POLICE AND CRIME COMMISSIONER FOR WILTSHIRE AND CHIEF CONSTABLE OF WILTSHIRE POLICE

AGENDA – please note change of venue

Meeting: JOINT INDEPENDENT AUDIT COMMITTEE
Date: Wednesday 21st March 2018
Time: 2.00pm
Place: Wroughton Conference Room, Swindon Police Station, Gablecross, SN3 4RB

If you require copies of any papers or have any queries concerning this agenda, please contact Sarah Kyte on the details below:
Telephone: 01380 734 022   Email: sarah.kyte@wiltshire.pcc.pnn.gov.uk.

PART I: Items to be considered whilst the meeting is open to the public

<table>
<thead>
<tr>
<th>Time</th>
<th>Item</th>
<th>Title</th>
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<tr>
<td>2.00pm</td>
<td>1.</td>
<td>Apologies</td>
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<td>2.</td>
<td>Declarations Of Interest Members are reminded that a member with a</td>
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<td>personal interest in a matter which is considered at a meeting of the</td>
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<td>Joint Independent Audit Committee must disclose to that meeting the</td>
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<td>existence and nature of that interest before the matter is considered</td>
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<td>or when the interest becomes apparent.</td>
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<td>2.05pm</td>
<td>3.</td>
<td>Minutes of the Joint Independent Audit Committee Meeting held on</td>
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<td>6th December 2017 Attached</td>
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<td>2.10pm</td>
<td>4.</td>
<td>Outstanding Actions A report by the Chief Executive is attached.</td>
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<td>2.15pm</td>
<td>5.</td>
<td>Police and Crime Commissioner Update A verbal report on current</td>
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<td>issues will be provided by the Police and Crime Commissioner.</td>
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<td>2.20pm</td>
<td>6.</td>
<td>Chief Constable Update A verbal report on current issues will be</td>
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<td>provided by the Temporary Chief Constable.</td>
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<td>2.25pm</td>
<td>7.</td>
<td>Medium Term Financial Strategy The Chief Finance Officer will provide</td>
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<td>a verbal report to Members</td>
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<td>2.35pm</td>
<td>8.</td>
<td>HM Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)</td>
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<td>Value for Money Profiles A presentation will be given to Members.</td>
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<td>2.55pm</td>
<td>9.</td>
<td>PCC Risk Register A report by the Chief Executive is attached.</td>
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<td>3.05pm</td>
<td>10.</td>
<td>JIAC Annual Self-Assessment The Committee Chairman will provide a</td>
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<td>verbal report.</td>
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<td>3.15pm</td>
<td>11.</td>
<td>Internal Audit: Update Report A report by the South West Audit</td>
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<td>Partnership is attached.</td>
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Also attached are those internal audit reports receiving a partial assurance in Quarter One:

a) Voluntary Funds
b) Staff Sickness

3.25pm 12. Internal Audit: Annual Plan  A report by the South West Audit Partnership is attached.


3.45pm 14. External Audit Progress Report  An update report by the external auditors Grant Thornton is attached.

3.55pm 15. External Audit Plan Year Ending 31st March 2018  A report by the external auditors Grant Thornton is attached.

4.05pm 16. HM Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) Update  HMICFRS published the latest Police Effectiveness, Efficiency and Legitimacy (PEEL) report on 12th December 2017 which rated Wiltshire as ‘good’. HMICFRS state on their website that:

‘Wiltshire Police is judged to be good at how legitimately it keeps people safe and reduces crime. For the areas of legitimacy we assessed this year, our overall judgment is the same as last year. The force is judged to be good at treating all of the people it serves with fairness and respect. It is judged to be good at ensuring its workforce behaves ethically and lawfully and good at treating its workforce with fairness and respect.’

To read more, please visit the HMICFRS website.

4.10pm 17. Appointment of External Auditor for 2018-19  Grant Thornton (UK) LLP have been appointed as external auditors for five years for the accounts from 2018-19 to 2022-23 for the Police and Crime Commissioner and the Chief Constable. The appointment is made under Regulation 13 of the Local Audit (Appointing Person) Regulations 2015, and was approved at by the Public Sector Audit Appointments (PSAA) Board at its meeting on 14th December 2017.

4.15pm 18. Dates of Future Meetings (all to be held at Police Headquarters, Devizes)

Thursday 7th June 2018 at 9.30am
Thursday 19th July 2018 at 2.00pm
Thursday 15th November 2018 at 2.00pm

19. Exclusion of Public  In accordance with Standing Order 6 of the Committee’s Standing Orders to exclude the public from the meeting for the business specified in Item 20 below because it is likely that if a member of the public were present there would be disclosure to them of exempt information as defined in paragraph 7 (information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime) of Appendix 2 of the Committee’s Standing Orders.
<table>
<thead>
<tr>
<th>Time</th>
<th>Item</th>
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<tr>
<td>4.20pm</td>
<td>Force Risk Register</td>
<td>A report by the Chief Constable is attached. The Chief Finance Officer will provide an update on Force ICT as per the outstanding actions.</td>
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POLICE AND CRIME COMMISSIONER FOR WILTSHIRE
AND CHIEF CONSTABLE OF WILTSHIRE POLICE

Minutes of the JOINT INDEPENDENT AUDIT COMMITTEE
held on 6th December 2017 at 2.00pm
at Police Headquarters, London Road, Devizes

Present: Mr K Bellamy (Chairman), Ms C Baynes, Mr D Line, Mr R McMillan

In Attendance: Mr A Macpherson (Police and Crime Commissioner),
Chief Constable M Veale, Mr C Barker (Chief Finance Officer),
Mr N Darwish (Deputy Chief Executive), Miss S Kyte (Commissioning
and Policy Officer, minutes), Ms G Hawkins (Grant Thornton),
Mr J Murray (Grant Thornton), Mr R Bamberger (SWAP)

PART I: Items to be considered whilst the meeting is open to the public

1. Appointment of Chairman Keith Bellamy appointed as Chairman for ensuing year.

2. Apologies Alex Blair and Iain Murray

3. Moments Silence for Steven Booth Following the sudden passing of JIAC Member
Steven Booth, a minutes silence was held.

4. Declarations of Interest There were no declarations of interest.

5. Minutes of the Joint Independent Audit Committee meeting held on
12th September 2017

Resolved: To approve the minutes of the meeting held on 12th September 2017 as
an accurate record and for the Chairman to sign the minutes.

6. Outstanding Actions

Meeting date: 12th September 2017

Minute 5a): Risks I5 and I8 had been reviewed but a date for delivery of the disaster
recovery plan was still awaited.

Minute 7b): The CFO will deal with outstanding audit recommendations under agenda
item 11.

Minute 13b): Following the Staff Survey presentation to the September meeting,
Members asked two follow-up questions. The responses to these were read out at
the meeting and are attached at Appendix A. The CFO added that one of the
questions asked in the survey related to whether respondents felt the organisation
was an ethical organisation. 72% agreed that it was and 21% stated they didn’t have
a view. Whilst it was recognised this was not a direct comparison of whether staff
were aware of the whistleblowing policy and had confidence in it, it was a contributory
response.

Resolved: a) To note the updates provided with regard to the outstanding
actions.
b) That with regard to the Staff Survey and the two follow-up questions asked by Members, the OPCC would circulate the responses from the Force.

7. Police and Crime Commissioner Update  A verbal update was provided by the Police and Crime Commissioner and the following key points noted:

- HMICFRS PEEL inspections – Wiltshire had received some positive reports recently. The information from these reports was currently being collated with the ultimate aim of communicating key and positive messages to the public.
- Primary concern relates to government funding and the settlement that Wiltshire may receive. Whilst it was anticipated that ‘police funding will be protected’, if the PCC were to increase the policing part of the council tax by 1.9% (the maximum amount allowed under legislation without requiring a referendum) in reality this would present a ‘cash flat’ increase only. This is a key message which should be communicated to and understood by the public.
- Savings of £3.9m are required to be made in future years which, as an example of the challenge this represents, is the equivalent of the neighbourhood policing element provided by the Force. It is essential that consideration is given now as to how the Force could operate in the future.
- The PCC and the Chief Constable need to be clear on how these savings are to be made and how specialist capabilities would operate not just within the county but also in keeping the country safe.

In response to the PCC’s verbal update, Members made the following comments / observations:

- There is a requirement for the public to be educated with regard to these issues. The PCC and the Chief Constable may be ensuring the Force was modernising and changing to meet the savings requirement, ensuring it operates as effectively and efficiently as possible, but the public perception of what the service should provide is not changing. Good communication / engagement messages to the public were essential, and required, in order for them to truly understand the current and future situation.

Resolved: To note the verbal update provided by the Police and Crime Commissioner.

8. Chief Constable Update  A verbal update was provided by the Chief Constable which echoed that of the Police and Crime Commissioner and the current resourcing difficulties facing the Force.

In response to the update provided by the Chief Constable, Members asked the following:

- In some police force areas the media were reporting incidents of police officers / PCSOs not responding to some incidents of crime as the local force had deemed they were no longer able to respond to low level crime due to lack of resources. The Committee wished to know if this was a situation which was recognised in Wiltshire. The Chief Constable had recently been in discussion with his two hub Superintendents about this issue and whilst resourcing was an issue and policing at current levels remains a challenge in Wiltshire, the Force were not yet ready, or required, to contemplate making a policy decision on whether it should no longer respond to certain types of low level crime. The Force was performing well but is the fourth worst funded force in England and Wales. The Force would not become
complacent and continue to work with partners and public sector organisations to address issues in partnership. It would also continue to review the HMICFRS Value for Money profiles to identify if any further efficiencies could be found. The Chief Constable reported that Wiltshire had modernised more than any other force and that officer numbers was the lowest per population than anywhere else. The Force continued to receive good reports from HMICFRS PEEL inspections with the most recent report for efficiency grading the Force as ‘good’. This was a light-touch inspection due to the previous performance of the Force in this area. The Force was in the top seven of good performing forces in the country.

Resolved:  a) To note the verbal update provided by the Chief Constable and the ‘good’ grading received by the Force in recent HMICFRS PEEL inspection, despite being the fourth worst funded force.

b) OPCC to note the update provided by the Chief Constable with regard to the modernisation of the Wiltshire force for inclusion in the annual statement due in June 2018.

9. PCC Risk Register

The DCX provided Members with a brief overview of the current PCC risk register. In response to questions raised by Members, the following was noted:

Risk I2 (Failure to produce a MTFS that enables the PCC to deliver his P&C Plan priorities and fails to identify delivery of necessary savings): The CFO reported the MTFS had been presented at the recently held CMB. The savings requirement for 2018-19 had been £3.3m but this had been reduced to £1.3m following the use of reserves and by not making the revenue contribution to capital. The savings requirements for 2019-20 would be £4m. The funding announcement from the government was expected in the next two weeks following which this risk would be reviewed.

Risk I6 (Partners make decisions that impact upon the PCC and Police without discussion or involvement in decision making process): The DCX stated that the PCC had met recently with SBC and would now need to wait to see their budget for 2018-19 to see where they were looking to make savings. At that point the PCC/OPCC would liaise with SBC so that the full impact of these savings was understood by both parties.

Risk I8 (ICT services are not resilient and transformational to support effective and efficient policing): David Line stated he was disappointed that the ICT disaster recovery plan had not yet been received and a date when this would be had not been identified. David referred to a SWAP training event he had attended recently with Alex Blair where there was a presentation on cyber security and how this was an area that should be scrutinised by audit committees. The HM Treasury Audit and Risk Assurance Committee Handbook states that audit committees should evaluate the processes the organisation has in place for the following five areas:

- governance
- threat intelligence, third party, and supply chain
- structure and resources
- incident response
- people, training, and awareness

It was requested that time be allocated at a future meeting where cyber security could be considered as a specific item on the agenda. This was agreed and the CFO would bring a report to either the March or June meeting of the Committee addressing how
the PCC and the Chief Constable manage the five areas referred to previously. The CFO provided a brief overview of key processes in place such as penetration tests which were carried out on an annual basis, Op Electric which took place recently, and the fortnightly ICT oversight meetings which were chaired by the CFO. Whilst a disaster recovery plan had not been received specifically for ICT, every Force department had its own disaster recovery plan in place. The Committee welcomed the update which provided some reassurance and thanked the CFO. The PCC risk register would be updated accordingly to reflect this discussion.

The Chairman thanked the DCX, CFO, and the Commissioning and Policy Officer for producing the PCC risk register and an informative covering report.

Resolved:  
\( a) \) OPCC to update PCC risk register following the funding announcement by the Government.

\( b) \) CFO to produce a report on cyber security for either March or June meeting of the Committee addressing the five areas listed in HM Treasury’s Audit and Risk Assurance Committee Handbook.

\( c) \) OPCC to ensure PCC risk register is updated accordingly to reflect the discussion on cyber security.

10. Internal Audit: Update Report

A report by SWAP had been circulated and the following key points noted:

- The report gave a positive assessment of the Force risk and control processes
- No significant risks had been identified in the final audit reports issued to date for 2017-18
- Appendix A provided a schedule of work for 2017-18 which SWAP said would be completed by 31st March 2018
- Appendix B detailed the customer feedback process utilised by SWAP – this information had been provided following a request from Members at the last meeting
- SWAP do not independently verify the follow-up of previous audit recommendations and rely on the internal Force process

Members asked whether they had sight of any of the audit reports. The CFO stated that he believed all reports with a ‘partial’ opinion were considered at JIAC. It was agreed that the OPCC would confirm this and ensure the relevant reports were included in future JIAC papers.

SWAP confirmed that the final report for the follow-up audit for control of ammunition, guns and tasers had been issued that morning and that they were happy with the controls in place.

Resolved:  
\( a) \) That the OPCC would confirm with the CFO the final audit reports which JIAC had sight of and ensure these were included in future JIAC papers.

\( b) \) To note the content of the report and the update provided by SWAP.

11. Internal Audit: Outstanding Audit Recommendation

The CFO provided a verbal update on the three outstanding audit recommendations. A report listing those recommendations which were outstanding and an update on these would be included in future JIAC papers as has been done previously.
Resolved: CFO to ensure report on outstanding audit recommendations is included in future JIAC papers.

12. External Audit Report

Resolved:  
\( a) \) The OPCC would circulate the links to the four reports referenced in the Grant Thornton report to JIAC Members.  
\( b) \) CFO to deliver a short presentation on the HMICFRS Value for Money profiles to the next JIAC meeting.  
\( c) \) To note the content of the report.

13. External Audit Annual Audit Letter

Further to the discussion earlier in the meeting with regard to cyber security, David Line asked whether there was a requirement for auditors to report on this matter within the annual governance statement. Jackson Murray stated that this was not currently included in the CIPFA code but that should this be amended to include cyber security then they would provide comment on it.

Resolved: To note the content of the annual audit letter.

14. HM Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)

Resolved: To note the update included on the agenda and the verbal report by the Chief Constable under agenda item 8.

15. Annual Member Briefing Session and JIAC Self-Assessment 2017

The Chairman reported that as in previous years, the intention would be to hold a briefing session for Members only towards the end of January / early February. The session would look at the matters raised from the recent SWAP training event for audit members and would consider the self-assessment template completed annually by Members. An improvement plan for JIAC for the next twelve months would be developed from the results of the self-assessment. The session would run from 10.00am-1.00pm.

Resolved: OPCC to liaise with Members on suitable date for annual briefing session and to make all other necessary arrangements.

16. Emergency Services Mobile Communications Programme (ESMCP) Beat Radio

The CFO provided a verbal update to Members and the following points were noted:

- Programme replaces current Airwave system
- New radio system was expected to go live December 2019
- There have been a number of delays to the programme and estimated transition date is now late 2020 / early 2021
- Delays are impacting on costs, for example the South West forces set up a regional team to manage the transition and as a result of the delayed timescale costs of the regional team are likely to increase
- Some issues have arisen with regard to proposed solutions, for example the handset which would negate the need for officers and PCSOs to have separate mobile phones although this now looked less likely
- £3.2m has been allocated within the capital plan for this programme but is a guestimate due to limited financial information

Resolved: To note the verbal update provided by the CFO.
17. **Expenses Update**

The CFO provided an overview to Members on the expenses process for police officers and police staff. He provided reassurance to Members that the process allows for anomalies to be dealt with (eg. if an individual is claiming more than is allowed for an evening meal) but that a common sense approach is taken and if there is a legitimate reason then the individual would be reimbursed in full (eg. the supervisor states that the individual had no alternative but to take their evening meal at this restaurant as it was the only place to eat).

**Resolved:** To note the verbal update provided by the CFO.

18. **Date of Future Meetings**

- Wednesday 21\textsuperscript{st} March 2018 at 2.00pm
- Thursday 7\textsuperscript{th} June 2018 at 9.30am
- Thursday 19\textsuperscript{th} July 2018 at 2.00pm
- Thursday 15\textsuperscript{th} November 2018 at 2.00pm

19. **Exclusion of the Public**

**Resolved:** In accordance with Standing Order 6 of the Committee’s Standing Orders to exclude the public from the meeting for the business specified in Items 20 and 21 below because it is likely that if a member of the public were present there would be disclosure to them of exempt information as defined in Paragraph 7 (information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime) of Appendix 2 of the Committee’s Standing Orders.

20. **Minutes of the Joint Independent Audit Committee meeting held on 12\textsuperscript{th} September 2017**

**Resolved:** To approve the minutes of the meeting held on 12\textsuperscript{th} September 2017 as an accurate record and for the Chairman to sign the minutes.

21. **Force Risk Register**

The CFO reported that the Force risk register had been thoroughly reviewed at a recently held internal meeting and, as a result, a number of risks had been significantly updated. A verbal update was provided by both the Chief Constable and the CFO and the following key points noted:

- **Operational Resourcing and Deployment Levels:** The gold group established to manage this risk had now concluded but risk score would not be revised down until those newly recruited to the organisation had completed their training.
- **ANPR:** The Force system in place is currently considered tier 3 and should be tier 1 (ie. a backup system should be in place). A number of changes to the system had been carried out but more work was required. Whilst this matter is to be addressed urgently, due to competing priorities it was unlikely to be progressed further until the New Year.
- **Review of Funding Formula:** At the time the Force risk register had been circulated to Members, the MTFS had not been presented to CMB. Now this had been done it was likely that the impact score would be reduced as a plan was in
place to balance the budget for 2018-19 without changes to the funding formula.

