received	Final Grading	Status
May 2018	Collaboration - Review of Collaboration Assurance Statements	May 2018	-	Report issued
June 2018	Contract Management of MFSS	-	Limited Assurance	Actions being monitored on 4Action
June 2018	Follow-up of Limited Assurance Reports <ul style="list-style-type: none"> - Risk Management - Safety Camera - Data Protection 	July 2018	-	Report issued, actions updated on 4Action
July 2018	Collaboration – Strategic Financial Planning	-	-	Report to be issued
August 2018	Collaboration – Risk Management	-	-	Delay in seeing EMOpSS
August 2018	Code of Governance	August 2018	Satisfactory Assurance	Draft report issued, out for management comment
September 2018	Collaboration – Business Planning	-	-	Report to be issued
September 2018	Health and Safety	-	-	Awaiting draft report
September 2018	Commissioning	-	-	Audit commenced 24 th September

Forthcoming Audits

Date of Audit	Auditable Area	Status
August 2018	Collaboration – Risk Management	Delay due to EMOpSS
Proposed October 2018	GDPR	Audit not yet scheduled
October 2018	Firearms Licensing	Terms of Reference agreed, audit will commence 16 th October
Proposed November 2018	Core Financial Systems	Audit to take place 26 th November
TBC	Seized Property	Audit deferred to Quarter 4
TBC	Late Night Levy	Audit not yet scheduled
Proposed March 2019	IT Strategy	Audit deferred to Quarter 4
Proposed March 2019	Partnership Working	Audit to take place 31 st March 2019

Overview of all ongoing actions from Audits & Inspections - Appendix 1

Area Identified for further scrutiny – Nottinghamshire Police’s Approach to tackling Domestic Abuse – See Appendix 2

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
- 12.2 Appendix 2 – Nottinghamshire Police's Approach to tackling Domestic Abuse

Appendix 1 - Overview of all ongoing actions from Audits and Inspections: September 2018

Audit/Inspection	Source Title	Date	Number of Actions	Number Open	Number Closed	Number on Target	Number At Risk	Number Overdue
Audit-Mazars	Implementation of DMS June 2016	June 2016	6	3	3	0	3	0
Audit-Mazars	Data Protection Act Compliance Oct 2016	October 2016	14	2	12	0	2	0
Audit-Mazars	Procurement Follow up Nov 2016	November 2016	9	0	9	0	0	0
Audit-Mazars	Core Financials Systems Assurance Dec 2016	December 2016	9	1	8	0	1	0
Audit-Mazars	HR Recruitment and Selection	January 2017	4	3	1	0	3	0
Audit-Mazars	Data Quality 2016/17	May 2017	4	2	2	0	2	0
Audit-Mazars	Risk Management	May 2017	7	1	6	1	0	0
Audit-Mazars	Fleet Management	August 2017	6	4	2	0	2	0
Audit-Mazars	Workforce Planning	September 2017	8	1	7	0	1	0
Audit-Mazars	Social Value Impact	July 2016	4	1	3	0	1	0
Audit-Mazars	Seized & Found Property	May 2017	11	9	2	0	9	0
Audit-Mazars	Counter Fraud Review	January 2018	24	6	18	0	6	0

Appendix 1 - Overview of all ongoing actions from Audits and Inspections: September 2018

Audit/Inspection	Source Title	Date	Number of Actions	Number Open	Number Closed	Number on Target	Number At Risk	Number Overdue
Audit-Mazars	Procurement Follow up Sept 2017	September 2017	3	1	2	0	1	0
Audit-Mazars	Core Financials Follow up July 2016	October 2016	12	1	11	0	1	0
Audit-Mazars	EMCHRS Learning & Development Collaboration	August 2017	5	1	4	0	1	0
Audit-Mazars	Joint Code of Corporate Governance	November 2015	2	1	1	0	1	0
Audit-Mazars	Safety Camera Partnership	September 2017	2	1	1	0	1	0
Audit-Mazars	Commissioning - Community Safety	May 2016	5	1	4	0	1	0
Audit-Mazars	Implementation of Duty Management System– Follow Up	May 2018	5	4	1	0	4	0
Audit-Mazars	MFSS Contract Management	June 2018	4	4	0	4	0	0
Inspection-HMIC	Nottinghamshire Police's approach to tackling Domestic Abuse (local report)	March 2014	13	1	12	0	1	0
Inspection-HMIC	Welfare of Vulnerable People in Custody	March 2015	8	1	7	0	1	0
Inspection-HMIC	Efficiency Nov 2016 'Hot De Brief' actions	November 2016	31	1	30	0	1	0
Inspection-HMIC	Legitimacy 2016	December 2016	10	1	9	0	1	0
Inspection-HMIC	Effectiveness 2016	March 2017	10	2	8	0	2	0
Inspection-HMIC	Neighbourhood Strategy	2018	16	16	0	0	0	0
Inspection-HMIC	Efficiency, Legitimacy and Leadership Hot Debrief 2017	May 2017	9	2	7	0	2	0
Inspection-HMIC	Making it Fair: Disclosure of unused material in volume Crown Court Cases	July 2017	6	4	2	0	4	0

Appendix 1 - Overview of all ongoing actions from Audits and Inspections: September 2018

Audit/Inspection	Source Title	Date	Number of Actions	Number Open	Number Closed	Number on Target	Number At Risk	Number Overdue
Inspection-HMIC	National Child Protection 2015	August 2015	8	1	7	0	1	0
Inspection-HMIC	Stolen freedom: the policing response to modern slavery and human trafficking	October 2017	7	1	6	0	1	0
Inspection-HMIC	PEEL Effectiveness 2017	September 2017	23	23	0	0	23	0
Inspection-HMIC	Additional PEEL Efficiency, Legitimacy, Leadership Actions 2017	2017	7	7	0	0	7	0
Inspection-HMIC	Progress Report on Domestic Abuse	Jan 2018	2	0	2	0	0	0
Inspection-HMIC	Hate Crime Thematic	2018	15	15	0	15	0	0
Inspection-HMIC	PEEL Legitimacy inc Leadership 2017	2017	4	4	0	0	4	0
Inspection-HMIC	PEEL Vulnerability Re Visit 2017	2017	9	9	0	0	9	0
Inspection-HMIC	PEEL Effectiveness National Report	2018	3	3	0	3	0	0
Inspection-HMIC	PEEL Efficiency 2017	2017	2	2	0	2	0	0
IPCC	Use of Force Report	September 2016	15	2	13	0	2	0
IPCO	IPCO Inspection	December 2017	2	1	1	0	1	0

Appendix 2 - Nottinghamshire Police's Approach to tackling Domestic Abuse: Outstanding Recommendation

Area Identified for further scrutiny –

The area identified by the Chair of the Panel for further scrutiny this period is Nottinghamshire Police's approach to tackling Domestic Abuse which was a local HMIC Inspection completed in 2014. The key reason for this choice was 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 (DV) cohort into the Integrated Offender Management (IOM) process, so that Nottinghamshire would have a stronger focus on repeat victims and serial perpetrators.

Update

Since October 2017 Nottinghamshire IOM have developed a cohort of high risk serial DV perpetrators. Offenders are selected using the current academic leading tool – the Priority Perpetrator Identification Tool (PPIT).

IOM currently manages 45 of the highest risk serial DV perpetrators using the standard IOM mechanisms and processes, but with the additional resources of embedded IOM Independent Domestic Violence Advisors (IDVAs) and expert consultation on all Offender Management decisions from the Domestic Abuse Support Unit.

The scheme was developed in 2017 in full consultation with all Offender Management and Domestic Abuse services and since its inception has been very successful. We are able to tailor measures such as licence conditions, prison releases, and community offender management to ensure that the risks posed by these people are significantly reduced.

As the risk levels are reduced through tried and tested IOM tactics (daily risk assessment, weekly case reviews, prison release and licence planning etc.) they can be removed from this cohort (with the consent of all agencies), to be replaced by those whose current risk requires that level of resource heavy management.

IOM IDVAs have received 131 referrals for survivors linked to this cohort and have identified 152 children at risk through their association with these perpetrators. The scheme has also been successful in achieving engagement with offenders to undertake rehabilitative programmes as part of their licences.

The scheme sits alongside and complements existing DV measures to deliver a greater level of safety for the survivor through intensive management of the perpetrator.

For Information / Consideration	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	7th November 2018
Report of:	Chief Finance Officer
Report Author:	Charlotte Radford
Other Contacts:	Brian Welch
Agenda Item:	7

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 2019-19 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 2018-19
- 12.2 Follow up of Audit Recommendations – July 2018



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

Internal Audit Progress Report 2018/19

October 2018

Presented to the Joint Audit & Scrutiny Panel meeting of: 7th November 2018

Contents

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

Appendices

- A1 Summary of Reports
- A2 Internal Audit Plan 2018/19
- 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 Operational Plan for the year ended 31st March 2019 which was considered and approved by the JASP at its meeting on 30th May 2018.
- 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 Since the last progress report to the JASP we have issued three final reports, these being in respect of Force Management of MFSS Arrangements, Corporate Governance and a Follow-up of the Duty Management System audit, the latter being part of the 2017/18 audit plan. We have also issued a report in respect of the Follow-up of Limited Assurance Recommendations (which is reported separately). Additionally, we have issued draft reports in respect of Health & Safety and Commissioning where we await management's responses. Further details are provided in Appendix 1.

Nottinghamshire 2018/19 Audits	Report Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
Force Management of MFSS Arrangements	Final	Limited	2	2		4
Code of Governance	Final	Satisfactory		4		4
Health & Safety	Draft					
Commissioning	Draft					
Follow-up of Limited Assurance Recommendations	Final	N/A				
Total			2	6	0	8

- 2.2 With regards ongoing audits, the audit of Firearms Licensing is in progress. The audits of the Core Financial Systems, IT Strategy and GDPR are scheduled between now and Christmas. Further details are provided in Appendix 2.
- 2.3 Work in respect of the 2018/19 Collaboration Internal Audit Plan is progressing. We have recently issued the draft report in respect of Strategic Financial Planning, whilst fieldwork in respect of Risk Management has been completed and the draft report will be issued shortly.

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% (5/5)
5	Issue of final report	Within 5 working days of agreement of responses.	100% (3/3)
6	Follow-up of priority one recommendations	90% within four months. 100% within six months.	Achieved
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% (10/10)
9	Customer satisfaction (measured by survey)	85% average satisfactory or above	None received

Appendix A1 – Summary of Reports

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 progress report:

Implementation of Duty Management System – Follow-up

Assurance Opinion – 2016/17	Limited
Assurance Opinion – 2017/18	Satisfactory

Recommendation Priorities		
	2016/17	2017/18
Priority 1 (Fundamental)	3	1
Priority 2 (Significant)	3	2
Priority 3 (Housekeeping)	0	1

As part of the Internal Audit Plan for 2017/18 for the Office of the Police and Crime Commissioner for Nottinghamshire (OPCC), and Nottinghamshire Police we undertook a follow-up audit of the controls and processes in place for the Implementation of the Duty Management System (DMS).

An audit of the Implementation of DMS was undertaken during 2016/17 which resulted in a limited assurance opinion with regards the adequacy and efficiency of controls that were in place. Therefore, to ensure that the control weaknesses previously highlighted have been addressed, a follow-up audit has taken place. The specific areas that formed part of the original review included: policies, procedures, guidance, training, system access, user controls and data reconciliation.

During the last audit visit there were weaknesses in the system of internal controls that put the Organisation's objectives at risk and whilst the system itself had the capabilities and controls for restricting access to personal data, the governance arrangements which underpin the implementation of DMS needed clarification. Whilst improvements have been made, and the previous recommendations have been partly implemented, there are still improvements to be made.

The Follow-up audit confirmed that progress had been made to address the previously identified weaknesses, although there remained some work to do.

We raised one priority 1 recommendation of a fundamental nature that required addressing. This is set out below:

Recommendation 1	<p>The Force should clarify the roles and responsibilities of the parties involved in the maintenance and usage of the DMS System. The Force should confirm where the responsibility for system administration will lie.</p> <p>Once the responsibilities are clear, the Force should ensure that the System Administrators reports are being used to maintain the system.</p> <p>The Information Asset Register should be updated to ensure the information asset owners and their delegates are correctly stated.</p>
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Finding	<p>System Governance – System Maintenance</p> <p>During the last audit visit there was a lack of ownership over the Duty Management System, including responsibility for the information, security of information and maintenance of the information within the system.</p> <p>Some improvements have been made and an Information Asset Owner has been assigned for the data that is held within DMS. It was, however, noted that one of the delegates listed on the Information Asset Register was out of date and required updating.</p> <p>However, discussion with HR confirmed that system administration responsibility is currently under discussion as to where this will sit moving forward following the previous DMS Lead within RMU leaving the organisation.</p> <p>The lack of ownership for system administration was highlighted during the audit when confirmation that APEX reports are now available for system administrators, however these are currently not being regularly used.</p>
Response	<p>a) OSD is responsible for the DMS system. b) Superintendent Operational Support is the Information Asset Owner. c) Sergeant within Duties Management will manage the System Administrators. The number of administrators has been reduced and administration will be shared with Duty Planners.</p> <p>Action – Duty Management Sergeant to ensure reports are being used to maintain the system.</p> <p>d) Information Asset Register will be updated to reflect correct delegates.</p> <p>Action – Superintendent Operational Support to update Information Asset Register as appropriate.</p>
Timescale	<p>a) Complete b) Complete c) October 2018 d) August 2018</p>

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

- An alternative solution to the automated reconciliation between the data in DMS and the data in Oracle should be put in place to provide assurance that the data held within DMS reconciles to the Oracle system.
Both HR and the RMU should work together to review the reporting capabilities of both systems and work out the most effective way to carry out the manual reconciliations on a regular basis.
- To ensure data in Oracle and DMS is clearly reconciled, the back log of rejections should be cleared in a timely manner. Moreover, when reviewing the data rejection log the list should be all historic errors rather than focus on current week to prevent historic errors being missed.
Consideration should be given to maintaining a log of the rejections that occur so that an analysis of common issues can be compiled. This would enable the root causes to be identified and addressed, reducing the need for continuous manual processing.

Management indicated that both recommendations will be implemented by the end of October 2018.

Force Management of MFSS Arrangements

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

Contracts

Contractual arrangements clearly set out roles and responsibilities of the relevant parties. The contract contains clear and measurable requirements against which contractor performance can be monitored.

Variations

Additions, changes and deletions to the service are clearly set out in the contract and include defined approval arrangements.

Service Level

There are clear service levels which sets out the requirements and standards the Force expects from the contract.

Ad hoc Works

There are robust arrangements in place for the communication and approval of additional services.

Quality Control, Rectification and Default

Sub-standard, incorrect, incomplete and non-delivered services are identified and subsequent management corrective action taken.

There are clear arrangements in place for the deduction of penalties or non-payment of incentivised bonuses in the event of sub-standard, incorrect, incomplete and non-delivered services.

Payments

Payments made to the contractor are in accordance with the contract. Performance Monitoring

There is a robust process of performance monitoring in place that ensures that the quality of services is in accordance with Force requirements.

Budgetary Control

Budgets are effectively monitored and under/overspends are promptly identified and addressed.

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

<p>Recommendation 1</p>	<p>The Force should raise the lack of budget setting procedures with the appropriate governance forum to ensure an effective budget setting process can be embedded and is aligned with their own budget setting process.</p> <p>The Force should ensure that the Chief Finance Officers are clearly included in any budget setting process and should be members of the appropriate governance forum where this is scrutinised as part of the budget setting process.</p> <p>The Force should ensure the late delivery of budget monitoring information from MFSS is escalated as soon as possible and actions taken to address are put in place.</p>
<p>Finding</p>	<p>Financial Planning</p> <p>The terms of reference for the Joint Oversight Committee (JOC) states it is their responsibility <i>to determine the annual budgets and MTFP's</i> of MFSS. The current members of this Committee are the Police and Crime Commissioners and the Chief Constables of the partners, however, it was noted that the Chief Finance Officers are not listed as members of this committee.</p> <p>Upon review Audit confirmed that there is currently no agreed process or timetable for setting the MFSS budget on an annual basis.</p> <p>A review of the 2017/18 budget approval found that whilst it was approved at the Joint Oversight Committee, it was not further scrutinised at the Management Board prior to approval, as had been requested by the JOC, due to a timing issue.</p> <p>The 2018/19 budget for MFSS has still to be approved. A contributory factor being the failure to on-board new partners as anticipated and the impact this will have on the costs borne by the existing partners. The lack of agreed budget poses a significant risk for the Force.</p> <p>On a quarterly basis MFSS provide the Force with a breakdown of the costs it has incurred, alongside a budget monitoring spreadsheet detailing the actual costs versus the budgeted costs and then invoices the Force for its agreed proportion of these costs alongside the other partners. Audit were informed that often this information can be late from MFSS, but it was not escalated accordingly.</p>
<p>Response</p>	<ul style="list-style-type: none"> a) The lack of budget setting procedures has been raised on numerous occasions by the CFO-PCC and the force Project Managers – Grant Thornton. b) There is no CFO representation on the Joint Oversight Committee. This committee is responsible for budget setting. This issue has been raised by Joint CFO's-PCC and Joint CFO's – CC. A response is currently awaited from the Joint Oversight Committee. c) Agreed, Arrangements have already been agreed with the new CEO of MFSS to brief CC/CFO's on production of MFSS budgets at an early stage.
<p>Timescale</p>	<ul style="list-style-type: none"> a) Complete. b) On-going. c) On-going – will be reviewed as part of the 19/20 budget build.

<p>Recommendation 2</p>	<p>The current lack of formally approved SLA's and KPI's should be escalated to the relevant governance forum and a timetable put in place for the delivery and approval of effective performance indicators.</p> <p>The Force should review the performance information that would be most relevant at each of the governance forums, then work with MFSS to ensure they receive this information.</p> <p>The number of individual complaints raised and managed by MFSS should be centrally co-ordinated by the Force and form part of the service review meeting to ensure effective performance management.</p>
<p>Finding</p>	<p>Performance Management</p> <p>It has been acknowledged by the Force that there are no agreed service level agreements or key performance indicators between the Force and MFSS. Audit were informed work is on-going to finalise these and put them in place. In the meantime it was noted that some interim KPI's are being presented at the Service Review Meeting between the Force and MFSS. These are currently focused on Finance and HR specifically and no overall review of total services is able to be effectively carried out.</p> <p>Audit found that the performance information that was provided to the Joint Oversight Committee was the same as the performance information provided at the Management Board. These groups have a different focus (strategic versus operational) and therefore would require differing information to allow for effective oversight and scrutiny of MFSS performance across the totality of services provided.</p> <p>From the performance information that was provided to the Force, there was a lack of analytical information that would allow context and root causes to be identified. One omission from the performance data was the number of errors that had occurred throughout the different services provided.</p> <p>MFSS have a complaints process that should be followed when individuals are not happy with the level of service received. They will investigate and resolve the matter within a set time frame. However, it was noted that the number of complaints received, investigated and resolved are currently not reviewed or reported to any of the governance forums.</p>
<p>Response</p>	<ul style="list-style-type: none"> a) Service Level Agreements, including KPI's are under review with no agreement at present. b) The Service Improvement Group (SIG) currently reviews management information presented at the Management Boards and Joint Oversight Committees. The force is represented at all 3 meetings. c) A new role has been put in place to manage complaints; co-ordinating across the force. KPI's are currently being developed, and service reviews are held on a monthly basis, where customer complaints are discussed and opportunities to influence process are identified and fed back.
<p>Timescale</p>	<ul style="list-style-type: none"> a) March 2019 b) On-going c) On-going

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

- The Improvement Plan should be updated to include target completion dates for activities to ensure MFSS and Partners are held to account for non-delivery of activities, the Force should raise this at the Optimisation Board.
- The Force should put in place appropriate co-ordination and communication internally between the Forces' attendees at the MFSS governance forums to ensure the key information is shared.

The Force should seek clarity from MFSS and partners to confirm the roles of each governance forum, as well as ensuring the BPT's are operating as intended.

The role of the HR Business Partner should be clearly defined and communicated across the Force.

Corporate Governance

Assurance Opinion	Satisfactory
Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	4
Priority 3 (Housekeeping)	-

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

- The roles and responsibilities of senior officers and staff within the Force and OPCC are clearly defined, particularly regarding their decision making responsibilities.
- The corporate governance framework is supported by policies and procedures, such as a decision making framework and scheme of delegation and that these are appropriately communicated.
- Each governance forum across the Force and OPCC has an appropriate terms of reference that clearly defines their decision making responsibilities.
- Decisions made are clearly recorded, communicated and published where relevant.
- Decisions are made in accordance with the governance framework in a clear and transparent manner, supported by the appropriate levels of relevant and timely information.
- The OPCC has appropriate oversight of decisions made at the Force through regular reporting or escalation of decisions made.

We raised four priority 2 recommendations where we believe there is scope for improvement within the control environment. These related to the following:

- The Corporate Governance Framework should be reviewed and formally approved. Once approved, it should be communicated to staff and made available via the intranet and external website.

Once the review has been finalised, the Corporate Governance Framework should be reviewed regularly to ensure it remains reflective of current working practices. Responsibility for the review should be assigned to a Senior Officer to ensure the review is carried out.

- A Policy Review Log should be developed detailing the scheduled review dates for policies and procedures, as well as the officer who approved the policy.

Responsibility should be assigned for monitoring the Policy Review Log to help ensure compliance.

- The Force should share decision/action logs with the OPCC to ensure transparency where the OPCC are unable to attend meetings.
- A call in procedure should be developed for urgent decisions made outside of the relevant committee meetings.

Each urgent decision form should be circulated amongst the COT, members of the relevant governance committee and a representative from the OPCC to allow the opportunity for the decision to be called into the next meeting for further scrutiny and challenge.

Management confirmed that where action was not taken immediately, the recommendations would be implemented by the end of March 2019.

Appendix A2 Internal Audit Plan 2018/19

Auditable Area	Planned Fieldwork Date	Draft Report Date	Final Report Date	Target JASP	Comments
Core Assurance					
Core Financial Systems	Nov 2018			Mar 2019	ToR agreed; starts 26 th Nov.
Code of Governance	Sept 2018	Aug 2018	Oct 2018	Nov 2018	Final report issued.
Strategic & Operational Risk					
Partnership Working	Mar 2019			June 2019	
Commissioning	Sept 2018	Oct 2018		Nov 2018	Draft report issued.
Force Management of MFSS Arrangements	June 2018	June 2018	July 2018	Nov 2018	Final report issued.
IT Strategy	Nov 2018			Mar 2019	Deferred from Q1 to allow IT Strategy to be finalised.
Seized Property	Mar 2019			June 2019	Deferred from Oct 2018 on management's request.
GDPR	Nov 2018			Mar 2019	
Health & Safety	Sept 2018	Oct 2018		Nov 2018	Draft report issued.
Firearms Licensing	Oct 2019			Mar 2019	Brought forward from March 2019; work in progress.
Follow-up of Limited Assurance Recommendations	July 2018	July 2018	July 2018	Nov 2018	Final report issued.

Auditable Area	Planned Fieldwork Date	Draft Report Date	Final Report Date	Target JASP	Comments
Collaboration					
Risk Management	Aug 2018			Nov 2018	Fieldwork completed; being reviewed.
Strategic Financial Planning	July 2018	Oct 2018		Nov 2018	Draft report issued.
Business Planning	Sept 2018			Nov 2018	Work in progress.
Review of Collaboration Assurance Statements	May 2018	May 2018	June 2018	July 2018	Final memo issued.

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

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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.

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OPCC for Nottinghamshire & Nottinghamshire Police

Follow up of Audit Recommendations – July 2018

01 – Introduction

As part of the Internal Audit Plan for 2018/19 for the Office of the Police and Crime Commissioner for Nottinghamshire (OPCC) and Nottinghamshire Police we have undertaken a follow-up review of Internal Audit recommendations made. This report provides an overview of activity undertaken to verify the implementation of audit recommendations made as a result of 2016/17 and 2017/18 audits that provided a 'limited' assurance opinion. The audits covered in this review were Road Safety Partnership, Risk Management and Data Protection Act. The review focused on all the recommendations made (see Appendix 1) where agreed implementation dates had now passed.

This report covers only those limited assurance audit reports where a dedicated follow-up has not been completed or planned. The following provides the status of the limited audit reports issued in 2016/17 and 2017/18 reports where recommendation dates have been reached:

Audit / Recommendation	Priority	Recommendations			Audit Confirmed Implemented	Comments
		Agreed Implementation Date	Manager Confirmed Implementation	Manager Confirmed Not Implemented		
Road Safety Partnership (February 2018)	Four recommendation raised – two P1 and two P2					
- Strategy	P1	June 2018	N/A	Yes	N/A	Recommendation due to be implemented for year end 18/19.
- Budget Deficit	P1	March 2018	Yes	N/A	Yes	Recommendation implemented.
- Charging Guidance	P2	March 2018	N/A	Yes	N/A	Partially Implemented
- Annual Report	P2	May 2018	N/A	Yes	N/a	Recommendation due to be implemented for year end 18/19.
Risk Management (March 2017)	Seven recommendations raised – six P2 and one P3					
- OPCC Strategy	P2	August 2017	Yes	N/A	Yes	Recommendation implemented.
- Training	P2	August 2017	N/A	Yes	N/A	Recommendation Pending.
- Removal of Risks	P3	August 2017	Yes	N/A	Yes	Recommendation implemented.
- Alignment of Registers	P2	August 2017	Yes	N/A	Yes	Recommendation implemented.
- Completeness of Registers	P2	August 2017	Yes	N/A	Yes	Recommendation implemented.
- Format of Registers	P2	August 2017	Yes	N/A	Yes	Recommendation implemented.
- Overview of Risk Registers	P2	August 2017	Yes	N/A	Yes	Recommendation implemented.

Audit / Recommendation	Priority	Recommendations			Audit Confirmed Implemented	Comments
		Agreed Implementation Date	Manager Confirmed Implementation	Manager Confirmed Not Implemented		
Data Protection Act (October 2016)	Nine recommendations raised – one P1, five P2 and three P3					
- Policies & Procedures	P2	December 2016	Yes	N/A	Yes	Recommendation Implemented.
- IAO Job Descriptions	P3	March 2017	Yes	N/A	Yes	Recommendation Implemented.
- IAO Training & Handbook	P2	March 2017	N/A	Yes	N/A	Partially Implemented.
- List of IAO's & Delegates	P3	November 2016	Yes	N/A	Yes	Recommendation Implemented.
- Completeness of IA Register	P2	November 2016	N/A	Yes	N/A	Partially Implemented.
- Format of IA Register	P3	November 2016	N/A	Yes	N/A	Partially Implemented.
- Information Risk System	P1	March 2017	Yes	N/A	Yes	Recommendation Implemented.
- Audit Role	P2	December 2016	Yes	N/A	Yes	Recommendation Implemented.
- Audit Process	P2	March 2017	Yes	N/A	Yes	Recommendation Implemented.

02 – Follow-Up Results

Road Safety Partnership (Final Report February 2018)

Summary

As part of the follow up meetings audit were informed that the Nottingham Strategic Road Safety Partnership (NSRSP) is the regional approach to all elements of Road Safety and as part of this it includes a Nottingham Educational Road Safety Partnership (NESP) and Nottingham Camera Safety Partnership (NCSP). The NCSP is the partnership that was reviewed in the February 2018 report, however there were areas of cross over with the NSRSP.

The Camera Safety Partnership Team at the Force from the 1st May 2018 is now under the command of the Operational Support Department which is led by Superintendent Stephen Cartwright who acts as the Strategic Lead for the NCSP. There is a lack of clarity in the relationship between the NSRSP and the NCSP and the strategic lead is currently liaising with the partners in the region so that a clear strategy and plan can be developed to take the NCSP forward effectively.

A key weakness noted in the audit report was the previous budget deficits that had caused a low level of reserves, however this has been rectified and audit confirmed reserves for the NCSP have been replaced and have been increased beyond the original position. A review of the NCSP has been undertaken and a briefing report has been drafted, which will be used to drive forward further improvements at the unit however, at the time of the audit follow up visit, these improvements were work in progress. A full breakdown of each recommendation and audit findings are noted below.

Finding	Recommendation	Initial Management Comments	Follow Up Result	Result / Timeframe of Risk Exposure
<p>RSP Strategy</p> <p><i>Observation:</i> The RSP Strategy defines the objectives of the partnership. Audit noted that the strategy had last been reviewed on 9th May 2008. The strategy was reviewed by audit which confirmed that it did not clearly define roles and responsibilities of partners in regards to managing the RSP's finances and how joint funding of activities would be achieved. A date of next review was not included.</p> <p><i>Risk:</i> Where the RSP strategy does not reflect the financial responsibilities of the partners, there is an increased risk that the RSP lacks a joined up approach to co-ordinating resources to fund activities.</p>	<p>Priority 1:</p> <p>The RSP Strategy should be reviewed and updated to ensure that it is aligned with the aims and objectives of its partners.</p> <p>The Strategy should explicitly set out the roles and responsibilities of partners and, in particular, the management of the RSP's finances and each partners responsibilities for joint funded activities.</p>	<p>There is a review underway within the force, being led by the DCC.</p> <p>All partners should be involved in formulating the strategy.</p> <p>DCC</p> <p>June 2018</p>	<p>The RSP Strategy referred to in the original finding is the strategy for the Nottingham Strategic Road Safety Partnership, not the Nottingham Camera Safety Partnership.</p> <p>However, the NCSP intends to develop its own strategy that will align to the overall strategy of the region for Road Safety so that there is a clear way of working moving forward.</p>	<p>Not Implemented - due to be implemented by end of 2018/19.</p>

<p>RSP Budget Deficit</p> <p><i>Observation:</i> The RSP had a budget deficit of £370,168.21 for 2016/17. As a result, the RSP drew down on its reserve fund for this same amount, reducing the fund to £1,059,097.37. The RSP no longer receives funding from Nottinghamshire City Council and County Council and must ensure that it is entirely self-funded. The Force presently provides, on an annual basis, £129,000 and £129,689 to the City Council and County Council respectively for road safety educational posts. It was identified through discussions with the Senior Management Accountant that the Force is presently in negotiations with the City Council and County Council to reduce these payments.</p> <p><i>Risk:</i> Where over expenditure occurs, there is an increased risk that the RSP experiences a budget deficit leading to financial instability and a requirement to draw on its reserve fund.</p>	<p>Priority 1</p> <p>A corrective action plan should be put in place to determine the income and expenditure of the partnership to ensure that a budget deficit for 2017/18 does not occur.</p>	<p>Agreed Lead Officer RSP March 2018</p>	<p>A review of the reasons for the budget deficit was undertaken and this highlighted timing issues with the invoices received from the councils in regards to the money that is paid to them for road safety education posts. This meant they were charged twice during 2016/17 by accident. Therefore, these sums were not paid in 2017/18 and therefore the reserves were able to be replenished.</p> <p>As at the end of 2017/18, total income exceeded expenditure and the deficit that was made up from reserves previously was replaced and, therefore, at the end of 2017/18 the reserves position was at £1,386,055.</p>	<p>Recommendation Implemented.</p>
<p>Charging Guidance</p> <p><i>Observation:</i> As referred to in 4.3 above, the RSP had a budget deficit of £370,168.21 for 2016/17, with there being ongoing discussions with the City and County Councils around the financing of the Partnership. Given the current financial pressures on the RSP, and its Partners, it is important that clear guidance is available to both Finance and officers in respect of what can and cannot be charged to the partnership budget.</p> <p><i>Risk:</i> The partnership budget remains in deficit, partly due to inappropriate items of expenditure being charged to it.</p>	<p>Priority 2</p> <p>Clear guidance should be produced, and communicated to the relevant staff / officers, with regards what is deemed to be relevant expenditure and can be charged to the partnership budget.</p>	<p>Agreed DCC May 2018</p>	<p>The new strategic lead for the partnership at the Force has reviewed the approach that the NCSP will take moving forward. The unit will adopt the Treasuries 'Managing Public Money' guidance and the National Driver Offender Rehabilitation Scheme (NDORS), where it receives income from. This will provide clarity on the income and expenditure that will be charged to the partnership budget.</p> <p>Audit were informed that this commitment will form part of the new NCSP Strategy.</p>	<p>Partially Implemented.</p> <p>To be formally agreed at the quarterly joint steering group and to be included in the Strategy.</p>
<p>RSP Annual Report</p> <p><i>Observation:</i> The RSP Strategy sets out its aims and objectives as being:</p> <ul style="list-style-type: none"> Reduce casualties on Nottinghamshire's roads and better the national casualty reduction targets by 2020. 	<p>Priority 2</p> <p>The RSP should be required to produce an annual report which, amongst other things, sets out actual performance against it</p>	<p>Agreed DCC May 2018</p>	<p>The partnership has been in a state of flux due to the change in the Operational Support department at the Force and, as such, an annual report for 2017/18 was not able to be completed.</p>	<p>Not Implemented. Due to be completed for 2018/19.</p>

<ul style="list-style-type: none"> • Bring together those organisations with a remit to reduce road casualties to encourage and facilitate better co-ordination of their activities. • Maximise the effectiveness of resources and activities being directed at casualty reduction. <p>However, audit found no evidence that an annual report was produced which was presented to the relevant forum to demonstrate the performance of the Partnership, including its financing from each of the partners.</p> <p><i>Risk:</i> Where performance and financial inputs are not reported, there is a risk that timely remedial action is not provided and / or the financial arrangements for the Partnership are not transparent.</p>	<p>strategic aims, and provides a transparent record of expenditure made against the partnership budget.</p>		<p>However, the new strategic lead has tasked the partnership to deliver a clear annual report for 2018/19. This will include the finances of the partnership and the relevant performance data that the partnership has delivered.</p>	
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Risk Management (Final Report March 2018)

Summary

The management of risk and business continuity currently sits within the Corporate Services department at the Force and the Deputy Chief Constable is the Chief Officer lead for Risk Management. As part of the follow up meetings audit were informed that there is a review of the current structure within the Force and therefore the responsibility for managing risk may be moved, As a consequence, one of the recommendations were on hold pending the outcome of the review.

The Force acknowledged that the management of risk had slipped due to competing priorities and reduced resources, however they fully accepted the findings of the audit and the new Deputy Chief Constable has acted as the lead to address the issues highlighted and improve the Forces' risk management approach. Audit were informed that there will be ongoing developments to the current approach as the DCC looks to follow South Yorkshire Polices' approach to risk management, an approach that recently won a CIPFA Award for Good Governance. However, whilst this is the future plan for the process, it was clear from the evidence provided to audit that improvements have been made to the existing system and a full breakdown of each recommendation and audit findings is noted below.

Finding	Recommendation	Initial Management Comments	Follow Up Result	Result / Timeframe of Risk Exposure
<p>OPCC Risk Management Strategy</p> <p><i>Observation:</i> The Force have a Corporate Risk Management Strategy that has recently been approved. The Strategy includes:</p> <ul style="list-style-type: none"> • The strategic direction of the Force's attitude to risk; • The level and nature of risk that is deemed acceptable (risk appetite); • The Force's risk tolerance threshold; and • Risk priorities for the current year. <p>At the time of the audit it had not been agreed that the OPCC would adopt the Force's Risk Management Strategy.</p> <p><i>Risk:</i> Where the OPCC's appetite, tolerance and attitude toward risk is not detailed in a strategy, there is a risk that staff could accept an inappropriate level of risk.</p>	<p>Priority 2</p> <p>A Risk Management Strategy should be developed for the OPCC; this should include:</p> <ul style="list-style-type: none"> • The strategic direction of the OPCC's attitude to risk; • The level and nature of risk that is deemed acceptable (risk appetite); • The OPCC's risk tolerance threshold; and • Risk priorities for the current year. 	<p>Risk and Business Continuity Officer to liaise with OPCC in regard to creating an appropriate Joint Corporate Risk Management Strategy.</p> <p>Risk & Business Continuity Officer</p> <p>OPCC</p> <p>31st August 2017</p>	<p>The Force have worked with the CEO at the OPCC and this has resulted in a joint Risk Management Strategy being approved and put in place in June 2017. The strategy includes both Organisations:</p> <p><i>"The purpose of this joint Force and Nottinghamshire Office of the Police and Crime Commissioner (NOPCC) Risk Management Strategy is to outline an overall approach to risk management that addresses the risks facing the Force and NOPCC in achieving their objectives, and which will facilitate the effective recognition and management of such risk".</i></p> <p>Audits a review of the Strategy confirms that Strategic Direction, Risk Appetite and a Tolerance Threshold are all included.</p> <p>The OPCC Strategic Risk Register has recently been reviewed against the Commissioner's new Police & Crime Plan. The outcome of this work will be reported to Audit & Scrutiny Panel at the November meeting.</p>	<p>Recommendation Implemented.</p>

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<p>Risk Management Training</p> <p><i>Observation:</i> Audit confirmed with the Risk and Business Continuity Officer that training is currently provided to risk register owners on an ad hoc basis, however there are currently no records maintained of who received training or when this was provided.</p> <p>At present there are no training courses or materials in place to assist staff across the Force and OPCC in managing risks.</p> <p><i>Risk:</i> Staff do not have the appropriate level of training to effectively manage risks at the Force and OPCC.</p>	<p>Priority 2</p> <p>The Force and OPCC should ensure that staff receive appropriate training on risk management</p>	<p>The Risk and Business Continuity Officer will develop in-house training based on the force's internal policy and procedure. This will be delivered to all Heads of Department and equivalent.</p> <p>A user guide will also be written to support the adoption of the force's policy and procedure, to ensure staff are clear on the escalation and review processes within risk management.</p> <p>Risk & Business Continuity Officer</p> <p>31st August 2017</p>	<p>Audit were informed that the DCC has committed the funds to enable one of the Risk & Business Continuity Officers to become an accredited Risk Trainer, however due to the review of the department that is ongoing this is on hold pending the outcome of the review. It is envisaged that formal training within both the Force and OPCC will commence once this decision has been made.</p> <p>Informally, audit were informed that the Risk & Business Continuity Officers at the Force have met with each Risk Register owner to ensure they are aware of the correct risk management processes that should be followed.</p>	<p>Recommendation Pending.</p>
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<p>Removing Risks from Registers</p> <p><i>Observation:</i> Audit confirmed that there is a combined Risk Management Policy and Risk Management Procedure in place for the Force and the OPCC.</p> <p>The Policy and Procedures are detailed and include key areas such as:</p> <ul style="list-style-type: none"> • Roles and Responsibilities • Risk Identification • Risk Analysis • Risk Scoring and Review • Risk Monitoring <p>However, internal audit noted that there was no coverage of the process to be followed when a risk was to be removed from a risk register.</p> <p><i>Risk:</i> Identified risks are inappropriately removed from the risk registers in place</p>	<p>Priority 3</p> <p>The Risk Management Policy and/or Procedures should be updated to include the process to be followed when a risk is being removed from a risk register. This should include details of who needs to approve the removal and how this should be documented.</p>	<p>The Risk and Business Continuity Office will update the force's procedure to reflect the process of what should happen when a risk is removed from a risk register.</p> <p>Risk & Business Continuity Officer</p> <p>31st August 2017</p>	<p>The Force have updated the Corporate Risk Management Procedure and, effective from December 2017, a removal of risk process has been included. This states:</p> <p><i>'When a Risk has been reviewed and is considered for removal then a full explanation should be documented on the risk register together with the rationale by the risk owner. This should contain why they believe the risk no longer exists or controls and actions that mitigate the risk together with why they believe it is no longer appropriate to be on the risk register. Before the risk is removed the risk register must be endorsed by the relevant Departmental Head if a Departmental Risk and DCC if a Strategic one. This provides effective governance and audit trail for future reviews.'</i></p> <p>As a consequence, a clear approval and audit trail is now required. Audit confirmed the new approach through review of the current departmental risk registers.</p>	<p>Recommendation Implemented.</p>
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<p>Alignment of Risk Registers</p> <p><i>Observation:</i> The governance statement completed by departments state that they escalate high risks to the Force Strategic Risk Register through the Risk and Business Continuity Officer. The CRM Strategy states all risks that are scored as high should be escalated.</p> <p>Audit compared the high risks on five departmental risk registers and found that not all were clearly stated on the strategic risk register.</p> <p>Discussion with the Risk and Business Continuity Officer found that not all high risks on departmental registers will be included on the Strategic Risk Register if the Deputy Chief Constable feels they are being adequately managed within the risk appetite of the Force. However, this decision is not documented at present.</p> <p><i>Risk:</i> The Strategic Risk Register does not represent all risks to the organisation.</p>	<p>Priority 2</p> <p>Decisions made by the Deputy Chief Constable not to escalate high risks on departmental risk registers to the strategic risk register should be documented.</p>	<p>The Risk and Business Continuity will review the current risk appetite to ascertain whether all high/very high risks are reviewed at the right level. Consideration will also be given to adopting a residual risk score to assist in seeing whether risks being managed require escalation. At the monthly DCC meetings comments will be added to departmental risk registers outlining discussions on escalation.</p> <p>Risk & Business Continuity Officer</p> <p>31st August 2017</p>	<p>The Force have updated their risk management procedures to show the new approach. Under the Risk Monitoring section it states:</p> <p><i>“Where the DCC considers that it is appropriate that a high risk should be managed at a Departmental level then this decision should be fully documented on the register to provide an audit trail and ensure clarity for governance.”</i></p> <p>As part of the monthly monitoring undertaken by the DCC, the Risk & BC Officer provides a summary of the high risks from all risk registers to allow this review to take place. A copy of this summary was provided to audit to confirm the process has been embedded.</p>	<p>Recommendation Implemented.</p>
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<p>Completeness of Risk Registers</p> <p><i>Observation:</i> Audit testing of a sample of eight strategic and departmental risk registers identified a variety of gaps in the information recorded.</p> <ul style="list-style-type: none"> • The Risk Register for the Intelligence service area was considered to be incomplete, as risks had not been assigned scores or owners and the additional controls, interdependencies, status, and review date columns had not been populated. Furthermore, risk six on the register did not have any specified existing controls. • There were four cases identified where risks did not have any associated existing mitigating controls or response plans noted. These were risks NPF0024 on the Force Strategic Register; OPCC009 on the OPCC Strategic Register; reference six on the Intelligence Risk Register; and a risk on the Human Resources Risk Register, which had not been given a reference number. • Risks (NPF011 & NPF007) were duplicated on the Force Strategic Risk Register. <p><i>Risk:</i> The Force is exposed to risk above its appetite through failure to record, monitor and control the risks it faces.</p>	<p>Priority 2</p> <p>All risk registers for the Force should be recorded in line with the Risk Management Policy / Procedures. Sufficient detail should be recorded for each identified risks, including:</p> <ul style="list-style-type: none"> • Risk scores; • Mitigating actions; • Risk owners. <p>The Force Strategic Risk Register should be reviewed and one of the risks that are duplicated should be removed (NPF011 & NPF007).</p>	<p>The Risk and Business Continuity Officer will review the Corporate Risk Register for any duplication. All departmental risk registers will also be reviewed to ensure completeness and that key information is included.</p> <p>Risk & Business Continuity Officer</p> <p>31st August 2017</p>	<p>Audit were provided with a sample of the departmental risk registers and were able to confirm through a review of registers that they were fully completed.</p> <p>Additionally, the risks that were identified as duplicate previously have been reviewed. Both have been retained but have been reworded as they related to two different issues and are included on the Estates Register for ongoing monitoring.</p>	<p>Recommendation Implemented.</p>
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<p>Format of Risk Registers</p> <p><i>Observation:</i> Examination of the strategic risk registers and a sample of eight departmental risk registers found that risk registers are not created in a standard format and that some key pieces of information are not currently recorded. In order for the Force and OPCC to be able to effectively and consistently manage its risks across the business, a template should be created so that all registers follow the same format.</p> <p><i>Risk:</i> Inconsistent approach to managing risks across the Force and OPCC.</p>	<p>Priority 2</p> <p>A standard format for the registers should be produced This should include the following detail:</p> <ul style="list-style-type: none"> • A front sheet detailing the business area, risk register owner, and period for which the risk register relates; • The date the risk was added to the register • Risk details; • An assigned owner for each risk; • The inherent risk score for each risk, • Any mitigating actions that are in place, or should be implemented; • The residual risk that remains after mitigating actions have been applied; • The date the risk was last reviewed and the date the next review is due; <p>Any closed risks.</p>	<p>Risk and Business Continuity Officer will ensure a consistent format is adopted across the force. The longer term IT solution will be discussed with the DCC to ascertain whether funds are available for this facility.</p> <p>Risk & Business Continuity Officer</p> <p>31st August 2017</p>	<p>As per the comments above with regards to completeness of registers, it was confirmed that for the sample of risk registers provided that they are now all in the same format.</p> <p>The only exception to the format, at present, is the OPCC Risk Register, however work is ongoing between the Risk & BC Officers and the OPCC Risk Register Owner, the OPCC CEO, to align these with the Force.</p>	<p>Recommendation Implemented.</p>
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<p>Overview of all Risk Registers</p> <p><i>Observation:</i> The Departmental risk registers are reviewed by Senior Management Teams within that department. However, there is currently no central oversight of these registers to confirm that reviews are taking place in a timely manner.</p> <p>Moreover, the departmental risk registers are not saved or available in a central place, as they are saved within departments. Therefore, at any point in time, all risks in relation to the Force are not collated in one place.</p> <p><i>Risk:</i> The Force and OPCC are unaware of all risks that the organisations are facing and that all identified risks are being appropriately managed.</p>	<p>Priority 2</p> <p>A process should be in place to confirm that the departmental risk registers are being reviewed in a timely manner.</p> <p>Consideration should be made for central oversight of all risk registers to give assurance of timely update and regular monitoring of risks across the Force.</p>	<p>Risk and Business Continuity Officer will ensure the DCC sample checks department risk registers on a monthly basis. A shared drive will also be created (as an interim solution) and all departmental risk registers will be held there. The longer term IT solution will be discussed with the DCC to ascertain whether funds are available for this facility.</p> <p>Risk & Business Continuity Officer</p> <p>31st August 2017</p>	<p>The Risk and Business Continuity Officer diaries the monthly reviews of Risk Registers with the DCC so that they are carried out on a rolling basis and all the registers are covered.</p> <p>From a review of the sample of current risk registers, audit can confirm that timely updates have been made against the risks in the register.</p> <p>There has been a commitment to adopting an IT solution for the management of the risks moving forward and the Force has been working with colleagues in the region to seek a value for money approach. However, current changes in circumstances at the other Forces have slowed this progress and the Force is considering the best options to take forward.</p>	<p>Recommendation Implemented.</p>
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Data Protection Act (Final Report October 2016)

Summary

Since the last audit visit the Information Management Team has been through a number of changes, which included a reduction in the size of the team following a Force restructure in 2016 and was rolled out during 2017. The team lost the Information Security Officer at the end of 2016, although they were able to recruit into this role in the summer of 2017.

There has been high levels of demand for Subject Access Requests and Freedom of Information requests being handled by the Disclosure Team which led to significant backlogs. In addition, a Records Management function has been established as part of the Information Management Team and over the last twelve months they have been gathering information on the records that are held across the Force which has helped the Force to understand the information it holds and where it is being held.

The Information Management Lead has worked with the Performance Improvement Group to review the workload demands of the team which highlighted that additional resources were needed to support the existing workloads and undertake some of the pro-active work to further enhance the Information Management System at the Force. A business case has been prepared and presented to the Information Management Board with proposed changes to the team and the outcomes of the business case will impact on capabilities moving forward.

Finding	Recommendation	Initial Management Comments	Follow Up Result	Result / Timeframe of Risk Exposure
<p>Policies & Procedures</p> <p><i>Observation:</i> Audit reviewed the policies and procedures that are in place to govern the Information Management System in place at the Force and observed the following:</p> <p>The Force have an Information Assurance Framework in place that was published in July 2013. Although it was superseded by the Information Management Strategy in July 2015, it is still available on the Force intranet.</p> <p>The Information Management Strategy is currently not aligned to the new structure that is in place and the new Information Asset Owners that are in post following the move to the thematic model in May 2016.</p> <p>The Force Information Assurance Board Terms of Reference were put in place in 2012 prior to</p>	<p>Priority 2</p> <p>The Strategies, Policies and Procedures that support Information Management at the Force should be reviewed and updated in line with the current processes that have been adopted. The documents to be addressed are:</p> <ul style="list-style-type: none"> • Removal of the Information Assurance Framework, as this was superseded by the Information Management Strategy. • A review and update of the Information Management Strategy. 	<p>Action: Review and update the Strategies, Policies and Procedures that support Information Management in line with current processes. The documents which should be addressed are:</p> <p>4.1.1 Remove the Information Assurance Framework as this has been superseded by the Information Management Strategy.</p> <p>4.1.2 Review and update the Information Management Strategy.</p>	<p>The Information Assurance Framework has been removed from the intranet. The Information Management Strategy was updated in July 2018.</p> <p>Since the audit visit the previous Finance Information Assurance Board has been merged with the Crime Data Integrity Board and an Information Management Board is now in place and has held three meetings during 2018.</p> <p>Audit were provided with the terms of reference for new Board, which shows that monitoring and oversight is included within the scope of the Board.</p>	<p>Recommendation Implemented.</p>

<p>the establishment of Information Asset Owners, Information Asset Registers and Information Risk Register and, as a consequence, requires reviewing to ensure it remains fit for purpose. It also states bi-monthly meetings should take place, however meetings are currently held on a quarterly basis.</p> <p>There is also a lack of clear structured performance monitoring at the FIAB meetings that take place.</p> <p><i>Risk:</i> Inconsistent working practices are followed as there is a lack of clarity in the correct processes and procedures that are to be followed.</p>	<ul style="list-style-type: none"> • A review and update of the Terms of Reference for the FIAB including performance monitoring. 	<p>Consideration to be given to the new structure in place and with the recommendations raised from this audit. Link this to recommendation 4.8</p> <p>4.1.3 Review and update FIAB Terms of Reference to include performance monitoring.</p> <p>December 2016</p>		
<p>IAO Job Descriptions</p> <p><i>Observation:</i> The Information Asset Owner role is assigned to certain job posts across the force and, in line with the new structure, these are Heads of Departments. The role of IAO's is currently documented within the Information Asset Owner Handbook however, the IAO role is not included within the job descriptions of these roles.</p> <p><i>Risk:</i> Information Asset Owners are not clear on their roles and responsibilities</p>	<p>Priority 3</p> <p>The Job Descriptions of the posts that are to be Information Asset Owners should be updated to reflect the responsibilities and embed the importance of the role.</p>	<p>4.2.1 Add IAO job descriptions update as an agenda item at the November 2016 FIAB meeting and agree how best to proceed. The DCC to identify how the IAO role can be specifically identified for Police Officer roles</p> <p>4.2.2 Update the Job Descriptions of the posts of Information Asset Owners to reflect the responsibilities and embed the importance of the role.</p> <p>The role of IAO can only be specifically identified in the Job Descriptions of the relevant civilianised roles (predominantly Heads of Departments). Information Management will provide the wording to be added and a list of roles to HR to facilitate this addition.</p> <p>March 2017</p>	<p>The Information Management Lead has worked with HR to ensure that the Information Asset Owners job descriptions have been updated to reflect their responsibilities.</p> <p>Audit were provided with a sample of job descriptions which clearly included information asset responsibilities.</p>	<p>Recommendation Implemented.</p>

<p>IAO Training & Handbook</p> <p><i>Observations:</i> When an IAO is new to the role, a one to one meeting is held with the Information Security Officer to explain the role and responsibilities and they are provided with an Information Asset Owners Handbook. An e-learning module hosted by another Force is available, however this is not mandatory and the Force cannot monitor if this has been completed by the IAO and any of their delegates.</p> <p>The Information Asset Owners Handbook does not clearly document the process that should be followed by IAO's in the production and maintenance of the Information Asset Register. Whilst it provides a steer, it does not clearly state what actions are to be taken and the role the ISO plays in supporting the production and maintenance of the IAR.</p> <p><i>Risk:</i> IAO's are unable to perform their job adequately in managing information.</p>	<p>Priority 2</p> <p>The current training offered to IAO's and delegates should be reviewed and a decision made on how to deliver initial training and refresher training to ensure the Force has appropriately trained individuals performing the IAO role.</p> <p>The IAO Handbook should be updated to reflect the current processes that are in place and provide clarity on the actions that IAO's need to take to produce and maintain the information asset register.</p> <p>A clear process should be in place so that a 'gatekeeper' is in place to monitor consistency of the register.</p>	<p>Action: 4.3.1: Review the current IAO training and support package in place (Nottinghamshire Police provide specific one to one sessions with all IAO's and their delegates and ongoing face to face support as well as the eLearning package provided by Lincolnshire which was agreed for regional use at the Regional Information Assurance Group) Present proposals for new and existing IAOs to FIAB in November 2016. To include relevant costing if applicable.</p> <p>4.3.2: Update the IAO handbook to reflect the current processes followed and provide clarity on the actions that IAO's need to take to produce and maintain the information asset register.</p> <p>4.3.3: Amend the Information Security Officer Job description to include the role of 'gatekeeper' to maintain the IA register and ensure that returns do not include missing data. This process will be included within the updated IAO handbook. March 2017</p>	<p>As set out in the Summary above, the Information Management Lead has recently presented a business case for a significant increase in staffing within the team to allow a more proactive approach to information management. As a consequence, there has been limited change in the training approach to IAO's at present. However, the business case currently been considered will include additional staff who will act in a business partner model to provide support, guidance and training to IAOs.</p> <p>Due to resources the IAO handbook has not been updated.</p> <p>The job description of the Information Security Officer has been updated to clearly include the 'gatekeeper'.</p>	<p>Partially Implemented.</p>
<p>List of IAO's and Delegates</p> <p><i>Observation:</i> The Information Security Officer holds a list of all IAO's, however there is no complete list of all IAO's and their delegates.</p> <p>Whilst there are 23 information asset owners on the list held by the Information Security Officer, there are a further 73 delegates listed within the overall information asset register.</p> <p><i>Risk:</i> The Information Management team cannot operate efficiently if the delegates are unknown</p>	<p>Priority 3</p> <p>The Information Management Team should hold a complete list of Information Asset Owners and delegates and this should be published so staff are aware of the right contacts should they need to raise an issue.</p>	<p>Action: Complete a list of Information Asset Owners and delegates. Publish on the Force intranet so that staff are aware of the key contacts for information assets.</p> <p>November 2016</p>	<p>A list of Information Asset Owners and delegates is included in the updated Information Asset Strategy.</p> <p>The Strategy is not currently published on the Force intranet due to a new intranet site being launched at the Force in the next few months. The Information Management Team will upload it when the new site is launched.</p>	<p>Recommendation Implemented.</p>

<p>Completeness of the Information Asset Register</p> <p><i>Observation:</i> Audit reviewed the current version of the Information Asset Register and found missing information. Of the 473 Information assets listed:</p> <ul style="list-style-type: none"> • 132 had no asset id number assigned to it; • 46 had no department or division listed; • 30 had no asset description completed; • 22 has no Information Asset Owner listed; • 132 had TBC under the delegate listed; • 14 had no business impact level completed; • 219 did not state sensitivity of information; • 31 did not list the format that the information was held in; • 42 did not list the location of the asset or was listed as unknown location; • 56 did not have a point of contact completed; and • 61 did not state if the information was shared. <p><i>Risk:</i> The Force have not clearly identified the key information around the assets that have been registered and therefore may not manage their information in line with legislation.</p>	<p>Priority 2</p> <p>IAO's should be tasked to complete the missing information.</p>	<p>Action: Contact the IAOs and update the Information Asset register with the identified missing information.</p> <p>Cross ref with recommendation 4.3.3: Amend the Information Security Officer Job description to include the role of 'gatekeeper' to maintain the IA register and ensure that returns do not include missing data. This process will be included within the updated IAO handbook.</p> <p>November 2016</p>	<p>The Force have appointed a new Information Security Officer since the last audit and they have developed a new format of the information asset register that includes links to the records management.</p> <p>However, this is still to be completed and fully populated with the information assets held on the current register.</p> <p>The OPCC has recently updated its Information Asset Register as part of the preparations for GDPR. Work still needs to be completed on populating the register in a consistent format.</p>	<p>Partially Implemented.</p>
<p>Format of the Asset Register</p> <p><i>Observation:</i> The Information Management Strategy states the Force will maintain an information asset register that will capture location, format and review, retention and disposal (RRD) practices.</p> <p>The current format of the Information Asset Register does not make a reference to the RRD practices of each asset.</p> <p><i>Risk:</i> The Force breach legislation by keeping information that it should not.</p>	<p>Priority 2</p> <p>The Information Asset Register should be updated to include review, retention and disposal details.</p>	<p>Action: Update the Information Asset Register to include a review, retention and disposal column. A retention schedule is in place.</p> <p>November 2016</p>	<p>As referred to above, a new information asset register format has been drafted. This has clear links to the records management team so that marking and retention dates can be included.</p>	<p>Recommendation Implemented.</p>

<p>Information Risk System</p> <p><i>Observation:</i> The Force has an Information Risk Management Strategy in place. However, a review of this against the current processes followed and the knowledge of the responsibilities of key parties highlighted inconsistencies.</p> <p>The role of the Information Asset Owners in identifying risks, adding risks to the register and taking mitigating actions is not clearly documented or understood by the IAO's.</p> <p>Whilst an information risk register is in place, it does not provide the Force with assurance that the risks are being appropriately managed. The risk register has an IAO listed for each risk, however it does not clearly state that they are the risk owner and that they are responsible for managing the specific risk. Moreover, the risk register simply states risk mitigation is the information asset owner's responsibility. It does not document the controls in place and the mitigation actions that should be taken to manage the risks that have been identified. In addition, there was no evidence that the risk register had been reviewed or updated for six months.</p> <p>The Information Risk Register currently has no clear links to the Information Asset Register and therefore asset owners are not aware of which risks are relevant to the assets they look after.</p> <p><i>Risk:</i> The Force does not manage its information risks effectively, leading to breaches in legislation incurring financial and reputational damage.</p>	<p>Priority 1</p> <p>The Information Risk Management system in place at the Force needs to be reviewed, updated and implemented. This should include, but not be limited to, the following:</p> <ul style="list-style-type: none"> • An update to the Information Risk Management Strategy. • The responsibilities of IAO's in relation to identifying and managing their risks needs to be clearly communicated. • The process for adding risks, closing risks and updating risks to the information risk register needs to be agreed upon and formally communicated. • The format of the risk register should clearly include Risk Owners, the risk mitigation actions that are in place, confidence levels of the actions in mitigating the risks and timescales for completion. • The process for regular monitoring of the Information Risk Register should be established. • There should be clear links between the information risks identified and the information assets the Force holds. 	<p>Action: Review, update and implement the Information Risk Management system. This should include, but not be limited to, the following:</p> <ul style="list-style-type: none"> • An update to the Information Risk Management Strategy. • The responsibilities of IAO's in relation to identifying and managing their risks needs to be clearly communicated. • The process for adding risks, closing risks and updating risks to the information risk register needs to be agreed upon and formally communicated. • The format of the risk register should clearly include Risk Owners, the risk mitigation actions that are in place, confidence levels of the actions in mitigating the risks and timescales for completion. • The process for regular monitoring of the Information Risk Register should be established. • There should be clear links between the information risks identified and the information assets the Force holds. <p>March 2017</p>	<p>The Information Risk Strategy has been superseded and the approach that is now taken to managing information risks is included as part of the Corporate Risk Management approach. As a consequence, an information risk register is held alongside other departmental risk registers and risks are now reviewed on a monthly basis with the Risk Management Officers, with cyclical reviews by the DCC.</p> <p>The responsibilities for managing information risks are included within the information risk register, with risk owners assigned to the risks detailed and associated risk mitigation actions. These are reviewed monthly. It was noted from a review of the information risk register that the previous Head of Corporate Services is still listed as a risk owner, but has left the organisation so it does require updating.</p> <p>The format of the information risk register is aligned with the other departmental risk registers at the Force.</p> <p>The alignment to the risk register and the information asset register will be completed once the information asset registers has been fully completed (see comments above).</p>	<p>Partially Implemented.</p>
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<p>Audit Role</p> <p><i>Observation:</i> The new structure of the Information Management Team includes the use of an Information Auditor. This resource is to be used to provide assurance to the Force that they are compliant with legislation in the management of information.</p> <p>However, at present there is no formal documentation of the role that information audit plays in the management of information at the force, with no reference to the role within the Information Management Strategy.</p> <p><i>Risk:</i> The Force do not effectively utilise the information audit resource to provide assurance.</p>	<p>Priority 2</p> <p>Management should decide upon the role that Information Audit is to play within the Information Management System in place and clearly document this.</p>	<p>Link this to 4.1.2</p> <p>Action: Review and update the Information Management Strategy. Consideration to be given to the new structure in place and with the recommendations raised from this audit.</p> <p>December 2016</p>	<p>A review of the Information Asset Strategy confirmed that the role of audit is listed under the information management roles and responsibilities. This being:</p> <p><i>'The main purpose of the audit function is to provide the organisation with an independent assessment and appraisal of compliance with the Data Protection Act 2018. Business areas originally identified in the Management of Police Information Guidance as being the most significant for policing purposes have been included as the 'core' areas for audit. E.g Crime, Intelligence and Public Protection.'</i></p>	<p>Recommendation implemented.</p>
<p>Audit Process</p> <p><i>Observations:</i> An audit schedule is presented to the FIAB for approval by the Information Auditor which is based on HMIC recommendations, current issues and previous audits. The audits are completed and then reports issues directly to information asset owners. At the FIAB meetings an update on the progress of the schedule is discussed.</p> <p>However, there is a lack of clarity of the audit process, with no timescales for the issuing of audit reports and monitoring of the audit outcomes and recommendations being completed.</p> <p><i>Risk:</i> The outcomes of information audits are not embraced and issues identified are not rectified leading to the Force being exposed to breaches of legislation.</p>	<p>Priority 2</p> <p>The audit process should be clearly documented and communicated to Information Asset Owners. This should include, but not be limited to, the following:</p> <ul style="list-style-type: none"> • Timetables for scheduled audits, with agreement of audit schedule and fieldwork. • Timetable for issuing of draft reports and expected responses to findings. • Distribution lists for final audit reports. • Follow up of audit recommendations. • The monitoring of actions to implement audit recommendations. <p>Summarised feedback at FIAB of completed audit reports.</p>	<p>Write separate policy and procedure documents to include, but not be limited to, the following:</p> <ul style="list-style-type: none"> • Timetables for scheduled audits, with agreement of audit schedule and fieldwork. • Timetable for issuing of draft reports and expected responses to findings. • Distribution lists for final audit reports. • Follow up of audit recommendations. • The monitoring of actions to implement audit recommendations. • Summarised feedback at FIAB of completed audit reports. <p>When complete communicate to IAO and publish on the intranet / library</p> <p>March 2017</p>	<p>An agreed annual audit schedule has been put in place and the audit work that is completed is now reported to the Information Management Board as a standing agenda item.</p> <p>Moreover, the recommendations raised by the audits are now included on the Force tracker, 4action, so that they are tracked alongside</p>	

For Information / Consideration	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	7th November 2018
Report of:	Chief Finance Officer
Report Author:	Charlotte Radford
Other Contacts:	Andrew Cardoza KPMG
Agenda Item:	8

ANNUAL AUDIT LETTER 2017-18

1. Purpose of the Report

- 1.1 To provide members with the Annual Audit Letter relating to the accounts for 2017-18.

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. This 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 2017-18



Annual Audit Letter 2017/18

**Police & Crime
Commissioner for
Nottinghamshire
and
Chief Constable
for
Nottinghamshire**

August 2018



A photograph of several people in business attire, including suits and ties, looking down at documents. The image is split horizontally by a blue band containing text. The top half shows the heads and shoulders of the individuals, while the bottom half shows their hands and arms as they handle papers.

Section one

Summary for the Joint Audit and Scrutiny Panel

Section one:

Summary for Joint Audit and Scrutiny Panel

This document summarises the key findings in relation to our 2017/18 external audit at the Police & Crime Commissioner for Nottinghamshire ('the PCC') and the Chief Constable for Nottinghamshire ('the CC').

Audit opinion

We issued an unqualified opinion on the PCC and CC's 2017/18 financial statements on 31 July 2018. This means that we believe the financial statements give a true and fair view of the financial position of the PCC and CC and of their expenditure and income for the year.

Financial statements audit

Our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole. Materiality for the Authority's accounts was set at £3.3 million which equates to around 1.7 percent of gross expenditure. We design our procedures to detect errors in specific accounts at a lower level of precision.

We report to the Joint Audit and Scrutiny Panel any misstatements of lesser amounts, other than those that are "clearly trivial", to the extent that these are identified by our audit work. In the context of the Authority, an individual difference is considered to be clearly trivial if it is less than £0.160 million.

Whilst we have not identified any material audit adjustments impacting the primary statements, we did identify one significant adjustment in relation to PPE whereby land values were not updated correctly in the Fixed Asset Register resulting in land being undervalued by £1.19m, which Officers have decided not to amend in the final statement of accounts. We also found some further errors in disclosure and a number of presentational issues. These adjustments result in no movement on the bottom line figures within the statements of accounts.

In addition to the audit findings above the draft statements include a Prior Period Adjustment (PPA) of £17.4m in relation to the split of the pension liability between the PCC and CC. This does not affect the group balance sheet total but does impact the PCC and CC PY balance sheet totals. The PPA was audited and found to be accurate. The Finance Team have also processed an error which they identified in relation to Council tax income. The maximum affect this is expected to have on any area of the accounts is approx. £0.12m. This adjustment resulted in a large number of changes to the final statements which we have not yet fully audited.

Based upon our initial assessment of risks to the financial statements (as reported to you in our *External Audit Plan 2017/18* and updated during our audit) we identified the following significant risks (excluding those mandated by International Standards on Auditing):

Pensions Liabilities - The valuation of the Police & Crime Commissioner and Chief Constable's pension liabilities, as calculated by the Actuary, are dependent upon both the accuracy and completeness of the data provided and the assumptions adopted. We reviewed the processes in place to ensure accuracy of data provided to the Actuary and consider the assumptions used in determining the valuation. No issues were identified during the course of our work.

Valuation of PPE - Whilst the Police & Crime Commissioner and Chief Constable operates a cyclical revaluation approach, the Code requires that all land and buildings be held at fair value. We considered the way in which the PCC and CC ensured that those assets that were not subject to in-year revaluation were not materially misstated. Our work on this area has identified that land re-valuations have not been updated correctly for some assets this year. This led to a £1.19m error in the PCC's accounts, which Officers decided not to amend within the accounts as it was below materiality.

Section one:

Summary for Joint Audit and Scrutiny Panel (cont.)

Faster Close – The timetable for the production of the financial statements has been significantly advanced with draft accounts having to be prepared by 31 May (2017: 30 June) and the final accounts signed by 31 July (2017: 30 September). We worked with officers of the Police & Crime Commissioner and Chief Constable in advance of our audit to understand the steps being taken to meet these deadlines and the impact on our work. The 2017/18 Statement of Accounts were provided after the statutory deadline due to the CIPFA Big Red Button (BRB) having to be abandoned at a late stage and the accounts having to then be produced manually.

Other areas of audit focus

A risk with less likelihood of giving rise to a material error but which are nevertheless worthy of additional audit focus was identified as:

Management review of Accounts – The 2017/18 draft set of accounts provided for audit were required to be fully compliant with the code and have undergone management review and necessary amendment for any known errors prior to the deadline dates and submission to the auditor. The draft accounts submitted for audit should match the BRB with amendments made in Cipfa's Big Red Button (BRB) system. We worked with the officers of the Police & Crime Commissioner and Chief Constable in advance of our audit to understand the steps being taken to meet these deadlines and the impact on our work.

Due a number of issues encountered by officers the 2017/18 accounts could not be produced using the BRB and as a result they had to be produced manually. This led to delays in the accounts production process and meant working papers had to be taken from the BRB and produced manually. This also meant the accounts had not gone through a total and thorough review by senior management prior to submission for audit.

Other information accompanying the financial statements

Whilst not explicitly covered by our audit opinion, we review other information that accompanies the PCC's and CC's financial statements to consider their material consistency with the audited accounts. This year we reviewed the Annual Governance Statements and Narrative Reports. We concluded that they were consistent with our understanding and did not identify any issues.

Whole of Government Accounts

The Authority 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 Authority falls below the threshold where an audit is required. As required by the guidance we have confirmed this with the National Audit Office.

Section one:

Summary for Joint Audit and Scrutiny Panel (cont.)

Value for Money conclusion

We completed our 2017/18 risk-based work to consider whether in all significant respects the PCC and CC have proper arrangements to ensure they have taken properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

We concluded that in 2017/18 the PCC and CC had made proper arrangements to secure economy, efficiency and effectiveness in their use of resources except for in relation to MFSS governance.

We therefore issued an “except for” 2017/18 value for money opinion.

Value for Money risk areas

We set out our assessment of those areas requiring additional risk based work in our External Audit Plan 2017/18 and have updated this assessment during our interim visit. As a result of this we have identified the following significant VFM audit risks:

Medium Term Financial Planning - The Police & Crime Commissioner and Chief Constable continued to face significant financial pressures and uncertainties in relation to their future funding levels with to date grant allocations for future years not yet being published. The Police & Crime Commissioner and Chief Constable need to continue to focus on having effective arrangements in place for managing their annual budgets, generating income and identifying and implementing any savings required to balance their medium term financial plans. We considered the way in which the Police & Crime Commissioner and Chief Constable identify, approve, and monitor both savings plans and how budgets are monitored throughout the year and were able to conclude they were effective.

MFSS Governance and VFM - MFSS currently provides transactional back office services to Nottinghamshire CC and PCC. Nottinghamshire’s PCC and other PCCs who use MFSS have expressed serious concerns regarding the governance of MFSS and the services provided to clients. We reviewed the governance arrangements and also identified significant issues with the governance arrangements at the MFSS, particularly in relation to the Project Fusion. We have raised a high priority recommendation relating to this, however, we note that the PCC and Chief Constable have already taken significant steps in year to remedy the situation.

High priority recommendations

As a result of our 2017/18 work we raised one high priority recommendation, related to the need to continue to monitor and manage the MFSS contract and the Fusion Project. This was reported and accepted within our 2017/18 ISA260 report.

Section one:

Summary for Joint Audit and Scrutiny Panel (cont.)

Certificate

We issued our certificate on 31 July 2018. The certificate confirms that we have concluded the 2017/18 audits of the PCC's and CC's financial statements in accordance with the requirements of the Local Audit & Accountability Act 2014 and the Code of Audit Practice.

Audit fee

Our fee for 2017/18 was £50,220 (split PCC: £35,220 and CC: £15,000), excluding VAT (2016/17: £46,090).

