



THE POLICE AND CRIME COMMISSIONER FOR BEDFORDSHIRE / THE CHIEF CONSTABLE FOR BEDFORDSHIRE POLICE

Auditor's Annual Report: Year ended 31 March 2021
Report to the Joint Audit Committee

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Welcome

Executive Summary

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This Auditor's Annual Report provides a summary of the key issues arising from our audit of Police and Crime Commissioner for Bedfordshire (the "PCC") and the Chief Constable for Bedfordshire Police (the "CC") for the year ended 31 March 2021.

Financial statements

We issued an unmodified audit opinion on the consolidated group financial statements, and on the PCC's and CC's single entity financial statements on 24 March 2023.

This means that we consider that the financial statements give a true and fair view of the financial position and its expenditure and income for the year.

Value for money

We have identified a significant weaknesses in respect of the PCC's arrangements and control processes relating to commissioning arrangements. The control weaknesses identified by Internal Audit, in response to a suspected fraud, indicate that the PCC does not have effective arrangements in place to prevent and detect fraud in the commissioning process, or to ensure that value for money is achieved from parties commissioned to provide services.

We reported this significant weakness in the value for money section of the PCC's audit opinion.

We have not identified a significant weaknesses in respect of the CC's arrangements for securing economy, efficiency and effectiveness in its use of resources having regard to the specified criteria in the Code.

Other reporting

We did not consider it necessary to use our auditor powers or report on other matters.

The contents of this report relate only to those matters which we are required to report under the NAO Code of Audit Practice (April 2020). This report has been prepared solely for the use of the Joint Audit Committee and Those Charged with Governance and should not be shown to any other person without our express permission in writing. In preparing this report we do not accept or assume responsibility for any other purpose or to any other person.



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Purpose and responsibilities

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Purpose of the Auditor's Annual Report

This Auditor's Annual Report summarises the key issues arising from the work that we have carried out in respect of the year ended 31 March 2021.

It is addressed to the Police and Crime Commissioner and Chief Constable but is also intended to communicate the key findings we have identified to key external stakeholders and members of the public.

Responsibilities of the PCC/CC

It is the responsibility of the PCC and CC to ensure that proper arrangements are in place for the conduct of their business and that public money is safeguarded and properly accounted for.

The PCC/CC is also responsible for preparing and publishing its financial statements, annual report and governance statement.

Responsibilities of auditors

Our responsibility is to plan and carry out an audit that meets the requirements of the National Audit Office's (NAO's) Code of Audit Practice - April 2020 (the 'Code').

Under the Code, we are required to review and report on:

- Whether the financial statements give a true and fair view of the financial position of the PCC/CC and group, and of its income and expenditure for the year, and have been properly prepared in accordance with the relevant legislation;

- Whether the other information published together with the financial statements is consistent with the financial statements;
- Whether the governance statement complies with the guidance issued;
- Whether the PCC/CC has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; and
- Where appropriate, make statutory recommendations, referral matters to the Secretary of State or issue a Public Interest Report.



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Audit conclusion

We issued an unmodified audit opinion on the consolidated group financial statements, and on the PCC's and CC's single entity financial statements on 24 March 2023.

This means that we consider that the financial statements give a true and fair view of the financial position and its expenditure and income for the year.

The financial statements have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

We reported findings, whilst the audit was in progress, in our report circulated to the Joint Audit Committee on 2 December 2021. We circulated final updates to our findings on 24 March 2023.

Significant deficiencies in controls

We identified a significant control deficiency during the audit of the financial statements, relating to commissioning arrangements at the PCC. Internal audit performed a review of commissioning arrangements in place at the PCC. A 'partial assurance' opinion was given. The key findings from this report describe the control failures that allowed irregular expenditure transactions to occur.

Adjusted audit differences

We did not identify any material misstatements.

Immaterial classification misstatements were identified, and adjustments were made to the financial statements which had no impact on the deficit on the provision of services for the Group.

Unadjusted audit Differences

We identified five unadjusted audit differences which would reduce the group deficit on the provision of services for the year by £874,000.

One error was only reportable in the group accounts, as it was above the group triviality level.

There were three unadjusted audit differences identified by our audit work which would reduce the Chief Constable's deficit on the provision of services for the year by £404,000.