- **Inability to manage non-emergency demand in a timely way:** Call abandonment rates had now reduced and were around 5% from 14%.
- **PND capability and access:** This risk had been reviewed and updated in November 2017 not September 2017 as was stated in the relevant column.
- **Impact of public confidence on Wiltshire Police as a result of Op Conifer:** Following the publication of the Op Conifer report, the likelihood and impact scoring had both been reduced from 4 to 3, giving a new total score of 27.
- **BAME representation within Wiltshire Police (Equality Act):** The Chief Constable stated that following good work by the positive action team, nearly 4% of the workforce were from BAME backgrounds (up from 1.6% as reported in the risk register). This achievement should not be underestimated. Should this figure continue to stabilise or improve then the risk score would be reduced.
- **ESMCP (Beat, More than Radio):** The CFO referred Members to the verbal update he provided earlier in the meeting at agenda item 16.
- **Lack of understanding and analysis of sickness levels:** Noted that the narrative provided in the report did not relate to this risk. The update for this risk was circulated at the meeting.

In response to the updates provided, Members raised the following queries:

- **Lack of ICT resources:** The update provided referenced a skills gap analysis within the department but no timeframe was given. The CFO stated he would raise this at the Joint ICT governance board to request this information.
- **Digital Platform:** Rohan McMillan asked how the General Data Protection Regulation (GDPR) which will apply from May 2018 would be managed. The CFO stated that a new project had been established (0365) and that this would reduce the amount of data and number of emails held by staff. This work would be carried out on all systems whilst a cloud storage system is adopted. The Force Protective Security Manager is continuing to review this risk.

**Resolved:**

a) That the CFO would request information from the Joint ICT Governance Board in relation to the skills gap analysis and when this would be completed.

b) To note the contents of the Force Risk Register and the updates provided by the CFO.

The meeting commenced at 14.00 and concluded at 15.55

Keith Bellamy
JIAC Chairman
## GLOSSARY

<table>
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<tr>
<th>Acronym</th>
<th>Description</th>
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<tr>
<td>ANPR</td>
<td>Automatic Number Plate Recognition</td>
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<td>BAME</td>
<td>Black and Minority Ethnic</td>
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<td>CFO</td>
<td>Chief Finance Officer</td>
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<td>CMB</td>
<td>Commissioner’s Monitoring Board</td>
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<td>DCX</td>
<td>Deputy Chief Executive</td>
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<td>ESN</td>
<td>Emergency Services Network</td>
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<td>GDPR</td>
<td>General Data Protection Regulation</td>
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<td>HMICFRS</td>
<td>Her Majesty's Inspectorate of Constabulary and Fire &amp; Rescue Services</td>
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<td>ICT</td>
<td>Information, Communication and Technology</td>
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<td>JIAC</td>
<td>Joint Independent Audit Committee</td>
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<td>MTFS</td>
<td>Medium Term Financial Strategy</td>
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<td>OPCC</td>
<td>Office of Police and Crime Commissioner</td>
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<td>PCC</td>
<td>Police and Crime Commissioner</td>
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<td>PEEL</td>
<td>Police Effectiveness, Efficiency, and Legitimacy</td>
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<td>PND</td>
<td>Police National Database</td>
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<td>SBC</td>
<td>Swindon Borough Council</td>
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<td>SWAP</td>
<td>South West Audit Partnership</td>
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FORCE STAFF SURVEY
Following the presentation on the Staff Survey provided at the JIAC meeting held on 12th September 2017, Members were invited to submit questions after the meeting which the Force would respond to. Two questions were received and these are detailed below along with the Force response.

Question:
Whilst fully appreciating the Force does have a Whistleblowing Policy, it is only effective if staff are not only aware of it, but have confidence in the management and process being fair so that they would use it if they had a serious concern. Was this addressed in the recent Survey and if yes, what were the results; or if not, will it be considered for inclusion in future Surveys?

Answer:
The most recent survey was a pulse survey and therefore the number of questions was limited to 33, 12 of these questions were included within a ‘culture/other’ section. Whilst there was no specific questions around ‘whistle blowing’ in the pulse survey, questions around whether staff believe that values and behaviours were demonstrated consistently, whether the force manages poor performance in line with values and behaviours, whether the Force acts as an ethical organisation and whether staff feel empowered to make decisions were all asked.

The last full survey (in 2016) had a total of 63 questions with a specific question around the reporting of wrongdoing (see question and results below). It is my expectation that this will continue to be included in future full surveys so we can continue to track the direction of travel.

Q: Our organisational culture is one where I feel able to report wrongdoing
Results:
Strongly agree: 12%
Agree: 54%
Neither agree or disagree: 19%
Disagree: 10%
Strongly disagree: 5%

Within the detailed report for the 2016 survey, ORC (the company who carry out the surveys for the force) stated the following:
“The journey of positive shift of Wiltshire Police into a culture where employees feel able to report wrong-doing is pleasing to see; there has been a statistically significant increase of 19 percentage points increase since 2014. In the last survey this question generated a high number of uncertain responses (30%) which have been capitalised on and opinions have become more positive.”

Question:
The response rate has declined in each of the last four years. What steps are the Force considering to reverse this trend?

Answer:
Whilst it is disappointing that the response rate has declined, we are still receiving responses from a significant number of officers and staff. The response rate was 58% in 2014, down slightly to 57% in 2016 and then 53% in 2017, a 4 percentage point drop from the previous year.
By comparison, the employee engagement index has increased by 11% since 2014. The engagement index in 2017 was 72%, a 4% increase from 68% in 2016. This is the core measure of how engaged staff and officers are with working for the Force and serves as a good temperature check of where we are as an organisation.

Every staff survey has been heavily promoted internally via our key internal communication channels (whole force email, Firstpoint news, submissions within e-brief and more recently via the internal app, Siren). Managers have been briefed and have cascaded information to their teams. Advanced notification has been given to officers and staff about the survey along with direct reminders by email to staff who have not completed the survey by a certain point.

Future staff surveys will continue to be promoted using all available internal channels and also possibly via SCT blogs and videos - we will continue to reiterate to officers and staff how important their views are and emphasise the value that each completed survey brings.
# JOINT INDEPENDENT AUDIT COMMITTEE (JIAC) – OUTSTANDING ACTIONS AS AT CIRCULATION OF AGENDA

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<tr>
<th>Minute</th>
<th>Action</th>
<th>Owner</th>
<th>Update / Status</th>
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<tr>
<td><strong>Date of Meeting: 12&lt;sup&gt;th&lt;/sup&gt; September 2017</strong></td>
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<td>5a)</td>
<td><em>(PCC Risk Register)</em>: That the DCX will review Risk I5 and Risk I8 and identify a project end date and anticipated date for delivery of disaster recovery plan respectively. <strong>UPDATE:</strong> (13&lt;sup&gt;th&lt;/sup&gt; February) Risks reviewed and updated, disaster recovery plan received.</td>
<td>DCX</td>
<td>Completed – 13&lt;sup&gt;th&lt;/sup&gt; February 2018</td>
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<td>7b)</td>
<td><em>(Internal Audit: Outstanding Audit Recommendations)</em>: For the CFO to request 32476 (HR Management) be removed from future editions of the report as the recommendation was not considered a governance failure. <strong>UPDATE:</strong> (23&lt;sup&gt;rd&lt;/sup&gt; November) CFO has requested this.</td>
<td>CFO</td>
<td>In progress</td>
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<td><strong>Date of Meeting: 6&lt;sup&gt;th&lt;/sup&gt; December 2017</strong></td>
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<tr>
<td>6b)</td>
<td><em>(Outstanding Actions – Staff Pulse Survey)</em>: That with regard to the Staff Survey and the two follow-up questions asked by Members, the OPCC would circulate the responses from the Force.</td>
<td>OPCC</td>
<td>Completed – 18&lt;sup&gt;th&lt;/sup&gt; December 2017</td>
</tr>
<tr>
<td>8)</td>
<td><em>(Chief Constable Update)</em>: OPCC to note the update provided by the Chief Constable with regard to the modernisation of the Wiltshire force for inclusion in the annual statement due in June 2018.</td>
<td>OPCC</td>
<td>Completed</td>
</tr>
<tr>
<td>9a)</td>
<td><em>(PCC Risk Register)</em>: OPCC to update PCC risk register following the funding announcement by the Government.</td>
<td>OPCC</td>
<td>Completed</td>
</tr>
<tr>
<td>9b)</td>
<td><em>(PCC Risk Register)</em>: CFO to produce a report on cyber security for either March or June meeting of the Committee addressing the five areas listed in HM Treasury’s Audit and Risk Assurance Committee Handbook.</td>
<td>CFO</td>
<td>Scheduled for June meeting</td>
</tr>
<tr>
<td>9c)</td>
<td><em>(PCC Risk Register)</em>: OPCC to ensure PCC risk register is updated accordingly to reflect the discussion on cyber security.</td>
<td>OPCC</td>
<td>Completed</td>
</tr>
<tr>
<td>Minute</td>
<td>Action</td>
<td>Owner</td>
<td>Update / Status</td>
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<tr>
<td>10a)</td>
<td><em>(Internal Audit: Update Report):</em> That the OPCC would confirm with the CFO the final audit reports which JIAC had sight of and ensure these were included in future JIAC papers.</td>
<td>OPCC</td>
<td>Included on March agenda</td>
</tr>
<tr>
<td>11)</td>
<td><em>(Internal Audit: Outstanding Audit Recommendation):</em> CFO to ensure report on outstanding audit recommendations is included in future JIAC papers.</td>
<td>CFO</td>
<td>Included on March running list</td>
</tr>
<tr>
<td>12a)</td>
<td><em>(External Audit Report):</em> The OPCC would circulate the links to the four reports referenced in the Grant Thornton report to JIAC Members.</td>
<td>OPCC</td>
<td>Completed – 18th December 2017</td>
</tr>
<tr>
<td>12b)</td>
<td><em>(External Audit Report):</em> CFO to deliver a short presentation on the HMICFRS Value for Money profiles to the next JIAC meeting.</td>
<td>CFO</td>
<td>Included on March agenda</td>
</tr>
<tr>
<td>15)</td>
<td><em>(Annual Member Briefing Session and JIAC Self-Assessment 2017):</em> OPCC to liaise with Members on suitable date for annual briefing session and to make all other necessary arrangements.</td>
<td>OPCC</td>
<td>Completed – 2nd February 2018</td>
</tr>
<tr>
<td>21a)</td>
<td><em>(Force Risk Register):</em> That the CFO would request information from the Joint ICT Governance Board in relation to the skills gap analysis and when this would be completed.</td>
<td>CFO</td>
<td>Included on March agenda</td>
</tr>
</tbody>
</table>
PCC RISK REGISTER

1. **Purpose of Report**
   1.1 To update the Police and Crime Panel on the PCC Risk Register.

2. **Background and Main Considerations**
   2.1 The risk register is now aligned to the lifespan of the Police and Crime Plan (2017-2021) and has been reviewed and updated as at 13th February 2018.

   2.2 All risks are split into two categories – they are either inherent risks and will remain on the register regardless of score, or topical risks which will be removed when they have a score of 10 or under. This will assist in ensuring focus remains on current risks and what additional mitigations or plans are needed to reduce the score and thus be removed from the register.

   2.3 The register is a dynamic document and is intended to capture live management of risk and mitigation rather than being a record of all possible risks.

   2.4 The register is reviewed monthly on an informal basis by the Deputy Chief Executive and formally by the Commissioner’s Monitoring Board (CMB) on a quarterly basis, prior to meetings of the Joint Independent Audit Committee and the Police and Crime Panel. The Commissioning and Policy Officer has responsibility for the day-to-day management of the register.

   2.5 Owners for each risk are identified and they are responsible for providing updates on mitigation and score.

   2.6 The risk appetite remains at 30.

   2.7 The PCC Risk Register is attached at Appendix A.

   2.8 Attached at Appendix B is a glossary setting out the meaning of the acronyms used and the scoring brackets for identifying risks as high, moderate, acceptable, or minor.

3. **Key Risks to Consider – Inherent**
   3.1 The register identifies ten inherent risks, seven are considered as either minor or acceptable, two are considered moderate, and one is considered high.

   3.2 Details on the three risks considered moderate or high are:
      - **Risk I6: Partners make decisions that impact upon the PCC and Police without discussion or involvement in decision making process (moderate risk)**
        The OPCC is awaiting details of the 2018-19 budget for both local authorities although at the time of writing this report the Commissioner has not been notified of any services to be cut which would impact upon policing or the delivery of his Police and Crime Plan. Scoring for this risk is maintained.
• **Risk I8:** ICT services with Wiltshire Council are not resilient and transformational to support effective and efficient policing ([high risk])
ICT compliance has been identified as a major risk resulting in a score increase and the risk moving from a moderate to a high risk. Various controls have been put in place including weekly meetings between the Chief Finance Officer and Wiltshire Council, and the reallocation of resources to manage compliance with updates presented on a frequent basis to national accreditors. The matter will be escalated to Gold Command if it is not resolved by the beginning of March.

• **Risk I9:** Police collaborative arrangements do not deliver anticipated benefits due to weak governance and accountability and / or the impacts outweigh business benefits ([moderate risk])
A number of changes in senior posts have taken place both within the region and locally. A review is taking place of the employment model and the management framework for all collaborations. The likelihood for this risk has increased, increasing the overall score from 18 to 27 although the risk still remains moderate. A full review of the risk will take place following the strategic seminar due mid-March which will review the way forward for the region.

4. **Key Risks to Consider – Topical**
4.1 The register identifies six topical risks, three are considered moderate and one is considered high. Details on three of these four risks are provided in Paragraph 4.3 below.

4.2 Two new topical risks have been identified, one of which is considered a moderate risk. One risk has been removed from the register. Further details are given in Paragraph 5.

4.3 Details on the three risks considered moderate or high are:

• **Risk T1:** Review of funding formula does not provide additional resources or reduces resources to Wiltshire ([moderate risk])
The settlement announced prior to Christmas was better than anticipated and as a result of this, Police and Crime Commissioners were able to increase the police precept by a maximum of £12 per annum for a Band D property. Police and Crime Commissioners will be able to increase the police precept by the same amount for 2019-20. This removes the previously set capping limit of 1.9%. The overall score for this risk has been reduced from 36 to 24, moving the risk from high to a moderate risk.

• **Risk T3:** Delayed implementation of new communication system as a result of national changeover from Airwave Tetra to new 4G based ESN ([high risk])
This risk continues to be one of the highest scoring risks on the risk register (along with Risk I8). An update on the national project was provided to Police and Crime Commissioners at their national meeting in January. A refreshed business case, budget, and timeline are to be produced although these are not expected until later in the year. Regionally, a stop has been put on further recruitment to the regional team in order to limit costs and funds are no longer being rolled forward. The Commissioner has limited control over this matter as it is a national issue.

• **Risk T4:** Wiltshire Police fail to have operational and organisational policies that meet the duties and aims under the Equality Act 2010 ([moderate risk])
The Commissioner receives monthly briefings on delivery against the Force improvement plan from the lead officer. A review was due to be carried out by Internal Audit in October 2017 but this has been delayed due to sickness. The
draft Terms of Reference have now been received by the Force and are to be agreed. A full review of this risk will be undertaken following receipt of the final report.

5. **New / Removed Risks**

5.1 Two new risks have been identified and further information on these is provided below:

- **Risk T5: Failure to recruit a Chief Constable that matches the ambitions of the PCC (acceptable risk)**
  Following the departure of the previous Chief Constable the Commissioner has appointed Kier Pritchard as Temporary Chief Constable for 12 months with effect from 5th March 2018. The appointment is from within the existing Senior Command Team and will ensure stability and that the course of progress is maintained. At this time this is considered to be an acceptable risk but will be kept under review.

- **Risk T6: Unable to continue to meet demands of frontline policing (moderate risk)**
  This risk in effect replaces Risk T2 which is to be removed from the register (see Paragraph 5.2) and expands on the risk associated with the Community Policing model to include the whole of frontline policing. This is currently considered a moderate risk.

5.2 One risk has been removed from the register:

- **Risk T2: Community Policing model does not deliver anticipated benefits**
  Following the quarterly review of the risk register, it was felt that this risk had evolved and was wider than the Community Policing model, now encompassing frontline policing. It was therefore agreed that this risk would be removed and replaced by a new risk (Risk T6) (see Paragraph 5.1 above).

6. **Future Reviews of Risk Register**

6.1 Any amendments required following this meeting will be made at the monthly informal review by the Deputy Chief Executive.