Exercising of audit powers

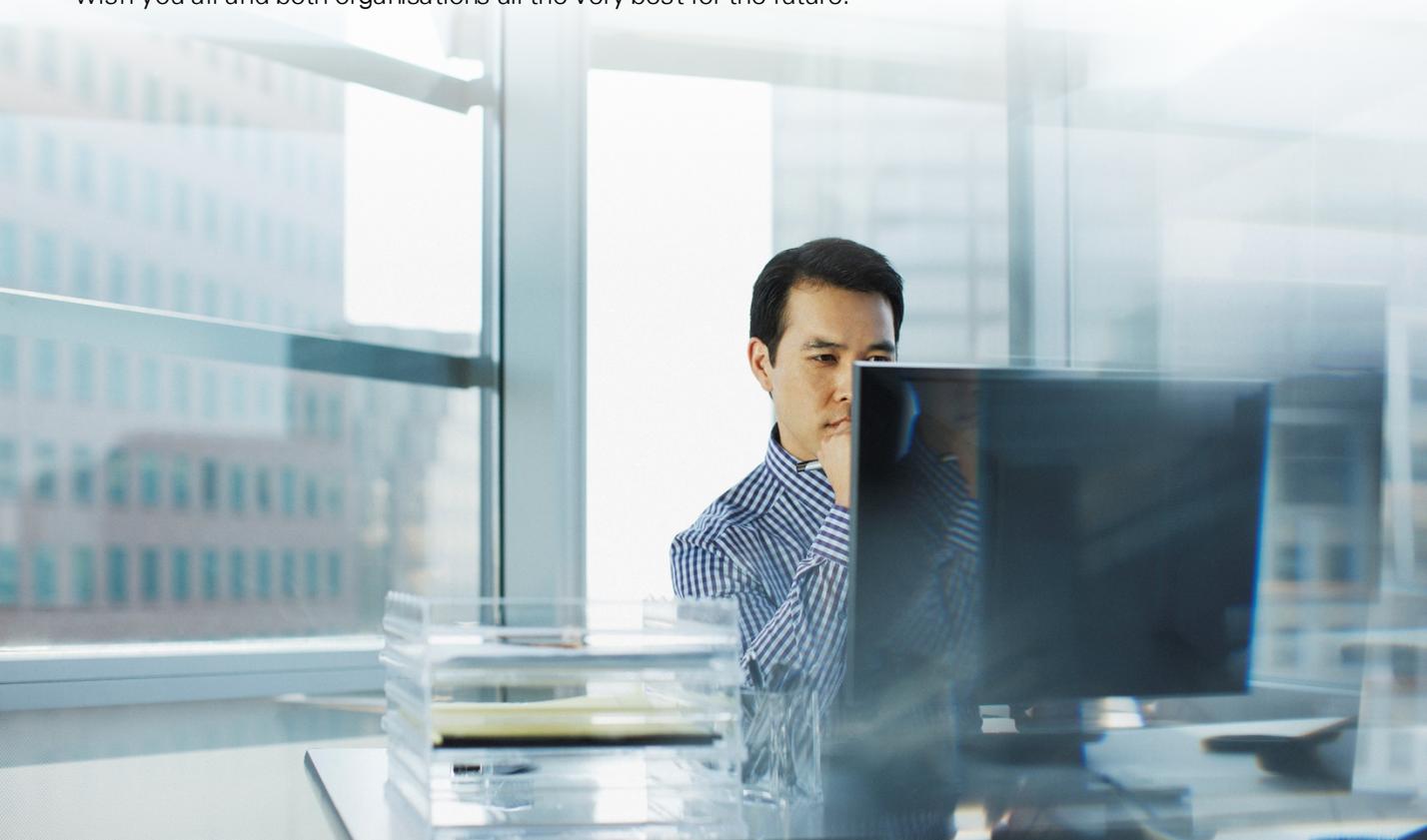
We have a duty to consider whether to issue a report in the public interest about something we believe the PCC or CC should consider, or if the public should know about.

We have not identified any matters that would require us to issue a public interest report.

In addition, we have not had to exercise any other audit powers under the Local Audit & Accountability Act 2014.

Acknowledgements

We would like to take this final opportunity to thank all officers and Members for their help and assistance over the many years that we have provided the external audit service to Nottinghamshire's PCC and CC, and wish you all and both organisations all the very best for the future.



Appendices



Appendix 1:

Summary of reports issued

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

These reports can be accessed via the Joint Audit and Scrutiny Panel pages on the PCC and CC’s website.

2017/18 External Audit Plan

The External Audit Plan set out our approach to the audit of the PCC and CC’s financial statements and to support the VFM conclusion.

2017/18 Interim Audit Letter

The Interim Audit Letter summarised the results from the preliminary stages of our audit, including testing of financial and other controls.

Report to Those Charged with Governance

The ISA260 Report to Those Charged with Governance summarised the results of our audit work for 2017/18 including key issues and recommendations raised as a result of our observations.

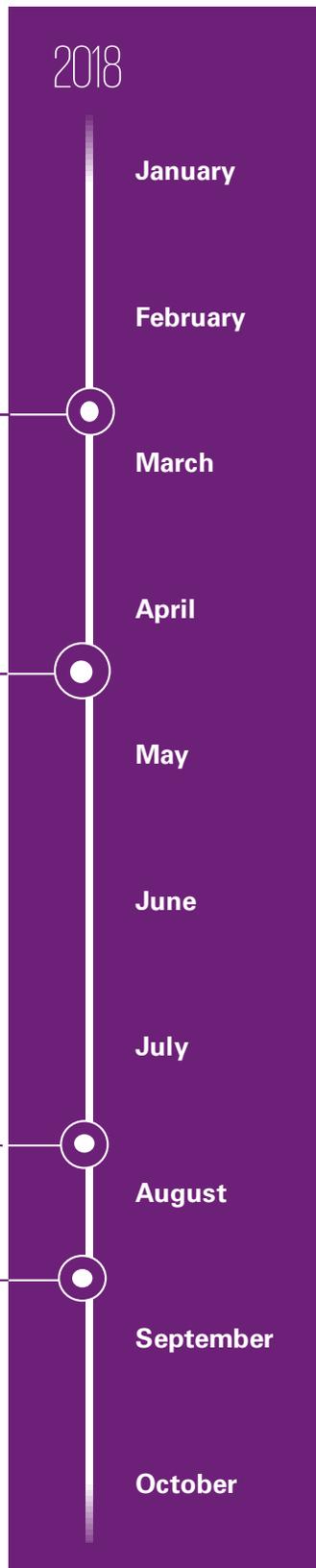
We also provided the mandatory declarations required under auditing standards as part of this report.

Auditor’s Report

The 2017/18 Auditor’s Report included our audit opinions on the PCC’s and CC’s financial statements along with our VFM conclusions and our certificates.

Annual Audit Letter

This Annual Audit Letter provides a summary of the results of our audit for 2017/18.



Appendix 2:

Audit fees

This appendix provides information on our final fees for the 2017/18 audit.

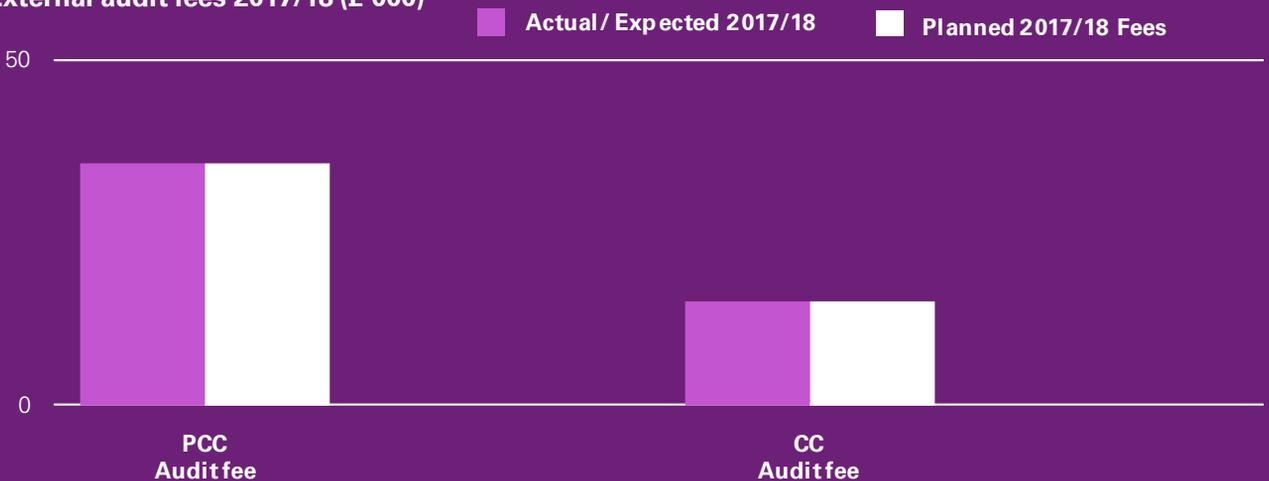
External audit

Our final fee for the 2017/18 audit of the Police and Crime Commissioner was £35,220, for the audit of the Chief Constable, the fee was £15,000. This compares to a planned fee of £35,220 and £15,000 respectively. 2016/17 total fees were £5,000 more than the 2017/18 audit due to a £5,000 overrun charge in the year.

Other services

We did not charge any additional fees for other services.

External audit fees 2017/18 (£'000)





The key contacts in relation to our audit are:

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This report is addressed to the Authority and has been prepared for the sole use of the Authority (PCC and CC). We take no responsibility to any member of staff acting in their individual capacities, or to third parties. We draw your attention to the Statement of Responsibilities of auditors and audited bodies, which is available on Public Sector Audit Appointment's website (www.psa.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, by email to 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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CREATE: CRT086281A

For Information	
Public/Non Public	Public
Report to:	Joint Audit and Scrutiny Panel (JASP)
Date of Meeting:	September 2018
Report of:	Amanda Froggatt, Strategic Support Officer
Report Author:	Amanda Froggatt, Strategic Support Officer
E-mail:	amanda.froggatt@nottinghamshire.pnn.police.uk
Other Contacts:	n/a
Agenda Item:	9

Crime Data Integrity Inspection 2018

1. Purpose of the Report

- 1.1 To provide the Joint Audit and Scrutiny Panel (JASP) with an overview of the findings of the recent HMICFRS Crime Data Integrity Inspection and the work to be undertaken by the force to address the areas of concern.

2. Recommendations

- 2.1 That the Panel notes the contents of the report.

3. Reasons for Recommendations

- 3.1 To enable the Panel to fulfil its scrutiny obligations with regard to Nottinghamshire Police and its response to the HMICFRS Inspection.
- 3.2 To provide the Panel with greater scrutiny opportunities to reach more informed decisions.

4. Summary of Key Points

Crime Data Integrity Inspection

On Monday 30th April 2018, Nottinghamshire Police was subject to a Crime Data Integrity (CDI) Inspection.

This inspection formed the basis of an unannounced programme of CDI inspections undertaken by HMICFRS on a 12-month rolling period.

The primary aim of the inspection was to measure the rate of compliance of police-recorded crime against the national standards (HOCR) for all 43 Home Office police forces in England and Wales. Alongside the calculation of the forces' all crime (excluding fraud) compliance rate, the audit also calculated the force compliance rate for violence against the person and sexual offences.

Findings

Detailed below is an overview of the main findings of the inspection.

Overall judgment

 Requires improvement

The force has made concerted efforts to improve crime-recording accuracy since HMICFRS's 2014 crime data integrity inspection report. Importantly, HMICFRS found an approach among officers and staff that places the victim at the forefront of their crime-recording decisions.

The force has:

- improved the supervision of out-of-court disposals;
- developed and provided crime-recording training for officers, supervisors and staff involved in making crime-recording decisions;
- high levels of recording accuracy for reported sexual offences;
- good crime-recording arrangements in respect of modern slavery crimes;
- fully implemented the recommendations set out in our 2014 report; and
- made good progress against a national action plan developed to improve crime recording by police forces.

Despite these advances Nottinghamshire Police is still failing some victims of crime. Based on the findings of the HMICFRS's examination of crime reports for the period 1 August 2017 to 31 January 2018, it is estimated that the force failed to record over 13,800 reported crimes each year. This represents a recording rate of 87.3 percent (with a confidence interval of +/- 1.80 percent). The 12.7 percent of reported crimes that go unrecorded include crimes such as violence offences and domestic abuse. Incorrect recording decisions are often the consequence of officers and staff not understanding the crime-recording rules. HMICFRS found that some officers and staff have an insufficient understanding of the crime-recording requirements for common assault, harassment, malicious communications and public order offences. This was particularly apparent among those officers and staff who have not recently received any crime-recording training. These errors were further compounded by limited supervision of crime-recording decisions.

Overview

The force has improved its crime-recording processes since the HMICFRS Inspection in 2014. HMICFRS found the force has:

- introduced a telephone investigation team (CRIM) responsible for screening crimes that do not need officer attendance, then recording and investigating them;
- provided crime-recording training for officers and staff who deal with vulnerable victims;

- a centralised approval process in place for out-of-court disposals to ensure that national guidance is complied with;
- improved the quality of its crime-recording data;
- fully implemented the recommendations set out in our 2014 report; and
- made good progress against a national action plan developed to improve crime recording by police forces.

The force crime registrar (FCR), responsible for overseeing crime-recording arrangements, has completed a national College of Policing course and is fully accredited for the role. The force has invested in a new NCRS (national crime recording standard) compliance team which will support the FCR and increase crime-recording timeliness and compliance.

Despite these advances, HMICFRS found that response and neighbourhood teams had not recently received crime-recording training, resulting in frontline officers:

- failing to identify and record violent crimes, including those arising from domestic abuse incidents such as common assault, harassment and malicious communications, and other crimes such as public order offences; and
- not having a sufficient understanding of the standard of additional verifiable information (AVI) that is required to cancel a crime once it has been recorded.

HMICFRS also found the force must:

- increase the number of crimes it records within 24 hours of being reported; and
- improve its collection of diversity information from victims of crime and how it uses this to comply with its equality duty.

How effective is the force at recording reported crime?

Overall crime-recording rate

Over 13,800 reports of crime a year are not recorded

87.3% of reported crimes were recorded

HMICFRS examined reports of crime which the force received, and for which an auditable record was created. The force informed HMICFRS that 95.8 percent of crime that is recorded (excluding fraud) comes through an auditable route. This does not mean that 95.8 percent of crimes reported to Nottinghamshire Police come through these routes but that 95.8 percent of crime is recorded this way.

HMICFRS found that the force recorded 87.3 percent of these crimes (with a confidence interval of +/- 1.80 percent). They estimate that this means the force is not recording in excess of 13,800 reports of crime each year.

Of the 1,352 reports of crime that HMICFRS audited, they assessed 346 to be crimes related to domestic abuse. Of these, the force had recorded 268. The 78 offences not recorded included 59 violent crimes, one sexual crime and 18 other crimes. Many of these were reported directly to the force but were not recorded. HMICFRS found no clear evidence or rationale as to why they were not recorded as crimes.

In these cases, while the majority of the incident records made it clear that officers had considered safeguarding requirements, HMICFRS found other incidents where this was not the case. However, they did find that despite the crimes not being recorded an investigation proportionate to the circumstances was undertaken in most of these cases.

The force's current domestic abuse policy and procedure sets out the circumstances when it is mandatory to complete a risk assessment for domestic abuse cases. HMICFRS found that there is confusion among officers about whether and when to complete a risk assessment. In many of the cases where crime reports had not been recorded a risk assessment had not been completed when it should have been. They also found that supervision of force crime-recording decisions requires improvement. In particular, they found:

- some occasions where officers had completed inaccurate and incomplete risk assessments; and
- prior to closing the incident logs, control room managers were not always applying adequate scrutiny to officer updates submitted in crime-related incidents, to satisfy themselves that crime-recording decisions are correct.

HMICFRS advised the force must improve crime recording in domestic abuse incidents, in order to give the force a greater understanding of domestic abuse crime in its communities. It will also mean that victims can have greater confidence in the response of the force when reporting these crimes.

Violence against the person

Over 5,400 reports of violent crime a year are not recorded

82.7% of reported violent crimes were recorded

HMICFRS found that 82.7 percent of violent crimes reported to the force are recorded (with a confidence interval of +/- 3.02 percent). This is lower than the overall crime-recording rate detailed above. By HMICRS's estimate, this means the force fails to record over 5,400 violent crimes that are reported to it each year.

In most cases, where violent crimes were not recorded, HMICFRS found that:

- some call handlers do not always record on the incident log full details of the conversation they had with the person reporting a crime;
- dispatchers do not always pass all available information to attending officers thereby making accurate crime-recording decisions difficult;
- the updates and results from attending officers are not always recorded within incident logs with sufficient accuracy and detail;

- some frontline officers and staff are still unsure of the basic crime-recording rules relating to common assault, harassment, malicious communications and public order offences;
- following a deployment to an incident, officers do not always record a comprehensive explanation for why a crime should not be recorded; and
- there is limited supervision to correct these decisions at the earliest opportunity.

Sexual Offences

Over 190 reports of sex offences a year are not recorded

94.4% of reported sex offences were recorded

The force records 94.4 percent of sexual offence crimes (including rape) that are reported to it (with a confidence interval of +/- 2.58 percent). HMICFRS estimate the force is not recording over 190 reported sexual offence crimes each year.

This recording rate illustrates the improved scrutiny given to reports of sexual offences since HMICFRS's 2014 report.

HMICFRS found that most unrecorded sexual offences occur when additional offences are disclosed during the investigation of already recorded crimes. This means that investigations and safeguarding requirements of the unrecorded crimes are taking place. However, recording such crimes has added importance for identifying perpetrators and challenging their behaviour. HMICFRS also found that in some cases frontline officers were not sure of the basic crime-recording principles and recording rules, including in relation to youth produced sexual imagery.

Rape

87 out of 94 audited rape reports were accurately recorded

HMICFRS found that 87 of the 94 reports of rape they examined had been correctly recorded. These include reports that originated on the force incident system, reports received directly by specialist officers from third-party professionals, and from a review of N100 records.

HMICFRS found that one of the missed crimes of rape was misclassified as incitement of a child and one attempted rape was misclassified as sexual assault. Two cases had N100s recorded instead. Of the remaining missed rape crimes, two were part of multiple reports of sexual crimes and one should have been recorded in addition to a modern slavery crime.

In three of these cases, there was no evidence of any safeguarding arrangements on the incident records. In two of these cases an investigation was not possible because the victims declined to support an investigation.

HMICFRS advised the force's use of the Home Office classification N100 could be improved. Introduced in April 2015, the N100 is a record created to explain why reported incidents of rape or attempted rape, whether from victims, witnesses or third parties, have not been immediately recorded as a confirmed crime. This can include instances where additional information confirms the rape did not occur, or where the rape occurred in another force area and was therefore transferred to the relevant force to record and investigate.

HMICFRS found 19 reports for which the force should have applied an N100 classification. It was applied on eight of these occasions.

Separately, they also reviewed 20 sample records where an N100 classification had been used and found that 16 N100s were correctly recorded. In addition, they found two N100s which were correctly turned into rapes and two N100s which should have been turned into rapes but were not.

How efficiently do the systems and processes in the force support accurate crime-recording?

Crime reports held on other systems

26 out of 32 vulnerable victim crimes were recorded

To be confident that vulnerable victims always receive the support they need, it is important that crimes reported directly to public protection teams are always recorded. HMICFRS were pleased to find the force works hard to ensure this is the case. They examined 25 vulnerable adults and 25 vulnerable child victim records. Overall, they found the force correctly recorded 26 out of 32 crimes identified.

In the adult sample, 16 crimes should have been recorded. 14 were correctly recorded, including one rape. The missing crimes were one theft and one crime involving indecent pictures of children.

In the child sample, 16 crimes should have been recorded. 12 were correctly recorded, including two rapes. The four missed crimes were all common assaults.

HMICFRS found that victims had received support through the force safeguarding arrangements in all of these cases. However, the four crimes missed from the child sample were not investigated because the crimes were not identified or recorded.

Modern slavery

Offences relating to modern slavery are an important and recent addition to the crimes that forces must record and investigate. HMICFRS, therefore, reviewed the recording of reports of modern slavery offences.

Overall, HMICFRS found that officers and staff demonstrate a good understanding of recording modern slavery crimes. They examined 19 modern slavery crime records and identified that 18 of these were correctly recorded. In addition, four rapes linked to these reports were correctly recorded. However, four other crimes linked to these reports were not recorded; these included one rape and three assaults. HMICFRS also identified one modern slavery crime which had been incorrectly recorded as a kidnap/false imprisonment and another that was over-recorded (duplicated).

HMICFRS also examined 21 modern slavery source records and found that eight modern slavery crimes and one rape crime were correctly recorded. However, one crime of assault was not recorded.

HMICFRS acknowledged the force has a dedicated modern slavery team which is responsible for scrutinising all reports of modern slavery that come into the force. It has an effective process for dealing with reports of modern slavery that it receives via the National Referral Mechanism (NRM).

Timeliness

Where the information obtained at the first point of contact satisfies the national crime recording standard the expectation is that identified crimes will be recorded without delay and in any case recorded within 24 hours.

HMICFRS found that, of the reports of crime that had been recorded by the force, only 373 out of 486 reports of violent crime, 162 out of 237 sexual offences and 342 out of 399 other offences had been recorded within 24 hours of the receipt of the report.

HMICFRS noted that the force has already taken action to address this through the new NCRS compliance team. This should ensure that in the future crimes will be recorded without delay and within 24 hours of the receipt of the report.

Cancelled crimes

Where additional verifiable information (AVI) is obtained to show that a recorded crime did not occur, the record can be cancelled. The force operates a system whereby only the FCR and the designated decision makers (DDMs) in his team can cancel recorded crimes. HMICFRS found these arrangements to be effective.

HMICFRS reviewed a sample of cancelled recorded crimes of rape, other sexual offences, violence and robbery. They found the FCR had authorised correctly the cancellation of all 16 offences of rape and the DDMs had authorised correctly the cancellation of 11 out of 13 sexual offences, 12 out of 13 violence offences and all 11 robbery offences.

Where a crime has been cancelled or transferred to another force for investigation, a victim should always know the status of his or her reported crime. In the case of a decision to cancel a recorded crime, the very least the victim should expect is an explanation of the reason for this decision. HMICFRS found that of the 39 victims who should have been told of the transfer/cancellation, 36 were told of the decision.

Code of Practice for Victims of Crime

The Code of Practice for Victims of Crime provides clear guidance to police forces regarding the service that should be provided to the victims of crime. HMICFRS concluded that the force is aware of its responsibilities under this code.

All victims of crime whose reports are recorded by Nottinghamshire Police are automatically referred to Victim Support within two days, unless they opt out of the service. The exceptions to this are victims of domestic violence or sexual offences; in these cases they are required to give their consent to a referral to Victim Support or other relevant organisation. Victims will then be contacted to discuss what support is available to them. Therefore, the recording of reported crime is important to ensure victims are not denied access to these services.

Equality

HMICFRS found that the force must improve collection of information regarding crimes affecting identifiable groups within communities. Protected characteristics, such as gender, sexuality, disability, ethnicity, religion and age do not necessarily increase the vulnerability of an individual to the risk of crime. However, it is important that the force records information regarding the characteristics of victims of crime to identify any patterns which may exist between different community groups and their vulnerability to (or their relative likelihood to report) different types of crime.

HMICFRS found the force routinely records information on the age, gender and ethnicity of victims in most cases, but information on the disability, religion, and sexual orientation of victims is not routinely recorded, unless it is a feature of the crime itself.

Officer and staff survey

HMICFRS conducted a survey of officers and staff in Nottinghamshire Police of their experience of crime-recording. Some 316 respondents completed the survey. HMICFRS were pleased to find that the vast majority of respondents understood the crime-recording process and believed that the chief officer team clearly communicates the need for ethical crime recording. Just over half the respondents understood the changes made by the force since the HMICFRS 2014 inspection, and improvement in the force's approach to crime-recording.

How well does the force demonstrate the leadership and culture necessary to meet the national standards for crime-recording?

Overall, HMICFRS found good leadership from senior officers regarding crime-recording expectations, and an approach among most officers and staff that places the victim at the forefront of their crime-recording decisions.

They also found the force has a comprehensive CDI audit plan and that the FCR believes there will be sufficient capacity in the new NCRS compliance team to improve crime recording across the force.

They found the FCR has access to and feels fully supported by the chief officer responsible for CDI, who in turn provides governance and oversight of CDI through an information management board. At these meetings issues relating to CDI, including the results of crime audits, are shared with senior staff, they in turn follow-up any further actions as required. CDI related messages are also shared with officers and staff by the force corporate communications department. This means that lessons learned are shared across the force and identified risks to the quality of CDI are mitigated.

HMICFRS found that the force recognises that there is a lack of accountability for crime-recording decisions at a local level and is addressing this in conjunction with a force-wide data quality campaign. In addition, the Office of the Police and Crime Commissioner has recently commissioned a leadership programme aimed at sergeants and above. This will include information as to their responsibilities in regard to crime recording.

HMICFRS also found the force had implemented all of the local recommendations made in its 2014 report and had also made good progress against a national action plan developed to improve crime recording and which all forces have been asked to implement.

Conclusion

In conclusion, HMICFRS reported Nottinghamshire Police has made progress in its crime-recording processes since 2014 and continues to work on further improvements, particularly in recording accurate details for victims of violent crime, including domestic abuse.

Next Steps

HMICFRS have identified the following recommendations/areas for improvement outlined below. ACC Cooper (Local Policing) will have strategic oversight of delivery of these recommendations through the Force's Crime and Data Quality Board. This Board will be held monthly, with the first one scheduled for 28th September. A comprehensive action plan will record progress against each of the actions and a record of this information will be entered onto 4Action to ensure the force's corporate memory is maintained.

Recommendations

The force should immediately:

- take steps to identify and address gaps in its systems and processes for identifying and recording all reports of violent crimes (in particular those that are domestic abuse related);
- ensure that adequate supervision is applied to **all** crime-recording decisions made by officers and staff; and
- ensure that **all** identified crimes are recorded without delay and in any case within 24 hours.

Within three months the force should provide crime-recording training for frontline officers to include:

- the crime-recording rules for common assault, harassment, malicious communications and public order offences; and
- the standard of AVI that is required to cancel a recorded crime.

Areas for improvement

The force should immediately:

- improve the understanding and use by its officers and staff of the N100 classification, for those reports of rape which are not immediately recorded as a crime; and
- improve how it collects diversity information from victims of crime and how it uses this to comply with its equality duty.

5. Financial Implications and Budget Provision

5.1 If financial implications arise from recommendations raised from This inspection, 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 Equality implications as a result of this report. Equality 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

N/A

For Information	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	7th November 2018
Report of:	Chief Constable
Report Author:	Amanda Froggatt, Strategic Support Officer
E-mail:	amanda.froggatt@nottinghamshire.pnn.police.uk
Other Contacts:	Amanda Froggatt, Strategic Support Officer
Agenda Item:	10

Strategic Risk Management Report for Force and Nottinghamshire Police and Crime Commissioner (NOPCC), Quarter 2, 2018/19

1. Purpose of the Report

- 1.1 To provide the Joint Audit and Scrutiny Panel (JASP) with an up to date picture of strategic risk management across the Force and the Nottinghamshire Office of the Police and Crime Commissioner (NOPCC).

2. Recommendations

- 2.1 It is recommended that the JASP notes the current approach to strategic risk management and considers the assurance that this report provides as to the effectiveness of those arrangements within the Force and NOPCC.
- 2.2 JASP note the three very high strategic risks on the Force's risk register namely, Multi-Force Shared Service (MFSS) transfer of payroll system to the new Fusion solution, compliance with the new General Data Protection Regulations (GDPR), and the building of the new Bridewell custody facility.
- 2.3 JASP also note the high risks relating to the NOPCC, Multi-Force Shared Service (MFSS) transfer of payroll system to the new Fusion solution, the uncertainty in relation to the announcement of the comprehensive spending review and the police funding formula and

3. Reasons for Recommendations

- 3.1 A Strategic Risk Report is provided to the JASP on a quarterly basis in order to keep the Board informed as to the level of strategic risk within the Force and NOPCC and provide assurance as to the effectiveness of risk management arrangements.

4. Summary of Key Points

Risk management policy and process

- 4.1 The Force and the NOPCC previously agreed a joint policy for the management of risk, in line with the Cabinet Office approved Management of Risk (M_o_R) approach.

5 Financial Implications and Budget Provision

- 5.1 There are no direct financial implications as a result of this report. Financial implications as a result of each risk will be assessed and managed on an individual basis.

6 Human Resources Implications

- 6.1 Providing professional advice on risk management is the responsibility of the Corporate Governance and Business Planning team.
- 6.2 General responsibility for managing risk forms an integral part of the job descriptions of individuals throughout the Force.

7 Equality Implications

- 7.1 There are no known equality implications associated with the implementation of the Risk Management Policy.
- 7.2 Where a particular risk is identified that could have an impact on the Force's equality objectives that risk will be assessed and managed in line with the Risk Management Policy.

8 Risk Management

- 8.1 One of the main aims of the Risk Management Policy is to achieve consistent application of risk management principles and techniques across all areas of the Force and NOPCC.
- 8.2 If the Force and NOPCC do not practice effective risk management within their decision making there is a risk of non-compliance with the principles set out in the Joint Code of Corporate Governance.

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

- 9.1 An understanding and appreciation of strategic risk is important in determining the priorities in the Police and Crime Plan, and subsequently informing the development of effective strategies, policies and plans to address those priorities. It is expected that the implementation of the Risk Management Policy will lead to improved understanding of strategic risk and therefore impact positively on the achievement of Police and Crime Plan objectives.

10 Changes in Legislation or other Legal Considerations

- 10.1 Where potential changes in legislation or other legal considerations represent a significant threat or opportunity for the Force or the NOPCC these are evaluated and managed in line with the Risk Management Policy.

11 Details of outcome of consultation

- 11.1 Each Strategic Risk has been assessed with the relevant risk owner and the DCC and Chief Executive of the NOPCC, respectively.

12. Appendices

- 12.1 **Appendix 1** – Force Strategic Risk Register
Appendix 2 – NOPCC Strategic Risk Register

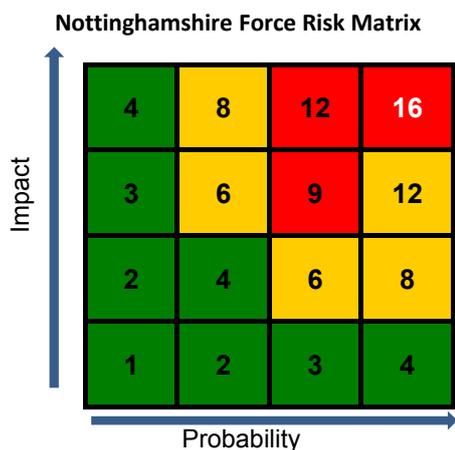
NOTTINGHAMSHIRE POLICE CORPORATE RISK REGISTER - OCTOBER 2018

RISK			MITIGATION OF RISK	ASSESSMENT			
Risk / Objective	Description and Owner	Impact	Strategy and Assurances	Unmitigated / Current Risk			Commentary and Review date
				Probability	Impact	Risk Score	
SR1 Matching Resources to Demand Create a service that works for local people	Timeliness in responding to Grade 3 and 4 incidents due to demand pressures Owner:- ACC Crime and Operational Support	Reputation / public confidence - Performance / delivery risks - Poor assessment / inspection outcomes	Treat Ongoing oversight via DMMs and Introduction of Sergeant oversight into Control Room Recruitment of additional officers	4	4	16	Daily oversight via DMMs and Introduction of Sergeant oversight into Control Room On-going recruitment of officers Review date: Ongoing
				3	3	9 ▲	
SR2 MFSS Business continuity Create a service that works for local people	Business continuity risks associated with MFSS transfer of payroll system in April 2019 Owner: Chief Finance Officer	- Workforce confidence / morale - Service delivery - Reputation / public confidence risk	Treat Ongoing oversight via MFSS Management Board and Strategic Oversight Board	4	4	16	Ongoing oversight via MFSS Management Board and Strategic Oversight Board. Preparation of advice for officers and staff Review date: Ongoing
				4	4	16 ▲	
SR3 Financial Incapability Create a service that works for local people	Force unable to achieve a balanced budget, required efficiency savings and contribution to reserves Owner: Chief Finance Officer	- Insolvency - Govt. mandation / penalties - Reputation / public confidence - Performance / delivery risks - Poor assessment / inspection outcomes	Treat Budget parameters set by PCC Medium Term Financial Planning Monthly budget monitoring meetings Weekly PCC / CC meetings Escalation process Active OPCC and Force CFO discussion	4	4	16	Ongoing oversight via monthly budget monitoring meetings and weekly PCC/CC briefing meetings Active OPCC and Force CFO discussion. The potential impact of Treasury decisions on pension budget continues to be closely monitored. Review date: Ongoing
				3	4	12 ◀▶	
SR4 Information Management Create a service that works for local people	Documentation retention, review and disposal risks associated with non compliance of MOPI Owner:- Deputy Chief Constable	- Reputation / public confidence - Delivery failure - Ineffective planning and problem solving - Government penalties	Treat Alignment of regional approach with local practices Assessment and development of RRD processes within Force legacy systems Alignment of RRD requirements with retention schedules and Information Asset register	4	4	16	Alignment of regional approach with local practices Assessment and development of RRD processes within Force legacy systems Alignment of RRD requirements with retention schedules and Information Asset register Review date: Ongoing
				3	4	12 ◀▶	
SR5 Information Management Create a service that works for local people	Data protection breaches as a result of non compliance with GDPR Owner:- Deputy Chief Constable	- Reputation / public confidence - Delivery failure - Ineffective planning and problem solving	Treat Undertaking GDPR gap analysis in order to identify associated risk	4	4	16	GDPR gap analysis being undertaken in order to identify associated risks which will help define an action plan Force due to be audited on GDPR compliance in December 2018
				4	4	16	

NOTTINGHAMSHIRE POLICE CORPORATE RISK REGISTER - OCTOBER 2018

RISK			MITIGATION OF RISK	ASSESSMENT			
Risk / Objective	Description and Owner	Impact	Strategy and Assurances	Unmitigated / Current Risk			Commentary and Review date
				Probability	Impact	Risk Score	
works for local people		- Government penalties	and define an action plan			▲	Review date: Ongoing
SR6 Information Management & Data Quality Engage our communities	Poor data quality compliance impacts upon understanding of crime patterns, the identificaion and referral fo vulnerable people and public confidence in crime recording. Owner:- Deputy Chief Constable	- Reputation / public confidence - Delivery failure - Ineffective planning and problem solving - Government penalties	Treat Audit Committee / Internal Audit FCIR Review meetings HMICFRS Inspection Annual Assurance Statement	4 3	4 3	16 9 ◀▶	HMICFRS Crime Integrity Inspection highlighted a number of areas for concern. These are being reviewed and addressed within force in the Crime Data Integrity meeting chaired by ACC Local Policing Review date: Ongoing
SR7 Analytical capacity and capability Engage our communities	Lack of force and partner agency analytical capacity impacting on provision of analytical products and assurance reports Owner:- Deputy Chief Constable	- Force and partners inability to direct resources according to need; identfiy emerging risks; assess impact of interventions; provide accountability - Reputation / public confidence risk	Treat Forward planning on the development of key analytical products. Direct access to intranet-based tools and functionality.	4 3	3 3	12 9 ◀▶	Ongoing liaison with heads of Intelligence and Management Information. Departmental restructure and recruitment underway. Proposals to enhance 'self-service' fuinctionality are being progressed. Review date: Ongoing

NOTTINGHAMSHIRE OPCC RISK MATRIX



PROBABILITY

4	Very High: >75% chance, almost certain to occur
3	High: 51-75% chance, more likely to occur than not
2	Medium: 26-50% chance, fairly likely to occur
1	Low: <25% chance, unlikely to occur

Impact category	Impact score			
	Low (1)	Medium (2)	High (3)	Very High (4)
Performance / Service Delivery	Minor, brief disruption to service delivery. Minor impact on performance indicators.	Significant, sustained disruption to service delivery. Noticeable impact on performance indicators.	Serious, protracted disruption to service delivery. Substantial impact on performance indicators.	Major, long term disruption to service delivery. Major impact on performance indicators.
Finance / Efficiency	Force: <£50,000 Business Area: <£10,000	Force: £51,000 -£250,000 Business Area: £11,000 -£40,000	Force: £251,000 - £1,000,000 Business Area: £41,000 - £150,000	Force: >£1,000,000 Business Area: >£150,000
Confidence / Reputation	Complaints from individuals. Little or no noticeable local media coverage.	Significant public concerns / investigations. Significant reputational damage / adverse local media coverage.	Substantial stakeholder / public concerns / investigations. Substantial reputational damage / adverse national media coverage < 7 days	Major stakeholder / public concerns / investigations. Major reputational damage / adverse national media coverage >7 days
Community impact	Minor impact on a specific section of the community	Significant impact on a specific section of the community. Minor impact on the wider community.	Substantial, prolonged, impact on a specific section of the community. Significant impact on the wider community.	Major, prolonged impact on the wider community.
Health & Safety	An injury or illness involving no treatment or minor first aid / care with no time off work	An injury or illness requiring hospital / professional medical attention and / or between one day and three days off work, with full recovery	An injury or illness requiring over 24 hrs hospitalisation and / or more than 3 days off work, or a major injury as defined by the RIDDOR Regulations	Death, or a life changing injury or illness.
Environment	Little or no noticeable natural resources used, pollution produced, or biodiversity affected	Moderate amount of natural resources used, pollution produced, or biodiversity affected	Substantial amount of natural resources used, pollution produced, or biodiversity affected	Major amount of natural resources used, pollution produced, or biodiversity affected

NO

	biodiversity affected.	biodiversity affected.	or biodiversity affected.	biodiversity affected.
Strategic direction	Little or no noticeable change to one strategic objective.	Noticeable change to one or more strategic objectives.	Substantial changes to one or more strategic objectives.	Complete change to strategic direction.

NOTTINGHAMSHIRE POLICE AND CRIME COMMISSIONER CORPORATE RISK REGISTER - OCTOBER 2018

RISK			MITIGATION OF RISK	ASSESSMENT			
Risk / Objective	Description and Owner	Impact	Strategy and Assurances	Unmitigated / Current Risk			Commentary and Review date
				Probability	Impact	Risk Score	
SR1 Delivery of the sexual violence support service Helping and Supporting Victims	No agreed funding in place from local authority or CCG partners from March 2019 to fund the sexual violence support service in the county. Owner: Head of Commissioning Organisation: OPCC	- Failure to meet the needs of vulnerable victims - a postcode lottery between services in city and county - reputational damage to the OPCC as the funder of victims services	Treat HWB workshop Engagement with survivors PCC discussion with CCG Chief Officers Joint task and finish group	4	3	12	PT has written to CCGs. Meeting planned for October. Further meetings with commissioning leads. Propose new model to CCGs. Review date: 01/10/2018
				3	3	9	
						◀▶	
SR2 MFSS Business continuity Transforming Services and Delivering Quality Policing	Business continuity risks associated with MFSS transfer of payroll system in April 2019 Owner: Chief Finance Officer Organisation: OPCC	- Workforce confidence / morale - Service delivery - Reputation / public confidence risk	Treat Ongoing oversight via MFSS Management Board and Strategic Oversight Board	4	3	12	Ongoing oversight via MFSS Management Board and Strategic Oversight Board. Preparation of advice for officers and staff Review date: Ongoing
				3	3	9	
						▲	
SR3 Financial Incapability Transforming Services and Delivering Quality Policing	Force unable to achieve a balanced budget, required efficiency savings and contribution to reserves Owner: Chief Finance Officer Organisation: OPCC	- Insolvency - Govt. mandation / penalties - Reputation / public confidence - Performance / delivery risks - Poor assessment / inspection outcomes	Treat Budget parameters set by PCC Medium Term Financial Planning Monthly budget monitoring meetings Weekly PCC / CC meetings Escalation process Active OPCC and Force CFO discussion	4	4	16	Ongoing oversight via monthly budget monitoring meetings and weekly PCC/CC briefing meetings Active OPCC and Force CFO discussion. The potential impact of Treasury decisions on pension budget continues to be closely monitored. Review date: Ongoing
				2	3	6	
						◀▶	
SR4 Level of risk-assessed reserves Transforming Services and Delivering Quality Policing	Inability to respond to critical unforeseen risk due to a lack of prudent risk-assessed reserves Owner: Chief Finance Officer Organisation: OPCC	- Govt. mandation / penalties - Reputation / public confidence - Performance / delivery risks - Poor assessment / inspection outcomes	Treat Medium Term Financial Planning Monthly budget monitoring meetings Weekly PCC / CC meetings Escalation process Active OPCC and Force CFO discussion	3	4	12	Nottinghamshire maintains one of the lowest levels of reserves when compared to other Police forces / OPCCs nationally. This risk continues to be monitored via monthly budget meetings and weekly PCC/CC briefing meetings, alongside ongoing active OPCC and Force CFO discussions. Review date: Ongoing
				2	3	6	
						◀▶	
SR5 Delivery of critical multi-agency services Cross-cutting risk	Reductions in partner agency budgets results in withdrawal of support and funding from key partnership projects. Implications for Police and Crime Plan commissioning intentions Owner: Head of Commissioning Organisation: OPCC	- Gaps in service - Reputation / public confidence - Relationship with partners - Failure to meet the needs of vulnerable victims - Missed opportunities to prevent and reduce crime	Treat Chairs Meeting Strategic Resources and Performance Engagement in CDP and SNB, Health and Wellbeing Boards Regular commissioning review meetings Joint Commissioning events	3	3	9	Strategic engagement with key partners throughout year and as part of annual planning an budget setting. Engaging with partners at political and officer level. Exploring opportunities to review domestic abuse support services procurement and specification in city. Review date: Ongoing
				2	2	4	
						◀▶	

NOTTINGHAMSHIRE POLICE AND CRIME COMMISSIONER CORPORATE RISK REGISTER - OCTOBER 2018

RISK			MITIGATION OF RISK	ASSESSMENT			
Risk / Objective	Description and Owner	Impact	Strategy and Assurances	Unmitigated / Current Risk			Commentary and Review date
				Probability	Impact	Risk Score	
SR6 Financial uncertainty Transforming Services and Delivering Quality Policing	Delays and uncertainty in the government announcement of comprehensive spending review. Delays in the review of the police funding formula Owner: Chief Finance Officer Organisation: OPCC	- Ineffective planning - Instability of key services - Impact on service delivery - Reputational / public confidence impact	Treat Engagement with central government, APCC/NPCC Police Finance workstream Police Reform and Transformation Board	3	3	9	Engagement with central government, APCC/NPCC Police Finance workstream Police Reform and Transformation Board. Review date: Ongoing
				3	3	9	
						▲	
SR7 Information Management & Data Quality Tackling crime and ASB	Poor data quality compliance impacts upon understanding of crime patterns, the identification and referral to vulnerable people and public confidence in crime recording. Owner: Head of Performance & Assurance Organisation: OPCC	- Reputation / public confidence - Delivery failure - Ineffective planning and problem solving - Government penalties	Transfer Audit Committee / Internal Audit FCIR Review meetings HMICFRS Inspection Annual Assurance Statement	3	3	9	HMICFRS Crime Integrity Inspection highlighted a number of areas for concern. These are being reviewed and addressed within force with regular oversight from the OPCC Review date: Ongoing
				2	2	4	
						◀▶	
SR8 Significant gaps in analytical capacity and capability Tackling Crime and ASB	Lack of force and partner agency analytical capacity impacting on provision of analytical products and assurance reports Owner: Head of Research and Information Organisation: OPCC	- Force and partners inability to direct resources according to need; identify emerging risks; assess impact of interventions; provide accountability - Reputation / public confidence risk	Treat Forward planning on the development of key OPCC analytical products. Direct OPCC access to intranet-based tools and functionality. Development of independent assurance mechanisms such as the Police and Crime Survey	3	2	6	Ongoing liaison with heads of Intelligence and Management Information. Departmental restructure and recruitment underway. Proposals to enhance 'self-service' functionality are being progressed. Review date: Ongoing
				2	2	4	
						◀▶	

For Information	
Public/Non Public	Public
Report to:	Joint Audit and Scrutiny Panel (JASP)
Date of Meeting:	November 2018
Report of:	Andrew Burton
Report Author:	Andrew Burton, Risk and Business Continuity Officer
E-mail:	andrew.burton16158@nottinghamshire.pnn.police.uk
Other Contacts:	Amanda Froggatt
Agenda Item:	11

Business Continuity Testing Update

1. Purpose of the Report

- 1.1 To provide the Joint Audit & Scrutiny Panel with an update on progress against the Business Continuity testing timetable (Business Continuity Testing Against Critical Functions Appendix 1)
- 1.2 To inform the Panel of the schedule of planned testing through Quarter 3 and 4 (Business Continuity Timetable Appendix 2).

2. Recommendations

- 2.1 That the Panel notes the progress made against Business Continuity testing timetable and takes note of forthcoming testing.
- 2.2 That the Panel identify any subject area to be reported on prior to each meeting, if appropriate, where additional and in depth detail can be explored allowing greater scrutiny.

3. Reasons for Recommendations

- 3.1 To enable the Panel to fulfil its scrutiny obligations with regard to Nottinghamshire Police and its response to Business Continuity.
- 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 priority areas of Business Continuity Testing.

4. Summary of Key Points

Business Continuity Updates

- 4.1 Since the last Joint Audit and Scrutiny (JASP) meeting, ten business areas have been tested with accompanying Business Impact Area documents.

Further detail on the outcomes of these tests is detailed in Appendix 1.

Action points from each test exercise have been fully documented, agreed with the head of department, and progressed in the most appropriate manner.

- 4.2 Certain Departments cover more than one discipline. Where appropriate these plans were tested individually to ensure assurance could be demonstrated. For example Serious and Organised Crime now encompasses Serious Investigations; Fraud and Finance; and Offender Management/Substance Misuse - each discipline/plan was tested individually and a separate report produced.
- 4.3 Areas of Response and Neighbourhood Policing are to be revisited following the Force ADA process in September 2018. This is to allow the newly posted Superintendents to review their areas as the Force restructures around a City/County focus.
- 4.4 The testing of Contact Management compliments the continual internal testing regime of the Department. This is done primarily in the early hours through formal training conducted by Contact Management managers.

5. Financial Implications and Budget Provision

- 5.1 If financial implications arise from recommendations raised from Business Continuity Testing, 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 Action points from each test exercise have been fully documented, agreed with the head of department, and progressed in the most appropriate manner.

12. Appendices

- 12.1 Appendix 1: Business Continuity Testing Against Critical Functions
- 12.2 Appendix 2: Business Continuity Timetable

Appendix 1

Business Continuity Force Critical Functions

Force Critical Functions	Department	Section	Identified Critical Functions	Date Tested	Issues Raised
<p>To maintain effective communications with the public</p> <p>To receive and respond to Emergency Calls providing an appropriate response to immediate incidents prioritising those at greatest risk due to vulnerability</p>	<p>Operations and Planning Command</p>	<p>Contact Management</p>	<p>Answering telephone calls – 999’s (Immediate)</p>	5/6/2017	<p>Duties – more use to be made of DMS messages to update staff on change of shifts and location of work.</p> <p><i>Now being used - Dept. Issue</i></p>
			<p>Answering telephone calls – 101’s (Immediate)</p> <p>Incident Creation (Immediate)</p> <p>Incident grading (CSA’s) and incident grading (Dispatchers) (Immediate)</p> <p>Dispatching (Immediate)</p> <p>Control of incidents (dispatchers) and Control of Major incidents (Control Room Managers) (Immediate 24 hours)</p>		<p>Fall-back Airwave Radios – NCR needs resilience in the event of additional radios being required.</p> <p><i>NCR now equipped with wall mounted safe and 12 hand held Airwave radios for use in the event of a systems failure - Dept. Issue</i></p> <p>Business Continuity Laptop_required for resilience</p> <p><i>Laptop installed at NCR and available for use – Dept. Issue.</i></p>
			<p>Answering telephone calls – 101s (Switchboard)</p> <p>(1 hour) Immediate</p> <p>Real Time Intelligence (Within 12 hours) (Immediate)</p>	26/9/2017	<p>New managers/staff should be made aware of guidance/protocols contained within Business Continuity Plan and guidance</p> <p><i>Issues covered on training days/induction – Dept. Issue</i></p>
				18/4/2018	<p>In the event of IT issues there is a reciprocal agreement with Derbyshire (principal) and other Force areas to receive calls and dispatch officers as appropriate. This needs to be tested practically</p> <p><i>Nottinghamshire Police taking the lead on liaising with Force areas, principally Derbyshire to conduct live trials to ensure effective tested Business Continuity plans are in place</i></p> <p>VISION as a Command and Control System is to be replaced and is therefore not currently being upgraded. This may have an impact on Business Continuity and could have a negative impact on how the Force effectively manages incidents</p>

Force Critical Functions	Department	Section	Identified Critical Functions	Date Tested	Issues Raised
					<p><i>Regular meetings held with the Forces Senior Team/Dept. Heads and suppliers of the new and current system to ensure continuity of service is maintained – Force Issue</i></p> <p><i>Discussed at Organisation Ethics, Risk & Learning Board 30th July 2018</i></p> <p>Potential issue raised to identify/and or train 4x4 drivers to help convey staff to the Control Room in particularly bad weather</p> <p><i>Reviewed in light of the impact of recent bad weather and not considered as a current issue. To be continually reviewed by the Department – Dept. Issue</i></p>
<p>To receive and respond to Emergency Calls providing an appropriate response to immediate incidents prioritising those at greatest risk due to vulnerability</p> <p>To continue to effectively investigate crime ensuring vulnerable individuals are quickly identified and receive a response appropriate to their needs</p> <p>Maintain the ability to deal with:</p> <ul style="list-style-type: none"> • Major, Critical and Emergency Incidents • Serious Crime • Firearms Incidents • Serious Public Order 	<p>Operations and Planning Command</p>	<p>Response</p>	<p>Provides the 24/7 365 capability to respond to incidents graded “Urgent” or “Priority” by the Force Control Room (FCR) Protect life and Property. (50 Officers 7 Sergeants 3 Inspectors immediately)</p>	<p>To be tested in Quarter Four</p>	<p>To be tested in final quarter of year (quarter four)</p>

Force Critical Functions	Department	Section	Identified Critical Functions	Date Tested	Issues Raised
<ul style="list-style-type: none"> Fatal and Serious Road Traffic Collisions 					
<p>To receive and respond to Emergency Calls providing an appropriate response to immediate incidents prioritising those at greatest risk due to vulnerability</p> <p>To continue to effectively investigate crime ensuring vulnerable individuals are quickly identified and receive a response appropriate to their needs</p> <p>To deal effectively with all matters which impact upon community cohesion, or the credibility and reputation of the Force</p>	<p>Operations and Planning Command</p>	<p>Neighbourhoods</p>	<p>Provide Reassurance, visibility and engagement with communities</p>	<p>28/11/2017</p>	<p>Business Continuity Plan to be updated re change in personnel</p> <p><i>Plan updated re changes- Dept. Issue</i></p> <p>Needs to be a better link with Citizens in policing lead. This provides additional resilience in staffing and skills when required</p> <p><i>Lead contacted to identify available resources and skills levels – Dept. Issue</i></p> <p>To ensure that resilience is maintained there needs to be a greater appreciation regarding City/County boundaries to allow the movement of staff and functions following a major incident.</p> <p><i>New Neighbourhood lead to review relationship City/County to get greater understanding and clarity – Dept. lead</i></p> <p>There needs to be a review of the number of vehicles available to Neighbourhood policing following declaration of a mayor incident</p> <p><i>Force Transport lead to be contacted to ascertain what resilience the Force has in the event of a critical incident in line with other Force commitments – Dept. lead</i></p> <p>Criteria for Special Constables to have access to BlackBerrys needs to be clarified – this is particularly important during a Force Critical Incident</p> <p><i>Benefit of allocation BlackBerrys to special Constables to be evaluated against staffing requirements in the event of a critical incident. Definitive guidance to be produced. – Dept. together with Citizens in Policing lead</i></p>

Force Critical Functions	Department	Section	Identified Critical Functions	Date Tested	Issues Raised
<p>To continue to effectively investigate crime ensuring vulnerable individuals are quickly identified and receive a response appropriate to their needs</p> <p>To deal effectively with all matters which impact upon community cohesion, or the credibility and reputation of the Force</p>	Crime and Intelligence	Intelligence	<p>Provide capability for Intelligence development to identify, research, report on open/closed source material</p> <p>Management of SPoC applications and out of hours (on call) cover.</p>	14/5/2018	<p>A vital component to produce, analyse and disseminate Intelligence is NICHE. In the event of a system failure there needs to be an assurance that the Dept. is aware and fully informed and kept up to date with progress. There also must be an effective call out for issues relating to NICHE so that they can be quickly addressed</p> <p><i>Issue fed into IS Business Continuity lead to ensure above issues are recognised and acted upon – Dept. Issue</i></p> <p>To ensure in the event of a major incident and allow the Department to be more agile in its working it requires greater access to laptops and/or LENOVA's this would give the Department more resilience and be more responsive</p> <p><i>Issue to be identified as part of the Departments ADA for Force consideration and action where appropriate –Dept. Issue</i></p>
<p>To continue to effectively investigate crime ensuring vulnerable individuals are quickly identified and receive a response appropriate to their needs</p>	Crime and Intelligence	Archives and Exhibits	<p>Maintenance and provision of walk in freezers to ensure preservation of evidential items associated with serious crime.</p> <p>Ensure property/exhibits can be made readily available when required for court and criminal investigations.</p>	To be tested in Quarter Four	<i>To be tested in final quarter of year (quarter four)</i>
<p>To continue to effectively investigate crime ensuring vulnerable individuals are quickly identified and receive a response appropriate to their needs</p> <p>Maintain the ability to deal with:</p> <ul style="list-style-type: none"> Major, Critical and Emergency Incidents 	Crime and Intelligence	Serious and Organised crime	<p>Investigation of threat to life or firearms incidents</p> <p>Investigation of high risk Missings /Sudden Deaths</p> <p>Escalate where appropriate To EMSOU for additional resources</p>	24/7/2018	<p>Serious Organised Crime Investigations</p> <p>Update Business Continuity Plan and BIA to reflect change in staff, details and new head of Department (Dept. Action)</p> <p><i>Dept. Issue</i></p> <p>Force decision on what sort of capability does the Force want regarding specialist functions following a critical incident. This has an impact on equipment, staffing levels and training (Force decision)</p>

Force Critical Functions	Department	Section	Identified Critical Functions	Date Tested	Issues Raised
<ul style="list-style-type: none"> • Serious Crime • Firearms Incidents • Serious Public Order • Fatal and Serious Road Traffic Collisions 					<p><i>To be discussed at Organisation Ethics, Risk & Learning Board October 2018</i></p> <p>More formal agreements have to be established through Statutory Bodies i.e. SOC Board to ensure assistance would be forthcoming following a critical incident. If specialisms/capacity is not to be provided in Force then there has to be formal support identified from Regional Teams</p> <p><i>Dept. Issue</i></p> <p>Force decision on the real time intelligence capability of SOC due to not having dedicated Intelligence resources. A more effective working relationship has to be pursued if dedicated resources are not to be allocated</p> <p><i>Dept. Issue</i></p> <p>Succession planning especially in specialist skill areas needs to be reviewed and actioned where appropriate</p> <p><i>Issue to be addressed in ADR process</i></p> <p>Offender Management</p> <p>Update Business Continuity Plan and BIA to reflect change in staff, details and new head of Department(Dept.)</p> <p><i>Dept. Issue</i></p> <p>Review Force Critical functions required in first 24 hours to ensure functions not required immediately following critical incident (Force)</p> <p>Review with partners potential alternative accommodation to be used for joint partnership working and to adequately accommodate offenders (Dept.)</p> <p><i>Dept. Issue</i></p>

Force Critical Functions	Department	Section	Identified Critical Functions	Date Tested	Issues Raised
					<p>Fraud & Finance</p> <p>Update Business Continuity Plan and BIA to reflect change in staff, details and new head of Department(Dept.)</p> <p><i>Dept. Issue</i></p> <p>Force decision required re capacity required regarding fraud plus financial investigation following a critical incident.(Force review Critical functions)</p> <p><i>To be discussed at Organisation Ethics, Risk & Learning Board October 2018</i></p> <p>The Force needs to review and evaluate the risk it believes Fraud is to the Force and this needs to be reflected in the staffing and prioritisation of fraud in the Tasking process. Fraud/financial considerations should be considered at the onset of any investigation.</p> <p><i>Issue to be addressed in ADR process</i></p> <p>Make-up of the section should be reviewed to incorporate staff attrition, make up of officer and Police staff to provide resilience and provision of adequate training. Potentially provide more staff to meet the demand and Risk (ADA process)</p> <p><i>Issue to be addressed in ADR process</i></p> <p>Skill set of Managers needs to be reviewed. Due to the skill set of investigation officers i.e. fraud it makes it difficult to adequately supervise individual teams (Dept. Action)</p> <p><i>Dept. Issue</i></p>
To continue to effectively investigate crime ensuring vulnerable individuals are quickly identified and receive a	Crime and Intelligence	Public Protection	Provide trained and equipped staff to conduct Child /Adult Protection investigations (CAIU and CSE investigations. (Immediate)	To be tested in Quarter Three	<i>To be tested in third quarter of year (quarter three)</i>

Force Critical Functions	Department	Section	Identified Critical Functions	Date Tested	Issues Raised
response appropriate to their needs			Maintain Force Investigative capability		
Maintain the ability to deal with: <ul style="list-style-type: none"> • Major, Critical and Emergency Incidents • Serious Crime • Firearms Incidents • Serious Public Order • Fatal and Serious Road Traffic Collisions 	Operational Support	Armed Policing	Provide Armed Police Incident Response capability including specialist Armed Police Response capability (including. Baton Rounds/CS/Stun Grenades) Provide trained Strategic/Tactical/Operational firearms Commanders to authorise and command deployments Provide trained Firearms Tactical Advisor for Gold/Silver Commanders Provide trained and equipped Explosives Search Dog and handler at relevant incidents	To be tested in Quarter Four	Force currently in transition as the Functions of EMOpss move from the Region to back in Force and locally delivered To be tested in final quarter of year (quarter four)
		Tactical Support Teams	Provide trained and equipped officers to give expert advice on Police searches Provide trained and equipped officers to search in relation to missing people, serious crime, both defensive and offensive terrorist searches and CBRN Provide PSU level officers fully trained and equipped to respond immediately to the threat of serious disorder Provide fully trained officers who are able to respond to any CBRN incident	To be tested in Quarter Four	Force currently in transition as the Functions of EMOpss move from the Region to back in Force and locally delivered To be tested in final quarter of year (quarter four)
		Operational Emergency Planning	Provide planning support to operations within the Force in addition a contingency and response to emergencies and incidents within the Force. Also tasks units within EMOpSS	To be tested in Quarter Four	Force currently in transition as the Functions of EMOpss move from the Region to back in Force and locally delivered To be tested in final quarter of year (quarter four)

Force Critical Functions	Department	Section	Identified Critical Functions	Date Tested	Issues Raised
		Serious Collision Investigation	Provide dedicated Road Death SIO's. Provide specialist capability to attend and investigate major/serious injury/fatal RTC Maintain Force Investigative capability	To be tested in Quarter Four	Force currently in transition as the Functions of EMOpss move from the Region to back in Force and locally delivered <i>To be tested in final quarter of year (quarter four)</i>
To provide effective custody facilities and critical case progression	Custody	Detain Prisoners Processing Prisoners	Provide facilities for the reception and detention of arrested persons within Nottinghamshire Provide facilities and enable effective processing of detained persons – including required pre charge processes (fingerprint, photo, DNA, drug testing, PNC update) and interview facilities.	2/5/2018	Needs to be a review of staffing levels as there is little resilience within the Department following reduction of staff in the event of major incidents/ sickness <i>Department to review shift pattern and staff numbers against critical functions in the event of loss of staff -Dept. Issue, to be raised at the regional Forum if appropriate - escalation</i> Transport for Custody staff was identified as a particular issue in the event of bad weather. <i>This was tested against previous instances and potential reduction in the numbers of detained persons required custody facilities – Dept. issue, to be monitored</i> There needs to be a formal process introduced whereby when there is an electronic custody failure, following restoration of systems, the custody system is updated <i>Issue to be addressed to ensure a more formal process is introduced and adopted – Dept. Issue</i> There needs to be a simplified and clear way to Call out facilities in the event of issues with premises. This is often convoluted and not easy. <i>Issue fed to Estates to ensure a simplified process is in place and Custody staff are fully aware –Dept. Issue</i>
To receive and respond to Emergency Calls providing an appropriate response to immediate incidents prioritising those at greatest risk due to vulnerability	Information Services		Access to FHQ for the Support and Maintenance of Force IT technologies and systems supporting the ACPO Critical Policing Functions (4 hours) (Immediate 24 hours)	To be tested in Quarter Four	<i>Testing to incorporate a PEER Review to ensure the right knowledge and expertise is available</i>

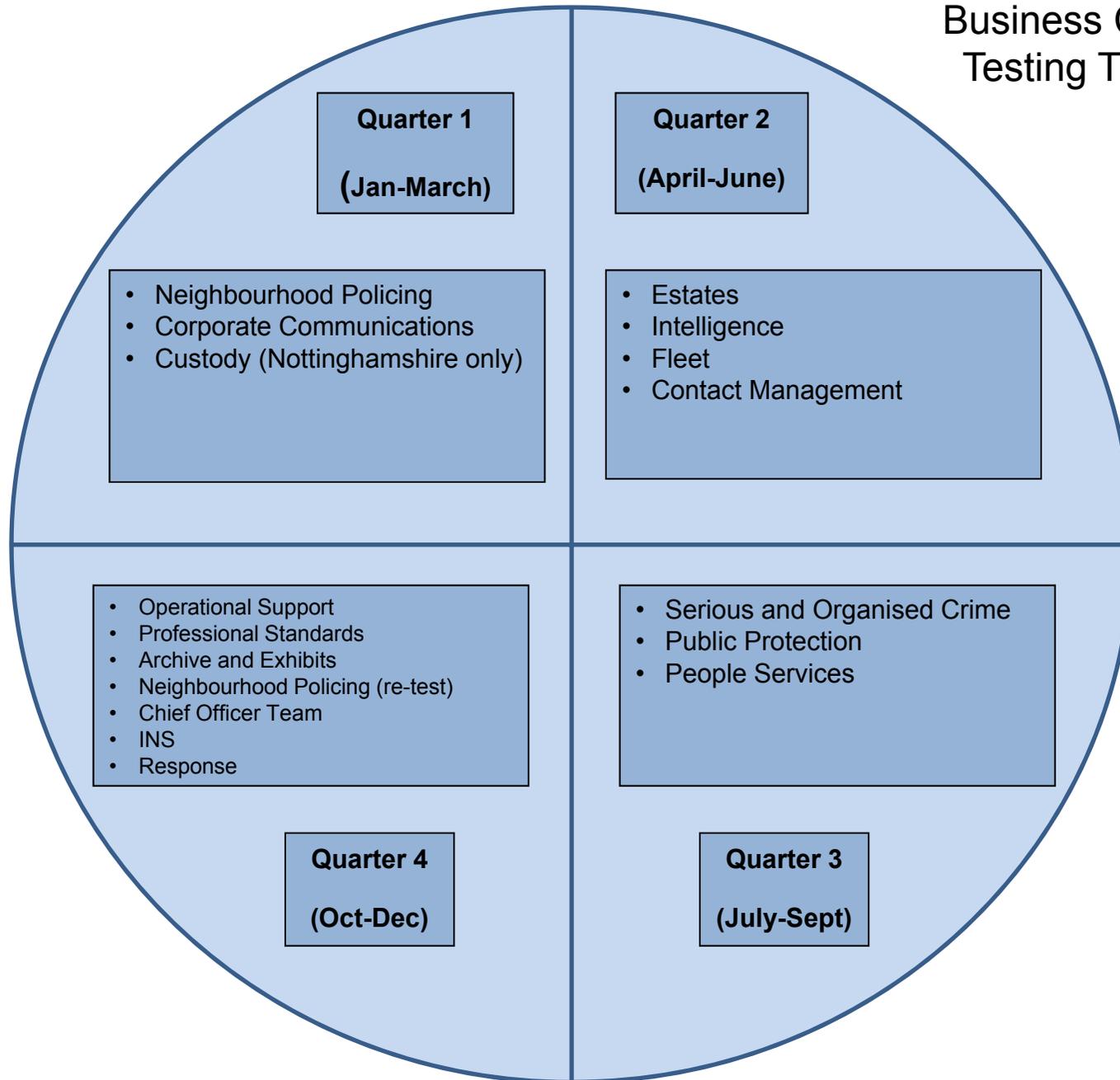
Force Critical Functions	Department	Section	Identified Critical Functions	Date Tested	Issues Raised
To provide effective command and control of incidents					
<p>Maintain the ability to deal with:</p> <ul style="list-style-type: none"> • Major, Critical and Emergency Incidents • Serious Crime • Firearms Incidents • Serious Public Order • Fatal and Serious Road Traffic Collisions <p>Ensure the health, safety & well-being of staff through the provision of effective training, equipment, support and governance to deal with operational challenges</p>	Estates		<p>Provision of emergency accommodation</p> <p>Maintaining the emergency accommodation plan</p>	2/6/2018	<p>Part of the Dept.'s critical functions is to provide emergency provision of Force wide accommodation.</p> <p>FHQ from previous Exercises does have 'Hook Up' points installed that allow portacabins to have access to systems and facilities provided on site.</p> <p>If the Force requires the potential for additional 'Hook Up' sites then due to the cost a feasibility study from the Dept. would inform the debate.</p> <p>Decision required whether the Force will support this initiative</p> <p><i>Discussed at Organisation Ethics, Risk & Learning Board 30th July 2018</i></p>
<p>Maintain the ability to deal with:</p> <ul style="list-style-type: none"> • Major, Critical and Emergency Incidents • Serious Crime • Firearms Incidents • Serious Public Order • Fatal and Serious Road Traffic 	Fleet	Finance	Support Emergency Planning and operation support with an Emergency situation, including sourcing additional fleet when required	10/4/2018	<p>There is an issue with access to Force hired vehicles across the County. Following a major incident the keys could only be sourced via the Fleet Manager. This would seriously disrupt transport and solely dependant on one individual</p> <p><i>Head of Fleet has submitted a Business to install key safes at various locations to allow auditable, secure ways that pool car keys can be accessed at any time of the day. In the interim Emergency Planning officers are being utilised to ensure greater access when required</i></p> <p><i>Discussed at Organisation Ethics, Risk & Learning Board</i></p>

Force Critical Functions	Department	Section	Identified Critical Functions	Date Tested	Issues Raised
<p>Collisions</p> <p>Ensure the health, safety & well-being of staff through the provision of effective training, equipment, support and governance to deal with operational challenges</p>					<p><i>30th July 2018</i></p> <p>On Call system of Fleet Manager needs to be clarified. At present there is no on Call facility</p> <p><i>Head of Fleet to progress with line manager – Dept. Issue</i></p> <p>Update Business Continuity Plan to document new Head of Department and contact details</p> <p><i>Dept. Issue</i></p>
<p>To maintain effective communications with the public</p> <p>To deal effectively with all matters which impact upon community cohesion, or the credibility and reputation of the Force</p>	Professional Standards		Provide On Call Critical Incident Cover	<p>6/9/2017</p> <p>Further areas of Professional Standards to be tested in Quarter Four</p>	<p>Vetting Section Only – Focus on agency staff employed following a major incident</p> <p>Business Continuity Plan to be updated re change in personnel – Plan Owner.</p> <p><i>Dept. Issue</i></p>
<p>To maintain effective communications with the public</p> <p>To deal effectively with all matters which impact upon community cohesion, or the credibility and reputation of the Force</p>	Corporate Communications		<p>To maintain effective communications with the public, through a number of different communications platforms, including the force website and social media, and external news outlets (Immediate)</p> <p>Strategic communications management (Immediate)</p> <p>To ensure officers and staff, Partners and Stakeholders are kept up to date with information (Immediate)</p>	4/4/2018	<p>There needs to be a simple means by which staff can be contacted following a major incident. This particularly refers to staff who are not currently at work</p> <p><i>Issue to be reviewed again after current section review. Further test to be done later in the year – Dept. Issue</i></p>
<p>Ensure the health, safety & well-being of staff through the provision of effective training, equipment,</p>	People Services		Provide link and engage with Staff Associations /Unions, Duties Team and Occupational Health. Giving guidance and support to Senior Team and supporting staff	12/9/2018	Business Continuity/BIA Plans to be updated in line with staffing changes. Loss of activity i.e. RMU (Managed by the Department)

Force Critical Functions	Department	Section	Identified Critical Functions	Date Tested	Issues Raised
support and governance to deal with operational challenges.			and families as appropriate		<p><i>Issue taken forward and completed – Dept. Issue</i></p> <p>MFSS Business Continuity Plan & BIA requires update to reflect recent changes in Department and include Nottinghamshire focus in line with other Forces (Managed by the Department)</p> <p><i>Issue to be addressed - Dept. Issue</i></p> <p>Currently Single dependant Health & Safety officer. Despite attempts made to fill the post it has not been successful. This is again being currently advertised and there are individuals identified in Force who could fulfil the role on a temporary basis for a short period (Currently being managed by the department – to be escalated if appropriate will be continually reviewed)</p> <p><i>Issue currently being addressed but to be escalated if position not filled – Dept. Issue</i></p>
<p>To maintain effective communications with the public</p> <p>Maintain the ability to deal with:</p> <ul style="list-style-type: none"> • Major, Critical and Emergency Incidents • Serious Crime • Firearms Incidents • Serious Public Order • Fatal and Serious Road Traffic Collisions <p>To deal effectively with all matters which impact upon community cohesion, or the credibility and reputation of the Force</p>	Senior Command		<p>Maintain effective command of the force by developing and maintaining a command structure</p> <p>Engage where appropriate with both National and Local agencies, including Strategic Coordination Group, LRF and OPCC</p> <p>Engage with Regional Forces re collaboration</p> <p>Set policing strategy and prioritise the use of policing capability</p> <p>Set the strategy for return to normality following Critical Incident</p>	To be tested in Quarter Four	<p><i>To be tested in final quarter of year (quarter four)</i></p>

Force Critical Functions	Department	Section	Identified Critical Functions	Date Tested	Issues Raised

Business Continuity Testing Timetable



For Information / Consideration	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	7th November 2018
Report of:	Chief Finance Officer
Report Author:	Charlotte Radford
Other Contacts:	Pam Taylor
Agenda Item:	12

SUMMARY STATEMENT OF ACCOUNTS 2017-18

1. Purpose of the Report

1.1 To provide members with the Summary Statement of Accounts for 2017-18.

2. Recommendations

2.1 Members are recommended to consider the attached Statement.

3. Reasons for Recommendations

3.1 This complies with good governance.

4. Summary of Key Points

4.1 The Statement of Accounts by their nature is technical and includes some significant figures relating to pensions that can distort the financial performance of the PCC Group.

4.2 A simplified Summary Statement of Accounts, in plain English and excluding technical adjustments particularly relating pensions, has therefore been produced. This 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 – Summary Statement of Accounts 2017-18



Summary Group Financial Information 2017-18



Summary Group Financial Information 2017-18



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 2018 and for the year 2017-18.

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

Copies of the documents can be obtained from:

The Chief Finance Officer

Arnot Hill House

Arnot Hill Park

Arnold

NG56LU

Telephone: 0115 844 5998 or Email:
nopcc@nottinghamshire.pnn.police.uk

COMMISSIONER'S FOREWORD



There are many measures of success in policing, from solving crime and supporting victims, through to communicating effectively with local people, meeting expectations and preventing harm.

Throughout 2017-18 we've continued to push the boundaries of good service and this year's statements reflect the positive changes.

As always, we've had to balance our aspirations against the pressures of demand, financial constraints, emerging risks and resource restrictions, but the scale of progress has once again been significant.

The proportion of crimes resulting in a positive outcome for example, continues to exceed the average rate for England and Wales and we've continued to improve our response to high risk crime, hidden harm and safeguarding, which has increased reporting of domestic abuse, sexual abuse and child exploitation, as well as strengthening public awareness of how to access help.

This progress has been recognised by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) which assessed the force as "good" at keeping people safe, reducing crime and treating the public with fairness and respect in its 2017 inspection.

We're continuing to transform the way we work and the recent budget will see much needed 'meat on the bone' in our frontline with the planned recruitment of 80 additional officers across the Force.

It will also give us an opportunity to increase diversity across the Force and fulfil my commitment to build a truly balanced workforce.

Financially, we're in a strong position with reserves being repaid at a faster rate than budgeted. This will allow future planning in relation to the Force estate and continued investment in IT to support the newly recruited police officers.

Victims of crime in Nottinghamshire are receiving enhanced support through newly funded services, including a new adult Sexual Assault Referral Centre (SARC) which was co-commissioned with NHS England to deliver forensic examination and crisis support in one place. Additionally, a new regional paediatric SARC has been co-commissioned with NHS England to provide more comprehensive support to children and young people from hubs in Nottinghamshire and Northamptonshire.

Meanwhile, we've commissioned a new Independent Sexual Violence Advisor (ISVA) ensuring all victims and survivors of sexual violence will have access to practical, emotional and advocacy support.