There was one unadjusted audit difference identified by our audit work which would increase the Police and Crime Commissioner's surplus on the provision of services for the year by £470,000.

These were immaterial in respect of the group and the single entities.



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Scope

We are required to review and report on the PCC/CC's arrangements for securing economy, efficiency and effectiveness in their use of resources. Where we identify significant weaknesses in these arrangements we are required to report this in the auditor's report included in the financial statements and to make recommendations for improvement in the Auditor's Annual Report.

Specified criteria

The NAO has issued guidance for auditors to report against three specified reporting criteria:

- Financial sustainability - planning and managing resources to ensure the Trust can continue to deliver its services
- Governance - informed decisions and properly managing risks
- Improving economy, efficiency and effectiveness - using information about costs and performance to improve the way the PCC/CC manages and delivers their services.

The NAO guidance also includes a number of further areas for review within each criteria to allow the auditor to assess those arrangements.

Risk assessment

Our risk assessment included in the 19 February 2021 Audit Planning Report, presented to the Joint Audit Committee, identified two areas of potential significant weaknesses, as follows:

- Financial sustainability - There is a risk that the Force may not have adequate arrangements in place to plan and manage its resources to ensure it can continue to deliver

services.

We found no actual significant weakness in this area.

- Collaboration - There is a risk that the Force may not have adequate arrangements in place to make informed decisions, or to use information about its costs and performance to improve the way it manages and delivers its services.

We found no actual significant weakness in this area.

Audit conclusion

We have identified a significant weaknesses in respect of the PCC's arrangements and control processes relating to commissioning arrangements. The control weaknesses identified by Internal Audit, in response to a suspected fraud, indicate that the PCC does not have effective arrangements in place to prevent and detect fraud in the commissioning process, or to ensure that value for money is achieved from parties commissioned to provide services.

We reported this significant weakness in the value for money section of the PCC's audit opinion.

We have not identified a significant weaknesses in respect of the CC's arrangements for securing economy, efficiency and effectiveness in its use of resources having regard to the specified criteria in the Code.

We had no matters to report by exception in the audit report on the financial statements.



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Areas reviewed

- *how the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them*
- *how the body plans to bridge its funding gaps and identifies achievable savings*
- *how the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities*
- *how the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system*
- *how the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.*

The PCC is required to set a balanced budget in line with statutory requirements. The 2020/21 net revenue budget was set at £120.485 million. The Revenue Budget Report was formally approved by the PCC's Strategic Board (SB) and Force Executive Boards (FEB) and the Police and Crime Panel (PCP) in January and February 2020. The 2021/22 budget went through the same approval process in February 2021 (£127.430 million). These levels of approval help to ensure that the budget is reviewed and considered by significant parties at all levels within the organisation. Taking the budget to

such meetings also allows issues to be raised and discussed with actions being agreed and monitored for implementation through the committee action trackers.

Alongside the annual Priority Based Budgeting (PBB) exercise, the OPCC and the Force are part of a number of National and Local financial forums including National Police Chiefs' Council (NPCC) and Regional Chief Finance Officers' (CFO's) groups. These forums allow for discussion and comparison of different scenarios within the service to ensure financial implications are considered and understood.

There is a base budget review to consider any roll forward issues that were identified from budget variances between current year and future years. The Force has also embedded its Priority Based Budgeting (PBB). The PBB process identifies both demand pressures and saving suggestions as well as service levels that allow for savings, and relevant service level reductions, and growth, and relevant service level enhancements, to be made while achieving the objectives set out in the Police and Crime Plan.

The medium-term financial plan (MTFP) is presented within the annual budget and precept reports. In January 2021, a budget gap of £1.126 million was identified for the 2021/22 financial year. Cumulative savings of £6.469 million also needed to be found over the period to 2024/25. The MTFP is constructed in a similar fashion to the budget - with assumptions made to forecast the future movements in standstill costs, one off costs, investments and growth, grant funding and officer pay costs.



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The demand analysis, workforce plan, capital investment and budget process are all governed by the same boards, so the Force Executive Board and PCCs Strategic Board. This enables all of the strands that impact on the finances of both corporation soles to be reviewed together.