Naji Darwish  
OPCC Deputy Chief Executive
<table>
<thead>
<tr>
<th>ACRONYM</th>
<th>MEANING</th>
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<tr>
<td>BAU</td>
<td>Business As Usual</td>
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<td>BIT</td>
<td>Business Intelligence Team</td>
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<td>BUSS</td>
<td>Best Use of Stop and Search</td>
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<td>CC</td>
<td>Chief Constable</td>
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<td>CFO</td>
<td>Chief Finance Officer</td>
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<td>CJS</td>
<td>Criminal Justice System</td>
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<td>CMB</td>
<td>Commissioner’s Monitoring Board</td>
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<td>CPT</td>
<td>Community Policing Team</td>
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<td>D&amp;C</td>
<td>Devon and Cornwall</td>
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<td>DA</td>
<td>Domestic Abuse</td>
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<td>ESN</td>
<td>Emergency Services Network</td>
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<td>HMIC</td>
<td>Her Majesty’s Inspectorate of Constabulary</td>
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<td>HO</td>
<td>Home Office</td>
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<td>HR</td>
<td>Human Resources</td>
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<td>ICT</td>
<td>Information Communication Technology</td>
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<td>IPCC</td>
<td>Independent Police Complaints Commission</td>
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<td>IT</td>
<td>Information Technology</td>
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<td>JSA</td>
<td>Joint Strategic Assessment</td>
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<td>JSNA</td>
<td>Joint Strategic Needs Assessment</td>
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<td>LA / LAs</td>
<td>Local Authority / Local Authority’s</td>
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<td>MOJ</td>
<td>Ministry of Justice</td>
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<td>MPs</td>
<td>Members of Parliament</td>
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<td>MTFS</td>
<td>Medium Term Financial Strategy</td>
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<td>NWOW</td>
<td>New Ways of Working</td>
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<td>Office of Police and Crime Commissioner</td>
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<td>Police and Crime Plan</td>
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<td>PEEL</td>
<td>Police Effectiveness, Efficiency and Legitimacy Programme</td>
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<tr>
<td>PID</td>
<td>Project Initiation Document</td>
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<td>PSQB</td>
<td>Public Service and Quality Board</td>
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<td>RJ</td>
<td>Restorative Justice</td>
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<td>Stop and Search</td>
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<td>SA</td>
<td>Sexual Abuse</td>
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<td>SCT</td>
<td>Senior Command Team</td>
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<td>T/CC</td>
<td>Temporary Chief Constable</td>
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<tr>
<td>WC</td>
<td>Wiltshire Council</td>
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<td>WCJB</td>
<td>Wiltshire Criminal Justice Board</td>
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<td>YOT</td>
<td>Youth Offending Team</td>
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</table>

**RISK KEY**

- **Risk Score 30+**: High risk
- **Risk Score 18-29**: Moderate risk
- **Risk Score 8-17**: Minor risk
- **Risk Score 1-7**: Acceptable risk
## Inherent Risks

<table>
<thead>
<tr>
<th>Date Identified</th>
<th>Event</th>
<th>Consequence</th>
<th>Main Impact area(s)</th>
<th>Mitigation and Controls</th>
<th>Residual Risk Score</th>
<th>Date Reviewed</th>
<th>Summary</th>
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</thead>
</table>
| 31-Jan-17       | Failure to deliver the priorities set out in the Police and Crime Plan due to lack of resources or emerging threats | Increased public and partner satisfaction and confidence in PCC and OPCC | • Failure to discharge role of PCC  
• Reduced public and partner satisfaction and confidence in PCC and OPCC  
• Criticism from Government / HMIC and adverse media attention | • Police and Crime Plan integral part of planning cycle  
• New plan produced within one year of each PCC election and reviewed annually  
• P&C Plan agreed as key document for police community safety partnerships and WCGB  
• Informing JC’s operational advice and partnership delivery plans  
• Comprehensive engagement and consultation with the public in developing the new P&C Plan  
• Attendance at strategic boards with partners  
• Attendance at Force SCT where performance is reviewed  
• PCC commissioning of services in addition to policing to support delivery of P&C Plan – 2018-19 commissioning plans being considered  
• Quarterly reporting to the Panel on performance against plan  
• Publication of annual report summarising progress made against priorities and P&C Plan – published September 2017  
• Continue to receive ‘good’ grading in HMIC/FCE inspections  
• Following public consultation, police precept for 2018-19 increased by £12 for Band D property  
• Recruitment of police officers | 2 2 4 16 | 13-Feb-18 | Reduced (previously 24) - settlement better than expected and not had to make cuts that were expected |
| 25-May-17       | Failure to produce a MTFS that enables the PCC to deliver his P&C Plan priorities and fails to identify delivery of necessary savings | Increased public and partner satisfaction and confidence in PCC and OPCC | • FCC and OPCC failure in statutory obligations  
• Unable to commission required services or provide enough funds to CC to provide efficient and effective police service  
• Unable to deliver P&C Plan priorities  
• Inconsistent prioritisation from Wiltshire public resulting in too much or too little funds being provided  
• Look at borrowing money options – would no longer be debt-free  
• Negative impact on future budgets and reserves  
• Impact on Wiltshire public through the services they receive and setting of the precept | • Improving funding formula, Technical Group established and chaired by the Permanent Secretary at the HO  
• Member of APCCs / APAC / FACCTS  
• Horizon-scanning database referenced  
• Forensically Finance meetings between PCC and CFO  
• Collaborations / projects require financial sign-off at CMB  
• Continual review and update working closely with CC  
• Central government determined by Treasury  
• Restrictions on council tax amended with PCCs now able to increase precept up to maximum of £12 per year and for 2018-20 (PCC has held public consultation on this and increased precept to maximum limit)  
• Precept consultation conducted January 2018, findings summarised and reported to PCP in February  
• PCC presented his plans for precept increase to PCP at February meeting | 2 2 4 16 | 13-Feb-18 | Reduced (previously 16) - settlement better than expected and cuts thought necessary not required |
| 18-Aug-15       | OPCC commissioning arrangements are not in place or are ineffective | Increased public and partner satisfaction and confidence in PCC and OPCC | • Insufficient resources available  
• Services commissioned that are not required, duplicated elsewhere, do not assist PCC in meeting P&C Plan objectives  
• Failure to maximise performance  
• Failure to secure value for money  
• Stifle innovation and creative / effective solutions  
• Increase in commissioning and procurement costs  
• Failure to comply with legal requirements on procurement  
• Failure to ensure commissioned agencies comply with PCC legal requirements under Equality Act | • Commissioning Strategy in place  
• Partnership agreements / grant letters issued for each commissioned service outside of the police  
• Commissioned services provided by Wiltshire Police reviewed  
• Regular / Final reports a prerequisite of all commissioned services  
• Quarterly meetings of the Commissioning and Policy Group which keeps all commissioned services under review  
• Monthly Commissioning Update meetings established between officers  
• Central government determined by Treasury  
• Restrictions on council tax amended with PCCs now able to increase precept up to maximum of £12 per year and for 2018-20 (PCC has held public consultation on this and increased precept to maximum limit)  
• Precept consultation conducted January 2018, findings summarised and reported to PCP in February  
• PCC presented his plans for precept increase to PCP at February meeting | 1 2 2 4 | 13-Feb-18 | Maintain - business as usual |
| 25-May-17       | Failure by the PCC to hold the CC to account for the delivery of an efficient and effective police service that meets public expectations | Increased public and partner satisfaction and confidence in PCC and OPCC | • Reduced public and partner satisfaction and confidence in PCC and OPCC  
• Criticism from Government / HMIC and adverse media attention | • Fortnightly CMB meetings with CC  
• Attendance at monthly SCT  
• Review of performance data  
• Regular review of force spend  
• Engagement with public and partners to understand requirement and needs  
• Development of P&C Plan and objectives in consultation with the CC  
• HMIC inspections – FCE, efficiency grading published on 9th November and Legitimacy on 12th December, Wiltshire graded as ‘good’ in both | 1 2 4 4 | 13-Feb-18 | Maintain - FCE 4th category grading of ‘good’ |
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<tr>
<th>ID</th>
<th>Date Identified</th>
<th>Event</th>
<th>Consequence</th>
<th>Main Impact Area(s)</th>
<th>Mitigation and Controls</th>
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<th>C</th>
<th>I</th>
<th>Score</th>
<th>Date Reviewed</th>
<th>Summary</th>
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<tr>
<td>5</td>
<td>28-Aug-15</td>
<td>Failure to maintain effective partnerships with criminal justice agencies and commissioning of effective services for victims</td>
<td>• Justice processes become inefficient and not joined up • Justice outcomes, victim satisfaction, and case declines • Reduced satisfaction and confidence in criminal justice process by victims of crime • Reduced public satisfaction and confidence in PCC which is likely to extend to Wiltshire Police and CSJ partners</td>
<td>Unnecessary maintenance of surplus buildings and associated utility costs Increase</td>
<td>PCC - Chair of WCCB, additional support being provided by OPCC • PCC has coordination role across CSJ system on behalf of victims • WCCB delivering substantial parts of the P&amp;C Plan • WCCB action plan in place and being delivered by sub-groups • Victims, Witnesses and Most Vulnerable sub group coordinate victim through CSJ and CSJS manage offender work • Ni strategy agreed by WCCB • Partnership working to support delivery of specialist victim services for DA and SA • Victim services being redeveloped to further integrate support • Work to improve interface between force and CPS to improve efficiency with sexual offences • In conjunction with Northumbria OPCC, Wiltshire is coordinating WCCB work to identify areas for improvement in specialist courts and support for victims • Improved links and coordination between local and national CIB through OPCC and portfolio leads • OPCC working with BfT to establish performance dashboard covering all agencies – to be achieved in six months</td>
<td>5 2 3 2 17-28-Aug-15</td>
<td>Increase (previously 6) - awaiting delivery of criminal justice agencies performance dashboard</td>
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<td>6</td>
<td>28-Aug-15</td>
<td>Partners make decisions that impact upon the PCC and Police without discussion or involvement in decision making process</td>
<td>• Mixed opportunities to collaborate / save money / provide a more efficient and effective service • Unexpected detriment impact on the PCC's ability to deliver the P&amp;C Plan objectives • Unexpected detriment impact on policing affecting funding and police officer time • Increase demand on PCC and OPCC staff • Increase demand on policing services • Loss of satisfaction and confidence in relationships with partners and their decision making / consultation process • Negative reaction from the public / media</td>
<td>Missed opportunities to collaborate / save money / provide a more efficient and effective service Financial</td>
<td>OPCC Engagement with UK Leaders • Attendance at strategic boards with partners • OPCC Engagement with partners and stakeholders and attendance at relevant boards • Furtlinghty meetings of CMB discuss emerging developments with partners • Updating and monitoring of Horizon Scanning database • Early engagement with LAs and partners to identify and reduce demand on policing services • PCC Chairs Tri-Fore Board and is supported by CX • NBC required to make savings and already impacting on services in place, PCC / OPCC being consulted with • Investment in mental health collectively worked through to reduce demand on policing</td>
<td>5 4 2 24 15-Feb-18</td>
<td>Maintain - waiting to see where partners will be making savings in budget</td>
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<td>7</td>
<td>31-Jan-17</td>
<td>PCC estate fails to enable effective and efficient policing</td>
<td>• Unnecessary maintenance of surplus buildings and associated utility costs • Waste of resources maintaining surplus estate • Damage to community relationships • Negative impact on CPT and provision of local policing • Negative comments from public / local media • Underestimate estate requirement and dispose of too much estate • Sub-optimal estate provision is ineffective use of resources • Loss of opportunity to share properties and associated costs with local partners / communities</td>
<td>PCC Estate Strategy published and key stakeholders (including the public) notified • PCC met with Wiltshire and Salisbury MPs to advise them of strategy • Estates strategy governance in place and appropriate Boards • PCC holding officers to account for delivery of strategy • CC has provided operational requirements to PCC • Operational requirements developed across all police departments and informed by current and future predicted demand • Delivery against Estate Strategy • Plans being designed and developed, business case due shortly</td>
<td>5 2 2 6 15-Feb-18</td>
<td>Reduce (previously 12) - delivering against strategy</td>
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<td>8</td>
<td>25-May-17</td>
<td>ICT services with Wiltshire Council are not resilient and transformational to support effective and efficient policing</td>
<td>• ICT Vulnerable to cyber attack • ICT is out of date, fails and is unsupported • Mixed opportunities of improvement technology • Impacts upon delivering P&amp;C Plan objectives • Use of older / out of date equipment limits capability • Criticism from Government / HMRC and adverse media • Reduced public and partner satisfaction and confidence in PCC and OPCC</td>
<td>Strategic Partnership with WC has significantly improved capability and delivery • Strategic work ongoing with WC to identify priorities, timescales and governance – expectation is for improved clarity surrounding ICT • Regular meetings with service providers and increased monitoring occurring • Test incident conducted with GCHQ • Business continuity plans in place for all business areas • PCC identified funds available for specific ICT projects in capital plan • Joint Technology Board meets regularly – PCC, CC, and WC are represented • ICT disaster recovery plan received • Formal agreement with WC for signing, revised version sent end of October 2017, OPCC working to revised version • Protective Security Manager presenting to June JIAC on cyber security • ICT compliance is an issue and being addressed through weekly meetings; will be escalated to Gold Command if not resolved by March • Specific resources have been reallocated to manage compliance and updates presented on frequent basis to national accreditors</td>
<td>4 2 4 12 15-Feb-18</td>
<td>Increase (previously 18) - compliance issue to be resolved</td>
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<td>ID</td>
<td>Date Identified</td>
<td>Date Reviewed</td>
<td>Topical Risks</td>
<td>Summary</td>
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<td>9</td>
<td>18-Aug-15</td>
<td>13-Feb-18</td>
<td>Topical Risks</td>
<td>Increase (previously 18) - risk to be reviewed following strategic seminar</td>
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<td>31-Jan-17</td>
<td>13-Feb-18</td>
<td>Topical Risks</td>
<td>Maintain - BAU</td>
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<td>05-Jan-16</td>
<td>13-Feb-18</td>
<td>Topical Risks</td>
<td>Reduced (previously 18) - settlement better than expected and cuts thought necessary not required</td>
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<td>Date Identified</td>
<td>Event</td>
<td>Consequence</td>
<td>Main Impact Area(s)</td>
<td>Mitigation and Controls</td>
<td>L</td>
<td>C</td>
<td>I</td>
<td>Score</td>
<td>Date Reviewed</td>
<td>Summary</td>
</tr>
<tr>
<td>----</td>
<td>----------------</td>
<td>-------</td>
<td>-------------</td>
<td>---------------------</td>
<td>------------------------</td>
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<td>-------</td>
<td>--------------</td>
<td>---------</td>
</tr>
</tbody>
</table>
| T3 | 12-Mar-17      | Delayed implementation of new communication system as a result of national change-over from Airwave Tetra to new 4G based ESN | • ESN is not fit for purpose or equal to the Airwave network it replaces (including gaps in coverage)  
• Commons Public Accounts Committee has been told that ESN will be running in September 2020  
• Financial impact of delayed implementation on PCCs budgets and some high level costs are unknown  
• Negative reaction from the public / media  
• Damage to reputation of PCC, OPCC, and Force  
• Limited control due to national programme | Financial  
Operational Delivery  
Reputation | • PCCs represented by PCC Katy Bourne on HO Oversight Group  
• National meetings taking place at which police forces are represented  
• CC SW representative – information received more timely and increased force focus  
• Situation reviewed by the Public Accounts Committee and has national profile  
• Updates being received on a regular basis but not providing confidence or clarity on timescales and costs – latest update provided to PCCs at January APCC General Meeting  
• Concerns around devices provided and whether they can deliver the necessary technology  
• Potential for significant cost increases  
• CFO delivered update to JIAC December meeting  
• Refreshed business case, budget and timeline to be produced as part of programme reset – expected later in the year  
• Stop on project team recruitment to limit cost and no longer rolling funds forward | 4 | 4 | 2 | 12 | 13-Feb-18 | Maintain – risk will be fully reviewed once refreshed business case, budget and timeline are known |
| T4 | 18-Aug-15      | Wiltshire Police fail to have operational and organisational policies that meet the duties and aims under the Equality Act 2010 | • Failure of the PCC to hold the CC to account  
• Wiltshire Police does not fulfil legal duty and values of organisation  
• Failure to identify and respond to demands of diverse communities  
• Reduced public satisfaction and confidence – disproportionate effect in diverse communities  
• Reputational damage to PCC, OPCC and Police  
• Increased risk of HR tribunals and litigation  
• Damaged relationship and reputation as an employer | Legal  
Operational Delivery  
Reputational | • Assessment undertaken of victim’s vulnerability, including aspects of diversity  
• Specialist support services in place for ensuring support for a range of diverse groups  
• Force has S&S policies in place and is BUSS compliant  
• Recruitment of 3x Positive Action Officers to review and advise on internal policies and procedures  
• Hate crime scrutiny group established to provide challenge and advice on policies and procedures related to diversity  
• HR Policies set out obligations and procedures to meet Force duties  
• Recruitment, redeployment and support policies in place  
• Force implementing action plan including leadership, coaching and mentoring support, redesigning recruitment of officers, specials, and staff to attract more diverse applicants  
• Force presented CMB with comprehensive action plan to address areas for improvement  
• HR Policies set out obligations and procedures to meet Force duties  
• Recruitment, redeployment and support policies in place  
• Force implementing action plan including leadership, coaching and mentoring support, redesigning recruitment of officers, specials, and staff to attract more diverse applicants  
• Force presented CMB with comprehensive action plan to address areas for improvement  
• PCC receiving monthly briefings on delivery against improvement plan from lead officer  
• Updates will now be provided by exception through the usual performance mechanisms | 2 | 3 | 3 | 18 | 13-Feb-18 | Maintain - audit not yet taken place due to illness, terms of reference have been received and are to be agreed before audit commences |
| T5 | 13-Feb-18       | Failure to recruit a Chief Constable that matches the ambitions of the PCC | • Decline in force performance  
• Decline in force morale  
• Reputational damage  
• Not delivering or unable to deliver P&C plan | Operational delivery  
Performance  
Reputational | • T/CC appointed as of 5th March to ensure stability  
• T/CC appointed from within existing leadership team ensuring course and progress maintained  
• Early preparations for permanent appointment likely to begin within next six months | 2 | 2 | 3 | 12 | 13-Feb-18 | NEW |
| T6 | 13-Feb-18       | Unable to continue to meet demands of frontline policing | • Decline in force performance  
• Decline in force morale  
• Damage to reputation of PCC, OPCC, and Force  
• Reduced public and partner satisfaction and confidence in PCC and OPCC  
• Criticism from Government / HMIC and adverse media attention  
• Service quality decreases and visibility falls | Operational delivery  
Performance  
Reputational | • Ongoing recruitment of police officers and PCSOs  
• Ongoing review of assets / resources  
• Working towards identifying a maximum level of abstraction for O&P’s to ensure policing remains visible | 3 | 2 | 4 | 24 | 13-Feb-18 | NEW |
Executive Summary

The Assistant Director is required to provide an annual opinion to support the Annual Governance Statement.