COMMISSIONER'S FOREWORD

I've also joint-funded with the City and County Councils a new support service for survivors of sexual abuse which occurred in an institutional care setting and invested extra funding into the city's Independent Domestic Violence Advisors (IDVA) service in order to meet rising demand. Elsewhere, there have been significant improvements to how well we engage with local people. The introduction of my Police and Crime Survey in 2017-18 has enhanced our understanding of local communities, their experiences, perceptions and needs.

Similarly, the Youth Commission is building relationships with young people. Its research saw the launch of the "Know Your Rights" film giving a frank and detailed insight into the use of stop and search powers. This project went on to win third place in the National Crimebeat Awards in 2018.

None of these improvements of course, would be possible without the dedication and commitment of our staff and partners. Our police officers, PCSOs, police staff, volunteers and community workers go above the call of duty every day and are the reason why Nottinghamshire is safe. We really do appreciate their efforts.

Paddy Tipping
Nottinghamshire Police and Crime Commissioner



Background Information

NOTTINGHAMSHIRE

Nottinghamshire is a diverse county. It has a mixture of affluent communities and those developing from being former mining areas. The County's major urban area is the City and it's surrounding conurbation is mainly in the south with the majority of the north and east of the County being rural.

There is a population of approximately 1.1m within the City and County.

The majority of properties across the City and County fall within Council Tax bands of A and B.

Nottinghamshire is one of five regional Forces in the East Midlands and works closely with the other four to provide a seamless and efficient service.

Nottinghamshire also collaborates with other forces for the provision of transactional services relating to Human Resources, Payroll and Finance.

Central Government funding provides the Commissioner with approximately 70% of the funding required to police Nottinghamshire. The remainder is met from local council tax payers.

GOVERNANCE

The Commissioner is responsible for the totality of policing within the policing area; with operational policing being the responsibility of the Chief Constable.

The Commissioner is also responsible for ensuring that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. To discharge this accountability the Commissioner and senior officers must put in place proper procedures for the governance and stewardship of the resources at their disposal.

The annual review of Governance and Internal Control is included within the arrangements for producing the Annual Governance Statement. This also includes the governance arrangements of the Chief Constable.

For 2017-18 the Government Grant was cut by £1.8m reflecting the assumptions of increased income from council tax. This still required savings of £5.5m to be achieved by the Force. This has been exceeded and is detailed in the Financial Performance section of this statement.

The funding formula review has been further delayed and it is unlikely to be changed before the next General Election. The current funding formula has never been fully implemented, as a result Nottinghamshire continues to lose out under a mechanism that protects over-funded forces.

Brexit will continue to create uncertainty about the future of Central Government funding, and therefore the impact this may have on police funding in the future. The results could be positive or negative, but are not currently quantifiable.

Revenue Account

This table sets out the costs of running expenses for the Nottinghamshire Police Group in major headings and show how that was financed.

These figures are different to those reported in the statutory accounts because they do not include the actuarial valuation adjustments for future pension liabilities or revaluations of property. The pension adjustments are huge in comparison to the rest and distort the financial picture. There is more detail here as to what money is spent on.

Nottinghamshire Police also participate in some collaboration activities which are fully incorporated into the statutory accounts in the relative proportion. In these accounts the cost is included as an expense to those organisations..

Income received in 2017-18 was £215.4 million. The majority of the income was from Central Government, with 26.6% funded locally from Council Tax. The policing element of the Council Tax for a standard Band D property was £183.42 and £122.28 for a Band A property. Most properties in Nottinghamshire are classified as Band A or Band B.

Revenue Income and Expenditure Account	2016-17	2017-18
	£m	£m
Employees: Employee expenditure on police officers, police staff and police community support officers	156.4	158.3
Premises: Operating the buildings	5.7	6.3
Transport: Operating vehicles	5.4	5.4
Supplies and Services: This includes IT and all other running costs	17.3	16.9
Grants: These include supporting victims of crime and initiatives to prevent crime	5.7	4.1
Collaborations and partnerships: This includes working with police partners and local authorities to provide services	13.7	14.9
Capital Financing: The revenue cost of borrowing to pay for major assets	4.3	3.9
Total Expenditure	206.6	209.8
Income: Generated from services, grants and contributions	(21.4)	(24.0)
Main Grants: Core government funding	(135.8)	(134.0)
Council Tax Income: Paid by Nottinghamshire households	(55.4)	(57.4)
Total Income	(212.6)	(215.4)
Net Expenditure / (Income) movement in useable reserves	(6.0)	(5.6)
Statutory and group adjustments (excluding pensions) required by proper accounting practice	9.1	(0.1)
Deficit / (Surplus)	3.1	(5.7)

WHO WORKS FOR NOTTINGHAMSHIRE POLICE

The main area of running expense is staff related (75%) Nottinghamshire Police (including the Office of the Police and Crime Commissioner) employs approximately 1,965 police officers, 193 PCSOs, 175 specials and 1,275 staff in full-time and part-time positions.

Active recruitment plans for 2018-19 include positive action to improve the diversity of Nottinghamshire Police to reflect more closely that of the County.

The College of Policing is working actively to provide apprenticeship entry into policing. Nottinghamshire pay an apprenticeship levy 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 areas with skills shortage and future skills growth areas to be focused upon.

Overall Equality Characteristics

Gender	Headcount	%
Male	2,022	56.1
Female	1,586	43.9

Age Band	Headcount	%
25 and under	315	8.7
26-40	1,454	40.3
41-55	1,556	43.1
56 or over	283	7.9

Self-Declared Disability	Headcount	%
No	3,458	95.8
Yes	103	2.9
Unspecified	47	1.3

Ethnicity	Headcount	%
Asian/Asian British	97	2.7
Black/Black British	42	1.2
Mixed	44	1.2
White/White British	3,326	92.1
Other	3	0.1
Not known/provided	96	2.7

Balance Sheet

The Balance Sheet is a snap shot of net worth at the year end.

This differs to the statutory accounts in that there is no adjustment for actuarial assessments on pensions.

The future pension liability is £2,624.4m which will be paid for in increased contributions over the coming years.

2016-17	Balance Sheet	2017-18
£m		£m
41.2	Property, Plant and Equipment	41.1
0.4	Investment Property	0.5
0.5	Intangible Assets	0.4
42.1	Long Term Assets	42.0
2.8	Assets Held for Sale	2.4
0.3	Inventories	0.2
32.2	Short-Term Debtors	32.4
2.0	Cash and Cash Equivalents	10.8
37.3	Current Assets	45.8
(7.3)	Short-Term Borrowing	(8.2)
(23.2)	Short-Term Creditors	(27.8)
(3.3)	Provisions	(4.4)
(33.8)	Current Liabilities	(40.4)
(33.6)	Long-Term Borrowing	(28.9)
(1.9)	Other Long-Term Liabilities	(2.7)
(35.5)	Long Term Liabilities	(31.6)
10.1	Net Assets	15.8
(22.2)	Usable Reserves	(27.8)
12.1	Unusable Reserves	12.0
(10.1)	Total Reserves	(15.8)

Reserves

The Reserves carried on the Balance Sheet represents monies held for future purposes.

The Unusable Reserves will be matched by an accounting adjustment.

The Usable Reserves have been set aside to spend on future needs with specific purposes. These have been split into whether this is for a future running cost need (revenue) or whether it is intended to contribute towards the purchase of an asset of a longer term nature such as a building (capital).

More information regarding these reserves and how they are used are published annually in the Reserves Strategy. This can be found on the PCC website.

2016-17	Usable Reserves	2017-18
£m		£m
7.0	General Fund	7.0
3.3	Medium Term Financial Planning	2.0
2.7	Revenue Grants	2.8
2.5	Grants & Commissioning	3.4
1.2	Tax Base	1.0
0.6	PCC Project	0.7
0.3	Night Time Levy	0.2
0.4	Other Earmarked	1.7
0.9	Retained Share of Joint Operations	1.3
0.0	IT Investment	1.1
18.9	Held For Revenue Purposes	21.2
3.3	Capital Receipts	3.9
0.0	Asset Replacement	2.7
3.3	Held to Fund future Capital Assets	6.6
22.2	Total Usable Reserves	27.8

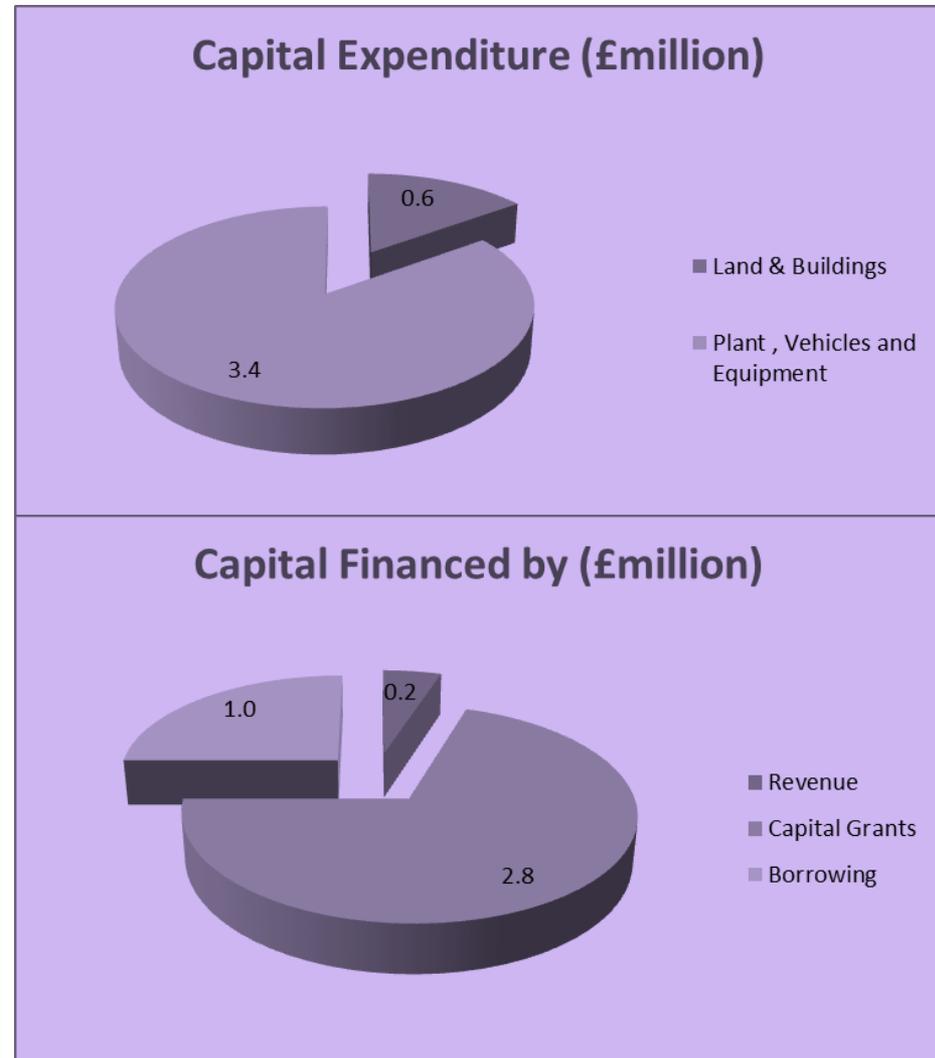
Capital Expenditure

Capital expenditure is used for acquiring assets of a more valuable and lasting nature. These include buildings, major improvements and larger pieces of equipment. Because of the lasting nature of capital expenditure borrowing is allowed within affordable parameters.

Repayment of the debt is a revenue expense.

There is an ambitious capital programme over the next few years including:

- New custody Suite
- Works to improve existing buildings
- Updating IT
- Exploring opportunities with the Fire Service and EMAS



For Information / Approval	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	November 2018
Report of:	Chief Finance Officer
Report Author:	Charlotte Radford
Other Contacts:	Amanda Harlow
Agenda Item:	13

Mid-Year Treasury Management Report 2018-19

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 approve the increase relating to the minimum availability of fund from £2 million to £5 million.

3. Reasons for Recommendations

- 3.1 This complies with good financial governance.

4. Summary of Key Points

- 4.1 The Treasury Management Strategy Statement (TMSS) for 2018-19 was approved by the Commissioner on 13 February 2018 (Decision record 2018.008). There was also a further decision record on the 14th September 2018 (Decision record 2018.068). This amended 4.2 of the strategy as follows:
- Increase the amount limit for short term loans to Local Authorities from £5 million to £8 million
 - Increase the limit of Low Volatility Net Asset Value Funds without reference to the CFO from £10 million to £12 million
- 4.2 The latest recommendation has arisen as the £2 million minimum limit for availability of liquid funds has been unchanged for a number of years and it is therefore prudent to increase this, particularly as there is no longer an authorised bank overdraft and cash flow can be volatile.
- 4.2 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
2018-19**

**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 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 (CFOPCC).

2 Introduction

The Commissioner complies with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management. Accordingly this defines treasury management as:

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 Prudential Code 2017 introduced a new requirement for local authorities to produce an annual Capital Strategy; this will be produced in a separate report.

This code also required more information over longer time scales on significant non-financial investments such as property and other commercial activities. The Chief Financial Officer does not consider that these type of investments, with significantly higher risks are appropriate for the Nottinghamshire Office of the Police and Crime Commissioner. Hence no additional indicators are required.

3 Economic update

3.1 Economic performance to date and outlook

3.1.1 U.K.

The UK in the first half of 2018-19 had modest economic growth, robust enough for the Monetary Policy Committee, (MPC), to unanimously vote to increase the Bank Rate on 2nd August from 0.5% to 0.75%. Although growth looks as if it will only be modest at around 1.5% in 2018, the Bank of England's August Quarterly Inflation Report forecast that growth will pick up to 1.8% in 2019. This depends on an orderly Brexit arrangement.

Some MPC members have expressed concerns about a build-up of inflationary pressures, particularly with the pound losing value against both the US dollar and the Euro. The Consumer Price Index (CPI) rose unexpectedly from 2.4% in June to 2.7% in August due to increases in volatile components, but is expected to fall back to the 2% inflation target over the next two years assuming modest increases in Bank Rate. The MPC has indicated Bank Rate would need to be in the region of 1.5% by March 2021 for inflation to stay on track. Financial markets are currently pricing in the next increase in Bank Rate for the second half of 2019.

Unemployment has continued at a 43 year low of 4%. A combination of job vacancies hitting an all-time high in July, together with negligible growth in total employment numbers, indicates that employers are now having major difficulties filling job vacancies with suitable staff. As a consequence wage inflation increased to 2.9%. An increase in household spending power is likely to provide some support to the overall rate of economic growth in the coming months

There is a risk that the current Conservative minority government may be unable to muster a majority in the Commons on Brexit. The most likely outcome is that Prime Minister May's government will endure, despite various setbacks, along the route to Brexit in March 2019. A general election in the next 12 months could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation would increase.

3.1.2 U.S.A.

The massive easing of fiscal policy is fuelling a (temporary) boost in consumption which has generated an upturn in the rate of strong growth which rose from 2.2%, (annualised rate), in quarter 1 to 4.2% in quarter 2, coupled with an upturn in inflationary pressures. Inflation is moving towards 3%, the Federal bank (Fed) increased rates another 0.25% in September to between 2.00% and 2.25%, this being four increases in 2018, and indicated they expected to increase rates four more times by the end of 2019. The issue is what to do when the temporary boost to consumption wanes. A building trade war with China would invariably make any easing of monetary policy harder for the Fed in the second half of 2019.

3.1.3 Eurozone

Growth was unchanged at 0.4% in quarter 2, much lower than forecasts for a stronger economic performance in 2018. In particular, data from Germany has been mixed and it could be further negatively impacted by expected US tariffs on exported cars. Forecasts for 2019 have been downgraded.

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. There is also concerns regarding 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 has provided the following forecast.

Link Asset Services Interest Rate View											
	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate View	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%
3 Month LIBID	0.75%	0.80%	0.80%	0.90%	1.10%	1.10%	1.20%	1.40%	1.50%	1.60%	1.60%
6 Month LIBID	0.85%	0.90%	0.90%	1.00%	1.20%	1.20%	1.30%	1.50%	1.60%	1.70%	1.70%
12 Month LIBID	1.00%	1.00%	1.00%	1.10%	1.30%	1.30%	1.40%	1.60%	1.70%	1.80%	1.80%
5yr PWLB Rate	2.00%	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%
10yr PWLB Rate	2.40%	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%
25yr PWLB Rate	2.80%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.50%	3.50%
50yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%

The 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 above forecast shows a steady incline in interest rates over the coming years. The flow of generally positive economic statistics after the end of the quarter ended 30 June underpinned the increase in Bank Rate above to 0.75%. However, the MPC assured that increases would be gradual and would rise to a neutral point, not intended to expand or contract the economy. This was indicated to be around 2.5% in ten years' time but they declined to give a medium term forecast. Further increases are not expected prior to Brexit in March 2019, and are most likely to be in August 2019. Further increases will be at a cautious pace, in line with economic performance.

The overall balance of risks to economic recovery in the UK has improved to be neutral.

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.

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 2018-19 was approved by the Commissioner on 13 February 2018 (Decision record 2018.008). There was also a further decision record on the 14th September 2018 (Decision record 2018.068) This amended 4.2 of the strategy as follows:

- Increase the amount limit for short term loans to Local Authorities from £5 million to £8 million
- Increase the limit of Low Volatility Net Asset Value Funds without reference to the CFO from £10 million to £12 million

A further amendment is recommended to the Strategy regarding the minimum availability of liquid funds. This has been set at £2 million for a number of years and it is considered prudent to increase this to £5 million particularly as there is no longer an authorised bank overdraft and cash flows can be volatile.

4.1 Prudential Indicator for Capital Expenditure and Financing

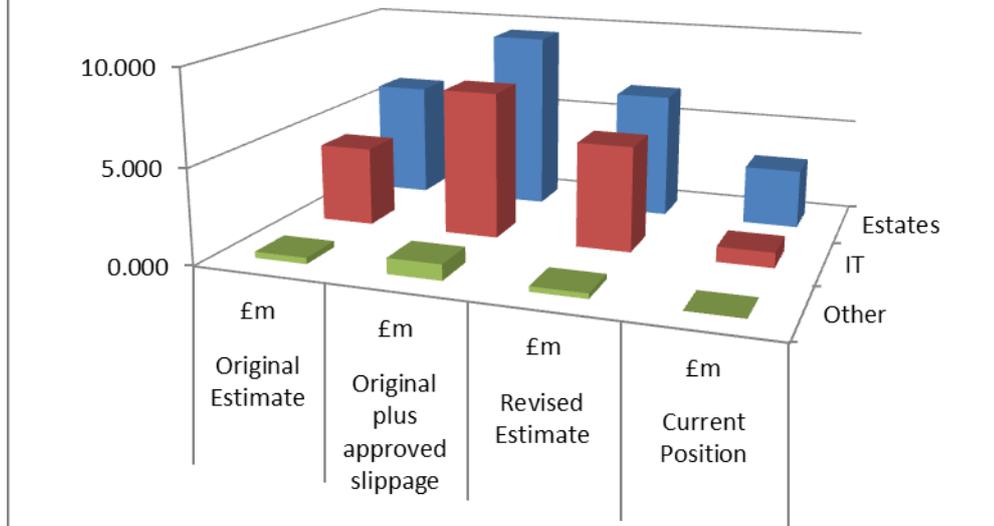
This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget. It also shows the anticipated method of financing.

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.

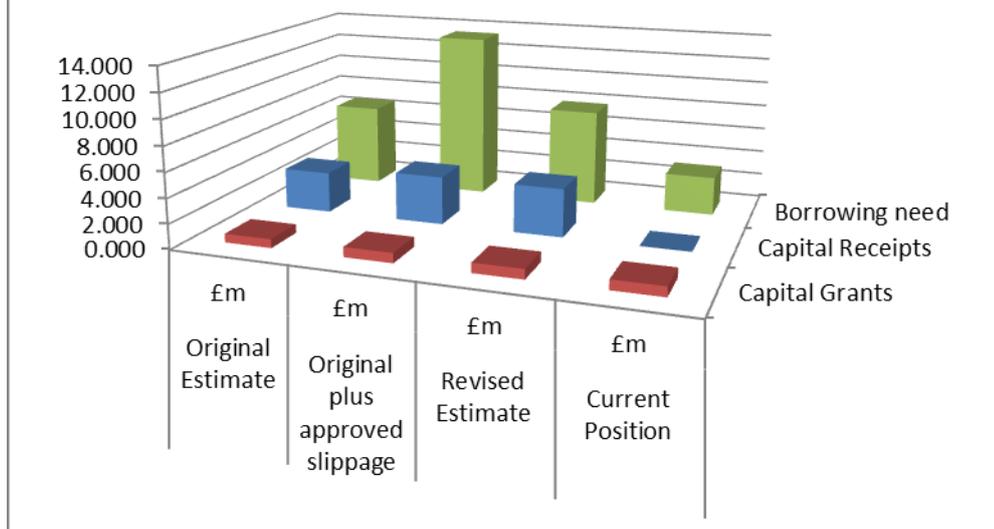
Capital Expenditure 2018-19 by Service

	Original Estimate £m	Original plus approved slippage £m	Current Position £m	Revised Estimate £m
Estates	6.137	9.490	3.115	6.655
IT	4.188	7.745	0.799	5.534
Other	0.327	0.832	0.000	0.276
Total	10.652	18.067	3.914	12.465
Financed by:				
Capital Receipts	3.293	3.886	0.006	3.886
Capital Grants	0.700	0.793	0.793	0.793
Total Financing	3.993	4.679	0.799	4.679
Borrowing need	6.659	13.388	3.115	7.786

2018-19 Capital Expenditure



2018-19 Capital Financing



4.2 Prudential Indicator Monitoring

	2017-18 Authority Approved Indicator	2017-18 Outturn @ 31-03-18	2018-19 Authority Approved Indicator	2018-19 Estimate Outturn @ 30-09-18
Section 1 - Indicators Based on Expected Outcomes				
Affordability:				
Ratio of Financing Costs to Net Revenue Stream (%)	2.8	2.1	2.1	0.4
Incremental Impact of Capital Investment Decisions on Band D Council Tax	£3.82	-	£1.20	£0.72
Actual Capital Expenditure 30-09-18 (£m)	-	-	-	3.914
Estimated Capital Expenditure 30-09-18 (£m)	-	-	10.652	12.465
Capital Financing Requirement (£m)	60.899	59.137	68.851	64.507
Section 2 - Indicators Based on Limits				
Affordability:				
Actual External Debt 30-09-18 (£m)	-	-	-	48.755
Estimated External Debt 31-03-19 (£m)	-	44.303	48.720	42.285
Authorised Limit for External Debt (£m)	80.000	-	80.000	-
Operational Boundary for External Debt (£m)	70.000	-	70.000	-
Prudence:				
Gross Debt & CFR (£m)	61.579	74.797	72.227	72.293

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 as at 30 September 2018. This is currently within the approved indicator.

A key control over treasury activity is a prudential indicator to ensure that over the medium term, borrowing 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. The operational boundary is the limit beyond which external debt is not normally expected to exceed. 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 0.5%/0.75% 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 £46.400m of investments as at 30 September 2018 (£9.800m at 31 March 2018) and the weighted investment portfolio yield for the first six months of the year is 0.53% against a benchmark (7 day LIBID) of 0.58%

	Position @ 01-04-18 £m	Investments made £m	Investments withdrawn £m	Position @ 30-09-18 £m
<u>Temporary Investment</u>				
Banks	0.000	(4.000)	0.000	(4.000)
Building Societies	0.000	0.000	0.000	0.000
Local Authorities	0.000	(52.000)	10.000	(42.000)
MMF	(9.800)	(132.300)	141.700	(0.400)
Total Investment	(9.800)	(188.300)	151.700	(46.400)

Investment:

	Position @ 01-04-18 £m	Investments made £m	Investments withdrawn £m	Position @ 30-09-18 £m
Fixed Term Investment	0.000	(52.000)	10.000	(42.000)
Variable Term Investment	(9.800)	(136.300)	141.700	(4.400)
	(9.800)	(188.300)	151.700	(46.400)

Proportion of Fixed Term Investment held	90.52%
Proportion of Variable Term Investment held	9.48%

The main investment type employed by the Commissioner is Low Volatility Net Asset Value Funds (LVNAV). 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 limits in the investment policy for LVNAVs are for £12m, 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 has been 26 days when an LVNAV fund balance has been over £12m and up to £15m. There have been 14 days when this has been over £15m, with the consent of the CFO. The maximum value has been £18m in one fund. One option to alleviate this situation would be to open a new LVNAV, but this is not really widening the portfolio any further, as comparisons of where the LVNAVs invest show a high degree of overlap.

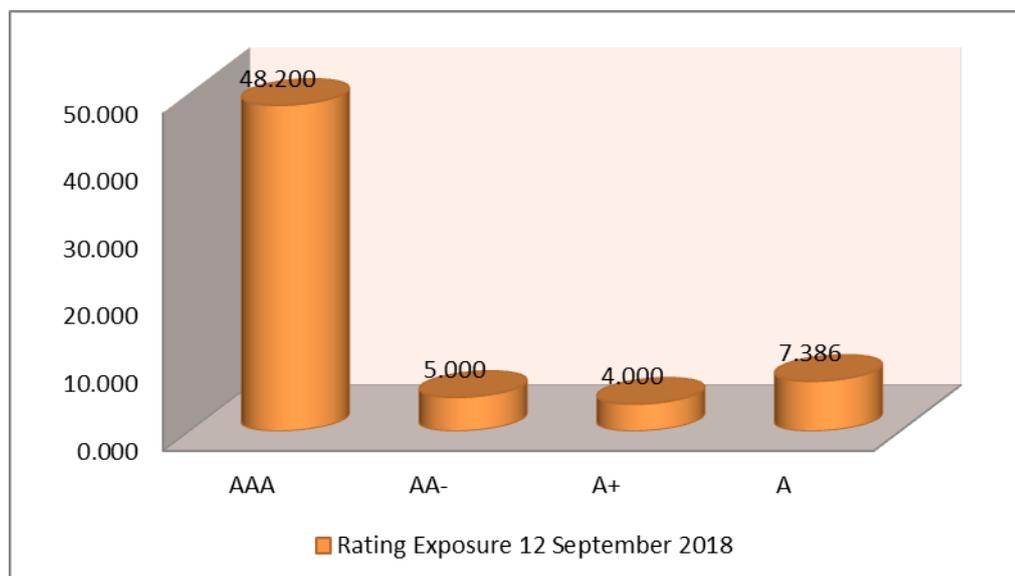
No other approved limits have been exceeded.

The budgeted investment return for 2018-19 is £0.198m. Although the rate of return is lower than the performance benchmark (7 day LIBID), for the year to date, the forecast is currently expected to earn this. This is because there have been higher levels of surplus to invest and the rates available for fixed term investments have been stable.

5.1 Investment Counterparty criteria

The Commissioner's investment policy has regard to the Ministry for Housing, Communities & Local Government's (MHCLG) 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 12th September 2018, when £64.586m (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

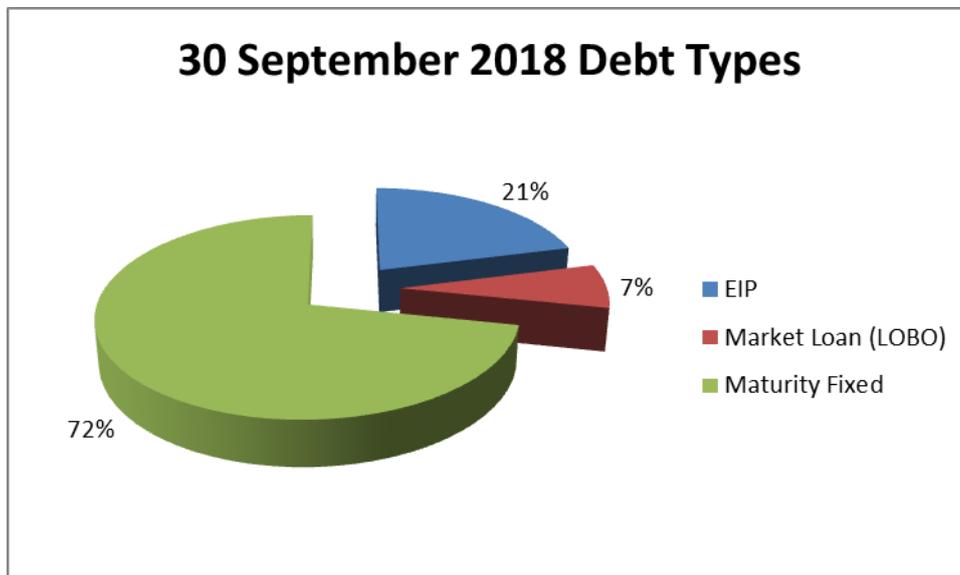
The Chief Financial Officer will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to the Commissioner for approval as necessary. The minimum rating criteria uses the lowest common denominator method of selecting counterparties and applying 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 year
Banks 1 medium quality	AA-	£5m	1 year
Banks 1 medium / lower quality	A	£4m	6 months
Banks 1 lower quality	A-	£3m	100 days
Banks 2 — part nationalised	N/A	£5m	1 year
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 £8m	1-2 yrs Up to 1 year
Low Volatility Net Asset Value Fund	AAA	£12/£15m	liquid
Ultra Short Dated Bond Funds	AAA	£3-5m	liquid

6 Borrowing

The capital financing requirement (CFR) for 2018-19 is £xm. 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.

	Position @ 01-04-18 £m	Loans taken £m	Loans repaid £m	Position @ 30-09-18 £m
<u>Long Term Borrowing</u>				
PWLB	29.605	10.000	(0.350)	39.255
LOBO	3.500	0.000	0.000	3.500
Local Authorities	4.000	0.000	0.000	4.000
Total Long Term Borrowing	37.105	10.000	(0.350)	46.755
<u>Temporary Borrowing</u>				
Local Authorities	0.000	8.500	(6.500)	2.000
Banks & Other Institutions	0.000	0.000	0.000	0.000
Total Temporary Borrowing	0.000	8.500	(6.500)	2.000
Total Borrowing	37.105	18.500	(6.850)	48.755

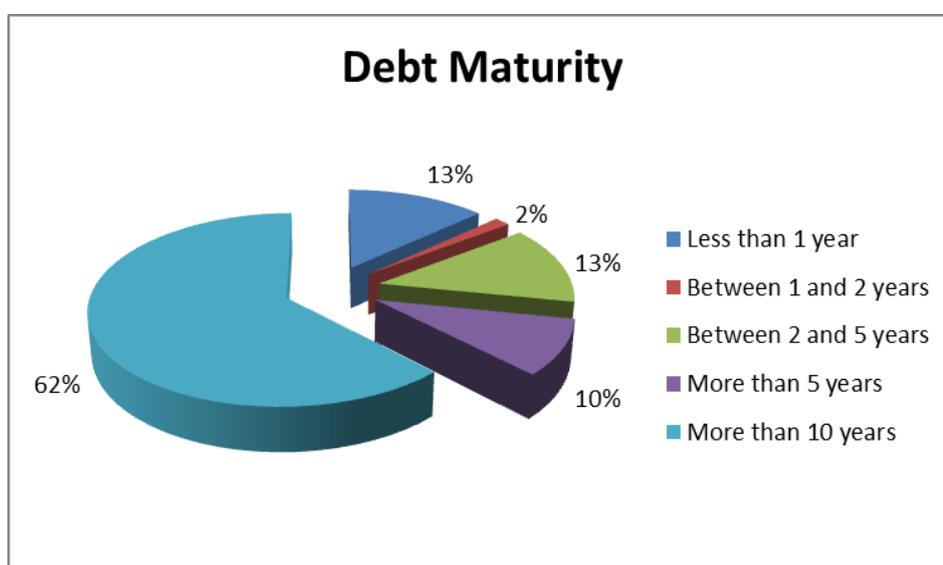


By the year end it is anticipated that there will be external borrowing of £42.285m compared to a CFR of £64.507m. The remainder will be via utilisation of internal balances.

New borrowing has been undertaken as follows:

Borrowing of £10m from PWLB was undertaken in August, consisting of both EIP and fixed rate maturity loans in line with maturity structure of borrowing. 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
3.4.18	1.48%	1.84%	2.22%	2.55%	2.27%
30.9.18	1.55%	1.93%	2.33%	2.74%	2.56%
Low	1.28%	1.67%	2.09%	2.50%	2.25%
Date	01/06/2018	29/05/2018	20/07/2018	20/07/2018	29/05/2018
High	1.57%	1.99%	2.43%	2.83%	2.64%
Date	17/04/2018	25/09/2018	25/04/2018	25/09/2018	25/09/2018
Average	1.46%	1.84%	2.25%	2.64%	2.41%



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 £0.250m was made in 2017-18. 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 13 February 2018 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.

Consideration	
Public/Non Public*	
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	
Report of:	
Report Author:	Kevin Dennis, Chief Executive
E-mail:	
Other Contacts:	Charlotte Radford
Agenda Item:	14

*If Non Public, please state under which category number from the guidance in the space provided.

Joint Code of Corporate Governance and Working Together (Part A and B)

1. Purpose of the Report

- 1.1 To provide members of the Panel with information on the revised version of the Joint Code of Corporate Governance and Working Together. This document now is divided into two parts.

2. Recommendations

- 2.1 Members are recommended to consider the revised document and provide assurance on whether it adequately enables the Police and Crime Commissioner to exercise good governance over policing and crime.

3. Reasons for Recommendations

- 3.1 The Joint Code of Corporate Governance and Working Together document has been updated and enables the Commissioner to comply with good governance principles and provide stewardship over policing and crime.

4. Summary of Key Points (this should include background information and options appraisal if applicable)

- 4.1 The latest version of the 'Corporate Governance and Working Together' document 2014-18 was approved by the Police and Crime Commissioner in September 2014.
- 4.2 Mazars internal audit report on Joint Code of Corporate Governance in November 2015 recommended that a review of the Governance and Decision making framework should be undertaken to ensure it is up to date and fit for purpose. They also recommended that this document should be combined with the Working Together document to prevent the risk of conflicting information.
- 4.3 The review of Joint Code of Corporate Governance and Working Together document has now been completed. Previously the Police and Crime Commissioners and Chief Constables agreed to work together to form a strategic alliance for Nottinghamshire, Leicestershire and Northamptonshire. To

support the development of the alliance, in 2016 work began across the region to create a single governance framework; including code of governance, decision making, financial regulations and scheme of delegations. Due to the decision not to establish an alliance between the three forces a local review has now been completed to ensure the Joint Code of Governance and Working Together is fit for purpose going forward.

- 4.4 The purpose of the Joint Code of Governance and Working Together (part A and B) document is to give clarity to the way the two corporation soles Nottinghamshire Police and Crime Commissioner and the Nottinghamshire Police Constable will govern jointly, and separately to ensure they are conducting business in the right way, legally and in accordance with good governance principles. To enable the review to be completed and to make it easier to reference, the document now contains two main sections; part A and part B. The separate sections include the following information:

Part A. Statement of governance, how both organisations will work together, code and corporate governance, roles and responsibilities, scheme of consent and delegation, information sharing and decision making.

Part B. Financial regulations, contract standing orders, standing orders for land and property, scheme of delegation to staff and officers. Protocol between Chief Constable and the Commissioner's Chief Finance Officer.

5. Financial Implications and Budget Provision

- 5.1 The adopted Joint Code of Corporate Governance and Working Together (Part A and B) will enable the Commissioner to undertake good stewardship and financial management of police resources.

6. Human Resources Implications

- 6.1 The revised document provides clarity on the roles and responsibilities of senior leaders within both organisations, including scheme and consent to the Chief Constable and delegation to OPCC and Force Staff and Officers.

7. Equality Implications

- 7.1 Good decision making should be completed in a fair and transparent way.

8. Risk Management

- 8.1 It is good practice to keep the Joint Code of Corporate Governance and Working Together (Part A and B) under review to manage any risks for non compliance and to ensure it is fit for purpose.

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

- 9.1 The revised Joint Code of Corporate Governance and Working Together document supports the strategic objective of the police and crime plan to 'Transform services and delivery quality policing.

10. Changes in Legislation or other Legal Considerations

- 10.1 The updated document takes account of CIPFA's guidance note 'Delivering good Governance for Policing bodies in England and Wales' published in July 2016.

11. Details of outcome of consultation

- 11.1 The revised Joint Code of Corporate Governance and Working Together document has been developed in consultation with Nottinghamshire Police.

12. Appendices

- 12.1 Joint Code of Corporate Governance and Working Together (part A and B)

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

13. None

NB

See guidance on public access to meetings and information about meetings for guidance on non-public information and confidential information.



Nottinghamshire
POLICE & CRIME COMMISSIONER



NOTTINGHAMSHIRE
POLICE
PROUD TO SERVE

Joint Code of Corporate Governance and Working Together (Part A)

Review Date: Updated July 2018

CONTENTS

Statement of Corporate Governance.....	Page 3
Working Together Agreement.....	Page 5
Framework.....	Page 7
Code of Corporate Governance.....	Page 9
Roles & Responsibilities.....	Page 11
Scheme of Consent and Delegation.....	Page 14
Arrangements for the Review of Governance.....	Page 25
Sharing of Information.....	Page 27
Decision Making.....	Page 28
Decision Making Process.....	Page 29
Appendix 1.....	Page 31
Notice of Decision Template.....	Page 33
Appendix 2.....	Page 34

Part 1: Statement of Corporate Governance

Introduction

Corporate governance is about how organisations ensure they do the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and culture and values, by which bodies are directed and controlled and through which they account to and engage with their communities.

Good governance enables the Police and Crime Commissioner (PCC) to:

- Deliver on their vision and priorities for policing and crime
- Hold the Chief Constable to account and performance manage the Force
- Hold individuals to account for delivery
- Make decisions in an open transparent way
- Engage with the public and victims of crime to achieve better outcomes
- Provide good stewardship over public funds and achieve value for money

The Chief Constable and PCC have agreed to work together through the principles of trust, openness, professionalism and good will. In addition the Chief Constable is responsible for providing a range of services and information to enable the PCC to discharge their legal responsibilities and deliver against the Police and Crime Plan objectives, targets and actions.

The Chief Constable as a corporation sole has a statutory duty and electoral mandate to hold the police to account on behalf of the public. The PCC has sworn an oath of impartiality. This oath makes a commitment to serve local people without fear or favour and they set out their public commitment to performing their role with integrity, impartiality and fairness.

The PCC is the recipient of all funding, including the government grant and precept and other sources of income related to policing, crime reduction and all funding for a Force must come via the PCC. How this money is allocated is a matter for the PCC in consultation with the Chief Constable and in accordance with any grant terms. The Chief Constable will provide professional advice and recommendations.

The principle activity of the PCC is to be responsible for the totality of policing, including setting strategic direction and holding the Chief Constable to account for the delivery of effective and efficient policing. The PCC also has other responsibilities and obligations in respect of the wider criminal justice services, victims services, equalities and diversity, safeguarding children and community safety.

The Chief Constable as a corporation sole is responsible for maintaining the Queen's peace and for the direction and control of the Force's police officers and police staff. The Chief Constable is accountable to the law for the exercise of police powers, and to the PCC for the delivery of efficient and effective policing, and management of resources and expenditure by the Police Force.

The principle activity of the Chief Constable is the delivery of effective and efficient policing. The Chief Constable is responsible for ensuring that the Force is able to deliver its obligations under the strategic policing requirement. The Chief Constable has operational independence and is answerable to the Law.

The purpose of this joint Scheme of Corporate Governance is to set out how the PCC and the Chief Constable conduct their organisations, both jointly and separately in accordance with the Statutory Framework, Principles of Good Governance and Governance Framework as contained in the Statement of Corporate Governance, by identifying the key enablers which underpin the seven Good Governance Core Principles¹ as adapted by the PCC and the Chief Constable.

Importantly, it also provides an appropriate level of control and flexibility to enable the Chief Constable to make timely, efficient and effective operational decisions.

¹ CIPFA/SOLACE DELIVERING GOOD GOVERNANCE 2016

1. Working Together Agreement

The PCC and Chief Constable have agreed to work together in co-operation to ensure the effective and efficient delivery of policing services. Notwithstanding their separate legal entities as corporation soles it is acknowledged that they have such interdependence as to require the sharing of significant areas of business support. Indeed, Section 2 (5) of the PRSR Act provides:

“A Chief Constable must exercise the power of direction and control in such a way as is reasonable to assist the relevant Police and Crime Commissioner to exercise the Commissioner’s functions.”

The sharing of business support functions for example Finance/Payroll, HR, ICT, Data Protection Officer, Performance, Procurement etc. is not regarded as the provision of services by one to the other but rather a co-operative arrangement for the effective delivery of business support essential to the operation of both corporation sole. At all times, each will operate to the general principle of reasonableness, providing shared services and policy support where appropriate. The provision of business support by the Chief Constables to the PCC is to be funded from the budget provided by PCC rather than under any separate arrangement or service level agreement.

There is no intention on to create enforceable private law rights or liabilities in relation to the provision of business support. However the Chief Constable has agreed to consult with the PCC on any structural staffing changes that might impact on the working together arrangements and the provision of support services to OPCC.

The Chief Constable and PCC will hold weekly bi lateral meetings. These meetings will focus on review of performance; efficiency and effectiveness of the Force, together with the provision of adhoc briefings as requested by the PCC and Chief Constable. These weekly meetings form the basis of a positive working relationship between the Force and the OPCC.

The PRSR Act 2011 automatically transferred land, assets, liabilities, contracts, legal proceedings and employed staff to the PCC. The second stage transfer has been agreed as a Maximum Transfer model of all police staff from Operational Frontline, Operational Support and Business Support functions to transfer to the employ of the Chief Constable, with an agreement for additional business support to the NOPCC for strategic finance and planning. The PCC is the owner of all assets (property, ICT, fleet and equipment) including land.

In the spirit of working together in partnership to achieve good governance, the Chief Constable will provide information on efficiency savings and implementation to the PCC. He/She will provide regular updates and briefings on delivery of value for money policing which will include external and internal audit, reviews and inspections.

The Chief Constable will provide access to Learning and Development for the PCC and his/her office on request of the PCC with anything over and above the generic requirements of employees to be paid for by the NOPCC.

The PCC and Chief Constable attach the greatest importance to safeguarding the health and safety and welfare of all its Police Officers, Police Staff and Volunteers whilst at work and other person who may be directly affected by its activities. The PCC and the Chief Constable have a joint Health and Safety Policy Statement and will

make available adequate financial and physical resources to ensure legal duties are met.

Facilitation of an effective working relationship between the OPCC and the Force is the responsibility of both parties. Information sharing and services will be a regular standing item for the CEO with the Deputy Chief Constable at their regular meetings.

It is expected that most issues which arise, will be resolved through informal discussions with colleagues. Where it is not possible to resolve an issue through these means it should be escalated to the CEO and the Deputy Chief Constable.

Legislative Context

The principal statutory framework within which the corporation's sole will operate is:

- Police Reform and Social Responsibility Act 2011
- Policing Protocol Order 2011
- Financial Management Code of Practice (Home Office, 2013)
- Strategic Policing Requirement
- Data Protection Act 2018
- Freedom of Information Act 2000
- Elected local policing bodies (specified information order) places a specific legal duty on the Commissioner to publish information.
- Equality Act 2010
- Health and Safety at work regulations and codes

Principles

- Behave with integrity, demonstrate strong commitment to ethical values and respect the rule of law
- Ensure openness and comprehensive stakeholder engagement
- Define outcomes in terms of sustainable economic, social and environmental benefits
- Develop the entity's capacity, including the capability of its leadership and the individuals within it
- Manage risks and performance through robust internal control and strong public financial management
- Determine the interventions necessary to optimize the achievement of the intended outcomes
- Implementing good practices in transparency, reporting and audit to deliver effective accountability

Instruments of Governance

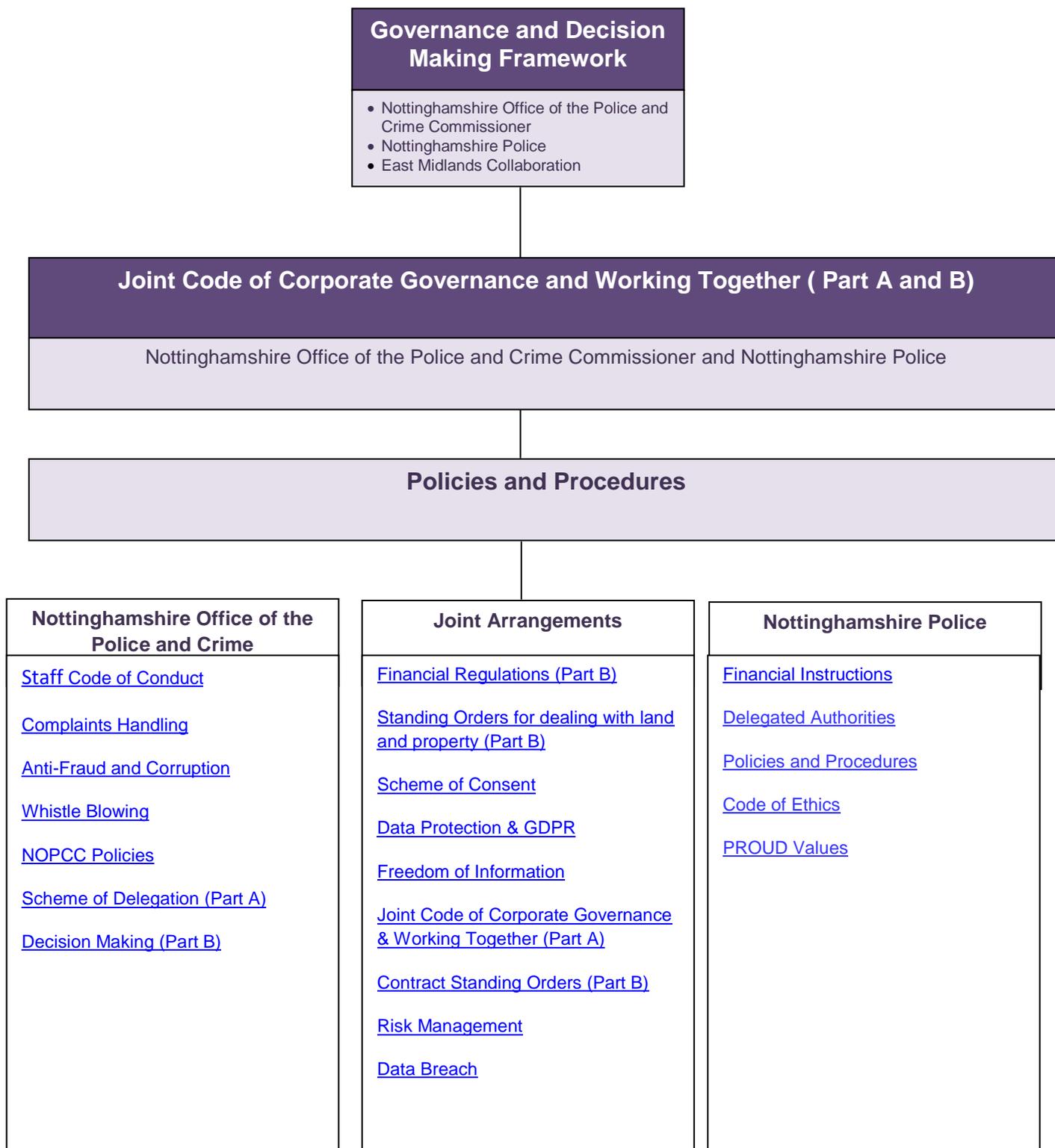
The joint corporate governance framework within which both corporation soles will govern, both jointly and separately will consist of two main documents (Part A and Part B) :

- Code of Corporate Governance: sets out how the core principles of good governance are implemented in the OPCC and the Force

- Scheme of Consent: sets out the extent of, and any of the conditions attaching to the PCC's consent to the Chief Constable's exercise of powers
- Scheme of Delegation: sets out the delegation of responsibility from the PCC to his staff and delegation from the Chief Constable to his own staff in the exercise of their statutory responsibilities
- Financial Regulations
- Contract Standing Orders
- Joint Risk Management policy

Framework

The following diagram provides the framework for the instruments of governance outlined above.



2. Code of Corporate Governance

The Code of Corporate Governance sets out the ways in which the PCC and the Chief Constable implement the seven principles of good governance contained within the 2016 Delivering Good Governance Framework: Guidance Notes for Policing Bodies.

Principle One: Behave with integrity, demonstrate strong commitment to ethical values and respect the rule of law

There is an expectation that the relationship between all parties will be based on the principles of goodwill, professionalism, openness and trust. The Policing Protocol requires all parties to abide by the seven principles of public life (the Nolan Principles) and these are central to the behavior of everyone in the organisation.

The Police and Crime Plan outlines the PCC's police and crime priorities, outcomes and strategic direction for the policing of Nottinghamshire. The Chief Constable's Force Delivery framework sets out how the Chief Constable will deliver the objectives. These plans have been developed in consultation with the local communities and other key stakeholders.

The PCC and Chief Constable ensure that the good governance principles are embedded in the way organisations operate by adhering to the Financial Management Code of Practice (Home Office 2013).

Operating principles and values are demonstrated, communicated and embedded through appropriate policies and processes which are reviewed on a regular basis, for example:

- Anti-fraud and corruption procedures
- Handling of complaints arrangements
- Whistleblowing policies

Core values are embedded in the way the force and the PCC operate. Staff are aware of the standards expected of them and the importance of the national Code of Ethics.

Principle Two: Ensure openness and comprehensive stakeholder engagement

The PCC is accountable to local people and draws on this mandate to set and shape the strategic objectives for the force area in consultation with the Chief Constable, taking into account the strategic policing requirements.

The PCC and Chief Constable have arrangements for effective engagement with community groups, victims and other key stakeholders. Arrangements are in place to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the PCC including the use of website and social media.

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

The Decision Making Framework set out in this document provides the principles and guidance for how decisions will be taken by the PCC and the Chief Constable to ensure that decision making is informed and transparent, and subject to scrutiny and risk management arrangements.

The PCCs website contains the means by which the public may obtain information on decisions made by the PCC, except for decisions constrained by operational and legal constraints exist.

Principle Three: Defining outcomes in terms of sustainable economic, social and environmental benefits

Under the Police Reform and Social Responsibility Act 2011, the PCC has to issue a police and crime plan which defines the police and crime objectives (outcomes) and the strategic direction for policing. Each corporation sole has regard to the plan, and the PCC has regard to the priorities of the responsible authorities during its development.

The Policing Plan sets out how the Chief Constable will deliver the objectives. These plans have been developed in consultation with the local communities and other key stakeholders.

Collaboration and partnership arrangements set out those areas of business to be jointly undertaken with other forces or local partner organisations in order to reduce costs, increase capacity and/or increase resilience to protect local people.

The Medium Term Financial Plan is jointly developed and reviewed by the PCC and Chief Constable to support delivery of the common goals and objectives. The joint finance regulations ensure proper financial management.

The PCC has developed a commissioning and award of grants framework outlining commissioning intentions and priorities.

The PCC and Chief Constable have in place a range of complaints protocols to provide clarity over arrangements to respond to the breadth of concerns raised by local people, whether they be allegations of organisational or individual failures/concerns. This is intended to complement other statutory arrangements.

Principle Four: Develop the entity's capacity, including the capability of its leadership and the individuals within it.

The People Strategy sets out the strategic HR priorities for the OPCC and the force. It also supports and aligns with the strategies of collaborative partners.

The OPCC and the Force adopts the Guiding Principles for Organisational Leadership, as advocated by the College of Policing and the National Police Chief's Council to continuously develop the capability of its leadership.

Workforce Design ensures that staff have the appropriate skills knowledge, resources and support to fulfill their roles.

Principle Five: Manage risks and performance through robust internal control and strong public financial management

The PCC and Chief Constable's Decision Making Framework sets out the principles behind how decisions will be taken to ensure an informed and transparent approach.

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

The scheme of governance highlights the parameters for decision making for the organisations, including the delegations, consents, financial limits and standing orders for contracts.

The joint PCC/Force risk management strategy and policy sets out how risk is managed throughout the various elements of corporate governance of the organisations.

Principle Six: Determine the interventions necessary to optimise the achievement of the intended outcomes

The PCC and the Chief Constable maintain a medium term financial strategy which forms the basis of annual budgets and provides a framework for evaluating future proposals.

Analysis and evaluation of plans are undertaken in relation to service outcomes and benefits realisation.

Processes are in place to monitor efficiency and value for money.

Officers, police support staff and staff of the OPCC operate within:

- OPCC or force policies and procedures
- The joint code of corporate governance
- Code of ethics (College of Policing, 2014).

Principle Seven: Implementing good practices in transparency, reporting and audit to deliver effective accountability

The PCC and Chief Constable's functions are set out in the Police Reform and Social Responsibility Act 2011. The functions are undertaken in line with the Policing Protocol Order 2011 in order to achieve the outcomes of the police and crime plan.

As required by the 2011 Act, the PCC has appointed a Chief Executive who will act as head of paid service and undertake the responsibilities of monitoring officer.

Both the PCC and the Chief Constable have appointed Chief Financial Officers. The responsibilities of the CFO's for both the PCC and the Chief Constable are clearly set out in line with the Financial Management Code of Practice (Home Office, 2013).

A Joint Independent Audit Committee operates within the CIPFA guidance and in accordance with the Financial Management Code of Practice.

A programme of internal audit is commissioned and undertaken which reflects published guidance on standards.

3. Roles & Responsibilities

Key Role of the Police and Crime Commissioner

The legal powers and duties of the PCC are established by legislation and are summarised within the Policing Protocol Order 2011. This Scheme does not seek to list all statutory duties of the PCC.

The key roles of the PCC are:

- To hold the Chief Constable to account on behalf of the public for the performance of the Force
- To be the recipient of all funding related to policing
- Publish every four years a Police and Crime Plan.

The production and publishing of the Police and Crime Plan is a core statutory planning requirement as defined by the Police Reform and Social Responsibility Act 2011. The Plan sets out the resources and assets that the Commissioner will make available to the Chief Constable for policing and the mechanisms by which the Chief Constable will report on performance and be held to account.

- Secure the maintenance of an efficient and effective police force for Nottinghamshire
- Set the budget, determine the level of precept and allocate funds and assets (including the allocation of such assets and funds to particular functions) to the Chief Constable
- Ensure that the Chief Constable puts the appropriate measures and resources in place to secure strong financial management
- Appoint, suspend and if necessary remove the Chief Constable
- Enter into collaboration agreements that improve the efficiency and effectiveness of policing for one or more police force, in consultation with the Chief Constable (where it relates to the functions of the police force, then it must be with the agreement of the Chief Constable)
- Enter into collaborations, partnerships and contracts with other parties other than police forces
- Hear the voice of the public and act on their concerns
- Publish information specified by the Secretary of State and any information the PCC considers necessary to enable the people of the force area to assess performance
- Produce an annual report to the Police and Crime Panel on delivery against the Police and Crime Plan
- Monitor all complaints made against officers and staff, having responsibility for complaints against the Chief Constable
- Make Crime and Disorder Reduction Grants
- Ensure the delivery of services for victims within their area
- Have oversight of the delivery of community safety and crime reduction in the area
- Have responsibility for the enhancement of the delivery of the criminal justice system in their area
- Appoint a Chief Executive and Chief Finance Officer to ensure the appropriate management of staff and budgets on behalf of the PCC
- Approve any requests for financial assistance to officers in legal proceedings.

To deliver these functions, the PCC will, where necessary or appropriate:

- Commission services to be provided by the Force for the public, specifying clearly what functions the Force will be required to provide as part of the allocation of assets and funds to the Chief Constable

- Commission other providers to provide any function required to deliver services to the public to discharge the PCC's statutory duties
- How this operates in practice is set out in the OPCC Commissioning Framework, which is available on the Commissioner's website. This framework will be reviewed appropriately in line with budget and precept considerations.

Key Role of the Chief Constable

The Chief Constable is responsible for maintaining the Queen's Peace and has direction and control over the Force's officers and staff. The Chief Constable holds office under the Crown but is appointed by the PCC.

The Chief Constable is accountable to the law for the exercise of police powers and to the PCC for the delivery of an efficient and effective police force, including for the management of resources and expenditure by the Force. At all times the Chief Constable, their constables and staff, remain operationally independent in the service of the communities they serve.

The key statutory roles, as defined by the Police Reform and Social Responsibility Act 2011 and Policing Protocol Order 2012 of the Chief Constable are:

- To appoint the Force's officers and staff (after consultation with the PCC in the case of officers above the rank of Chief Superintendent and police staff equivalents)
- To lead in the Force in a way that is consistent with the attestation made by all constables on appointment and ensuring that it acts impartially
- To provide the PCC with access to information, officers and staff as required
- To support the PCC in the delivery of the strategy and objectives set out in the Police and Crime Plan
- To have regard to the Strategic Policing Requirement when exercising and planning their policing functions in respect of the Force's national and international policing responsibilities
- Notifying and briefing the PCC of any matter or investigation which they may need to provide public assurance either alone or with the PCC
- To be the operational voice of policing in the Force area, and to regularly explain to the public the operational actions of officers and staff under their command
- To enter into collaboration agreements with other Chief Constables, other policing bodies and partners that improve the efficiency and effectiveness of policing, subject to the formal agreement of the PCC
- To remain politically independent of the PCC
- To manage all complaints against the Force, its officers and staff, except in relation to the Chief Constable, and to ensure that the PCC is kept informed to enable them to discharge their statutory obligations in relation to complaints in a regular, meaningful and timely fashion.
- To ensure that serious complaints and conduct matters are passed to the Independent Office of Police Conduct (IOPC)

- To exercise the power of direction and control in such a way as is reasonable to enable the PCC to have access to all necessary information and staff within the Force
- To oversee and be accountable for the financial management of the Force within the framework of the agreed budget allocation and levels of authorisation issued by the PCC

4. Scheme of Consent and Delegation

The Scheme of Consent and Delegation is a key component within the Joint Code of Corporate Governance and Working Together document. It details the key roles of the PCC and Chief Constables and sets out the activities which the Chief Constable is able to act in his/her own name, through the consent of the PCC. Consent refers to the formal approval or agreement by the PCC for the Chief Constable to enter into certain transactions in the Chief Constable's name, as opposed to the name of the PCC.

This Scheme of Consents and Delegation is a record of the formal consents and delegations as required by the Home Office Financial Management Code of Practice (2013). With the exception of those matters listed in the section '**Matters that cannot be delegated**' by the PCC as determined by law at the bottom of page 14. The Scheme allows any person, with appropriate authority, to delegate that power further. Any such sub-delegation does not relieve the person who has sub-delegated a power from due responsibility for any decision taken by a person they have authorised to act on their behalf.

The PCC has the discretion to limit and/or withdraw the powers consented or delegated by them at any time, provided that the reasons for doing so are documented in writing.

The PCC may ask that a specific matter is referred to them for a decision and not dealt with under powers of delegation.

The PCC must be advised of any policing and crime matter which may have a significant impact, as defined within the decision making framework in this document.

The Scheme does not prevent an individual from referring a matter to the PCC for a decision if the individual thinks this is appropriate. For example, these may be due to their novel, contentious nature or may be potentially repercussive.

The PCC expects anyone exercising consented or delegated powers under this Scheme to draw their attention to any issue which is likely to be regarded by them as novel, contentious or potentially repercussive before exercising such powers. This includes any potential financial liability.

In this document, all references to specific roles include those authorised by them to act on their behalf.

The Chief Executive (who is the Monitoring Officer and Head of Paid Service) and the Chief Finance Officer of the PCC have statutory powers and duties relating to their positions, and therefore do not rely on matters being delegated to them to discharge those responsibilities.

Individuals are responsible for ensuring that members of staff and police officers they supervise are aware of and understand provisions and obligations of this Scheme.

This scheme provides an officer with the legal power to carry out duties of the PCC. In carrying out these duties, the officer must comply with all other statutory and regulatory requirements and relevant professional guidance, including those listed at paragraph

When carrying out any duties, the PCC and any officers named in this Scheme must have regard to:

- The Police and Crime Plan
- Any report or recommendations made by the Police and Crime Panel on the annual report for the previous financial year.

The following sections set out further detail on delegations and consents including those matters not to be delegated or consented to the Chief Constable or the Chief Executive and the Chief Finance Officer of the Office of Police and Crime Commissioner.

Matters that cannot be delegated by the PCC

The Police Reform and Social Responsibility Act 2011 makes provisions for the PCC to appoint a deputy to undertake any functions of the PCC with the exception of:

- Approving and issuing the Police and Crime Plan
- Appointing, suspending and removing the Chief Constable
- Approving the budget requirement for the purpose of issuing a precept

There is no deputy PCC at Nottinghamshire PCC and therefore there are no delegations for this role included within this scheme. The policy in this area will be reviewed on appointment of a deputy PCC.

The Police Reform and Social Responsibility Act 2011 makes provision for the PCC to appoint other staff to carry out their functions. In addition to those functions listed at 3.2 which cannot be delegated to staff, the following are also defined in the Act as being matters that cannot be delegated:

- Determining the police and crime objectives in the Police and Crime Plan
- Attendance at the Police and Crime Panel for specified duties
- Approving the annual report to the Police and Crime Panel

In addition, the PCC, except in exceptional and urgent circumstances, will not delegate decisions of significant public interest.

Should the PCC be unable to act for any reason, the Police Reform and Social Responsibility Act 2011 makes provisions for the Police and Crime Panel to appoint an acting PCC and subsequently, should the PCC be unable to return to their duties, a by-election would be triggered.

Should any decision be required of the PCC whilst unable to act and prior to the Police and Crime Panel meeting to appoint an Acting PCC, the delegated powers extend to the Chief Executive and Chief Finance Officer within this Scheme.

Functions Consented to the Chief Constable

In addition to the statutory duties of the Chief Constable (as outlined in the Police Reform and Social Responsibility Act 2011 and Policing Protocol Order 2011), the PCC can give consent to functions being undertaken by the Chief Constable in their own name and as a separate legal entity.

Chief Constable's functions

The statutory restriction on delegation does not prevent the Chief Constable carrying out functions in their own right. That is a wide-ranging power: in addition to broad functions of keeping the peace and enforcing the law, the Chief Constable also has the power "to do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of [his] functions" (paragraph 7(1), Schedule 2 PRSR Act 2011). This Scheme also deals with the ways in which certain functions of the Chief Constable will be exercised in such a way as is reasonable to assist the PCC to exercise his functions. For the avoidance of doubt, these are not delegations from the PCC. Nothing in this scheme is intended to fetter the Chief Constable's operational independence.

Consents to Chief Constable

Chief Constables are responsible for maintaining the Queen's peace and have direction and control over their Force's officers and staff. Under the Police Reform and Social Responsibility Act 2011 Chief Constables are a corporation sole. Chief Constables are accountable for the exercise of police powers and to Commissioners for the delivery of efficient and effective policing. They also have responsibility for the management of resources and expenditure in line with this Corporate Governance Framework and the budget approved by the PCC on an annual basis.

The Chief Constable is responsible for ensuring that the staff and officers under their direction and control are fully aware of all the provisions and obligations of this scheme.

Chief Constables will notify and brief the PCC of any matter or investigation relating to the delivery of the Police and Crime Plan on which he/she may need to provide public assurance either alone or with the PCC (all Police and Crime Commissioners will be designated as Crown Servants under the Official Secrets Act 1989(a) making them subject to the same provisions in relation to sensitive material as Government Ministers).

Complaints

The Chief Constable will manage complaints against the Force, its officers and staff in accordance with the statutory complaints procedure. The Chief Constable will ensure that the PCC is kept informed to enable the discharge of their statutory obligations in relation to complaints in a regular, meaningful and timely fashion. Serious complaints and conduct matters must be passed, jointly or severally, to the Independent Office of Police Conduct (IOPC). Currently the complaints system is under reform and the future it is expected that the PCC will have a greater responsibility for dealing and managing public complaints.

Financial

The Chief Constable will ensure that financial affairs for their force is properly administered having regard to value for money, probity, legality, and appropriate standards, with particular reference to the Financial Regulations and contract standing orders agreed by the PCC as set out in Part B of Joint Code of Corporate Governance and Working Together document.

Budgets

The Chief Constable will agree with the PCC their annual revenue (at detailed objective and subjective level) and capital budgets. These set out an upper limit of approved revenue and capital expenditure over a given budget period and are the basis for monitoring and any variations. The Chief Constable may not spend over these budget limits without the prior written approval of the PCC. They must not make any future financial commitments without the written approval of the PCC.

Debt Write Offs

The PCC must approve in writing all debt write offs above the sum identified in the Financial Regulations.

Contract and Assets

The Chief Constable may not acquire any freeholds or leaseholds or interests in land whatsoever and may not grant any property lease or land lease or grant any interest in land whatsoever without the clear, prior written approval and seal as required of the PCC.

The Chief Constable may not dispose of property or interests in land or property without the clear, prior written consent of the PCC. .

The PCC will hold all fixed assets and consents to the Chief Constable's free and unfettered access to, and full operational use of such assets as to enable him/her to meet the responsibilities set out above and any others agreed with PCC. All income due from the disposal of non-current assets will be due to the PCC.

The PCC will approve an annual capital programme and all capital expenditure incurred during the year must be in line with the approved capital programme unless otherwise agreed with their PCC.

All contracts shall be in the name of the PCC. The PCC consents to the signing of contracts in line with the Financial Regulations and contract standing order.

The PCC consents to the Chief Constable permission for the day to day financial management of the Capital programme within the authorised limits set out in the Financial Regulations applicable to this Scheme.

The PCC consent permission to the Chief Constable for the daily management and operation of all contracts within the limits set out in the Financial Regulations and contracting standing orders applicable to this Scheme. This consent includes permission to undertake all steps necessary to prepare contracts up to the approval stage, sign the contract when it is within the agreed limits, pass to PCC for approval when limits are exceeded and to utilise the contract once entered into.

Personnel, HR, Payroll and Pensions

The Chief Constable will manage personnel, HR, payroll and pensions in accordance with the applicable local Scheme of Governance unless alternative arrangements are agreed, in consultation, with the PCC and their CFO.

Urgent Matters

If any matter which would normally be referred to a PCC or Deputy PCC (if appointed) for a decision then the matter will be dealt with in accordance with the 'Urgent Matters' provisions in the respective Commissioner Scheme.

Insurance

Undertake the day to day management of the insurance function in line with the strategic approach to insurance approved by the PCC and their CFO on an annual basis.

Procurement

Any procurement process, contract or agreement may only be entered into in accordance with this scheme of consent and where required with the express, prior, written agreement of the PCC to a final business case.

Undertake the day to day management of the procurement function in accordance with the contract regulations. All contracts let will be in the name of the PCC.

The approval of sensitive contract exemptions or exemptions above the relevant EU tender limit in total lifetime value require the prior written agreement of the PCC.

Land and Property

The Chief Constable's Head of Estates will undertake the day to day management of the estates function subject to these provisions and subject to the provisions of the financial regulations.

The Chief Constable's Head of Estates will keep a register of all property and major assets owned by the PCC or leased by him/her showing costs and the annual valuations in such a manner to allow publication individually by the PCC and have this available for inspection at reasonable notice by the PCC or by the PCCs Chief Executive Officer or Chief Finance Officer. The estates strategy for the force is the responsibility of the PCC.

Functions delegated to the Chief Executive of the Office of the PCC

The Chief Executive is the most senior officer of the OPCC and is the Head of Paid Service. This statutory appointment is made under Schedule 1 to the Police Reform and Social Responsibility Act 2011. For the purposes of section 5(1) of the Local Government and Housing Act 1989 (as amended by Reform and Social Responsibility Act 2011) the Chief Executive is designated as the body's monitoring officer with responsibility for ensuring the legality of the actions of the policing body and its officers.

There are two roles that the Commissioner must appoint, the CEO and the CFO, and these roles cannot be combined.² The CEO will also act as the Monitoring Officer, reporting to the PCC if it appears that any proposal, decision or failure constitutes, has given rise to, or is likely to break the law or a code of practice. The CEO will work with the PCC to deliver the Police and Crime Plan's vision, strategy and identified priorities.

The CEO will make sure that the NOPCC is led effectively through ongoing management and public involvement. The CEO will also help make sure that the Force's activities are appropriately governed and scrutinised.

The PCC has a legal duty to give the CEO the staff, accommodation and other resources which are needed so that they can carry out their duties. The Monitoring Officer is under a personal legal duty to report on proposals, decisions or omissions which is a contravention of any enactment or rule of law.

The formal delegations are as follows:

- Take day to day action to ensure the efficient and effective management of the Office of the PCC, including the appointment or dismissal of all staff and volunteers with the exception of the Deputy PCC where appointed.
- Ensure the discharge of the PCC's functions, with the exception of those matters identified in the scheme that cannot be delegated by law, giving effect to the decisions and direction of the PCC
- Prepare the Police and Crime Plan, consulting with the Chief Constable, for submission to the PCC
- Prepare an Annual Report for submission to the Commissioner for the Commissioner to fulfil his statutory duty to report annually on progress against the Police and Crime Plan to the Police and Crime Panel
- Provide information to the Police and Crime Panel as lawfully and reasonably required to enable the Panel to carry out its functions
- To make financial and contractual decisions as outlined in the Financial Regulations and Contract Standing Orders.
- To oversee the way that complaints against officers and staff within Nottinghamshire Police are managed so this is efficient and effective and to advise the PCC on this basis.
- To fix fees for copies of documents and extracts of documents requested under the Freedom of information Act 2000, or the Data Protection Act 1998, or otherwise
- To make recommendations to the PCC with regard to staff terms and conditions of service in respect of the PCC's staff

² The Commissioner must appoint a person to be the head of the Commissioner's staff (referred to as the Commissioner's Chief Executive) to act as the head of the body's paid service under Section 4 of the Local Government and Housing Act 1989.

- To administer the Independent Custody Visitors (ICV) Scheme and any other volunteer schemes including the appointment, suspension and removal of custody visitors and other volunteers.
- To obtain legal or other expert advice in matters pertaining to the OPCC.
- To commence, defend, withdraw or agree financial settlements of all claim or legal proceedings where required, on the PCC's behalf in consultation with the PCCCFO. To consider, with the PCC, any complaint made against the Chief Constable, and where appropriate, to make arrangements for appointing an officer to investigate the complaint.
- To respond to consultations on proposals affecting the PCC.
- To ensure that appropriate arrangements are in place to gather community's views on policing and crime in Nottinghamshire.
- To ensure compliance with the requirements for publication of all aspects of the Local Policing Bodies (Specified Information Order 2011).
- To decide on whether any information to support a decision taken by the PCC and published by Executive Order should be exempt from being published under the exemptions contained within the Local Government Act 1972 – Schedule 12A.
- To make recommendations to the PCC on Police Pension forfeiture in accordance with the policy.
- In the absence or unavailability of the Commissioner's Chief Finance Officer to sign contracts, leases and make other urgent financial decisions in accordance for Financial Regulations and Contract Standing Orders.
- Approve all requests for financial assistance to officers and staff involved in legal proceedings or inquests except those felt to be significant because:
 - They involve a high profile claimant
 - There is a particular public interest in the case
 - There is a real risk that the Commissioner or the Force will be exposed to serious public criticism or serious weaknesses in the organisation or policies and procedures will be revealed.
- To approve exceptional cases in the provision of police advice and assistance to international agencies, because the full cost is £4,000 or more (including air flights, accommodation and salary costs of the police officer or member of staff); and it is a sensitive case involving travel to a politically sensitive country.
- To order goods and services and spend on tenders for goods and services provided for the revenue budget.
- To ask for and accept quotations and tenders for goods and services provided for the revenue budget.

- To manage any complaint against staff under the direction and control of the CEO.
- To undertake the management of staffing resources for all staff employed by the Commissioner (and not under the direction and control of the PCC in line with agreed policies and procedures (including issues such as creating and appointing staff, restructuring, re-grading, discipline, grievances and job evaluation etc)).

Functions delegated to the Chief Finance Officer of the PCC

The Chief Finance Officer is the financial advisor to the PCC and has statutory responsibilities as set out in Section 151 of the Local Government Act 1972, sections 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2011. He/she must ensure that the financial affairs of the PCC are properly administered having regard to probity, legality and relevant standards

The Financial Regulations set out the responsibilities of the Chief Finance Officer. These are contained in part B of Corporate Code of Governance and Working Together.