The final outturn position for the Force and OPCC was an under-spend of £2.773 million against the budget of £120.485 million. This was largely due to the late confirmation of the award of a Special Police Grant at £2.1 million for Operation Costello plus two late grants awards totalling £0.687 million relating to Covid19. These special grants are annual applications; therefore it is prudent for the Force and OPCC not to rely on the recurrent nature of the funding for budgeting and MTFS purposes, however it does impact on the ability to accurately plan and monitor a financial position.

The General Police Fund reserve was increased from £9.910 million to £12.452 million. The Police fund remained at £3.0 million. Having adequate levels of reserves ensures that the Force has a contingency to use should an unexpected event occur, or if financial plans did not materialise as expected. There is some planned use of reserves throughout the MTFS period, however this does not reduce the reserves significantly.

Budget monitoring took place throughout the year. Month-end and year-end timetables are set in advance so that financial reporting and budget monitoring can happen in a timely manner. Quarterly reports are taken to SB that outline the forecast revenue outturn position at that point in time and discuss the reasons for

over and underspends in both the constabulary service lines and for the OPCC. The position against the capital plan is also presented and reviewed. Throughout the year, the reasons for variations from budget are clearly identified so that remedial action can be taken if necessary.

In 2020/21, strategic objectives and demand pressures have been partially driven by the Covid-19 pandemic and necessary response. The financial impact of covid-19 was reported to SB and FEB throughout the year. These updates covered areas of additional spend, operational capacity and overtime costs, estates costs and areas of lost income. These were considered against additional funding that was made available from the Government. Therefore, arrangements were in place to manage the financial challenges resulting from covid; but additional funding from central government also helped to ensure that financial resilience was maintained during the year, in spite of the unexpected and unpredictable nature of the pandemic.

The 2021/22 outturn reports a spend of £125.452 million against a budget of £123.895 million, and underspend of £1.557m. The 2022/23 outturn reports a spend of £132.802 million against a budget of £133.559 million. While these figures remain unaudited, it gives additional assurance that arrangements are in place to manage its finances.

We have not identified any Significant weaknesses in this area. The PCC/CC has adequate arrangements in place to plan and monitor its financial resources so that it can deliver services.



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Areas reviewed

- *how the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud*
- *how the body approaches and carries out its annual budget setting process*
- *how the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed*
- *how the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/Audit Committee*
- *how the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests).*

Both the Police and Crime Commissioner and the Chief Constable are responsible for conducting a review of the effectiveness of the governance framework, including the system of internal controls, at least annually in their respective

organisations. The review is informed by various sources including the Head of Internal Audit Opinion, which is based on work done during the year by internal audit. The internal audit service is outsourced to RSM.

The PCC and Force have a Risk Management Policy and Standard Operating Procedure, the purpose of which is to ensure effective arrangements to identify and minimise risks which may prevent the achievement of the Force's Strategic Objectives and the priorities of the Police and Crime Plan. The policy recognises risk management is a principal element of corporate governance. It describes the structures by which the Force and OPCC strategic risks are managed and outlines the roles and responsibilities.

The Joint Audit Committee (JAC) Terms of Reference state that part of the purpose of the JAC is to provide independent assurance, to the Commissioner and Chief Constable, of the adequacy of the risk management framework and the associated control environment. This includes monitoring the effective development and operation of risk management and making recommendations as appropriate.

The following Bedfordshire, Hertfordshire, Cambridgeshire (BCH) reports were issued for areas that are shared between the collaborating organisations:

- Health and Safety - Key controls and Follow Up (Substantial Assurance)
- 7 force Procurement (Reasonable Assurance)
- BCH Procurement Follow Up (poor progress)

The BCH Procurement Follow Up stated that 'the BCH organisations demonstrated



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poor progress in implementing the agreed management actions at the time of the audit'.

At the time of the review, 7 out of 8 recommendations that had been raised in a prior report had not been implemented. Again, the recommendations and actions resulting from these reviews have been reported to, and discussed by, the Joint Audit Committee.

The Joint Audit Committee (JAC) Terms of Reference state that part of the purpose of the JAC is to provide independent assurance, to the Commissioner and Chief Constable, of the adequacy of the risk management framework and the associated control environment. This includes monitoring the effective development and operation of risk management and making recommendations as appropriate. The JAC meets quarterly and is made up of representatives from the PCC and CC and independent members who are appropriately skilled and experienced and receive regular training. From our attendance at these meetings, we believe that they are an effective committee focusing on the right areas and providing adequate challenge of management.

