



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

Suffolk Internal Audit Progress Report

December 2016

INTRODUCTION

1. This summary report provides an update on the progress of our work at the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies as at 15th November 2016. The report is based on internal audit work carried out by TIAA and management representations that have been received during the period since our last progress report.

PROGRESS AGAINST THE 2016/17 ANNUAL PLAN

2. Our progress against the Annual Plans for 2016/17 is set out in Appendix A. The results of these reviews are summarised at Appendix B.

AUDITS CARRIED OUT SINCE THE PREVIOUS PROGRESS REPORT

3. The table below sets out details of audits carried out since the previous meeting of the Audit Committee.

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
NSC1702 Firearms Licencing	Substantial	24/10/16	25/10/16	02/11/16	0	0	1	3
NSC1706 Recruitment	Limited	14/09/16	08/11/16	10/11/16	0	6	0	2
NSC1707 Duty Management System	Limited	24/10/16	18/11/16	18/11/16	0	8	2	0
NSC1710 Facilities – Catering (Suffolk	Limited	12/09/16	23/09/16	28/09/16	0	4	7	3

only) NSC1717 Budgetary Control	Substantial	26/10/16	01/11/16	04/11/16	0	0	2	0
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OEM = Operational Effectiveness Matters

Summaries of the finalised reports are attached at Appendix B, Full reports are available to Audit Committee Members on request. The details for Norfolk only reports will not be included in the Suffolk progress report.

CHANGES TO THE ANNUAL PLAN 2016/17

4. There has been one further change made to the annual plan since the last meeting:
 - Estates: Maintenance and Repair has been replaced with Health and Safety, due to the stage of implementation for the service desk and 3i database.

FRAUDS/IRREGULARITIES

5. We have not been advised of any frauds or irregularities in the period since the last summary report was issued. We regularly liaise with PSD regarding any work streams that may be relevant for internal audit.

LIAISON

6. Liaison with external audit: We have liaised with EY during the year and kept them informed of our work and will make available to them all final audit reports. Liaison with the Chief Finance Officers: Regular progress meetings are held with the Chief Finance Officers.

PROGRESS ACTIONING URGENT and NOT APPROVED RECOMMENDATIONS

7. We have made no urgent recommendations (i.e. fundamental control issues on which action should be taken immediately) since the previous Progress Report.
8. We have made no recommendations which have not been approved by management since the previous Progress Report.

RESPONSIBILITY/DISCLAIMER

9. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Progress against the Annual Plan for 2016/17

System	Planned Quarter	Planned Days	Actual Days	Current Status	Expected Audit Committee	Comments
Transport Services	1	15	15	Final report issued	September 2016	
Corporate Communications / Network	1	12	18	Final report issued	September 2016	Network aspects covered within Corporate Communications, 4 days moved from ICT Network / Social Media
HR Recruitment	1	12	12	Final report issued	December 2016	
Duty Management System	1	15	15	Final report issued	December 2016	
FoI / DP / Document Security	1	15	15	Final report issued	September 2016	
ICT – Firewall	1	12	12	Final report issued	September 2016	
ICT – Network / Social Media	2	12	-	Complete	n/a	Social Media aspects within Corporate Communications due to areas now within the same management responsibilities
Firearms Management	2	12	12	Final report issued	December 2016	
Estates – Facilities (Catering – Suffolk)	2	6	6	Final report issued	December 2016	
ICT – Disaster Recovery	2	12	12	Final report issued	September 2016	
Purchase Cards	2	12	12	Draft Report	March 2017	
Assurance Framework / Risk Strategy and Policy / Mitigating Controls Verification / Strategic Control and Corporate Governance	2	35	4	Scheduled	March 2017	Combined areas into one audit, audit scheduled for 1/12/16
Overtime, Expenses and Additional Payments	2	16	16	In Progress	March 2017	Expected completion November 2016
Estates – Duty of Care / Cost Allocations	2	12	6	In Progress	March 2017	Expected completion November 2016
Performance Management	3	15		Scheduled	March 2017	Scheduled for December 2016