The Chief Finance Officer must:

- Be a key member of the PCC's Leadership Team, working closely and supporting with the Chief Executive
- Be actively involved in and able to bring influence to bear on, all strategic business decisions of the PCC
- Lead the promotion and delivery by the PCC of good financial management so that public money is safeguarded at all times and used appropriately
- Ensure that the finance function is fit for purpose

Functions delegated to the Chief Finance Officer of the PCC includes:

- To approve the arrangements for the treasury management function including the day to day management, production of treasury management strategy and supporting policies and procedures
- To approve the arrangement and preparing the PCC's accounts and annual governance statement (AGS)
- To approve the opening of all bank accounts
- To undertake financial management of the PCCs budget in accordance with the Financial Regulations
- To commit expenditure within the approved budget to meet the policies and objectives agreed with the PCC and reflected in the Policing Plan
- To manage grants awarded to the PCC
- To prepare, from time to time, draft financial and contract regulations, in consultation with, and having due regards to the view of the Force, for approval by the PCC.

- To act as the money laundering officer under the Proceeds of Crime Act 2002, and Money Laundering Regulations 2003 or other appropriate legislation from time to time in force
- To make financial and contractual decisions as outlined in the Financial Regulations and Contract Standing Orders.
- To sign all contracts on behalf of the Police and Crime Commissioner in accordance with the delegated limits specified in the Contract Standing Orders within this Scheme.
- To affix the common seal of the Nottinghamshire PCC to all contracts, where any of the following applies:
 - Agreements or transactions in respect of which there is no consideration
 - That relate to the provision of goods and services by the PCC to another body
 - That are £181,302 (upper threshold of EU Procurement limit) or above in value over the life of the contract
 - Which grant or convey an interest in land
 - Which are grants that are £100,000 or above
 - When it is determined by the PCC that there is a particular need for the seal to be attached
 - Where any of the contracting parties require it
- To consider, in consultation with the CEO whether to provide indemnity to the PCC and to deal with or make provision to deal with other matters arising from any proceedings relating to them.
- To consider and approve, in consultation with the CEO provision of indemnity and/or insurance to individual staff of the PCC in accordance with the Local Authorities (Indemnities for Members and Officers) Order 2004.
- To ensure compliance with the responsibilities of the PCC as the Pension Supervising Authority for the Chief Constable's Pension.

Urgent Matters

If any matters which would normally be referred to either to the PCC (or Deputy PCC) for a decision arises and cannot be delayed, the matter may be decided by the appropriate statutory officer. The statutory officers are the Commissioners Chief Executive and Chief Finance Officer. Urgent decisions taken must be reported to the Commissioner within 24 hours or as soon as practically possible.

Delegation to the Chief Finance Officer of the Chief Constable

The Chief Constable must appoint a person to be responsible for the proper administration of the Force's financial affairs, in accordance with the Financial Management Code of Practice, as issued by the Home Office. There is a statutory responsibility for the post holder to manage the Force's financial affairs, in accordance with sections 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2003(as amended).

- The detailed financial management responsibilities of the Chief Constable's Chief Finance Officer, which includes a number of delegated powers, are set out in the financial regulations.
- The Chief Constable's Chief Finance Officer is also the Chief Constable's nominated s151 officer.
- Chief Constable's Delegations to the Chief Finance Officer includes:
- To ensure that the financial affairs of the Nottinghamshire Police are properly administered having regards to probity, legality, financial regulations and appropriate standards.
- To plan the Force's budget in conjunction with the PCC's CFO.
- To approve arrangements for securing and preparing the financial accounts for the Force, including preparation of the Annual Governance Statement (AGS)
- To be responsible for the day to day management of the budget delegated to Nottinghamshire Police in accordance with financial regulations.
- To approve all agreements for the provision of non-policing services to other organisations within the Force area in line with the financial regulations, This does not apply to provisions of mutual aid by the Chief Constable to another Force under section 24 of the Police Act 1996, or the provision of advice of assistance to international organisations under the Police Act 1996, which are operational matters. However, these are subject to consultation with the PCC.
- To approve the award of contracts which are for the supplies or services for any matter required to facilitate the running of the Police Force and within the delegated limits specified within the contract standing order and financial regulations.

Delegation to the Head of Legal Service

The delegations below are a record of those formal delegations granted by the PCC to the Head of Legal Services, which are in effect at the time of the publication of this scheme.

The Head of Legal Services may make the following decision **subject to the PCC** when the decision is taken:

Where it is considered necessary to settle a claim, the following authorisation levels (subject to paragraphs 2 to 4) will apply:-

- Claims with a settlement value for damages and costs of up to £10,000 – Head of Legal Services or Deputy Head of Legal Services
- Claims with a settlement value for damages and costs in excess of £10,000 – in cases against a Chief Constable, the Deputy Chief Constable; and in cases against the Commissioner that Commissioner’s Chief Executive or Chief Finance Officer. Where a claim relates to a regional unit, such as EMSOU, authority will be sought from the Deputy Chief Constable (East Midlands).

The settlement of any claims arising out of an Employment Tribunal, regardless of value, will require the authorisation of the Chief Executive or ACPO Lead for Legal Services of the relevant Force Deputy Chief Constable.

The Chief Executive or ACPO Lead for Legal Services of the relevant Force will be responsible for notifying and providing an on-going briefing to the Chief Constable and Police and Crime Commissioner of any claim they consider

- Involves a high profile claimant; and/or
- Has a particular public interest
- There is a real risk that the PCC or the Force will be exposed to serious criticism or serious weaknesses in the organisation or policies and procedures will be revealed; and/or
- Is likely to result in the payment of damages of over £100,00

The deputy Chief Constable or the Commissioner’s Chief Executive will be responsible for securing the necessary approvals from the Chief Constable and/or PCC.

Authorisation for the settlement of any claim which falls within a category set out at paragraph 2 to 4 above will be required from the Police and Crime Commissioner and Chief Constable. The Chief Executive or Deputy Chief Constable will be responsible for gaining any necessary approval.

Institute, defend or participate in legal actions to protect the interests of the Force and Commissioner.

5. Arrangements for the Review of Governance

The following arrangements are in place to review the effectiveness of Governance:

Self-assessment

Using the Framework of the six principles of Good Governance, the PCC and Chief Constable will regularly test the structure of governance by carrying out a thorough and wide ranging self-assessment which will inform the Annual Governance Statement. From time to time the PCC and Chief Constable will commission internal audit to commission an independent review of the different aspects of governance, such as risk management, commissioning, decision making and core financial controls.

Annual Governance Statement

As separate corporations sole, both the PCC and the Chief Constable are required to produce Annual Governance Statements, in order to provide assurance of their respective compliance with the Code. The Joint Audit and Scrutiny Panel will review the draft Annual Governance Statement in June / July of each year. This will be finalised and published with the Annual Statement of Accounts, which have to be published by the 30 September each year.

The PCC and the Chief Constable's Annual Governance Statements will include action to rectify any significant areas of weakness in corporate governance. The statements will be signed by the Commissioner, the CEO, the Chief Constable and the Commissioner and Chief Finance Officer respectively.

The Police and Crime Panel

The Police and Crime Panel are responsible for reviewing and scrutinising the Commissioner's exercise of their statutory functions. The Panel does not scrutinise the Chief Constable, this is the role of the PCC. While the Panel is there to scrutinise the PCC, it must also exercise its functions with a view to reviewing the proposals for the amount of council tax, considering the Annual Report and appointment of a new Chief Constable and investigating complaints about the PCC.

Joint Audit and Scrutiny Panel

In accordance with the Financial Management Code of Practice for the police service issued by the Home Office, the Commissioner and Chief Constable have established a Joint Audit and Scrutiny Panel. This Panel will advise the Commissioner on matters relating to external or internal audit assessment. They also perform a scrutiny function relating to the PCC's business.

Strategic Resources and Performance Meetings

The Strategic Resources and Performance meetings take place every two months and are held at various venues around Nottingham and Nottinghamshire. These meetings are where the PCC publically holds the Chief Constable to account on the performance of the Force and make decisions. These meetings are open to the public to attend to observe how the PCC discharges his/her statutory role.

Chairs of Strategic Partnership Meeting

These meetings are held quarterly and are not open to the public. These meetings involved the Chairs of Strategic Partnerships such as District Community Safety Partnerships, Safeguarding boards and Youth Offending Service boards to enable good communication and best practice to develop between organisations across Nottingham and Nottinghamshire.

Internal Audit

The primary role of Internal Audit is to give assurance to the PCC and Chief Constable, on the effectiveness of internal controls and arrangements for risk management and good governance. Following consideration of internal audit reports by the PCC and Chief Constable, the Internal Auditors, will report to the Joint Audit and Scrutiny Panel on a quarterly basis, highlighting any major control weaknesses identified. On an annual basis the PCC and Chief Constable will agree an audit plan.

The review of both corporate governance and risk management arrangements periodically feature in the Annual Audit Plan, which is subject to review by the Joint Audit and Scrutiny Panel. Corporate governance and risk management issues may arise through other reviews carried out by Internal Audit. In this case the issues will be escalated through to the relevant audit report.

External Audit

The External Auditors, audit the PCC and Chief Constable's financial statements, Annual Governance Statement and performance management arrangements. The External Auditor's plans and reports, including the Annual Audit Letter, will be considered by the PCC and Chief Constable and reviewed by the Joint Audit and Scrutiny Panel at appropriate times in the annual cycle of meetings.

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

The role of HMICFRS is to promote the efficiency and effectiveness of policing in England, Wales and Northern Ireland, through the inspection of police organisations and functions to ensure agreed standards are achieved and maintained; good practice is spread and performance is improved. It also provides advice and support to the Home Secretary, PCCs and forces.

HMICFRS reports are sent to the Chief Constable and PCC for consideration and appropriate action. The PCC also prepares and publishes comments on any of the HMICFRS's published reports, Section 55(5) of the 1996 Police Act.

Independent Office for Police Conduct (IOPC)

The IOPC oversees the police complaints system in England and Wales. It is independent, making its decisions entirely independently of the police, government and complainants. There are opportunities to build in the lessons learned through complaints and subsequent reviews into improved policing policies and working practices for the Commissioner and the Chief Constable.

6. Sharing of Information

The PCC and the Chief Constable shall ensure compliance with Data Protection legislation through proper application of the governance arrangements and General Data Protection Regulations.

For the purpose of the General Data Protection Regulation the PCC and the Chief Constable remain the data controller for any personal information recording (in whatever format) on any information system under their respective control.

The Chief Constable retains responsibility for the operational control of the Force. It therefore follows that the Chief Constable is the Data Controller for all information gathered and produced by police officers and police staff, which is in furtherance of this responsibility.

For the purposes of the Freedom of Information Act 2000 (FOI) if either the PCC or the Chief Constable should receive an FOI request then the PCC or Chief Constable as appropriate would be responsible for responding to that request and with any subsequent compliance arrangements required under FOI. Each party will support the other in meeting their responsibilities under the FOI Act.

The Chief Constable is committed to providing reliable, accurate and timely information and information services to the PCC and his office, to respond to requests for information from:

- Members of the public, victims of crime and partners;
- National government departments and organisations;
- Consultant and independent research companies appointed by the PCC or his/her office;
- Police and Crime Panel and other Committees/Panels with a responsibility for policing;
- Community safety and criminal justice partnership structures; and
- Government Inspectorates.

The Chief Constable will ensure provision of a Joint Data Protection Officer for both the OPCC and Nottinghamshire Police.

The Chief Constable will, wherever possible, provide advice and guidance on specialist policing areas and on the efficient and effective delivery of policing through regular policy briefings, meetings with the PCC/the OPCC or through the provision of data, reports, evidence and access to police officers and staff.

The Chief Constable will ensure that bespoke requests for services or information to support the work of the PCC or Deputy PCC's work (where appointed) will be met, wherever possible. These will be one off requests and cannot be planned into the regular service or information requests. Where such requests arise, the OPCC will endeavour to provide advance warning to enable the request to be delivered.

The Commissioner requires access to information and officers and staff of the Chief Constable within their Force area. Such access to any information must not be unreasonably withheld or obstructed by the Chief Constable and/or fetter the Chief Constable's discretion and control of the Force.

7. Decision Making

Making and Publication of Decisions of Significant Public Interest

The PCC has the sole legal authority to make a decision on any given day as a result of discussion or information provided by the public, partner organisations, members of staff from the office of the PCC or Chief Constable.

Poor decision making processes can sometimes lead to adhoc decisions, not being properly recorded or acted on effectively. Poor decision making can lead to legal challenges and judicial reviews.

The PCC's Chief Executive is designated as Monitoring Officer under Sch 16, para 202 of the Police Reform and Social Responsibility Act 2011 ("the Act"). The role of the Monitoring Officer (Local Government and Housing Act 1989) is to ensure lawful and fair decision making and to report if he or she considers that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given rise to maladministration. The Monitoring Officer/Chief Executive is therefore consulted in respect of all decisions.

In making any substantive decision, consideration is given as to whether that decision is or is not of significant public interest. The requirement is to determine whether the decision matter is of any public interest. If so, consideration will then be given as to whether the public interest in that decision is significant.

In determining whether a decision is of public interest, regard will be had to the public interest test under the Freedom of Information Act 2000 and the guidance relating to that test issued by the Information Commissioner's Office. As the guidance states, there is a distinction to be drawn between what is in the public interest and what interests the public.

A register will be kept of all decisions which are considered to be of significant public interest. Each decision will aim to be published on the PCC's website within 2 full working day of its approval.

It is the intention to publish a forward plan on a quarterly basis giving advance notice of key decisions that are scheduled to be taken over a four month period. This forward plan will be reported to the Police and Crime Panel for public scrutiny.

Appendix 1 contains a list of examples of items that have been identified as being of significant public interest.

The following will not normally be regarded as matters of significant public interest:

- Any decision taken in the course of developing any budget strategy policy report or plan prior to consultation with the Chief Constable or submission to the Panel and/or publications following its approval or adoption.
- Day to day internal management decisions
- Decisions relating to the appointment suspension or dismissal of staff or any disciplinary proceedings against them or any determination relating to their terms and conditions of appointment except in so far as may be required under Part 1 of the Schedule to the Order.

A decision that a matter is not of significant public interest should not be taken to mean that it is of no public interest. The intention in restricting the register to decisions of significant public interest is merely to avoid the need to record every decision made in the normal course of business, however minor. Any freedom of information request for information that would require disclosure of a decision not recorded on the register will be dealt with on its merits. However, all decisions of a nature which could be deemed to be novel or contentious will be recorded.

The Elected Local Policing Bodies (specified information) Order 2011 set out the statutory requirement for the recording and publication of information. The Freedom of Information Act 2000 provides a further level of public access to information.

There will be occasions where the circumstance of a decision dictates that only some elements of the checklist will be employed. All measures will be taken to ensure that urgent decisions are limited.

Occasions will arise when the line between 'strategic' and 'operational' will be ambiguous. The PCC and Chief Constable will work together to deal with any contentious decisions. These are defined as decisions which may attract high public and media interest, decisions that could lead to reputational damage and potential loss of public confidence and actions that conflict with the priorities as set out in the Commissioner's Police and Crime Plan.

There are two main ways the PCC makes decisions. They are through the 'Executive Decision Making' process or through the consideration of reports to one of their governance public meetings. The main public meeting where the PCC makes decisions and holds the Chief Constable to account takes place on a bi-monthly basis through the 'Strategic Resources and Performance Board'.

The 'Executive Decision Making' process is an administrative process to facilitate speedier decision making in relation to certain public interest decisions. Guidance on how this process is operated is attached in Appendix 2.

8. Decision Making Process

Administrative Process to Support Executive PCC Decision Making

The Force and other partners need an understood administrative process for the Commissioner to make formal decisions. This structure does not apply to ordinary day-to-day management decisions (e.g. diary management) that can be made informally.

The process has been designed to be flexible but this is the process that everyone is expected to follow. So that the public can see how decisions are likely to be made. In the event that there was a challenge to a particular decision or to the decision-making process in a particular case the procedure would be referred to and the PCC might need to explain why, if it had not been followed, there was good reason to adopt a different approach.

The principles that should apply to the process are:-

1. **Transparency** - unless there are reasons for confidentiality, consistent with legislation, decisions and the supporting reasons should be publicly available.

2. **Openness** – subject to confidentiality, the most important decisions should be taken in a public forum and should be the subject of public engagement and consultation.
3. **Auditable** – there should be evidence to demonstrate, if necessary, how the decision was made and what advice was taken.
4. **Proportionality** – the administrative process should be proportionate to the nature of the decision being taken.
5. **Timeliness** – the process should enable timely decisions to be made.

The Commissioner will have to take 4 types of decisions:

Category 1 All decisions that are statutory requirements and are of a significant public interest.

Category 2 Other decisions which are above the delegated financial limits.

Category 3 Management decisions as set out in the Scheme of Delegation.

APPENDIX 1

Examples of Typical Decisions of Significant Public Interest

- Police and Crime Plan
- Precept levels
- Medium Term Financial Plan
- Public and Victim consultation findings and responses
- Public complaints and misconduct
- Estates, ICT and Asset Strategic Planning
- Any new or amendments to policy and procedures
- Forecast budget and virement requests
- Levels of reserves and provisions
- Workforce Plan and recruitment strategies
- Performance monitoring and insight
- Commissioning and awarding of grants to individuals and organisations
- Strategic planning and performance monitoring for safeguarding and equalities (Commissioner and Force)
- Contracts above £250K
- All New business cases
- Decisions relating to the complaints and conduct matters relating to the Chief Constable
- Appoint, remove or suspend a Chief Constable
- Publication of annual report
- Restructuring of Force or OPCC staffing structure

Notes to accompany the decision making template

The decision making template should be used to record all decisions and published once the approval process has been signed off.

The decision making template should be completed in full and reports and supporting documentation appended to the template for further information.

In relation to reports that contain confidential or exempt information, a minute of the exempt decision will be published on the Commissioner's website. Background papers and the completed executive decision making template will be kept on a separate file within the Office of the Police and Crime Commissioner.

The form itself is self-explanatory and just requires a summary of the decision required and to evidence the appropriate approval process by officers.

The timing of decisions will be a key part of the decision making process. In the top right-hand corner of the template there is a pull down menu for officers to use to help in defining the timing required and therefore priority for the required decision. The categories are as follows:

- i. "Immediate" (i.e. it needs to be seen that day)
- ii. "Urgent" (i.e. it needs to be seen within 3 days)
- iii. "Normal" (i.e. it needs to be seen within two weeks)
- iv. "Routine" (i.e. there is no special timing factor)

A short sentence may also be added to explain the context of the timing (e.g. does it coincide with an announcement the Commissioner will be making?). It is also useful to give a date when a decision is required.

Nottinghamshire Police and Crime Commissioner
Notice of Decision



Author:	
Telephone number:	
E-mail address:	
For Decision or Information	
Date received*:	
Ref*:	

*to be inserted by Office of PCC

TITLE:

EXECUTIVE SUMMARY:

INFORMATION IN SUPPORT OF DECISION: (e.g report or business case)

FINANCIAL INFORMATION (please include if it capital or revenue or both. What the split is and the totals being requested. Is this a virement/ something already budgeted for or something that requires additional funding. Are there any savings that can be offered up/or achieved)

Signature: _____ Date: _____
 Chief Finance Officer

Is any of the supporting information classified as non public or confidential information**?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
If yes, please state under which category number from the guidance**				

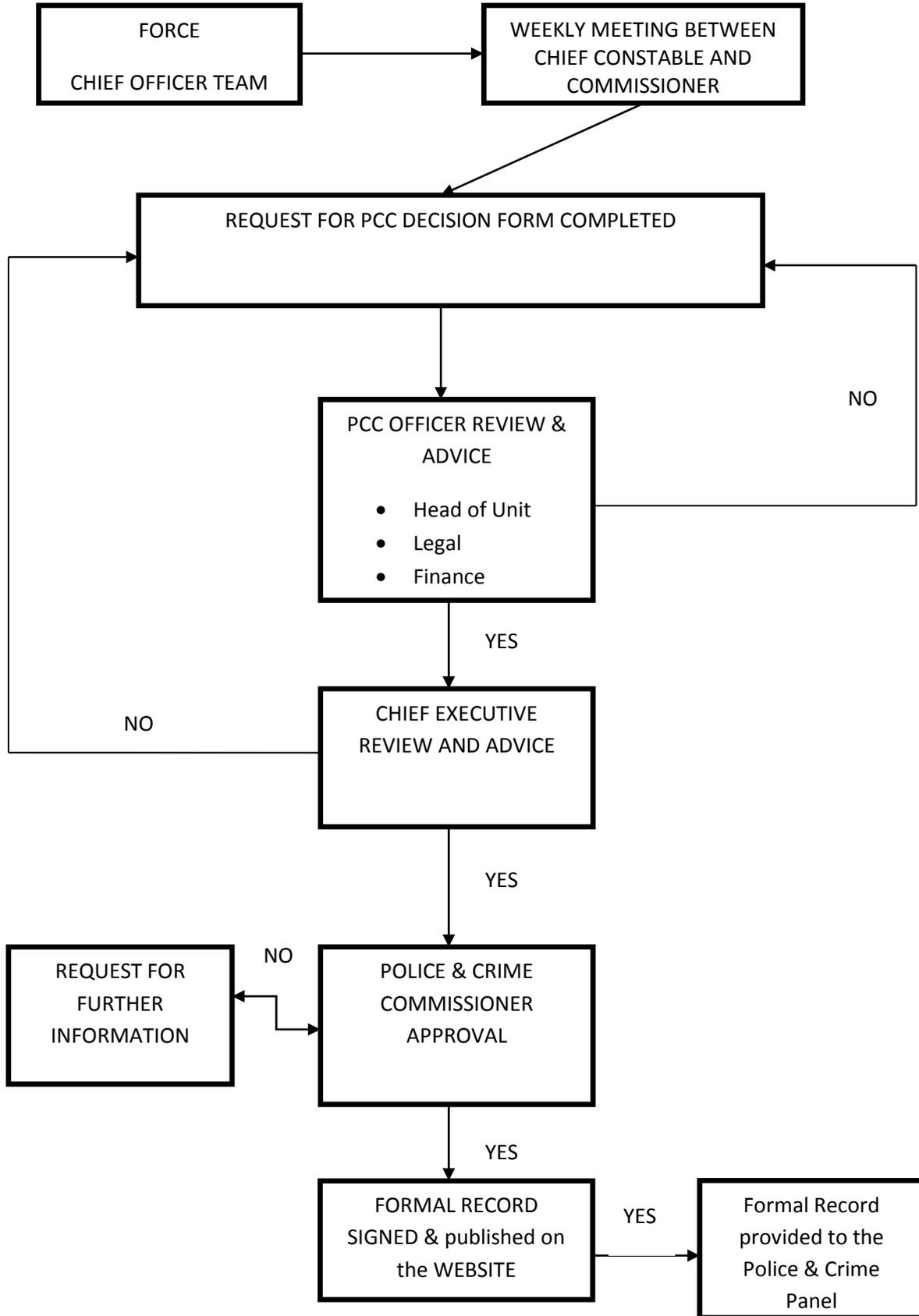
DECISION:

OFFICER APPROVAL
 I have been consulted about the proposal and confirm that the appropriate advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

Signature: _____ Date: _____
 Chief Executive

POLICE & CRIME COMMISSIONER – NOTTINGHAMSHIRE

EXECUTIVE DECISION MAKING PROCESS





NOTTINGHAMSHIRE
POLICE
PROUD TO SERVE

Joint Code of Corporate Governance and Working Together (Part B)

November 2018

Section 1



Nottinghamshire

POLICE & CRIME COMMISSIONER

**OFFICE OF NOTTINGHAMSHIRE POLICE
AND CRIME COMMISSIONER**

FINANCIAL REGULATIONS

November 2018

1.1 INTRODUCTION

OVERVIEW

1. Public sector accounting is covered by a range of government legislation and accounting standards that are designed to ensure proper accountability for public funds, including:
 - The Local Government Act 1972
 - The Local Government Finance Act 1988
 - The Accounts and Audit Regulations 2003, 2006 and 2011

In addition, the Home Office has issued a Financial Management Code of Practice (FMCOP) under section 17 of the Police Reform and Social Responsibility Act 2011 and section 39 of the Police Act 1996 which permit the Secretary of State to issue codes of practice to all Police and Crime Commissioners and Chief Constables.

2. The Police Reform and Social Responsibility Act 2011 defined arrangements for separate corporations sole for the Police and Crime Commissioner (PCC) and Chief Constable (CC), each of which is required to appoint a Chief Finance Officer (CFO). The FMCOP deals specifically with the financial management of the corporations sole of the PCC and CC. The professional responsibilities of the PCC and CC CFOs are defined in the FMCOP and in a CIPFA Statement, "Responsibilities of the CFO to the PCC and the CFO to the CC".
3. As separate corporations sole, both are enabled by law to employ staff and hold funds in their official capacity. Chief Constables are charged with the impartial direction and control of all constables and staff within the police force that they lead. The staff of the Commissioner are accountable to the directly elected holder of that office.
4. The public accountability for the delivery and performance of the police service is placed into the hands of the Commissioner on behalf of their electorate. The Commissioner draws on their mandate to set and shape the strategic objectives of their force area in consultation with the Chief Constable. The Commissioner is accountable to the electorate; the Chief Constable is accountable to their Commissioner. The Police and Crime Panel is empowered to maintain a regular check on the performance of the Commissioner in that context.
5. The Commissioner within each force area has a statutory duty and electoral mandate to hold the police to account on behalf of the public.
6. The Commissioner is the recipient of all funding, including the government grant and precept and other sources of funding, related to policing and crime reduction and all funding for a force must come via the Commissioner. How this money is allocated is a matter for the Commissioner in consultation with

the Chief Constable, or in accordance with any grant terms. The Chief Constable will provide professional advice and recommendations.

7. To conduct its business effectively, any organisation needs to ensure that sound financial management policies are in place and that they are strictly adhered to. Part of this process is to adopt and implement Financial Regulations. These Regulations have been drawn up in such a way as to ensure that the financial matters are conducted properly and in compliance with necessary requirements.
8. The Regulations are designed to establish overarching financial responsibilities, to confer duties, rights and powers upon the Commissioner and those for whom they are responsible and to provide clarity about the financial accountabilities of groups or individuals. They apply to every member and officer of the service and anyone acting on their behalf.
9. A modern organisation should also be committed to innovation, within the regulatory framework, providing that the necessary risk assessment and approval safeguards are in place.

STATUS

10. These Financial Regulations should not be seen in isolation, but rather as part of the overall regulatory and governance framework that includes the policing protocol, codes of governance, codes of conduct, scheme of consent, scheme of delegation and Standing Orders.
11. The Commissioner and all employees have a general duty to take reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value. Financial Regulations explain the working financial relationship between the Commissioner and the Chief Constable and their respective Chief Financial Officers, having regard also to the role played by the Commissioner's Chief Executive.
12. These regulations include responsibilities for Statutory Officers and it is the responsibility for each of the Statutory Officers to fulfil these requirements individually and by working together.
13. The Commissioner is responsible for approving or amending Financial Regulations for the Commission. The CFO to the Commissioner is responsible for maintaining a review of Financial Regulations and submitting any additions or amendments to the Commissioner, after consulting with the Chief Constable, the Force CFO and the Chief Executive.

14. Senior Officers are responsible for ensuring that all employees, contractors and agents are aware of the existence and content of these Financial Regulations and that they are complied with
15. Any case of potential non-compliance with these regulations or Standing Orders should be reported immediately and directly to the CFO to the Commissioner. Breaches of Financial Regulations of a serious nature may result in disciplinary proceedings and, potentially, criminal action.
16. The Commissioner and all employees have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues.

CONTENT AND DELEGATED LIMITS

17. The Financial Regulations are divided into a number of sections, each with detailed requirements relating to the section heading. References are made throughout the individual sections to delegated limits of authority. These are also summarised in Section F in order to avoid reviewing the whole set of Financial Regulations when changes to delegated limits are made. **Section F** contains the appropriate cross-reference to the regulation in question
 - Section A - Financial management framework
 - Section B - Financial planning and Control
 - Section C - Management of risk and resources
 - Section D - Systems and procedures
 - Section E - External arrangements
 - Section F - Summary of delegated limits

DEFINITIONS WITHIN THE REGULATIONS

18. The Office of the Police and Crime Commissioner for Nottinghamshire (OPCC) when used as a generic term shall refer to the PCC, the Chief Executive, the PCC CFO, and staff under the PCC direction.
19. The 'Force' shall refer to the CC, CC CFO, police officers, the special constabulary, and police staff under his direction.
20. Within these Regulations, references have been made to the responsibilities of the CC since the responsibility for financial management of the funds delegated to the Force is delegated to the CC and is vested with the post of Force's Chief Finance Officer (S.151). Where responsibility for financial management has not been delegated to the CC and is vested with the PCC or PCC CFO, the duties, rights and powers as detailed for the CC shall apply equally to the PCC CFO.

21. The terms CC, CC CFO, PCC, PCC Monitoring Officer and PCC CFO include any member of staff, contractors or agents to whom particular responsibilities may be delegated. However, the level of such delegated responsibility must be evidenced clearly, made to an appropriate level, and the member of staff given sufficient authority, training and resources to undertake the duty in hand.
22. The Statutory Officers referred to relate to the Chief Constable, the Chief Executive and the two Chief Financial Officers.
23. The Chief Executive also fulfils the monitoring officer role of the OPCC.
24. 'Senior officers' is a generic term relating to all officers with managerial responsibility for resources and their use.
25. 'Employees' when referred to as a generic term shall refer to police officers, police staff and other members of the wider police family. The expression 'authorised officer' refers to employees authorised by a chief officer.
26. The expression 'contract' refers to any commitment (including purchase orders, memoranda of understanding, leases and service level agreements) to acquire, purchase or sell goods, services or building works made on behalf of the Commissioner, the Force or their affiliated bodies.
27. The expression 'best value for money' shall mean the most economic, efficient and effective means of meeting the need and takes account of whole life costs.
28. The expression 'he' shall refer to both male and female.

SECTION A FINANCIAL MANAGEMENT FRAMEWORK

1.1 INTRODUCTION

1. The Home Office advises on the roles and responsibilities of the PCC, the Force and statutory officers. The PCC CFO and the CC CFO have certain statutory obligations and the PCC Monitoring Officer a specific monitoring role.
2. As far as possible, financial management should be delegated to the PCC CFO and the CC CFO acting on behalf of the Commissioner and the CC respectively. The CC should actively encourage devolution of financial budgets within the Force, provided that the financial information used to support this devolution is reliable, accurate, timely and complete.
3. Devolved budget monitoring responsibilities will ensure greater accountability within the Force.
4. The PCC has responsibility for the Police Fund with the specific responsibilities of the PCC and CC being defined in the Home Office FMCOP. The professional responsibilities of the PCC CFO and CC CFO are defined in the FMCOP and in a CIPFA Statement.

A1 THE ROLE OF THE PCC

The role and responsibilities of the PCC include to:

5. Ensure an efficient and effective Police Service and to hold the Police to account on behalf of the public. The Commissioner is the recipient of funding relating to policing and crime reduction, including government grant, council tax precept and other sources of income. How this money is allocated is a matter for the Commissioner in consultation with the Chief Constable, or in accordance with any grant terms. The statutory officers of the Chief Constable and the Commissioner will provide professional advice and recommendations.
6. Prepare, revise and update a Police and Crime Plan.
7. Appoint a Chief Financial Officer to be responsible for the proper administration of the Commissioner's financial affairs. The Commissioner shall provide his Chief Finance Officer with such staff, accommodation and other resources that are sufficient to allow the duties under this section to be performed. He shall also appoint a Chief Executive.

8. Agree a budget requirement and capital programme and set the precept following advice from the PCC CFO in liaison with the CC CFO and in consultation with the Police and Crime Panel (PCP).
9. Rigorously scrutinise, challenge and monitor aspects of financial performance and, if required, agree action taken to contain spending within approved plans. The Commissioner is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework.
10. Identify and agree the medium term financial strategy of the PCC and any long term spending commitments.
11. Agree the Treasury Management Strategy and policies, including the annual investment strategy.
12. Participate in inspections and audits of the Force and the PCC.
13. Comply with all relevant codes of conduct and maintain the highest standards of conduct and ethics.
14. Approve Financial Regulations and any amendments to them, as drawn up between the PCC Monitoring Officer, the CC, the PCC CFO and the CC CFO.
15. Ensure that the internal control environment meets proper requirements including a Risk Management Strategy and recommendations from internal and external audit are actioned.
16. Be responsible for the ownership of property including the Asset Management Strategy.
17. Delegate financial management of the Force budget to the CC and CC CFO so that the CC CFO has as much day to day responsibility for financial management of the Force as possible, within the framework of the agreed budget and rules of virement.
18. Be responsible for approving procedures for recording and reporting decisions taken and for monitoring compliance with agreed policy and related executive decisions.
19. Where appropriate draw up financial procedures (subject to these Financial Regulations) to apply specifically to the Office of the Police and Crime Commissioner.

A2 THE ROLE OF THE CC

The role and responsibilities of the CC in relation to financial management include to:

20. Appoint a Chief Finance Officer to be responsible for the proper administration of the Chief Constable's financial affairs.
21. Ensure overall financial management of the Force and report financial management issues and implications to the PCC.
22. The CC shall prepare Financial Procedures and Guidance to support the Financial Regulations, in consultation with CC CFO (in liaison with the PCC CFO). The CC shall ensure that all employees are made aware of the existence of these Regulations, Procedures and Guidance and are given access to them. Where appropriate, training shall be provided to ensure compliance.
23. Comply with financial policies and procedures for use by the Force including the Scheme of Delegation, ensuring that officers and staff comply with them and with the Force's own Financial Procedures.
24. Draw up financial policies and financial instructions in consultation with the CC CFO (in liaison with the PCC CFO), who must be satisfied that they provide for effective managerial control and review.
25. Exercise delegated financial responsibilities and assume, with his staff, as much day-to-day responsibility for financial management of the Force as possible, within the framework of the agreed budget and rules of virement.
26. Seek approval from the Commissioner when he intends to make significant change of policy or seeks to move significant sums, in accordance with agreed virement rules, of their budget.
27. Ensure the provision of professional advice to the PCC.
28. Ensure proper financial management of resources allocated to him through the budget or arising from income generated by activities within the operational area, including control of officers, staff, security, custody and the management and safeguarding of assets. Ensure all resources are used efficiently and effectively.
29. Where consented by the PCC, responsible for the management of property and contracts.
30. Advise the PCC on financial propriety for areas under his control.

A3 THE ROLE OF THE JOINT INDEPENDENT AUDIT COMMITTEE (JIAC)

31. The Home Office Financial Management Code of Practice states that the Commissioner and Chief Constable should establish an independent audit committee. The code recommends this be a combined body which will consider the internal and external audit reports of both the Commissioner and the Chief Constable. This committee will advise the Commissioner and the Chief Constable according to good governance principles and will embrace appropriate risk management arrangements in accordance with proper practices. In establishing the Audit Panel the Commissioner and Chief Constable shall have regard to CIPFA Guidance on Audit Committees.
32. JIAC shall comprise of no fewer than three and no more than five members who are independent of the Commissioner and the Force.
33. The Audit Committee shall establish formal terms of reference, covering its core functions, which shall be formally adopted and reviewed on an annual basis
34. The Commissioner and Chief Constable shall be represented at all meetings of the Audit Committee.
35. The terms of reference for the Audit Committee cover requirements in relation to Internal and External Audit appointments, plans and reports, HMIC reports, risk management, VFM, governance, annual accounts and related reports.

A4 THE ROLE OF STATUTORY OFFICERS:

PCC CHIEF FINANCE OFFICER

1. The PCC CFO has responsibility for proper financial administration and stewardship, which includes a personal fiduciary responsibility to the local council taxpayers.
2. These roles have statutory responsibilities specified by:
 - Paragraph 6 of Schedule 1 to the Police Reform and Social Responsibility Act 2011. (PCC CFO).
 - Paragraph 4 of Schedule 2 and paragraph 1 of Schedule 4 to the Police Reform and Social Responsibility Act 2011 (CC CFO).
 - Section 151 of the Local Government Act 1972 which requires arrangements to be made for the proper administration of the PCC's and CC's financial affairs.
 - Section 114 of the Local Government Finance Act 1988 which requires the Statutory Finance Officer to report to the PCC and the CC if the PCC or the CC or one of their staff:
 - has made, or is about to make, a decision which involves incurring unlawful expenditure.
 - has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency.
 - is about to make an unlawful entry in the PCC or CC's accounts.
 - The Accounts and Audit Regulations.
 - The Home Office Financial Management Code of Practice.
3. The PCC CFO is the principal professional adviser on financial matters to the PCC. To enable him to fulfil these duties and to ensure the PCC is provided with adequate financial advice the PCC CFO:
 - Must be a key member of the respective organisation's Leadership Team, (working closely with the Chief Executive), helping the team to develop and implement strategy and to resource and deliver the Commissioner's strategic objectives sustainably and in the public interest.
 - Must be actively involved in, and able to bring influence to bear on, all strategic business decisions, of the PCC, to ensure that the financial aspects of immediate and longer term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategies.

- Must lead the promotion and delivery by the PCC of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.
 - Must ensure that the finance function is resourced to be fit for purpose.
4. It must be recognised that Financial Regulations cannot foresee every eventuality. The PCC CFO shall be responsible for interpreting these regulations so as to ensure the efficient and effective operation of services.
5. The role and responsibilities of the PCC CFO are to:
- Ensure that the financial affairs of the PCC are properly administered and that financial regulations are observed and kept up to date and accounting standards applied consistently.
 - Ensure regularity, propriety and Value for Money (VfM) in the use of public funds.
 - Ensure that the funding required to finance agreed programmes is available from Central Government funding, precept, other contributions and recharges.
 - Report to the PCC, the PCP and to the external auditor:
 - Any unlawful, or potentially unlawful, expenditure by the PCC or staff of the PCC.
 - When it appears that expenditure is likely to exceed the resources available to meet that expenditure.
 - Advise the PCC on a budget requirement and capital programme and the robustness of the budget and adequacy of financial reserves.
 - Advise the PCC in respect of the Treasury Management Strategy and proposed changes to policies.
 - Ensure production of the statements of accounts of the PCC and Group.
 - Ensure receipt and scrutiny of the statements of accounts of the Chief Constable and ensuring production of the group accounts.
 - Liaise with the external auditor.
 - Advise the PCC on the application of Value for Money principles by the Force to support the PCC in holding the Chief Constable to account for efficient and effective financial management.
 - Advise on the safeguarding of assets, including risk management and insurance.

- Ensure that accurate, complete and timely financial management information is provided to the PCC.
- Arrange for the determination, issue and payment of the precept.
- Assist the PCC to monitor the revenue and capital budgets.
- Secure, in liaison with the DCC, the provision of an effective internal audit service. Ensure there is a safe and efficient financial arrangements including a system of effective internal control.
- Be responsible for all banking arrangements and authorise the creation and closure of any account.

The PCC CFO has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the Commissioner on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the Commissioner's accounts, including group accounts incorporating the accounts of the CC.

In the absence of the PCC CFO his roles and responsibilities may be fully exercised by the Deputy PCC CFO, except for certain statutory duties which cannot be delegated.

6. The PCC CFO, in consultation with the PCC Monitoring Officer, shall be given powers to institute any proceedings or take any action necessary to safeguard the finances of the OPCC.

PCC MONITORING OFFICER

7. The Chief Executive is also the Commissioner's designated monitoring officer, appointed under the Police Reform and Social Responsibility Act 2011, and is responsible for the leadership and general administration of the Commissioner's office.
8. The role and responsibilities of the PCC Monitoring Officer in relation to financial management are to:
 - Enable the PCC to fulfil his statutory responsibilities.
 - Ensure the legality of the actions of the PCC and his officers.
 - Ensure that procedures for recording and reporting PCC decisions are operating effectively.
 - Advise the PCC and CC about who has authority to take a particular decision.
 - Advise the PCC and CC about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework.
 - Ensure the provision of information and reports required by the PCP.
 - Ensure the PCC meets his obligations in relation to statutory publications including the Police and Crime Plan, Annual Report and Council Tax Leaflet.
 - Develop a strong partnership with the PCC and CC ensuring the provision of effective and efficient policing is fulfilled.
 - Undertake the role of designated Monitoring Officer to detect and report any illegality or maladministration.
 - Advising the Commissioner on matters relating to standards of conduct.

A5 FINANCIAL MANAGEMENT STANDARDS

Overview & Control

1. All staff have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues. This is facilitated by ensuring that everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.
2. The PCC shall receive updates on the financial performance by way of ongoing budget monitoring and outturn reports, reports by Internal Audit, HMIC and External Audit.

Key Controls

3. The key controls and objectives for financial management standards are:
 - Their promotion throughout the organisation. The PCC and the CC shall ensure that all officers and staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.
 - A monitoring system to review compliance with financial standards, and regular comparisons of performance indicators with benchmark standards that are reported to the Audit Committee.
 - All staff are to be properly managed, developed, trained and have adequate support to carry out their financial duties effectively. The PCC and the CC shall ensure that specific duties and responsibilities in financial matters are made clear to individual members of staff and that these are properly recorded.
 - Systems of internal control are in place that ensures financial transactions are lawful.
 - Suitable accounting policies are selected and applied.
 - Proper accounting records are maintained.
 - Financial statements are prepared, which present fairly the financial position of the PCC and the CC, including expenditure and income.

Responsibilities of the Statutory Officers

4. The responsibilities of Statutory Officers for financial management are:
- To ensure the proper administration of the financial affairs of both legal entities.
 - To ensure that proper practices are adhered to.
 - To ensure financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.
 - To advise on the key strategic controls necessary to secure sound financial management.
 - To ensure that all staff are aware of, and comply with, proper financial management standards including these Financial Regulations.
 - To ensure that all staff are properly managed, developed, trained and have adequate support to carry out their financial duties effectively.
 - To report any actual or potential breaches of the law or maladministration to the PCC CFO or the Monitoring Officer.

A6 ACCOUNTING RECORDS AND RETURNS

Overview and Control

1. Maintaining proper accounting records is one of the ways in which the Commissioner will discharge his/her responsibilities for stewardship of public resources. The Commissioner has a responsibility to prepare annual accounts that present fairly its operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of resources.
2. The PCC CFO, in liaison with the CC CFO, is responsible for determining the accounting policies of the PCC and CC, in accordance with recognised accounting practices, and for approving strategic accounting systems and procedures. All officers and staff are to operate within the required accounting policies and published timetables.
3. Financial systems are used to record the financial transactions of the PCC and CC. With possible minor exceptions, these are electronic systems.

Key Controls

4. The key controls for accounting records and returns are:
 - Finance staff and those authorised to make expenditure operate within the required accounting standards and timetables.
 - All of the organisations transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis.
 - Procedures are in place to enable accounting records to be reconstituted in the event of systems failure.
 - Reconciliation procedures are carried out to ensure transactions are correctly recorded.
 - Prime documents are retained in accordance with legislative and other requirements.
 - Proper system of internal control such that:
 - staff with the duty of examining or checking the accounts of cash transactions must not themselves be originators or approvers of these transactions.

- the duties of providing information about sums due to or from the PCC and calculating, checking and recording these sums, are to be separated from the duties of collecting or disbursing them.

Responsibilities of the Statutory Officers

5. The PCC CFO shall:

- To determine the accounting procedures and records, in accordance with recognised accounting practices, and approve the strategic accounting systems and procedures in place.
- Ensure that there is agreement with the CC CFO before making any fundamental changes to accounting records and procedures or accounting systems.
- Ensure that all employees operate within the required accounting policies and timetables.
- Make proper arrangements for the audit of the Commissioner's and Force's accounts in accordance with the Accounts and Audit Regulations 2015.
- Ensure that all claims for funds, including grants are made by the due date.
- Prepare and publish the audited accounts in accordance with the statutory timetable.
- Ensure that all transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis. Maintain adequate records to provide a management trail leading from the source of income and expenditure through to the accounting statements.
- Ensure that reconciliation procedures are carried out on recognised control accounts on an agreed timetable to ensure transactions are correctly recorded.
- Ensure that Financial Instructions provide details of retention periods.
- The format of such documents shall satisfy the requirements of internal and external audit and appropriate staff are provided with a detailed schedule of requirements.

A7 THE ANNUAL STATEMENT OF ACCOUNTS

Overview and Control

1. The PCC and CC have a statutory responsibility to prepare accounts to present fairly their operations during the year. The PCC CFO and CC CFO are responsible for the preparation of the accounts in accordance with proper practices as set out in *the Code of Practice on Local Authority Accounting in the United Kingdom: (The CODE)* and with the Accounts and Audit Regulations 2003, 2006, 2011 and 2015.
2. The Commissioner has a statutory responsibility to prepare the accounts relating to the Office of the Police & Crime Commissioner and also the Group Accounts for both entities. These must present fairly the financial position of organisation's and be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom
3. The Commissioner is responsible for approving these annual accounts.

Key Controls

4. The accounts are subject to detailed independent review by the external auditor.

This audit provides assurance that the accounts are prepared correctly and that proper accounting practices have been followed.
5. The PCC is required to make arrangements for the proper administration of its financial affairs. The PCC statement of accounts must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom.

Responsibilities of the Statutory Officers

4. The PCC CFO and CC CFO shall:
 - Ensure that there is a timetable for final accounts preparation, in consultation with the PCC, CC, JIAC and external auditor.
 - Select suitable accounting policies within the overall agreed approach and apply them consistently.
 - Make judgements and estimates that are reasonable and prudent.
 - Comply with the Code.

- Prepare, sign and date the statement of accounts, stating that it presents truthfully and fairly the financial position at the accounting date and its income and expenditure.
- Publish the approved and audited accounts each year, in accordance with the statutory timetable and to produce summary accounts for publication on the website.
- The PCC and CC shall consider for approval the annual accounts in accordance with the statutory timetable.

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SECTION B

FINANCIAL PLANNING AND CONTROL

B1 FINANCIAL PLANNING

Overview and Control

1. The PCC and the Force are complex organisations. Systems are needed to enable scarce resources to be allocated in accordance with carefully judged priorities. Proper financial planning is essential if the PCC and the Force are to function effectively.
2. The financial planning process will be directed by the approved policy framework, a business planning process and a need to meet key objectives.
3. The planning process will be continuous and the planning period will cover at least four years. The process should include a more detailed annual budget, covering the forthcoming financial year. This allows the PCC and the CC to plan, monitor and manage the way funds are allocated and spent. This should be used to support the Police and Crime Plan and the alignment of business and financial planning.
4. The format of the annual budget determines the level of detail to which financial control and management will be exercised and shapes how the rules around virement operate.

Medium Term Financial Planning Responsibilities of the Statutory Officers

5. The PCC CFO is responsible for ensuring that a Medium Term Financial Strategy (MTFS) for at least four years ahead is prepared. The CC CFO is responsible for producing a Medium Term Financial Plan at a detailed level to underpin and support the MTFS. The MTFS should be submitted to the PCC and be subject to review during the Financial Year.

The MTFS should be informed by:

- Government, particularly Home Office financial plans at a national level.
- Financial risks identified at national and regional levels.
- Estimated maximum precept increases – this may differ with the annual requirements of the PCC.
- External factors affecting funding available (such as Legislative, National Insurance, Tax and Pension changes).

The MTFP should be informed by:

- The MTFS – indication of what financial resources will be available to the Force and OPCC.
- The Police and Crime Plan.
- Policy requirements approved by the PCC as part of the policy framework.
- The risk management policy ensuring that risk appraisals are embedded throughout the forecast.

The Plan should set out:

- the forecast
 - unavoidable future commitments
 - initiatives already underway
 - spending patterns and pressures revealed through the budget monitoring process
 - efficiency and savings requirements
 - proposed service developments and plans
 - revenue consequences of capital spending proposals
 - public and partner consultation
6. The PCC shall prepare at least a four year forecast of potential resources, including options for transfers to and from general balances and earmarked reserves and use of provisions, based upon an interpretation of government funding assumptions and all other available information. This will include potential implications for local taxation.
 7. A gap may be identified between available resources and required resources. Requirements should be prioritised carefully by the PCC and CC to enable best informed judgements as to future funding levels and planning the use of resources.
 8. The PCC and CC shall integrate financial and budget plans into service planning so that such plans can be supported by financial and non-financial performance measures.
 9. The PCC is responsible for agreeing, in consultation with the CC, Section 22 agreements and other collaborative operational arrangements between Forces and to keep under consideration the ways in which the collaboration functions could be exercised by the policing body and by one or more other persons to improve:
 - (a) The efficiency or effectiveness of:

- (i) that policing body
 - (ii) the police force which that policing body is responsible for maintaining and
- (b) The efficiency or effectiveness of one or more other policing bodies and police forces.

Both the PCC and CC will sign these agreements. Should this para be in A5 Financial Standards?

Annual Revenue Budget Preparation Overview and Control

10. The revenue budget provides an estimate of the annual income and expenditure requirements for the police service and sets out the financial implications of the Commissioner's strategic policies. It provides Chief Officers with the authority to incur expenditure and a basis on which to monitor the financial performance of both the OPCC and the Force. As such, preparation of the annual budget should be based on sound financial management principles of probity, efficiency and value for money.
11. The budget estimates shall identify all proposed individual major revenue projects. A major revenue project shall be defined in accordance with the limits
12. The format of the budget determines the level of detail to which financial control and management will be exercised. The format shapes how the rules around virement operate (**see section B2 Budgetary Control**), the operation of cash limits and sets the level at which funds may be reallocated within budgets.
13. The Commissioner will consult with the Chief Constable and other relevant partners and stakeholders in planning the overall annual budget, which will include a separate force budget. This will also take into consideration funding from government and other sources, and balance the expenditure needs of the policing service against the level of local taxation. This should meet the statutory requirement to achieve a balanced budget (Police Reform and Social Responsibility Act 2011) and which is completed in accordance with the statutory timeframe. The PCC will set out each year how he expects the funds provided to the CC for policing will be applied.

Key Controls

14. The key controls for the budget are:
 - The format complies with all legal requirements
 - The format complies with CIPFA's Code of Practice

- The format reflects the accountabilities of service delivery
- Budgeting process should be based on evidence and operational demand

Responsibilities of the Statutory Officers

15. The Commissioner should agree the budget planning timetable with the Chief Constable.
16. To obtain the views of the local community on proposed expenditure (including capital expenditure) in the financial year ahead of the financial year to which the proposed expenditure relates (Police Reform and Social Responsibility Act 2011).
17. To present the proposed council tax implications and precept requirement with the budget to the Police and Crime Panel at their meeting in early February.
18. The impact of the annual budget on the priorities and funding of future years as set out in the Police and Crime Plan and the Medium Term Financial Strategy should be clearly identified.
19. The format of the budget is to comply with all legal requirements and with the latest guidance issued by CIPFA and approved by the PCC CFO.
20. The PCC CFO to ensure timely and accurate information is to be obtained from billing authorities on the council tax base and the latest surplus/deficit position on collection funds to inform budget deliberations.
21. The PCC CFO is to advise the Commissioner on the appropriate level of general balances, earmarked reserves and provisions to be held.
22. The PCC CFO to the Commissioner is to submit a report to the Commissioner on:
 - The robustness of the estimates in the proposed Budget and the adequacy of the proposed reserves.
 - The treasury Management Strategy to support the Capital Strategy.
23. Upon approval of the annual budget, the PCC CFO is to submit the council tax requirement form to central government and precept notifications to appropriate bodies in accordance with legal requirements.
24. The PCC CFO to produce, in accordance with statutory requirements, the council tax information leaflet.
25. Prior to the final budget being agreed, the CC CFO is to prepare detailed budget estimates for the forthcoming financial year in accordance with the timetable agreed with the PCC CFO.

B2 BUDGETARY CONTROL

Overview and Control

1. Budget management ensures that once the PCC has approved the overall budget, resources allocated are used for their intended purpose, subject to virement rules, and are properly accounted for. Budgetary control is a continuous process, enabling the PCC to review and adjust budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.

Key Controls

2. There is a nominated budget manager for each cost centre or account code heading who is accountable for the budgets under his direct control.
3. Budget Managers shall accept accountability for the budgets under their management and the level of service to be delivered and understand their financial responsibility.
4. Management of budgets must not be seen in isolation. It should be undertaken in conjunction with service outcomes and performance measures.
5. For strategic monitoring and management purposes, the budget shall identify operational and other policing costs, PCC costs, financing items and transfers to and from general balances and earmarked reserves.

Revenue Budget and Capital Programme Monitoring Overview and Control

6. By continuously identifying and explaining variances against budgetary targets, changes in trends and resource requirements can be identified at the earliest opportunity.
7. To ensure sound financial management, each Budget Manager is required to manage expenditure within their budget allocation. All budget officers responsible for committing expenditure must comply with relevant guidance and Financial Regulations.

Key Controls

8. The key controls for managing and controlling the revenue budget are:
 - Budget managers should be responsible only for income and expenditure that they can influence.
 - Budget managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities.

- Budget managers follow an approved certification process for all expenditure.
- Income and expenditure are properly recorded and accounted for.
- Performance levels are monitored in conjunction with the budget and necessary action is taken to align outputs and budget.

Responsibilities of the Statutory Officers

9. To provide appropriate financial information in a form determined by the PCC CFO, to enable budgets to be monitored and reported effectively.
10. To ensure that each element of income or expenditure has a nominated budget holder to take responsibility for that part of the budget. Budget responsibility should be aligned as closely as possible to the decision making process that commits the expenditure – usually at cost centre level. The CC shall ensure also that a nominated officer is responsible for monitoring income and expenditure against the pensions account.
11. It is the responsibility of budget holders to manage income and expenditure within their area and to monitor performance, taking account of financial information provided. Detailed budget monitoring is to be undertaken by Budget Managers at least monthly and reported to the PCC CFO, including any variances within their own areas. Budget Managers will also take any action necessary to avoid exceeding their budget allocation and alert the PCC CFO to any problems.
12. The PCC CFO and CC CFO shall ensure that budget holders receive sufficient financial support to enable them to undertake the budgetary control responsibilities.
13. The CC shall ensure as far as possible that total spending for operational policing remains within the allocation of resources and takes, where possible, corrective action where significant variations from the approved budget are forecasted. Where total projected expenditure is likely to exceed the allocation of resources, the PCC CFO shall be alerted immediately and proposals for remedy should be put forward as part of the regular reporting process. The same responsibilities apply to the Chief Executive and PCC CFO for their budgets.
14. The CC CFO shall submit a budget monitoring report monthly to the PCC containing the most recently available financial information. The monitoring reports shall compare projected income and expenditure with the latest approved budget allocations. The reports shall be in a format agreed by the PCC CFO.
15. The PCC CFO to co-ordinate a budget monitoring report for presentation to the Police & Crime Panel, as necessary, containing the most recently available financial information.

Resource Allocation Overview and Control

16. Available financial resources are inevitably limited. It is therefore imperative that spending is rigorously prioritised and that resources are fairly allocated, in order to fulfil all legal responsibilities. Resources may include staff, money, equipment, goods and materials.

Key Controls

17. The key controls for resource allocation are;
- Resources are acquired in accordance with the law and using an approved authorisation process.
 - Resources are used only for the purpose intended, to achieve the approved policies and objectives, and are properly accounted for.
 - Resources are securely held for use when required.
 - Resources are used with the minimum level of waste, inefficiency or loss for other reasons.

Virement

Overview and Control

18. A virement is a planned and approved reallocation of resources between budgets or heads of expenditure. A budget head is considered to be a line in the approved budget report. For clarity these are defined as the budget lines immediately below the Force and OPCC headings which are reported on in both the Budget and monitoring reports. The scheme of virement is intended to enable senior officers to manage their budgets with a degree of flexibility within the overall policy framework determined by the PCC and, therefore, to provide the opportunity to optimise the use of resources to emerging needs.
19. The overall budget is agreed by the PCC and budget managers are expected to incur expenditure in accordance with the estimates that make up their budget, subject to agreed virement rules, and within the limit of total resources allocated. Virement should not be allowed to create additional overall budget liability. Senior officers are expected to exercise discretion in managing budgets responsibly and prudently. Virements are not to be used as a tool to create future commitments. Therefore, it is vital that virement decisions do not lead to additional future spending without the prior approval of the PCC CFO.
20. Overall, the rules on virement are designed to allow the CC greater flexibility to meet operational requirements and to facilitate the decision making process. The CC shall still be held to account by the PCC for decisions made and the way in which resources are deployed. The virement rules allow greater freedom but require reports on significant changes.

21. The PCC can withdraw the ability for virement in any year should he/she feel it is prudent to do so.

Key Controls

22. The key controls for the scheme of virement are:
- The PCC is responsible for any transfers to and from PCC balances.
 - It is administered by senior officers within delegated powers given by the Commissioner. Any variation from this scheme requires approval of the Commissioner.
 - The overall budget is agreed by the Commissioner. Budget managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget.
 - Virement does not create additional overall budget liability.
 - By definition all virement is a net nil.
 - Each senior officer shall ensure that virement is undertaken to maintain the accuracy of budget monitoring.

Responsibilities of the Statutory Officers

23. Subject to approved limits as set out in Section F Delegated Limits, it is a requirement that the PCC CFO and CC CFO approve virement requirements of the CC and the PCC.
24. Each budget monitoring report reported to the PCC shall contain details where revised budgets or forecast income and expenditure varies to a significant degree from the original approved budget. However any significant expected changes to the budget identified between reports should be reported to the PCC CFO immediately. Each budget monitoring report should include any virement requests for approval by the PCC CFO or PCC as necessary
25. The approval of the Commissioner shall be required:
- As part of updating the budget through the budget monitoring process.
 - If an approved change of policy results in a virement requirement.
 - If the virement results in a significant addition to commitments in future years.
 - Within this document, the term “significant” shall be determined in its value through the professional judgement of respective CFO’s.

Treatment of Year End Balances

Overview and Control

26. A year-end balance is the amount by which actual income and expenditure including capital costs varies from the final budget, normally identified at devolved budget holder level. Arrangements may be necessary for the transfer of resources between accounting years (i.e. a carry forward). This may increase or decrease the resources available to budget holders in the following financial year. All carry forwards recommended by the PCC CFO and the CFO to the CC will be presented to the PCC for approval at year end for each financial year.
27. As part of the monitoring and control process, reporting of potential variations from budget and proposals for reallocation of resources shall be made as early as possible in the financial year. All reasonable endeavours shall be taken to provide a service that matches the approved budget.
28. There may be occasions when an overall overspend position occurs, particularly where exceptional events occur so close to the end of the financial year that a balanced outturn position is not possible. In this event, the overspend will be funded initially from General Balances, but full discussion will take place between the PCC, Chief Constable and their respective officers.

All endeavours should be made to identify potential overspends, as early as possible during the financial year, to enable mitigating action to be taken.

Key Controls

29. Devolved budget holders who overspend their budget in any financial year may have their devolved budget reduced for the following financial year up to the amount of overspend, subject to the determination of the PCC.
30. As a default position, any underspends against budgets will be taken to reserves. For the Force any exception to this policy must be proposed by the CC in consultation with the CC CFO and determined by the PCC in consultation with the PCC CFO. For the PCC any exception to this policy must be proposed by the PCC CFO and determined by the PCC.

B3 CAPITAL PROGRAMME

Overview and Control

1. Capital expenditure involves acquiring or enhancing fixed assets with a long- term value to the PCC, such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and may create financial commitments for the future in the form of financing costs and revenue running costs.
2. A capital strategy which considers all capital requirements from the Estates Strategy, Asset Management Plan, IT Strategy and Vehicle Strategy is produced for up to 30 years (20 years in detail). From this the capital programme for the next 5 years is derived.
3. The PCC is able to undertake capital investment providing the spending plans are affordable, prudent and sustainable. Capital expenditure and financing should be managed in accordance with the Local Government Act 2003 and the CIPFA Prudential Code for Capital Finance in Local Authorities.
4. A report should be addressed to the PCC annually to formally report the performance against prudential indicators in accordance with the Local Government Act 2003 and the Prudential Code for Capital Finance. Assurance should be provided during the year as part of treasury and budget monitoring reports on compliance with the prudential indicators.

Key Controls

5. Capital expenditure on land and buildings should be in accordance with the requirements of the approved capital strategy. The CC CFO shall ensure that a business case is prepared for each project and that proposals undergo an option appraisal that demonstrates the costs and benefits of the project to the service.
6. The results of the appraisal shall provide evidence for the scheme's viability and inclusion in the proposed capital programme, including a recommended solution resulting from consideration of the business case/option appraisal.
7. Schemes proposed after the annual budget meeting for inclusion in the capital programme during the current financial year shall be submitted to the PCC in accordance with the limits shown in **Section F**.
8. Each individual scheme will have a nominated budget manager who will be accountable for that project. The budget manager's responsibilities include the monitoring of progress in conjunction with expenditure and comparison with approved budget.

Responsibilities of the Statutory Officers

9. The PCC CFO will produce a long term capital strategy based upon the requirements identified in the Estates Strategy, It Strategy and Vehicle Strategy.

10. The PCC CFO in liaison with the CC CFO shall prepare at least a four year rolling programme of proposed capital expenditure for submission to the PCC and the PCP. This shall cover the forthcoming financial year and the following three years. Each scheme shall identify the total capital cost of the project, any additional revenue commitments. On recommendations from the CC, the PCC will determine the Capital Programme and will also determine the overall monitoring arrangements of the delivery of the Capital Programme.
11. The PCC CFO shall identify funding for the capital programme, including the identification of potential capital receipts. Amendments to the programme increasing its overall cost must demonstrate how such changes are to be funded.
12. A gap may be identified between available resources and required resources. In these instances requirements of the Force should be prioritised carefully by the CC CFO to enable the PCC to make the best informed judgements as to future funding levels and planning the use of resources.
13. No capital expenditure shall be incurred unless the scheme is included in the capital programme approved by the PCC or as subsequently modified. In this respect, the vehicle replacement programme, equipment replacement programme and ICT replacement programme shall each be regarded as one scheme and will not be subjected to further business case/further approval processes unless otherwise determined by the CC CFO.
14. Schemes within the Capital Programme will be required to pass through the capital expenditure approval process before any expenditure is committed. Requests for significant new capital expenditure must be made in the format of a business case.
15. Detailed estimates for each scheme in the approved capital programme shall be prepared as part of the option appraisal before tenders are sought or commitments made. Schemes need not be referred back to the PCC for further approval unless, when negotiating contract details, amendments to the nature of the scheme are sought or the cost of the scheme exceeds the limits shown in Section F.
16. Arrangements covering variations in contract conditions and prices are covered to be managed in accordance with the scheme of consent.
17. Finance and operating leases and any other credit arrangements (such as HP and rental agreements) shall not be entered into without the prior approval of the PCC and sufficient revenue resources must be available to meet the repayments.
18. The CC shall submit capital monitoring reports to the PCC monthly containing the most recently available financial information. The monitoring reports will show spending to date and compare projected income and expenditure with the approved programme. The reports shall be in a format agreed by the PCC CFO in liaison with the CC CFO. It is the responsibility of budget holders to manage capital

expenditure estimates, taking account of financial information provided by the CC CFO. Detailed budget monitoring is to be undertaken by Budget Managers at least monthly and reported to the CC and the PCC including any variances within their own areas. Budget Managers should also take any action necessary to avoid exceeding their budget allocation and alert the PCC to any problems.

19. The CC CFO shall report to the PCC projections of spending on individual capital projects and reasons for significant changes to the Programme including spending slipping between financial years.
20. The CC CFO shall report capital expenditure for the year and cumulative expenditure on individual schemes to the PCC as part of the closure of accounts arrangements.
21. The CC CFO shall take steps to ensure that any external funding that is subject to a specific timescale is, wherever possible, fully utilised within that timescale.
22. Where there is a requirement such as the adherence to the Accounting Standards that require budget or expenditure to be interchanged between capital and revenue. Approval of the PCC CFO must be obtained.

B4 MAINTENANCE OF BALANCES AND RESERVES

Overview and Control

1. General fund balances are maintained as a matter of prudence. They enable the PCC to provide for cash flow fluctuations and unexpected costly events and thereby help protect it from overspending the annual budget, should such events occur. They provide mitigation against adverse financial implications. Earmarked reserves for specific purposes may also be maintained where it is likely that a liability will arise in the future. The Commissioner will approve the policy on reserves and balances and their planned use as part of the annual budget setting process.

Key Controls

2. The key controls for maintaining reserves are:
 - To maintain reserves in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A statement of Recommended Practice (CIPFA) and agreed accounting policies.
 - For each reserve established, the purpose, usage and basis of transactions should be clearly identified.
 - Authorisation and expenditure from reserves by the PCC CFO.

Responsibilities of the Statutory Officers

3. The PCC CFO shall advise the PCC on reasonable levels of general fund balances and earmarked reserves and take account of professional best practice.

When the annual budget and capital programme are submitted to the PCC for approval and for consultation with the PCP, the PCC CFO is required to advise on the adequacy of the PCC's balances and reserves.

The PCC shall approve the creation and transfers to and from general balances and reserves. The purpose, usage and basis of transactions should be clearly identified for each reserve established.

SECTION C

MANAGEMENT OF RISK AND RESOURCES

C1 RISK MANAGEMENT

Overview and Control

1. It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all potential significant corporate and operational risks to the PCC and Group. This should include the proactive participation of all those associated with planning and delivering services.
2. All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the threat or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk cannot be eliminated altogether. However, risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the organisation and to ensure the continued corporate and financial wellbeing of the organisation. In essence it is, therefore, an integral part of good business practice.
3. Procedures should be in place to identify, assess, prevent or contain material known risks, with a monitoring process in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be formalised and conducted on a continuing basis.

Key Controls

4. The key controls for risk management are:
 - A Risk Management Policy is in place and has been promoted throughout the organisation.
 - The Policy identifies the Risk Appetite of the organisation.
 - Procedures are in place to identify, assess, prevent or contain material known risks, and these procedures are operating effectively throughout the organisation.
 - A monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis.
 - Managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives.
 - Provision is made for losses that might result from the risks that remain.

- Procedures are in place to investigate insurance claims within required timescales.
- Acceptable levels of risk are determined and insured against where appropriate.
- The organisation has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources.

Responsibilities of the Statutory Officers

5. The DCC and CE are responsible for ensuring a Risk Management Policy is prepared within the Group. They are responsible for promoting a culture of risk management awareness, reviewing risk management as an ongoing process and reporting on a half yearly basis, a corporate risk register.

To implement procedures to identify, assess, prevent or contain material known risks, with a monitoring process in place to review regularly the effectiveness of the risk reduction strategies and the operation of these controls. The risk management process should be formalised and conducted on a continuing basis.

6. To ensure that appropriate business continuity plans are developed, implemented and tested on a regular basis.
7. The PCC is responsible for approving the risk management policy statement and strategy, including determining the strategy for insurance, and for reviewing the effectiveness of risk management.
8. The PCC CFO is responsible for advising the PCC on appropriate arrangements for insurance. Acceptable levels of risk should be determined and insured against where appropriate. Activities leading to levels of risk assessed as unacceptable should not be undertaken.
9. The PCC CFO shall:
 - Ensure that insurance cover is provided within the terms of the approved strategy and take account of all new risks as appropriate ensure that claims made by the CC against insurance policies are made promptly.
 - Monitor all claims managed through Legal Services, in consultation with other officers where necessary.
 - Notify the PCC promptly of all new risks that require insurance and of any alterations affecting existing insurance.
 - Make all appropriate staff aware of their responsibilities for managing relevant risks and provide information on risk management initiatives be responsible for risk management.

- Ensure there are regular reviews of risk across the service.
 - Ensure that staff, or anyone covered by the PCC's insurance, are instructed not to admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.
 - Ensure all appropriate staff are aware of their responsibilities to notify the PCC/CC immediately of any loss, liability or damage that may lead to a claim against the PCC together with the information required.
 - Approve, before any contract for works is made, the insurance cover to be furnished by the contractor in respect of any act or default unless the PCC chooses to provide insurance cover itself.
10. Legal Services shall be authorised to settle insurance liability claims up to the value shown in **Section F**. Beyond this value, claims must be referred to the PCC for approval.
11. Settlement of employment tribunal cases and grievances of staff under his direction and control will remain with the Chief Constable, within the delegated limits in **Section F**, with the exception of those cases felt to be sensitive because:
- They involve a high profile claimant
 - There is a public interest in the case
 - There is a real risk that the Police and Crime Commissioner or Nottinghamshire Police will be exposed to serious public criticism or serious weaknesses in the organisation or policies and procedures to be revealed.
12. The PCC Chief Executive shall evaluate and authorise any terms of indemnity that the PCC is requested to give by external parties.

C2 INTERNAL CONTROLS

Overview and Control

1. Internal control refers to the systems of control devised by management to help ensure PCC objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that assets and interests are safeguarded.
2. The PCC requires internal controls to manage and monitor progress towards strategic objectives. The PCC also has statutory obligations and, therefore, require internal controls to identify, meet and monitor compliance with these obligations.
3. The PCC faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage these risks. The system of internal controls is established in order to provide measurable achievement of:
 - Efficient and effective operations.
 - Reliable financial information and reporting.
 - Compliance with laws and regulations.
 - Risk management.

Key Controls

4. The key controls for internal control systems are:
 - Managerial, including defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities.
 - Financial and operational procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems.
 - An effective internal audit function, which operates in accordance with CIPFA's Code of Practice for Internal Audit and with any other relevant statutory obligations and regulations. Key controls should be reviewed on a regular basis and the PCC should make formal statements annually to the effect that they are satisfied that the system of internal control operates effectively.

Responsibilities of the Statutory Officers

5. The PCC and Cc are jointly responsible for implementing effective systems of internal control and the PCC CFO, for advising on such. These arrangements shall ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public resources are properly safeguarded and used economically, efficiently and effectively.
6. The PCC and CC shall ensure that internal controls exist for managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance information and taking appropriate anticipatory and remedial action where necessary. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities.
7. The PCC and CC shall ensure that internal controls exist for financial and operational systems and procedures. This includes physical safeguards for assets, segregation of duties, authorisation and approval procedures and robust information systems.
8. The PCC and CC shall agree and sign individual Annual Governance Statements following a review of systems of internal control. These statements will be included in the Group and CC Accounts. The statements should be signed by the Commissioner and the Chief Constable. The Accounts and Audit Regulations 2003, 2006 and 2011 require the PCC to review Internal Control arrangements at least annually.
9. The PCC and CC shall have a Joint Audit Committee (**section A3 refers**), which has a responsibility for the continual oversight of corporate governance, internal control and risk management. The terms of reference of the Committee should include the following key requirements:
 - To provide proactive and effective leadership on audit and governance issues and champion both audit and the embedding of risk management by all PCC staff and all CC officers and staff.
 - To be assured as to the adequacy of financial and other controls, corporate governance (including an anti-fraud and corruption strategy), financial regulations, VFM, contract standing orders and risk management arrangements, and ensure that they are reviewed and revised.
 - To examine and consider a draft Annual Governance Statement, and to make any recommendations to the PCC in this respect.
10. Public Sector Audit Appointments Ltd is responsible for appointing external auditors to the PCC and CC. The duties of the external auditor are governed by Section 15 of the Local Government Finance Act 1982, as amended by Section 5 of the Audit Commission Act 1998.

11. The PCC and CC may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs, who have statutory rights of access.

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C3 AUDIT REQUIREMENTS

Internal Audit Overview and Control

1. The requirement for an internal audit function is implied by section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. The Accounts and Audit Regulations 2011 more specifically require that a relevant body shall maintain an adequate and effective system of internal audit of their accounting records and control systems. The guidance accompanying the legislation states that proper internal control practices for internal audit are those contained in the CIPFA Code of Practice. Both the PCC and CC corporations’ sole are auditable bodies.
2. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
3. Internal audit is required to comply with the Auditing Practices Board’s guidelines “Guidance for Internal Auditors”, as interpreted by CIPFA’s Code of Practice for Internal Audit in Local Government in the United Kingdom, along with any other statutory obligations and regulations.
4. The work of the Internal Audit function provides overall assurances to:
 - The PCC, the CC and JIAC that effective internal control systems are in place.
 - External Audit on financial systems and internal control are effective and external auditors may use the work of internal audit when carrying out their functions.