During 2020/21 Internal Audit (IA) performed a Collaboration - Risk Management Advisory review. The purpose of the review was to ensure that there were systems and processes in place to assess and monitor collaborated risks within each portfolio and that each JAC is receiving adequate assurance that those risks are being managed. Due to the nature of the review, an opinion was not issued. IA found the systems and process to manage risk across BCH robust and that each JAC, except for Bedfordshire, is receiving assurance on BCH risks and can take assurance on the process within

each BCH collaborated portfolio. IA raised concerns on the reporting of risks relating to 7 Force collaboration and regarding assurances received by each JAC on 7 Force project and business as usual risks. One of the medium priority actions that IA raised was for the Bedfordshire JAC to consider what assurances it requires from 7Force reports currently available including monthly update, project highlight report and Procurement risk register as well as to consider the adequacy of assurance received on the management of BCH risk particularly with JPS. Arrangements identified by IA included:

- There is a reporting structure through each of the collaborated areas of Joint Protective Services (JPS), Organisational Support and Operational Support through to the Joint Chief Officers Board (JCOB) and Strategic Alliance Summit (SAS) meetings. There is representation from each Force and Commissioners offices at JCOB, SAS and Governance Boards which ensures they are aware of risks reported across collaborated areas.
- There is a process by which each organisation is aware of the risks reported in each of the collaborated areas by recording collaborated risks through the Orchidsoft system and the 4Risk system, with risk leads identified at each Force who have access to both systems.
- 7 Force collaborated risks are reported through a monthly highlight report for project risk and business as usual risks, currently only Procurement risks are reported through the Procurement Governance Board. However, there is representation of each Force and Commissioners office at the Procurement Governance Board.



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IA also noted several controls to be adequately designed and effectively operating such as the JCOB, SAS, BCH Governance Boards, JPS Governance Board, 7 Force Risk Management Strategy and Covid-19 Risks.

We consider an IA function key to the arrangements from which the Audit Committee obtains assurances over the effective operation of internal controls. The PCC/CC has an IA function in place, outsourced to a third party - RSM, to gain assurance over the effectiveness of internal controls and to provide assurance against other risk areas. The IA programme is reviewed annually by the JAC and is informed by risk. In their annual report, IA affirmed that their internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS). For both the Police and Crime Commissioner and Chief Constable, the IA Annual Opinion was that: "The organisation has an adequate and effective framework for risk management, governance and internal control. However our work identified further enhancements to the framework of risk management, governance and internal control to ensure that it remain adequate and effective". IA attend and provide progress reports to the JAC evidenced through our attendance of JAC meetings and review of JAC Meeting minutes.

IA's Annual Plan covers a mix of assurance and advisory projects as well as BCH Collaborative Plan. Progress on the implementation of IA recommendations is also monitored by the JAC. This is described further under the Improving economy, efficiency and effectiveness section. Our review of the IA reports did not highlight any control assurance gaps represented by "No Assurance" or "Limited Assurance" type

opinions. However as stated in our Audit Completion Report for 31 March 2021, we identified one significant weakness in the PCC's arrangements and control processes, in response to the suspected fraud relating to commissioning arrangements. The control weaknesses identified by IA indicated that the PCC does not have effective arrangements in place to prevent and detect fraud in the commissioning process, or to ensure that value for money is achieved from parties commissioned to provide services. We reported this significant weakness in the value for money section of the PCC's audit opinion in March 2023.

The PCC is required to set a balanced budget in line with statutory requirements. The PCC has the legal power and duty to decide the budget and set the precept. Per the TOR the Strategic Board's role includes considering recommendations and making decisions in relation to calculating a budget requirement. The PCP approves the precept proposals presented by the PCC and can consider and comment on the planned budget. The financial sustainability section has more detail on budget setting.

In IA's Governance - OPCC Review 2020/21, IA noted that controls surrounding setting of the annual local precept and annual force budget as being adequately designed and operating effectively.