As part of our plan progress reports, we will provide an ongoing opinion to support the end of year annual opinion.

We will also provide details of any significant risks that we have identified in our work.

Audit Opinion and Summary of Risks Identified

**Audit Opinion**
Audit reviews completed to date, highlight that in the majority of areas, risks are reasonably well managed with the systems of internal control working effectively.

**Significant Risks**
In the 2017/18 final audit reports issued to date, there have been no significant risks identified in our work.

To assist the Committee in its monitoring and oversight role, in those cases where weaknesses have been identified that are considered to represent a level of risk to the force, and a ‘Partial’ assurance opinion has been provided, the full reports of these reviews will be included as Appendices to our report.

The two Partial opinion reports included are: Voluntary Funds and Staff Sickness.

**Follow Up of Previous Audit Recommendations**
Currently SWAP rely on an internal process of follow up at Wiltshire Police, whereby officers will be asked to confirm that they have implemented the recommendations arising from our audit reviews. SWAP do not independently verify and evidence this confirmation of implementation.

However, on request, we will carry out specific follow up reviews of audits where there have been a number of higher priority recommendations made.
At the conclusion of each audit assignment, the review is awarded an Audit Assurance Opinion, a summary of the assurance opinions is as follows:

- **Substantial** – Well controlled and risks well managed.
- **Reasonable** – Adequately controlled and risks reasonably well managed.
- **Partial** – Systems require control improvements and some key risks are not well managed.
- **None** – Inadequately controlled and risks are not well managed.

As well as our standard audit opinions, we have also included our Follow Up work. It should be noted that the chart below is based on all of the 2017/18 work up to report stage.
The Chief Executive for SWAP reports performance on a regular basis to the SWAP Management and Partnership Boards.

---

**Internal Audit Plan Progress 2017/2018**

**SWAP Performance**

SWAP now provides the Internal Audit service for 24 Partners and public-sector Authorities. SWAP performance is subject to regular monitoring and review by both the Board and the Member Meetings. The respective outturn performance results for Wiltshire Police and the OPCC for the 2017/18 year to date (as at 9th March) are as follows:

<table>
<thead>
<tr>
<th>Performance Target</th>
<th>Performance 2017/18 Audit Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Audit Plan – Percentage Progress</strong></td>
<td></td>
</tr>
<tr>
<td>Final Reports</td>
<td>86%</td>
</tr>
<tr>
<td>In progress</td>
<td>14%</td>
</tr>
<tr>
<td>Yet to Commence</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Draft Reports</strong></td>
<td></td>
</tr>
<tr>
<td>Issued within 5 working days</td>
<td>100%</td>
</tr>
<tr>
<td>(Average Days of 3)</td>
<td></td>
</tr>
<tr>
<td><strong>Final Reports</strong></td>
<td></td>
</tr>
<tr>
<td>Issued within 10 working days of draft report</td>
<td>50%</td>
</tr>
<tr>
<td>(Average Days of 21)</td>
<td></td>
</tr>
<tr>
<td><strong>Quality of Audit Work</strong></td>
<td></td>
</tr>
<tr>
<td>Customer Satisfaction Questionnaire</td>
<td>80%</td>
</tr>
</tbody>
</table>
Internal Audit Plan Progress 2017/2018

Approved Changes to the Audit Plan

The Annual Audit Plan is reported under Appendix A and is subject to change to meet the requirements of the Police and OPCC.

The following changes/allocations have been made as part of the 2017/18 plan:

- The allocation of IT audit time originally set aside to review ICT Transformation, has now been utilised to carry out a review of the use of Airpoint functionality.

- As part of our follow up allocation, we were asked to follow up the 2016/17 audit of Control of Ammunition, Guns and Tasers.

- We have also separately followed up the recommendations included in the SW Police Officers Pensions Board review, and reported these verbally at the September Joint Independent Audit Committee.
### Internal Audit Work Plan – 2017/18

#### APPENDIX A

<table>
<thead>
<tr>
<th>Audit Type</th>
<th>Audit Area</th>
<th>Quarter</th>
<th>Status</th>
<th>Opinion</th>
<th>No of Recs</th>
<th>1 = Minor</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5 = Major</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance</td>
<td>Ethical Governance</td>
<td>1</td>
<td>Final</td>
<td>Reasonable</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operational</td>
<td>Covert Accounts</td>
<td>1</td>
<td>Final</td>
<td>Reasonable</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Operational</td>
<td>OPCC Grant Funding</td>
<td>1</td>
<td>Final</td>
<td>Reasonable</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Governance</td>
<td>Voluntary Funds</td>
<td>2</td>
<td>Final</td>
<td>Partial</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Operational</td>
<td>Staff Sickness</td>
<td>2</td>
<td>Final</td>
<td>Partial</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Operational</td>
<td>Asset Register</td>
<td>2</td>
<td>Final</td>
<td>Reasonable</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Follow Up</td>
<td>Control of Ammunition, Guns and Tasers</td>
<td>2</td>
<td>Final</td>
<td>N/A</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Key Control</td>
<td>Budgetary Control</td>
<td>1</td>
<td>Final</td>
<td>Substantial</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Key Control</td>
<td>Creditors</td>
<td>3</td>
<td>Final</td>
<td>Reasonable</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Key Control</td>
<td>Debtors</td>
<td>3</td>
<td>Final</td>
<td>Reasonable</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Key Control</td>
<td>Main Accounting &amp; Bank Reconciliation</td>
<td>3</td>
<td>Final</td>
<td>Reasonable</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Key Control</td>
<td>Payroll &amp; Pensions</td>
<td>3</td>
<td>Final</td>
<td>Reasonable</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Governance</td>
<td>Equalities</td>
<td>3</td>
<td>Fieldwork</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT Audit</td>
<td>Use of Airpoint</td>
<td>4</td>
<td>Fieldwork</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Report Stage columns indicate the stage of the audit process, with options including "Final," "Partial," and "N/A." The Opinion column indicates the level of satisfaction with the audit findings, ranging from "Reasonable" to "Substantial." The No of Recs column shows the number of recommendations made, with gradations from 1 to 5, where 5 indicates a major recommendation.

- **Report Stage:**
  - **Final:** The audit is fully completed and approved.
  - **Partial:** The audit is incomplete.
  - **N/A:** The stage is not applicable.

- **Opinion:**
  - **Reasonable:** The audit findings are considered satisfactory.
  - **Substantial:** Significant issues were identified.

- **No of Recs:**
  - **1 = Minor:** Minor recommendations.
  - **5 = Major:** Major recommendations requiring significant action.

---

**In Progress**

<table>
<thead>
<tr>
<th>Audit Type</th>
<th>Audit Area</th>
<th>Quarter</th>
<th>Status</th>
<th>Opinion</th>
<th>No of Recs</th>
<th>1 = Minor</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5 = Major</th>
</tr>
</thead>
</table>

---

**Summary:**

This report outlines the internal audit work plan for the 2017/18 fiscal year, highlighting the stages of audits across various areas, including governance and operational audits. The table provides a structured overview of each audit's status, type, and the level of recommendations made, ensuring compliance with professional standards set by the Institute of Internal Auditors and the CIPFA Code of Practice for Internal Audit in England and Wales.
Wiltshire Police - Voluntary Funds 2017/18

Final Report

Issue Date: 22 December 2017

Working in Partnership to Deliver Audit Excellence
Contents

Executive Summary

This section provides an overview for senior management to understand the main conclusions of this audit review, including the opinion, significant findings and a summary of the corporate risk exposure.

Findings and Outcomes

This section contains the more detailed findings identified during this review for consideration by service managers. It details individual findings together with the potential risk exposure and an action plan for addressing the risk.

Appendices:

- Audit Framework Definitions
- Support and Distribution
- Statement of Responsibility
Executive Summary

Overview
As part of the 2017/18 audit plan a review has been undertaken to assess the adequacy of the controls and procedures in place for the Voluntary Funds across Wiltshire Police, whilst also ensuring that the accounts provide a true and fair representation of the transactions shown in the bank accounts. For the avoidance of doubt, the term ‘voluntary funds’ has been used throughout this report, however they can also be referred to as ‘unofficial funds’.

The Force’s Scheme of Governance states ‘The Chief Constable must ensure that suitable policies are developed for the safe custodianship of unofficial funds. This should include a central register of such funds and annual confirmation from the management bodies of funds that accounts have been audited and accepted as such’.

The following list of voluntary funds was provided by the Senior Accounting Technician:

- Police Property Act Fund
- Seized Cash
- Drugs Forfeiture Fund
- Cadets

Upon further discussion it was agreed that, of the list, only the Cadets fund should be classed as a voluntary fund.

It was advised that there may be additional voluntary funds which are administered external of the Force. A payroll deductions report was provided by the Payroll Manager, which gave the following deductions:

- Benevolent Fund - Give As You Earn (GAYE)
- Police Charity – GAYE
- Care of Police Survivors – GAYE
- Flint House – GAYE
- Police Healthcare
- Sports Club
- Sports Club Lottery

Of these, it was decided that only the Sports Club and Sports Club Lottery should be classed as voluntary funds, as the rest are Police related charities. Therefore, the following three voluntary funds have been reviewed as part of this work:

- Cadets
- Sports Club
- Sports Club Lottery

The implementation of the recommendations made in this report will seek to enhance the expected control framework and reduce the risk to the Force. It should be noted that, where a test has identified a weakness, SWAP Internal Audit Services is required to obtain an undertaking for corrective action from the appropriate manager.
Objective

To ensure that the accounts presented for audit provide a true and fair representation of the transactions shown in the bank accounts.

Significant Findings

<table>
<thead>
<tr>
<th>Finding</th>
<th>Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Force do not receive audited accounts for externally administered voluntary funds on an annual basis.</td>
<td>The accounts may not provide a true and fair representation of the transaction shown in the bank accounts</td>
</tr>
<tr>
<td>There is a lack of governance over externally administered voluntary funds.</td>
<td></td>
</tr>
</tbody>
</table>

Audit Opinion:

In relation to the areas reviewed and the controls found to be in place, some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

This audit review has comprised of two parts: a review of the internally administered Cadets Fund, and a review of the governance arrangements for externally administered funds. Two Priority ‘4’ recommendations have been raised in relation to the externally administered funds, as there is a lack of governance over these accounts, with no knowledge held regarding the values within the accounts or how the accounts are managed. The Force also do not receive audited accounts for these funds on an annual basis; SWAP Internal Audit Services have not been able to perform this function for the Force due to the lack of information held regarding them. The implementation of the recommendations will serve to improve the current arrangements in place for these externally administered funds.

Whilst the Cadets Fund was found generally to be well managed and controlled with the accounts providing an accurate representation of income and expenditure against the account, one Priority ‘3’ recommendation has been made regarding the process for completing the cashbook.

Well Controlled Areas of the Service

- Accounts for the Cadets Fund provide an accurate representation of income and expenditure.
- Adequate segregations of duty are in place for the Cadets Fund.

Corporate Risk Assessment

<table>
<thead>
<tr>
<th>Risks</th>
<th>Inherent Risk Assessment</th>
<th>Manager’s Initial Assessment</th>
<th>Auditor’s Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The accounts may not provide a true and fair representation of the transaction shown in the bank accounts</td>
<td>Medium</td>
<td>Low</td>
<td>Medium</td>
</tr>
</tbody>
</table>
Findings and Outcomes

Method and Scope

This audit has been undertaken using an agreed risk based approach. This means that:

- the objectives and risks are discussed and agreed with management at the outset of the audit;
- the controls established to manage risks are discussed with key staff and relevant documentation reviewed;
- these controls are evaluated to assess whether they are proportionate to the risks and evidence sought to confirm controls are operating effectively;
- at the end of the audit, findings are discussed at a close-out meeting with the main contact and suggestions for improvement are agreed.

A review of the voluntary funds provided has been undertaken, to ensure effective governance and accountability. The 2016/17 accounts for the Cadets Fund have been signed off by SWAP Internal Audit Services to confirm they are a true and fair representation of the transactions shown in the bank accounts.

1. The accounts may not provide a true and fair representation of the transaction shown in the bank accounts

   1.1. Finding and Impact

   Cadets
   The process for payment at Cadets sessions was discussed with the Sergeant for Prevention, who is the lead for Police Cadets. He advised that there are four cadets groups, each with a cadet leader who is responsible for obtaining £2 fees from participants each session and checking them against a register. The fees are then checked by the leader and a second officer at the session to ensure correctness, and recorded into a book. The amount is then taken to the local enquiry office, where checked and held, with a receipt provided to the leader to keep with the book. A Police Driver is then responsible for transferring the amount (and the amounts from other enquiry offices) to Finance at Wiltshire Police Headquarters for counting and banking. It was advised that, on occasion, checks are performed by the Sergeant for Prevention between the book details and the amounts banked by Finance, however this has not been performed within the past year. It may be of benefit for the Sergeant to carry out these checks on a six-monthly basis, however, as the income process appears to be well controlled, no recommendation has been made.

   1.2. Finding and Impact

   Completion of Cashbook for Cadets Fund
   Through review of Finance’s reconciliation documents against the bank statements for the Cadets Fund, it was observed that the dates given for each transaction within Agresso matched those of the bank statement, as oppose to those within the cheque books. This was discussed with the Accountancy Officer, who advised that transactions are not raised into Agresso at the time of cheque/cashbook slip creation, they are instead completed once a month, with the dates from the bank statements used. Whilst this process enables the Accountancy Officers to complete all Agresso work in one go, it detracts from the reconciliation process, as Agresso is being updated from bank statements. The current procedure also increases the risk of a cheque being missed and not accounted for.
### 1.2a Agreed Outcome:  
**Priority 3**

The Accountancy Officer has agreed to ensure that the cashbook on Agresso is raised at the time a cheque is created.

**Action Plan:**

<table>
<thead>
<tr>
<th>Person Responsible:</th>
<th>Accountancy Officer</th>
<th>Target Date:</th>
<th>30/11/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Management Response:</strong></td>
<td>The process will be updated and in future all cheques will be listed onto a cashbook journal as they are issued and uploaded into Agresso. This will be isolated from the bank statement and any uncashed cheques will appear as ‘unreconciled items’ on the monthly reconciliation.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 1.3 Finding and Impact

**Sports Club and Sports Club Lottery**

The Force's Scheme of Governance (2014) document states that *'The Chief Constable must ensure that suitable policies are developed for the safe custodianship of unofficial funds. This should include a central register of such funds and annual confirmation from the management bodies of funds that accounts have been audited and accepted as such'.* The governance arrangements for the externally administered voluntary funds (Sports Club and Sports Club Lottery) were discussed with the Senior Accounting Technician and the Payroll Manager, where it was found that annual accounts are not received. There is a risk that voluntary funds relating to the Force could contain errors, as evidence is not provided to show they are being audited on an annual basis.

The Payroll Manager advised that they receive information regarding whether staff have opted in/out of the Sports Club and Sports Club Lottery funds, however no information regarding the make up of the account is known. Therefore, it was not possible to perform full testing on these funds. To improve the Force's governance over these funds, a questionnaire should be created requesting that each external body provide information on the fund and its account setup on an annual basis. Guidance notes to assist their completion and link to the Force's Scheme of Governance should also be created. A questionnaire previously created between SWAP and a fellow audit partner for this was shared with the Payroll Manager to provide a reference to assist with the creation of this document.

### 1.3a Agreed Outcome:  
**Priority 4**

The Senior Accounting Technician has agreed to ensure that audited accounts are received from externally administered voluntary funds on an annual basis.

**Action Plan:**

<table>
<thead>
<tr>
<th>Person Responsible:</th>
<th>Senior Accounting Technician</th>
<th>Target Date:</th>
<th>30/6/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Management Response:</strong></td>
<td>Annually the Finance Department will receive finance statements and copies of accounts. The expected closing balance on the bank statement will be reconciled to the accounts. Any issues will be reported to the CFO.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 1.3b Proposed Outcome:  
**Priority 4**

I recommend that the Payroll Manager creates a questionnaire comprised of questions to obtain details of the setup of the fund and its bank account. This document should be sent to the externally administered funds on an annual basis for completion, along with the guidance notes to assist.

**Action Plan:**

<table>
<thead>
<tr>
<th>Person Responsible:</th>
<th>Payroll Manager</th>
<th>Target Date:</th>
<th>Risk Accepted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Management Response:</strong></td>
<td>This is not accepted. The CFO has requested that annual accounts and the relevant bank statements are submitted to the Finance Department</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
for review. With today's financial pressures it is not feasible for the Force to undertake more significant checks.

Audit Framework and Definitions

Assurance Definitions

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>The areas reviewed were found to be inadequately controlled. Risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.</td>
</tr>
<tr>
<td>Partial</td>
<td>In relation to the areas reviewed and the controls found to be in place, some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.</td>
</tr>
<tr>
<td>Reasonable</td>
<td>Most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.</td>
</tr>
<tr>
<td>Substantial</td>
<td>The areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.</td>
</tr>
</tbody>
</table>

Definition of Corporate Risks

<table>
<thead>
<tr>
<th>Risk</th>
<th>Reporting Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.</td>
</tr>
<tr>
<td>Medium</td>
<td>Issues which should be addressed by management in their areas of responsibility.</td>
</tr>
<tr>
<td>Low</td>
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Categorisation of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors, however, the definitions imply the importance.