Key Controls

5. The key controls for internal audit are:
 - That it is independent in its planning and operation.
 - That Internal audit has direct access to the PCC, the PCC Chief Executive, PCC CFO, CC, CC CFO and all levels of management.
 - The internal auditors comply with the Code of Practice for Internal Audit issued by CIPFA.

Responsibilities of the Statutory Officers

6. The PCC CFO shall ensure the provision of an effective internal audit service.
7. The PCC and CC shall ensure that internal auditors have the authority to:
 - Access premises at all reasonable times.
 - Access all assets, records, documents, correspondence, control systems and appropriate personnel.
 - Receive any information and explanation considered necessary concerning any matter under consideration.
 - Require any staff to account for cash, stores or any other asset under their control.
 - Access records belonging to third parties, such as contractors, when required. This shall be achieved by including an appropriate clause in all contracts.
8. Any instances where the CC considers it inappropriate for internal audit to have the access detailed above, such as items considered to be of a sensitive operational nature, are to be confirmed with the PCC Chief Executive and PCC CFO.
9. The PCC CFO and the DCC, taking advice from internal audit and after consulting with the PCC and CC and external auditor, are responsible for ensuring an annual audit plan is prepared. The plan is to take account of the characteristics and relative risks of the activities involved.
10. The PCC CFO and the DCC shall submit the annual internal audit plan to the Audit Committee for consideration prior to the start of the forthcoming financial year.
11. The PCC CFO and DCC shall consider and respond promptly to recommendations in audit reports and ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient manner.
12. New systems for maintaining financial records or records of assets, or significant changes to existing systems, are discussed with and agreed by the PCC CFO and internal audit prior to implementation.
13. Internal audit shall provide an annual report to the Audit Committee summarising activities and findings for the year. This shall include an opinion on the effectiveness of the systems of internal control to support the Annual Governance Statement.
14. The PCC CFO shall be notified immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of property or resources. Pending investigation and reporting, PCC CFO, CC CFO, senior managers should take all necessary steps to prevent further loss and to secure records and documentation

against removal or alteration. Investigation of internal financial irregularities shall be conducted as detailed below:

- PCC CFO shall agree any further investigative process. This may include disciplinary, criminal proceedings and/or dismissal.

FORCE

Investigations will normally be carried out by the Professional Standards Department who shall consult with the Internal Audit Manager as appropriate and keep him informed of progress. The operation of this Regulation shall be in accordance with the agreed protocol between the Professional Standards Department and Internal Audit and authorised by the PCC CFO and the DCC.

The PCC CFO will keep the chair of the JIAC informed of the suspected fraud. At the conclusion of the investigation, the Internal Audit Manager shall review the case to identify any internal control weaknesses that allowed the financial irregularity to happen and shall make recommendations to ensure the risk of recurrence is minimised.

15. Internal audit shall provide an undertaking to respect the confidential nature of the service and to employ suitable staff only.

External Audit Overview and Control

16. The Secretary of State for Communities and Local Government has delegated statutory functions from the Audit Commission 1998 to Public Sector Appointments Limited (PSAA) on a transitional basis by way of a letter of delegation issued under powers contained in the Local Audit and Accountability Act 2014. Under these arrangements, the company is responsible for appointing auditors to the Office of Police and Crime Commissioner and local police bodies. The transitional arrangements have been extended to 2017/18 so PSAA will continue to be responsible for appointing their auditors. Under these transitional arrangements, PSAA appoints an audit firm to carry out audit of the corporations sole of OPCC and the Chief Constable, under the Code of Audit Practice as published by the National Audit Office. The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, the Local Government Act 1999 and the Local Audit and Accountability Act 2014 Under the Act, the Comptroller and Auditor General is responsible for preparing and maintaining the Code of Audit Practice, which sets out what local auditors are required to do to fulfill their responsibilities under the Act. The code of audit practice issued in April 2005 sets out the auditor's objectives to review and report upon:

- The audited body's financial statements.
- Whether the expenditure and income recorded in the financial statements have applied to the purpose intended by Parliament and the financial transactions recorded in the financial statements conforms to the authorities which govern them (regularity).
- Aspects of the audited body's arrangements to secure value for money.

17. In auditing the accounts the external auditor must be satisfied that:

- The accounts are prepared in accordance with the relevant regulations.
- They comply with the requirements of all other statutory provisions applicable to the accounts.
- They "present fairly" the financial position of the organisation.
- Proper practices have been observed in the compilation of the accounts.
- The body whose accounts are being audited has made proper arrangements for securing economy, efficiency and effectiveness.

Key Controls

18. The key controls for external auditors are:

- External auditors are appointed by Public Sector Audit Appointments Ltd, which prepares a code of audit practice, which external auditors follow when carrying out their duties.
- External auditors are independent in their operation.

Responsibilities of the Statutory Officers

19. The PCC CFO and the DCC shall liaise with the external auditor and advise the PCC and CC on their responsibilities in relation to external audit and ensure there is effective liaison between external and internal audit; to ensure that for the purposes of their work the external auditors are given the access to which they are statutorily entitled in relation to premises, assets, records, documents, correspondence, control systems and personnel, subject to appropriate security clearance.
20. To provide the Audit Committee with :
 - The external audit Annual Governance Report for consideration.
 - The external audit annual work plan and fee are reported for approval.
 - The Annual Audit Letter.

C4 PREVENTING FRAUD AND CORRUPTION

Overview and Control

1. The PCC and the CC will not tolerate fraud or corruption in the administration of their responsibilities, whether from inside or outside the group.
2. There is an expectation of propriety and accountability on officers, staff, volunteers and members at all levels to lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
3. The PCC and the CC also expect that individuals and organisations (e.g. suppliers, contractors, and service providers) with whom they come into contact will act towards the PCC with integrity and without thought or actions involving fraud or corruption.

Key Controls

4. The key controls regarding the prevention of financial irregularities are that:
 - There is an effective system of internal control.
 - The organisation has an effective anti-fraud and corruption policy and maintains a culture that will not tolerate fraud or corruption.
 - All officers, staff, volunteers and members will act with integrity and lead by example.
 - Senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the organisation or who are corrupt.
 - High standards of conduct are promoted amongst officers, staff, volunteers and members through adherence to codes of conduct.
 - There is an approved Gifts, Gratuities and Hospitality Policy and procedure that must be followed. This includes the maintenance of a register of interests in which any hospitality or gifts accepted must be recorded.
 - Whistle blowing policy and procedures are in place and operate effectively.
 - Legislation including the Public Interest Disclosure Act 1998 and the Bribery Act 2010 is adhered to.

Responsibilities of the Statutory Officers

5. To ensure all staff act with integrity and lead by example.
6. The PCC and the CC are responsible for preparing an effective anti-fraud and anti-corruption policy and maintaining a culture that will not tolerate fraud or corruption and ensuring that internal controls are such that fraud or corruption will be prevented where possible.
7. The PCC and the CC shall prepare a joint policy for the registering of interests and the receipt of hospitality and gifts covering officers and staff. The policy is published as appropriate on its website and the Force's website. A register of interests and a register of hospitality and gifts shall be maintained for staff in a manner to be determined by the PCC.
8. The PCC and the CC shall prepare a whistle blowing policy to provide a facility that enables staff, the general public and contractors to make allegations of fraud, misuse and corruption in confidence, and without recrimination, to an independent contact. Procedures shall ensure that allegations are investigated robustly as to their validity that they are not malicious and that appropriate action is taken to address any concerns identified. The PCC shall ensure that all staff are aware of any approved whistle blowing policy.
9. To implement and maintain an adequate and effective internal financial framework clearly setting out the approved financial systems to be followed.
10. The PCC and the CC shall notify the PCC CFO and the CC CFO immediately if a preliminary investigation gives rise to any suspected fraud, theft, irregularity, improper use or misappropriation of property or resources. This reporting fulfils the requirements of Section 17 of the Crime and Disorder Act 1998. In such instances, the PCC, the CC, the PCC CFO and the CC CFO shall agree any further investigative process. Pending investigation and reporting, the PCC and CC shall take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.
11. The PCC and CC may instigate disciplinary procedures where the outcome of an investigation indicates improper behaviour.

C5 MONEY LAUNDERING AND PROCEEDS OF CRIME

Overview and Control

1. The PCC has adopted an anti-money laundering policy and procedures intended to prevent the use of proceeds from crime. This policy has been developed with regard to the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007.
2. The PCC and CC have nominated the PCC CFO and CC CFO to jointly perform the role of Money Laundering Reporting Officer (MLRO), whose principal role is to receive, consider and respond to any reports received of known or suspected money laundering.
3. The PCC and CC are responsible for ensuring that:
 - All officers and staff most likely to be exposed to or suspicious of money laundering situations are made aware of the requirements and obligations placed on the OPCC and Constabulary and themselves by the legislation.
 - Those officers and staff considered most likely to encounter money laundering will be given appropriate training. The appropriate managers within the section will periodically identify and deliver training to all appropriate staff.
 - Procedures are established to help forestall and prevent money laundering, including making arrangements for reporting concerns about money laundering to the MLRO.
 - Periodic and regular assessments are undertaken of the risks of money laundering.

C6 ASSETS

Overview and Control

1. The PCC holds assets in the form of land, property, vehicles, equipment, and other items. It is important that assets are safeguarded and used efficiently in service delivery, that there are arrangements for the security of both assets and information required for service operations and that proper arrangements exist for the disposal of assets. An up-to-date asset register/inventory is a prerequisite for proper fixed asset accounting and sound asset management. The function of the asset register alongside an asset management plan is to provide the PCC with information about fixed assets so that they are:
 - Safeguarded.
 - Used efficiently and effectively.
 - Adequately maintained.
 - Valued in accordance with statutory and management requirements.
2. Intellectual property is a generic term that includes inventions and writing. If these are created by officers and staff during the course of employment, then, as a general rule, they belong to the PCC, not the officer or member of staff. Various Acts of Parliament cover different types of intellectual property. Certain activities undertaken within the PCC or the CC may give rise to items that could be patented, for example, software development. These items are collectively known as intellectual property. In the event that the PCC decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with an approved intellectual property policy.
3. The PCC will own and fund all assets regardless of whether they are used by the PCC, by the force or by both bodies. However, with consent from the PCC, the CC through the delegation to the CC CFO can acquire property (other than land or buildings) as set out in the scheme of delegation, standing orders and in accordance with Financial Regulations.
4. The CC is responsible for the direction and control of the force and should therefore have day-to-day management of all assets used by the force.
5. The PCC should consult the CC in planning the budget and developing a medium term financial strategy. Both these processes should involve a full assessment of the assets required to meet operational requirements, including in terms of human resources, infrastructure, land, property and equipment.

Key Controls

The key controls for the security of resources and assets are:

- Resources are used only for approved purposes and properly accounted for.
- Resources are available for use when required.
- Resources no longer required are disposed of in accordance with the law and regulations so as to maximise benefits.
- An asset register is maintained for the organisation. Assets are recorded when they are acquired and this record is updated as changes occur with respect to the location and condition of the asset.
- All staff are aware of their responsibilities with regard to safeguarding the organisations assets and information, including the requirements of the Data Protection Act and software copyright legislation.
- All staff are aware of their responsibilities with regard to safeguarding the security of the organisations computer systems, including maintaining restricted access to the information held on them and compliance with the organisations computer and internet security policies.

Security

Responsibilities of the Statutory Officers

6. To ensure that an asset register is maintained to provide information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued in accordance with statutory management requirements.
7. The CC CFO shall ensure that assets and records of assets are properly maintained and securely held and that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.
8. To ensure that title deeds to property are held securely.
9. To ensure that no asset is subject to personal use by an employee without proper authority.
10. Attractive and portable items such as computers, cameras and recording devices should be identified with appropriate security markings.
11. To ensure that all staff are aware of their responsibilities with regard to safeguarding the PCC's assets, information and IT systems, including the requirements of the Data Protection Act, software copyright legislation and compliance with the information and security policies.

12. Legal Services shall ensure that title deeds to the PCC's property are held securely.
13. Lessees and other prospective occupiers of PCC land are not allowed to take possession of the land, until a lease or agreement in a form approved by Legal services is in place.
14. To ensure that assets no longer required are disposed of in accordance with the law and the regulations of the PCC.

Valuation

Responsibilities of the Statutory Officers

15. To maintain an asset register for all fixed assets in accordance with the Accounting Policies shown in the annual Statement of Accounts, in a form approved by the PCC CFO. Assets are to be recorded when they are acquired by the PCC and this record updated as changes occur with respect to location, condition and ownership. Assets are to be valued in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: (The Code) for insurance purposes.
16. Assets may also be valued at market rates for asset management planning purposes where this is different from other valuations.
17. To arrange for the valuation of assets for accounting purposes.

Inventories

Responsibilities of the Statutory Officers

18. To maintain inventories that record an adequate description of portable and desirable items such as computers, monitors, printers, facsimile machines, mobile phones and photographic equipment above the value shown in **Section F**.
19. There shall be at least an annual check of all items on the inventory in order to verify location, review, and condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. The annual check is to be undertaken by the responsible budget holder, who shall ensure that another member of staff is responsible for maintaining the inventory.
20. To make sure that property is only used in the course of the business, unless specific approval has been given.

Stocks and Stores

Responsibilities of the Statutory Officers

21. To make arrangements for the care, custody and control of stocks and stores and maintain detailed stores accounts in a form approved by the PCC CFO. Stocks are to be maintained at reasonable levels so as to balance the need for availability and the risk of obsolescence.
22. A complete stock check is to be undertaken at least once per year either by means of continuous or annual stock take. The stock take shall be undertaken and certified by an authorised member of staff who is independent of the stock keeping function. This procedure will be followed and a complete stock check undertaken whenever stock keeping duties change.
23. Where significant, values of stocks and stores at 31 March each year are to be certified and included in the annual accounts.
24. Discrepancies between the actual level of stock and the book value of stock for the Force may be written off by the CC CFO up to the level shown in **Section F**. Amounts for write off by the CC CFO above this value must be referred to the PCC for approval, supported by a written report explaining the reasons for the write off and any investigation undertaken.

Intellectual Property

Responsibilities of the Statutory and Key Officers

25. The PCC and CC jointly are responsible for preparing guidance on intellectual property procedures and ensuring that staff are aware of these procedures.
26. The PCC is responsible for approving an intellectual property policy.

Asset Disposal

Responsibilities of the Statutory Officers

27. Assets shall be disposed of provided they meet the following criteria:
- Have been declared surplus to requirements
 - When in the best interests of the PCC
 - In accordance with the Police and Crime Plan
 - In accordance with the approved Estate Strategy
 - At the most advantageous price
28. The CC may dispose of surplus vehicles and items of equipment up to the estimated value shown in **Section F**. Where this is not the highest offer, the PCC CFO shall prepare a report for the PCC outlining the reasons.
29. Disposals of vehicles and equipment above the value detailed in **Section F** are to be reported to the PCC for prior approval and will generally be disposed of by public auction or sealed bids after advertisement, unless it can be shown that an alternative method of disposal would provide better value for the PCC.
30. All asset disposals shall be recorded in the asset register or inventory as appropriate.
31. The CC CFO shall inform the PCC CFO of any disposals that may have a significant impact upon the balance sheet.
32. To ensure that appropriate accounting entries are made to remove the value of the disposed assets from the Commissioner's records.

C7 TREASURY MANAGEMENT AND BANKING ARRANGEMENTS

Overview and Control

1. The PCC and CC are large organisations. It is important that PCC and CC money is managed properly, in a way that balances risk with return, but with the prime consideration being given to the security of all monies. All treasury management activities should be undertaken in accordance with the CIPFA Treasury Management Code.

Key Controls

2. The key controls for treasury management are:
 - That the PCC borrowings and investments comply with the CIPFA Code of Practice on Treasury Management and the Prudential Indicators and with the PCC Treasury Management Strategy.
 - Suitable Treasury Management Practices (TMP) setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

Responsibilities of the Statutory Officers and Committees

3. To adopt the key recommendations of *CIPFA's Treasury Management in the Public Services: Code of Practice (the Code)*, as described in **Section 4** of that Code.
4. Accordingly to ensure the adoption, the PCC shall create and maintain, as the cornerstone for effective treasury management, a Treasury Management Strategy, stating the policies and objectives of its treasury management activities suitable treasury management practices, setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities. The content of the policy statement and TMPs will follow the recommendations contained in **Section 6 and 7** of the Code, subject only to amendment where necessary to reflect the particular circumstances of the PCC. Such amendments will not result in the PCC deviating materially from the Code's key recommendations.
5. The PCC shall receive reports on his treasury management strategies, practices and activities, including as a minimum, an annual strategy and plan in advance of each year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs. During the financial year, reports on action undertaken shall be submitted to the PCC, by the PCC CFO, as part of the financial monitoring information and included within Budget monitoring reports.
6. The PCC is responsible for the implementation of its treasury management strategies and practices and delegates responsibility for the execution and

administration of treasury management decisions to the PCC CFO, who will act in accordance with the organisation's policy statement and TMPs and, CIPFA's *Statement of Professional Practice on Treasury Management*.

7. The Joint Independent Audit Committee (JIAC) is responsible for ensuring effective scrutiny of the treasury management strategy and policies.
8. The PCC shall adopt the following Treasury Management Strategy:

The PCC:

- Defines its treasury management activities as “the management of the PCC's cash flows, its banking, money market and capital market transactions; the effective management of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
 - Regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the PCC.
 - Acknowledges that effective treasury management will provide support towards the achievement of its business and services objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employ suitable performance measurement techniques, within the context of effective risk management.
9. All investments shall be in the name of the PCC.
 10. The PCC CFO shall have overall responsibility for banking arrangements. The PCC CFO. All bank accounts shall be in the name of the PCC unless authorised by the PCC CFO and PCC Chief Executive. The CC has authority to open or close covert accounts to aid operations. The opening and closing of other bank accounts requires the authorisation of the PCC CFO.
 11. The PCC CFO shall provide appropriate staff with cash or bank imprests to meet minor expenditure. The PCC CFO shall determine reasonable petty cash limits and maintain a record of all transactions and petty cash advances made, and periodically review the arrangements for the safe custody and control of these advances.
 12. The PCC CFO shall prepare detailed Financial Instructions for dealing with petty cash, and these shall be issued to all appropriate staff.
 13. The use of credit cards shall be allowed for undertaking OPCC business. The PCC CFO shall determine a policy for the secure operations of such purchase cards.

14. All imprest cheques shall be signed at an appropriate level in accordance with an approved list of signatories and up to the level shown in **Section F**. All other cheques shall be signed at an appropriate level in accordance with an approved bank mandate.
15. To comply with the requirements of the Money Laundering Regulations 2003.

C8 STAFFING

Overview and Control

1. Staffing costs form a significant element of the annual revenue budget. In order to provide the highest level of service and ensure effective use of resources, it is crucial to recruit and retain high caliber, knowledgeable officers and staff, qualified to an appropriate level.

Key Controls

2. The key controls for staffing are:
 - An appropriate staffing strategy and policy exists, in which staffing requirements and budget allocations are matched.
 - Procedures are in place for forecasting staffing requirements and cost.
 - Controls are implemented that ensure staff time is used efficiently and to the benefit of the organisation.
 - Checks are undertaken prior to employing new staff to ensure that they are appropriately qualified, experienced and trustworthy.

Responsibilities of the Statutory Officers

3. To ensure that employees are appointed and dismissed in accordance with relevant statutory regulations, national agreements and personnel policies, budgets and strategies agreed by the PCC.
4. To advise the PCC on the budget necessary in any given year to cover estimated staffing levels.
5. To adjust the staffing numbers to meet the approved budget provision, and varying the provision as necessary within policy constraints to meet changing operational needs.

6. To have systems in place to record all matters affecting payments to staff, including appointments, resignations, dismissals, secondments, suspensions, transfers and all absences from work.
7. To approve, in consultation with the PCC CFO, policy arrangements for premature retirements on grounds of ill-health or efficiency for all staff and redundancy arrangements for support staff.

C9 CUSTODY OF UNOFFICIAL FUNDS AND PRIVATE PROPERTY

Trust Funds and other Voluntary Unofficial Funds

Overview and Control

1. These are deemed to be funds, other than those of the PCC or CC, which are controlled wholly or partly by staff by reason of their employment (e.g. Benevolent Fund).
2. Trust Funds have a formal legal status governed by a Deed of Trust. Employees and police officers acting as trustees must ensure that they are conversant with the requirements of the Trust Deed and the law and comply fully with them.
3. These funds should be kept separate from all PCC and CC transactions and bank accounts and those responsible must ensure that appropriate insurance arrangements are in place.

Key Controls

4. The key controls for Trust Funds and other Voluntary Unofficial Funds are:
 - No employee shall open a trust fund without the specific approval of the PCC Chief Executive and PCC CFO.
 - These funds should not include Nottinghamshire Police nor OPCC in the name of the account.
 - These financial regulations should be seen as best practice which need to be followed whenever possible.

Responsibilities of the Statutory Officers

5. Staff controlling such funds shall ensure that a suitably experienced independent person audits the fund in accordance with procedures required by the PCC, and arrange for the annual audited accounts to be received by the appropriate management body.
6. The PCC shall be informed of the existence, purpose and nature of all voluntary unofficial funds and receive minutes from the management bodies confirming the adoption of the audited accounts.
7. The PCC shall issue Financial Instructions detailing how unofficial funds are to be managed and controlled.

Custody of Private Property Overview and Control

8. The CC is required to exercise a duty of care and safeguard found or seized property pending decisions on its ownership, or private property of an individual (e.g. a suspect in custody).

Key Controls

9. The key controls for private property are
 - Secure environment for storage of property/monies.
 - Audit trail of booking in and returning property to owners.
 - Audit trail for the disposal of property where appropriate and any income received.
 - Policy for specific items (e.g. bicycles) for returning these for community benefit.
 - Policy for the use of Property Act monies as approved by the PCC.
 - Policy for the use of the Proceeds of Crime Act monies as approved by the PCC.

Responsibilities of the Statutory Officers

10. The CC is responsible for the safekeeping of the private property of a person, other than a member of staff, under his/her guardianship or supervision, and shall determine procedures for such. These procedures shall be made available to all appropriate staff.

11. The CC is responsible for the safekeeping of found or seized property and shall determine procedures for such. These procedures shall be made available to all appropriate staff.
12. The CC shall be informed without delay in the case of loss or diminution in value of such private property.
13. The CC shall issue separate financial instructions for dealing with cash, including seized cash under the Proceeds of Crime Act. These procedures shall be approved by the PCC and the PCC CFO.
14. The CC shall comply with the requirements of the Proceeds of Crime Act 2002.

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SECTION D SYSTEMS AND PROCEDURES

D1 GENERAL

Overview and Control

1. There are many systems and procedures relating to the control of the PCC's assets, including purchasing, costing and management systems. The PCC is reliant on electronic systems for financial management information. This information must be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.

The PCC CFO and the CC CFO both have a statutory and professional responsibility to ensure that the organisations financial systems are sound and should therefore be notified of any new developments or changes.

2. It is imperative that operating systems and procedures are secure and that basic data exists to enable the PCC objectives, targets, budgets and plans to be formulated and measured. Performance measures need to be communicated to appropriate personnel on an accurate, complete and timely basis.

Key Controls

3. The key controls for systems and procedures are:
 - Basic data exists to enable the organisation's objectives, targets, budgets and plans to be formulated.
 - Performance is communicated to the appropriate managers on an accurate, complete and timely basis.
 - Early warning is provided of deviations from target, plans and budgets that require management attention.
 - Operating systems and procedures are secure and up-to-date.

Responsibilities of the Statutory Officers

4. The PCC CFO, in liaison with the CC CFO, is responsible for determining the overall accounting systems and procedures including to:
 - Issue advice, guidance and procedures for officers and others acting on behalf of the organisation. Determine the accounting systems, form of accounts and supporting financial records.
 - Establish arrangements for the audit of the organisation's financial affairs.
 - Approve any new system to be introduced.

- Approve any changes to existing financial systems.
 - Approve any changes to service delivery in relation to the finance function.
5. To ensure, in respect of systems and processes, that:
- Systems are secure, adequate internal controls exist and accounting records are properly maintained and held securely. This is to include an appropriate segregation of duties to minimise the risk of error, fraud or other malpractice.
 - Appropriate controls exist to ensure that all systems input, processing and output is genuine, complete, accurate, timely and not processed previously.
 - A complete audit trail is to be maintained, allowing financial transactions to be traced from the accounting records to the original document and vice versa.
 - Systems are documented and staff trained in operations.
6. The CC shall register compliance with the Data Protection Act 1988 and subsequent regulations ensuring that data processing (manual or electronic) involving personal information is registered.
7. The CC shall ensure compliance with copyright legislation around software being used.
8. To ensure that there is a documented and tested business continuity plan to allow system processing to resume quickly in the event of an interruption. Effective contingency arrangements, including back up procedures, are to be in place in the event of a failure in computer systems.
9. To establish a Scheme of Governance and Consents, identifying officers and staff authorised to act upon the PCC's behalf in respect of income collection, placing orders, making payments and employing staff. A schedule of officers and staff, their specimen signatures and the delegated limits of their authority shall be maintained

D2 INCOME

Overview and Control

1. Income is vital and effective systems are necessary to ensure that all income due is identified, collected, receipted and banked promptly in the name of the PCC. The responsibility for cash collection should be separated from that for identifying the amount due and for reconciling the amount due to the amount received.
2. The PCC and Chief Constable should adopt the National Police Chiefs Council (NPCC) national charging policies and national guidance when applying charges under section 25 of the Police Act 1996. The purpose of charging for special services is to ensure that, whenever appropriate, those using the services pay for them.
3. The PCC should ensure that there are arrangements in place so that expected charges are clearly identified in their budgets and that costs are accurately attributed and charged. When considering budget levels, the PCC should ensure that ongoing resource requirements are not dependent on a significant number of uncertain or volatile income sources and should have due regards to sustainable and future years' service delivery.
4. When specifying resource requirements the Chief Constable will identify the expected income from charging. The Chief Constable should adopt NPCC charging policies in respect of mutual aid.

Key Controls

5. The key controls for income are:
 - There are arrangements for the collections of all income due and approve the procedures, systems and documentation for its collection, including the correct charging of VAT.
 - That relevant employees are supplied with receipt forms, books or tickets and similar items and be satisfied as to the arrangements for their control. Official receipts or other suitable documentation shall be issued for all income received.
 - All income is paid fully and promptly into the designated Income Bank Account in the name of the PCC. Appropriate details should be recorded onto paying-in slips to provide an audit trail and money collected and deposited reconciled on a monthly basis.
 - Income is not used to cash personal cheques or make other payments.

- That an effective debt collection procedures are in operation. This is to include debt recovery procedures, and when necessary, legal action to recover monies dues to the PCC and the Force.
- That income is written off, in line with corporate policies and delegated limit as specified in **Section F**.

Responsibilities of the Statutory Officers

6. To adopt the NPCC national charging policies and national guidance when applying charges under section 25 of the Police Act 1996 and to keep scales of fees and charges under review with such reviews being carried out at least annually.
7. To agree a charging policy for the supply of goods and services, including the appropriate charging of VAT and to review it regularly in line with corporate policies. All charges should be at full cost recovery except where regulations require otherwise or with the express approval of the PCC.
8. To prepare detailed Financial Instructions for dealing with income to be agreed with the PCC CFO and to issue them to all appropriate employees.

D3 ORDERING OF GOODS AND SERVICES

Overview and Control

1. Public money should be spent with demonstrable probity and in accordance with PCC policies. The statutory officers have a statutory duty to achieve best value, in part through economy and efficiency. Procedures should ensure that services obtain value for money from their purchasing arrangements. These procedures should be read in conjunction with the Contract Standing Orders.

Key Controls

2. The key controls for ordering work goods and services are:
 - All goods and services are ordered only by appropriate persons and are correctly recorded.
 - All goods and services shall be ordered in accordance with the PCC's standing orders.
 - A computer-generated order should always be issued and authorised.

This control should only be set-aside in exceptional circumstances.

- All orders should be raised at the time of placing the order and not on receipt of the goods/services or invoice.
- Goods and services received are checked to ensure that they are in accordance with the order. The person who placed the order should not receive goods.

Responsibilities of the Statutory Officers

3. The PCC is responsible for approving the Contract Standing Orders.
4. To ensure all officers and staff are made aware of the responsibility they have to declare any links or personal interests that they may have with purchasers, suppliers and contractors if they are engaged in contractual or purchasing decisions.
5. All orders issued shall be in accordance with the approved procurement policy or Financial Instructions. Purchase orders must be issued for all work, goods or services to be supplied, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions approved by the PCC CFO. All purchase orders must be generated by Oracle unless expressly authorised by PCC CFO or CC CFO. The PCC and the CC operates a "No P.O. – No Pay" policy.

6. To ensure that purchase orders are issued for all work, goods or services except for supplies of utilities, periodic payments such as rent or rates, purchasing card purchases, imprest purchases or other exceptions specified by the PCC CFO.
7. To ensure authorisation of requisitions / orders are in accordance with the limits shown in **Section F**. Only authorised officers and staff can raise requisitions/orders and therefore an authorised signatory list will be maintained. Purchasing Cards may be used in compliance with the requirements and guidance.
8. Purchase orders must not be raised for any personal or private purchases, nor must personal or private use be made of PCC contracts.
9. Goods and services ordered must be appropriate and needed, there must be adequate budgetary provision and quotations or tenders must be obtained where necessary.
10. Tenders and quotations shall be obtained in accordance with Contract Standing Orders and within the limits shown in **Section F**.
11. Commitments incurred by placing orders are to be shown against the appropriate budget allocation and incorporated within budget monitoring reports.
12. Where possible, a different person should authorise the payment from the person who signed the requisition/order.

D4 PAYMENTS OF GOODS AND SERVICES

Overview and Control

1. Apart from petty cash the normal method of payment from the PCC and the CC shall be by BACs payment, cheque or other instrument or approved method, drawn on the PCC bank account. The use of direct debit shall require the prior agreement of the PCC CFO.

Key Controls

2. The key controls for paying for work goods and services are:
 - Goods and services received are checked to ensure that they are in accordance with the order. The person who placed the order should not receive goods.
 - Payments are not made unless goods have been received and to the correct price, quantity and quality standards.
 - All payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method.
 - All appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with the document retention schedule.
 - All expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected.
 - In addition, the effect of e-business/e-commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically.

Responsibilities of the Statutory Officers

3. All payments are to be made in accordance with the approved procurement procedures or Financial Instructions.
4. Payments are not to be made unless goods and services have been received at the correct price, quantity and quality in accordance with any official order. Goods should not be received by the person who placed the initial requisition, unless this is impracticable.
5. Segregation will exist between the person ordering and the person approving the order. The receipting of goods confirms the invoice is suitable for payment. In the

case of a manual invoice the 2 members of staff need to be involved in the ordering/receipting/authorising process.

6. Authorisation of invoices shall be in accordance with the limits shown in **Section F**.
7. Procedures should be in place to ensure that all payments are to be made to the correct person, for the correct amount and be recorded properly, regardless of the method of payment. Systems should ensure the invoice has not been processed for payment before and that full advantage has been taken of any discounts offered.
8. Where VAT is charged, payment is not to be made unless a proper VAT invoice has been received.
9. All payments should be processed promptly to comply with the Late Payment of Commercial Debt (Interest) Act 1988.

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D5 PAYMENTS TO EMPLOYEES AND MEMBERS

Overview and Control

1. Employee costs are the largest item of expenditure for most organisations.
Therefore, it is important that payments are accurate, timely, made only where they are due and that payments accord with individuals' conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for.
2. All overtime claims and other claims for remuneration, travel and expenses should be submitted at least monthly. This is to ensure that monitoring of expenditure is more accurate and that authorisation of claims can be certified properly.

Key Controls

3. The key controls for payments to employees and members are:
 - Proper authorisation procedures are in place and that there is adherence to corporate timetables in relation to:
 - Starters
 - Leavers
 - Variations
 - EnhancementsAnd that claims for payments are made on the approved and appropriate documentation.
 - Regular reconciliation of the HR system to the Payroll system.
 - Frequent reconciliation of payroll expenditure against approved budget and bank account.
 - All appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule.
 - The HM Revenue & Customs regulations are complied with.
 - Recovery of overpayment.
 - Responsibility of adhering to time lines.

Responsibilities of the Statutory Officers

4. To ensure appointments are made in accordance with approved establishments, grades and scale of pay and adequate budget provision should be available. Payroll staff must be notified of all appointments, terminations or variations in the correct format and to the timescales required.

5. The CC CFO, in liaison with the PCC CFO, shall make arrangements for the secure and reliable payment of salaries, wages, pensions, compensation and other emoluments to existing and former officers and staff. Adequate and effective systems are to be in place and procedures operated so that payments are only authorised to bona fide officers, staff and pensioners payments are only made where there is a valid entitlement conditions and contracts of employment are applied correctly officer and staff names listed on the payroll are checked at regular intervals to verify accuracy and completeness.
6. The PCC CFO shall make arrangements for the payment of all PCC travel and expenses claims. Such claims should be in the prescribed form, duly completed and certified. Certification is taken to mean that journeys were authorised and expenses incurred properly and necessarily and that allowances are payable properly, ensuring that cost effective use of travel arrangements is achieved. Due consideration should be given to tax implications. Payments shall be made to the value of presented receipts up to the prescribed limits, in accordance with **Section F Delegated Limits**.
7. Payroll transactions are to be processed only through the payroll system. Payments to individuals engaged on a self-employed consultant or subcontract basis shall only be made in accordance with HM Revenue and Customs requirements. The HM Revenue and Customs applies a tight definition of employment status, and in cases of doubt, advice should be sought and a decision made by the relevant CFO.
8. To ensure that full records are maintained of benefits in kind and that they are properly accounted for in any returns to the HM Revenue and Customs.
9. To ensure compliance with all HM Revenue and Customs regulations and record and make arrangements for the accurate and timely payment of income tax and national insurance. To ensure compliance with regulations regarding the pay over of pension deductions and other statutory or voluntary deductions from pay. Payroll staff should be notified of all employee benefits in kind to enable full and complete reporting within the income tax self-assessment system.

D6 TAXATION

Overview and Control

1. Tax issues are often very complex and the penalties for incorrectly accounting for tax are often severe.
2. It is important that all relevant officers and staff are kept up to date on tax issues and instructed on required record keeping.

Key Controls

3. The key controls for taxation are:
 - Relevant staff are provided with relevant information and kept up to date on tax issues.
 - Accurate record keeping.
 - All taxable transactions are identified, properly carried out and accounted for within stipulated timescales.
 - Records are maintained in accordance with instructions.
 - Returns are made to the appropriate authorities within the stipulated timescale.

Responsibilities of the Statutory Officers

4. To ensure the completion of all HM Revenue and Customs requirements regarding PAYE and that due payments are made in accordance with statutory requirements.
5. To ensure that the correct VAT liability is attached to all income due and that all VAT reclaimed on purchases complies with HM Revenue and Customs regulations. The CC CFO shall ensure the completion of VAT claims for receipts and payments are made in accordance with statutory requirements.
6. Where construction and maintenance works are undertaken, the contractor shall fulfil the necessary construction industry tax deduction requirements. The CC CFO shall provide details to the HM Revenue and Customs regarding the construction industry tax deduction scheme.
7. To ensure up to date guidance is given to officers and staff on organisational taxation issues (e.g. VAT and CIS).

D7 EX GRATIA PAYMENTS

Overview and Control

1. An ex gratia payment is a payment made where no legal obligation exists. An example may be to recompense staff for damage to personal property in the execution of duty.

Responsibilities of the Statutory Officers

2. The PCC and the CC may make ex gratia payments to members of the public up to the level shown in **Section F** in any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of police action, where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of the PCC. The PCC CFO shall maintain details of such payments in a register.
3. The PCC and CC may make ex gratia payments up the level shown in **Section F** in any individual instance, for damage or loss of property or for personal injury to staff in the execution of duty or to staff in relation to employment errors. The PCC and the CC shall maintain details of such payments in a register.

D8 PENSIONS

Overview and Control

As a responsible public body the PCC and the Force will ensure that the Pension Schemes are made easily available to all eligible staff and police officers. The recent changes which have introduced auto enrolment into the pension scheme enforces this concept.

Key Controls

1. The key controls relating to pensions are:
 - Relevant staff are provided with relevant information and kept up to date on pension issues.
 - Accurate record keeping.
 - Good communication with the County Council Pension Administrator.
 - Compliance with acts and regulations.
 - Records are maintained in accordance with instructions.

Responsibilities of the Statutory Officers

2. To ensure that there are adequate arrangements for administering police pension scheme and Local Government Pension Scheme (LGPS) matters on a day-to-day basis.
3. To record and make arrangements for the accurate and timely payment of pensions and police pensions to the scheme administrators.
4. **The appointment of a Pension Administrator to administer the LGPS and police pensions on behalf of the PCC.**
5. The Home Office are responsible for the Police Pension Schemes and the organisation acts as a "holding account", although the transactions are shown in the PCC statement of accounts.
6. To ensure Pension Boards are established to administer the schemes in accordance with current legislation and regulations.
7. To ensure that timely and accurate information is supplied to the Home Office for the Top Up arrangements.
8. To ensure that timely information is supplied to the actuaries.
9. To refer internal disputes relating to pensions to the Pension Administrator in the first stage, with second stage disputes being referred to the PCC CFO.
10. The PCC CFO is responsible for the governance arrangements.

D9 CREDIT CARDS

Overview and Control

1. The PCC has a formal policy of the use of credits cards which should be adhered to in all cases.

Key Controls

2. The key controls for Credit Cards are
 - Detailed instructions to all authorised card holders and users are issued.
 - A procedure which controls the issue of cards and limits on each card.

Responsibilities of the Statutory Officers

3. That PCC CFO undertakes periodic reviews of the register of individuals and limits assigned to each card.
4. To ensure that all card holders are aware of the financial instructions relating to the use of cards.
5. To ensure that all purchases are checked to ensure compliance with approved policies (e.g. Gifts, Gratuities and Hospitality, Catering).
6. To ensure that the process requires receipted details of payments, particularly VAT receipts and all requirements of the providers electronic receipting and payments processes are adhered to.

SECTION E EXTERNAL ARRANGEMENTS

E1 PARTNERSHIPS

Overview and Control

1. Partnerships with other organisations can play a key role in delivering community strategies and in helping to promote and improve the wellbeing of the area. A partner may be defined as:
 - an organisation joining to undertake, part fund or participate as a beneficiary in a joint project, or
 - a body whose nature or status give it a right or obligation to support a joint project.

Partnerships typically fall into three main categories:

- **Statutory based** - These are partnerships that are governed by statute. They include, for example, Crime and Disorder Reduction Partnerships (CDRPs) and Local Strategic Partnerships (LSPs).
 - **Strategic** - These are partnerships set up to deliver core policing objectives. They can either be force-wide or local.
 - **Ad Hoc** - These are typically locally based informal arrangements agreed by the PCC.
2. The main reasons for entering into a partnership with others are:
 - To provide new and better ways of delivering services.
 - To comply with statutory requirements.
 - The ability to access new resources.
 - The desire to find new ways to share risk.
 - To forge new relationships.
 - Mitigate costs when looking to achieve shared goals.
 3. Partners undertaking a joint venture have common responsibilities:
 - To act in good faith at all times and in the best interests of the partnership's aims and objectives.
 - To be willing to take on a role in the broader programme, appropriate to the skills and resources of the contributing organisation.
 - To be open about any conflicts that might arise to encourage joint working and promote the sharing of information, resources and skills.
 - To keep secure any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature.

- To promote the project.
4. The PCC and CC should welcome the opportunity for forming partnerships with other local organisations to address local needs. As set out in section 10 of the Police Reform and Social Responsibility Act 2011, the Commissioner, in exercising his functions, must have regard to the relevant priorities of each responsible authority. Subject to the constraints that may be placed on individual funding streams, Commissioners are free to pool funding as they and their local partners see fit. Commissioners can enter into any local contract for services, individually or collectively with other local partners, including non- police bodies.
 5. When the PCC acts as a commissioner of services, he will need to agree the shared priorities and outcomes expected to be delivered through the contract or grant agreement with each provider. The Commissioner is able to make crime and disorder grants in support of local priorities. The power to make crime and disorder grants with conditions is contained in section 9 of the Police Reform and Social Responsibility Act 2011. The power to contract for services is set out in paragraph 14 of Schedule 1 and paragraph 7 of Schedule 3 to the Police Reform and Social Responsibility Act 2011.
 6. The PCC may also make grants under Community Empowerment in support of new or local priorities. Such grants will not exceed the limit detailed in **Section F**.

Key Controls

7. The key controls for partnerships are:
 - If appropriate, to be aware of their responsibilities under the PCC financial regulations.
 - To ensure that risk management processes are in place to identify and assess all known risks.
 - To ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise.
 - To agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences.
 - Information sharing agreements should be incorporated for compliance with Management of Police Information and Data Protection Act.
 - To communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.
 - Exit strategies should be included from the start.

Responsibilities of the Statutory Officers

8. The PCC Chief Executive is responsible for preparing a policy statement on partnership arrangements. The PCC is responsible for approving the policy.

9. The PCC shall ensure there is adequate budget provision for partnerships as part of the annual budget setting process.
10. The PCC and CC are responsible for undertaking the partnership funding arrangements, in accordance with the agreed policy. The PCC and CC shall consider the overall governance arrangements and legal issues when arranging contracts with external bodies.
11. The PCC and CC shall ensure that the roles and responsibilities of each of the partners involved are agreed and accepted formally before the partnership commences.
12. The PCC CFO and CC CFO should ensure that the accounting and reporting arrangements relating to partnerships are satisfactory.
13. The PCC and CC, upon taking appropriate advice, shall ensure that:
 - before entering into the agreement, a risk management appraisal has been prepared
 - such agreements do not impact adversely upon the services provided by the PCC and CC
 - project appraisal is in place to assess the viability of the project in terms of resources, staffing and expertise
 - all arrangements are properly documented
 - regular communication is held with other partners throughout the project in order to achieve the most successful outcome
 - audit, security and control requirements are satisfied accounting arrangements are in place and satisfactory, including resourcing, taxation procedures and carry-forward arrangements.
14. The PCC Chief Executive shall maintain a register of all partnership arrangements.
15. The PCC and CC shall ensure that all officers and staff involved in partnership arrangements have access to Financial Regulations and Contract Standing Orders. On occasion, the possibility of non-compliance with these Regulations may arise from entering into partnership arrangements. In such cases, prior approval of the PCC following the agreement of the PCC CFO.

E2 EXTERNAL FUNDING

Overview and Control

1. External funding is a very important source of income. The main source of such funding is government grants, but consideration should be given to ensuring that the potential for all income sources is maximised. The PCC should agree a fees and charges policy and review this on a regular basis.
2. Any match funding requirements should be given due consideration prior to entering into agreements and resources identified for future commitments.

Key Controls

3. The key controls for external funding are:
 - To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood.
 - To ensure that funds are acquired only to meet the priorities approved in the Police and Crime Plan.
 - To ensure that any match-funding requirements are given due consideration prior to entering into long term agreements and that future revenue budgets reflect these requirements.

Responsibilities of the Statutory Officers

4. To ensure that any conditions in relation to external funding are in accordance with the approved policies of the PCC. In such cases, shall ensure compliance with the key conditions determined by the funding body and any statutory requirements. If there is a conflict, this needs to be taken to the PCC for resolution.
5. To ensure that the match-funding requirements and exit strategies are considered prior to entering into the agreements and that future medium term financial forecasts reflect these requirements.
6. To pursue actively any opportunities for additional funding where this is considered to be in the interests of the PCC.
7. All bids for external funding and the proper recording of grant income shall be coordinated through the OPCC and subject to the approval of the PCC.
8. To ensure that all funding notified by external bodies is received and properly recorded in the accounts, that all claims for funds are made by the due date and that audit requirements are met.

E3 WORK FOR THIRD PARTIES

Overview and Control

1. Current legislation enables the Commissioner to provide services to other bodies. Such work may enable economies of scale and existing expertise to be maintained. Arrangements should be in place to ensure that any risks associated with this work are minimised and that such work is not ultra vires.

Key Controls

2. The key controls for working for third parties are:
 - To ensure that proposals are costed properly in accordance with guidance provided by the Home Office, or the PCC.
 - To ensure that contracts are drawn up using guidance provided by the Home Office, or the PCC.
 - To issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

Responsibilities of the Statutory Officers

3. To ensure that :
 - proposals for assistance are costed.
 - that contracts are drawn up where appropriate.
 - that no contract is subsidised by the organisation.
 - that contracts do not impact adversely on the services provided.
 - that charges are made in accordance with the PCC policy.
 - that, where possible, payment is received in advance of the delivery of the service.
 - that the PCC is not put at risk from any bad debts.
4. The PCC. CFO shall ensure that appropriate insurance arrangements are in place.

E4 COLLABORATED ACTIVITIES AND CONSORTIUM ARRANGEMENTS

Overview and Control

1. Providing services under collaborated arrangements can achieve efficiencies, savings and improve service reliance requirements. All collaboration activities involving functions under the direction of the CC shall be financially appraised by the CC CFO and discussed with the PCC CFO. Such collaboration may take the form of MOU, or s22/23 agreements. Final approval of all s22/s23 collaborative arrangements rests with the PCC.
2. The PCC and CC may enter into Consortium (Shared Services) arrangements. Such an arrangement is a long term joint working arrangement with other PCCs/Forces operating within a formal legal structure approved by the PCC. Prior to entering into any consortium arrangement the proposal shall be financially appraised by the PCC CFO and the CC CFO. The PCC Chief Executive will sign the Memorandum of Understanding (setting out the governance arrangements of the project) on behalf of the PCC/Force.

Responsibilities of the Statutory Officers

3. To ensure that each activity covered by collaborated arrangements is subject to the financial regulations of one of the PCC's involved. The particular PCC's financial regulations should be selected having regard to the staffing, activity and location of the collaborated activity.
4. To contact the PCC Chief Executive before entering into a formal consortium agreement, to establish the correct legal framework.
5. To consult, as early as possible, the PCC CFO and the CC CFO to ensure the correct treatment of taxation and other accounting arrangements.
6. To produce a business case to show the full economic benefits to be obtained from participation in the collaboration/consortium.
7. To produce a Memorandum of Understanding (MOU) or a s22 agreement setting out the appropriate governance arrangements.

E5 COMMISSIONING

Overview and Control

1. Under Section 10 of the Police Reform and Social Responsibility Act 2011, the PCC is given the responsibility for co-operative working. This allows, within the constraints of the relevant funding streams, the PCC to pool funding as they and their local partners deem appropriate. In accordance with the Commissioning Framework, the PCC can commission services or award grants to organisations or bodies that they consider will support their community safety priorities in accordance with their Police and Crime Plan. They may do this individually or collectively with other local partners including non-policing bodies. The PCC must have regard to the relevant priorities of each responsible authority.
2. It is important to ensure that risk management and project appraisals are in place to assess the viability – both on initiation and on an on-going basis – of all external arrangements and an exit strategy is prepared.
3. The Chief Constable may not undertake commissioning or grant arrangements without agreement of the PCC.

Key Controls

4. The key controls for commissioning are:
 - Agreements with clear priorities and outcomes.
 - Grant conditions and outcomes.

Responsibilities of the Statutory Officers

5. To have regard to relevant priorities of local partners when considering and setting the Police and Crime Plan.
6. To work effectively with other local leaders who can also provide significant resources, to influence how all parties prioritise and bring together their resources to tackle local problems and priorities.
7. To consult with victims and witnesses of crime about policing and the proposed Police and Crime Plan. To commission the victim and witnesses support services in Nottinghamshire.
8. To make appropriate robust arrangements to commission services from the Force or external providers.
9. To award crime and disorder grants as approved by the PCC.
10. Authorisation of grants shall be in accordance with the limits shown in **Section F**.

11. To develop a commissioning framework that will support the objectives as set out in the Police and Crime Plan. The framework should encourage a mixed economy of provider options and where necessary.
12. To develop financial framework as part of the wider Commissioning framework with approved authorisation levels.
13. To keep under review the performance and outcomes of any investments agreed by the Commissioner in respect of partnership activity.
14. Ensure financial expenditure does not exceed the budgeted level to achieve the objectives set out in the Police and Crime Plan.

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SECTION F DELEGATED LIMITS

The section references below refer to the main body of text within sections A to E of these Financial Regulations. All financial limits are contained within this section in order to minimise the need for change when values are updated.

For the purpose of this document, “Sensitive” contracts are those that are above EU Procurement Limit threshold level (currently £181,302), or are novel, contentious, in the public interest or politically repercussive.

F1 Financial Planning

Annual Revenue Budget Preparation

1. The budget estimates shall identify all proposed individual major revenue projects. A major revenue project shall be defined as one in excess of the estimated value shown below:

£100,000

2. Major projects need not be referred back to the PCC for further approval unless amendments to the nature of the scheme are sought or the cost of the scheme exceeds the limits shown below:

By lesser of 5% or £5,000

3. **Business Case Approval**

Business case for provision of new service, or change to the way services are provided which results in no additional expenditure may be approved by the CFO to the Chief Constable. Approval of business cases in requiring additional revenue expenditure are to be approved by the PCC.

Approval of business case for capital expenditure require the PCC or his delegated officer approval in all circumstances.

F2 Budgetary Control

Virement is defined to be the transfer of budget between budget heads within a financial year and will always be a net nil, whereas a budget adjustment is defined as a budget movement at the time budgets are prepared for the forthcoming financial year.

1. Revenue Virement/Revenue Budgetary Movement Limits

It is the responsibility of the Budget Manager to request approval to virement and budgetary movement subject to the following limits.

Force Budget

Virement Types	Checked	Approver	Limits
Only between subjective lines/departments, one that does not cross a reporting line	Finance	Finance	Existing budget
Between departments but within the same reporting lines (e.g. Finance to Fleet which are both within Other Supplier & Services)	Finance Business Partner	CFO's	Existing budget
Across reporting lines	Finance Business Partner	ACC/CC CFO	Up to £50k
	Finance Business Partner	CC/DCC	Up to £100k
	Finance Business Partner	PCC	Above £100k

PCC's own budget

- Up to £100,000 PCC CFO
- Over £100,000 PCC

2. The following virement also requires the Commissioner approval:

- That which involves a substantial change of policy of service delivery
- That which results in a significant addition to commitment in future years
- Transfer to and from capital expenditure
- Additional budget funded from reserves

3. Treatment of Year End Balances

As a default position, all carry forward underspends shall be transferred to reserves. Requirements should be prioritised carefully by the PCC and CC to enable best informed judgements as to future funding levels and planning the use of resources.

F3 Capital Programme

1. Detailed estimates for each scheme in the approved capital programme shall be prepared by the responsible officer before tenders are sought or commitments made.
2. There may be instances where a capital requirement is identified in year, in addition to and outside of the agreed annual budget. In such cases, the requesting manager must produce a business case for the scheme.
 - A business case for capital scheme in year up to £100,000; fully funded/with no future years commitment requires joint approval from the CC CFO and PCC CFO.
3. A business case for a capital scheme which are either more than £100,000; unfunded or will result in significant future year's commitment requires the Commissioner approval.
4. All variations to the Capital Programme is approved by the Commissioner and reported to him or his delegated staff quarterly. All capital overspend, when identified, will require PCC approval this has borrowing implications.

F4 Financial Risk

1. The CC shall be authorised to settle insurance liability claims up to the value shown below. Beyond this value, claims must be referred to the PCC, for approval.

£20,000 excluding legal costs
2. The CC shall be authorised to settle civil claims settlements, including Employment Tribunal up to the value shown below. Beyond this value, claims must be referred to the PCC, for approval.

Head of Legal Services: up to £10,000
From £10,001 up to £20,000 excluding legal costs

There are exceptions in employment tribunal cases. These occur when cases are felt to be sensitive for the reason below:

- *They involve high profile claimants*
- *There is a particular public interest in the case*
- *There is a real risk that the Police and Crime Commissioner or Nottinghamshire Police will be exposed to serious public criticism or serious weaknesses in the organisation or police and procedures will be revealed. Such cases will be referred to the Chief Executive for consideration by the Police and Crime Commissioner.*

3. The Police and Crime Commissioner must approve all requests for financial assistance to officers and staff involved in legal proceedings.
4. The PCC CFO is responsible for the day to day management of the insurance functions.

F5 Assets

Land & Buildings

1. The CC may not acquire any freeholds/leaseholds without clear, prior written approval of Commissioner. However, the Chief Constable may recommend purchases of Land & Buildings to the PCC, which is in keeping with the operational requirements. The PCC CFO shall ensure all additions/disposals to assets are maintained in the fixed asset register appropriately.
2. The PCC CFO shall maintain an asset register for all fixed assets with a value in excess of the limits shown below:

Land and Buildings – All

Vehicles – £20,000

Computer Equipment – £20,000

Plant and Equipment - £20,000

Inventories

3. The Chief Constable shall ensure inventories are maintained that record an adequate description of portable and desirable items such as computers, monitors, printers, facsimile machines, mobile phones and photographic equipment above the value shown below.

Above £500

Stocks and Stores

4. Discrepancies between the actual level of stock and the book value of stock may be written off by the Chief Constable up to the level shown below. Amounts for write off above this value must be referred to the PCC CFO for approval.

Individual items £15,000

Overall annual limit for financial year £15,000

5. Obsolete stock may be written off by the CC CFO up to the level shown below. Amounts for write off above this value must be referred to the PCC CFO for approval.

Individual items £15,000

Overall annual limit on all stock £15,000

Asset Disposal

6. The CC may dispose of surplus vehicles, leases and items of equipment up to the estimated value shown below. Disposals above this value are to be reported to the PCC CFO for prior approval.

Equipment £20,000
Individual vehicles £20,000

7. Items above the estimated value shown below shall be disposed of by public auction or sealed bids after advertisement, unless it can be shown that an alternative method of disposal would provide better value.

Land & Buildings £250,000
Equipment £20,000

F6 Income

1. Where the monetary value of a sponsorship proposal is over the limit shown below or is perceived to be of a sensitive and controversial nature, this must be approved:

Up to £15,000 PCC CFO
Over £15,000 PCC

2. Individual debtor amounts may be written off by the CC CFO up to the level shown below. Amounts for write off above this value must be referred to the PCC for approval.

Limit		CC CFO	PCC CFO	Commissioner
Individual Limit	Up to £2,000	✓		
	£2,001 to £10,000		✓	
	In excess of £10,000			✓
Aggregate Limit	Up to £10,000	✓		
	£10,001 to £50,000		✓	
	In excess of £50,000			✓

3. Salary Overpayment Write Off

To ensure the responsible stewardship of its resources, the OPCC reserves the right to recover all overpayment of salary, expenses or other emoluments in excess of the employee's contractual entitlement. Finance should take all reasonable measures to pursue recovery of the overpayment, and this includes arranging a payment plan to recover the funds.

All repayment plans must align to the policy in place. Any exceptions are to be approved by the PCC CFO.

In exceptional circumstances, overpayments can be written off, in part or in full:

- Write offs for individual salary overpayment of £500 may be written off by the Head of Finance, in liaison with the PCC CFO
- Head of Finance may write off salary overpayments up to the maximum of £5,000 in a financial year, in liaison with the PCC CFO
- Salary overpayments over the above limit (individually or in a financial year) may only be approved by the Commissioner.

All cases of overpayment will be dealt with on an individual basis, by the PCC CFO, to ensure minimum hardship for the employee, whilst maintaining the integrity on the use of public funds.

All write-offs must be recorded and reported to the Commissioner when the total exceeds £20,000 in any given financial year.

F7 Procurement of Goods and Services

1. Authorisation of orders shall be in accordance with the limits shown below, provided budget is available and having already complied with limits in respect of the awarding of a contract.

Total Value of Purchase (includes any extension options)	Method of Completion	Level of Authorisation
£0 to £24,999	Signature/Purchase Order	£0 -£250 All Staff; £0-£1,000: Enabling Services Supervisor £0-£5,000: Chief Inspector £0-£10,000: Superintendent/M Grade Staff £0 -£24,999 Budget Holder/Chief Officer
£25,000 to EU's Upper limit (currently £181,302)	Signature/Purchase Order if a Framework call-off or Written Contract	CC CFO/Chief Officer Team
In excess of EU Public Procurement thresholds	Signature/Purchase Order if a Framework call-off or Written Contract	Commissioner/ PCC CFO
Approval of exemption to contract standing order (Single Tender Action)*, authorisation of such purchases are in line with the contract standing order as above.	Up to £10,000	Purchases of less than £10k requires a minimum of one written quote
	More than £10,000	PCC CFO
Approval of all sensitive contracts.		Commissioner
Approval of non-sensitive contract variation	Are in line with delegated limits and agreed on advice of EMSCU	Variation of contracts that results in the contract total exceeding delegated limit will require authorisation at the next level

Approve all variations, termination and extensions of sensitive contracts		Commissioner
Termination of non-sensitive contracts	Up to EU Public Procurement threshold	CFO to the CC
	In excess of EU Public Procurement threshold (£181,302)	Commissioner

The use of leases, hire purchase or rental agreements is specifically excluded for all purchases as this requires approval of the PCC or PCC CFO.

- Written quotations shall be obtained in accordance with Contract Standing Orders as detailed below:

Minimum one written quotation required for purchases up to £10,000

At least 3 written quotations (unless exemption granted through Single Tender Action) £10,001 to £25,000

Over £25,000 formal tender process undertaken in conjunction with the Engagement Partner and complying with the special conditions for tenders over EU threshold

Note: Any contract in excess of £25,000 can only be awarded following consultation with the Procurement Advisor.

F8 High Value Payments

- Authorisation of BACS and other legislative payments (e.g. HMRC tax liabilities, apprenticeship levy and third party payments) may be approved in accordance with the limits shown below:

Up to £250,000 Finance Business Partner
Over £250,000 CFOs/DCC/CC/PCC/Chief Executive to the PCC

- Treasury Management Activities

Limits of treasury management activities are contained within Treasury Management Strategy as determined by the PCC CFO.

F9 Ex Gratia Payments

Gifts, Loans and Sponsorships

1. The Chief Constable may only enter into sponsorship arrangements with the approval of the PCC.
2. The CC may make ex gratia payments to members of the public or recompense to a police officer, up to the level shown below in any individual instance, for damage or loss of property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate or is conducive or incidental to the discharge of any functions of the Force. The circumstances of the proposed payment must not have the effect of circumventing other pay and allowances, policies, rates and rules in the execution of duty or to a member of the public assisting the police. Advice should be obtained from subject matter experts and these may include HR and Legal Services. Amounts greater than those specified must be referred to the PCC for approval.

£10,000

F10 Grants

1. Authorisation of grants should be made in accordance with the limits detailed below:

Only the PCC and his staff as set out in the consent of scheme and delegation may authorise grants.

F12 External Funding

1. The Chief Constable is authorised to identify and pursue external funding up to £250,000 and which is part of the agreed budget. Any external funding in excess of this limit and/or not within the agreed budget requires PCC prior approval.
2. The Chief Executive may make the following decisions:

To approve exceptional cases in the provision of police advice and assistance to international agencies, because the cost is £4,000 or more (including air flights, accommodation and salary costs of the police officer or member of staff); and it is a sensitive case involving travel to a politically sensitive country.



Nottinghamshire

POLICE & CRIME COMMISSIONER

Contract Procedure Rules and Standing Orders

January 2018

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Contents

- **Introduction**
- **Business Code of Conduct**
 - Purpose
 - Application
 - Conduct
- **Policy and Procedures**
 - Introduction
 - Responsibilities
 - Scope
- **Procurement Policy**
- **Procurement Procedures**
 - Introduction
 - Procedures
- **Procurement Routes**
 - Introduction
 - Procurement Procedure Flowchart
 - Procuring through Existing Contracts and Frameworks
 - Competitive Procurement
 - Procurement under £10,000
 - Procurement over £10,000 and under £25,000
 - Procurement over £25,000 and under EU Threshold
 - Procurement above EU Threshold
- **Procurement Process**
 - Introduction
 - Steps Prior to Purchase
 - Pre-Tender Market Research and Consultation
 - Statement of Requirement
 - Exceptions to normal procedures/single tender action
 - Advertising and Assessing Potential Applicants
 - Framework Agreements
 - Approved or Select Tender Lists
 - Collaborative Contracts
 - Invitations to Tender/Quotation
 - Receipt, custody and opening of Tenders
 - Late Tenders
 - Alteration to Tenders
 - Evaluation of tenders and quotations
 - Discussions and Post Tender Negotiations
 - Award of Contract and Debriefing Tenderers

- Cancellations, variations, extensions or termination of contracts
- Document retention and record keeping
- Freedom of Information
- **Contract Standing Orders**
 - Introduction and Purpose
 - Responsibilities
 - Responsibilities of the Chief Executive and Commercial Director
 - Relevant Contracts
 - Purchasing – Competition Requirements
 - Assets for Disposal
 - Collaborative and Partnership Arrangements
 - The Appointment of Consultants to Provide Services
 - Contract Documents
 - Contract Authorisation Levels
 - Bond and Parent Company Guarantees
 - Prevention of Fraud and Corruption
 - Declarations of Interests

Appendix A – Terms and Definitions

Appendix B - List of relevant legislation

Appendix C – EU Procurement Thresholds

Appendix D – Single Tender Approval

1. Introduction

- 1.1 These Contract Procedure Rules and Standing Orders for the Nottinghamshire Office of the Police and Crime Commissioner (NOPCC) and Nottinghamshire Police Force (the Force) are intended as a guide for our suppliers and staff to help those engaged in buying or providing goods and services.

Public procurement is a complex process governed by rules and regulations. They aim to ensure the freedom of opportunity to trade with us as an organisation and that we are open and transparent in the way we do business. This also helps to ensure we achieve value for money, the right balance between quality, performance and price, when we buy goods and services. In doing so we ensure we make the best use of scarce public resources.

It is important to note that wherever there is a relationship between the NOPCC or the Force and another organisation that can be defined as “a binding agreement for performing, or refraining from performing, some specified act(s) in exchange for lawful consideration”, this constitutes a Contract. Even if the arrangement has historically been called something else, such as a Grant, it is actually a Contract, and is therefore subject to these Contract Procedure Rules and Standing Orders. These rules ensure that a competitive procurement exercise, resulting in value for money, is undertaken, or that in exceptional cases appropriate approvals, based on sound reasoning, are gained for not competing the Contract opportunity.

These Contract Procedure Rules and Standing Orders relate to NOPCC, and the Force. The PCC has given a range of formal delegations to the Chief Constable (CC) and similarly delegation to undertake the associated procurement activity on behalf of the Force and to authorise the CC to accept any tenders and sign contracts in accordance with contracts which relate to the Force.

2. BUSINESS CODE OF CONDUCT

2.1 Purpose

This is the Business Code of Conduct for Nottinghamshire Office of Police and Crime Commissioner (“NOPCC”) and Nottinghamshire Police Force (“the Force”). The purpose of this section is to advise the minimum standards expected of all staff and agents employed by the NOPCC and the Force and also to ensure fairness and consistency of approach in line with sound commercial practice.

2.2 Application

All staff and agents employed by the PCC and the Force must abide by this code in the conduct of the business of the office.

Staff should regard the code as the basis of best conduct. Staff should raise any matter of concern of an ethical nature with their line manager, the PCC Chief Finance Officer (PCC CFO) or the Chief Executive, irrespective of whether it is addressed in this Code. Staff should also ensure that they comply with the Anti-Fraud and Corruption requirements in respect of gifts, gratuities and hospitality as set out within the financial regulations. Any matters arising which are outside the bounds of this Code should be referred immediately to line management.

2.3 Conduct

2.3.1 Staff shall always seek to uphold and enhance the reputation of the organisation and always act professionally by:

- (i) maintaining the highest possible standard of probity in all commercial relationships, inside and outside the organisation;
- (ii) rejecting and reporting any business practice which might reasonably be deemed illegal or improper and never using authority for personal gain;
- (iii) enhancing the proficiency and stature of the organisation by acquiring and maintaining current technical knowledge and the highest standards of ethical behaviour;
- (iv) ensuring the highest possible standards of professional competence including technical and commercial knowledge
- (v) optimising the use of resources to provide the maximum benefit to the organisation

Complying both with the letter and the spirit of:

- (i) the law and all legislation governing their procurement activity; this code, procurement policy and procedure, contract standing orders and financial regulations;
- (ii) guidance on professional advice; and
- (iii) contractual obligations

2.3.2 Staff must never allow themselves to be deflected from this code of conduct.

Failure to do so may result in disciplinary action. In abiding by this code, the rules set out below must be followed:

2.3.3 Declaration of Interest

Any personal interest which may affect or be seen by others to affect your impartiality in any matter relevant to your duties must be declared.

Managing Conflicts of Interests

NOPCC must not award a contract where conflicts or potential conflicts exist between the interests involved in commissioning such services and the interests involved in providing them affect, or appear to affect, the integrity of the award of that contract.

Examples of conflicts of interest include:

Having a financial interest (e.g. holding shares or options) in a Potential Bidder or any entity involved in any bidding consortium including where such entity is a provider of the Goods or Services or any employee or officer thereof (Bidder Party);

Having a financial or any other personal interest in the outcome of the Evaluation Process;

Being employed by or providing services to any Bidder Party;

Receiving any kind of monetary or non-monetary payment or incentive (including hospitality) from any bidder party or its representatives

Canvassing or negotiating with any person with a view to entering into any of the arrangements outlined above;

Having a close family member who falls into any of the categories outlined above;

Having any other close relationship (current or historical) with any Bidder Party.

Examples of potential conflicts of interest include:

There is a real possibility that an outside interest will lead an individual to act in a way that is not impartial and independent in carrying out their duties on behalf of NOPCC,

There is a real possibility that an outside interest held by a close personal relation, business associate or other person known to an individual will lead an individual to act in a way that is not impartial and independent in carrying out their duties on behalf of NOPCC;

A fair minded and informed observer would conclude that one of the above interests exists and that there was a real possibility that the interest could lead the individual to act in a way that is not impartial or independent in carrying out their duties on behalf of NOPCC.

A conflict of interest arises where an individual's ability to exercise judgement or act in one role is or could be impaired or otherwise influenced by his or her involvement in another role or relationship. The individual does not need to exploit his or her position or obtain an actual benefit (financial or otherwise). A potential for competing interests and/or a perception of impaired judgment or undue influence can also be a conflict of interest.

The management of conflicts of interest is vitally important in the procurement of goods or services and managing them appropriately is paramount to the probity and accountability of NOPCC and the Force's decision making and will ensure that the principles of transparency, fairness and non-discrimination are upheld.

2.3.4 Confidentiality and Accuracy of Information

The confidentiality of information received in the course of duty must be respected and must never be used for personal gain. Information given in the course of duty should be honest and clear.

2.3.5 Competition

The nature and length of contracts and business relationships with suppliers can vary according to circumstances. These should always be constructed to ensure deliverables and benefits. Arrangements which might in the long term prevent the effective operation of fair competition should be avoided.

2.3.6 Business gifts

Gifts from suppliers other than items of very small or no intrinsic value, such as business diaries or calendars, should not be accepted but should be declined courteously.

2.3.7 Hospitality

The recipient should not allow themselves to be influenced, or be perceived by others to have been influenced, in making a business decision as a consequence of hospitality. The frequency and scale of hospitality accepted should be recorded and managed openly with care. It should not be greater than that which the organisation would reciprocate and which would be acceptable to the public as a good use of public funds.

3. POLICY AND PROCEDURES

3.1. Introduction

Procurement policy and procedures are determined and owned by the NOPCC aim to ensure that the supply of goods, services and works are procured in accordance with relevant legislation and in the most cost effective manner. They also aim to ensure that procurement activity is undertaken in a fair, transparent and consistent manner, ensuring the highest standards of probity and accountability. Procedures define the minimum processes expected of staff engaged in the procurement of goods, services and works on behalf of the NOPCC and the Force.

3.2. Responsibilities

EMSCU is responsible to the PCC CFO for ensuring that procurement policy, procedures and contract standing orders are maintained. The day to day activity of procuring goods, services and works is undertaken by Authorised Officers and EMSCU based on the value, and must be conducted in accordance with the principles and rules of this document and the NOPCC financial regulations and the scheme of delegation.

3.3. Scope

All staff and Police Officers employed by the NOPCC and the Force must abide by procurement policy and procedure in the conduct of the business of the office. Failure to comply may result in disciplinary action.

Procurement Policy

4.1 The procurement policy of the NOPCC and the Force are that:

- i. All procurement activity will be undertaken in a transparent, fair and consistent, manner, ensuring the highest standards of probity and accountability.
- ii. All staff will adhere to the Procurement Policy and procurement procedures and seek to ensure acceptance and operation of it among colleagues and stakeholders.
- iii. All procurement will be compliant with good commercial practice and open to continuous improvement and development to ensure value for money.
- iv. All staff involved in procurement activities will familiarise themselves with the Business Code of Conduct and consideration will be given to circumstances where members of staff would need to be excluded where their position may be compromised.
- v. All procurement activity shall comply with statutory requirements including, but not limited to, UK legislation, Directives of the European Community and relevant Government guidance.
- vi. All procurement activity will also comply with Contract Procedure Rules and Standing Orders; Financial Regulations, and Scheme of Delegation.
- vii. All procurement activity will be ethically, environmentally and socially responsible with due consideration being given to any economic benefits and regeneration opportunities.
- viii. NOPCC and the Force will ensure, when applying this Policy that they comply with their duties under the Equality Act 2010 and does not discriminate directly or indirectly against staff or potential service providers on grounds of race, colour, age, nationality, ethnicity, gender, sexual orientation, marital status, religious belief or disability.

5. PROCUREMENT PROCEDURES

5.1. Introduction

Procurement procedures provide information on how to procure goods, services and works on behalf of NOPCC and the Force. They also define the minimum processes expected of staff engaged in a procurement process and when and where to get further professional advice. Before undertaking any procurement staff are required to read through these procedures and the associated business code of conduct and procurement policy.

5.2. Procedures

- 5.2.1 There are a number of routes through which goods, services and works can be procured. These include using existing contracts that have already been negotiated locally and running a new competitive procurement, for which the process is dependent on the value of spend. Procurement can also be carried out through framework agreements. These are National, Regional or local agreements that can be used to buy directly from a supplier or by conducting a further competition exercise where there is more than one supplier.
- 5.2.2 These procedures cover all of these procurement routes and set out the rules that apply and the staff that have to be involved in the process. They also cover how to deal with exceptions. This is when the rules may not apply.
- 5.2.3 Once procurement has begun, these procedures will also set out rules for how to manage the process including dealing with late Tenders, evaluation of Tenders, variations to contracts and the documents and records that need to be maintained.
- 5.2.4 Should these procedures not appear to provide the appropriate mechanisms at any stage of the procurement process, advice must be sought from line management or the Procurement Advisor before proceeding further. Information contained within the procedures refers to both procurement activity involving a Tender process and to NOPCC contracts regardless of how they were entered into.
- 5.2.5 Further advice on these procedures and any aspects of the procurement process can also be provided by EMSCU

6. Procurement Routes

6.1 Introduction

There are a number of different routes through which procurement may take place. This section of the procedures provides instruction on how to identify the most appropriate procurement route. A procurement procedure flow chart is set out below. This has been developed to identify which procurement route should be followed based on the framework agreements/collaborative contracts available and accessible, together with the estimated total contract value. Once the most appropriate procurement route has been identified, the relevant section of this document will explain the detailed procurement procedure.