As stated in the PCC Draft Annual Statement of Accounts, one of the 2020/21 milestones set by the outgoing PCC was "To ensure Financial Scrutiny of the policing budget" (Milestone 6). One of the key areas of performance considered at the Strategic Board is the Budget. Part of the role of the Strategic Board is to hold the Chief Constable to account for the efficient and



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effective delivery of the police and crime plan, including budgets and use of resources. The Strategic Board Meeting 28th July 2020 minutes evidenced agenda items "Revenue Monitor", "Capital Monitor" and "PBB Update" were discussed.

Our review also identified that budgetary control arrangements involve groups such as the Force Executive Board (FEB) and the PCP. The FEB receive a monthly, by exception Finance update. The PCP receive Budget updates which are included in the Commissioner Reporting to the PCP. It was noted that at the PCP meeting 11th August 2020, a member suggested that the "Budget Update" should be a standing agenda item on the PCP Work Programme. Through our review, we have seen that since the PCP Meeting 13th October 2020 this was indeed then a standing agenda item.

In terms of management information, the BCH Information Management Board (IMB) terms of reference state that one of the purposes of the IMB is to ensure information held/owned by BCH both internally and externally enables effective decision making leading to the protection of all communities.

The PCC is accountable to the public, through the forum of the Police and Crime Panel. The PCP exists to scrutinise, challenge and support the work of the Commissioner. Minutes are published on the PCP website and are open to the public for transparency. The PCC's Decision-Making Meetings provide a forum for key decisions to be made and the minutes are published on the PCC's website. The key attendees are the Commissioner, Chief Executive, Chief Finance Officer and their deputies.

As stated in the AGS, the Framework of

Corporate Governance defines the parameters for decision making, including delegations, financial regulations and contract regulations.

During 2020/21, IA performed a Governance - OPCC Review. The purpose of the review was to ensure that the OPCC has effective governance structures in place that are fit for purpose and support the Commissioner in the effective management of the organisation, the achievement of its objectives and the effective discharging of the Commissioner's responsibilities. A Substantial Assurance opinion was issued. IA concluded that there is a well-designed governance framework in place and confirmed that the structure is directed to enable the PCC to fulfil their responsibilities and meet objectives as set out within the Police and Crime Plan

In response to Covid-19, emergency procedures were governed through a Gold Group command structure.

The Constabulary has a collaborated Professional Standards Department (PSD) with Bedfordshire and Cambridgeshire Constabularies. Professional Standards covers: Anti-corruption, complaints and conduct, Business management and vetting.

A policy is in place to outline the role of the department and the PSD has an annual control strategy which sets out its priorities. The department also has a 'Reporting concerns (whistleblowing)' policy, that applies to police officers, police staff and any others acting on behalf of the constabulary. The Professional Standards Governance Board provide the governance and oversight of all PSD business. The Governance Board reports directly to the Joint Chief Officers Board (JCOB and results



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from misconduct hearings are made available on the Constabulary website.) Other arrangements include a Gifts and Hospitality Policy and Gifts and Hospitality registers. We have seen the Office of the Bedfordshire PCC (OPCC) Gifts and Hospitality Policy, the purpose of which is to provide guidance to the PCC and all staff of the OPCC in Bedfordshire, as to the acceptance of gifts, gratuities, and hospitality. Gifts and hospitality logs are also maintained and available on both the PCC and Chief Constable websites.

Significant weakness

As previously reported, we identified one significant weakness in the PCC's arrangements and control processes, in response to the suspected fraud. The control weaknesses identified by Internal Audit indicated that the PCC does not have effective arrangements in place to prevent and detect fraud in the commissioning process, or to ensure that value for money is achieved from parties commissioned to provide services.

We have also made a recommendation for further enhancements to arrangements in place to be made in our Audit Completion Report, and on page 17.

We have a significant weaknesses to report in this area relation the commissioning process in the PCC only. The CCC has adequate arrangements in place to identify and monitor risks and to make informed decisions.