<table>
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<th>Description</th>
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<tr>
<td>Priority 5</td>
<td>Findings that are fundamental to the integrity of the unit’s business processes and require the immediate attention of management.</td>
</tr>
<tr>
<td>Priority 4</td>
<td>Important findings that need to be resolved by management.</td>
</tr>
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*Priority 2 and 1 Actions will normally be reported verbally to the Service Manager.*
Support and Distribution

Report Authors

This report was produced and issued by:

Dan Newens, Lead Auditor
Rupert Bamberger, Assistant Director
Angie Hooper, Senior Auditor

Support

We would like to record our thanks to the following individuals who supported and helped us in the delivery of this audit review:

Andy Massey, Senior Accounting Technician
Kelly Oakley, Accountancy Officer
Jane Hiscock, Payroll Manager
Steve McGlynn, Sergeant for Prevention

Distribution List

This report has been distributed to the following individuals:

Dawn Young, Head of Finance
Andy Massey, Senior Accounting Technician
Jane Hiscock, Payroll Manager
Julie Manfield, PA to Chief Finance Officer
Sean Cooper, OPCC Solicitor
Kieran Kilgallen, OPCC Chief Executive
Christine Clifford, PA to the PCC
Gerry Cox, Chief Executive for SWAP

Working in Partnership with

Cheltenham Borough Council  Sedgemoor District Council
Cotswold District Council  Somerset County Council
Devon & Cornwall Police & OPCC  South Somerset District Council
Dorset County Council  Taunton Deane Borough Council
Dorset Police & OPCC  West Dorset District Council
East Devon District Council  West Oxfordshire District Council
Forest of Dean District Council  West Somerset Council
Herefordshire Council  Weymouth and Portland Borough Council
Mendip District Council  Wiltshire Council
North Dorset District Council  Wiltshire Police & OPCC
Powys County Council
Statement of Responsibility

Conformance with Professional Standards
SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Auditing Standards.

SWAP Responsibility
Please note that this report has been prepared and distributed in accordance with the agreed Audit Charter and procedures. The report has been prepared for the sole use of the Partnership. No responsibility is assumed by us to any other person or organisation.
Executive Summary

This section provides an overview for senior management to understand the main conclusions of this audit review, including the opinion, significant findings and a summary of the corporate risk exposure.

Findings and Outcomes

This section contains the more detailed findings identified during this review for consideration by service managers. It details individual findings together with the potential risk exposure and an action plan for addressing the risk.

Appendices:

- Audit Framework Definitions
- Support and Distribution
- Statement of Responsibility
Executive Summary

Overview
As part of the 2017/18 audit plan a review has been undertaken to assess the quality and accuracy of staff sickness records held within the Origin Resource Management system.

The accuracy of sickness data and records is vital for any establishment to ensure all elements of staffing management is maintained. This includes the cross reference of payroll data to ensure that sick pay is adjusted in accordance to the sickness occurrence.

Origin is a multi-functional management record system with extensive sickness data input options. This allows the Force to record details such as the initial sickness call, welfare checks, fit note details and period along with return to work data including interview details. The system can also produce a history review of any one sickness record, which can be used during staff reviews.

Ensuring sickness records are accurate, is not the sole responsibility of the affected individual. The process of recording a sickness occurrence involves a range of departments and roles. The Origin System further facilitates this by the access management options which allows staff to be set up accordingly in relation to the access required to ensure confidentiality is upheld.

The force is actively using Origin alongside the use of the GRS Duties System, to ensure all business areas are informed and notified of sickness where possible, whilst maintaining service integrity.

The sickness levels recorded between January 2017 and August 2017 were provided to show the levels of both self-certified and medically certified sickness occurrences throughout the force. In addition to this, there were Null Occasions noted on the report, where sickness end dates have not yet been updated, preventing a sickness day summary for the occasion.

<table>
<thead>
<tr>
<th>Certificate Type</th>
<th>Days</th>
<th>Occasions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-Certified</td>
<td>3,611</td>
<td>1,201</td>
</tr>
<tr>
<td>Medical Certificate</td>
<td>10,432</td>
<td>285</td>
</tr>
<tr>
<td>Null Days</td>
<td>0</td>
<td>90</td>
</tr>
<tr>
<td><strong>Total for period:</strong></td>
<td><strong>14,043</strong></td>
<td><strong>1,576</strong></td>
</tr>
</tbody>
</table>

Objective
To provide assurance on the effectiveness of the Origin sickness module in the recording and monitoring of staff sickness data.

Significant Findings
Finding: A notable numbers of sickness occurrences over the standard 7-day self-certified period do not have a record of a medical certificate to support time absent.

Risk: Increased likelihood of sickness periods not being fully valid with incorrect sick pay entitlements being issued. Furthermore, this presents the likelihood of sickness records and staff performance records being incorrect and not appropriately managed.
Audit Opinion:

In relation to the areas reviewed and the controls found to be in place, some key risks are not well managed, and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

There has been a total of three priority 3 and one priority 4 recommendations raised following review. The general working methods of the system are effective, with information being clear and transparent. There were a few areas of weakness found in relation to the timeliness of data updates and trigger points for review of missing information.

The expected process on the receipt of a fit note to support an individual’s sickness is for it to be updated onto the Origin sickness record as soon as possible. Testing revealed that some fit notes had been given to Finance and/or HR, but the records had not been updated in a timely manner. Therefore, on review of the sickness occurrence, it appeared that the individual had not provided evidence of the authorisation of their absence, when in fact the Finance Team had the fit note. Alongside this there were occasions where the fit note had not been provided for a significant period of time even though chasers had been issued to the individual. Currently there is no standardised process with regards to timing and cut off points of the non-receipt of fit notes before this is passed onto Professional Standards, and testing reveals significant periods of time are passing without evidence being provided.

Sampling has also highlighted a low number of Return to Work Interviews that have either not been completed following an individual return to work or that have not been completed within a timely manner that is deemed acceptable by the HR team.

We also have further concerns regarding the number of sickness days that are identified under the self-certified allocation on Origin. A total of 436 Days over 24 Occasions, have been found during the tested period, where the sickness exceeds the self-certified 7-day period. Due to limitations of the audit time available, further investigation has not been completed, alternatively a recommendation has been raised to capture the need for a review of these occasions to ensure supporting evidence, such as fit notes are either received or cases passed to the Professional Standards Team for further investigation.

Well Controlled Areas of the Service

The force seems to have successfully implemented the use of Origin in addition to the use of the GRS Duties system to effectively record all staff sickness. The system is being well utilised with all elements, such as fit notes, sickness phone calls, welfare checks and additional details being recorded.

Specific sickness reports can be drawn direct from the system allowing the HR Team to produce updates for both the Divisional Management Groups and Finance.

Corporate Risk Assessment

<table>
<thead>
<tr>
<th>Risk</th>
<th>Inherent Risk Assessment</th>
<th>Manager’s Initial Assessment</th>
<th>Auditor’s Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management take decisions based on inaccurate and/or incomplete staff sickness data within the Origin module resulting in potential legal action, financial loss and damage to Human Relations.</td>
<td>High</td>
<td>Low</td>
<td>Medium</td>
</tr>
</tbody>
</table>
Findings and Outcomes

Method and Scope

This audit has been undertaken using an agreed risk based approach. This means that:

- the objectives and risks are discussed and agreed with management at the outset of the audit;
- the controls established to manage risks are discussed with key staff and relevant documentation reviewed;
- these controls are evaluated to assess whether they are proportionate to the risks and evidence sought to confirm controls are operating effectively;
- at the end of the audit, findings are discussed at a close-out meeting with the main contact and suggestions for improvement are agreed.

It should be noted that our review of the working practices of the sickness system were solely informed by the HR Manager due to the limited audit time available.

We have also raised concerns about the number of sickness days over the self-certified allowance, where a medical certificate has not been recorded, therefore it can be assumed these are not authorised. This has not been explored further due to the limited audit time available, alternatively a recommendation has been raised to cover the need for a review of sickness data to ensure all is accounted for and fully justified with applicable fit notes.

| 1. Management take decisions based on inaccurate and/or incomplete staff sickness data within the Origin module resulting in potential legal action, financial loss and damage to Human Relations. | Medium |

1.1 Finding and Impact

Quality Check of Origin Sickness Records

A sickness report was drawn from the Origin System covering the period of January 2017 to August 2017, where a random sample of 15 occurrences were chosen. Each sample was reviewed to ensure that extracted data matched supporting documentation and records held in Origin, the GRS Duties System and SharePoint. Of the 15 samples, four incidents required further examination.

The expected process of noting sickness, requires updates on both the Origin system and the GRS Duties System. This is completed by the 101-call centre officer receiving the initial sickness call. For one of the samples, the sickness had been logged correctly onto the Origin system, but it had not been replicated into the GRS Duties system. On further review it was found that the officer calling in sick was from the Fleet Department, who do not use the duties system to calculate resources like many other departments. With this said, the records are still expected to be updated as per procedure. No recommendation has been raised specifically for this issue, as the HR Manager was made aware of the incident during testing.

For any sickness periods exceeding the 7-day self-certified period, officers and staff require a fit note from a medical professional to support the sickness. It is the individual’s responsibility to provide the HR and Finance teams with a copy of this fit note to validate the time taken. Once a fit note has been received this is updated onto the sickness occurrence on Origin. Two samples presented issues regarding fit note records. One sample had a recorded total sick accumulation of
120 days, which exceeds the self-certification limit, meaning a fit note would be expected for the
remaining period of sickness. There was evidence of a small number of fit notes, but not enough to
cover the entire period taken even though the fit note data on the system was showing a fit note
had been received for the entire period. The individual is back to work, where it would be expected
that fit notes should have been received. On investigation to both finance and the individual at the
time of testing, the HR Manager explained that the individual is being chased for the fit notes to
cover the time of sickness. If evidence is not provided by a certain point, then it was explained that
cases are passed to the Professional Standards team for investigation of unauthorised absence.

The second sample reviewed had a sickness period of 14 days, therefore a fit note would be
expected to support this. The fit note could not be located during testing even after a review on
both the SharePoint system and Finance files. Therefore, there is currently no fit note to cover the
sickness period even though the individual returned to work in July 2017. Later communication was
received to explain that the fit note had been received but the records had not been updated within
Origin. A recommendation has been raised to highlight the requirement to ensure that all sickness
records are updated promptly on the receipt of supporting documentation, to ensure staff are not
chased from the proposed implementation of a trigger process. Alongside this, the
recommendation captures the importance of not updating the fit note dates before a note has been
received. A second recommendation has been raised to introduce the process of trigger points for
the delivery of fit notes for any sickness period over 7 days. Establishing this trigger process will
allow staff to recognise the requirement of providing fit notes promptly to support the sickness.
This in turn will ensure the force have high quality records regarding sickness.

Once an employee returns to work, as per procedure, a Return to Work Interview (RTWI) is to be
carried out by the employee’s line manager. The expectations of these is to be completed as soon
as practically possible to ensure the individual has had a full assessment on their health, allowing
any necessary changes to be implemented to support their return. Of the samples reviewed, one
sample had not had a RTWI completed. A reminder should be issued detailing the expectations of
the completion of RTWI as per the procedure.

We have raised an additional concern in regard to the number of sickness occasions that have
flagged up as over the 7-day self-certified period but do not have a record of having a medical
certificate to support this period. A total of 436 Days over 24 Occasions have been highlighted from
the report covering the period of January 2017 to August 2017. Due to time constraints an in-depth
review has not been completed at this time, but a recommendation has been raised for a review of
these sickness occurrences. The concern is with the validity of the sickness period, and if there is
not a suitable medical certificate to support this then this poses concerns with regards to sick pay
entitlements. Once each case had been reviewed, any relevant follow up actions should be
conducted in line with the force procedure.

<table>
<thead>
<tr>
<th>1.1a</th>
<th>Agreed Outcome:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Priority 3</strong></td>
<td></td>
</tr>
</tbody>
</table>

The HR Manager (Health and Wellbeing) has agreed to introduce a process of trigger points to
ensure that all fit notes are pursued in a timely manner to ensure all sickness occasions have
supporting documentation. This should also include an end trigger of when the case would be
passed onto Professional Standards.

*SWAP Ref: 36728*

**Action Plan:**

<p>| Person Responsible: | HR Manager (Health &amp; Wellbeing) | Target Date: | 1 February 2018 |</p>
<table>
<thead>
<tr>
<th>Management Response:</th>
<th>This process will be reviewed then checked, tested and actioned every calendar month.</th>
</tr>
</thead>
</table>

**1.1b Agreed Outcome:**

The HR Manager (Health and Wellbeing) has agreed to issue a reminder to all line managers regarding the expectations of the completion of prompt Return to Work Interviews following staff sickness.

*(SWAP Ref: 36729)*

**Action Plan:**

<table>
<thead>
<tr>
<th>Person Responsible:</th>
<th>HR Manager (Health &amp; Wellbeing)</th>
<th>Target Date:</th>
<th>1 February 2018</th>
</tr>
</thead>
</table>

**Management Response:**

HR advisers to raise with line managers and monthly checks undertaken.

**1.1c Agreed Outcome:**

The HR Manager (Health and Wellbeing) has agreed to update processes to ensure the prompt updating of all fit notes onto the Origin system to ensure data is accurate and up to date. This should also include a note to ensure fit note details are not input on to the system until they are physically received to ensure accurate records.

*(SWAP Ref: 36730)*

**Action Plan:**

<table>
<thead>
<tr>
<th>Person Responsible:</th>
<th>HR Manager (Health &amp; Wellbeing)</th>
<th>Target Date:</th>
<th>1 February 2018</th>
</tr>
</thead>
</table>

**Management Response:**

Processes to be reviewed to ensure the prompt updating of all fit notes onto the Origin system when they are physically received.

**1.1d Agreed Outcome:**

The HR Manager (Health and Wellbeing) has agreed to review all the self-certified occurrences held within the Origin system, to ensure that all occurrences which exceed 7 days have been supported by a medical certificate and sick pay entitlements match. If occurrences are not supported, relevant action needs to be taken as per force procedure.

*(SWAP Ref: 36766)*

**Action Plan:**

<table>
<thead>
<tr>
<th>Person Responsible:</th>
<th>HR Manager (Health &amp; Wellbeing)</th>
<th>Target Date:</th>
<th>1 February 2018</th>
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</table>

**Management Response:**

As part of resolving action 1.1a this will be reviewed to date. Procedures will then be updated with concerns highlighted. This will then be tested monthly to ensure this is accurate and working as effective as possible.
Audit Framework and Definitions

Assurance Definitions

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>The areas reviewed were found to be inadequately controlled. Risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.</td>
</tr>
<tr>
<td>Partial</td>
<td>In relation to the areas reviewed and the controls found to be in place, some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.</td>
</tr>
<tr>
<td>Reasonable</td>
<td>Most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.</td>
</tr>
<tr>
<td>Substantial</td>
<td>The areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.</td>
</tr>
</tbody>
</table>

Definition of Corporate Risks

<table>
<thead>
<tr>
<th>Risk</th>
<th>Reporting Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.</td>
</tr>
<tr>
<td>Medium</td>
<td>Issues which should be addressed by management in their areas of responsibility.</td>
</tr>
<tr>
<td>Low</td>
<td>Issues of a minor nature or best practice where some improvement can be made.</td>
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Categorisation of Recommendations

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Support and Distribution

Report Authors

This report was produced and issued by:

Rupert Bamberger, Assistant Director
Laura Wicks, Senior Auditor
Josie Baker, Auditor

Support

We would like to record our thanks to the following individuals who supported and helped us in the delivery of this audit review:

Gemma Mullan, HR Manager

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Julie Manfeild, PA to Clive Barker
Kieran Kilgallen, OPCC Chief Executive
Christine Clifford, PA to the PCC
Sarah Kyte, Business Manager, OPCC

Working in Partnership with

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Wiltshire Police and the Office of the Police & Crime Commissioner (OPCC)
Draft Internal Audit Plan - 2018/19
Summary

The Internal Audit Plan represents a summary of the planned audit reviews that the SWAP internal audit team will deliver throughout the 2018/19 financial year.

For 2018/19, we have aligned our programme of work with the Corporate Risk Register, applied our own SWAP risk assessment, as well as incorporating specific audit requests from management.

Background and Approach to Audit Planning 2018/19

Internal Audit provides an independent and objective opinion on risk management, governance, and the control environment by evaluating its effectiveness.

Prior to the start of each financial year, SWAP, in conjunction with management, put together a proposed plan of audit work to provide assurance over a range of areas encompassing risk management, governance and internal control. This plan of work is constructed following review of the relevant risk registers, as well as using SWAP’s own risk assessment from our work across other Police forces and public-sector partners. We also look to accommodate specific requests for assurance or advisory work from management. The plan will however remain flexible to respond to new and emerging risks as and when they are identified.

The outcomes of each of the audits in our planned programme of work will provide officers and members with assurance that the current risks faced by the force and the OPCC in these areas are adequately controlled and managed. It will also allow us to form our overall end-of-year audit opinion.

It should be noted that the audit titles, scopes and plan days are only indicative at this stage for planning our resources. At the start of each audit, an initial discussion will be held to agree the specific terms of reference for the piece of work, which includes the objective and scope for the review.

Each quarter we will report back to the Joint Independent Audit Committee on our plan progress, including the outcomes of the work that we have completed. This will include any significant risks that we have identified, or specific findings from our audit work if we believe the management of risk requires improvement in this area.

Alongside our annual audit plan, we have included our Internal Audit Charter (Appendix 1). This includes the role, responsibility and status of internal audit within Wiltshire Police and OPCC.