The key principles of good procurement are:-

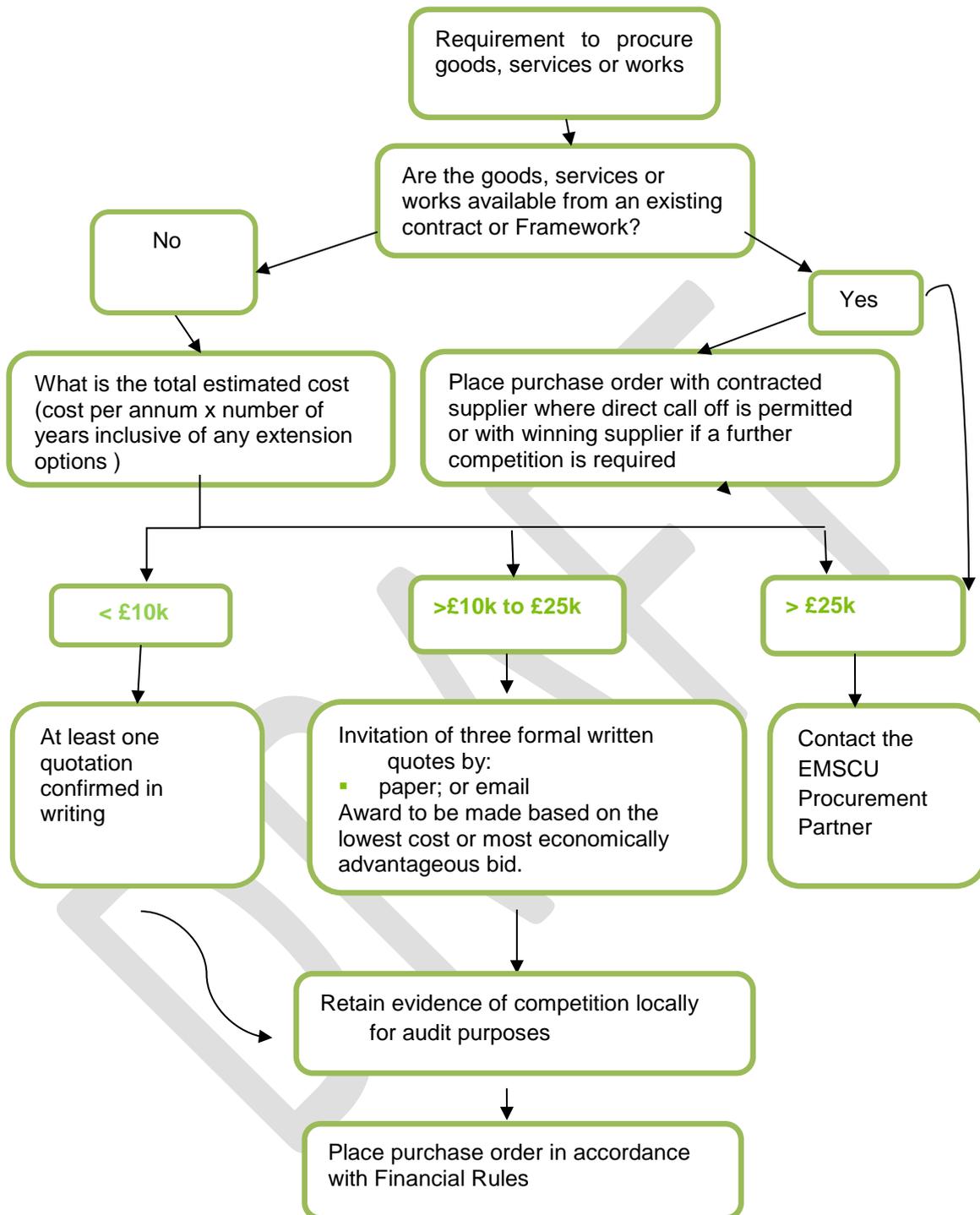
- **Transparency:** Making commissioning intent clear to the market place. Including the use of sufficient and appropriate advertising of tenders,

transparency in making decisions not to tender, and the declaration and separation of conflicts of interest;

- **Proportionality:** Making procurement processes proportionate to the value, complexity and risk of the services contracted, and critically not excluding potential providers through overly bureaucratic or burdensome procedures;
- **Non-discrimination:** Having specifications that do not favour one or more providers. Ensuring consistency of procurement rules, transparency on timescale and criteria for shortlist and award; and
- **Equality of treatment:** Ensuring that all providers and sectors have equal opportunity to compete where appropriate; that financial and due diligence checks apply equally and are proportionate; and that pricing and payment regimes are transparent and fair.

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6.2 PROCUREMENT PROCEDURE FLOWCHART



6.3.1 PROCURING THROUGH EXISTING CONTRACTS AND FRAMEWORKS

If the goods, services or works are available under an existing contract and represents value for money, that contract must be used. An existing contract includes those contracts where NOPCC are not the lead organisation but where we have committed to use the contract. This can include Regional and National Framework arrangements. For some goods, works and services, national arrangements are mandated by Central Government.

The Procuring Officer must consult with the EMSCU Partner to ascertain whether an existing contract or framework should be used.

- 6.3.2. Existing contracts offer many benefits. The contract will already be compliant with EU legislation and Contract Standing Orders and there is no requirement to run a further procurement process. Through the whole organisation using the same contract we minimise the administrative costs associated with the use of multiple suppliers and achieve better value for money by being able to offer suppliers more business. In using existing contracts we also have assurance that the supplier has met numerous rigorous standards including financial stability, health & safety, insurance, ethical and environmental standards etc. and robust contract terms will be in place.
- 6.3.3. When purchasing through an existing contract the only requirement is to place a purchase order with the contracted supplier, referencing the contract number, which is then approved by the Authorising Officer in accordance with these Contract Procedure Rules and Standing Orders. The EMSCU Partner can provide advice on whether a contract exists.

6.4 COMPETITIVE PROCUREMENT

Where there is no existing contract available it will be necessary to go through a new procurement process. The rules to follow depend on the amount of money that is likely to be spent and this must be based on the Total Estimated Value of the contract for the whole duration of the contract, including any extension options.

6.5 PROCUREMENT UNDER £10,000

A minimum of one written quotation must be obtained either by e-mail or from a catalogue or price list. A quotation may be initially requested by telephone but the supplier must then be asked to follow this up in writing by either of the above methods prior to a purchase order being authorised and issued. Should the minimum of one quotation be used particular care should be given to ensure compliance with Procurement Policy and the Business Code of Conduct. The issue of an official purchase order to the supplier ensures the purchase is made against the Commissioners Standard Terms and Conditions of Order.

6.6 PROCUREMENT OVER £10,000 TO £25,000

- 6.6.1. The Procuring Officer must seek a minimum of three formal written quotations in writing either on paper or by email. The number of organisations invited to submit quotes or otherwise offer to supply must be sufficient to demonstrate that genuine market forces are employed to maximise value for money. This should either be on the basis of lowest cost or the most economically advantageous Tender, after taking in to account any quality criteria.
- 6.6.2. Care must be taken to ensure all potential suppliers are treated fairly and each supplier is assessed using a pre-determined evaluation model. The evaluation should assess the quality and whole life cost of the offer if possible against the specification. An official NOPCC or the Force purchase order number must be issued to the supplier to authorise the purchase and ensure the procurement is in accordance with the NOPCC or the Force Standard Terms and Conditions of Order. If in doubt, contact your Procurement Partner.
- 6.6.3. The quotations should be retained locally for audit purposes together with a record of the details of the quotation exercise, in accordance with the NOPCC or the Force's requirements. The details recorded should include the number and details of quotations received together with a summary of the evaluation and award decision made.
- 6.6.4. EMSCU Partner can offer advice and guidance on specifying your requirements, invitation to quote documents, evaluation models, award procedures and protocol involved in debriefing suppliers.

6.7 PROCUREMENT OVER £25,000 TO UNDER EU THRESHOLD: UNDERTAKEN BY EMSCU

- 6.7.1. Where the total value of contract is estimated to exceed £25,000 over the whole duration, the procurement process must be managed by EMSCU on behalf of the NOPCC or the Force. Tenders may be invited in a number of ways including using a single stage or two stage procedure, select list, using a framework arrangement for a direct call-off or conducting a further competition and exploiting any existing contractual arrangements. Whichever process is used, EMSCU will formulate a Procurement Strategy for the procurement which will be based on a Statement of Requirement (SOR)

The evaluation models, matrices and other tools used to assess and compare the Tenders will be determined and agreed with stakeholders or project members as part of the Procurement Strategy, prior to receipt of Tenders and quotes.

- 6.7.2. Where a **Single Stage Invitation to Tender** is being used an Advertisement will be placed by the Procuring Officer in accordance with Clause 7.6.1 and expressions of interest invited from organisations who wish to receive Tender documents. All organisations expressing an interest are sent an Invitation to Tender within the time scales set out. Such Tenders shall include elements to assess their ability to meet financial requirements in addition to specific areas of technical ability relevant to the contract.
- 6.7.3. **Two Stage Tenders** require that **expressions of interest** are invited from the market through advertisement in accordance with Clause 7.6.1. On receipt of expressions of interest a **Selection Questionnaire** will be forwarded to the interested organisations and these, when completed, shall be assessed to determine the most appropriate organisations from whom Tenders shall be invited. Tenders will be invited from those organisations who meet the minimum selection criteria. The selection process shall always be predetermined.
- 6.7.4. Select Tender lists may be drawn up where it can be satisfactorily demonstrated that the number of competitive Tenders that could be received is limited. Such lists will be formulated and maintained by the EMSCU and reviewed on an ongoing basis. However, there is a mandate to comply with the spirit of EU Legislation and Contract Standing Orders regarding open competition which must be duly regarded.
- 6.7.5. Having identified the organisations from whom Tenders would be considered, the organisations shall be invited to express their desire to receive a Tender by requiring them to respond to an appropriate brief.
- 6.7.6. The use of further competition exercises will be adopted where pre-tendered Framework arrangements exist, such as National or Regional Frameworks, for example Government Procurement Service (GPS) or other consortia frameworks e.g. ESPO/Pro5. This involves identifying organisations that are able to meet the requirement from those who have been pre-tendered and pre-qualified. The further competition exercise is a leaner process due to the supplier already having gone through a Tender process to be awarded a place on the framework, and the evaluation criteria is dictated by the framework call off mechanism which concentrate on the price and service delivery elements of the requirement.
- 6.7.7. EMSCU will maintain a database of all available frameworks which will include an on - going assessment of the overall value for money of each framework. EMSCU will utilise a suitable framework if it is considered to offer value for money, prior to undertaking an independent procurement exercise.

6.8 Procurement above EU Threshold

- 6.8.1. In accordance with clauses 6.7.6 and 6.7.7, a Framework will be utilised in the first instance, if considered to be commercially suitable, ahead of undertaking any other EU procurement procedure. When procuring goods or services, NOPCC and the Force will ensure that it complies with EU procurement law and the UK's implementing Regulations to the extent that these are applicable to the services being procured.
- 6.8.2. When letting contracts above the EU threshold, the Public Contracts Regulations 2015 must be followed and adhered to by the Procurement Advisor. When undertaking a procurement in accordance with EU Procurement Directives there are different types of procurement procedures that can be selected such as the Open Procedure and Restricted Procedures. In addition it is open to undertake a Negotiated Procedure or Competitive Dialogue. Competitive Dialogue may be used and is permitted under EU Legislation within strict guidelines. Negotiated Procedure or Competitive Dialogue are suitable in exceptionally complex procurements, e.g. Private Finance Initiative (PFI) and are only to be undertaken after approvals have been granted based on tests being satisfied. Whichever, of these routes is utilised will depend on the type and complexity of the procurement and will be agreed between the Procurement Officer and the Procurement Advisor as part of the strategy for that particular project.
- 6.8.3. Concerning all EU procurement the EU Directives require that consideration is given to "aggregation of demand" and that this is calculated as the total estimated annual expenditure multiplied by the total number of years for which a contract would be in place, including any extension options. If the value derived is over the EU threshold for the goods, service or works, then an EU Tender must be conducted. The EU Directives are clear that deliberate attempts to reduce, avoid or misrepresent the total value of the contract are a breach of the legislation.
- 6.8.4. The timescales for tendering under the EU Directives are prescriptive and may generally be longer than a non EU Tender. Failure to leave sufficient time to complete the tendering process is legislatively not an acceptable reason for avoidance of the regulations.
- 6.8.5. A project team will be assembled to undertake the project and will involve all the relevant stakeholders for that type of procurement. This will usually include the Chief Executive and/or Procurement Partner, PCC CFO, Finance, Legal and other relevant representatives.

7. PROCUREMENT PROCESS

7.1. Introduction

This section of the procedures sets out the different processes involved in undertaking procurement once the procurement route has been determined. It also sets out how to manage the process when procedures have not been followed, for example dealing with late Tenders or missing information.

7.2. Steps Prior to Purchase

7.2.1. No contract for the execution of works or for the supply of goods or services shall be made unless budgetary provision has been made in annual revenue or capital estimates approved by the NOPCC or unless an estimate is reported to and approved in accordance with the Standing Order.

7.2.2. The Procuring Partner must assess the requirement, in a manner commensurate with its complexity and value, by:

- i. appraising the need for the expenditure and its priority
- ii. defining the objectives of the purchase
- iii. confirming that there is delegated approval for the expenditure and the purchase accords with the approved policy framework and scheme of delegation.
- iv. if the total value of the proposed expenditure is estimated to exceed £25,000 then contact the Procurement Partner to enable a SOR to be completed and forwarded to EMSCU for action
- v. for contracts that exceed £25,000, the Procurement Partner will ensure that budgetary provisions exists prior to submitting the SOR to EMSCU for action

7.3. Pre-Tender Market Research and Consultation

7.3.1. The Procuring Officer responsible for the purchase:

- i. may consult potential suppliers prior to the issue of the Invitation to Tender in general terms about the nature, level and standard of the supply, indicative prices, contract packaging and other relevant matters, provided this does not prejudice any potential Applicant/Tenderer.
- ii. may seek or accept advice on the preparation of an Invitation to Tender or Quotation from anyone, but not if the advice given may prejudice the equal treatment of all potential suppliers or distort competition, and
- iii. should seek advice from the Supplier Services Team

7.4 Statement of Requirement

7.4.1. Specifications and standards are used to describe the requirement – goods, services and/or works – for which the procurement process is being conducted. They are included within the documents inviting suppliers to Tender. This information will be obtained when an SOR is agreed between the Procurement Partner and the budget holder.

7.4.2. The Procurement Partner will provide as much assistance as possible to budget holder to enable them to identify and express their requirements so that the market can respond appropriately.

7.4.3. Although the budget holder is responsible for identifying and owning the specification, the Procurement Partner will utilise their skills, knowledge of the market and experience in assisting compiling the specification to aid identification and expression of the requirement.

7.4.4. The completed SOR will then be entered into Crystal for procurement action including the formulation of a procurement strategy if appropriate

7.4.5. Standards adopted to identify minimum, maximum or equivalent shall be in accordance with all current legislation and will ensure equal and fair treatment for all prospective suppliers.

7.5 Exceptions to normal procedures/single tender action

7.5.1. ALL exceptions that exceed £10,000 in value must be authorised prior to the procurement of goods, services or works. For such contracts the budget holder must complete a Single Tender Approval Request form as detailed at Appendix E and submit it for to the Procurement Partner to be approved.

7.5.2. Any proposed extension to a contract, where there is no extension option provided for in the terms of the current contract, must be treated as an exception

to normal procedures, requiring the completion of an Exception to Contract Procedure Rules / Single Tender Approval Request form (Appendix D). The value of such an extension is the total value of the proposed contract and consists of the total value of the current contract plus the value of the proposed extension.

7.5.3. Single Tender Approval Requests shall be agreed and authorised in accordance with the STA thresholds detailed within the Standing Orders of this document.

7.5.4. Exceptions made for the reasons outlined below, but without prior single tender approval may expose the NOPCC to commercial and legal risk and will be treated as breaches of Standing Orders, and may be subject to disciplinary action. Requests for exceptions to normal procedures will only be considered under the following circumstances:

- i. urgency reasons - the contract is required as a matter of extreme urgency and this is due to circumstances outside the control of the NOPCC. This does not include circumstances brought about by the lack of internal planning.
- ii. product reasons – where there are strong compatibility issues relating to the goods or the service that the NOPCC and the Force already use and it would be uneconomic to consider alternative solutions.
- iii. limited supplier – where there is only one supplier of a particular product or service. This may arise, for example, if ownership of the relevant Intellectual Property Rights excludes all other potential suppliers.

7.5.5. A report of all exceptions approved is provided for the PCC CFO to scrutinise on a quarterly basis.

7.6 Advertising and Assessing Potential Applicants

7.6.1. Procuring Officers shall ensure that proposed contracts with an estimated value that exceed £25,000 are advertised to the widest possible audience of proposed Applicants. The method of advertising will depend on the type of procurement and the procurement strategy and contracts will be advertised using at least one or more of the following examples:

- i. EMSCU's e-procurement portal (Crystal)
- ii. The NOPCC or NP website
- iii. Bluelight
- iv. Portal websites specifically created for contract advertisements e.g. Source East Midlands
- v. Contracts Finder (Business Link)

- vi. National official journals, trade magazines as appropriate or
- vii. The Official Journal of the European Union (OJEU)/ Tenders Electronic Daily (TED) (if the procurement is subject to EU Procurement Directives).

7.6.2. Procuring Officers are responsible for ensuring that all applicants for a Contract are suitably evaluated. For contracts above £25,000, where a formal process undertaken by EMSCU shall take place and following the contract being advertised as 7.6.1, the assessment process shall establish that the potential Applicants adequately meet selection criteria in the following areas :

- i. The Legal capacity to contract
- ii. The required level of financial standing
- iii. The technical ability and capacity to fulfil the requirements of the NOPCC or NP

7.6.3. Tenders/Quotations will also be obtained in respect of proposed contracts that are expected to exceed £25,000 by selecting organisations using the following Procurement routes, where the suppliers have already been satisfactorily evaluated against selection criteria using a formal procurement process :

- i. National or Regional Framework with single or multiple suppliers
- ii. Approved Lists of providers, maintained by EMSCU on behalf of NOPCC, and compiled following responses to a public advertisement and after undergoing a formal procurement process. A suitable Framework should be used in preference to an Approved or Select Tender List.

7.6.4. Where an Applicant is a subsidiary within a group, the soundness of the group will be considered together with the appropriateness of obtaining a bond or a 'guarantee' from the parent company.

7.6.5. Where a contract is advertised or a select Tender list is used then invitations to Tender will be sent to not less than four of the applicants who meet the selection criteria or if less than four applicants meet the selection criteria, then the Tender will be sent to all the Applicants who do meet the selection criteria.

7.7. Framework Agreements

7.7.1. EMSCU will maintain a database of Framework Agreements that are available to utilise. Each Framework Agreement will be assessed for the value for money it offers and suitability in terms of service delivery.

7.7.2. EMSCU will utilise a Framework in the first instance, if judged to be suitable, prior to conducting any Tender process for a contract that exceeds a value of £25,000.

7.7.3. For procurements of less than £25,000, budget holders should seek advice from the Engagement Partner prior to utilising a Framework Agreement.

7.7.4. Contracts based on Framework Agreements may be awarded directly if the terms laid down in the Framework Agreement permit direct call-off. Where the terms stipulate a further competition should be held then these will be conducted in accordance with the following procedure:

- i. inviting all the organisations within the Framework Agreement that are capable of executing the subject of the contract to submit written offers
- ii. fixing a time limit which is sufficiently long to allow offers for each specific contract to be submitted, taking into account factors such as the complexity of the subject of the contract
- iii. awarding each contract to the supplier who has submitted the best offer on the basis of the Award Criteria set out in the terms and conditions of the Framework Agreement

7.7.5. Under the Police Act 1996 (Equipment) Regulations 2010, the use of specific framework agreements is mandated. See Appendix B.

7.8. Approved or Select Tender Lists

7.8.1. Approved Lists cannot be used where the EU Procedure applies. EMSCU may draw up, manage and maintain:

- i. Approved Lists of suppliers able to perform contracts for the provision of services or supply of goods
- ii. Apply set criteria for selecting from the lists

7.8.2. No supplier may be entered on an Approved List until there has been an adequate investigation into legal, financial and technical ability to perform the contract, unless such matters are to be investigated each time Tenders are invited from that list.

7.8.3. Approved Lists must be drawn up following the opportunity being advertised as per Clause 7.6.1. Suppliers may be entered on a list between the initial advertisement and re-advertisement provided they meet the criteria above.

7.8.4. Suppliers on the list will be reviewed at least annually against the criteria and the list re-advertised at least every three years. Review means:

- i. The reassessment of the legal, financial and technical ability and performance of those persons on the list, unless such matters are to be investigated each time Tenders are invited from suppliers on that list.
- ii. The deletion of those suppliers who no longer meet the criteria

7.8.5. All Approved Lists shall be maintained in an open, fair and transparent manner and be open to public inspection.

7.9. Collaborative contracts

Where Tenders are invited by any Police and Crime Commissioner other than Nottinghamshire and Nottinghamshire, or by any other Public Authority, the invitation, submission, opening and acceptance of those Tenders shall comply with the provisions of the Contract Standing Orders of that Commissioner or Authority unless these provisions are considerably inconsistent with the method by which Tenders are dealt with by the Nottinghamshire Office of the Police and Crime Commissioner.

7.10 Invitations to Tender / Quotation

7.10.1. The Invitation to Tender shall state that no Tender will be considered unless it is received by the date and time stipulated in the Invitation to Tender. No Tender delivered in contravention of this clause shall be considered other than in accordance with the rules for submission of Tenders.

7.10.2. All Invitations to Tender shall include the following:

- a) a specification that describes the NOPCC or the Force requirements in sufficient detail to enable the submission of competitive offers.
- b) a price schedule with the facility for the Tenderer to submit prices and/or variant Tenders for consideration if appropriate.
- c) a requirement for Tenderers to declare that the Tender content including price has not been disclosed by the Tenderer to any other party (except where such a

disclosure is made in confidence for a necessary purpose, for example a Tender submitted by a Consortium).

- d) a requirement for Tenderers to complete fully and sign all Tender documents including a Form of Tender and certificates relating to canvassing and non-collusion
- e) notification that Tenders are submitted to the NOPCC or the Force on the basis that they are compiled at the Tenderer's expense.
- f) a definition of the Selection and Award Criteria being applied that details all weightings for criteria.
- g) notification that no Tender will be considered unless it is in accordance with the "Instructions to Tenderer".
- h) a stipulation that any Tender submitted must be made electronically using the approved electronic Tender system and no other means will be considered, unless they comply with the rules on Tender submission.
- i) the method by which any areas requiring clarification in the submitted Tenders are to be dealt with, as defined in Clause 7.15.
- j) the Terms and Conditions that will apply to any subsequent contract
- k) a stipulation that the NOPCC or the Force is not bound to accept any Tender
- l) a statement stating that all Applicants invited to Tender or quote will be issued with the same information at the same time and subject to the same conditions. Any supplementary information will be given on the same basis.

7.11 Receipt, custody and opening of Tenders

7.11.1. Tenderers must be given an adequate period in which to prepare and submit their Quotation or Tender, consistent with the complexity of the contract requirement. This should normally be no less than 15 days. For contracts valued above the EU threshold and being conducted using an EU Tender procedure, specific minimum time periods for the receipt of Tenders must be adhered to.

7.11.2. Tenders shall be submitted electronically using the National Police approved electronic Tender portal called Bluelight or any subsequent e-tendering system utilised by the EMSCU. Tenderers shall be notified accordingly. No Tender will be considered unless it is submitted electronically by the requested route, unless a failure of the system prohibits its use.

7.11.3. EMSCU shall be responsible for the safekeeping of Tenders which will be held in the electronic tender system, until the appointed time of opening. The electronic tendering system as part of its functionality will :

- i. suitably record and verify the date and precise time it was received
- ii. adequately protect immediately on receipt and guard against amendment of its contents

7.11.4. The electronic tendering system does not permit the Tenders to be viewed or amended until they have been opened and verified electronically by a nominated Officer from EMSCU. Verification cannot take place until after the closing date and time.

7.12 Late Tenders

7.12.1. Tenders that have been received following the closing time and date may only be considered under the following circumstances; where it can be proven beyond any reasonable doubt that, if received:

- i. electronically, the Tender was uploaded before the closing date and time and that due to technical difficulties was unavailable; or
- ii. there is evidence that the Tenderer has made appropriate arrangements for the electronic delivery of the Tender before the closing date and time and had a justifiable technical reason for not submitting their response electronically before the deadline.

7.12.2. Any late Tender received that satisfies the conditions above will be treated as a 'late Tender' and shall be accepted and opened in accordance with 7.12.3

7.12.3. The electronic tender system will mark the Tender as technically late but its lateness must be recorded by EMSCU. The decision to accept or reject a late Tender will be taken by EMSCU.

7.13 Alteration to Tenders

7.13.1. No alteration to Tenders may be made after the closing deadline unless in accordance with this Clause or Clause 7.15

7.13.2. Where it is suspected that there has been an error in a Tender and following the closing date for receipt of Tenders but before acceptance of any Tender, discussions may take place with Tenderers in order to :

- i. ensure that the Tender is constructed correctly; or
- ii. ensure that the Tenderer has fully understood the specification; or
- iii. seek clarification from Tenderers of cost, quality and performance indicators

7.13.3. A written note of the discussions must be made to record the suspected error, date, time, detail of the discussion and any agreement reached.

7.13.4. Any changes which alter the final costs must be supported by documentation confirming the change from the organisation who submitted the Tender.

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7.14 Evaluation of Tenders and quotations

7.14.1. The Procuring Partner must ascertain the relevant British, European or international standards which apply to the subject matter of the contract. If applicable, the Officer must include those standards or equivalent which are necessary to define the required quality, allowing for equivalent standards.

7.14.2. For contracts below £25,000 in value, EMSCU must define award methodology and evaluation criteria that are appropriate to the purchase to secure an outcome giving Value for Money for the NOPCC or the Force. The basic criteria shall be:

- i. 'lowest price' where payment is to be made by the NOPCC or the Force
- ii. 'higher price' if payment is to be received, or
- iii. 'most economically advantageous', where criteria other than price also apply for example quality

7.14.3. For contracts that exceed £25, 000 in value, EMSCU will define the award methodology and evaluation criteria as part of the procurement strategy. These will be stipulated in the Invitation to Tender document issued to suppliers and will include all relevant weightings that will apply.

7.14.4. Where criteria other than price apply, all relevant evaluation criteria will be set to achieve the Most Economically Advantageous Tender (MEAT) whilst satisfying the requirement and will be a combination of price and service delivery factors. All offers received will be evaluated against the defined Award Criteria

7.14.5. MEAT evaluation criteria considers a range of whole life factors and will be defined and some examples of factors are:

- i. price;
- ii. delivery time;
- iii. training;
- iv. service delivery considerations;
- v. support and maintenance;
- vi. methodology, experience;
- vii. skill;
- viii. sustainability
- ix. implementation

7.14.6. The Tender evaluation team will have an appropriate governance structure with chair and be convened from members of the project team to encompass appropriate stakeholders with skills to consider Tenders meaningfully. Evaluation teams will generally consist of at least the following representatives:

- i. procurement;
- ii. technical; and/or
- iii. specialist(s) e.g. Commissioning Manager

7.14.7. All members of the evaluation panel should participate in all evaluation activity except where an expert adviser is only required to evaluate a particular part of the Tenders. Panel members should familiarise themselves with the Code of Conduct for procurers of Goods and Services, in particular declarations of interest.

7.15 Discussions and Post Tender Negotiations

7.15.1. In the case where the Estimated Contract Value is below the EU Threshold, and following the closing date for receipt of Tenders but before acceptance of any Tender, the Procuring Officer may carry out Post Tender Negotiations in an attempt to secure improvements in the price or economic advantage in one or more of the following circumstances:

- i. where the most competitive Tender (according to the pre-determined award methodology and evaluation criteria) submitted exceeds the Estimated Value;
- ii. where it is considered that the price of the most competitive Tender submitted does not represent the best value for money that can reasonably be obtained;
- iii. where Tenders have been invited only on the basis of unit prices or a schedule of rates and the lowest in aggregate is not the lowest on all items;
- iv. where the most competitive Tender contains conditions, trading terms, guarantees, or provisions relating to performance or service delivery less favourable than in other Tenders, or than stipulated for and this defect appears capable of being remedied by Post Tender Negotiations.

7.15.2. When conducting Post Tender Negotiations, as part of a Procurement Exercise where the Estimated Contract Value is £25,000 or more (but below the EU Threshold), only the Tenderer submitting the most competitive Tender in accordance with the award methodology and evaluation criteria (Clause 7.14) may be invited to participate in Post Tender Negotiations.

7.15.3. When conducting Post Tender Negotiations, the following additional rules shall apply:

- i. At no time during the negotiations must a Tenderer be informed of the detail of any other Tender submitted or as to whether or not the Tender they submitted was the lowest.
- ii. During negotiations in person there must always be present at least one Officer of the Procurement Advisor.
- iii. A note of the negotiations will be made by one of the Procuring Officers present recording those present, the time and location of the negotiations, detail of the discussion and any agreement reached.
- iv. Post Tender Negotiation shall not enable any material departure from the published specification. The Procurement Advisor shall determine whether any proposed change to the specification constitutes a material departure and whether as a consequence other Tenderers shall be permitted to participate in Post Tender Negotiations and/or whether new Tenders should be invited, to avoid any potential allegations of competition being distorted.

7.15.4. Post Tender Negotiations are not allowed in the case of contracts with an Estimated Contract Value exceeding the relevant EU Threshold. However, clarifications of errors or discrepancies in Tenders may take place in accordance with Clause 7.13.

7.16 Award of Contract and Debriefing Tenderers

7.16.1. The confidentiality of Quotations, Tenders and the identity of Tenderers must be preserved at all times and information about one Tenderers response must not be given to another Tenderer.

- 7.16.2. Tenders must be evaluated and Contracts awarded in accordance with the Selection and Award Criteria. The arithmetic in compliant Tenders must be checked. If arithmetical errors are found they should be notified to the Tenderer, who should be requested to confirm or withdraw their Tender.
- 7.16.3. Procuring Officers may accept Quotations and Tenders received in respect of proposed contracts, provided they have been sought and evaluated fully in accordance with these contract procedure rules.
- 7.16.4. Where provision has been made within the annual budget or formally approved capital programme, a Tender may be accepted if it is within the estimate. Where a Tender exceeds the estimated amount then the PCC CFO must be consulted.
- 7.16.5. Where the Total Value exceeds £25, 000 the Procurement Partner will notify and debrief all Tenderers simultaneously and as soon as possible of the intention to award the contract to the successful Tenderer. For Two Stage Tenders all Applicants will be notified and debriefed simultaneously following completion of the pre-qualifying stage.
- 7.16.6. For all contracts subject to EU Procurement Regulations, the Procurement Partner will ensure compliance with enhanced notice requirements under Alcatel standstill rules. Failure to comply with the EU procedures can result in various penalties including those defined in the Remedies Directive.
- 7.16.7. There is now a requirement to issue an “Award Decision Notice” to all unsuccessful Applicants. This has to be done as soon as possible after making the decision and by the most rapid means possible. The notice must contain:
- i. the score of the recipient against the Award Criteria used
 - ii. the name of the winner and their score
 - iii. reasons for the decision, including the characteristics and relative advantages of the successful Tender
 - iv. if the Tender was not held to be compliant with any technical specification, the reasons for that decision
 - v. a precise statement of when the standstill period starts and ends, including how it may be affected by any “contingencies” e.g. clarification requests from Tenderers or formal legal challenges
 - vi. the date after which the contract may be entered into.

- 7.16.8. If the decision is formally challenged by an unsuccessful Tenderer then the Procuring Officer shall not award the contract and shall immediately seek the advice of the Procurement Advisor and Legal Services.
- 7.16.9. For all contracts where the total value exceeds £25,000 a formal Tender Award Report shall be prepared for the attention of the Authorising Officer. The report should detail the scoring methodology used, the Tender scores, identify the winning Tenderer, and the justification for the winning Tender (lowest price or most economically advantageous Tender).
- 7.16.10. No formal award will be made to the successful Tenderer until written authorisation has been obtained for the total value of the contract in accordance with the Contract Authorisation Limits stipulated in the Standing Orders
- 7.16.11. Under no circumstances, must a letter of intent be communicated to any Tenderer prior to the formal award of contract.
- 7.16.12. For NP tenders the PCC gives formal delegation to the CC to award all tenders for which the Force are responsible.

7.17 Cancellations, variations, extensions or termination of contracts

- 7.17.1. Other than at the expiry of an agreed term, no contracts shall be terminated or cancelled without considering as to whether such action is in accordance with contractual terms and conditions. Any cancellation or termination must be made formally in writing and any requirement for a period of notice must be observed and acted on.
- 7.17.2. Where there is a wish to cancel or terminate contracts prior to their “natural” expiry or to utilise a contract term which allows for early termination other than by way of breach, advice must be taken from the Procurement Advisor who may in turn take appropriate legal advice depending on the reason for the request. Under no circumstances should employees verbally instruct suppliers or others engaged on behalf of contracted suppliers that their services or goods are no longer required. Inappropriate cancellation or termination of contracts may result in legal action and subsequent costs being borne by the NOPCC or the Force. All cancellations or terminations shall be made by the Procurement Advisor in writing. Approval of variation, extension and termination of contracts are in accordance with clause 8.10 of this document.
- 7.17.3. If a request is made for a variation to contract, the value of the variation must be considered in line with the total contract value specified in the Advertisement (especially any OJEU notice) and/or if a material change

whether this changes the scope specified in the Advertisement. If the aggregated value exceeds the authority level of the original contract signatory, then appropriate authorisation should be sought prior to issue of the variation to contract. All variations to contract must be made formally in writing by the Procurement Advisor and written agreement received from the supplier. Approvals of variations in contracts must be given in accordance with the delegated limits within Clause 8.10 within this document.

7.17.4. The Procurement Partner will conduct a formal review with the budget holder at an appropriate time prior to the expiry of any contract. If there are options within the terms to extend the contract, then subject to satisfactory performance by the supplier and agreement from the budget holder, the contract will be extended with the supplier after exploring any cost reduction opportunities. Where there are no further extension options available then the contract may be terminated and any subsequent contract will be let in accordance with these Contract Procedure Rules and Standing Orders, unless extended as per Clause 7.17.5.

7.17.5. Where an extension to a contract is beyond the extension period allowed in the contract, the exceptions to normal procedures (clause 7.5) must be followed. However, this is not permitted if the contract was advertised in OJEU. The total value of the contract must be considered which is the total current contract value plus the value of the proposed extension.

7.18 Document retention and record keeping

7.18.1. All documentation relating to contracts should be retained in accordance with the NOPCC and the Force's requirements.

7.18.2. All amounts quoted throughout this document are exclusive of VAT. Where the Contract Value is less than £25,000 it is advisable to keep basic records. As a minimum, records must be maintained of any quotations received and the award made.

7.18.3. Where the Total Value is between £25,000 and £50,000, the following records must be kept in accordance with Clause 7.18.5:

- i. invitation to quote and quotations from the successful and unsuccessful Applicants
- ii. any exceptions and the reason for them
- iii. the evaluation criteria and methodology applied to the award decision.

iv. Written records of communications with the successful supplier or an electronic record if a written record of the transaction would normally not be produced.

7.18.4. Where the Contract Value exceeds £25,000 the Procurement Partner will manage and conduct the full procurement process on behalf of the NOPCC and will take responsibility for formally recording and retaining all documents relating to the process in accordance with NOPCC requirements

7.18.5. Records must be kept for six years after the end of the contract and for contracts signed under seal, records must be kept for twelve years after the end of the contract. Pre-Qualification Questionnaires and Invitation to Tender documents which relate to unsuccessful Applicants will be retained for 12 months from the commencement date of contract.

7.18.6. EMSCU shall maintain a register of all contracts, let on behalf of the NOPCC and the Force and will provide reports for the NOPCC/Force as appropriate.

7.18.7. The content and frequency of the reports referenced in clause 7.18.6 will be agreed with the OPCC Chief Executive.

7.19 Freedom of Information

7.19.1. Information may be requested at any time on any process managed by the Procurement Advisor. Where information, for example, Tender responses must be retained, they should be kept in a manner that ensures they are secure and accessible at a later date.

7.19.2. Generally almost all of the content of a Tender will be considered commercially sensitive by a prospective supplier. This does not ensure that all the information the supplier would rather have kept in confidence, is not ultimately released.

7.19.3. Appropriate steps will be taken to enquire with prospective suppliers, as to the information they feel should be exempt from release and the FOI legislation allows for certain exemptions, although the decision as to potential release rests with the NOPCC and the FOI team.

7.19.4. If in doubt as to whether information should be released, the Officer should seek advice from their line manager.

8. CONTRACT STANDING ORDERS

8.1. Introduction and Purpose

These Contract Standing Orders set out the rules by which the NOPCC/Force spends money on supplies, services and works in order to deliver its services. They apply to any contracts that result in a payment being made by, or to, the NOPCC. Contract standing orders aim to ensure that we:

- i. achieve Value for Money for public money spent
- ii. be consistent with the highest standards of integrity
- iii. ensure fairness in allocating public contracts
- iv. comply with all legal requirements, particularly in relation to the Public Contract Regulations
- v. support the corporate aims and policies of the NOPCC and the Force
- vi. comply with Procurement policy and procedures of the NOPCC and the Force

8.2. Responsibilities

8.2.1. All staff employed by the PCC and the Force must abide by contract standing orders in the conduct of the business of the office unless an exception is granted by the PCC CFO. Failure to comply may result in disciplinary action. All those engaged in procurement and contracting activity must also ensure that any Agents, Consultants and contractual partners acting on their behalf also comply.

8.2.2. Prior to undertaking a procurement exercise, Procuring Officers must:

- i. check with EMSCU whether a suitable Corporate Contract or Framework exists before seeking to let another contract. Where a suitable Corporate Contract exists, this must be used unless there is an auditable reason not to keep the records required under these rules as per Clause 7.18.
- ii. ensure that the Transfer of Undertaking (Protection of Employment) (TUPE) issues are considered and obtain legal advice before proceeding with inviting Tenders when an employee of the NOPCC, or of a service provider may be affected by any transfer arrangement
- iii. take proportionate account of all relevant risks, particularly relating to the Public Contracts Regulations*

*Note: Any public sector or utilities contract awarded in breach of certain fundamental Public Contract Regulations can be declared “ineffective” by the Courts. Depending on the circumstances of the breach, the Courts may order the setting aside of the decision concerned; order the contracting authority to amend any

document; make an award of damages to an economic operator, and order the contracting body to pay a fine.

8.3. Responsibilities of the Chief Executive and EMSCU

8.3.1. The responsibilities of the Chief Executive are to :

- i. Ensure that their respective staff comply with these orders

8.3.2. The responsibilities of EMSCU are to :

- i. act on behalf of the NOPCC and the Force where referenced within these contract standing orders and comply with the requirements of the scheme of delegation ensuring the necessary authorisations are given.
- ii. keep a register of contracts and arrange their safekeeping
- iii. keep a register of contract exceptions

8.4. Relevant Contracts

8.4.1. All Relevant Contracts must comply with these Contract Standing Orders. A Relevant Contract is any arrangement made by, or on behalf of, the NOPCC/Force for the carrying out of works or for the supply of goods, materials or services. These include arrangements for:

- i. the supply or disposal of goods
- ii. the hire, rental or lease of goods or equipment
- iii. the execution of works
- iv. the provision of services

8.4.2. Relevant Contracts do not include:

- i. Contracts of employment which make an individual a direct employee of the NOPCC or the Force
- ii. Instruction of counsel and external legal advisors
- iii. Partnership Agreements.

8.5. Purchasing – Competition Requirements

8.5.1. Where the Total Contract Value for a purchase is within the values in the first column of the table below, the Procurement Process in the second column must be followed.

Total Contract Value	Procurement Process	Procurement Lead
Up to £10,000	One oral Quotation confirmed in writing	Officer
Between £10,001 and £25,000	At least three written Quotations	Officer
Above £25,000 and below EU Threshold	Use of Framework or Invitation to Tender.	Procurement Partner
Above EU Threshold See Appendix C	Apply EU Procurement Directive	Procurement Partner

8.5.2. A Procuring Officer must not disaggregate a requirement nor select a method of calculating the Total Contract Value in order to minimize the robustness of the procurement process.

8.6. Assets for Disposal

Assets for disposal must be sent to public auction except where better Value for Money is likely to be obtained by inviting Quotations and Tenders. These may be invited by advertising on the NOPCC internet site, the UK Police Property Disposal Site or in an appropriate journal. In the case of the latter, the method of disposal of surplus or obsolete stocks / stores or assets other than land must be formally agreed by the PCC CFO in accordance with the NOPCC Scheme of Delegation. The basis upon which obsolete stocks / stores are declared surplus to requirements shall be in accordance with the NOPCC Financial Regulations.

8.7. Collaborative and Partnership Arrangements

Collaborative arrangements are subject to UK and EU procurement legislation and case law. They must follow these Contract Procedure Rules. In the case of private finance initiatives (PFI) and other public/private sector partnerships, such contracts must be approved and authorised in accordance with the scheme of delegation. If in doubt, Officers must first seek the advice of the Chief Executive.

8.8. The Appointment of Consultants to Provide Services

Consultant architects, engineers, surveyors and other professional Consultants shall be selected and commissions awarded in accordance with these Contract Procedure Rules.

8.9. Contract Documents

8.9.1. A NOPCC or Force Purchase Order must be used and include :

- a description of what is to be supplied (i.e. the product, materials, works, services

- the provisions for payment (i.e. the price to be paid and when, including any milestones)
- the time, or times, within which the contract is to be performed
- the Standard Terms and Conditions of Order or the terms and conditions of the Framework being used.

8.9.2. All Relevant Contracts that exceed £25,000, and excluding direct call-offs using Purchase Orders against Frameworks, shall be in writing and will clearly specify :

- i. Contract Title
- ii. Contract Duration
- iii. The Invitation to Tender
- iv. Full details of the specification agreed between both parties
- v. Pricing Details
- vi. Insurance levels of the supplier
- vii. Contract Terms and Conditions including ant Special Conditions
- viii. The Data Handling Schedule that will apply
- ix. Performance Schedules
- x. Change Control mechanism and a record of any Changes agreed

8.9.3. All written contracts that exceed £200,000 as per clause 8.10.2 are to be signed under seal

8.10 Contract Authorisation Levels

8.10.1. The following Contract Authorisation Limits shall apply:

i. Total Value of Contract (includes any extension options)	Method of Completion	Level of Authorisation
£0 to £24,999	Signature / Purchase Order	Budget Holder/ Director
£25,000 to Upper Limit of EU Procurement threshold (currently £181,302)	Signature / Purchase Order if a Framework call-off or Written Contract	CFO to the CC
In excess of EU Procurement threshold (currently £181,302)	Signature / Purchase Order if a Framework call-off or Written Contract	Chief Executive/Commissioner
ii. Approval of exemption to contract standing order (Single Tender Action)*,authorisation of such purchases are in line with the contract standing order as above in i.	Up to £10,000	Purchases require a minimum of one written quote
	More than £10,000	PCC CFO
iii. Approval of all sensitive contracts.		Commissioner
iv. Approval of non-sensitive contract variation	In line with delegated limits and on advice from EMSCU	Variation that results in the delegated limit being exceeded will require the approval of delegation above the said level
v. Approve all variations, termination and extensions of sensitive contracts	Commissioner	
vi. Termination of non-sensitive contracts	Up to EU Public Procurement threshold (currently £181,302)	CFO to the CC
	In excess of EU Public Procurement threshold	Commissioner

8.10.2. All contracts must be concluded formally in writing before the supply, service or construction work begins, except in exceptional circumstances, and then only with the written authorisation as per the above authorisation levels. An award letter is insufficient. The Procuring Officer responsible for securing signature of the contract must ensure that the person signing for the other contracting party has authority to bind it.

8.11 Bond and Parent Company Guarantees

The Procuring Officer must consult the PCC CFO about whether a Parent Company Guarantee is necessary when an Applicant is a subsidiary of a larger group/company and:

- i. the Total Value exceeds £250,000, or
- ii. award is based on evaluation of the parent company, or
- iii. there is some concern about the stability of the Applicant.

8.12 Prevention of Fraud and Corruption

8.12.1. The Officer must comply with the NOPCC Business Code of Conduct and Anti-Fraud and Corruption Policy and must not invite or accept any gift or reward in respect of the award or performance of any contract. It will be for the Officer to prove that anything received was not received corruptly. High standards of conduct are obligatory. Corrupt behaviour will lead to dismissal and is a crime.

8.12.2. The following clause must be included in every written NOPCC contract:
“The NOPCC may terminate this contract and recover all its loss if the Supplier, its employees or anyone acting on the Supplier’s behalf do any of the following:

- i. offer, give or agree to give to anyone any inducement or reward in respect of this or any other NOPCC contract (even if the Supplier does not know what has been done), or
- ii. commit an offence under the Bribery Act 2010 or Section 117(2) of the Local Government Act 1972, or
- iii. commit any fraud in connection with this or any other NOPCC contract whether alone or in conjunction with NOPCC members, suppliers or employees.

8.12.3. The NOPCC or the Force could be liable where someone who performs services for it, such as an employee or agent, pays a bribe specifically to gain business, keep business, or gain a business advantage for a particular organisation. The Officer should perform a risk assessment regarding the bribery risks that the organisation might face, and exercise due diligence before engaging others to represent the NOPCC in business dealings. Written contracts shall also

refer to and highlight whistle blowing arrangements as set out in the Anti-Fraud and Corruption policy documents.

8.13 Declaration of Interests

- 8.13.1. If it comes to the knowledge of an Officer or an employee of the NOPCC or anyone acting on behalf of the NOPCC that a contract in which he or she has a pecuniary interest has been or is proposed to be entered into by the NOPCC, he or she shall immediately give written notice to the Chief Executive. The Chief Executive shall report such declarations to the PCC.
- 8.13.2. Such written notice is required irrespective of whether the pecuniary interest is direct or indirect. An indirect pecuniary interest is distinct from a direct pecuniary interest in as much as it is not a contract to which the member or employee is directly a party.
- 8.13.3. The Chief Executive as the monitoring Officer shall maintain a record of all declarations of interests notified to him by any Officer.

APPENDIX A

Terms and Definitions

“Advertisement” is the means by which a Procurement Exercise is advertised, and includes (where appropriate) the ‘Contract Notice’ as defined in the Public contract Regulations 2006.

“Applicant” means an organisation that applies to be a supplier of goods and/or services to the NOPCC, usually by responding to an advertisement issued by the PCC for a specific contract requirement

“Authorised Officer” means any member of staff authorised to undertake procurement activity on behalf of the PCC.

“Award Criteria” means the evaluation criteria applied to select the successful tenderer in a single stage process, or for two stage tenders, the evaluation criteria applied to the second stage of the process to evaluate offers from Tenderers. In a two stage process, Award Criteria is specific to the delivery of the contract and can be solely based on the proposed cost of the contract or used to select the most economically advantageous Tender which evaluates the proposed cost and all the service delivery factors of the contract.

“Best Value” means the duty of the NOPCC, and the Procurement Advisor to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

“CC” means the Chief Constable of Nottinghamshire Police

“Chief Executive” – means the Chief Executive to the Nottinghamshire Police and Crime Commissioner

"Contract" means a binding agreement between two or more parties for performing, or refraining from performing, some specified act(s) in exchange for lawful consideration.

"Contract Extension" means an extension to the duration of the contract, but not including any alteration to the scope of the contract.

"Contract Variation" means an alteration to the scope of the contract, but not the extension of the duration of the contract.

“Corporate Contract” means any Contract or Framework Agreement or other arrangement put in place by the Procurement Advisor itself, or any other Public Sector Organisation (including other Local Authorities) or Consortium in which the Procurement Advisor on behalf of the NOPCC is entitled to participate and which, where necessary, has been awarded in an EU compliant manner.

"Estimated Contract Value” or **“Estimated Value”** means the total estimated value of the contract. Where the contract period is fixed the Estimated Value shall be the total estimated maximum value of the supplies, services or works to be supplied over the period covered including any extensions to the contract. If the contract period is unknown, a nominal period of 48 months shall be applied to the calculation.

“EU Directives” as implemented in to the Public Contracts Regulations (see separate definition)

"EU Threshold" means the respective threshold for Supplies, Works or Part A services contracts referred to in the Public Contract Regulations 2006.

“FOI Team” means the team that receives and processes Freedom of Information requests on behalf of the NOPCC

“Framework Agreement" is a general term for agreements with suppliers which set out terms and conditions under which specific purchases (call-offs) can be made throughout the term of the agreement. The Framework Agreement may, itself, be a contract to which the EU procurement directives apply.

A **"Further Competition"** is undertaken where not all the terms of a proposed contract are laid down in a Framework Agreement. It involves re-opening competition between the organisations which are parties to the Framework Agreement and which are capable of performing the proposed contract, on the basis of the same or, if necessary, more precisely formulated terms, and where

appropriate other terms referred to in the contract documents based on the Framework Agreement.

A public sector “**Grant**” involves the provision of subsidy (capital or revenue) funding, by the relevant public sector body, in support of a charitable, or other public benefit, service, which the public body wishes to support, as part of fulfilling its own public benefit remit. A grant is provided on conditions aimed at ensuring the proper application of the grant funds, but not in return for anything.

“**Invitation to Tender**” means the document(s) containing the specification, proposed terms and conditions and other appropriate information as issued to the Tenderers to solicit Formal Tenders.

“**NOPCC**” means the Nottinghamshire Office of the Police and Crime Commissioner

“**NP**” means Nottinghamshire Police

“**Officer(s)**” means any member of Staff employed by the PCC, other than named references to specific posts.

“**OJEU**” means Official Journal of the European Union

“**PCC**” means the Nottinghamshire Police and Crime Commissioner

“**PCC CFO**” means the Chief Financial Officer of the Police and Crime Commissioner (or in his/her absence the nominated Deputy Chief Finance Officer of the PCC)

“**Post Tender Negotiations**” means the ability to negotiate with a Tenderer after a Tender has been opened and evaluated in accordance with the published evaluation criteria for the purposes of securing an improvement in the delivery of the contract including but not limited to improvements in price.

“Procurement Advisor” means the body appointed by the NOPCC to provide advice and support on all procurement matters

“**Procurement Exercise**” means any process by which goods, services and/or works are to be procured including but not limited to Request for Quotations and Formal Tender Processes.

“**Procuring Officer**” means any Officer, acting under the delegated powers of the PCC, who is responsible for the procurement of goods and services. “**Public Contracts Regulations 2006**” means the Public Contracts Regulations 2006 as amended, modified, consolidated, extended, re-enacted or replaced, including the Public Contracts (Amendment) Regulations 2009. These Regulations implement the EU Consolidated Directive on Public Procurement into UK law and reflect the principles of the EU Treaty of Rome.

A **“Quotation”** is an offer to sell works, goods and/or services at a stated price under specified conditions. A Quote or Quotation may or may not be written. **“Selection Criteria”** means the evaluation criteria used to assess Applicants/Tenderers regarding their legal status, economic and financial standing and technical capacity and capability to deliver a specific contract for goods and/or services to the PCC. In a two stage process successful Applicants that pass the evaluation criteria progress to the tender stage of the process

“Standard Terms and Conditions of Order” means the standard contractual terms used by the NOPCC, including those attached to Purchase Orders or Purchase Orders generated by the Purchase Order System and those included in Request for Quotation templates.

“Tender” means the formal offer from a Tenderer, which is capable of acceptance by the PCC, which is a response to an Invitation to Tender. It shall include all documents comprising the submission including pricing, technical specification and method statements as well as information about the Tenderer. A written Quote or Quotation is also a Tender.

“Tenderer” or **“Tenderers”** means the organisations invited to participate in a Procurement Exercise.

“Variation” – see “Contract Variation”

APPENDIX B

List of relevant legislation

(to be continually updated)

- Police Reform and Social Responsibility Act 2011
- Police Act 1996 (Equipment) Regulations 2010 – in force from 04 March 2011
- Public Contracts Regulations 2006
- Public Contracts (Amendment) Regulations 2009
- Public Procurement (Miscellaneous Amendments) Regulations 2011 – in force from 01 October 2011
- The Bribery Act 2010 – in force from 01 July 2011
- Human Rights Act 1998
- Data Protection Act 1998
- Freedom of Information Act 2000
- Construction Act 2011 – in force from 01 October 2011
- Health and Safety at Work Act 1974
- Equality Act 2010
- Welsh Language Act 1993
- TUPE Regulations 1981 and 2006
- The Waste Electrical and Electronic Equipment Regulations 2006 (the WEEE Regulations”)
- Public Service (Social Value) Act 2012
- EU Procurement Thresholds

APPENDIX C

Thresholds applicable from 1 January 2018 until further notice are given below.
Thresholds are exclusive of VAT.

PUBLIC CONTRACTS REGULATIONS 2006 – THRESHOLDS FROM 01 JANUARY 2018

	SUPPLIES	SERVICES	WORKS
Contract Notices	£181,302	£181,302	£4,551,413
	€205,500	€205,500	€5,158,400

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Risks related to the requirement (please limit to 100 words)

Section 6 - Total value of the contract

Gross

Section 7 – Procurement Services

Date Received :

Document Ref No:

Procurement comments

STA supported by Procurement

YES NO

Signature

Date

Section 8 – Head of Department / Budget Holder comments

STA supported by Head of Department

YES NO

Signature

Date

Section 9 – PCC CFO/CFO to the CC and comments (please consult Financial Regulations for relevant Authorisation levels and Scheme of Delegation)

STA supported by PCC CFO/CFO to the CC

YES NO

Signature

Date

Section 10 – The Police and Crime Commissioner and comments (please consult current OPCC Financial Regulations for relevant Authorisation levels and Scheme of Delegation)

STA supported by Police and Crime Commissioner

YES NO

Signature

Date

Appendix 3 – Commissioning Framework

**The Nottinghamshire Police and Crime
Commissioner's
Commissioning Framework**

November 2018

Contents

Introduction	3
Background	3
Context	4
Legal duties	4
Nottinghamshire Police and Crime Plan	4
Nottinghamshire Victims' Strategy	5
Commissioning Overview	5
What is commissioning?	5
PCC's commissioning cycle	6
Principles of good commissioning	6
Activity required through the commissioning cycle	7
Understand	7
Plan	7
Do	8
Review	8
Social value	8
Value for money	10
Co-production	10
De-commissioning	11
Commissioning roles and responsibilities	11
PCC	11
Local people and victims	11
Nottinghamshire Police and Community Safety Partnerships	12
Third sector organisations and communities	12

Other stakeholders	12
Police and Crime Panel	13
Co-commissioning	13
Equality	13
Procurement	14
Grants or contracts	15
Factors to determine whether to grant fund or procure	15
Appendix 1: Commissioning Intentions 2018-9	18
Appendix 2: Glossary	20

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Introduction

This document sets out how the Police and Crime Commissioner for Nottinghamshire (“the PCC”) will commission activity to deliver outcomes set out in his Police and Crime Plan 2018-2021. His commissioning intentions for 2018-9 are set out in Appendix 1.

Background

The PCC has a wide remit to cut crime and improve community safety in Nottingham and Nottinghamshire. His Police and Crime Plan 2018-21¹ sets out his vision to work with local people and partners to achieve a safer Nottingham and Nottinghamshire. The Plan includes a strategic framework setting aims to protect people from harm, help and support victims, tackle crime and antisocial behaviour and transform services and deliver quality policing.

Smart commissioning and partnership working with local people and other public agencies are crucial to the PCC being able to drive forward action to achieve his strategic framework. This Commissioning Framework provides a consistent and transparent approach for the PCC to commission activity in Nottinghamshire. It focuses on outcomes, recognises diversity in all stages of the commissioning cycle and places the involvement of victims, communities, voluntary and community organisations and public sector criminal justice partners at its heart.

The Framework clarifies when and how the PCC will commission services. It is informed by his values:

- Professional: the PCC will implement national and local best practice in commissioning
- Respect for All: the PCC will actively work with local people, victims and survivors, and communities to ensure their needs shape his commissioning activity
- One Team: the PCC will work collaboratively wherever possible with his public sector partners to co-commission services for shared outcomes. He will also work to invest in local services, recognising that investing in local organisations can have a multiplier effect: supporting local jobs and suppliers
- Utmost integrity, trust and honesty: the PCC will commission work to deliver his pledges, complying with legislative requirements and ensuring commissioning activity is transparent, fits within robust financial and procurement standards and delivers value for money
- Doing it differently: the PCC will support innovative approaches wherever possible to achieve his strategic aims.

The Framework is underpinned by the PCC's Financial Regulations² and the PCC and Nottinghamshire Police's Corporate Governance and Working Together³ document.

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¹ <https://www.nottinghamshire.pcc.police.uk/Document-Library/Public-Information/Police-and-Crime-Plan/New-Plan-2018-2021/Police-and-Crime-Plan-2018-2021.pdf>

² <https://www.nottinghamshire.pcc.police.uk/Document-Library/Our-Money/Financial-Regulations-March-2013.pdf>

³ <https://www.nottinghamshire.pcc.police.uk/Document-Library/Public-Information/Policies-and-Procedures/Corporate-Governance-and-Working-Together-2014-18.pdf>

Context

Legal duties

PCCs have commissioning powers, set out in the Police Reform and Social Responsibility Act (PRSR) 2011⁴, to help them achieve their remit to cut crime and improve outcomes for victims of crime. The power to make crime and disorder grants, with conditions, is contained in section 9 of the PRSR Act, and the power to contract for services is set out in paragraph 14 of Schedule 1 and paragraph 7 of Schedule 3. Section 10 includes giving PCCs responsibility for co-operative working.

These powers allow, within the constraints of the relevant funding streams, PCCs to pool funding as they and local partners deem appropriate. PCCs can commission services or award grants to organisations or bodies that they consider will support their community safety priorities in accordance with their Police and Crime Plans. They may do this individually or collectively with other local partners including non-policing bodies. PCCs must have regard to the relevant priorities of each responsible authority.

PCCs were given the power to commission local support services for victims of crime by the Anti-Social Behaviour, Crime and Policing Bill in March 2014⁵.

They receive a grant from the Ministry of Justice (“MoJ”) to commission local victim support services, in line with the Code of Practice for Victims of Crime 2015⁶ and to support victims to achieve cope and recover outcomes.

PCCs must comply with the Public Contracts Regulations 2015⁷ when commissioning services. The regulations build on the EU Public Sector Directive 2014⁸, allowing scope for more flexible procurement and clarifying that contracting authorities can incorporate social, ethical and environmental aspects into specifications, contract conditions and award criteria.

The Public Services (Social Value) Act 2012⁹ requires PCCs to think about how they can secure wider social, economic and environmental benefits when procuring services. The question: “how will what is proposed to be procured secure wider social, economic and environmental benefits?” must be considered at the pre-procurement stage of commissioning.

Nottinghamshire Police and Crime Plan 2018-2021

⁴ <http://www.legislation.gov.uk/ukpga/2011/13/contents/enacted>

⁵ <https://services.parliament.uk/bills/2013-14/antisocialbehaviourcrimeandpolicingbill.html>

⁶ <https://www.gov.uk/government/publications/the-code-of-practice-for-victims-of-crime>

⁷ <http://www.legislation.gov.uk/uksi/2015/102/contents/made>

⁸ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0024>

⁹ <http://www.legislation.gov.uk/ukpga/2012/3/enacted>

The Plan's strategic objectives and outcomes are:

No	Strategic objective	Outcomes
1	Protecting people from harm	<ul style="list-style-type: none"> • More vulnerable people are protected and safeguarded • Improve capacity and capability to identify and deal with new serious and emerging threats • Maintain focus on action to address the key drivers of crime and demand
2	Helping and supporting victims	<ul style="list-style-type: none"> • More people have the confidence to report crime and focus resources on repeat victimisation • More victims cope and recover • Victims cope and recover following restorative justice
3	Tackling crime and antisocial behaviour	<ul style="list-style-type: none"> • Communities and people are safer and feel safer • Fewer people commit crime and offenders are supported to rehabilitate • Build stronger and more cohesive communities
4	Transforming services and delivering quality policing	<ul style="list-style-type: none"> • Improve community and victim confidence and satisfaction in policing • Improve service delivery and save money through collaboration and innovation • The Police workforce is representative of the community it serves and has the resources to do its job

All commissioning activity must deliver the above outcomes.

Nottinghamshire Victims' Strategy

The PCC's Victims' Strategy sets out a vision that victims and survivors in Nottinghamshire are resilient and less likely to be re-victimised; empowered to cope and recover from crime and anti-social behaviour by timely and effective victim-centred support from local services, families and communities. The Strategy includes an action plan including commissioning intentions for future victims' services.

Commissioning overview

What is commissioning?

Commissioning is about considering how the PCC can best use all the resources at his disposal to achieve his outcomes. It is not simply about procuring (purchasing)

services. It is about researching need and change required and deciding how best to use resources to achieve the required change. The National Audit Office defines commissioning as: “The cyclical process by which public bodies assess the needs of people in an area, determine priorities, design and source appropriate services, and monitor and evaluate their performance.”¹⁰

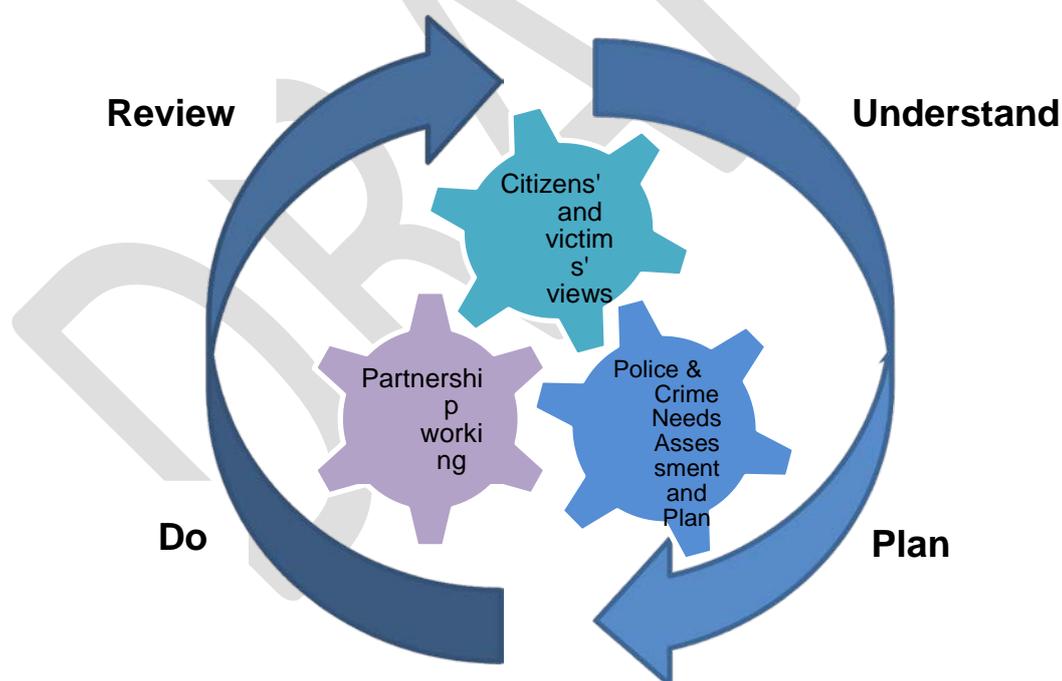
The Ministry of Justice defines commissioning as: “deciding how to use the total resources available in order to improve users’ outcomes in the most efficient, effective and sustainable way”¹¹.

Commissioning is a continuous process, involving:

- user and community engagement and need analysis;
- strategically planning services which deliver sustainable outcomes;
- implementing plans, shaping markets, securing services and outcomes;
- monitoring the delivery of outcomes, evaluating and challenging services.

It is often set out as a cycle, demonstrating continuous improvement with learning and feedback from one cycle feeding into the next.

PCC’s Commissioning Cycle



¹⁰ <http://www.nao.org.uk/successful-commissioning/glossary-of-terms/>

¹¹ Victims’ Services Commissioning Framework, Ministry of Justice, May 2013

This cycle places the needs of local people and victims, partnership working and delivery of outcomes at its heart. Partnership working may be with the market and delivery organisations as well as our public sector criminal justice partner organisations. Further detail about each stage of the commissioning cycle, and the roles of the PCC, partners and local people is outlined from page 8.

This Framework includes terms for activities within the commissioning process, such as procurement, value for money. There is a glossary in Appendix 2.

Principles of good commissioning

The National Audit Office¹² has outlined eight principles of good commissioning, which, when embedded, can provide efficiency gains and better public outcomes for individuals and communities. This is achieved through smarter, more effective and innovative commissioning, and optimal involvement with third sector organisations in public service design, improvement, delivery and holding the public sector to account. The principles are:

1. Understanding the needs of users and other communities by ensuring that, alongside other consultees, engagement is made with the third sector organisations, as advocates, to access their specialist knowledge;
2. Consulting potential provider organisations, including those from the third sector and local experts, well in advance of commissioning new services, working with them to set priority outcomes for that service;
3. Putting outcomes for users at the heart of the strategic planning process;
4. Mapping the fullest practical range of providers with a view to understanding the contribution they could make to delivering those outcomes;
5. Considering investing in the capacity of the provider base, particularly those working with hard-to-reach groups;
6. Ensuring contracting processes are transparent and fair, facilitating the involvement of the broadest range of suppliers, including considering sub-contracting and consortia building, where appropriate;
7. Ensuring long-term contracts and risk sharing, wherever appropriate, as ways of achieving efficiency and effectiveness; and
8. Seeking feedback from service users, communities and providers in order to review the effectiveness of the commissioning process in meeting local needs.

Activity required throughout the commissioning cycle

Key documents through the commissioning cycle are the Police and Crime Needs Assessment, which provides an in depth analysis of policing and crime strategic and operational needs; and the Police and Crime Plan, which sets out the PCC's strategic aims, the outcomes he seeks to achieve and the activity he wishes to support.

¹² Successful Commissioning Guide, National Audit Office <http://www.nao.org.uk/successful-commissioning/>

Understand

This stage includes the activities required to ensure that the PCC has the best information and understanding about the needs he is trying to meet. Activities include:

- working with local people, victims, communities and public sector partners to identify needs and what should change;
- producing an up to date Police and Crime Needs Assessment, with further detailed assessment of areas of need when appropriate;
- exploring how equality, diversity and community cohesion matters intersect with the needs he seeks to meet;
- working with providers, Nottinghamshire Police, local authorities, probation and other criminal justice agencies, clinical commissioning groups and NHS England to identify common outcomes and areas for potential collaboration;
- ensuring a clear understanding of relevant legislation and guidance;
- analysing existing service provision and the potential market, benchmarking wherever possible.

Plan

This stage includes the activities required to ensure there are effective plans to meet identified needs, within available resources and agreed timescales. Activities include:

- producing and refreshing annually a Police and Crime Plan, setting out outcomes to be achieved;
- conducting an options appraisal to develop the best approach to support the commissioning strategy, including costs, benefits and risks of different approaches, as defined by local people and including likely impact on outcomes;
- conducting an Equality Impact Assessment and a risk assessment of the commissioning strategy and the procurement plan;
- consideration of the legislative and local strategic context and value for money;
- co-producing service specifications with local people, victims and partners;
- market development, which might include capacity building;
- agreement of a commissioning strategy with agreed priorities and outcomes, shaped by local people, communities and other stakeholders.

Do

This stage includes the activities required to ensure the actual purchase of services and securing of the outcomes identified in the Plan stage. Activities include:

- procurement and purchasing processes, actively involving local people and victims;
- administering grant funding programmes;
- considering equality, diversity and cohesion matters as appropriate;
- managing contracts and provider relationships effectively.

Review

This stage includes the activities required to ensure that the outcomes sought were delivered, that lessons are learnt from commissioned activity and that the learning is considered with appropriate action taken forward to improve future commissioning. Activities include:

- gathering meaningful feedback from local people, victims, communities and stakeholders;
- reviewing the commissioning strategy and procurement plans and identifying lessons learnt;
- assessing the performance of the contract/s;
- evaluating whether the outcomes were achieved and their wider impact on the delivery of the Police and Crime Plan.

Social Value

Social value is defined by Social Value UK¹³ as: “the quantification of the relative importance that people place on the changes they experience in their lives. Some, but not all of this value is captured in market prices. It is important to consider and measure this social value from the perspective of those affected by an organisation’s work.”

The needs and views of local people and victims of crime must define “value” in this context. The Local Government Association and SROI network recognise the following activity to recognise “value” in commissioning¹⁴:

- Understand phase:
 - recognise proposals from stakeholders and consultation results as prompt to investigate need;
 - put in place systems to prompt proposals from stakeholders to improve services and fill gaps;
 - involve stakeholders to identify contributory factors and how to tackle them
 - identify potential to influence the objectives of other stakeholders who carry out activities
 - relating to this need;
 - research what would happen without doing anything.
- Plan phase:
 - work with local people, victims and other stakeholders in generating options;

¹³ <http://www.socialvalueuk.org/what-is-social-value/>

¹⁴

<http://www.socialvalueuk.org/app/uploads/2016/03/Guide%20to%20Commissioning%20for%20Maximum%20Value.pdf>

- use forecast social return on investment (SROI) as part of appraising options, including consideration of value for, and negative impact on, all stakeholders;
 - seek solutions that will take important, but previously unrecognised or under-recognised value into account;
 - set research agendas in areas where value is unclear.
- Do phase:
 - collaborate with public and civil society stakeholders in resourcing and sourcing the solution, bearing in mind possible significant cross-boundary resource or result implications;
 - take account of opportunities to maximise the value of the service through the sourcing strategy by communicating with providers about the desired positive value and potential negative value;
 - take account of value in award decisions, contract conditions and performance monitoring.
 - Review phase:
 - design monitoring systems to focus on key areas of value;
 - incentivise good performance against priority outcomes;
 - use evaluative SROI as part of service review.

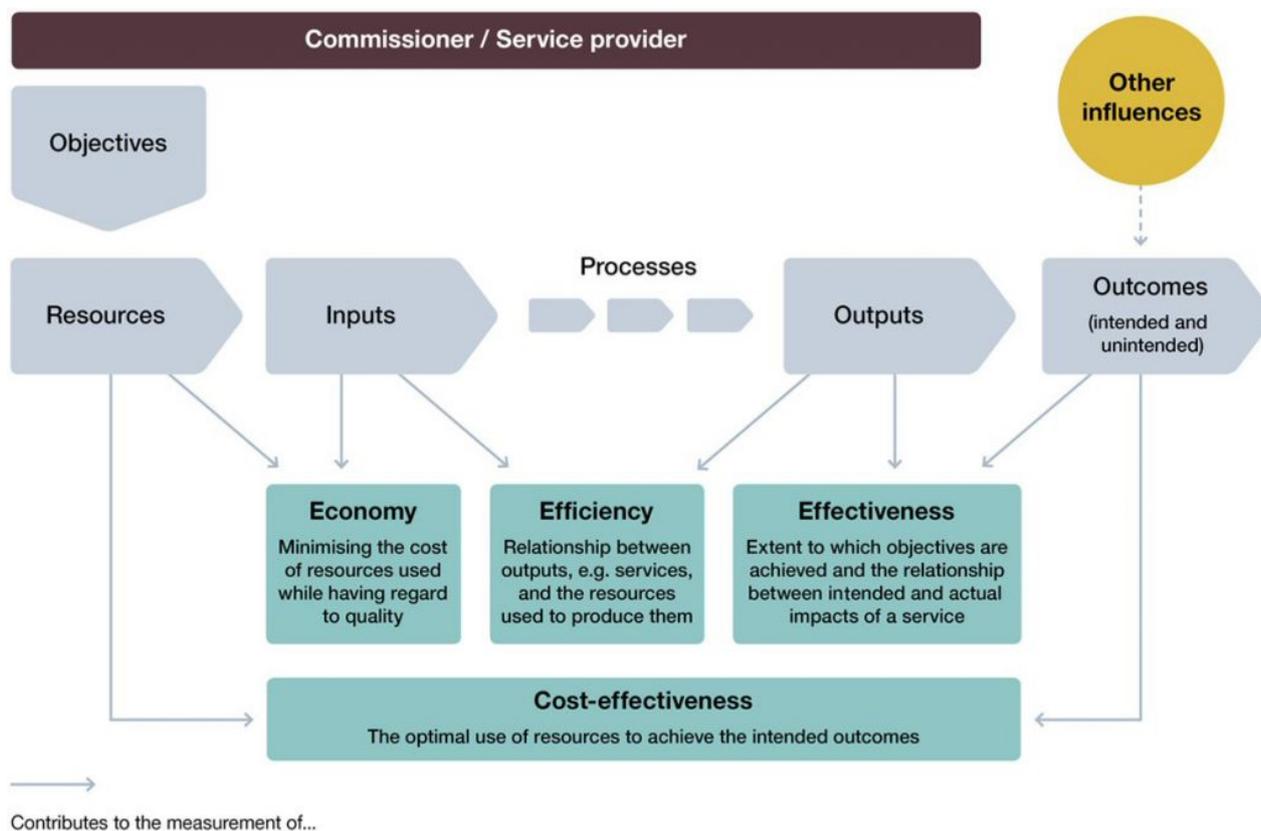
The good practice above will inform the PCC's commissioning activity. In addition, in order to ensure consideration of social value, he will:

1. Include in his commissioning wider outcomes than those that relate solely to the service in question. Examples of this might be asking substance misuse services how they will work meaningfully with victims support services; asking all contractors to set out how they promote community cohesion; or to evidence that they have domestic abuse and/or modern slavery policies in place.
2. Promote innovation where ever possible (subject to his own Government funding restrictions), asking local people, victims, providers and stakeholders to identify outcomes and how they are best met.
3. Enshrine the principles of co-production at the heart of his commissioning activity.
4. Actively seek collaboration with public sector partners, pooling budgets and co-commissioning to improve effectiveness and efficiencies.