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- *how financial and performance information has been used to assess performance to identify areas for improvement*
- *how the body evaluates the services it provides to assess performance and identify areas for improvement*
- *how the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve*
- *where the body commissions or procures services, how the body ensures that this is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits.*

As reported in the financial sustainability section, financial information is monitored and ultimately reported to the Strategic Board for high level analysis and decisions to be made. The Strategic Board contains representation from both the PCC and CC and is required to consider recommendations, and make decisions, in relation to financial matters as well as organisation wide performance. Additionally, finance and performance are both scrutinised at the Force Executive Board (FEB), chaired by the Chief Constable. The terms of reference for this board includes the responsibility of 'scrutinising financial information and seeking evidence that financial controls across the organisation are

robust and defensible'. As this board considers both financial and non-financial information, it means that performance and finance decisions can be correlated and the impacts on both are considered together. Priority Based Budgeting (PBB) is used by the force, the purpose of which is to assess performance against service levels, to ensure that finance and performance are aligned. The nature of the PBB process means that service levels are continually being reviewed to assess performance and identify areas for improvements or financial savings. Detailed papers setting out the process for PBB and the business areas that have been scoped in for each phase of the process have been produced and appear well considered. The 2020/21 Budget report taken to the Strategic Board in January 2020 reported that the PBB process was able to identify and provide further savings of £1.891 million in 20/21.

In terms of non-financial information and reporting; the monthly Force Performance Board chaired by the Assistant Chief Constable analyses detailed performance figures that look at both the crime levels and the rates at which these have been responded to or solved. Although the constabulary is not required to report against any set performance targets, it does undertake a broad range of performance analyses. From our review of Force Performance Board agenda packs, we have seen performance measures relating to a variety of areas including overall crime rates and overall solved crime, outcomes by crime type, statistics covering force contact (online reports and calls received and answered) and caseloads per officer. Each metric is tracked



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over time so that trends and a direction of travel can be established. A risk index is also generated which considers the delivery and direction of different types of crime, and each crime type is compared against other forces to establish relative significance. We have therefore seen evidence of benchmarking performance indicators against Bedfordshire's own performance in prior periods and the comparator group of most similar forces. Actions are established to respond to identified issues with performance figures before they are reported to the Force Executive and Strategic Boards for the basis of decision making.

The Constabulary is inspected by the HMICFRS under the Police effectiveness, efficiency and legitimacy (PEEL) program. Due to Covid, inspections have been delayed and the latest report for Bedfordshire is from February 2020, for the 2018/19 year. At this point, the force was rated good for effectiveness, efficiency and legitimacy and recommendations from the inspection were implemented and monitored. Ordinarily, the PEEL inspections would drive action plans to improve performance.

Internal audit reports identify specific actions and recommendations to improve performance in the areas being reviewed. Progress on implementing internal audit recommendations is monitored by the Joint Audit Committee. As of June 2021, three out of the eight recommendations made, were not yet due; and one recommendation had missed its due date. Four recommendations were complete. The recommendation that had not been fully implemented was in relation to sample testing of new starters in the payroll system. This is not considered significant or pervasive enough to

suggest that arrangements are not in place to identify areas of improvement and respond to these.

The force is part of a number of partnerships and collaborations. BCH have been collaborating for several years developing a number of joint units and departments, for which the adequate governance and risk management arrangements have been discussed earlier in this report. There is a formal section 22 agreement for each collaborated area that sets out the how the forces will work together and allocate costs.

For the BCH portfolios (JPS, Organisational Support and Operational Support), performance dashboards are reported to the Joint Chief Officer Board (JCOB) alongside finance updates which look at variances against budget, and these are considered for action. The performance dashboards look at each functional area within the portfolio and provide a Red-Amber-Green (RAG) rating and direction of travel; so that areas requiring improvement and action can be easily identified by the Board and discussed. Commentary is included in the report to provide context to the performance.

The BCH Delivery Management Office (DMO) helps to deliver projects across the three Forces within the existing workstreams in order to maximise efficiency and effectiveness of the teams. From the above, it is clear that there are arrangements in place to support the delivery of the entity's role in the BCH Collaboration. However, since the creation of the BCH collaboration, issues were identified by internal audit back in 2016/17, which included concerns related to benefits realisation and performance management, and this appears to remain a challenge.



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We have seen that since then, this has been an area of continued management focus evidenced with the commissioning of an external consultant review in response to the internal audit findings (in 2017), an external consultant review to perform a strategic review of collaboration (in 2019/20), creation of the DMO to respond to perceived weaknesses (in 2018) and continued inclusion in the joint force internal audit plans in 2017/2018, 2018/2019 and 2019/20. This demonstrates that BCH management has recognised the issues and is taking the necessary actions for improvement. In our view, although arrangements are in place, this area is still a challenge as the journey is slow and given the significance of effective collaboration, should remain a key focus area for management with the emphasis on improving the pace.