For the first time in 12 years, SWAP have agreed with all its Partner Authorities a fee increase for our services. Details of this fee increase have been set out in Appendix 2, along with the implications for Wiltshire Police/OPCC.
<table>
<thead>
<tr>
<th>Reason for Inclusion in Plan</th>
<th>Area of Coverage and Brief Scope</th>
<th>Proposed Days</th>
<th>Proposed Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific Regional Audit Request</td>
<td>Police Pensions Administration A review of the data transfer arrangements between Police Pension Providers, including data accuracy and integrity</td>
<td>4</td>
<td>Currently underway</td>
</tr>
<tr>
<td>SWAP Risk Assessment</td>
<td>General Data Protection Regulation Readiness A review to ensure that the force has adequately planned and prepared for GDPR compliance</td>
<td>10</td>
<td>Quarter 1</td>
</tr>
<tr>
<td>Joint Independent Audit Committee Request</td>
<td>Corporate Risk Management A high-level review assessing the risk management process and framework, including the assessment control and mitigation of risks.</td>
<td>8</td>
<td>Quarter 2</td>
</tr>
<tr>
<td>Corporate Risk Register</td>
<td>Automatic Number Plate Recognition (ANPR) A review of the operational controls and processes in this area</td>
<td>10</td>
<td>Quarter 2</td>
</tr>
<tr>
<td>Corporate Risk Register</td>
<td>ICT Resource Levels A review focussing on whether the current level of ICT resource is sufficient for business as usual activities</td>
<td>10</td>
<td>Quarters 2</td>
</tr>
<tr>
<td>Specific Audit Request</td>
<td>Forensics Risk Management A review of the operational risk management of the Forensics Services unit</td>
<td>10</td>
<td>Quarter 3</td>
</tr>
<tr>
<td>Specific Audit Request</td>
<td>Crown Prosecution Service (CPS)/ Criminal Justice System (CJS) Digital Work An assessment of the end-to-end digitalisation process, including the two-way interface for the force securely sending files to the CPS</td>
<td>11</td>
<td>Quarter 3</td>
</tr>
<tr>
<td>Key Financial Control Reviews</td>
<td>Key Financial Controls One overall audit focussing on a selection of higher risk areas across the key financial systems (including follow up of previous recommendations)</td>
<td>12</td>
<td>Quarter 3</td>
</tr>
<tr>
<td>Specific Audit Request</td>
<td>Community Policing Teams (CPT)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------------</td>
<td>---------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>A review assessing the CPT levels across the force to support the objectives set out in the Police &amp; Crime Plan</td>
<td>10</td>
<td>Quarter 4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SWAP Risk Assessment</th>
<th>Follow up of Previous Audit Reviews</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>An allocation of time to follow up previous ‘Partial’ assurance reviews and recommendations, to provide management and Committee members with independent assurance that highlighted risks are being mitigated and agreed actions taken forward</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SWAP Management Time</th>
<th>Ad Hoc Audit Advice, Planning and Committee Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>An allocation of time for any ad hoc audit advice or queries throughout the year, and to also enable us to adequately develop an audit plan and report on progress of audit work throughout the year</td>
</tr>
</tbody>
</table>
The Internal Audit Charter

Purpose
The purpose of this Charter is to set out the nature, role, responsibility, status and authority of internal auditing within Wiltshire Police and The Office of the Police & Crime Commissioner (OPCC), and to outline the scope of internal audit work.

Approval
This Charter will be presented for approval at the Joint Independent Audit Committee alongside the proposed internal audit plan in March each year, and will be reviewed to confirm it remains accurate and up to date.

Provision of Internal Audit Services
The internal audit service is provided by the South West Audit Partnership Limited (SWAP). SWAP is a Local Authority controlled company. This charter should be read in conjunction with the Service Agreement, which forms part of the legal agreement between the SWAP partners.

The budget for the provision of the internal audit service is determined by Wiltshire Police and OPCC, in conjunction with the Members Meeting. The general financial provisions are laid down in the legal agreement, including the level of financial contribution by the force and OPCC, and may only be amended by unanimous agreement of the Members Meeting. The budget is based on an audit needs assessment that was carried out when determining the Wiltshire Police and OPCC level of contribution to SWAP. This is reviewed each year by the Wiltshire Police and OPCC SWAP representative in consultation with the Chief Executive of SWAP.

Role of Internal Audit
The Accounts and Audit (England) Regulations 2015, state that: “A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the public sector internal auditing standards or guidance.”

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the operations of Wiltshire Police and OPCC. It helps the force and OPCC accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Responsibilities of Management and of Internal Audit

Management
Management is responsible for determining the scope, except where specified by statute, of internal audit work and for deciding the action to be taken on the outcome of, or findings from, their work. Management is responsible for ensuring SWAP has:

- the support of management; and
- direct access and freedom to report to senior management, including the Chief Constables, the Police & Crime Commissioners and the Audit Committee.

Management is responsible for maintaining internal controls, including proper accounting records and other management information suitable for running Wiltshire Police and OPCC. Management is also responsible for the appropriate and effective management of risk.

Internal Audit
Internal audit is responsible for operating under the policies established by management in line with best practice.

Internal audit is responsible for conducting its work in accordance with the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS); SWAP has been independently assessed and found to be in Conformance with the Standards.

1 In this instance Management refers to the Chief Constable and the Police & Crime Commissioner
Internal audit is not responsible for any of the activities which it audits. SWAP staff will not assume responsibility for the design, installation, operation or control of any procedures. Members of SWAP who have transferred in to the department from other areas of Wiltshire Police and OPCC will not be asked to review any aspects of their previous department’s work until one year has passed since they left that area.

**Relationship with the External Auditors/Other Regulatory Bodies**
Internal Audit will co-ordinate its work with others wherever this is beneficial to the organisation.

**Status of Internal Audit in the Organisation**
The Chief Executive of SWAP is responsible to the SWAP Board of Directors and the Members Meeting. The Chief Executive of SWAP and the Assistant Director also report to the Chief Financial Officer, and to the Joint Independent Audit Committee as set out below.

The Assistant Director will be the first and primary point of contact for Wiltshire Police and OPCC for all matters relating to the Joint Independent Audit Committee, including the provision of periodic reports. The Assistant Director is also responsible for the design, development and delivery of audit plans, subject to the agreement of the partner or client.

**Scope and authority of Internal Audit work**
There are no restrictions placed upon the scope of internal audit’s work. SWAP staff engaged on internal audit work are entitled to receive and have access to whatever information or explanations they consider necessary to fulfil their responsibilities to senior management. In this regard, internal audit may have access to any records, personnel or physical property of Wiltshire Police and OPCC.

Internal audit work will normally include, but is not restricted to:

- reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
- evaluating and appraising the risks associated with areas under review and make proposals for improving the management of risks;
- appraise the effectiveness and reliability of the enterprise risk management framework and recommend improvements where necessary;
- assist management and Members to identify risks and controls regarding the objectives of the Force and its services;
- reviewing the systems established by management to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports, and determining whether the force and OPCC are in compliance;
- reviewing the means of safeguarding assets and, as appropriate, verifying the existence of assets;
- appraising the economy, efficiency and effectiveness with which resources are employed;
- reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned.
- reviewing the operations of the Force in support of the anti-fraud and corruption policy.
- at the specific request of management, internal audit may provide consultancy services provided:
  - the internal auditor’s independence is not compromised
  - the internal audit service has the necessary skills to carry out the assignment, or can obtain such skills without undue cost or delay
  - the scope of the consultancy assignment is clearly defined, and management have made proper provision for resources within the annual audit plan
  - management understand that the work being undertaken is not internal audit work.
Planning and Reporting

SWAP will submit to the Joint Independent Audit Committee, for approval, an annual internal audit plan, setting out the recommended scope of their work in the period.

The annual plan will be developed with reference to the risks the organisation will be facing in the forthcoming year, whilst providing a balance of current and on-going risks, reviewed on a cyclical basis. The plan will be reviewed on a quarterly basis to ensure it remains adequately resourced, current and addresses new and emerging risks.

SWAP will carry out the work as agreed, report the outcome and findings, and will make recommendations on the action to be taken as a result to the appropriate manager. SWAP will report at least four times a year to the Joint Independent Audit Committee. SWAP will also report a summary of their findings, including any persistent and outstanding issues, to the Joint Independent Audit Committee on a regular basis.

Internal audit reports will normally be by means of a brief presentation to the relevant manager accompanied by a detailed report in writing. The detailed report will be copied to the relevant line management, who will already have been made fully aware of the detail and whose co-operation in preparing the summary report will have been sought. The detailed report will also be copied to the relevant Chief Finance Officer, as well as other relevant line management. Reports will also be shared with the Chief Constable and OPCC Chief Executive where necessary.

The Assistant Director of SWAP will submit an annual report to the Joint Independent Audit Committee providing an overall opinion of the status of risk and internal control, based on the internal audit work conducted during the previous year.

In addition to the reporting lines outlined above, the Chief Executive of SWAP and the Assistant Director have the unreserved right to report directly to the Chief Constable, the Police Crime Commissioner, the Chair of the Joint Independent Audit Committee, the OPCC Chief Executive or the External Audit Manager.

March 2018
SWAP is a not-for-profit company owned by the public-sector Partners that it serves.

Since it was formed in 2005, SWAP has not increased the cost of audit service provision for its Partners.

For 2018/19, in conjunction with the Chief Financial Officer and Joint Independent Audit Committee, it has been agreed that the internal audit plan days will increase from 90 days to 100 days, to provide a greater level of assurance.

Wiltshire Police Audit Days & Explanation of 2018/19 Fee Increase

Since SWAP was appointed as the internal audit provider to Wiltshire Police and OPCC, we have delivered an audit plan of 90 audit days each year. Following discussions with the Chief Financial Officer and Members of the Joint Independent Audit Committee, it has been agreed to increase the level of internal audit provision to 100 audit days from 2018/19. This will allow SWAP to provide a greater level of assurance over areas of key risks.

The audit day cost of audit service provision has not increased for its Partners since SWAP was formed in 2005. However, due to the decision taken by the SWAP Board of Directors to close the existing pension scheme to new employees, employer’s pension contributions will increase from 13.4% to 22%. To cover this additional cost, it has been agreed by SWAP Partners to accept an 8% increase in audit fees.

A summary of the effects of both the increase in audit days as well as the fee increase for Wiltshire Police and OPCC has been set out below:

**Current Fees:** 90 audit days at £265 per day = £23,850

**Fees for 2018/19:** 100 audit days at £286 per day = £28,600
Audit Progress Report and Sector Update

Wiltshire Police and Crime Commissioner and Chief Constable
Year ending 31 March 2018

March 2018
This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditor.

The paper also includes a summary of emerging national issues and developments that may be relevant to you.

Members of the Audit Committee can find further useful material on our website where we have a section dedicated to our work in the public sector. Here you can download copies of our publications. Click on the following link to be directed to the website https://www.grantthornton.co.uk/.

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.
Progress at March 2018

Financial Statements Audit

We have started planning for the 2017/18 financial statements audit and undertook our interim audit in February and March 2018. Our interim fieldwork visit included:
- Updating our review of the control environment
- Updating our understanding of financial systems
- Reviewing Internal Audit reports on core financial systems
- Early work on emerging accounting issues
- Early substantive testing

The findings from our interim audit are summarised at pages 5 to 7.

The statutory deadline for the issue of the 2017/18 opinion is brought forward by two months to 31 July 2018. We are discussing our plan and timetable with officers.

The final accounts audit is due to begin on the 21st May with findings reported to you in the Joint Audit Findings Report by the earlier deadline of July 2018.

Value for Money

The scope of our work is set out in the guidance issued by the National Audit Office. The Code requires auditors to satisfy themselves that: “the PCC and Chief Constable have made proper arrangements for securing economy, efficiency and effectiveness in its use of resources”.

The guidance confirmed the overall criterion as: “in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people”.

The three sub criteria for assessment to be able to give a conclusion overall are:
- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

We undertook our initial risk assessment to determine our approach in February 2018 and reported this to you in our Joint Audit Plan which is a separate item on today’s agenda.

We will report our work in the Joint Audit Findings Report and give our Value For Money Conclusions by the deadline in July 2018.

Other areas

Meetings

We met with Finance Officers in November 2017 as part of our quarterly liaison meetings and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective.

Events

We provide a range of workshops, along with network events for members and publications to support the PCC and Chief Constable. Our next event is in development and we are planning to provide this to members of Audit Committees in the South West.

Further details of the publications that may be of interest are set out in our Sector Update section of this report.
## Audit Deliverables

<table>
<thead>
<tr>
<th>2017/18 Deliverables</th>
<th>Planned Date</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fee Letters</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Confirming audit fees for 2017/18 audits.</td>
<td>April 2017</td>
<td>Complete</td>
</tr>
<tr>
<td><strong>Accounts Joint Audit Plan</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We are required to issue a detailed accounts joint audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Group, Police and Crime Commissioner and Chief Constable 2017-18 financial statements.</td>
<td>March 2018</td>
<td>Separate agenda item</td>
</tr>
<tr>
<td><strong>Interim Audit Findings</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We will report to you the findings from our interim audit within our Progress Report.</td>
<td>March 2018</td>
<td>Included pages 5 to 7 of this report</td>
</tr>
<tr>
<td><strong>Joint Audit Findings Report</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Joint Audit Findings Report will be reported to the July Audit Committee.</td>
<td>July 2018</td>
<td>Not yet due</td>
</tr>
<tr>
<td><strong>Auditors Reports</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>This is the opinion on the financial statements, annual governance statements and value for money conclusions.</td>
<td>July 2018</td>
<td>Not yet due</td>
</tr>
<tr>
<td><strong>Joint Annual Audit Letter</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>This letter communicates the key issues arising from our audit work.</td>
<td>August 2018</td>
<td>Not yet due</td>
</tr>
</tbody>
</table>
## Results of Interim Audit Work

The findings of our interim audit work, and the impact of our findings on the accounts audit approach, are summarised in the table below:

<table>
<thead>
<tr>
<th>Work performed</th>
<th>Conclusions and recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal audit</strong></td>
<td>Overall, we have concluded that the internal audit service provides an independent and satisfactory service to the Police and Crime Commissioner and Chief Constable and that internal audit work contributes to an effective internal control environment.</td>
</tr>
<tr>
<td>We have completed a high level review of internal audit's overall arrangements. Our work has not identified any issues which we wish to bring to your attention. We will review Internal Audit reports on key financial systems once they are issued and take their findings into account when considering our testing strategy for the post statements visit.</td>
<td></td>
</tr>
<tr>
<td><strong>Entity level controls</strong></td>
<td>Our work has identified no material weaknesses which are likely to adversely impact on the Police and Crime Commissioner’s or the Chief Constable’s financial statements.</td>
</tr>
<tr>
<td>We have obtained an understanding of the overall control environment relevant to the preparation of the financial statements including: Communication and enforcement of integrity and ethical values; Commitment to competence; Participation by those charged with governance; Management's philosophy and operating style; Organisational structure; Assignment of authority and responsibility; and Human resource policies and practices.</td>
<td></td>
</tr>
<tr>
<td><strong>Review of information technology controls</strong></td>
<td>Our work has identified no material weaknesses which are likely to adversely impact on the Police and Crime Commissioner’s or the Chief Constable’s financial statements.</td>
</tr>
<tr>
<td>We performed a high level review of the general IT (information technology) control environment, as part of the overall review of the internal controls system. IT controls were observed to have been implemented in accordance with our documented understanding.</td>
<td></td>
</tr>
</tbody>
</table>
## Results of interim audit work (continued)

<table>
<thead>
<tr>
<th>Work performed</th>
<th>Conclusions and recommendations</th>
</tr>
</thead>
</table>
| **Walkthrough testing** | We have completed walkthrough tests of the Police and Crime Commissioner’s and Chief Constable’s controls operating in areas where we consider there is a risk of material misstatement to the financial statements. As documented in our joint audit plan, we have walked through the controls in relation to:  
  - Employee remuneration;  
  - Operating expenditure;  
  - Property and land revaluations;  
  - Net valuation of the pension liability (LGPS and Police);  
  - Police pension scheme benefit payments (including gaining an understanding of the controls in place at your service providers; and  
  - The transfer of your police pension scheme service providers from Capita to Kier.  
Our work has not identified any issues which we wish to bring to your attention. Internal controls have been implemented by the Police and Crime Commissioner’s and Chief Constable’s in accordance with our documented understanding. | Our work has not identified any weaknesses which impact on our audit approach. |
## Results of interim audit work (continued)

<table>
<thead>
<tr>
<th>Work performed</th>
<th>Conclusions and recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Early substantive testing</strong></td>
<td>Our audit work has not identified any significant issues within the testing undertaken.</td>
</tr>
<tr>
<td><strong>Review of opening ledger balances roll forward</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Employee Remuneration</strong></td>
<td></td>
</tr>
<tr>
<td>- Substantive testing of a sample of overtime expenditure to period 10</td>
<td></td>
</tr>
<tr>
<td>- Substantive analytical review of payroll expenditure to period 10</td>
<td></td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>- Substantive testing of a sample of non-payroll expenditure transactions to period 9</td>
<td></td>
</tr>
<tr>
<td>- Updated our understanding of the accruals process</td>
<td></td>
</tr>
<tr>
<td><strong>Grant Income</strong></td>
<td></td>
</tr>
<tr>
<td>- Substantive testing of a sample of grant income received to period 9 back to third party notifications</td>
<td></td>
</tr>
<tr>
<td><strong>Other Income</strong></td>
<td></td>
</tr>
<tr>
<td>- Substantive testing of a sample of fees and charges income to period 9</td>
<td></td>
</tr>
<tr>
<td><strong>Police Officer Benefit Payments</strong></td>
<td></td>
</tr>
<tr>
<td>- Substantive testing of a sample of lump sum commutations and ongoing pension entitlement calculations to period 9</td>
<td></td>
</tr>
<tr>
<td><strong>Police Officer Employer Contributions</strong></td>
<td></td>
</tr>
<tr>
<td>- Substantive testing of a sample of employers pension contributions to period 9</td>
<td></td>
</tr>
</tbody>
</table>
Policing services are rapidly changing. Increased demand from the public and more complex crimes require a continuing drive to achieve greater efficiency in the delivery of police services. Public expectations of the service continue to rise in the wake of recent high-profile incidents, and there is an increased drive for greater collaboration between Forces and wider blue-light services.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider Police service and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

More information can be found on our dedicated public sector and police sections on the Grant Thornton website by clicking on the logos below:
Skills gap threatens to leave tomorrow’s police forces short

Police forces lack sufficiently deep understanding of the skills and capabilities of their workforce, risking their ability to meet future demands, according to the latest police leadership report published by Her Majesty’s Inspectorate of Constabulary and Fire & Rescue Services.