System	Planned Quarter	Planned Days	Actual Days	Current Status	Expected Audit Committee	Comments
Budgetary Control	3	12	12	Final report issued	December 2016	
Pensions Administration	3	10	4	In Progress	March 2017	
HR – Strategy & Workforce Planning	3	10	10	Draft Report	March 2016	
Payroll	4	10		Scheduled	March 2017	Scheduled for December 2016
Complaints	4	10		To be scheduled	June 2017	Moved from Q1 due to timing of the change in rules in November 2016. Proposed for February 2017
Collaborations	4	10		To be scheduled	March 2017	Proposed for February 2017
ICT – Exchange 2010 / Email Archiving	4	12		Scheduled	June 2017	Scheduled for February 2017
ICT – ERP Second / Third Line Support	4	12		Scheduled	March 2017	Scheduled for January 2017
Key Financial Controls	4	30		Scheduled	March 2017	Scheduled for January 2017
Estates – Health and Safety	4	12		Scheduled	June 2017	Scheduled for March 2017
Commissioners Grants (Norfolk)	4	10		To be scheduled	June 2017	Proposed for March 2017
Follow Up Work	2 / 4	10	5	Ongoing		Year-end reporting June 2016 / in-year reporting
Contingency	1-4	24		As required		Possibility bring forward Lone Working or Safeguarding from 2018/19
Audit Management	1-4	20	15	Ongoing		
Total Days	-	399	197			

KEY:

	=	To be commenced
	=	Site work commenced
	=	Draft report issued
	=	Final report issued

Summaries of Finalised Audit Reports issued since the last report

Audit Report: NSC1702 Firearms Licencing

Report Issued: 2nd November 2016

SCOPE

The aim of the review was to assess the adequacy and effectiveness of the internal controls in place at the Suffolk and Norfolk Constabularies for managing the firearms certificates function.

MATERIALITY

For the period 1st January to the 31st July 2016, the Firearms Licensing Unit:

- Granted a total of 327 new firearms certificates and 886 new shotgun certificates.
- Renewed a total of 1292 firearms certificates and 5230 shotgun certificates.

KEY FINDINGS

- The Firearms Licensing Team is a joint team managed by the Joint Firearms Licensing Manager. Working practices have been standardised across both offices.
- Up to date procedural notes are not in place for staff to refer to, these are required to ensure current, standardised working practices and adequate business continuity arrangements.
- Processes have been established and are being followed for licence applications.

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Urgent	Important	Routine	Operational
0	0	1	3

Audit Report: NSC1706 HR Recruitment

Report Issued: 10th November 2016

SCOPE

The purpose of the audit was to assess the adequacy and effectiveness of the internal controls in place at the Constabularies for managing the recruitment function.

MATERIALITY

There have been 85 new starters at Suffolk Constabulary during the period January to August 2016, of which 40 were officers and 45 staff.

There have been 125 new starters at Norfolk Constabulary during the same period, of which 26 were officers and 99 staff.

KEY FINDINGS

- HR service desks are based in Suffolk and Norfolk and operate as a single service for recruitment across both Constabularies.
- The establishment of a formal framework for recruitment is required across the Constabularies, as there are several areas requiring process improvement, such as the need for an internal promotion policy and taking advantage of social media for advertising vacancies.
- There is insufficient evidence that recruitment processes are being routinely followed across both forces.
- Vetting results are fed back to HR rather than individuals, which can cause delays in the process.
- Re-vetting of staff is not being undertaken at the designated timescales.