The Constabulary are also part of the 7-Force strategic collaboration with Hertfordshire, Essex, Cambridgeshire, Norfolk, Kent and Suffolk. This programme was set up to establish potential collaboration to help address the efficiency of service delivery and improving the effectiveness of delivery to the communities. Again, adequate governance and risk management arrangements have been discussed earlier in this report. In 2020/21, internal audit performed a review of 7-force Procurement (now named 7-force Commercial Services) and gave it 'reasonable assurance' opinion. A section 22 agreement is in place and sets out the purpose of the arrangement and responsibilities that have been agreed upon by a representative from each force. The 7-Force Procurement function's aim is to use the collective power of all involved forces to ensure value for money when acquiring contracts. The Strategic Procurement Governance Board (SPGB) meets on a monthly basis to agree on

items such as procurement approvals and the procurement pipeline.

Procurements under £50k are still managed locally by BCH but all procurements above this are managed by the 7-force team. As discussed in the "Governance" section of this report, Internal Audit performed a Procurement BCH Follow-Up Review 2020/21 and concluded that "Poor Progress" had been made on the implementation of the agreed actions. Although this does not indicate significant weakness in the collaboration arrangements, it is an area that the joint team should consider for better monitoring and improvement.

The Blue Light Collaboration Strategic Board ensured that Police and Fire were working together and that each partner was delivering its role within this partnership. However, for the 2020/21 financial year this forum was stood down and discussion was driven primarily through the Chief Executives forum instead, which includes Police and Fire representation as well as executives from the Local Authorities.

The Police and Crime Plan sets out the high-level priorities that the PCC has for engaging with the public as key stakeholders. Both thanks and complaints can be lodged by the public, on the police website, and outcomes for the public are monitored routinely apart of the non-financial information discussed above.

The PPC/CC has adequate arrangements in place to use information about its costs and performance to improve the way it manages services. However, we have raised recommendations in respect of the findings above.



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We have concluded throughout the report that the Police and Crime Commissioner and the Chief Constable have appropriate arrangements in place in relation to two of the three criteria (Financial sustainability, economy, efficiency and effectiveness).

We have however noted throughout the report areas where the arrangements could be further enhanced in a small number of areas.

We have identified a significant weaknesses in relation to Governance arrangements and include a recommendation below.

	Area	Significant weakness noted?	Recommendation	Management response
1	<p>Governance- <i>how the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud</i></p> <p>Internal audit have raised recommendations for improvement to the OPCC commissioning processes.</p>	Yes - PCC	Respond to the key findings from the Internal audit report to improve the control environment supporting the commissioning process.	The internal control process for the commissioning arrangements has been completely overhauled following the internal audit report and a follow up audit will be undertaken to ensure the changes have strengthened the control environment.
2	<p>Governance- <i>How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer and member behaviour (such as gifts and hospitality or declarations/conflicts of interest)</i></p> <p>The JAC terms of reference do not specifically cover the review of anti-fraud arrangements.</p>	No	Ensure the process for review and monitoring of counter fraud arrangements is formally included in the JAC Terms of Reference.	The process for review and monitoring of counter fraud arrangements is now included in the updated Terms of Reference for the JAC.

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3	<p>Improving economy, efficiency and effectiveness - <i>How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve</i></p> <p>Internal audit have raised recommendations for improvement to the BCH DMO.</p>	No	Ensure that planned improvements to the DMO following recommendations from Internal Audit are implemented in a timely manner to ensure effective outcomes from the group.	Improvements have been made in this area as can be seen from the internal audit follow up report, however, will be kept under review.
4	<p>Improving economy, efficiency and effectiveness - <i>How the body ensures that commissioning or procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits</i></p> <p>Internal Audit have raised recommendations in for improvements to BCH procurement.</p>	No	Ensure that IA recommendations resulting from the BCH procurement review are actioned in a timely manner to ensure effective results from the collaborated process.	Changes to the financial instructions have been made to improve the process and are now captured on the finance system but further work has been commissioned to determine whether a seven-force solution can be utilised to improve this further.

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