The Police Leadership 2017 report shows that few police forces have adequate succession plans in place. Faced with increasingly complex crime and fast-changing demands, too many forces are taking a short-term and reactive approach to address future needs.

However, the report notes numerous positive examples of police leaders showing commitment to improvement. Senior teams consistently demonstrated an understanding of the need for fair and ethical treatment of their workforces and to the public. Inspectors also found that there has been an increasing prioritisation of wellbeing within the workforce.

The report notes that the processes and systems that underpin ethical decision-making have strengthened and matured since last year’s report. When ethical problems do arise, higher-performing forces show that they communicate the lessons learned throughout their team.

The report concludes that police forces need to:
- improve their use of performance management;
- build on their understanding of leadership skills and capabilities within their workforces; and
- continue to look for new skills externally.

Such measures could help forces meet the difficulties of modern policing more efficiently and effectively.

HMICFRS will return to forces to examine police leadership next year. Areas that have been identified as requiring improvement will be revisited in order to assess progress.

Click on the report cover to read the national report.
Public Sector Audit Appointments: Report on the results of auditors’ work 2016/17

This is the third report on the results of auditors’ work at local government bodies published by PSAA. It summarises the results of auditors’ work at 497 principal bodies and 9,752 small bodies for 2016/17. The report covers the timeliness and quality of financial reporting, auditors’ local value for money work, and the extent to which auditors used their statutory reporting powers.

The timeliness and quality of financial reporting for 2016/17, as reported by auditors, remained broadly consistent with the previous year for both principal and small bodies. Compared with 2015/16, the number of principal bodies that received an unqualified audit opinion by 31 July showed an encouraging increase. 83 principal bodies (17 per cent) received an unqualified opinion on their accounts by the end of July compared with 49 (10 per cent) for 2015/16. These bodies appear to be well positioned to meet the earlier statutory accounts publication timetable that will apply for 2017/18 accounts.

Less positively, the proportion of principal bodies where the auditor was unable to issue the opinion by 30 September increased compared to 2015/16. Auditors at 92 per cent of councils (331 out of 357) were able to issue the opinion on the accounts by 30 September 2017, compared to 96 per cent for the previous year. This is a disappointing development in the context of the challenging new reporting timetable from 2017/18. All police bodies, 29 out of 30 fire and rescue authorities and all other local government bodies received their audit opinions by 30 September 2017.

The number of qualified conclusions on value for money arrangements has remained relatively constant at 7 per cent (30 councils, 2 fire and rescue authorities and 1 other local government body) compared to 8 per cent for 2015/16. The most common reasons for auditors issuing non-standard conclusions on the 2016/17 accounts were:

- the impact of issues identified in the reports of statutory inspectorates;
- corporate governance issues; and
- financial sustainability.

The latest results of auditors’ work on the financial year to 31 March 2017 show a solid position for the majority of principal local government bodies. Generally, high standards of financial reporting are being maintained despite the financial and service delivery challenges currently facing local government.
Overview of the General Data Protection Regulation (GDPR)

<table>
<thead>
<tr>
<th>What is it?</th>
<th>What’s next?</th>
</tr>
</thead>
<tbody>
<tr>
<td>The GDPR is the most significant development in data protection for 20 years. It introduces new rights for individuals and new obligations for public and private sector organisations.</td>
<td>Many public sector organisations have already developed strategic plans to implement the GDPR, which require policy, operational, governance and technology changes to ensure compliance by 25th May 2018.</td>
</tr>
</tbody>
</table>

### How will this affect you?
- All organisations that process personal data will be affected by the GDPR.
- The definition of 'personal data' has been clarified to include any data that can identify a living individual, either directly or indirectly. Various unique personal identifiers (including online cookies and IP addresses) will fall within the scope of personal data.
- Local government organisations need to be able to provide evidence of completion of their GDPR work to internal and external stakeholders, to internal audit and to regulators.
- New policies and procedures need to be fully signed off and operational.

### Organisation Accountability
- Organisations must document their assurance procedures, and make them available to regulators.
- Some organisations need to designate a Data Protection Officer, who has expert knowledge of data protection law.

### Notifications and Rights
- Organisations must notify significant data breaches to regulators within 72 hours.
- Organisations must explain to individuals what their rights over their personal information are and how it is being processed and protected.

### Claims and Fines
- For the most serious data breaches, privacy regulators can impose penalties of up to €20 million on public sector organisations.
- Individuals and representative organisations can claim compensation for infringements of data protection law.
Supply Chain Insights tool helps support supply chain assurance in public services

Grant Thornton UK LLP has launched a new insights and benchmarking platform to support supply chain assurance and competitor intelligence in public services.

The Supply Chain Insights service is designed for use by financial directors and procurement professionals in the public sector, and market leaders in private sector suppliers to the public sector. It provides users with a detailed picture of contract value and spend with their supply chain members across the public sector. The analysis also provides a robust and granular view on the viability, sustainability, market position and coverage of their key suppliers and competitors.

The platform is built on aggregated data from 96 million invoices and covers £0.5 trillion of spending. The data is supplemented with financial standing data and indicators to give a fully rounded view. The service is supported by a dedicated team of analysts and is available to access directly as an on-line platform.

Phillip Woolley, Partner, Grant Thornton UK LLP, said:

"The fall-out from the recent failure of Carillion has highlighted the urgent need for robust and ongoing supply chain monitoring and assurance. Supply Chain Insights provides a clear picture of your suppliers’ activities across the sector, allowing you to understand risks, capacity and track-record. We think it’s an indispensable resource in today’s supplier market."

The tool enables you to immediately:

- access over 96 million transactions that are continually added to
- segment invoices by:
  — organisation and category
  — service provider
  — date at a monthly level
- benchmark your spend against your peers
- identify:
  — organisations buying similar services
  — differences in pricing
  — the leading supplier
- see how important each buyer is to a supplier
- benchmark public sector organisations’ spend on a consistent basis
- see how much public sector organisations spend with different suppliers

Supply Chain Insights forms part of the Grant Thornton Public Sector Insight Studio portfolio of analytics platforms.

Click on Supply Chain Insights for more information.
Cost Assurance

Did you know....

40
Number of Public Sector engagements to date

£125m
Annual spend analysed

£3.55m
Rebate opportunities identified

£1.1m
Fee income identified

2.84%
Error rate – rebates versus spend volume

55%
Of Public Sector engagements are Local Government

Our Cost Assurance service line provides Local Authorities with an independent and retrospective audit of their legacy telecommunications and utilities costs incurred during the past 6 years (as per the Statute of Limitation).

We find that there are repeat errors contained within a Suppliers’ invoice arrangements – errors that aren’t necessarily picked up by the end client. This is due to the fact that they tend to be contained in suppliers’ billing systems ‘at source’ and are much further down the supply chain which the user won’t necessarily have visibility of.

We are supported by a comprehensive library of legacy supplier pricing that has been collated since 2011. Our one aim is to ensure that the client has only paid for the services used during the period by:

• ensuring that bills presented by Suppliers’ are in line with their contracts and relevant pricing mechanisms

• ensuring the client receives the Supplier refunds where errors have been identified by us

• ensuring consequential savings are identified and implemented immediately for the client

Our Cost Assurance work is based on a contingent-fee model and is supported by PSAA Ltd. Each of our Local Authority engagements include a fee cap to ensure governance and regulatory standards are maintained.

In summary, we are able to bring much needed financial benefit to the sector as well as providing insight into errors that may be prone to repeat offence by suppliers long after our work is concluded.
Changes to the prudential framework of capital finance

The Ministry of Housing Communities and Local Government has updated the Local Authority Investments Guidance and the Minimum Revenue following its publication of consultation responses on 2 February 2018.

A total of 213 consultation responses were received by the MHCLG by the 22 December 2017 deadline from across local government. Following consideration of the responses the Government has:

- made some technical changes to the Investments Guidance and MRP Guidance
- amended proposals relating to useful economic lives of assets
- implemented the Investments Guidance for 2018-19, but allowed flexibility on when the additional disclosure first need to be presented to full Council
- deferred implementation of MRP Guidance to 2019-20 apart from the guidance “Changing methods for calculating MRP”, which applies from 1 April 2018.

Key changes are noted below.

Statutory Guidance on Local Authority Investments

Transparency and democratic accountability – the revised guidance retains the requirement for an Investment Strategy to be prepared at least annually and introduces some additional disclosures to improve transparency. However, as the changes to the CIPFA Prudential Code include a new requirement for local authorities to prepare a Capital Strategy, the revised guidance allows the matters required to be disclosed in the Investment Strategy to be disclosed in the Capital Strategy.

Principle of contribution – the consultation sought views on the introduction of a new principle requiring local authorities to disclose the contribution that non-core investments make towards core functions. Authorities’ core objectives include ‘service delivery objectives and/or placemaking role.’ This clarification has been made to recognise the fact that local authorities have a key role in facilitating the long term regeneration and economic growth of their local areas and that they may want to hold long term investments to facilitate this.

Introduction of a concept of proportionality – the Government is concerned that some local authorities may become overly dependent on commercial income as a source of revenue for delivering statutory services. The consultation sought views on requiring local authorities to disclose their dependence on commercial income to deliver statutory services and the amount of borrowing that has been committed to generate that income. A majority of respondents supported the introduction of a concept of proportionality, recognising the importance that local authorities make decisions based on an understanding of the overall risk that they face.

Borrowing in advance of need – by bringing non-financial investments (held primarily or partially to generate a profit) within the scope of the Investments Guidance, the consultation proposals made it clear that borrowing to fund acquisition of non-financial assets solely to generate a profit is not prudent. The Investment Guidance requires local authorities who have borrowed in advance of need solely to generate a profit to explain why they have chosen to disregard statutory guidance. It is also important to note that nothing in the Investment Guidance or the Prudential Code overrides statute, and local authorities will still need to consider whether any novel transaction is lawful by reference to legislation.

Minimum Revenue Provision Guidance

The consultation sought views on proposals to update the guidance relating to MRP to ensure local authorities are making prudent provision for the repayment of debt.

Meaning of a charge to the revenue account – the Government does not believe that crediting the revenue account is either prudent or within the spirit of the approach set out in the relevant Regulations. For this reason a charge to the account should not be a negative charge.

Impact of changing methods of calculating MRP – the Government does not expect any local authority to recalculate MRP charged in prior years due to the proposed changes in methodology.

Introduction of a maximum economic life of assets – the consultation sought views on setting a maximum useful economic life of 50 years for freehold land and 40 years for other assets. The MRP Guidance will set a maximum life of 50 years, but allow local authorities to exceed this where the related debt is PFI debt with a longer term than 50 years, or where a local authority has an opinion from an appropriately qualified person that an operational asset will deliver benefits for more than 50 years.
CIPFA publications - The Prudential Code and Treasury Management Code

CIPFA have published an updated ‘Prudential Code for Capital Finance in Local Authorities’. Key developments include the introduction of more contextual reporting through the requirement to produce a capital strategy along with streamlined indicators.

The framework established by the Prudential Code should support local strategic planning, local asset management planning and proper option appraisal. The objectives of the Prudential Code are to ensure, within this clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable.

Local authorities are required by regulation to have regard to the Prudential Code when carrying out their duties in England and Wales under Part 1 of the Local Government Act 2003, in Scotland under Part 7 of the Local Government in Scotland Act 2003, and in Northern Ireland under Part 1 of the Local Government Finance Act (Northern Ireland) 2011.

Since the Prudential Code was last updated in 2011, the landscape for public service delivery has changed significantly following the sustained period of reduced public spending and the developing localism agenda. It reflects the increasing diversity in the sector and new structures, whilst providing for streamlined reporting and indicators to encourage better understanding of local circumstances and improve decision making.

The introduction of a capital strategy allows individual local authorities to give greater weight to local circumstances and explain their approach to borrowing and investment. The Code is available in hard copy and online.

CIPFA have also published an updated Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. The Code provides a framework for effective treasury management in public sector organisations.

The Code defines treasury management as follows:

The management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

It is primarily designed for the use of local authorities (including police and crime commissioners and fire authorities), providers of social housing, higher and further education institutions, and the NHS. Local authorities in England, Scotland and Wales are required to ‘have regard’ to the Code.

Since the last edition of the TM Code was published in 2011, the landscape for public service delivery has changed significantly following the sustained period of reduced public spending and the developing localism agenda.

There are significant treasury management portfolios within the public services, for example, as at 31 March 2016, UK local authorities had outstanding borrowing of £88bn and investments of £32bn.

The Code is available in hard copy and online.
The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.
Joint External Audit Plan
Year ending 31 March 2018

Police and Crime Commissioner for Wiltshire
and Chief Constable for Wiltshire
8 March 2018
The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the PCC or the Chief Constable or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction & headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audits of both the Police and Crime Commissioner for Wiltshire ('the PCC') and the Chief Constable for Wiltshire ('the Chief Constable') for those charged with governance.

Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of both the PCC and the Chief Constable. We draw your attention to both of these documents on the PSAA website.

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the:

- financial statements of the PCC, the Chief Constable and the Group (including the Annual Governance Statements for both entities) that have been prepared by management with the oversight of those charged with governance (the PCC and the Chief Constable); and
- Value for Money arrangements in place at the each body for securing economy, efficiency and effectiveness in your use of resources.

The audit of the financial statements does not relieve management, the PCC or the Chief Constable of your responsibilities. It is the responsibility of the bodies to ensure that proper arrangements are in place for the conduct of their business, and that public money is safeguarded and properly accounted for. We have considered how the PCC and the Chief Constable are fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the PCC’s and Chief Constable’s business and is risk based.

Significant risks

Those risks requiring specific audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management over-ride of controls
- Valuation of pension fund net liability
- Valuation of property, plant and equipment
- Transfer of Pension Service Provider

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Joint Audit Findings (ISA 260) Report.

Materiality

We have determined planning materiality to be £2.59m (PY £2.5m), which equates to approximately 2% of your prior year gross revenue. We are obliged to report uncorrected omissions or misstatements other than those which are ‘clearly trivial’ to those charged with governance. ‘Clearly trivial’ has been set at £129k (PY £125k).

Value for Money arrangements

Our risk assessment across both entities regarding your arrangements to secure value for money has identified the following VFM significant risks:

- Medium Term Financial Strategy

Audit logistics

Our interim visit will take place in February and March 2018 and our final visit will take place in May and June 2018. Our key deliverables are this Joint Audit Plan and our Joint Audit Findings Report.

Our fee for the audit will be no less than £31,733 (PY: £31,733) for the PCC and no less than £15,000 (PY: £15,000) for the Chief Constable.

Independence

We have complied with the Financial Reporting Council’s Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express objective opinions on the financial statements for both entities and the Group.
Business understanding

<table>
<thead>
<tr>
<th>Estates Strategy 2017-21</th>
<th>Transformation plans</th>
<th>Accounts and Audit Regulations 2015 (the Regulations)</th>
<th>Changes to the 2017/18 CIPFA Code of Practice on Local Authority Accounting</th>
<th>Future funding uncertainties</th>
<th>Key challenges</th>
</tr>
</thead>
</table>
| The PCC has recently published his Estates Strategy for 2017-21. The heart of this is desire to ensure that Community Policing Teams (CPTs) have the right presence in the right locations. The aim of the Strategy is to reduce the cost of running the Force’s HQ and other buildings by 20 per cent by 2021. The strategy will involve a major investment at several key locations to provide buildings fit for 21st Century policing. Embracing and investing in technology is an important part of the estates strategy. Moving away from desks at fixed locations with desktop PCs to personal issue laptops, tablets and smartphones enables officers and staff to work more flexibly and visibly in communities. The aim is to also share buildings wherever possible with public service partners. | A number of PCCs and Forces across the country are undergoing service transformations of varying degrees. In Wiltshire, the Community Policing Model was rolled out across the Force during the 2016-17 financial year. A post implementation review was undertaken 6 months following the roll out to identify any learning and assess progress, which identified some areas of focus. The Force continues to develop and refine the model following the successful implementation to ensure that it is delivering the benefits it was designed to provide. | A review of the Regulations is currently being undertaken by the Department of Communities and Local Government (DCLG), meaning that they may be subject to change. The date for any proposed changes has yet to be confirmed, so it is not yet clear or whether they will apply to the 2017/18 financial statements. Should any changes be made to the Regulations which would impact on the 2017/18 financial year, we will discuss the potential effects of these with you as soon as possible. Under the 2015 Regulations local authorities are required to publish their accounts along with the auditors opinion by Thursday 31 July 2018. | CIPFA have introduced minor changes to the 2017/18 Code which:  
- introduce key reporting principles for the Narrative Report;  
- clarify the reporting requirements for accounting policies and going concern reporting; and  
- update the relevant sections regarding reporting requirements for Leases, Service Concession arrangements and Financial Instruments. | At the beginning of 2016, the implementation of the revised police funding formula in England and Wales was delayed. Revisions to police funding may still be implemented, though later than originally thought, and for some forces this may represent a significant reduction in annual funding, having an impact on forward planning. The funding settlement for the 2018/19 financial year announced a flat cash police grant settlement, and also provided PCC’s with the option to raise precepts by up to £1 per month on an average Band D property. Wiltshire have taken the option to increase precepts by this maximum allowable. | Both the PCC and CC are forecasting budget underspends against their 2017/18 budgets at Month 9, with a group underspend position of £0.251m which is projected to increase to £0.539m at year end. The underspend is driven largely by a net underspend in total pay costs. Following the 2018/19 funding settlement, the Medium Term Financial Strategy (MTFS) was updated on the assumption that precept income would be the maximum available under the updated provisions. The updated MTFS shows total savings of £5.302m over the period to the end of 2021/22. |

Our response

- We will consider your arrangements at each entity for managing and reporting your financial resources as part of our work in reaching our Value for Money conclusions.
- We will consider whether your individual and group financial positions lead to uncertainty about the going concern assumption and will review any related disclosures in the financial statements.
- We will keep you informed of changes to the Regulations and any associated changes to financial reporting or public inspection requirements for 2017/18 through on-going discussions and invitations to our technical update workshops.
- As part of our opinions on your financial statements, we will consider whether your financial statements reflect the financial reporting changes in the 2017/18 CIPFA Code and the impact of impairment assessments and the adequacy of provisions in relation to essential work on high rise buildings.
- We will follow up progress against previously agreed external audit recommendations and report this to the Audit Committee.
## Significant risks identified

Significant risks are defined by professional standards as risks that, in the judgement of the auditor, require special audit consideration because they have a higher risk of material misstatement. Such risks often relate to significant non-routine transactions and judgmental matters. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood.