Value for money

Value for money is not just the cost of services. The National Audit Office's diagram¹⁵ sets out how it may be understood to include the changes effected by commissioning.

¹⁵ <https://www.nao.org.uk/successful-commissioning/general-principles/value-for-money/assessing-value-for-money/>



The diagram identifies the need to think about outputs and outcomes when considering value for money.

Co-production

Co-producing commissioning means equally involving the people who use services throughout the commissioning cycle. For the PCC, this means that local people, victims and communities:

- Explain local needs
- Make important decisions about what's required to address need
- Decide which providers are chosen to provide services and supports.
- Check and feedback about how well providers are doing and how they could do better.

Co-production ensures that the services the PCC commissions really are driven around what local people and victims need. The PCC will co-produce as much of his commissioning activity as possible.

Decommissioning

Decommissioning is a natural part of the commissioning cycle. This could be where needs have been met and therefore no longer exist or when external circumstances or priorities have changed. It could also be when outcomes are not being achieved or do not achieve the required impact.

The PCC will follow the National Audit Office's good practice in decommissioning.¹⁶

Commissioning roles and responsibilities

Criminal justice and other public sector organisations, communities, individuals and victims in Nottinghamshire all have a role to play in delivering successful commissioning under this framework. These roles are outlined below.

PCC

The PCC represents the views of people in Nottinghamshire about policing and other community safety initiatives and as such he:

- sets the direction of and approves commissioning strategies;
- provides feedback on community and stakeholder views using their local knowledge and connections;
- ensures the needs of equalities groups and the strategic themes in the Police and Crime Plan are considered at all stages; and
- approves the outcomes of procurement and grant processes.

Local people and victims

The PCC is committed to co-production of services wherever possible. Support for victims of crime is a key commissioning area for the PCC and as such victims have a crucial role in this Framework, by:

- telling us about needs and gaps in service and how best to meet them;
- shaping commissioning strategies and delivery mechanisms;
- working with us in procurement to help us evaluate which bids will deliver the best service;
- where appropriate, helping to deliver services as volunteers or through voluntary sector or community groups; and
- helping us to gather information on performance and outcomes achieved.

Nottinghamshire Police and Community Safety Partnerships

Nottinghamshire Police works in partnership with the PCC to deliver the Police and Crime Plan. Community safety partnerships (CSPs) are also key partners for the PCC. CSPs include representatives from the police, local authorities, fire and rescue authorities, probation and health. Their remit is to work together to protect their local communities from crime and to help people feel safer. They decide how to deal with issues such as antisocial behaviour, drug or alcohol misuse and reoffending. They annually assess local crime priorities and consult partners and the local community about how to deal with them.

¹⁶ <https://www.nao.org.uk/decommissioning/>

In Nottingham the Crime and Drugs Partnership, led by Nottingham City Council, is the CSP for the city. In Nottinghamshire there are three CSPs in South Nottinghamshire; Ashfield and Mansfield; and Newark and Sherwood and Bassetlaw. There is also a county wide CSP, called the Safer Nottinghamshire Board, which distributes PCC funding to the district CSPs and also funds county-wide initiatives.

Nottinghamshire Police and Community Safety Partnerships' role in this Framework is to:

- feed in relevant information from their own strategic needs assessments using data from the Joint Strategic Needs Assessments as appropriate, service reviews and consultations, feedback about the strength of the market (CSPs);
- contribute to the development of commissioning strategies and service specifications and reviews as appropriate;
- support procurement processes, in particular evaluating tenders and assessing grant applications;
- help to assess performance and outcomes achieved.

Third sector organisations and communities

The voluntary and community sector and other third sector organisations such as social enterprises' role includes:

- providing knowledge and feedback about needs and changes required to achieve the outcomes in the Police and Crime Plan;
- helping to shape commissioning strategies and services to be procured;
- delivering procured and grant funded services; and
- helping the PCC to ensure that equality considerations are taken into account.

Other stakeholders

Other stakeholders include criminal justice organisations such as the National Probation Service or the Crown Prosecution Service. Stakeholders have a role in delivering this Framework through:

- contributing intelligence about needs and gaps in service;
- helping to shape commissioning strategies and delivery mechanisms;
- participating in governance of some commissioned services, for example victims' services; and
- feeding back views on performance and outcomes achieved.

Police and Crime Panel

The Police and Crime Panel has a scrutiny function to hold the PCC to account.

Co-commissioning

The PCC is committed to working collaboratively with other commissioning organisations to ensure that we fund integrated services that achieve the outcomes in the Police and Crime Plan and also make the best possible use of collective public sector resources.

We will seek to co-commission services wherever possible, by collaborating closely throughout the commissioning cycle:

- identifying local priorities which are shared by our partners
- determining common desired outcomes
- aligning strategic goals and commissioning timescales where mutually desirable and possible
- pooling budgets for greater flexibility;
- sharing resources to deliver the commissioning outcomes – for example to evaluate and performance manage bids and contracts.

Equality

As a public body, the Nottinghamshire Office of Police and Crime Commissioner (NOPCC) is subject to the general equality duty. The broad purpose of this duty is to integrate equality and good relations into day-to-day business and for consideration to be given to how the PCC can positively contribute to the advancement of equality and good community relations, by having due regard to:

- eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- foster good relations between such groups.

These are sometimes referred to as the three aims or arms of the general equality duty which involves:

- removing or minimising disadvantages suffered by people due to their protected characteristics;
- taking steps to meet the needs of people from protected groups where these are different from the needs of other people;
- encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

The PCC will conduct equalities impact assessments on his commissioning activity as part of the commissioning cycle.

Procurement

Procurement is: “the acquisition of goods and services from third party suppliers under legally binding contractual terms.”¹⁷ The aim of any procurement is to achieve desired service outcomes and outputs and good value for money. Procurement is normally achieved through competition, and must comply with the Public Sector Public Contracts Regulations 2015 and the EU Public Sector Directive (see page 4).

The PCC’s Contract Standing Orders, which are set out in the PCC’s and Nottinghamshire Police’s Corporate Governance and Working Together 2014-8¹⁸, must be followed in any procurement process. The total value of the contract (the sum total over the whole term of the contract) will determine the process to be followed. The processes are:

Total contract value	Process
Under £10,000	Obtain at least one quotation in writing including consideration of the principles of value for money.
Over £10,000 and under £25,000	Obtain three formal written quotations, with the quotations being from sufficient organisations to demonstrate that genuine market forces are employed to maximise value for money. Evaluation of quotations must be against pre-determined criteria. The contract award will be given on the basis of lowest cost or the most economically advantageous tender.
Over £25,000	East Midlands Strategic Commercial Unit (EMSCU) will manage a procurement process on behalf of the PCC. This will be on a competitive tendering basis unless there are grounds for an exemption to normal procurement procedures (single tender award).

¹⁷ <https://www.nao.org.uk/successful-commissioning/glossary-of-terms/#P>

¹⁸ <https://www.nottinghamshire.pcc.police.uk/Document-Library/Public-Information/Policies-and-Procedures/Corporate-Governance-and-Working-Together-2014-18.pdf>

Single tender award

The procedure for obtaining an exemption from normal procurement procedures must be for the following reasons:

- Urgency: the contract is required for extreme urgency due to circumstances outside the PCC's control
- Product: there are strong compatibility issues relating to goods or services the PCC already uses
- Limited supplier: there is only one supplier of a particular product or service.

Further detail, including authorisation levels, is outlined in the Contract Standing Orders.

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Grants or contracts

Both grants and contracts are legitimate commissioning techniques to be considered during the “Plan” stage of the commissioning cycle. The National Audit Office¹⁹ defines a grant as: “A sum of money given to an organisation in anticipation of it being applied for an agreed purpose”.

HM Treasury and the National Audit Office clarify some of the factors when deciding whether to procure services under a competitive tendering process, or whether to fund an organisation by means of a grant.

The HM Treasury guidance²⁰ states that: “A grant maker is not contracting for a service that forms part of its own business. It is offering financial support in an area of work, designed and proposed by the third sector organisation, which it wishes to sponsor. The work to be carried out by the third sector organisation would be deemed to add value to a public body’s overall aims or objectives”.

The National Audit Office²¹ advises that: “There is no hard and fast rule as to which funding channel is appropriate for any given situation, the more developed the market, and the more specific the service or project objectives, the more likely it is that a procurement process (contract) will be used. Grants are more likely to be favoured where the market is not developed and/or where there is a desire for innovative approaches, or where funding is provided for ‘development’ or ‘strategic’ purposes.”

Distinguishing between grants and contracts can have tax implications for the public sector and for the third sector organisations. For example, grant income is outside the scope of VAT whereas contracts are not. However, there are exemptions to this and specialist legal and VAT advice may be needed²².

As a general rule, if the PCC is clearly outsourcing core statutory business, where a third sector organisation is delivering a service on behalf of the statutory body, this should be through a contract. Grant funded services should be regarded as complementary, enabling third sector organisations to operate in furtherance of their own missions, where these also support the objectives of the public sector.

If a service has an open referral system, it is more likely to be grant funded: if it has a closed referral system, for example, where services can only be accessed via a health or social care professional needs assessment, it should normally be on a contract.

Factors to determine whether to grant fund or procure

¹⁹ <https://www.nao.org.uk/successful-commissioning/glossary-of-terms/#G>

²⁰ <http://webarchive.nationalarchives.gov.uk/+http://www.hm-treasury.gov.uk/d/guidncefunders1505061v1.pdf>

²¹ <https://www.nao.org.uk/successful-commissioning/>

²² <https://www.gov.uk/hmrc-internal-manuals/vat-supply-and-consideration/vatsc51800>

HM Treasury Guidance states that: “Despite the trend towards open competition and contractual relationships between funding bodies and the third sector, procurement does not necessarily always represent the optimum value for money option - there is clearly an ongoing role for strategic or development funding, most commonly channelled through grants.”

The potential implications of exposing existing grant funded voluntary sector services to competition require careful consideration, since it is by no means the case that this would necessarily result in improvements, either in terms of cost or quality. The Treasury guidance states that “the main determinant of the nature of the financial relationship is the nature of the intended outcomes”.

The questions below should be considered to help determine whether to grant fund or procure a service.

1. What is the nature of intended outcomes?

Grant

Strategic development to build capacity in the VCS.

To encourage innovation by the VCS and / or to develop and support key strategic partnerships between VCOs and statutory agencies.

Services which are distinct but complement, public services and which are in broad alignment with public sector strategic objectives.

Contract

Where the PCC is ‘shopping’ for a supplier to deliver a core service to meet an identified need.

Where the PCC wishes to specify closely the design and intended outcomes of the service.

Where a decision has been taken to outsource a core service, which would otherwise need to be provided directly by the PCC to exercise statutory functions

2. Value of the agreement

The higher the value of the agreement, the more likely it is that a procurement/contracting route will be taken.

3. Which funding mechanism will achieve best value for money?

Factors to be taken into consideration include the transaction costs of the funding process, weighed against the value of the agreement, bearing in mind the need for proportionality and Roots Review efficiencies. Grant awards will be in line with the PCC's Standing Orders for Grants²³.

4. How competitive is the market?

If there is only one potential provider in the market place, a grant is more likely to be used; if there are many, a contract is likely to be more appropriate.

5. What level of control over the agreement and outcomes is appropriate?

This is based on the degree of risk, vulnerability of the service user group, value of the agreement, level of detail needed for the service specification, terms & conditions. The higher the level of control needed, the more likely it is that a procurement /contracting route will be taken.

6. How specific will the measurement of outcomes and outputs need to be?

Both grants and contracts need to be monitored, but the level of detail of indicators used to measure outcomes will vary. The value of the agreement may again be a factor, following the principle of proportionality. The more specific the measurement of outcomes needs is required, the more likely it is that a procurement / contracting approach will be used.

²³ <https://www.nottinghamshire.pcc.police.uk/Document-Library/Public-Information/Policies-and-Procedures/Standing-Orders-for-Grants.pdf>

Appendix 1: Commissioning intentions 2018-9

Police & Crime Plan Theme and outcome	Commissioning Intention	2018-9 Value Up to £	Timescale
T1C	Continue to fund city and county criminal substance misuse contracts	650,200	2018-9
T1C	Commission an independent review of criminal justice substance misuse services in the city and county	25,000	September – November 2018
T1D	Continue to fund ECINS	69,900	2018-9
T1	Work with community safety partnerships to invest in initiatives to support people with multiple and complex needs, who may be street drinkers and are at risk of perpetrating crime and ASB	194,000	2018-9
T1	Continue to invest in Street Pastors and Best Bar None schemes	27,000	2018-9
T2B	Continue to fund Nottinghamshire Victim CARE	608,300	2018-9
T2B	Commission www.nottsvictimcare.org.uk website	15,000	2018
T2B	Continue to fund co-commissioned domestic abuse support services in the city	265,100	2018-9
T2B	Fund additional MARAC IDVA posts in the city to respond to high presenting demand – to be reviewed in autumn 2018	78,000	2018-9
T2B	Continue to fund co-commissioned domestic abuse workforce development and schools based prevention work in the city	107,500	2018-9

T2B	Continue to fund co-commissioned domestic abuse support service in the county	469,400	2018-9
T2B	Work with NHS England and Nottinghamshire Police to fund new paediatric and adult sexual assault referral centres (SARCs)	30,000	2018-9
T2B	Work with survivors, Nottinghamshire Police and NHS England to invest in new SARC facilities	TBC (capital)	2018-9
T2B	Mobilise and ensure delivery of new Independent Sexual Violence Adviser (ISVA) and Children's ISVA (CHISVA) support services	220,700	2018-9
T2B	Fund extension and new arrangements to ensure no loss of sexual violence support between new SARCs becoming operational in April 2018 and new ISVA and CHISVA services delivering from July 2018	27,200	April – July 2018
T2B	Provide extension funding for sexual violence support in Nottinghamshire, to allow time for further discussions with partners including clinical commissioning groups	80,800	2018-9
T2B	Continue to fund co-commissioned sexual violence support services in the city	58,700	2018-9
T2B	Provide extension funding for survivors of childhood sexual abuse	128,500	2018-9
T3	Fund local research to inform the Police and Crime Needs Assessment	32,000	
T3	Fund targeted support to divert children and young people away from crime and ASB (Gail, this is County YOT and community projects – cdp)	191,000	2018-9
T3	Provide a Community Safety Fund to make grant awards of up to £25,000 to third sector organisations who have submitted proposals to respond to emerging community needs and which deliver objectives in the Police and Crime Plan	250,000	2018-9
T3	Fund Independent Domestic Violence workers to support the partners of the top domestic abuse perpetrators	110,000	2018-9
T3	Invest in city and county community safety partnership identified initiatives to tackle crime and antisocial behaviour	903,800	2018-9
T4	Invest in youth engagement in tackling crime and anti-social behaviour	36,000	2018-9

T1-4	Funding to respond to emerging priorities	41,900	2018-9
Total		4,620,000	

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Appendix 2: Glossary

Capacity

Capacity is a measure of an organisation's capability and potential to apply appropriate skills and resources to accomplish its goals and satisfy its stakeholders' expectations.

Capacity building

Capacity building refers to activities that help organisations to develop skills and resources so that they can achieve their objectives and serve their stakeholders more effectively.

Commissioners

Those in public bodies responsible for, primarily involved in, commissioning: ie, assessing needs, designing services, sourcing providers, monitoring and evaluating services.

Commissioning

The cyclical process by which public bodies assess the needs of people in an area, determine priorities, design and source appropriate services, and monitor and evaluate their performance.

Contestability

The extent to which the provision of a good or service is open to alternative suppliers. The threat of such competition is a discipline on incumbent suppliers and tends to prevent prices rising far above costs. Should this happen then alternative suppliers will enter the market to benefit from this and seek to 'undercut' existing suppliers.

Contract

Legally binding agreements between (in a public sector commissioning context) a public body and a third sector or private sector organization, to provide services on behalf of the public body. A contract will specify the services to be provided and what the contractor is to be paid for providing them. It will also include provisions, in greater or lesser detail, setting out the legal obligations which each of the parties accepts in order to fulfil the purposes of the contract.

Co-production

Involving the individuals using services as an equal partner in designing support and services, recognizing that services users' knowledge and experience can help make services better.

Cost-effective

Economically worthwhile in terms of what is achieved for the amount of money spent. Judging cost-effectiveness requires that all costs are taken into account when calculating the 'money' consumed i.e. all direct and indirect costs should be included

e.g. costs of people, buildings, equipment, licences, consumables, and management etc.

Decommissioning

Stopping provision of a service or a significant part of a service in order to bring about an improvement to existing service provision.

Efficient

An efficient activity maximises output for a given input, or minimises input for a given output and, in so doing, pays due regard to appropriate quality.

Evaluation

The assessment of the extent to which a programme or service has met its objectives: Its main purpose is to help an organisation reflect on what it is trying to achieve, assessing how far it is succeeding, and identify required changes.

Full cost recovery (FCR)

The principle that when a third sector organisation provides a service for a public body it should be able to recover all the costs of delivering that service. This includes not just the direct costs of the service but also the relevant proportion of all overhead costs. These overhead costs may include: premises and related costs; central functions, such as, human resources; governance and strategic development; provision for inflation and depreciation; and regulatory costs.

Funding channel

The means by which funds for a programme or service are transferred from the commissioning public body to the service provider. There are basically three types of funding channel available to public bodies in funding so third sector organisations (TSOs): grant; grant-in-aid; and procurement.

Grant

A sum of money given to an organisation in anticipation of it being applied for an agreed purpose. This purpose may be very specific (e.g. to fit a smoke alarm in an old person's house) or less specific (e.g. to promote fire safety among old people).

Monitoring

In a public sector commissioning context, the ongoing collection of information about services, and the assessment of the implications. Such information may be needed for three purposes: effective management of the programme; wider accountability for the programme; and policy development.

Outcome

The term used to describe the totality of what a programme or project is set up to deliver or achieve.

Output

The end result of carrying out an activity – usually a product. It is important to distinguish what has been produced (the output) from the effect that it may be designed to help achieve (the outcome).

Procurement

Acquisition of goods and services from third party suppliers under legally binding contractual terms. Such acquisitions are for the direct benefit of the contracting authority, necessary for the delivery of the services it provides or the running of its own business. Procurement is normally achieved through competition, and will be conducted in line with the government's policy of value for money and in line with the Public Contracts Regulations 2006.

Proportionality

The principle of not burdening funded organisations out of proportion to the amount of funding, which applies especially to monitoring. Guidance states that monitoring arrangements etc. should be proportionate to the level of, and risk to, the amount of funds involved.

Social Enterprise

A business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or community, rather than being driven by the need to maximise profit for shareholders and owners.

Social value

Social value is the quantification of the relative importance that people place on the changes they experience in their lives

Third sector

At its most broadly defined, this is the arena, outside of the family, the state, and the market where people associate to advance common interests. It usually refers to non-governmental organisations that are value-driven and which principally reinvest their surpluses to further social, environmental or cultural objectives. This includes charities, community groups, mutuals, co-operatives, faith-based organisations, professional associations, trade unions, self-help and advocacy groups.

Value for money (VfM)

The optimum combination of whole-life cost and quality (or fitness for purpose) to meet the user's requirement. Assessed by the National Audit Office using the criteria of economy, efficiency and effectiveness.

For Consideration	
Public/Non Public	Public
Report to:	Joint Audit & Scrutiny Panel
Date of Meeting:	7th November 2018
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:	15

POLICE AND CRIME COMMISSIONER’S UPDATE REPORT – TO JULY 2018

1. PURPOSE OF THE REPORT

- 1.1 This report presents the Joint Audit & Scrutiny Panel (JASP) with the Police and Crime Commissioner’s (Commissioner) first update report in respect of his new Police and Crime Plan (2018-21).
- 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 Police and Crime Panel with any information which the Panel may reasonably require in order to carry out its functions. The Commissioner may also provide the Panel with any other information which he thinks appropriate.
- 1.3 This report provides JASP with the same report submitted to the Police and Crime Panel on 8th October 2018. It provides an overview of performance in respect of the 1st April to 31st July 2018 where data is available in relation to the Commissioner’s new Police and Crime Plan (2018-21).

2. RECOMMENDATIONS

- 2.1 JASP members to note the contents of this update report, consider and discuss the issues and question the Commissioner or Chief Constable on any issues members have concerns with.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To provide JASP with information so that members can fulfil their scrutiny role.

4. Summary of Key Points

POLICING AND CRIME PLAN – (2018-21)

Performance Summary

4.1 Performance against targets and measures across all four themes is contained in the Performance section of the Commissioner's website to July 2018.^a This report details performance from 1st April 2018 to 31st July 2018 where data is available and is the first report submitted to the Panel for this financial year 2018-19 in relation to the new Police and Crime Plan (2018-21).

Reporting Criteria

4.2 The Commissioner's new Police and Crime Plan (2018-21) has 57 main performance measures across the four new themes. There are an additional 12 sub-measures. This report provides insight into the top five measures which have either increased or decreased compared to the same period as last year.

5. Five Performance Measures – With Highest Decrease

5.1 The table below lists the top 5 performance measures with the highest decrease.

Plan Ref	Performance	Measures	Decrease is:
T3B.1	-78.4%	Integrated Offender Management (IOM)	Better
T3A.8	-40.1%	Persons killed or seriously injured on the roads a. Adults b. Children	Better
T3B.6	-14.5%	First-time entrants to the Criminal Justice System (CJS) - City	Better
T4D.5	-9.1%	Crimes Recorded at First Point of Contact	Worse
T4A.2	-5.0%	Victim Satisfaction – Hate Crime	Worse

5.2 The additional tables below provide an insight for each of the top five measures.

Plan Ref	Performance	Measures	Decrease is:
T3B.1	-78.4%	Integrated Offender Management (IOM)	Better

5.3 The premise of this measure is that a reduced risk score evidences effective offender management. The lower the risk when an offender exits the program the better as this suggests the likelihood of further offending is reduced.

5.4 The data used to calculate this measure is up to the end of July 2018 and sourced from the Integrated Offender Management (IOM) Team Tracking Tool which reveals that 368 nominal offenders have entered the system since January 2016. Of these, 145 (37.8%) have since exited the programme.

^a <https://www.nottinghamshire.pcc.police.uk/Public-Information/Performance/Performance-2018.aspx>

5.5 The average entry score for all nominal offenders who have entered the programme since January 2016 is 354.3, while the average exit score is 76.7. This reveals a reduction in risk score of -278.0 (-78.4% lower than the entry score), for those that have exited the programme.

Plan Ref	Performance	Measures	Decrease is:
T3A.8	-40.1%	Persons killed or seriously injured on the roads a. Adults b. Children	Better

5.6 Data for quarters one of 2018 (January to March 2018) reveals a 40.1% reduction in persons Killed or Seriously Injured (KSIs) against the 2005-2009 baseline. This is in line with the Nottinghamshire agreed target of a 40% reduction against baseline by the year 2020, and represents 66 fewer persons killed or seriously injured on Nottinghamshire's roads.

5.7 Reductions are seen across all user groups with the exception of pedal cyclists, where an increase of 64.1% is recorded.

5.8 KSIs in the 0-15 years of age group have reduced by 65.3% (9 persons) compared to the 2005-2009 baseline.

Plan Ref	Performance	Measures	Decrease is:
T3B.6	-14.5%	First-time entrants to the Criminal Justice System (CJS) - City	Better

5.9 Figures from the Nottingham City Youth Offending Team (YOT) reveal that in the period April 2017 to March 2018 there were a total of 153 first-time entrants (FTEs) in to the Criminal Justice System (CJS). This represents a reduction of 26 FTEs or 14.5% compared to the previous year.

5.10 The equivalent information from the County YOT reveals there were a total of 322 FTEs in the 2017/18 year. This compares to 292 in the previous year, which equates to 30 additional FTEs or an increase of 10.3%, however the current performance is in line with the locally agreed target for the County YOT (performance against the national average).

Plan Ref	Performance	Measures	Decrease is:
T4D.5	-9.1%	Crimes Recorded at First Point of Contact	Worse

5.11 The premise of this measure is that if more crimes can be recorded at initial contact this will free up capacity for response officers to attend urgent incidents rather than completing crime reports. On average over the last 12 months, 36.2% of all crime recorded by the Force has been recorded by the Contact Resolution Incident Management (CRIM) team based in the Force Control Room compared to 45.2% recorded during the previous 12 months.

5.12 There is now a downward trend in the proportion of crimes recorded by the CRIM team. Monthly figures since April 2018 in particular show a reduction in the rate,

with May and June both showing a rate of about 33% and a further decline in to July (27.7%).

- 5.13 There are a number of reasons for this reduction but the main one is due to staff changes associated with a departmental restructure. Once this is complete it is anticipated that the level will increase.

Plan Ref	Performance	Measures	Decrease is:
T4A.2	-5.0%	Victim Satisfaction – Hate Crime	Worse

- 5.14 There is a downward trend in hate crime victim satisfaction, with the current 12 month rate – at 79.7% - five percentage points below the 84.7% recorded in the previous year.

- 5.15 Despite this, the trend line suggests that the last three months have seen improved levels of satisfaction, and it is suggested that this trend be monitored over the next few months to see whether this improvement is sustained.

- 5.16 The Force has reviewed hate crime feedback for the past six months where victims have stated they were dissatisfied with the overall service. The perceived reasons for dissatisfaction centre on: lack of actions taken / nothing happening; lack of updates / communication; the outcome of the investigation.

- 5.17 The Force has recently recruited two Hate Crime Officers whose role will include proactively reviewing the feedback from the satisfaction surveys and where appropriate take appropriate action to improve service delivery and ensure policy compliance. It is anticipated that these additional interventions will lead to improved satisfaction which in turn will feed through into the survey results which are being closely monitored on an on-going basis.

6. Five Performance Measures – With Highest Increase

- 6.1 The table below lists the top 5 performance measures with the highest increase.

Plan Ref	Performance	Measures	Increase is:
T1A.4	232.0%	Modern Slavery	Better
T1A.2	52.8%	Child Sexual Exploitation (CSE)	Better
T1B.2	42.4%	Online Crime	Worse
T1B.1	28.6%	Fraud Offences	Worse
T4A.3	26.5%	Professional Standards Department Complaints	Worse

- 6.2 The additional tables below provide an insight for each of the top five measures.

Plan Ref	Performance	Measures	Increase is:
T1A.4	232.0%	Modern Slavery	Better

- 6.3 Modern slavery is a relatively new offence which came into effect in early 2016. As a result there is a clear upward trend in recording, particularly over the last year, as the Force has focussed activity on this offence type. In volume terms this is a low volume offence type, and the 232% increase in the 12 months to July 2018 translates in to an increase of 58 offences.
- 6.4 Whilst more cases of modern slavery may seem more alarming, it is widely believed that there is significant underreporting, and any increases in this crime are more an indication of increased awareness and confidence to report.
- 6.5 The Force continues to take a proactive approach to this type of offending - seeking out modern slavery offences in order to ensure that survivors are protected and offenders brought to justice.

Plan Ref	Performance	Measures	Increase is:
T1A.2	52.8%	Child Sexual Exploitation (CSE)	Better

- 6.6 As with most safeguarding referrals, there is an upward trend in the recording of CSE crimes and non-crimes. It is suggested that this is reflective of an increased awareness and understanding of CSE both within the Police Service and partner agencies but also among the public. The Force welcomes this increase as it means that the appropriate, support, safeguarding and offender resolution can be put in place.
- 6.7 CSE is a relatively low volume offence type with on average of just above 50 offences recorded a month. The 52.8% increase represents an additional 220 offences over the year.

Plan Ref	Performance	Measures	Increase is:
T1B.2	42.4%	Online Crime	Worse

- 6.8 Online crime refers to offences where on the balance of probability, the offence was committed, in full or in part, through a computer, computer network or other computer-enabled device. The figures do not include fraud offences, which are captured separately.
- 6.9 There is a clear upward trend in the recording of online crime, with an increase of 42.4% or 884 offences this year compared to last.
- 6.10 The majority of online crimes recorded are harassment offences, specifically malicious communications offences which have taken place online on forums such as Facebook and twitter.

Plan Ref	Performance	Measures	Increase is:
T1B.1	28.6%	Fraud Offences	Worse

- 6.11 There is a clear upward trend in the recording of fraud offences, with an increase of 28.6% (572 offences) this year.
- 6.12 Fraud offences represent a significant challenge to the Police and in particular place a genuine demand on Police resources, with investigations often complex and time consuming. Analysis has revealed that around three quarters of fraud offences recorded in Nottinghamshire are filed with no suspect identified.

Plan Ref	Performance	Measures	Increase is:
T4A.3	26.5%	Professional Standards Department Complaints	Worse

- 6.13 Nottinghamshire Police Professional Standards Department (PSD) receives an average of just over 77 complaints a month.
- 6.14 Despite the increased number (195 additional complaints or an increase of 26.5% this year), complaints are recorded in a timely manner, with the Force performing well against the national standard of recording complaints within ten working days (an average of 94% compliance).
- 6.15 Analysis of complaint allegations by type are regularly monitored to ensure that general 'lessons learned' can be communicated to officers and staff.

Holding the Chief Constable to Account

- 6.16 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.
- 6.17 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.
- 6.18 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
 11. Data Integrity and Compliance with NCRS

- 12. Prosecution File Quality Improvements
- 13. Knife Crime

6.19 For this meeting, a further case study has been prepared in respect of (14) the Commissioner's Police and Crime Survey (see **Appendix A**).

Activities of the Commissioner

6.20 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.^b

DECISIONS

6.21 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.^c

6.22 Panel Members have previously requested that the Commissioner provide a list of all forthcoming decisions (Forward Plan) rather than those already made. This Forward Plan of Key Decisions for the OPCC and the Force has been updated and is contained in **Appendix B**.

7. Child Sexual Exploitation (CSE) Grooming

7.1 At the last Panel meeting a member asked the Commissioner if there was evidenced of organised CSE grooming. Enquiries reveal that the Force has received and responded to intelligence previously but there is no known activity at present and no groups are being actively pursued.

8. Financial Implications and Budget Provision

8.1 The Commissioner holds the Chief Constable to account formally at his Strategic Resources and Performance meetings (SSRP). At this meeting the Chief Constable submits a number of financial reports for scrutiny.

8.2 At the 6th September 2018 SSRP meeting the Force submitted its Finance Revenue Budget Outturn for 2018/19 as at June 2018 to the Commissioner.

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

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

8.3 In summary the full year net revenue budget for 2018/19 is £193,100k. This is split the Force Budget £188,209k and the Office of the Police and Crime Commissioner (OPCC) £4,891k.

Entity	Budget £'000	Forecast Outturn £'000	Variance to Budget £'000
Force	188,209	189,258	1,049
OPCC	4,891	4,891	-
	193,100	194,149	1,049

8.4 The table above identifies that as of June 2018 revenue expenditure is forecasting an overspend in the Force budget of £1,049k with a projected revenue spend of £189,258k; and an on budget position within the OPCC of £4,891k.

8.5 This overspend is predominately being driven by collaboration contributions, staff pay costs, overtime and other supplies & services. These have been partly offset by payroll savings from officers and PCSO pay costs, forensics & investigative costs, capital financing and additional income.

8.6 **Appendix C** contains the full report submitted to SSRP and provides a more detailed position for each item.

9. Human Resources Implications

9.1 None - this is an information report.

10. Equality Implications

10.1 None

11. Risk Management

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

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

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

13. Changes in Legislation or other Legal Considerations

13.1 The Commissioner publishes a horizon scanning document^d 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.

14. Details of outcome of consultation

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

15. Appendices

- A. Case Study – Prosecution File Quality Improvements
- B. Forward Plan of Key Decisions for the OPCC and the Force
- C. Finance Revenue Budget Outturn for 2018/19 as at June 2018

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

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

For any enquiries about this report please contact:

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Tel: 0115 8445998

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

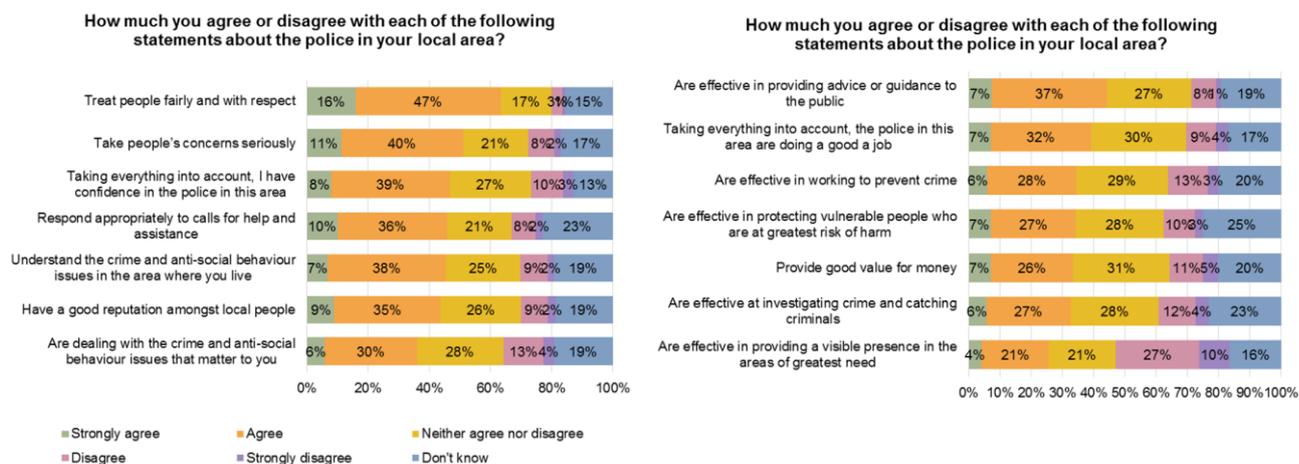
APPENDIX A

Case Study – Police and Crime Survey

Report Date: September 2018

1. Police and Crime Survey - Background

- 1.1 Nottinghamshire PCC commissioned the independent research company Information By Design to undertake a single robust and representative longitudinal survey of resident perceptions in 2017/18. Prompted by a range of strategic drivers^a, the survey sought to capture and monitor public perceptions of the police, feelings of safety, experience of crime and policing priorities.
- 1.2 Over 4,200 residents were surveyed over four tranches of fieldwork between August 2017 and July 2018 using a moderated self-completion survey approach. A sampling scheme based at Lower Super Output area was used to ensure that the sample of residents provided a good coverage in terms of geography and deprivation level in each quarterly wave of fieldwork.
- 1.3 This report presents headline findings from the 2017/18 research which sets a baseline against which quarterly trends will be monitored over the remaining period of the Police and Crime Plan. Data at a Community Safety Partnership level have margin of error of +/-3% at the 95% confidence level.
- 1.4 While 63% of respondents agreed that police in their local area ‘treat people fairly and with respect’ and 51% agreed that police ‘take people’s concerns seriously’, only around a quarter of respondents feel that the police are effective in providing a visible presence in the areas of greatest need. Public confidence in the police was generally found to be strongest among city residents and among people aged 75 and over.

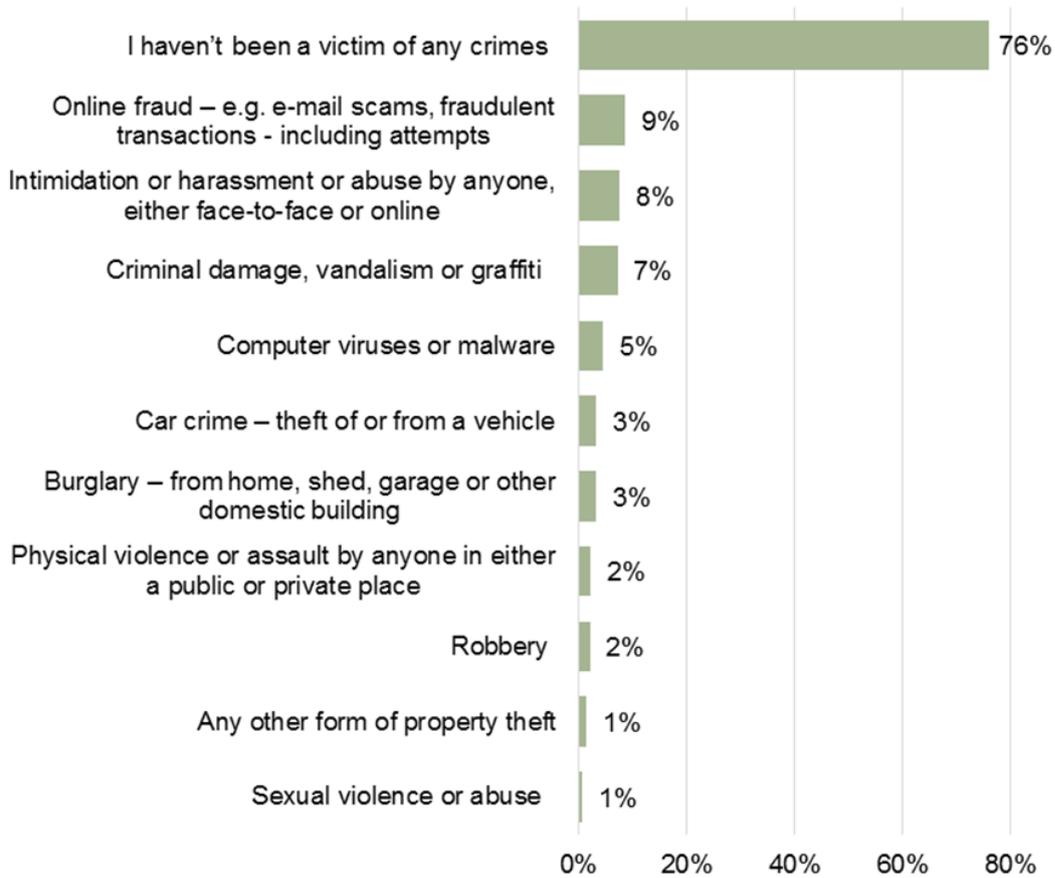


^a Statutory duties to engage with local communities on local policing matters, consult with local people in identifying and setting local priorities and consult the public and local rate payers prior to issuing the policing precept; Commissioner's and Chief Constable's shared ambition to "give victims and citizens a bigger voice in policing" and to "engage our communities to ensure we understand their needs"; HMIC recommendations to further develop understanding of our local communities

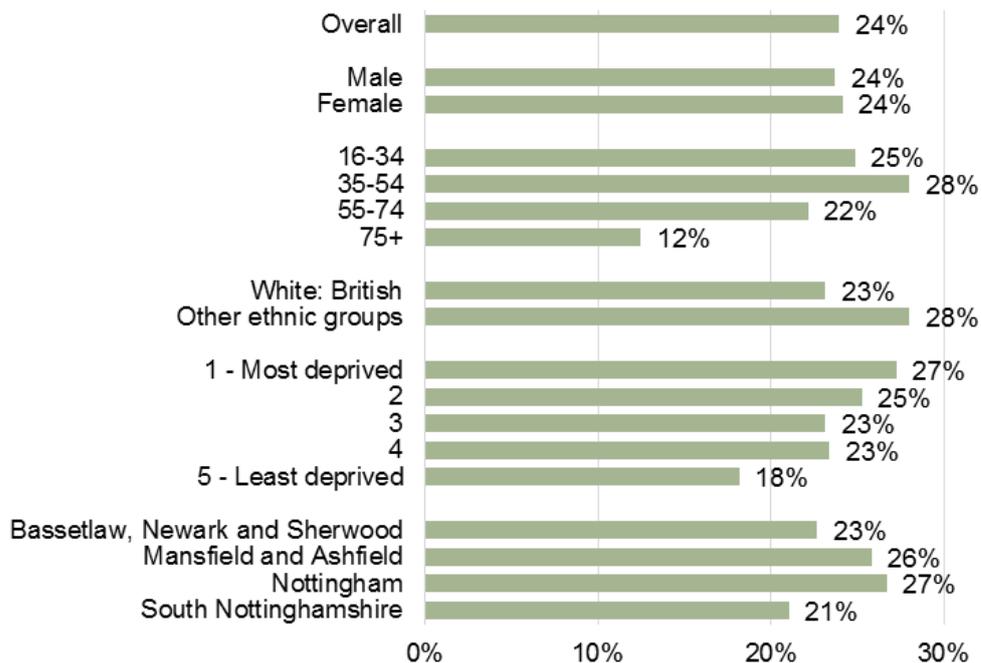
KEY BASELINE STATISTICS

NOTTINGHAMSHIRE POLICE AND CRIME SURVEY AUGUST 2017 TO JULY 2018

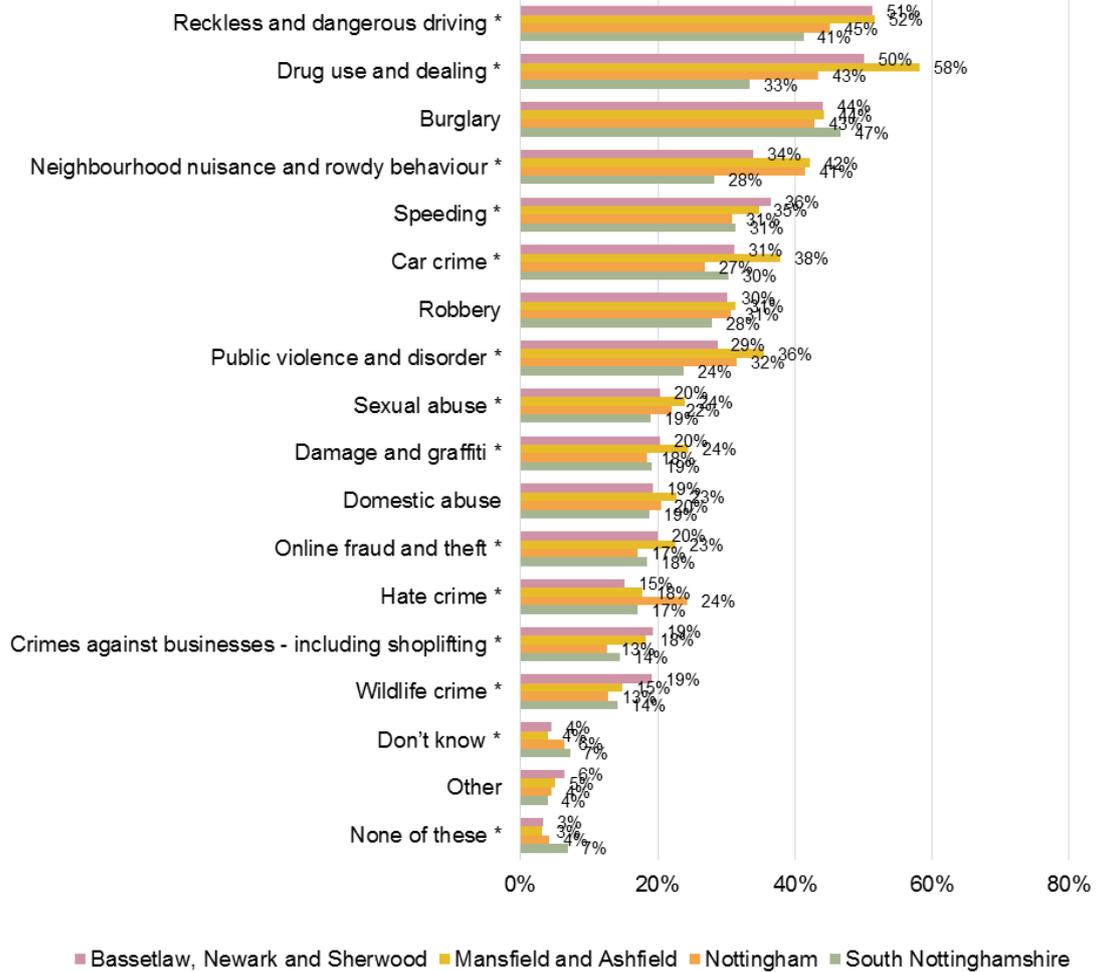
In the last 12 months, have you personally been a victim of any of the following crimes?



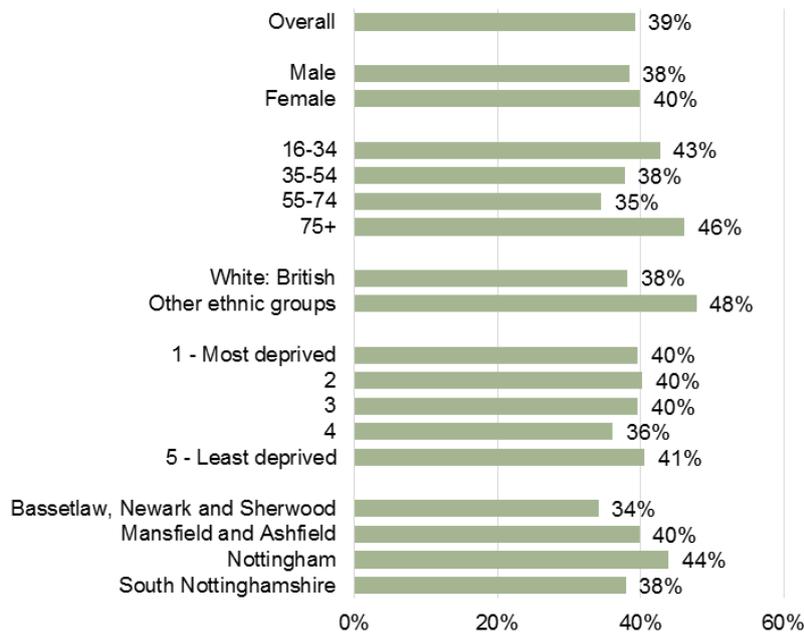
Victim of crime in the last 12 months



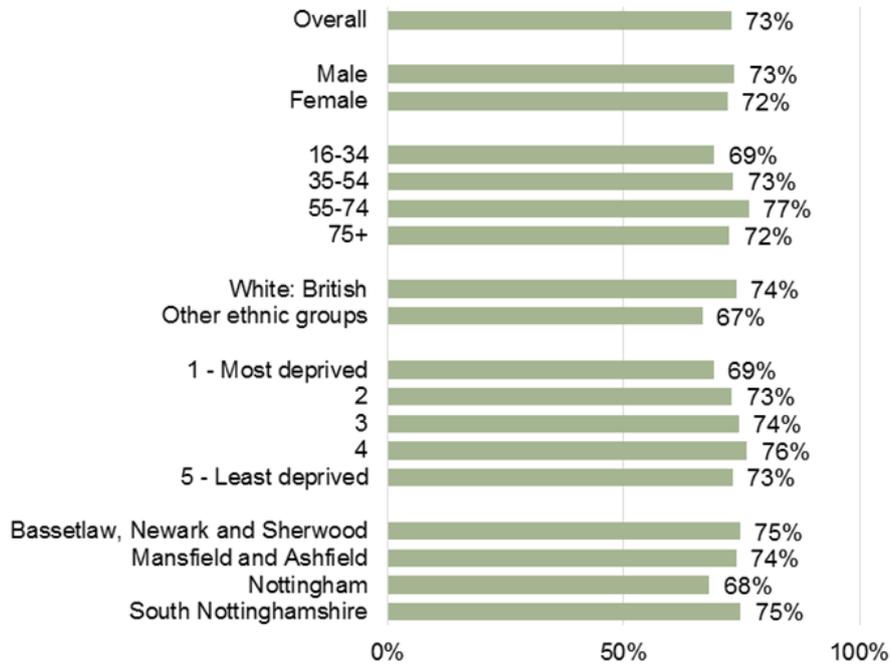
Are there any specific crime or anti-social behaviour issues that you would like to see the police and other agencies do more to tackle in your area?



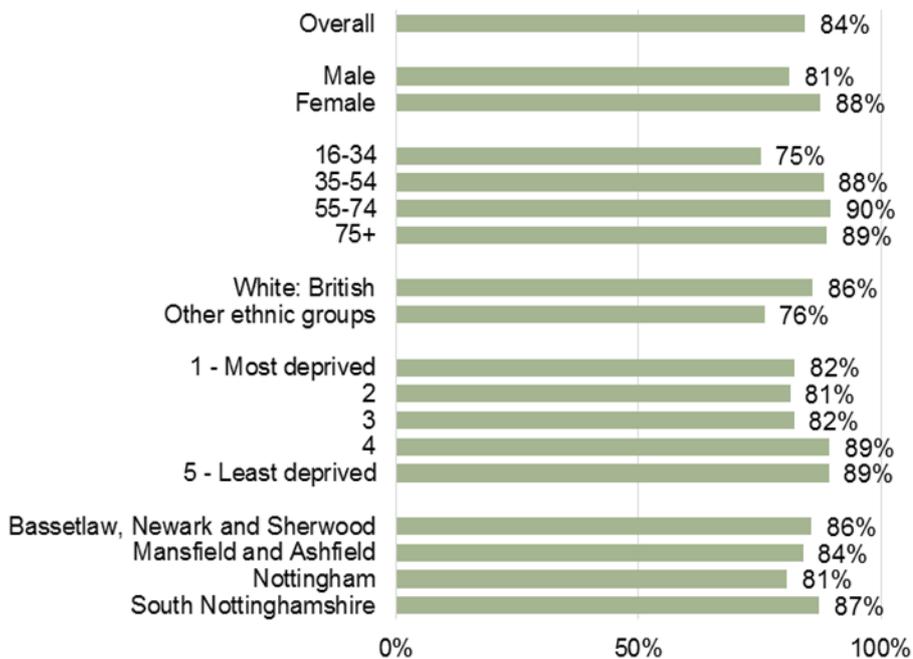
Taking everything into account, the police in this area are doing a good a job - Strongly agree & agree



How well informed do you feel about what the police in your local area are doing? - Not very well & not at all informed



How interested, if at all, are you in knowing what the police are doing in your local area? - Very & fairly interested





Nottinghamshire

POLICE & CRIME COMMISSIONER

Decisions of Significant Public Interest: Forward Plan

August 2018

1.0 Business cases						
Ref	Date	Subject	Summary of Decision	Cost (£) <i>Where available</i>	Contact Officer	Report of OPCC / Force
None to report with the exception of those noted under 2.0 Contracts and 3.0 Estates, ICT and Asset Strategic Planning						

2.0 Contracts (above £250k)						
Ref	Date	Subject	Summary of Decision	Cost (£) <i>Where available</i>	Contact Officer	Report of OPCC / Force
2.1	October 2018	New Custody Suite Consultants /Contractors	Following Business Case, award contract	£17,000,000 est. but agreements will only be for pre-construction costs	Ronnie Adams EMSCU	Force
2.2	TBC	Hucknall EMAS Works	Building Contractors	£515,000	Ronnie Adams EMSCU	Force
2.3	October 2018	ANPR	Procurement of ANPR hardware and installation	£650k	Ronnie Adams EMSCU	Force
2.4	TBC	Water Services	Contract for Water Services	>£250k	Ronnie Adams EMSCU	Force
2.5	October 2018	Driver Awareness Courses	Award of Contractor	>£250k	Ronnie Adams EMSCU	Force
2.6	August 2018	Lot 1 Vehicle Recovery Services	Award of Contractor	£1m	Ronnie Adams EMSCU	Force
2.7	TBC	Travel and Accommodation	Procurement of supplier, decision on award	>£250k	Ronnie Adams EMSCU	Force
2.8	September 2018	Agile Hardware	Procurement of Laptops / Desktops / Monitors, decision to award.	>£250k	Ronnie Adams EMSCU	Force



Nottinghamshire

POLICE & CRIME COMMISSIONER

3.0 Estates, ICT and Asset Strategic Planning						
Ref	Date	Subject	Summary of Decision	Cost (£) <i>Where available</i>	Contact Officer	Report of OPCC / Force
3.1	TBC	Nottingham Bridewell	Replacement of the Bridewell.	Project Team working up details and costs for final Business Case	Insp Duncan Collins – EMCJS/ Tim Wendels, Estates and Facilities	Force
3.2	TBC	Replacement SARC	Proposal to replace the existing adult SARC with new, more suitable premises	Interim Business Case in course of preparation	T/DCI Clare Dean and Tim Wendels, Estates and Facilities	Force/OPCC

4.0 Workforce Plan and Recruitment Strategies						
Ref	Date	Subject	Summary of Decision	Cost (£) <i>Where available</i>	Contact Officer	Report of OPCC / Force
None to report.						

5.0 Strategic Issues including Finance						
Ref	Date	Subject	Summary of Decision	Cost (£) <i>Where available</i>	Contact Officer	Report of OPCC / Force
None to report.						

For Decision	
Public/Non Public*	Public
Report to:	Strategic Resources and Performance
Date of Meeting:	6th September 2018
Report of:	Chief Constable
Report Author:	David Machin
E-mail:	David.Machin10991@Nottinghamshire.pnn.police.uk
Other Contacts:	Mark Kimberley
Agenda Item:	8

Finance Revenue Budget Outturn for 2018/19 as at June 2018

1. Purpose of the Report

- 1.1 The purpose of this report is to provide an update on the projected financial outturn position for revenue against the key financial performance headlines for Nottinghamshire Police as at 30th June 2018 (Period 3).

2. Recommendations

2.1 Recommendation 1

It is recommended that the contents of the attached report in Appendix A and virements approved under delegated arrangements cumulative to June 2018 are shown in Appendix B are noted.

2.2 Recommendation 2

That the Police and Crime Commissioner notes the forecast movements of less than £100k requiring Chief Constable approval as set out in Appendix C.

2.3 Recommendation 3

That the Police and Crime Commissioner approves the forecast movements greater than £100k requiring Chief Constable recommendation as set out in Appendix D.

2.4 Recommendation 4

That the planned PCSO recruitment in October 2018 is delayed until March 2019.

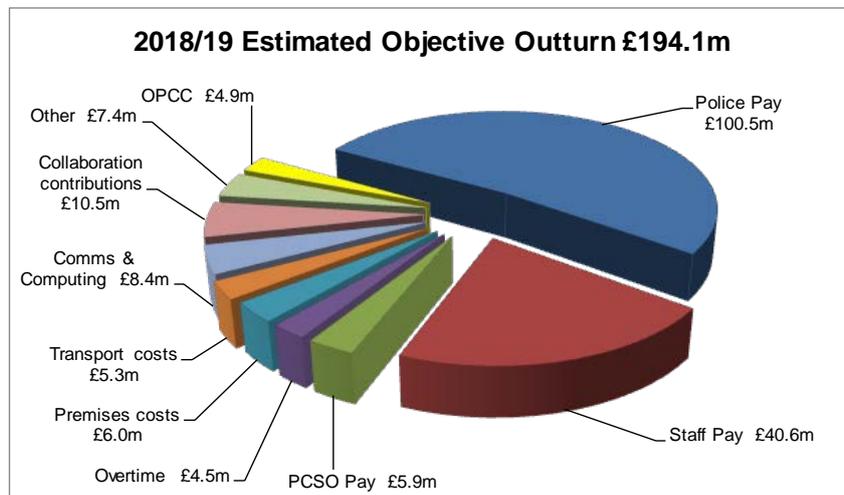
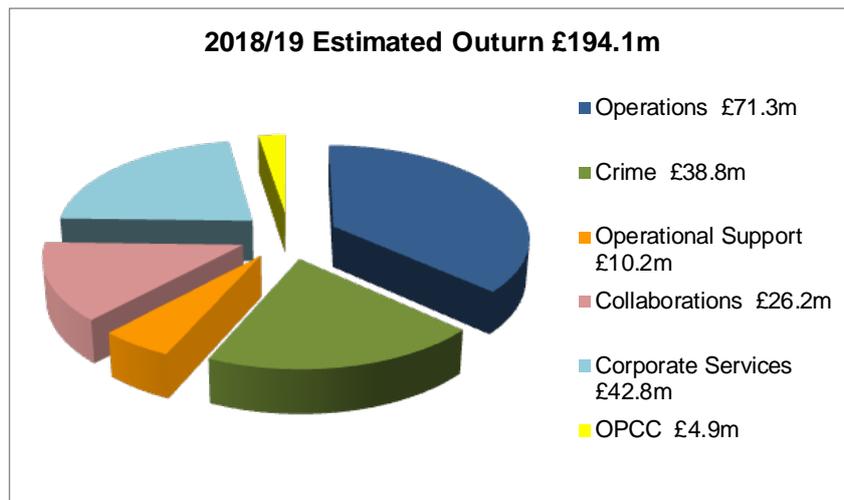
2.5 Background

The full year net revenue budget for 2018/19 is £193,100k. This is split the Force Budget £188,209k and the Office of the Police and Crime Commissioner (OPCC) £4,891k.

During June, Finance in conjunction with the organisation has continued to review the year end position (Appendix A). At the end of June the projected year end outturn is:

Entity	Budget £'000	Forecast Outturn £'000	Variance to Budget £'000
Force	188,209	189,258	1,049
OPCC	4,891	4,891	-
	193,100	194,149	1,049

Analysis of the 2018/19 Estimated Outturn



3. Reasons for Recommendations

- 3.1 To update the Chief Officer Team and the Office of the PCC on the Force's budgetary position for 2018/19 and complies with good financial management and Financial Regulations.

4. Summary of Key Points

Overview

- 4.1 The review during June of revenue expenditure is forecasting an over spend in the Force budget of £1,049k with a projected revenue spend of £189,258k; and an on budget position within the OPCC of £4,891k. Appendix A provides a more detailed position.

This over spend is predominately being driven by collaboration contributions, staff pay costs, overtime and other supplies & services. These have been partly offset by payroll savings from officers and PCSO pay costs, forensics & investigative costs, capital financing and additional income.

It is assumed that any underspends within the OPCC during the year will be transferred to OPCC's Commissioning reserve.

The table below shows the projected Force (including externally funded and seconded officers/staff) variances against the 2018/19 budget as at the end of June:

.

Nottinghamshire Police Group Position Total: Budget Variance Analysis				
	Variance to Budget			Note
	£'000	£'000	£'000	
Pay & allowances				4.2
Police officer	(380)			
Staff	740			
PCSO	(768)			
		(407)		
Overtime				4.3
Police officer	442			
Staff	(28)			
PCSO	1			
		416		
Other employee expenses		193		4.4
Medical retirements		-		
Total pay costs		201		
Premises costs	198			4.5
Transport costs	59			4.6
Comms & computing	177			4.7
Clothing, uniform & laundry	33			
Other supplies & services	684			4.8
Custody costs & police doctor	(88)			4.9
Forensic & investigative costs	(172)			4.10
Partnership payments	99			4.11
Collaboration contributions	920			4.12
Capital financing	(286)			4.13
Total non-pay costs		1,625		
Income		(777)		4.14
Force overspend		1,049		
OPCC		-		
Group overspend		1,049		

4.2 Pay & allowances – under spend £407k

Police officer pay – under spend £380k

Forecast for the year is £100,485k, which is a projected under spend of £380k against the original budget. The forecast takes into account the recruitment profile assuming 198 FTE's during the year; includes the assumption of natural leavers rate at 7.5 FTE's per month and those officers reaching their 30 years' service will leave, unless otherwise advised by HR; whilst extending senior

ranks has incurred additional costs. The forecast reflects a downward movement in externally funded and seconded officers of £643k which has been reflected by reduced income.

Police staff – over spend £740k

Forecast for the year is £40,574k, which is a projected over spend of £740k against the original budget. There has been savings of £180k from reduced PIO's, but has been offset by agency costs where the budget assumed only a small agency cost as vacancies were budgeted at their substantive cost, however whilst the continued use of agency staff provides flexibility but it does so at an increased cost. In addition the vacancy provision rate was calculated on 7.5%, this is proving to be an overly optimistic position; a 1% over provision will increase costs by around £400k.

All requests for additional staff over and above establishment needs to be challenged to assess the business impact.

The forecast reflects a downward movement in externally funded and seconded staff of £64k which has been reflected by reduced income.

PCSO – under spend £768k

Forecast for the year is £5,867k, which is a projected under spend of £768k against the original budget. This reflects current performance to date and the rephasing of one of the planned cohorts towards the end of the financial year.

4.3 Overtime – over spend £416k

Overtime forecast for the year is £4,526k, which is a projected over spend of £416k against the original budget. The main drivers of the overspend are Op Palmitate at £88k; OS at £62k which is to be offset within income from the ARV uplift fund; seconded and externally funded officers/staff of £35k which has been offset by income; City and County at £118k driven by a lot of costs within CID; and custody of £43k.

4.4 Other employee costs – over spend £193k

Other employee costs forecast for the year is £2,234k, which is a projected over spend of £193k against the original budget. This is largely due to a general increase in training costs as advised by L&D; and virements to realign budgets account for £22k.

4.5 Premises costs – over spend £198k

Premises costs forecast for the year is £6,049k, which is a projected over spend by £198k against the original budget. This is mainly due to an increase in the dilapidations charge of £54k following a review by Estates (this is to provide for the costs required to bring properties to a good state of repair when the lease ends or the property is vacated); moves for Response resulting in £30k of revenue spend as a consequence of capital projects; £19k on utilities; rent

reviews of £35k (mainly for Riverside); business rates of £23k; and cleaning costs £53k, where the elements of the Solo contract were under budgeted.

4.6 Transport costs – over spend £59k

Transport costs forecast for the year is £5,347k, which is a projected over spend by £59k against the original budget. This is due to increased fuel costs of £8k; motor insurance of £12k; and public transport of £27k (where the forecast has been increased to reflect quarter one's current spend).

4.7 Comms & Computing – over spend £177k

Comms & computing forecast for the year is £8,430k, which is a projected over spend of £177k against the original budget. Virements to realign budgets account for £28k of the over spend with the remainder due to additional costs for Niche of £150k; GrayKey purchase which will reduce the need to send phones to Leicestershire for unlocking of £11k; and Signals for Noise software costs for the April to September of £17k which is being funded by not recruiting into a vacant post.

4.8 Other supplies & services – over spend £684k

Other supplies & services forecast for the year is £5,039k, which is a projected over spend of £684k against the original budget. This is largely due to the reversing out of the £250k procurement efficiency challenge from the budget which will be delivered across numerous lines of expenditure; consultancy and professional fees of £292k for additional support to the command and control replacement project (£238k) and supporting the Vensons review (£51k); vehicle recovery costs of £67k which is in line with recent activity and is more than offset through additional income (see note 4.14); increased Taser costs of £55k; and catering costs of £21k (mainly Op Palmitate).

4.9 Custody costs & police doctor – under spend £88k

Custody costs & police doctor forecast for the year is £1,349k, which is a projected under spend of £88k against the original budget. This is due to a new contract for the police doctor resulting in a saving of £120k; partly offset by increased costs for doctors statements of £17k and custody costs for meals, cleaning and other consumables.

4.10 Forensic & investigative costs – under spend £172k

Forensic & investigative costs forecast for the year is £1,913k, which is a projected under spend of £172k against the original budget. Virements to realign budgets account for £11k of the under spend, with the remainder being due to savings in new contracts for forensic analysis of £120k and interpreters of £50k.

4.11 Partnership payments – over spend £99k

Partnership payments forecast for the year is £1,520k, which is a projected over spend of £99k against the original budget. This due to payments for seconded costs of an additional ACC for three months; and a contribution to the Minerva Niche national team of £30k.

4.12 Collaboration contributions – over spend £920k

Collaboration contributions forecast for the year is £10,542k, which is a projected over spend of £920k against the original budget due to the MFSS of £1,042k for business as usual and the delay of the Fusion project. This was partly offset by savings on Legal services of £67k which related to savings from 2017/18; and confirmation that the contribution to NPAS will be reduced by £55k for 2018/19. The PCC may consider additional support in respect of these costs if additional savings cannot be identified in future periods.

4.13 Capital financing – under spend £286k

Capital financing forecast for the year is £3,854k, which is a projected under spend of £286k against the original budget. This saving is due to lower interest charges of £100k as a result of reduced borrowing; and a reduction in the Minimum Revenue Provision (MRP) of £186k as a result of the actual 2017/18 capital spend being lower than budgeted assumption.

4.14 Income – additional income £777k

Income forecast for the year is £13,810k, which is projected to be £777k above the original budget. Virements to realign budgets account for £21k of the additional income; £236k offsetting overtime costs for EMSOU officers; £250k from the ARV uplift fund to offset OS overtime costs; £100k from training apprenticeships to be recharged to university; £500k miscellaneous income based on recent activity; £120k for anticipated mutual aid; £100k of vehicle recovery which offsets the additional costs in Other supplies & services (see note 4.8); £59k from Lincolnshire for Niche collaboration for data centre, surge capacity and strategic delivery; £50k from the sales of non-slot vehicles. This has been partly offset by a reduction in seconded officers/staff and externally funded projects income which offsets payroll costs.

4.15 Efficiencies

The 2018/19 efficiency target in order to achieve a balanced budget is £300k as per the table below:

Efficiencies Target for 2018/19	
	£'000
Procurement	250
Forensics	50
	<u>300</u>

The procurement savings was included within Other supplies & services for budget purposes and was been reversed out in the June forecast on the basis that the savings will be delivered across numerous lines of expenditure.

Finance and the change team are constantly reviewing all efficiency projects with the organisation to identify any possible risks or opportunities to delivering the yearend target. Overall the total savings are expected to be achieved.

4.16 OPCC

The OPCC is projecting an on budget performance with an outturn of £4,891k. It is assumed that any under spend that may arise during the year will be transferred to the OPCC's Commissioning reserve at year end.

5. Financial Implications and Budget Provision

5.1 The financial information relating to this item is contained within Appendix A.

6. Human Resources Implications

6.1 There are no immediate Human Resource implications arising from this report.

7. Equality Implications

7.1 There are no equality implications arising from this report.

8. Risk Management

8.1 Please see attached Appendix A.

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

9.1 There are no policy implications arising from this report.

10. Changes in Legislation or other Legal Considerations

10.1 There are no changes in legislation or other legal considerations that are relevant to this report.

11. Details of outcome of consultation

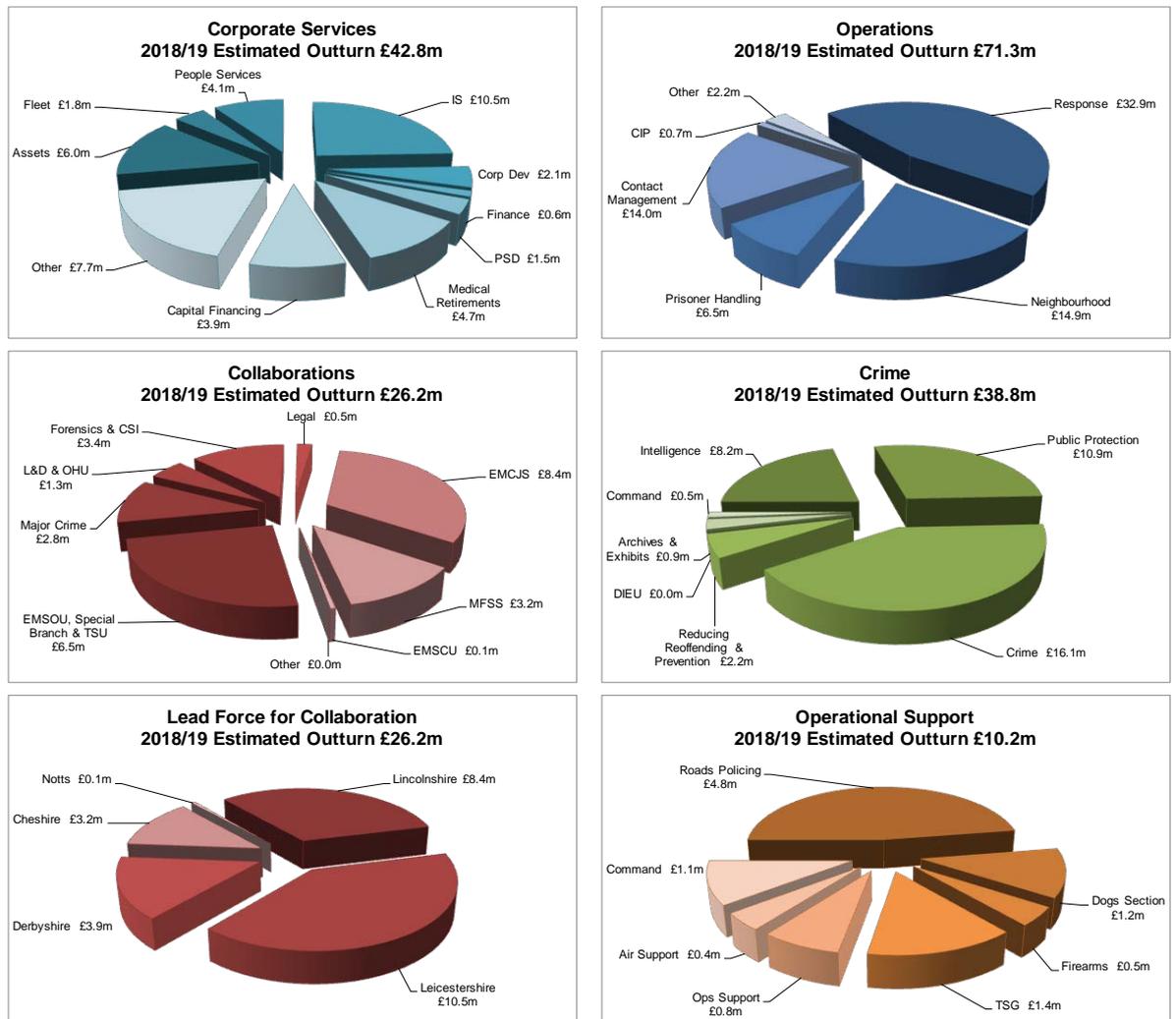
11.1 The figures included in this report are presented to the Force Executive Board on a monthly basis.

12. Appendices

- 12.1 Appendix A – Revenue Report to June 2018
- 12.2 Appendix B – Virements approved under delegated arrangements
- 12.3 Appendix C – Forecast movements less than £100k
- 12.4 Appendix D – Forecast movements greater than £100k

Appendix A

Analysis of the 2018/19 Estimated Outturn



A year to date under spend of £3,057k against the cash flow forecast is shown in detail in Appendix A. These differences represent timing differences between the agreed estimated spend profile and latest provisions. Overall this difference has no impact in outturn over and above that reported in the above table.

The cash flow forecast is split £1,845k for the Force and £1,212k for the OPCC. The cash flow under spend is largely due to timing of partnership payments and the 2018/19 charge for the Minimum Revenue Provision (MRP); timing of payments in for medical retirements which are difficult to predict. This is partly offset by income which is mainly due to the reversal of a year end accrual and timing of seconded/externally funded projects income; and EMSOU collaboration payment which was budgeted later in the year.