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Urgent	Important	Routine	Operational
0	6	0	2

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

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	An independent check is required to be undertaken on recruitment files, to verify that relevant employment checks have been undertaken. Audit testing found that for the sample randomly selected, that there was no evidence that the independent sample check of recruitment files had been completed.	An independent member of the HR team to undertake the necessary check to verify that relevant employment checks and processes have been undertaken and recorded.	2	<i>This recommendation will be actioned.</i>	01/11/16	Head of HR
2	Directed	The Constabularies do not have a recruitment framework, without this there is lack of clarity as to how recruitment will be undertaken.	A recruitment framework to be developed across the Constabularies.	2	<i>There are well established recruitment processes in place and for police officers this follows national guidance. However a code of practice is required to set out clearly the practice and decision making process to be followed across a variety of recruitment situations and the standards required across all roles involved with recruitment.</i> <i>Code of practice and accompanying selection and training, including assessor training to be developed and implemented.</i>	01/04/17	Head of HR Head of Learning and Development

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	The Constabularies do not have a promotion policy in place.	A promotion policy be developed and published on the Constabularies' intranet.	2	<i>Police staff and rank above Inspector will be addressed under the code of practice. For police officers at sergeant and Inspector rank, a promotion policy is in place and reflects the National Police Promotions Framework (NPPF).</i>	01/04/17	Head of HR Head of Learning and Development
4	Directed	There is no formal process in place for approving vacancies to be filled, and for notifying the HR service desk of vacancies that require filling.	A standard recruitment to recruit form be completed for all vacancies. The form to be approved by line managers and by finance, to confirm that there is sufficient funding to cover the role.	2	<i>Within the last three months, a new Workforce Planning Group has been set up and therefore new arrangements have been put in place for approval of vacancies. If vacancies are "like for like" then this requires sign off from the Line Manager, Finance Business Partner, HR Business Partner and Head of Resourcing. Further details in relation to the course can be provided upon request.</i>	Complete	Head of HR
5	Directed	Results of vetting are fed back to HR rather than to individual applicants.	The vetting department be required to notify the applicants directly of the results of their vetting application, to enable any issues raised in the vetting to be addressed. The HR service desk to be copied in to replies sent by the vetting team.	2	<i>Vetting will be advised to update their process to reflect this.</i>	01/11/16	Head of HR

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Compliance	Sample testing found that re-vetting of employed staff was not being undertaken at the required timescales.	Re-vetting of employed staff be undertaken at the required timescales.	2	<p>Chief Officer Teams in both Forces are aware of the current vetting backlog (this includes the issue of re-vetting). The OBB process includes a proposal for an increase in staff within the Vetting Unit for a limited period to address the backlog issue.</p> <p>Currently, the Vetting Unit are focusing re-vetting on high risk roles.</p>	30/09/17	<i>T/Detective Chief Inspector – Professional Standards Department</i>

Audit Report: NSC1707 Duty Management System

Report Issued: 18th November 2016

SCOPE

The purpose of the audit was to assess the adequacy and effectiveness of the internal controls in place at the Constabularies for managing the Duty Management System.

MATERIALITY

The Duty Management System has a total of 1,278 users in the My Options application and 57 users for the Open Options and Workforce Scheduling applications.

KEY FINDINGS

- Working practices and processes across the Norfolk and Suffolk offices are not standardised, as not all policies have been harmonised. For areas where there are not joint policies there are clear differences between the Norfolk and Suffolk planners' roles.
- Custody are using a spreadsheet as well as the Duty Management System (DMS) for recording staff hours. Management have accepted the risk of custody using a spreadsheet and DMS, as the Custody arena is under a great deal of pressure with back filling gaps due to the current shift pattern being worked and the lack of trained staff. There is an increased risk of error in rostering, as both the spreadsheet and the duty management system require updating. Management have accepted the risk of updating both the spreadsheet and DMS.
- Staff are able to change their own hours that they enter on to DMS, this increases the likelihood of fraudulent errors in staff hours.
- The full functionality of DMS is not being used. DMS is not used for recording overtime. RMU are aware of what action needs to be taken to enable DMS to be used for recording overtime.