<table>
<thead>
<tr>
<th>Risk</th>
<th>PCC or Chief Constable?</th>
<th>Reason for risk identification</th>
<th>Key aspects of our proposed response to the risk</th>
</tr>
</thead>
</table>
| The revenue cycle includes fraudulent transactions | Both | Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition. | Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the PCC, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:  
• there is little incentive to manipulate revenue recognition  
• opportunities to manipulate revenue recognition are very limited  
• the culture and ethical frameworks of local authorities, including the PCC for Wiltshire, mean that all forms of fraud are seen as unacceptable  
**Therefore we do not consider this to be a significant risk for the PCC.**  
For the Chief Constable, revenue is recognised to fund costs and liabilities relating to resources consumed in the direction and control of day-to-day policing. This is shown in the Chief Constable’s financial statements as a transfer of resources from the PCC to the Chief Constable for the cost of policing services. Income for the Chief Constable is received entirely from the PCC.  
**Therefore we have determined that the risk of fraud arising from revenue recognition is not a significant risk for the Chief Constable.** |
| Management over-ride of controls | Both | Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. Management over-ride of controls is a risk requiring special audit consideration. | We will:  
• gain an understanding of the accounting estimates, judgements applied and decisions made by management and consider their reasonableness;  
• obtain a full listing of journal entries, identify and test unusual journal entries for appropriateness; and  
• evaluate the rationale for any changes in accounting policies or significant unusual transactions. |
## Significant risks identified

<table>
<thead>
<tr>
<th>Risk</th>
<th>PCC or Chief Constable?</th>
<th>Reason for risk identification</th>
<th>Key aspects of our proposed response to the risk</th>
</tr>
</thead>
</table>
| Valuation of property, plant and equipment | PCC | The PCC revalues land and buildings on an triennial basis to ensure that carrying value is not materially different from fair value. This represents a significant estimate by management in the financial statements. We identified the valuation of land and buildings revaluations and impairments as a risk requiring special audit consideration. | We will:  
  - review management’s processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work;  
  - consider the competence, expertise and objectivity of any management experts used;  
  - discuss with the valuer the basis on which the valuation is carried out and challenge of the key assumptions where appropriate;  
  - review and challenge the information used by the valuer to ensure it is robust and consistent with our understanding;  
  - test revaluations made during the year to ensure they are input correctly into the PCC’s asset register; and  
  - Evaluate the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value. |
| Valuation of pension fund net liability | Both | The Local Government Pension Scheme (LGPS) pension net liability as reflected in the balance sheet, and asset and liability information disclosed in the notes to the accounts, represent significant estimates in the financial statements. The Police Officer Pension schemes pension fund liability as reflected in the balance sheet and notes to the accounts represent significant estimates in the financial statements. These estimates by their nature are subject to significant estimation uncertainty, being very sensitive to small adjustments in the assumptions used. We identified the valuation of the pension fund net liability as a risk requiring special audit consideration. | We will:  
  - identify the controls put in place by management to ensure that the pension fund liability is not materially misstated. We will also assess whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement;  
  - evaluate the competence, expertise and objectivity of the actuaries who carried out your pension fund valuations. We will gain an understanding of the basis on which the valuations are carried out;  
  - undertake procedures to confirm the reasonableness of the actuarial assumptions made; and  
  - check the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial reports from your actuaries. |
## Significant risks identified

<table>
<thead>
<tr>
<th>Risk</th>
<th>PCC or Chief Constable?</th>
<th>Reason for risk identification</th>
<th>Key aspects of our proposed response to the risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer of Pension Service Provider</td>
<td>Chief Constable</td>
<td>The pension service provider has changed from Capita to Kier in year. There is a risk that the pension data transferred between the providers is not complete.</td>
<td>We will:</td>
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<tr>
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<td>• document our understanding of management's processes and controls related to the transfer of data from Capita to Kier in year;</td>
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<td></td>
<td>• review the parallel runs undertaken by Kier and Capita to ensure that both service organisations are processing the same transactions and data;</td>
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<td>• obtain confirmation of the employer and employee contributions in the months following the transfer to Kier and reconcile the information to the payroll reports produced by Wiltshire to ensure the contributions are being recorded accurately;</td>
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<td>• review the closing membership numbers per Capita to the opening membership numbers per Kier with follow up of any significant differences; and</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>• review the closing and opening of bank accounts in relation to the pension payments and follow up on any reconciliations performed.</td>
</tr>
</tbody>
</table>
## Reasonably possible risks identified

Reasonably possible risks (RPRs) are, in the auditor’s judgment, other risk areas which the auditor has identified as an area where the likelihood of material misstatement cannot be reduced to remote, without the need for gaining an understanding of the associated control environment, along with the performance of an appropriate level of substantive work. The risk of misstatement for an RPR is lower than that for a significant risk, and they are not considered to be areas that are highly judgmental, or unusual in relation to the day to day activities of the business.

<table>
<thead>
<tr>
<th>Risk</th>
<th>PCC or Chief Constable?</th>
<th>Reason for risk identification</th>
<th>Key aspects of our proposed response to the risk</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee remuneration</strong></td>
<td>Both</td>
<td>Payroll expenditure represents a significant percentage (76%) of the Chief Constable’s (and therefore the group’s) operating expenses. As the payroll expenditure comes from a number of individual transactions there is a risk that payroll expenditure in the accounts could be understated. We therefore identified completeness of payroll expenses as a risk requiring particular audit attention.</td>
<td>We will:</td>
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<td></td>
<td></td>
<td></td>
<td>• evaluate the PCC’s and Chief Constable’s accounting policies for recognition of payroll expenditure for appropriateness;</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>• gain an understanding of the PCC’s and Chief Constable’s systems for accounting for payroll expenditure and evaluate the design of the associated controls;</td>
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<tr>
<td></td>
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<td></td>
<td>• perform a walkthrough to confirm that the controls identified are in operation;</td>
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<tr>
<td></td>
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<td>• undertake an analysis of trends and relationships to identify any anomalous areas for further investigation; and</td>
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<tr>
<td></td>
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<td></td>
<td>• reconcile the payroll system to the general ledger and financial statements.</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>Both</td>
<td>Non-pay expenses on other goods and services also represents a significant percentage (24%) of the Chief Constable’s (and therefore the group’s) operating expenses. Management uses judgement to estimate accruals of un-invoiced costs. We identified completeness of non-pay expenses as a risk requiring particular audit attention.</td>
<td>We will:</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>• evaluate the PCC’s and Chief Constable’s accounting policies for recognition of non-pay expenditure for appropriateness;</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>• gain an understanding of the PCC’s and Chief Constable’s systems for accounting for non-pay expenditure and evaluate the design of the associated controls;</td>
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<td>• obtain an understanding of the accruals process; and</td>
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<td></td>
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<td></td>
<td>• test for unrecorded liabilities, including a review of payments made after the year end to ensure that expenditure has been recorded within the correct accounting year.</td>
</tr>
<tr>
<td><strong>Police pension schemes benefits payable</strong></td>
<td>Chief Constable (and group)</td>
<td>The Chief Constable administers three police pension schemes, with the Police Pension Fund Account being included in the Chief Constable’s and therefore the group’s financial statements. We identified completeness and accuracy of pension benefits payable as a risk requiring particular audit attention.</td>
<td>We will:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• gain an understanding of the Chief Constable’s systems for calculating, accounting for and monitoring pension benefit payments and evaluate the design of the associated controls;</td>
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<tr>
<td></td>
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<td></td>
<td>• undertake analytical procedures to confirm that balances are in line with expectations;</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>• test a sample of new pension benefits coming into payment to confirm their eligibility, and agree amounts to underlying evidence; and</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>• test a sample of commutation payments to underlying evidence to confirm their correct calculation and payment.</td>
</tr>
</tbody>
</table>

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Other matters

Other work
In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

• We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statements are in line with the guidance issued and consistent with our knowledge of both the PCC and the Chief Constable.

• We will read your Narrative Statements and check that they are consistent with the financial statements on which we give an opinion and that the disclosures included in it are in line with the requirements of the CIPFA Code of Practice.

• We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.

• We consider our other duties under the Act and the Code, as and when required, including:
  • giving electors the opportunity to raise questions about your 2017/18 financial statements, consider and decide upon any objections received in relation to the 2017/18 financial statements;
  • issue of a report in the public interest; and
  • making a written recommendation to the PCC or the Chief Constable, copied to the Secretary of State.

• We certify completion of our audit.

Other material balances and transactions
Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

Going concern
As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management’s use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity’s ability to continue as a going concern” (ISA (UK) 570). We will review management’s assessments of the going concern assumption and evaluate the disclosures in the financial statements.
Materiality

The concept of materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality for planning purposes

We propose to calculate financial statement materiality based on a proportion of gross expenditure for the financial year. We will use the lowest of the gross expenditures of the PCC, the Chief Constable and the group for this calculation. In the prior year we used the same benchmark. We have determined planning materiality (the financial statements materiality determined at the planning stage of the audit) to be £2.59m (PY £2.5m), which equates to approximately 2% of your forecast gross expenditure for the year. We design our procedures to detect errors in specific accounts at a lower materiality level where appropriate, and we have selected a materiality level of £10,000 for senior officer remuneration disclosures due to the public interest in them.

We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

Matters we will report to the PCC and the Chief Constable

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the PCC and the Chief Constable any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) ‘Communication with those charged with governance’, we are obliged to report uncorrected omissions or misstatements other than those which are ‘clearly trivial’ to those charged with governance. ISA 260 (UK) defines ‘clearly trivial’ as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. In the context of the PCC and the Chief Constable, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £129,000 (PY £125,000).

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the PCC and the Chief Constable to assist them in fulfilling their governance responsibilities.
Group audit scope and risk assessment

In accordance with ISA (UK) 600, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

<table>
<thead>
<tr>
<th>Component</th>
<th>Significant?</th>
<th>Level of response required under ISA (UK and Ireland) 600</th>
<th>Risks identified</th>
<th>Planned audit approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police and Crime Commissioner (parent)</td>
<td>Yes</td>
<td>Comprehensive</td>
<td>See pages 5 to 8</td>
<td>Full scope UK statutory audit performed by Grant Thornton UK LLP</td>
</tr>
<tr>
<td>Chief Constable (subsidiary)</td>
<td>Yes</td>
<td>Comprehensive</td>
<td>See pages 5 to 8</td>
<td>Full scope UK statutory audit performed by Grant Thornton UK LLP</td>
</tr>
</tbody>
</table>

**Audit scope:**

- **Comprehensive** – the component is of such significance to the group as a whole that an audit of the components financial statements is required.
- **Targeted** – the component is significant to the Group, audit evidence will be obtained by performing targeted audit procedures rather than a full audit.
- **Analytical** – the component is not significant to the Group and audit risks can be addressed sufficiently by applying analytical procedures at the Group level.
Value for Money arrangements

Background to our VFM approach
The NAO issued its guidance for auditors on Value for Money work for 2017/18 in November 2017. The guidance states that for police bodies, auditors are required to give a conclusion on whether each of the PCC and the Chief Constable have proper arrangements in place.

The guidance identifies one single criterion for auditors to evaluate:

“In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.”

This is supported by three sub-criteria, as set out below:

1. Informed decision making
2. Value for Money arrangements criteria
3. Sustainable resource deployment
4. Working with partners & other third parties

Significant VFM risks
Those risks requiring specific audit consideration and procedures to address the likelihood that proper arrangements are not in place at the PCC and/or the Chief Constable to deliver value for money.

Medium Term Financial Strategy
Wiltshire Police have been required to deliver substantial savings since 2010/11, and forecast significant savings requirements going forward. The latest funding settlement announcement in December 2017 provides a better than anticipated financial outlook, however significant savings and strong financial management will still be required and the medium term revenue financial strategy remains unbalanced to 2021/22.

We will:
- Review of the 2017/18 budget outturns;
- Review of the MTFS and capital plan, including the assumptions that underpin the plan; and
- Review savings delivery and progress on developing savings required in future years
Audit logistics, team & audit fees

Iain Murray, Engagement Lead
Iain leads our relationship with you and is a key contact for the Police and Crime Commissioner, Chief Constable, Chief Finance Officer and Audit Committee. Iain takes overall responsibility for the delivery of a high quality audit, meeting the highest professional standards and adding value.

Jackson Murray, Audit Manager
Jackson's role involves overseeing the day to day planning and execution of the audit, ensuring the audit requirements are fully complied with and producing reports for the Audit Committee. He will respond to ad-hoc queries whenever raised and meet regularly with the Chief Finance Officer and members of the finance team.

Grace Hawkins, Audit Incharge
Grace's role is to co-ordinate the on-site delivery of audit tasks through her own work and that of junior team members. She liaises with the finance team throughout the audit visits and will keep them up to date on progress and any issues arising throughout the year.

Audit fees
The planned audit fees are no less than £31,733 (PY: £31,733) for the financial statements and vfm audits for the PCC, and no less than £15,000 (PY: £15,000) for the financial statements and vfm audits for the Chief Constable.

In setting your fee, we have assumed that the scope of the audit, and the PCC and the Chief Constable and their activities, do not significantly change.

Our requirements
To ensure the audit is delivered on time and to avoid any additional fees, we have detailed our expectations and requirements in the following section ‘Early Close’. If the requirements detailed overleaf are not met, we reserve the right to postpone our audit visit and charge fees to reimburse us for any additional costs incurred.
Early close

Meeting the early close timeframe

Bringing forward the statutory date for publication of audited police accounts to 31 July this year, across the whole sector, is a significant challenge for audited bodies and auditors alike. For audited bodies, the time available to prepare the accounts and secure an audit opinion is curtailed.

Successful delivery of early close depends on:

• bringing forward as much work as possible to interim audits
• starting work on final accounts audits as early as possible
• working with you to agree detailed plans, including early agreement of audit dates, working paper and data requirements and early discussions on potentially contentious items.

We are satisfied that, if all these plans are implemented, we will be able to complete your audits in sufficient time to meet the earlier deadline.

Client responsibilities

Where individual clients do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time. We will therefore conduct audits in line with the timetable set out in the audit plan (as detailed on page 13). Where the elapsed time to complete an audit exceeds that agreed due to a client not meeting its obligations we may not be able to maintain a team on site. Similarly, where additional audit time is needed to complete the audit due to a client not meeting their obligations we are not able to guarantee the delivery of the audit by the statutory deadline. Such audits are unlikely to be re-started until very close to, or after, the statutory deadline. In addition, it is highly likely that these audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit or additional audit fees being incurred, you need to ensure that you:

• are able to respond promptly to the interim audit and facilitate the provision of all evidence and supporting information to enable early testing to be completed during the interim audit
• produce draft financial statements of good quality by the deadline you have agreed with us, including all notes, the narrative reports and the Annual Governance Statements
• ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you
• ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples
• ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit
• respond promptly and adequately to audit queries.

In return, we will ensure that:

• the audit runs smoothly with the minimum disruption to your staff
• you are kept informed of progress through the use of an issues tracker and regular meetings during the interim and final accounts audits
• we are available to discuss issues with you prior to and during your preparation of the financial statements.
Independence & non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons, relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council’s Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office’s Auditor Guidance Note 01 issued in December 2016 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

We confirm that we have implemented policies and procedures to meet the requirements of the Ethical Standard. For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the PCC or the Chief Constable.

Non-audit services

No non-audit services were identified.
Appendices

A. Revised ISAs
Appendix A: Revised ISAs

Detailed below is a summary of the key changes impacting the auditor’s report for audits of financial statement for periods commencing on or after 17 June 2016.

<table>
<thead>
<tr>
<th>Section of the auditor’s report</th>
<th>Description of the requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conclusions relating to going concern</td>
<td>We will be required to conclude and report whether:</td>
</tr>
<tr>
<td></td>
<td>• The directors use of the going concern basis of accounting is appropriate</td>
</tr>
<tr>
<td></td>
<td>• The directors have disclosed identified material uncertainties that may cast significant doubt about either the PCC’s or the Chief Constable’s ability to continue as going concerns.</td>
</tr>
<tr>
<td>Material uncertainty related to going concern</td>
<td>We will need to include a brief description of the events or conditions identified that may cast significant doubt on the PCC’s or the Chief Constable’s ability to continue as going concerns when a material uncertainty has been identified and adequately disclosed in the financial statements.</td>
</tr>
<tr>
<td></td>
<td>Going concern material uncertainties are no longer reported in an Emphasis of Matter section in our audit report.</td>
</tr>
<tr>
<td>Other information</td>
<td>We will be required to include a section on other information which includes:</td>
</tr>
<tr>
<td></td>
<td>• Responsibilities of management and auditors regarding other information</td>
</tr>
<tr>
<td></td>
<td>• A statement that the opinion on the financial statements does not cover the other information unless required by law or regulation</td>
</tr>
<tr>
<td></td>
<td>• Reporting inconsistencies or misstatements where identified</td>
</tr>
<tr>
<td>Additional responsibilities for directors and the auditor</td>
<td>We will be required to include the respective responsibilities for directors and us, as auditors, regarding going concern.</td>
</tr>
<tr>
<td>Format of the report</td>
<td>The opinion section appears first followed by the basis of opinion section.</td>
</tr>
</tbody>
</table>