The year to date reduction in cash flow forecasting within the OPCC of £1,212k is due to the phasing of payments relating to the community safety grant, which is expected to reverse over the remainder of the financial year.

Appendix A

Nottinghamshire Police

Revenue Budget Monitoring as at June 2018



	2018/19 Approved Budget £'000	Virements £'000	(Opportunities) / Risks £'000	Seconded & EF Projects £'000	Revised Budget £'000	Year to Date Revised Budget £'000	2018/19 Expenditure £'000	Year to Date Variance £'000	Projected Over/ (Under)spend £'000	Movement £'000
Local Policing										
Uniformed Operations	56,635	-	(77)	-	56,558	13,956	14,119	163	(77)	(77)
Contact Management	14,132	-	(146)	-	13,986	3,534	3,495	(39)	(146)	(146)
Citizens in Policing	242	-	479	-	721	60	180	120	479	479
	71,009	-	256	-	71,265	17,550	17,793	243	256	256
Crime & Operational Support										
Crime	38,698	(148)	216	-	38,766	9,611	9,445	(166)	68	68
Operational Support	10,165	-	43	-	10,208	2,554	2,683	130	43	43
	48,863	(148)	259	-	48,974	12,165	12,129	(36)	111	111
Collaboration - Operational										
EMCJS	8,974	-	(539)	-	8,435	2,192	1,751	(441)	(539)	(539)
Forensics	2,336	-	(120)	-	2,216	(0)	26	26	(120)	(120)
CSI	1,249	-	(90)	-	1,159	311	291	(20)	(90)	(90)
Special Branch	867	-	(44)	-	823	219	222	3	(44)	(44)
Major Crime	2,715	-	76	-	2,791	606	774	168	76	76
EMSOU CID	2,918	-	-	-	2,918	4	1,449	1,445	-	-
TSU	612	-	(6)	-	605	1	284	283	(6)	(6)
EMSOU SOCU	2,412	-	(306)	-	2,105	606	579	(27)	(306)	(306)
	22,083	-	(1,030)	-	21,052	3,938	5,376	1,438	(1,030)	(1,030)
Corporate Services										
Assets	5,684	-	304	-	5,989	1,500	1,128	(371)	304	304
Fleet	1,902	-	(93)	-	1,809	481	563	82	(93)	(93)
Finance	662	-	(93)	-	569	172	140	(32)	(93)	(93)
People Services	3,813	-	254	-	4,066	975	862	(113)	254	254
Information Services	10,039	148	290	-	10,477	2,918	2,797	(121)	438	438
Corporate Development	2,177	(5)	(43)	-	2,130	540	522	(19)	(48)	(48)
Corporate Communications	821	-	(24)	-	798	215	196	(19)	(24)	(24)
Command	1,025	(95)	175	-	1,105	308	315	7	80	80
PSD	1,626	-	(139)	-	1,487	435	375	(60)	(139)	(139)
Procurement	737	-	21	-	758	132	160	28	21	21
Central Codes	12,581	100	(310)	-	12,371	6,112	2,812	(3,300)	(210)	(210)
Other	993	-	268	-	1,262	247	130	(116)	268	268
	42,063	148	610	-	42,821	14,035	10,000	(4,035)	758	758
Collaboration - Corporate Services										
MFSS	2,155	-	1,041	-	3,196	539	(269)	(808)	1,041	1,041
Learning & Development	788	-	(0)	-	788	-	393	393	(0)	(0)
EMSCU	150	-	(20)	-	130	85	258	173	(20)	(20)
Force Collaboration	-	-	-	-	-	-	-	-	-	-
Collaboration Contributions	-	-	-	-	-	-	-	-	-	-
IS Transformation	-	-	-	-	-	-	-	-	-	-
Legal	606	-	(67)	-	539	44	(58)	(102)	(67)	(67)
OHU	492	-	-	-	492	-	234	234	-	-
	4,192	-	954	-	5,146	668	557	(110)	954	954
Externally Funded	-	-	-	-	-	551	620	69	-	-
Seconded Officers	-	-	-	-	-	14	601	587	-	-
Force total	188,209	-	1,049	-	189,258	48,920	47,076	(1,845)	1,049	1,049
OPCC	4,891	-	-	-	4,891	(74)	(1,286)	(1,212)	-	-
Group position total	193,100	-	1,049	-	194,149	48,846	45,789	(3,057)	1,049	1,049

Appendix A

Nottinghamshire Police Revenue Budget Monitoring as at June 2018



	2018/19 Approved Budget £'000	Virements £'000	(Opportunities) / Risks £'000	Seconded & EF Projects £'000	Revised Budget £'000	Year to Date Revised Budget £'000	2018/19 Expenditure £'000	Year to Date Variance £'000	Projected Over/ (Under)spend £'000	Movement £'000
Pay & Allowances										
Police officer	100,864	-	263	(643)	100,485	25,231	25,043	(188)	(380)	(380)
Staff	39,834	(17)	824	(66)	40,574	10,455	10,286	(169)	740	740
PCSO	6,635	-	(771)	3	5,867	1,648	1,487	(161)	(768)	(768)
	147,333	(17)	316	(707)	146,926	37,334	36,816	(518)	(407)	(407)
Overtime										
Police officer	3,418	(1)	408	35	3,860	818	1,252	434	442	442
Staff	642	-	(22)	(6)	614	169	152	(17)	(28)	(28)
PCSO	51	-	1	0	52	13	14	1	1	1
	4,111	(1)	388	29	4,526	999	1,418	419	416	416
Other employee expenses	2,041	22	171	-	2,234	455	380	(74)	193	193
Medical retirements	4,695	-	-	-	4,695	1,181	762	(419)	-	-
	158,180	4	875	(678)	158,381	39,968	39,376	(592)	201	201
Premises costs	5,851	-	198	-	6,049	1,542	883	(659)	198	198
Transport costs	5,287	-	59	-	5,347	1,676	1,262	(414)	59	59
Comms & computing	8,253	28	149	-	8,430	2,491	2,337	(154)	177	177
Clothing, uniform & laundry	612	-	33	-	645	100	149	49	33	33
Other supplies & services	4,354	-	678	6	5,039	1,465	873	(592)	684	684
Custody costs & police doctor	1,437	-	(88)	-	1,349	359	211	(149)	(88)	(88)
Forensic & investigative costs	2,085	(11)	(161)	-	1,913	262	36	(226)	(172)	(172)
Partnership payments	1,422	-	91	8	1,520	69	(2,528)	(2,597)	99	99
Collaboration contributions	9,622	-	920	-	10,542	665	2,212	1,548	920	920
Capital financing	4,139	-	(286)	-	3,854	2,986	119	(2,867)	(286)	(286)
	43,062	17	1,594	14	44,687	11,615	5,554	(6,061)	1,625	1,625
Total expenditure	201,242	21	2,469	(664)	203,068	51,583	44,930	(6,653)	1,826	1,826
Income	(13,033)	(21)	(1,420)	664	(13,810)	(2,662)	2,146	4,808	(777)	(777)
Force	188,209	-	1,049	-	189,258	48,920	47,076	(1,845)	1,049	1,049
OPCC	4,891	-	-	-	4,891	(74)	(1,286)	(1,212)	-	-
Group position total	193,100	-	1,049	-	194,149	48,846	45,789	(3,057)	1,049	1,049

Appendix B

2018/19 Forecast Movements - April to June 2018

Virements

			Month	£
Police Staff Pay				
AS110 Police Staff - Basic Pay	Signals for Noise software Apr - Sep 2018 - using savings from P3 vacant post that not recruiting to		Jun	(14,000)
AS310 Police Staff - NI	Signals for Noise software Apr - Sep 2018 - using savings from P3 vacant post that not recruiting to		Jun	(1,400)
AS380 Police Staff - Standard Employer's Pension Contribution	Signals for Noise software Apr - Sep 2018 - using savings from P3 vacant post that not recruiting to		Jun	(1,600)
				(17,000)
Overtime				
AO920 Police Officer - Time and a Third	Move budget to fund Counter Corruption training		Jun	(1,150)
				(1,150)
Other Employee Costs				
AE320 External Training Courses	Income from sale of vehicles will be used to fund external training		Jun	21,260
AE320 External Training Courses	Move budget to fund Counter Corruption training		Jun	1,150
				22,410
Communications & Computing				
EC512 Software Licences	GrayKey purchase. IT are going to take responsibility for this so moving budget from Intel to cover the costs. This will reduce the need to send phones to Leics for unlocking		Jun	11,080
EC512 Software Licences	Signals for Noise software Apr - Sep 2018 - using savings from P3 vacant post that not recruiting to		Jun	17,000
				28,080
Forensic & investigative costs				
EF130 Electronic Forensics	GrayKey purchase. IT are going to take responsibility for this so moving budget from Intel to cover the costs. This will reduce the need to send phones to Leics for unlocking		Jun	(11,080)
				(11,080)
Income				
IO990 Miscellaneous Income	Income from sale of vehicles will be used to fund external training		Jun	(21,260)
				(21,260)
				-

Appendix C

2018/19 Forecast Movements - April to June 2018

Less than £100k

		Month	£
Staff Overtime			
Various	Reflects expected 2018/19 outturn	Jun	(21,717)
			(21,717)
PCSO Overtime			
Various	Reflects expected 2018/19 outturn	Jun	968
			968
Other Employee Costs			
AE320 External Training Courses	Senior Investigating Officer Development Programme; Divisional Training Days vs New Intakes Provision for training on Cyber Crime, this cost should be off-set by income from Region for setting up the Cyber Crime team; Provision for training on Cyber Crime, this cost should be off-set by income from Region for setting up the Cyber Crime team; Covert Monitoring training approved from ACC contingency; Pursuit Commanders course; GP dog instructor course ordered locally - not got approval from EMCHRS; Specialist dog search course ordered locally - not got approval from EMCHRS	Jun	38,063
AE340 Tuition Fees	Based on spend to date on access to work - some of this should be offset by income	Jun	5,000
AE350 Training Materials	Savings identified following a review of 2017/18 spend	Jun	(4,200)
AE404 Recruitment relocation cost	Relocation expenses	Jun	3,693
AE560 Chaplains Fees	Annual contribution to chaplaincy service	Jun	4,100
			46,656
Property Related			
EP102 Planned Maintenance	Response moves to Kirkby, Arnold and Byron House, revenue spend as a consequence of capital projects; Increase in Dilapidations provision following review	Jun	83,500
EP141 Annual Servicing	Price amended as per schedule with new contract prices; and Carlton, reduced as building empty and due to be sold	Jun	(26,207)
EP201 Gas	Adjusted in-line with 2017/18 actuals	Jun	22,530
EP202 Electricity	Adjusted in-line with 2017/18 actuals; amendments for Trowell and Tuxford	Jun	17,125
EP205 Water Services / Rates	Adjusted in-line with 2017/18 actuals	Jun	(20,850)
EP250 Rent	Riveride, reviewed based on April rental charge; Warsop, originally reduced as trowell part of neighbourhood review, this has not yet commenced; Byron House, amended to 2017/18 actuals, national car park charges not known at budget setting	Jun	35,125
EP251 Hire of Rooms/Premises	SLC Costs for 2018/19 not included within original budget; Purchase of portacabin at FHQ to accommodate CAB staff; Op Palmitate - hire of welfare cabins and portaloos	Jun	15,539
EP253 Service Charge	Tuxford, originally reduced as trowell part of neighbourhood review, this has not yet commenced	Jun	285
EP302 Council Tax	Various adjustments Reflecting 2018/19 demand and various adjustments for Carlton, Tuxford, Holmes House, Eastwood, Mansfield Woodhouse, Bingham, and Sutton	Jun	22,772
EP350 Waste Disposal	Adjusted in-line with 2017/18 actuals	Jun	9,555
EP401 Contract Cleaning	Solo, charges for management fee and cleaning consumables not included within original budget; and adjustments made for Trowell and Holmes House	Jun	43,925
EP403 Cleaning Equipment	Adjusted in-line with 2017/18 actuals	Jun	(5,750)
			197,549
Transport Related			
ET104 Vehicles - Tyres & Tubes	Adjusted in-line with 2017/18 actuals	Jun	5,000
ET140 Upkeep of Transport & Plant	Decommissioning of fuel tank at Sutton in Ashfield station in preparation for sale of property	Jun	4,916
ET170 Vehicle Cleaning	Adjusted in-line with 2017/18 actuals	Jun	2,935
ET190 Petrol	Adjusted in-line with 2017/18 actuals	Jun	7,730
ET250 Vehicle Insurance	Heath Lambert, actual invoice for 2018/19 less than budget	Jun	11,740
ET455 Public Transport & Parking	Adjusted in-line with 2017/18 actuals	Jun	20,840
ET455 Public Transport & Parking	Travel warrants issued by Custody staff, adjustment to reflect recent actuals	Jun	6,280
			59,441
Communications & Computing			
Various	Various movements in service costs	Jun	703
			(703)
Clothing & Uniforms			
EU111 Clothing & Uniforms	Revised uniform costs due to change of recruitment programme from original list at budget setting	Jun	13,285
EU111 Clothing & Uniforms	Cost of measuring service provided by Cooneen	Jun	11,400
EU114 Laundry	Amended in-live with 2017/18 actuals	Jun	8,400
			33,085

Appendix C

2018/19 Forecast Movements - April to June 2018

Less than £100k

		Month	£
Other Supplies & Services			
EO110 Contract Catering	Amended in-live with 2018/19 actuals	Jun	7,025
EO110 Contract Catering	Op Palmitate, amended in-live with 2018/19 actuals	Jun	14,460
ER101 Stationery & Office Consumables	Increased in-line with 2017/19 actuals for Pangbourne purchases and costs for printing supplies	Jun	21,000
ER101 Stationery & Office Consumables	Saving on the purchase of pre-printed digital media by new tender award	Jun	(5,038)
Various insurance costs	Heath Lambert, actual invoice for 2018/19 less than budget	Jun	(21,440)
EX410 Specialist Operational Equipment	The original budget needed to be increased based on outturn for 2017/18	Jun	3,718
EX426 Police Cones & Traffic Signs	OP Palmitate, necessary to cover costs for sign rental & installation for 2018	Jun	1,290
ex431 Maintenance/Consumables Specialist Op Equipment	Take out buddi tags that was increased at the end of 2017/18, this was never approved by COT	Jun	(29,700)
EX701 Firearms & Ammunition	Increased Taser Costs	Jun	55,000
EX750 Vehicle Recovery Costs	Increase in average calculations based on outturn for 2017/18, which is offset by income	Jun	67,200
EX802 Stray Animals (maintenance costs)	Increase in contract price for Suntop boarding kennels for 2018/19	Jun	5,380
EX901 Legal Costs	Advice for Vensons contract work - expected that this will be an ongoing need until further notice	Jun	14,000
EY250 Consultants Fees	P2G Venson consultancy	Jun	16,000
EY250 Consultants Fees	Priority Plan work	Jun	3,400
EY251 Professional Fees	Vensons PFI Remodelling and Vensons Consultancy (supplier CMS Legal Services)	Jun	34,500
EY510 Subsistence	Amended in-live with 2017/18 and 2018/19 actuals	Jun	3,000
			189,795
Custody costs & police doctor			
ED111 Detained Persons - Meals / Refreshments	Amended in-live with 2017/18 and 2018/19 actuals	Jun	8,400
ED510 Decontamination Costs	Adjusted in-line with 2017/18 actuals	Jun	2,885
ES140 Doctors Statements	Amendment based on recalculation in Jun	Jun	16,920
ES320 First Aid Equipment / Consumables	Adjusted in-line with 2017/18 actuals	Jun	4,590
			32,795
Forensic & investigative costs			
EF110 Pathologists Fees	Additional budget to cover increased post mortem costs due to coroners being under more scrutiny	Jun	9,000
EL110 Interpreters Fees	New contract in place so should see a reduction in these costs.	Jun	(50,000)
			(41,000)
Partnership Payments			
EJ130 Young Offenders Teams	Reduction in Notts County Council element of YOT	Jun	(25,500)
EJ190 Other Partnerships	Extension of ACC Prior contract August/September due to handover for new Temp ACC Kate Meynell	Jun	19,000
EJ190 Other Partnerships	MAPPA adjustment for actual figure	Jun	1,904
EJ190 Other Partnerships	Minerva Niche - contribution to National Team	Jun	30,000
EJ190 Other Partnerships	Mini police costs	Jun	5,000
EJ190 Other Partnerships	Volunteer Police Cadets interim cost sharing arrangement agreed at Chief Council	Jun	7,500
EJ190 Other Partnerships	EMPAC contribution is no longer required by Notts	Jun	(14,000)
EJ190 Other Partnerships	Costs for ACC Prior Apr-July2018. Originally forecast within Officer Pay	Jun	60,000
EJ190 Other Partnerships	Project consultancy for Apr & May not included within the ESN budget but may need to be recharged back to the Region.	Jun	7,200
			91,104
Collaboration Contributions			
EJ601 Collaboration service	Legal savings from 2017/18 which was notified late	Jun	(67,000)
EJ601 Collaboration service	Reduced NPAS charges for 2018/19	Jun	(55,000)
EJ601 Collaboration service	Contribution to Op Advenus to EMSOU 2018/19	Jun	8,500
EJ601 Collaboration service	Collaboration 2017/18 adjustment for TSU	Jun	(7,488)
EJ601 Collaboration service	Change request costs for staff pay for MFSS	Jun	41,150
			(79,838)
Income			
IF170 Certificates	Pedlar certificates income	Jun	(172)
IF340 Aerials Rental	Adjusted income as per revised schedule received from Cell CM. Income lower due to removal of HH and retention of maintenance money	Jun	45,925
IG117 Loan Charges Grant	Loan Charges savings not known at time of budgeting	Jun	(40,000)
IG810 Local Partnership Funding	Income from salary recharge to Trading Standards	Jun	(33,000)
IG810 Local Partnership Funding	Income received from EMSOU re Op Sesame	Jun	(1,396)
IG810 Local Partnership Funding	Income received from EMSOU re Op Arraigning	Jun	(1,396)
IG810 Local Partnership Funding	Income from Lincs re Niche collaboration for data centre, surge capacity and strategic delivery	Jun	(59,165)
IO151 Insurance received	Adjusted in-line with 2017/18 actuals	Jun	(57,600)
IO990 Miscellaneous Income	Income for Prison Lockouts	Jun	(6,000)
IO990 Miscellaneous Income	Vetting income, based on income to date	Jun	(10,000)
IO990 Miscellaneous Income	Collaboration 2017/18 adjustment for EMSOU SOC	Jun	(1,556)
IS110 Sale of Surplus Equipment	Income for sale of non-slot vehicles replaced under capital programme	Jun	(50,000)
			(214,360)

Appendix C
2018/19 Forecast Movements - April to June 2018
Less than £100k

Month	£
-------	---

293,775

Chief Officer Team:

Approved by:

Date:

Finance:

Approved by:

Date:

Appendix D

2018/19 Forecast Movements - April to June 2018 Greater than £100k

			Month	£
Police Officer Pay				
Various	Reflects the move to the new police model	Jun	263,066	263,066
Police Staff Pay				
Various	Reflects expected 2018/19 outturn	Jun	823,920	823,920
PCSO Pay				
Various	Reflects expected 2018/19 outturn	Jun	(770,508)	(770,508)
Police Officer Overtime				
Various	Reflects expected 2018/19 outturn	Jun	408,421	408,421
Other Employee Costs				
AE320 External Training Courses	Due to increased recruitment of officers	Jun	124,000	124,000
Communications & Computing				
EC525 Web Infrastructure	Additional Niche costs	Jun	150,000	150,000
Other Supplies & Services				
EY104 Central Efficiency Target	To remove the budget put in for the Procurement savings as this is now coming through within the actuals	Jun	250,000	
EY250 Consultants Fees	Additional people resources to support the Command and Control replacement system	Jun	238,421	
				488,421
Custody costs & police doctor				
ES110 Police Surgeons / Clinicians	New contract in place so should see a reduction in these costs.	Jun	(120,396)	(120,396)
Forensic & investigative costs				
EF120 Forensic Analysis	New contract in place so should see a reduction in these costs.	Jun	(120,000)	(120,000)
Collaboration Contributions				
EJ601 Collaboration service	Revised costs for MFSS for Fusion and BAU	Jun	1,000,000	1,000,000
Capital Financing				
KI110 Interest Paid	Updated interest figure	Jun	(100,000)	
KM110 Minimum Revenue Provision	Revised MRP charge	Jun	(185,809)	
				(285,809)
Income				
IF620 Vehicle Recovery	Increase in average calculations based on outturn for 2017/18, which is offset by costs	Jun	(100,000)	
IF640 Training - Police	Income for training apprenticeships - recharge to university	Jun	(100,000)	
IO154 Crime Prevention Income	Budget is no longer needed for the crime fighting fund as this will be met from reserves	Jun	100,000	
IO990 Miscellaneous Income	Additional general income	Jun	(500,000)	
IO990 Miscellaneous Income	ARV income not included in the budget	Jun	(250,000)	
IR150 Seconded Police - inter force	EMSOU overtime recharge	Jun	(235,801)	
IR160 Mutual Assistance	Anticipated mutual aid	Jun	(120,000)	
				(1,205,801)
				755,314

Chief Officer Team:

Approved by:

Date:

Finance:

Approved by:

Date:

For Information	
Public	
Report to:	Audit and Scrutiny Panel
Date of Meeting:	November 2018
Report of:	Chief Constable Guildford
Report Author:	Detective Superintendent Leona Scurr Professional Standards Department (PSD)
E-mail:	Leona.scurr@nottinghamshire.pnn.police.uk
Other Contacts:	
Agenda Item:	16

*If Non Public, please state under which category number from the guidance in the space provided.

Complaint and Misconduct Investigations

1. Purpose of the Report

- 1.1 This paper provides an overview of police complaint and misconduct cases in Nottinghamshire.

2. Recommendations

- 2.1 Further analysis will be completed to fully understand the category of complaint broadly defined as neglect/failure of duty.

3. Reasons for Recommendations

- 3.1 That the panel receive assurance from the processes in place relating to complaint recording and the nature of complaints are understood enabling improvements to be made to policing.

4. Summary of Key Points

- 4.1 For 2017 /2018 Please see Nottinghamshire Police Complaints Statistics 2017-2018 at appendix 1 page 5.
- 4.2 Nottinghamshire Police recorded a 30 % increase in the number of complaints compared to 2016/2017. The number increased by 201 complaints.
- 4.3 In April 2016 there was sharp decrease in the number of complaints which reduced from a monthly average of 80 complaints to 57 complaints. These lower levels continued until October 2017 when complaints rose to 105 for that month. November 2017 saw complaints return to a two year average of 85 complaints a month.
- 4.4 The spike in the number of complaints in October 2017 related to incidents reported and dealt with by the Force over the peak summer demand period. The dissatisfaction experienced concerned mainly response times and the

outcome of investigations. In order to meet demand the Force ensures all investigations are proportionate while trying to balance public expectations.

- 4.5 The number of complaints has now levelled to a new monthly average of 75 complaints per month with the exception of June 2018 which saw another spike of 110 complaints which is the highest number over the last two years. The spike in the number of complaints in June 2018 coincided with peak demand around the World Cup and a Force restructure. The largest proportion of complaints related to the quality of investigations and investigative outcomes. Unusually there appeared to be greater incidence of dissatisfaction where cross allegations were reported, for example road traffic collisions and harassment associated with anti social behaviour.
- 4.6 The increase in complaints recorded by Nottinghamshire Police are not only due to two significant months of high reporting. In specific circumstances the Force can refuse to record a complaint. Prior to March 2018 the criteria for 'refuse to record' were being more frequently applied. The Professional Standards Department has undergone a restructure which has been established since March 2018. The department is leading reforms as part of the Policing and Crime Act 2017 due for implementation in 2019. In preparation for this the department ensures the statutory guidance governing complaint recording is accurately applied. It is expected that post implementation of the act other forces will see a significant increase in their complaint recording compared to Nottinghamshire.
- 4.7 One complaint can comprise of a number of allegations levelled at an officer. For example a single complaint regarding a stop search could include one allegation of use of force, one allegation of incivility and one allegation of breach of procedures. Nottinghamshire Police ensures it records all allegation categories to make the data about the nature of complaints more meaningful and to better support improvements in policing. This is supported by the fact that Nottinghamshire's comparative level of allegations per 1000 employees rose from a middling position to a top quartile position (9th nationally) in 2017/2018. Nottinghamshire Police is the pilot area for changes proposed to the national complaints recording database (Centurion) which will have more refined allegation categories to ensure consistent recording by all forces.
- 4.8 The annual police complaints statistics show that around a third of all allegations are recorded against a single category that being neglect / failure of duty. In 2017/2018 Nottinghamshire Police saw the greatest increase in this category. An explanation for this increase has already been provided at paragraph 4.5 of this report and it should be noted that the reduction in this category for 2016/2017 remains unexplained.
- 4.9 Nottinghamshire police meets quarterly with their IOPC oversight and scrutiny representative to interpret the complaints data. Positive feedback had been received that the force accurately records complaints data and is an example of good practice; no recommendations were received.

- 4.10 The majority of complaint cases in Nottinghamshire are dealt with by way of local resolution (75%). This means there is no misconduct identified on the part of the officer and the issues identified are suitable for service recovery or individual performance. The timeliness of finalising complaints remains strong in Nottinghamshire. The most recent data shows that the average complaint takes 55 days to finalise by way of local resolution compared to a force average of 77 days.
- 4.11 In Nottinghamshire 25 % of cases are dealt with by way of local investigation. These are more complex or serious complaints where there may be misconduct on behalf of an officer. Again timeliness in finalising these investigations is strong at 132 days compared to a force average of 173 days. The largest proportion of misconduct allegations relate to honesty and integrity and confidentiality of information. On average 3 officers per month receive notice of a misconduct investigation against them. All upheld misconduct outcomes are published biannually on the force internet.

5. Financial Implications and Budget Provision

- 5.1 There are no financial implications relating to this report.

6. Human Resources Implications

- 6.1 There are no Human Resources relating to this report.

7. Equality Implications

- 7.1 There are no equality implications relating to this report.

8. Risk Management

8. There are no additional risk management reports to report.

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

- 9.1 This area of business is intrinsically linked with the Police and Crime Plan priority of 'Transforming Services and Delivering Quality Policing.'

10. Changes in Legislation or other Legal Considerations

- 10.1 There are no changes in legislation or other legal considerations relating to this report.

11. Details of outcome of consultation

11. There has been no consultation in relation to this report.

12. Appendices

12.1 Appendix 1 Nottinghamshire Police Complaints Statistics 2017 -2018.

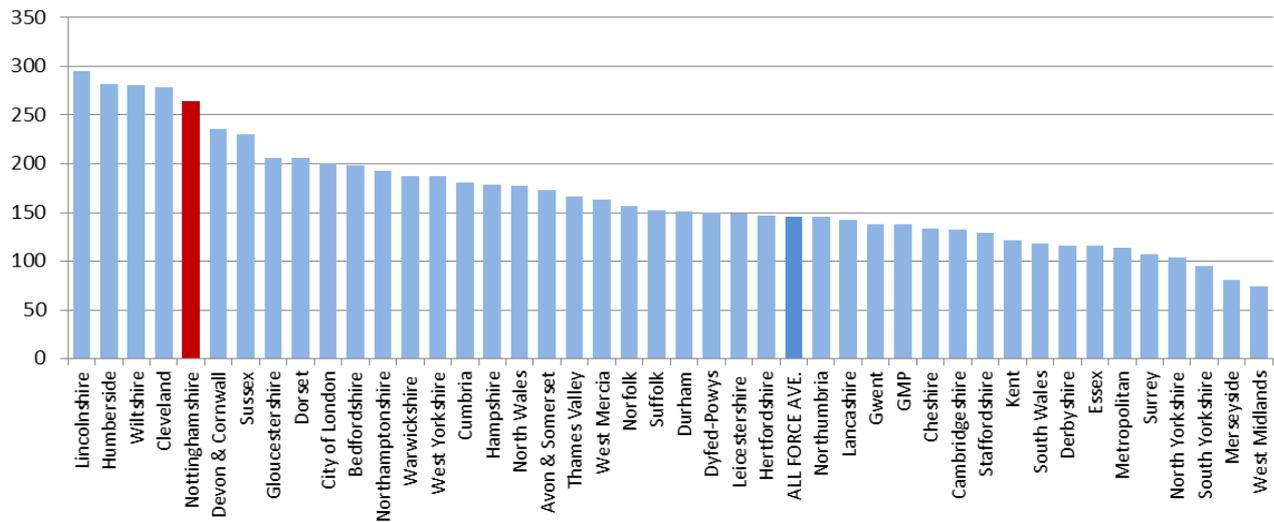
Nottinghamshire Police Complaints Statistics 2017/18

17 September 2018

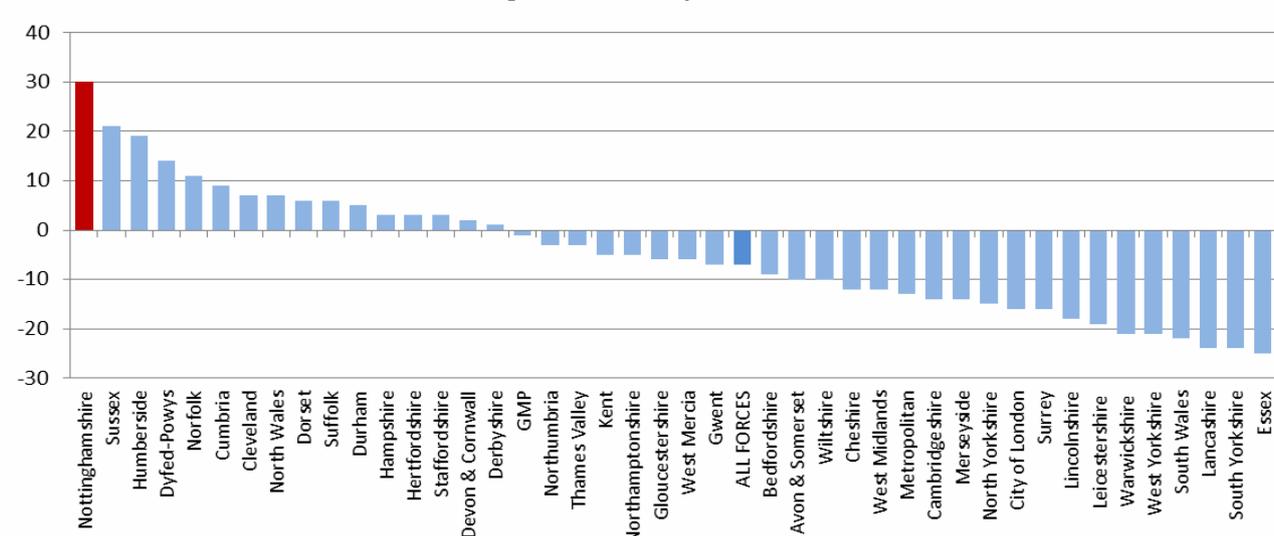
1.1 In September 2018, the Independent Office for Police Conduct (IOPC) published comparative [Police Complaints Statistics 2017/18](#) for England and Wales. The report highlighted a 7% reduction in overall complaints recorded by police during 2017/18 and a 1.8% reduction in recorded allegations. The report also highlighted significant variations in the level and profile of police complaints across police force areas. This paper provides an overview of the Nottinghamshire police complaints statistics in comparison to the national picture.

1.2 Nottinghamshire Police recorded 871 complaints in 2017/18, marking a 30% increase on the level recorded in 2016/17 (670) and the highest percentage increase in complaints across all police force areas. The level of complaints per 1,000 employees in Nottinghamshire increased from the 12th highest nationally to 5th highest nationally.

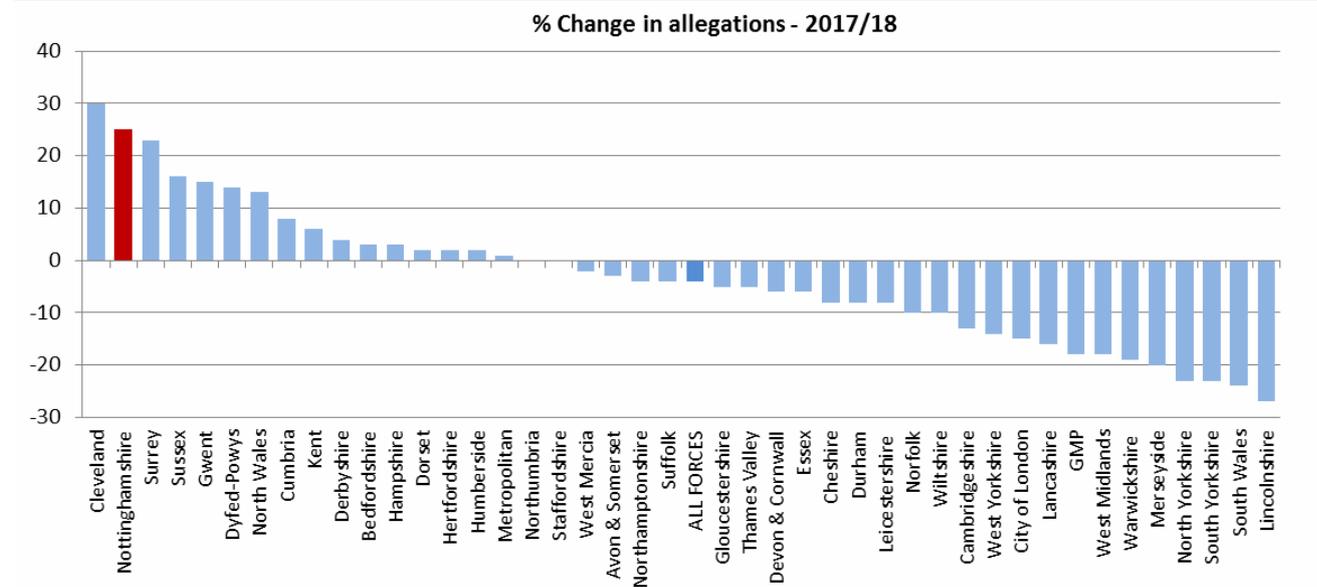
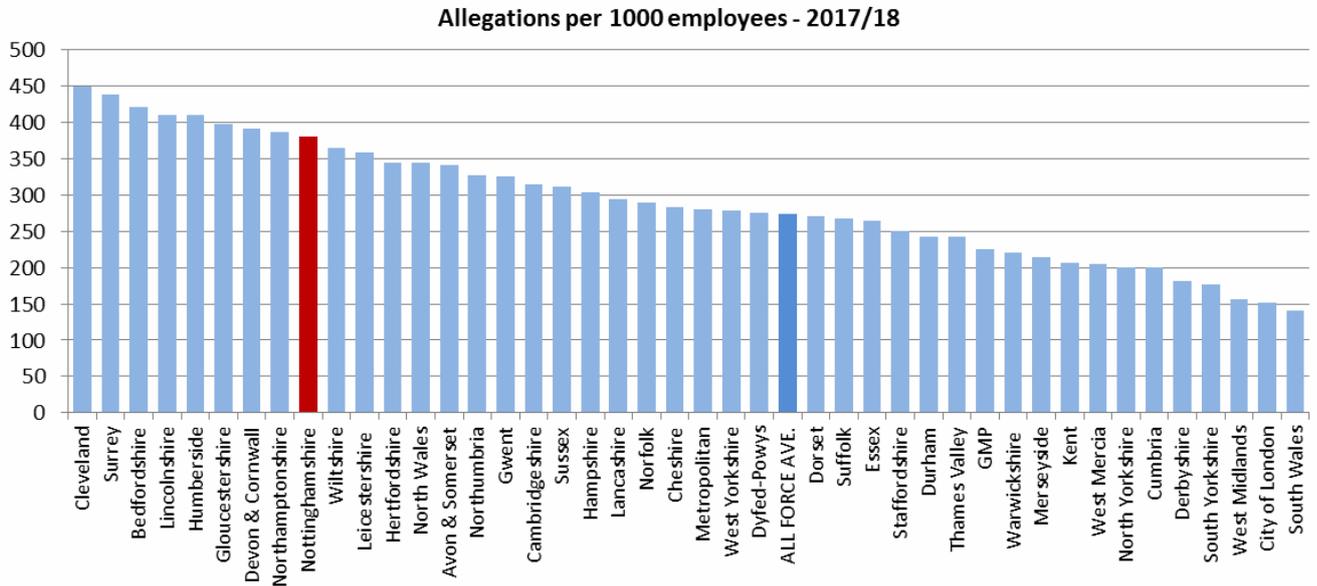
Police Complaints per 1,000 employees - 2017/18



% Change in Police Complaints - 2017/18

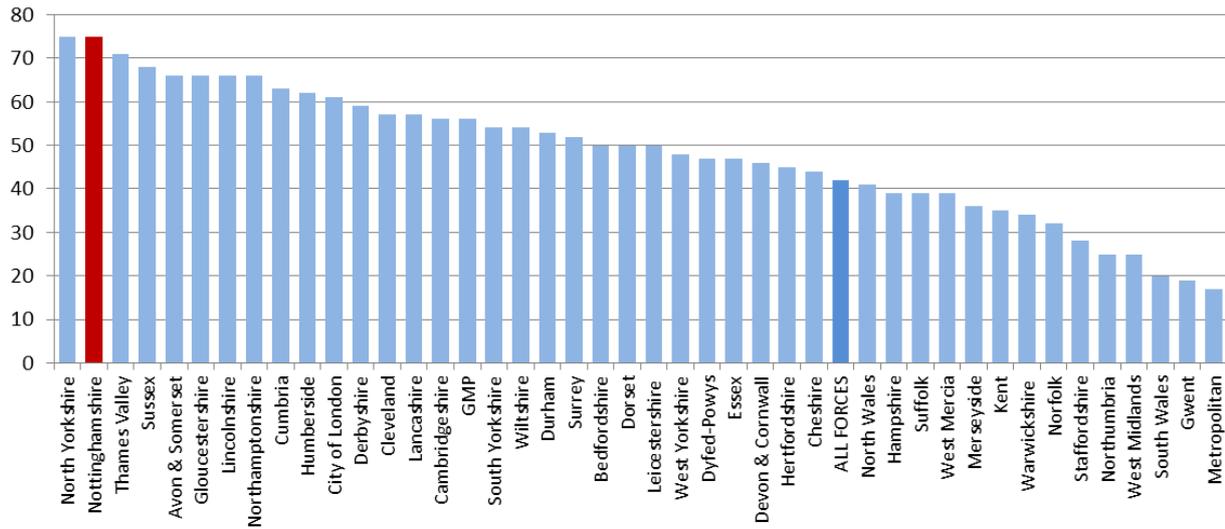


1.3 Nottinghamshire Police recorded 1,329 allegations in 2017/18 with the number recorded having risen by 25% compared to the previous financial year. Consequently, Nottinghamshire’s comparative level of allegations per 1,000 employees rose from a middling position (19th highest nationally) to a top quartile position (9th highest nationally) in 2017/18.



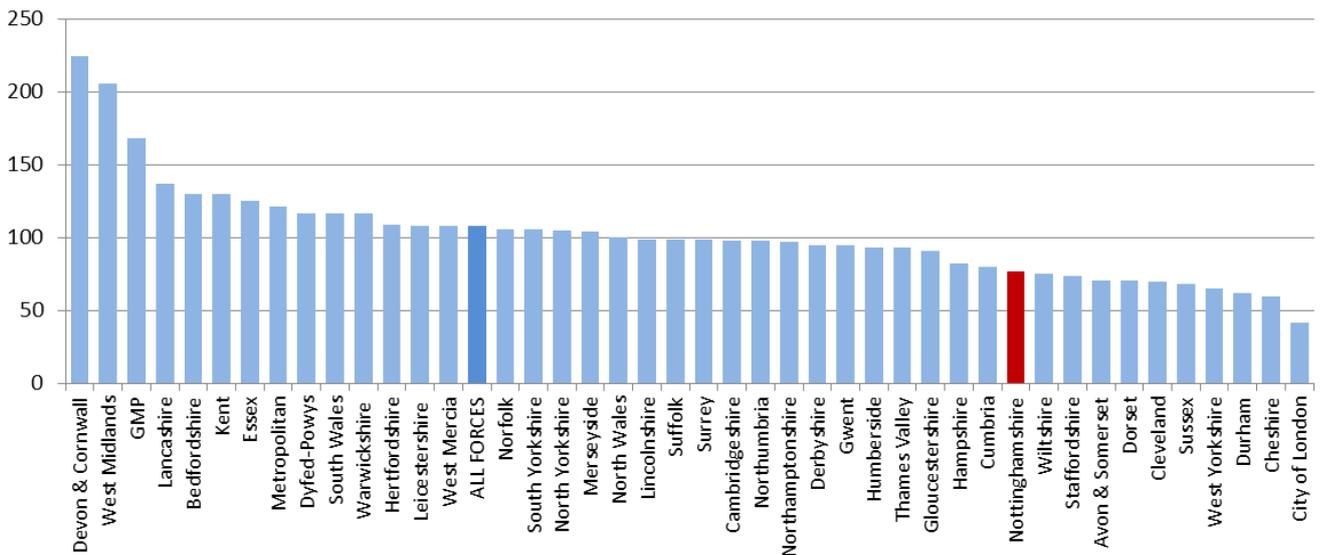
1.4 The majority of complaint cases in Nottinghamshire are finalised via local resolution (75%), with only 15% being finalised via formal investigation. This profile differs significantly from the all force average in which 42% are finalised via local resolution and 44% are finalised more formally via investigation.

% Complaints Finalised via Local Resolution - 2017/18



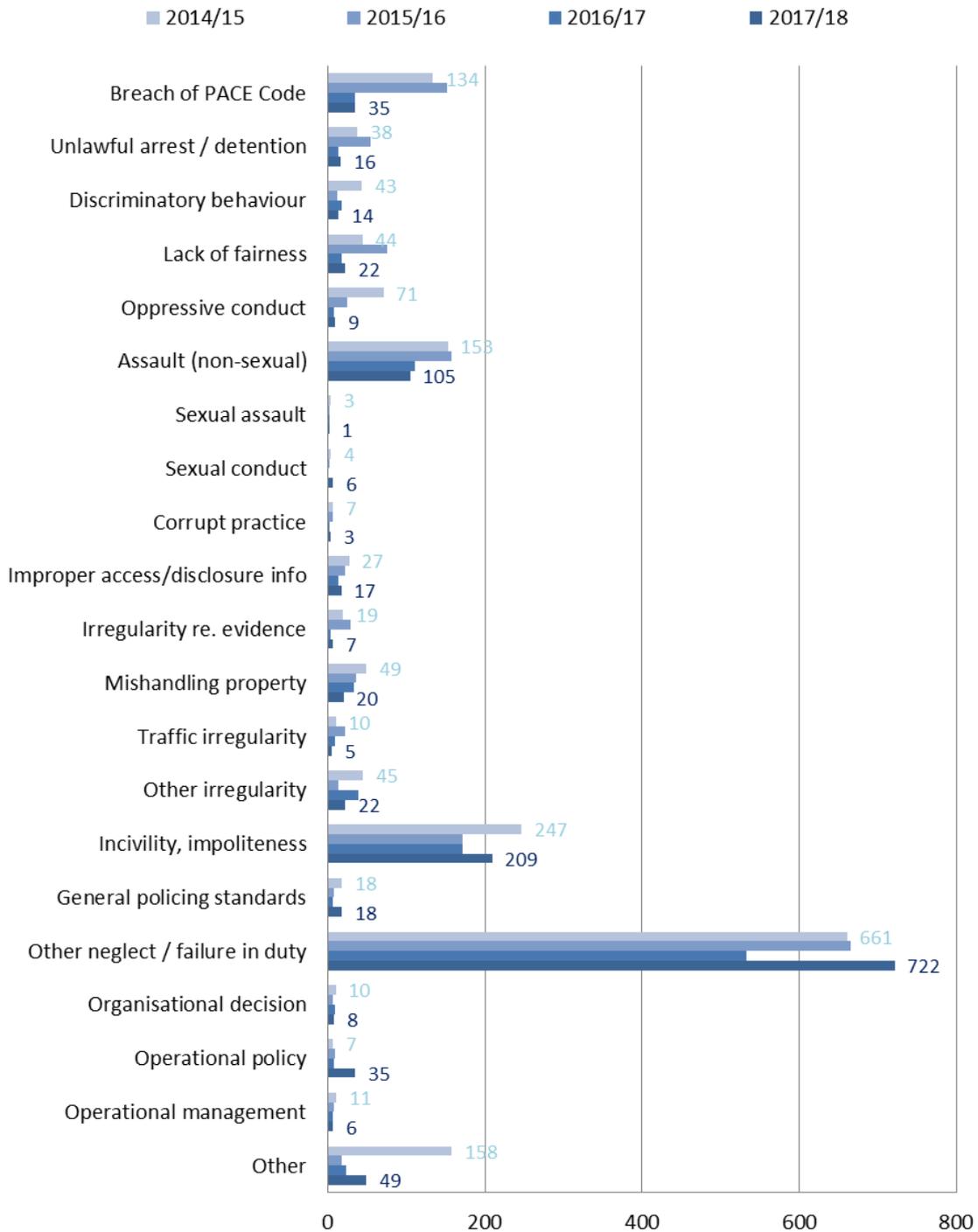
1.5 Timeliness in finalising complaints remains strong in Nottinghamshire when compared to other forces nationally for both local resolutions and formal investigations. The average complaint took around 77 days to finalise in 2017/18 compared to an all force average of 108 days.

Average number of days to finalise complaint (excl. suspension) - 2017/18



1.6 Allegations predominantly relate to general ‘neglect or failure in duty’, with the proportion of cases falling within this category having increased from 38% in 2014/15 to 54% in 2017/18. This reflects the national profile. A further 16% of allegations related to incivility / impoliteness in 2017/18, with this proportion having remained relatively stable over recent years.

Nature of Allegations - Nottinghamshire Police

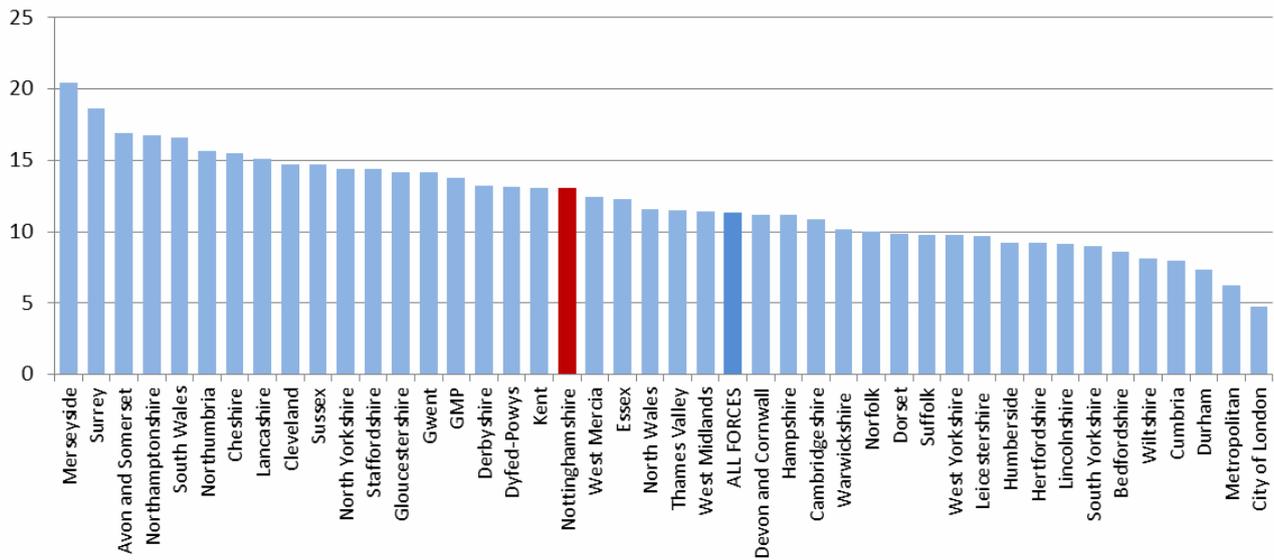


1.7 Assault allegations in Nottinghamshire fallen steadily since 2016/16 from 157 to 106. Less than 3% of these cases involve allegations of serious assault in any given year. Allegations relating to breach of PACE codes fell significantly from 152 to 35 between 2015/16 and 2017/18, while allegations relating to unlawful detention fell from 55 to 16 respectively. This reduction reflects changes in policing policies and practices, such as more targeted use of stop and search, wider use of Body Worn Video¹ and the embedding of the Statutory Code of Ethics for policing.

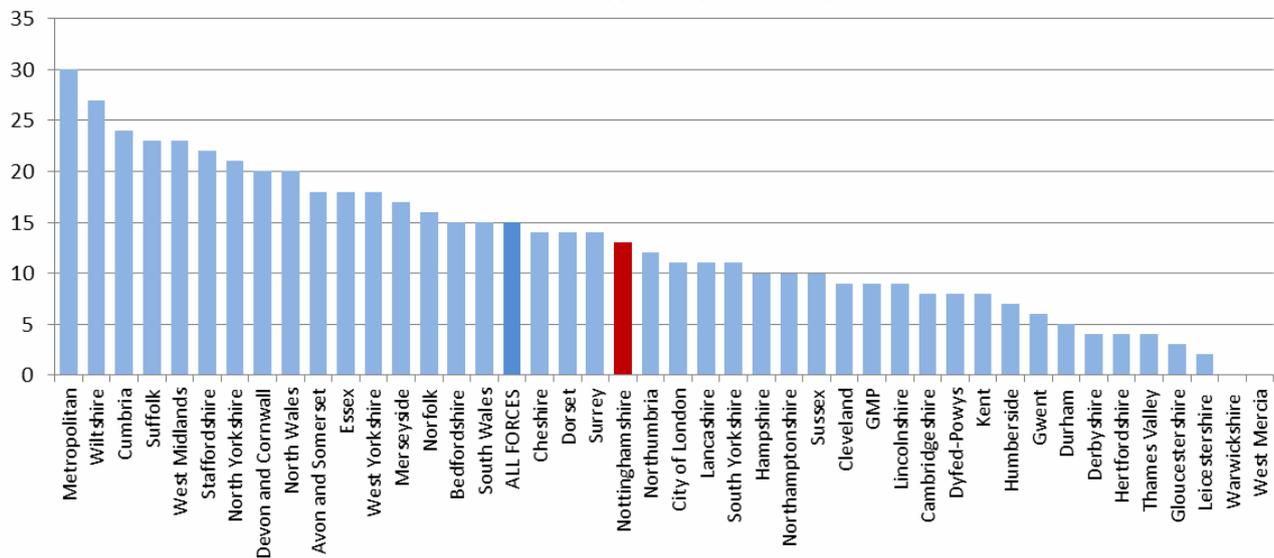
¹ ["Co ntagio us Ac c o untabili ty" - A Global Multisite Randomized Controlled Trial on the Effect of Police Body-Worn Cameras](#)

1.8 Chief Officers in Nottinghamshire received 147 appeals following the finalisation of complaint processes in 2017/18, with around 80% (117) relating to appeals following a local resolution. The proportion of all finalised complaints that resulted in a Chief Officer appeal (13.1%) was broadly in line with the England and Wales average (11.4%). Out of all valid² appeals to chief officers in 2017/18 (85), around 13% (11) were upheld. This was also broadly in line with the England and Wales average (15%).

Chief Officer Appeals per 100 Finalised Complaints - 2017/18



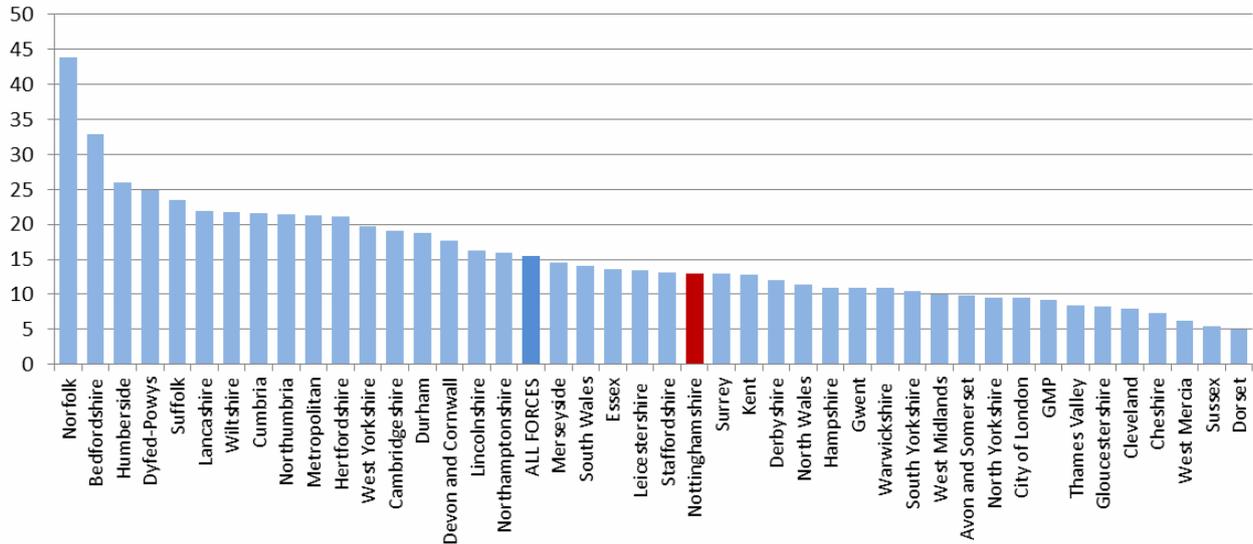
% Chief Officer Appeals Upheld- 2017/18



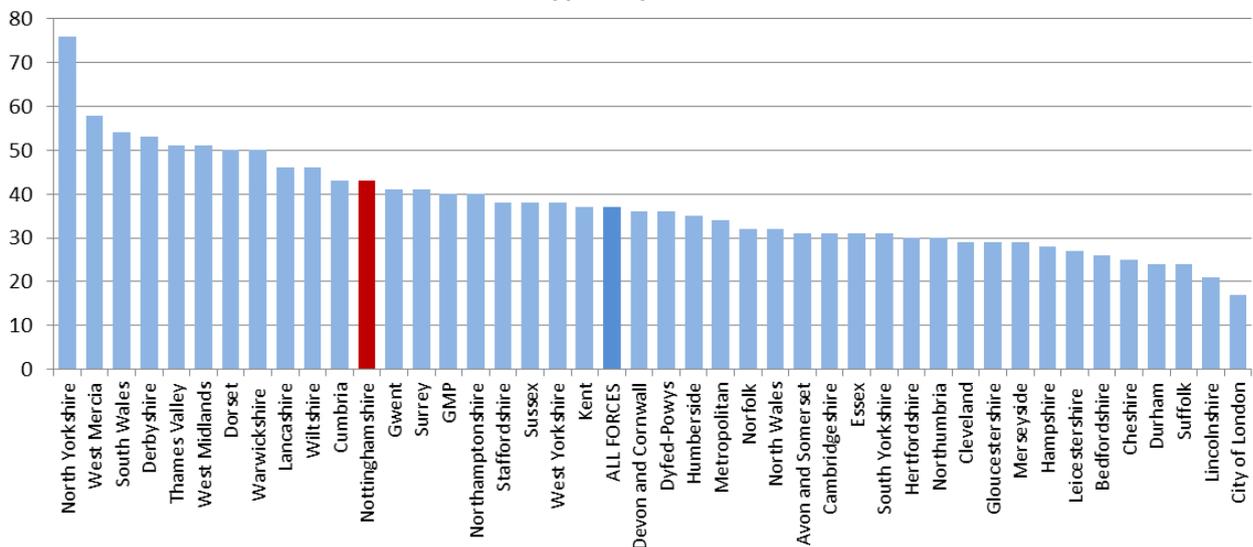
² Some appeals may be deemed 'invalid' and these have been excluded from the number of 'valid completed' and the calculation for '% upheld'

1.9 IOPC received 43 appeals relating to Nottinghamshire complaint outcomes in 2017/18, with 53% (23) relating to decisions to not record and 47% (20) relating to local investigation. The number of Nottinghamshire appeals to IOPC per 1,000 employees (13.0) was broadly in line with the England and Wales average (15.5), however the proportion of valid appeals upheld by the IOPC (43% - 17/40) was slightly higher than the England and Wales average (37%). Of the 17 upheld appeals, 10 related to non-recording decisions and 7 related to investigation appeals.

IOPC Appeals per 1,000 Employees - 2017/18



% IOPC Appeals upheld - 2017/18



The comparability of complaint statistics between police force areas remains significantly affected by differences in policy, practice, recording and public trust, confidence in the complaints process. While the IOPC aspires³ to improve consistency, it remains possible that disparate governance models and changes to the definition of complaints in 2019 may have the opposite effect.

³ IOPC Director General Michael Lockwood, September 2018: “The handling of complaints varies a great deal and we hope that changes next year promote a culture across policing which is more consistent and transparent

For Information / Consideration / Comment (delete as appropriate)	
Public/Non Public*	Public
Report to:	Audit and Scrutiny Panel
Date of Meeting:	7th November 2018
Report of:	IOPC Investigations, recommendations and actions
Report Author:	Superintendent Leona Scurr
E-mail:	Leona.scurr@nottinghamshire.pnn.police.uk
Other Contacts:	
Agenda Item:	17

*If Non Public, please state under which category number from the guidance in the space provided.

IPOC Investigations, Recommendations & Actions

1. Purpose of the Report

- 1.1 The purpose of this report is to inform the Joint Audit and Scrutiny Panel (JASP) in respect of the complaint and conduct matters which have been referred by Nottinghamshire Police to the Independent Office for Police Conduct (IOPC) during the relevant period 1st April 2018 to 31st August 2018, together with relevant recommendations and actions.

2. Recommendations

- 2.1 It is recommended that the panel receives assurance that Nottinghamshire Police works in adherence to Approved Professional Practice and the operational guidance issued by National Police Chief's Council when managing the risk of suicide to persons under investigation for online child sexual exploitation and abuse.

3. Reasons for Recommendations

- 3.1 Law enforcement in the UK has significantly increased the amount of coordinated activity to address the threat of harm posed from child sexual exploitation and abuse. Consequently there has been an increase in the numbers of suicides committed by offenders post law enforcement intervention.

4. Summary of Key Points

- 4.1 Death or serious injury matters (DSI) are not necessarily linked to a public complaint or any identified misconduct. The full definition of a DSI can be found in S.29 Police Reform Act 2002; in brief it is where there is/may be a causal link between a member of the public having contact with the police and death or serious injury occurring to that person. On receipt of a DSI referral the IOPC will determine the mode of investigation; usually an independent IOPC investigation or referred back to Force to investigate. The data summary

below outlines those DSI matters referred to the IPCC during the period 1st April 2018 to 31st August 2018 by Nottinghamshire Police:

Case Status	Incident summary	Mode of Investigation
Finalised	Injured evading arrest	Force deal *
Live	Injury following police pursuit	IOPC * Independent Investigation
Finalised	Suicide following other police contact	Local* Investigation
Finalised	Suicide attempt following prosecution for child sex offences.	Force deal
Live	Suicide following prosecution for child sex offences	IOPC Independent Investigation
Live	Injury sustained in custody	Local Investigation
Finalised	Suicide while classified a missing person	Local Investigation
Finalised	Suicide attempt following prosecution for child sex offences	Force deal
Live	Suicide following prosecution for child sex offences	Local Investigation
Finalised	Suicide following other police contact	Force deal
Live	Serious injury in custody	IOPC Independent Investigation

*Independent investigations are carried out by the IOPC's own investigators.

*Local investigations are carried out by police officers in the force area.

*Referred back to force are cases for the force to decide on.

4.2 The IOPC publish an annual report on deaths following police contact. The most recent report published in July this year captured data from all forces between 01.04.17 and 31.03.18. For the purpose of the IOPC annual report DSIs fall into five categories. These are:

- Road traffic incident
- Fatal shooting
- Death in or following police custody
- Apparent suicide following custody
- Other deaths following police contact

Nationally the number of deaths in or following police custody has risen to the highest recorded level in ten years. The term custody translates to detention and is not confined solely to custody at a police station. Using the IOPC date parameters in this twelve month period Nottinghamshire Police recorded three deaths in this category, this being the second highest number of all police forces.

Nationally the number of apparent suicides following police custody remains the same as last year. The most common reason for detention in this category is for sexual offences representing 51% of the total. The proportion of sexual offences or indecent images involving children was 44%. Using the IOPC date parameters Nottinghamshire Police saw an increase from zero to three deaths recorded in this category.

4.3 In addition to DSIs the Police must refer to the IOPC complaints and recordable conduct matters that include allegations of conduct which constitute:

- Serious assaults
- Serious sexual offences
- Serious corruption (includes Abuse of Position Trust for Sexual Gain)
- Criminal offence or behaviour aggravated by discrimination
- Relevant offence (where the sentence is fixed by law or 7yrs on first conviction)

The table below shows the number in each category recorded by Nottinghamshire Police in the reporting period April to August 2018.

Type of Conduct	Total April to Aug 2018
Serious assault	2
Serious sexual offences	4
Serious corruption	1
Relevant offence	3
Offence aggravated by discrimination	3

Of the sexual offences; one complaint was a false allegation; two were non-upheld complaints as a result of strip search and one allegation against a former officer which is subject of an on-going criminal investigation.

5. Financial Implications and Budget Provision

5.1 There are no specific financial implications in respect of this report. The Directorate is aware of its responsibilities in relation to 'Spending Money Wisely' and the information within this report exemplifies approaches to manage resources effectively.

6. Human Resources Implications

6.1 Professional Standards Directorate resources are under constant review, ensuring that the department has both the capacity and capability to meet demand.

7. Equality Implications

7.1 No specific implications

8. Risk Management

8.1 It is essential the public have confidence in the service Nottinghamshire Police provide.

8.2 Organisational learning is a whole organisation responsibility which helps to mitigate risk. Professional Standards Directorate contributes to risk management through the sharing of learning and encouragement of change across the organisation where appropriate.

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

9.1 IOPC investigations ensure that the public can have confidence in the independence, accountability and integrity, of the most serious of cases, most notably death or serious injury.

9.2 It is the responsibility of the force to ensure mandatory and voluntary referrals are made in a timely fashion and that appropriate support is given to IOPC investigators.

10. Changes in Legislation or other Legal Considerations

10.1 None

11. Details of outcome of consultation

11.1 None

12. Appendices

12.1 None

For Information	
Public/Non Public*	Public
Report to:	Audit and Scrutiny Panel
Date of Meeting:	November 2018
Report of:	PROFESSIONAL STANDARDS REPORTING PROCEDURE ('WHISTLE BLOWING')
Report Author:	Detective Superintendent Leona Scurr
E-mail:	Leona.scurr@nottinghamshire.pnn.police.uk
Other Contacts:	
Agenda Item:	18

PROFESSIONAL STANDARDS CONFIDENTIAL REPORTING PROCEDURE

1. Purpose of the Report

- 1.1 The purpose of this report is to inform the Joint Audit and Scrutiny Panel (JASP) regarding the above procedure and outline how the organisation in general and the Professional Standards Directorate (PSD) manages and deals with those members of the organisation who make reports concerning breaches of professional standards. In particular how they can be provided with support and confidentiality, when appropriate and necessary.
- 1.2 To also inform the Panel of the background data in support of a regional Crimestoppers Integrity Hotline due to start in November 2018. The East Midlands is a pilot region which has adopted the project as a work stream from the National Police Chiefs Council lead. The intention was in support of the national strategy to tackle abuse of position of trust for sexual gain however, the region will seek reporting through Crimestoppers on all counter corruption categories. This hotline is an addition to the standard Crimestoppers service as the provider will run a dedicated marketing campaign and adopt a new process to route counter corruption information and intelligence directly to counter corruption units using NICHE.

2. Recommendations

- 2.1 It is recommended that the Panel receives assurance from the processes in place relating to confidential reporting as detailed within the report.
- 2.2 That the panel receives assurance that Nottinghamshire Police Professional Standards Directorate actively seeks information and intelligence from a variety of sources in order to prevent corruption.

3. Reasons for Recommendations

- 3.1 The number of confidential referrals has reduced from 2017 to 2018. This is a trend experienced across all five regional forces. In July 2018 Nottinghamshire Police identified the counter corruption strategic priorities for the following 12 months as:

- Infiltration and corrupted individuals
- Abuse of position of trust for sexual gain
- Disclosure of information

The purpose of the Crimestoppers Integrity Hotline is to support internal confidential reporting processes and in addition actively seek information from the public. Nottinghamshire police employees can also use Crimestoppers should they be concerned about confidentiality.

4. Summary of Key Points

- 4.1 Police officers, staff and volunteers, must be honest and act with integrity at all times. This is a principal and absolute standard of professional behaviour, from which there can never be any departure. Without personnel possessing such attributes, public trust and confidence would be eroded, the Police would lack legitimacy and the service provided would become ineffective.
- 4.2 The reporting procedure for referring potential breaches in standards of professional behaviour, aims to create a climate where staff feel a genuine commitment to openness and transparency when reporting breaches of Professional Standards. Police personnel should be motivated with a desire to maintain the integrity of the Police service and feel assured that reporting misconduct and criminal transgression will be universally acknowledged as 'doing the right thing.'
- 4.3 The Force's 'Professional Standards Reporting Procedure' (PD462) defines how Nottinghamshire Police will protect and support its officers, staff and volunteers, by both (a) providing a broad range of options for reporting breaches and (b) providing consistent and meaningful support to colleagues who report concerns.
- 4.4 The Code of Ethics as set by the College of Policing, places a positive obligation on Police personnel to report suspected breaches in the standards of professional behaviour by their colleagues. Officers, staff and volunteers must be able to report such breaches openly, with the support of their peers and line managers and have the utmost confidence that in doing so, they will never be subject of victimisation, discrimination or disadvantage.
- 4.5 The reporting procedure identifies guiding principles and some examples of what activity or conduct should be reported, before outlining the different mechanisms and gateways for making such reports, which can be done anonymously, confidentially or in an open report.
- 4.6 The PSD have a key part to play in this procedure once a referral is made to the Directorate. Where open reports have been made, appropriate support will be given to the informant from the outset and proactive central and / or local management support and action will continue throughout the lifetime of the investigation and where necessary beyond that.

- 4.7 Confidentiality when requested will be given the highest priority. Nevertheless, relevant information will be subject of statutory rules governing disclosure. For misconduct cases that fall outside the scope of a criminal investigation, confidential information will be handled in a similar way to criminal intelligence. Where there can be no adverse effect on the person accused and a fair hearing can be guaranteed, immunity as to the disclosure of confidential information will always be sought.
- 4.8 For any officers, staff or volunteers who are concerned in coming forward to report any suspicion of corruption or misconduct, the Force provides an anonymous and confidential digital reporting platform called 'Integrity Messenger.' This system allows two-way communication with the PSD Counter Corruption Unit (CCU), whilst still preserving the anonymity of the person reporting for as long as they feel the need. Two way digital dialogue allows for rapport and confidence building, which in turn can lead to the person reporting providing their personal details. This affords any linked investigation with an opportunity to pursue further lines of enquiry.
- 4.9 A confidential telephone reporting system, maintained by the CCU, is also available to all Officers and Staff. Telephone calls are taken in person between the hours of 8am and 4pm and outside of these times, there is a voicemail facility. This facility operates on both an external and internal telephone number.

In the reporting period 1st April 2018 – 31st July 2018 the following confidential referrals were received by the CCU. These are listed in accordance with national Counter Corruption categories as set by the National Crime Agency (NCA):

Inappropriate Association x 1

Misuse of force systems x 4

Control of drug use or supply x 2

Commit/assist an offender in commission of crime x 3

Disclosure of information x 2

The following are those that fall outside of the NCA corruption categories.

Conduct 1

Foreign Force Enquiries x 2

Line Management / Performance x 18

Bullying /Grievance/ HR x 3

Other x 2

The confidential telephone line was not used during this reporting period. One anonymous written referral was made by letter.

Of those falling outside the NCA corruption categories, the majority related to performance issues.

- 4.10 The number of confidential referrals is similar to the previous reporting period but significantly lower than the previous year. No information exists within the Force to suggest that there has been a reduction in the confidence of the confidential reporting gateways provided to police officers, police staff and volunteers. The organisation appear comfortable reporting issues openly in person to PSD. A recent survey commissioned by the OPCC revealed this to be the case.

5. Financial Implications and Budget Provision

- 5.1 Funding for the Crimestoppers Integrity Hotline was provided by the regional PSDs. For Nottinghamshire this came from an under spend in the PSD budget. The project will be reviewed after 6 months to assess its success and whether additional funding would be awarded. The annual cost to the force is £3000.

6. Human Resources Implications

- 6.1 No specific HR implications are noted

7. Equality Implications

- 7.1 This document has been drafted to comply with the general and specific duties in the Equality Act 2010; Data Protection Act; Freedom of Information Act; ECHR; Employment Act 2002; Employment Relations Act 1999 and other legislation relevant to policing.
- 7.2 This procedure is robust and the evidence shows there is no potential for discrimination and that all opportunities to promote equality have been taken.

8. Risk Management

- 8.1 It is essential the public have confidence in the service Nottinghamshire Police provide.
- 8.2 The overwhelming majority of individual members of Police personnel including police officers, staff and volunteers within Nottinghamshire Police are dedicated, hard working, compassionate, and deliver policing services with a high degree of integrity. Regrettably, there are a small number of Police personnel that are guilty of and vulnerable to, unethical behaviour, dishonesty and corruption. The harm they do far outweighs the numbers they represent

8.3 We all have a part to play in enhancing the integrity and reputation of the Force. This process starts with recognition that we are all individually accountable for our actions and responsible for our behaviour.

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

9.1 By having a Professional Standards Reporting Procedure we are able to set out ways that staff can make reports concerning breaches of Professional Standards and ensure we support the Force vision and values.

10. Changes in Legislation or other Legal Considerations

10.1 None

11. Details of outcome of consultation

11.1 None

12. Appendices

12.1 None

Consideration	
Public/Non Public	Public
Report to:	Audit and Scrutiny Panel
Date of Meeting:	7 November 2018
Report of:	Chief Executive
Report Author:	Sara Allmond
E-mail:	sara.allmond@nottsc.gov.uk
Other Contacts:	
Agenda Item:	19

JOINT AUDIT AND SCRUTINY PANEL WORK PLAN 2018/19

1. Purpose of the Report

1.1 To provide the Panel with a programme of work for 2018/19

2. Recommendations

2.1 That Joint Audit and Scrutiny Panel members note the report and attached appendix, and agree the contents.

3. Reasons for Recommendations

3.1 To enable the Panel to manage its programme of work.

4. Summary of Key Points

4.1 The Panel has a number of responsibilities within its terms of reference. Having a work plan for the Panel ensures that it carries out its duties whilst managing the level of work at each meeting.

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 meets the requirements of the Terms of Reference of the Panel and therefore supports the work that ensures that the Police and Crime Plan is delivered.

10. Changes in Legislation or other Legal Considerations

- 10.1 None as a direct result of this report

11. Details of outcome of consultation

- 11.1 None as a direct result of this report

12. Appendices

- 12.1 Work Plan

PROPOSED JOINT AUDIT AND SCRUTINY PANEL WORK PLAN 2018/19

22nd FEBRUARY 2019 AUDIT PLANNING MEETING			
	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
	Internal Audit Progress Report	Each Meeting	Mazars – Brian Welch
	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		
	Force Report on Business Continuity Compliance and Assurance Testing and Exercising	Annually	Force – Corporate Development
	Force Report on Monitoring, Review and Assurance of the Publication Scheme	Annually	Force – Pat Stocker
	OPCC Report on Compliance with Freedom of Information Requests and the Specified Information Order	Annually	OPCC – Lisa Gilmour
	Force Assurance Report on Compliance with Freedom of Information and Data Protection Requests	Annually	OPCC – Pat Stocker

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:

- 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 event
- By exception report on Insurance Claims covering Public Liability, Employer's Liability, Motor Liabilities including Costing and Lessons Learned
- By exception report on Outcomes of Public Finance Initiative Contracts