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Urgent	Important	Routine	Operational
0	8	0	2

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

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	Staff members are not required to undertake training before a staff member is granted administrator access rights on DMS. Only staff that have the appropriate knowledge should be granted administration access rights on DMS to prevent inappropriate and incorrect amendments being made on DMS.	Training to be provided to staff before they are awarded system administrator access rights on DMS.	2	<p><i>When the system was implemented there were training packages provided to all administrators. The training was in the form of an eLearning package. This package is still available to all to use.</i></p> <p><i>Since the RMU introduced the System Support Team and staff member who is now given administrator rights have specific one to one or group training on how to use the system.</i></p>	Implemented	
2	Directed	<p>The notes function on DMS is used by RMU as a means of communicating with staff.</p> <p>There is not an audit trail for the notes section on DMS, there is a risk that the Constabularies are not able to demonstrate that staff have been informed.</p>	A full audit trail for all aspects of DMS to be made functional.	2	<p><i>It has been raised with Crown the requirement to have an audit on the notes section on DMS, as have other Police Forces.</i></p> <p><i>This is with their Research and Development team to be looked at in the relation to future releases.</i></p>	June 2017	Head of Resourcing

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	There are a high number of exceptions being generated by DMS. With a high number of exceptions being generated, it suggests that the exception rules inbuilt within DMS may be incorrect. There has not been a review of the exception rules within DMS to establish if these are correct.	The exception rules inbuilt within DMS to be investigated to see if these are correct.	2	<i>The RMU are currently working on exceptions and discussing with Crown the feasibility of changing the exception rules.</i>	March 2017	Head of Resourcing
4	Directed	<p>The full functionality of the system is not being utilised. DMS is not being used for recording overtime. With the high number of exceptions on DMS, using DMS for recording overtime is likely to increase exceptions which is likely to result in incorrect overtime payments to staff.</p> <p>For overtime to be calculated correctly and charged to the correct budget there is a need for there to be confidence that overtime is coded correctly by managers and accurately calculated. Whilst undertaking testing, it was found that RMU staff are frequently making changes to the hardcopy overtime claim forms.</p> <p>There is no appropriate workflow within DMS for processing and approving overtime.</p>	DMS to be used for recording overtime, and investigated to establish if approval of overtime can be recorded on DMS.	2	<i>The RMU is working to reduce exceptions before embarking on the issues with overtime. Delivering overtime will require a project to be set up to deliver training and understanding to all line managers and the confidence that claims will be accurately recorded.</i>	January 2018	Head of Resourcing

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Directed	A reconciliation is not currently being undertaken between payroll and DMS to ensure that overtime paid is in agreement with what has been recorded on DMS.	Monthly reconciliations to be undertaken between DMS and payroll to establish if the value of overtime on DMS agrees with the value of overtime paid by payroll.	2	Not all areas of the business provide information of Overtime to the RMU, and therefore this is challenging to deliver. This would be a Finance task.	June 2017	Head of Transactional Services
7	Compliance	Limited training was provided to staff when the DMS was rolled out, but there was no formal training programme in place to ensure that all staff received the required level of training. The high level of exceptions suggests that there is a need for further training to be provided to staff.	A training needs analysis exercise on DMS to be undertaken, and training to be provided to staff on DMS in accordance with identified needs.	2	This will form part of the work currently being carried out in relation to exceptions, which is now being undertaken within the RMU	April 2017	Head of Resourcing
8	Compliance	At the time of audit there were over 23,000 exceptions, and thus this highlights that there is not an appropriate process in place for clearing of exceptions.	Resources and time to be allocate to clearing of exceptions.	2	This work is now being undertaken by the RMU	April 2017	Head of Resourcing
9	Compliance	There is no target set for the level of exceptions, to check progress against targets, and be formally monitored and reported to SMT monthly for review.	Targets for checking exceptions to be developed and monthly reports to be produced regarding performance against the target.	2	This work is now being undertaken by the RMU	April 2017	Head of Resourcing

Audit Report: NSC1710 Catering (Suffolk only)

Report Issued: 28th September 2016

SCOPE

The purpose of the review was to assess the adequacy and effectiveness of the internal controls in place at the Constabulary for managing the catering function.

The review considered the catering order process and the ESS invoice processing, to establish if the processes could be improved.

MATERIALITY

The Constabulary recently undertaken a full procurement exercise to appoint a new catering contractor, which was retained by the Council's existing catering contractor, ESS. Two catering invoices are currently being received a month from ESS, one relates to the fixed price element of the catering contract and the other the variable element of the catering contract. Of the £85k that was paid to ESS for the period 1st June 2015 to the 30th June 2016 £18,800 related to the fixed element of the contract, which is the subsidy element of the catering contract.

KEY FINDINGS

- The current process for raising catering requests is a manual process, which is labour intensive and relies heavily on the Facilities Assistant and the Finance Assistant.
- KPIs are not in place for monitoring the catering contract and Performance reports are not received from the contractor.
- The catering contractor does not provide confirmation that all staff working on the contract are appropriately vetted.
- The level of subsidy provided to the catering contractor over the length of the contract has not been agreed.
- Customer satisfaction surveys are not undertaken by the catering contractor.

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Urgent	Important	Routine	Operational
0	4	7	3

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

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	The catering contract does not include KPIs. Without KPIs there is no formal means of monitoring the performance of the contractor.	KPIs to be developed and included in the contract, to enable contractor performance to be appropriately monitored.	2	<i>KPIs will be developed from the tables of expected service levels issued at tender.</i>	31/10/16	<i>Facilities Manager</i>
2	Directed	Under the previous catering contract with Eurest Services (ESS), the caterers were paid a subsidy of approximately £19k. It is hoped by the Constabulary that the subsidy will be reduced or eliminated.	A formal agreement to be established between ESS and the Constabulary as to what level of subsidy is to be provided to the catering contractor for the remainder of the contract.	2	<i>Terms relating to subsidy are subject to negotiation ongoing since award. Proposals are anticipated by end of September for submission to Chief Officers/PCC.</i>	31/10/16	<i>Facilities Manager/Head of Estates</i>
3	Directed	The Finance Assistant has developed a standard catering request form, with the responsibility resting with the Facilities Assistant, this is held locally and is not accessible to other departments. The current process is very labour intensive.	Individual departments be assigned with responsibility for placing of all catering/hospitality request, through the intranet, including the relevant budget code as a mandatory field, and the Facilities Assistant to be copied in when placing catering requests so that they are aware of what orders have been placed and can sample check for appropriateness.	2	<i>Recommendation to be adopted to coincide with Forcewide Intranet improvements.</i>	<i>Dependent on intranet implementation</i>	<i>Facilities Manager</i>

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
11	Compliance	Refurbishment of the canteen is planned, there is no clarity as to who owns which assets. Without conflict may arise as to the ownership of the property, and if any charge will be required for the Constabulary to own the assets after the refurbishment.	Written clarity be obtained from the contractor on who owns which assets before the refurbishment of the canteen commences, and whom will own the assets once the refurbishment has been completed.	2	<i>Terms relating to investment (servery refurbishment) by the contractor are subject to negotiation ongoing since award. Clarifications re assets and sums payable in the event of early termination anticipated by end of September for submission to Chief Officers/PCC.</i>	31/10/16	<i>Facilities Manager/Head of Estates</i>

Audit Report: NSC1717 Budgetary Control

Report Issued: 4th November 2016

SCOPE

The audit covered the budgetary control arrangements for each of the Police and Crime Commissioners (PCCs) and the Constabularies. The audit focused on the following areas: budget setting, delegations of responsibility, financial information, variations analysis, management information and reporting.

MATERIALITY

The Corporate Monitoring Report at 31st August 2016 for the Norfolk Group shows a total budget of £148,927,990. The Suffolk Group report shows a total budget of £113,096,060.

KEY FINDINGS

- 2016/17 year-end forecasts as at September 2016 predict a Norfolk overspend of £876,314 (0.6% of budget) and a Suffolk underspend of £115,074.
- Many processes are documented, although the Budgetary Control Policy and procedures are currently out-of-date and under review.
- A formal budget setting process is in place using challenge panels. Testing found scrutiny packs were fully completed for 2016/17 budgets.
- Monthly reports are discussed with budget holders who can also review information on the Enterprise Resource Planning (ERP) system.
- A monthly portfolio variance report is discussed in the Finance Department.

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Urgent	Important	Routine	Operational
0	0	2	0