



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

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### **Audit Progress Report – Suffolk**

**2017/18**



## 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 26<sup>th</sup> May 2017. 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 and 2017/18 ANNUAL PLANS

2. Our progress against the Annual Plans for 2016/17 and 2017-18 is set out in Appendix A. The results of these reviews are summarised at Appendix B.

## AUDITS COMPLETED SINCE THE LAST REPORT TO COMMITTEE

5. The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OE
NSC1715 Performance Management	Substantial	22/03/17	24/03/17	30/03/17	0	1	1	0
NSC1720 Complaints	Substantial	02/05/17	15/05/17	19/05/17	0	0	1	0
NSC1721 Collaborations	Reasonable	28/04/17	25/05/17	26/05/17	0	2	0	0
ICT ERP Second / Third Line Reporting	Reasonable	28/04/17	26/05/17	26/05/17	0	1	1	2
NSC1724 Key Financials	Reasonable	31/03/17	13/04/17	04/05/17	0	3	0	1
NSC1726 Estates Health and Safety	Reasonable	28/04/17	25/05/17	26/05/17	0	2	1	1

Copies of the finalised 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 2017/18**

6. There has been no changes made to the annual plan since the last meeting.

**FRAUDS/IRREGULARITIES**

7. 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**

8. Liaison is undertaken with the following:
- Liaison with the Chief Finance Officers: Regular progress meetings are held with the Chief Finance Officers.
  - Liaison with PSD: Regular meetings are held with PSD during the year.
  - Liaison with Risk Management: Increased liaison has commenced, to directly link internal audit with risk management.
  - 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.

**PROGRESS ACTIONING PRIORITY 1 (URGENT and NOT APPROVED RECOMMENDATIONS)**

9. We have made no urgent recommendations (i.e. fundamental control issues) 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**

10. 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 and 2017/18

System	Planned Quarter	Planned Days	Actual Days	Current Status	Expected Audit Committee	Assurance	Comments
<b>2016/17 Remaining Audits to Report</b>							
NSC1715 Performance Management	4	15	15	Final Report Issued	June 2017	Substantial	
NSC1720 Complaints	4	10	10	Final Report Issued	June 2017	Substantial	
NSC1721 Collaborations	4	10	10	Final Report Issued	June 2017	Reasonable	
NRC1723 ICT ERP Second / Third Line Reporting	4	12	12	Final Report Issued	June 2017	Reasonable	
NSC1724 Key Financial Controls	4	30	30	Final Report Issued	June 2017	Reasonable	
NSC1725 Estates Health and Safety	4	12	12	Final Report Issued	June 2017	Reasonable	
<b>2017/18 Plan</b>							
NSC1802 ICT Mobile Devices	1	10	7	In progress	September 2017		
NSC1803 IM Audit Team Assessment	1	8		Scheduled	September 2017		
NSC1805 ill Health Retirement	1	8		Scheduled	September 2017		
NSC1806 Transport – Use of Vehicles	1	10	7	In progress	September 2017		
NSC1808 Estates Contract Management	1	10	2	In progress	September 2017		
NSC1809 Purchase Ordering	1	10		Scheduled	September 2017		
NSC1810 Temporary Recruitment	1	7		Scheduled	September 2017		
NSC1811 CSO Compliance and STA	1	17	15	In progress	September 2017		
NSC1812 Business Interests	1	8		Scheduled	September 2017		

System	Planned Quarter	Planned Days	Actual Days	Current Status	Expected Audit Committee	Assurance	Comments
NSC1814 Risk Management – Mitigating Controls	2	11			December 2017		
NSC1815 ICT Data Assurance	2	12			December 2017		
NSC1816 ICT Governance	2	12			December 2017		
NSC1817 IM Data Quality	2	12			December 2017		
NSC1818 IM MOPI Project	2	10			December 2017		
NSC1820 Suffolk PFI – Suffolk only	2	14			September 2017		Findings will only be reported to Suffolk
NSC1821 Norfolk PFI – Norfolk only	2	14			September 2017		Findings will only be reported to Norfolk
NSC1823 Overtime, Expenses, Add Payments	2	14			December 2017		
NSC1825 Corporate Policies	2	10			December 2017		
NSC1804 HR Learning and Development	3	12			December 2017		
NSC1801 Governance & Ethics	3	12			December 2017		
NSC1807 Estates 3i Property Database	3	4			September 2017		
NSC1819 HR Absence Management	3	12			March 2018		
NSC1822 Safeguarding and Investigations	3	10			March 2018		
NSC1824 Purchase Cards	3	10			December 2017		
NSC1826 ERP / Athena	3	12			December 2017		
NSC1827 Commissioners Grants	3	18			March 2018		Two separate reports for Suffolk and Norfolk
NSC1813 Recovered Property	4	10			March 2018		
NSC1828 Key Financials	4	30			March 2018		
NSC1829 Payroll incl ERP	4	10			March 2018		

System	Planned Quarter	Planned Days	Actual Days	Current Status	Expected Audit Committee	Assurance	Comments
<b>NSC2830 Accounts Payable</b>	<b>4</b>	<b>10</b>			<b>June 2018</b>		
Follow Up Work	2 / 4	12	2	Ongoing			Year-end reporting June / in-year reporting December
Contingency	1-4	49		As required			
Audit Management	1-4	20	2	Ongoing			
<b>Total Days</b>	<b>-</b>	<b>330</b>	<b>33</b>				

**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: NSC1715 Performance Management

Report: 30<sup>th</sup> March 2017

#### SCOPE

This review considered the arrangements in place for performance management systems and processes in operation across Norfolk and Suffolk Constabularies.

This is not a review of the Athena system, as management are aware of the limitations of the Athena system.

#### MATERIALITY

Performance management frameworks are key to ensuring that the Constabularies are effectively managing performance and addressing areas of poor performance.

The overall opinion is based on the performance management frameworks devised across the Constabularies, separately from Athena, as compensating systems and processes.

#### KEY FINDINGS

- Athena was established by Norfolk and Suffolk Constabularies on the 19th October 2015. The introduction of Athena raised several issues relating to the quality of data.
- Monthly performance reports were discontinued between November 2015 and 31<sup>st</sup> March 2016, as there were concerns in relation to the integrity of the data being recorded. Progress is being made to address the weaknesses with Athena.
- Staff within the Joint Performance and Analysis Department developed a performance framework for each Constabulary internally to provide a means to monitor performance. These are accessible to all staff via the network.
- The level of IT support for the performance frameworks requires consideration, to assess whether this is sufficient.
- Audits are being undertaken by both Norfolk and Suffolk Constabularies Crime and Force Registrar teams in accordance with their approved work plans.
- Not all crimes are recorded promptly, thus potential breaches with the National Crime Recording Standards (NCRS).

#### OVERALL ASSURANCE ASSESSMENT



#### ACTION POINTS

Urgent	Important	Routine	Operational
0	1	1	0



**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)
2	Compliance	Crimes are required to be recorded promptly to ensure that the Constabularies are compliant with the National Crime Recording Standards (NCRS). The current working practices do not always allow for crimes to be recorded promptly.	Working processes to be reviewed to ensure that crimes are recorded promptly, to ensure compliance with the NCRS.	2	<i>This is a known risk and is detailed on the JPAD risk log and therefore fed through to the central risk register which is discussed and monitored at Organisational Board. It is also raised and monitored by the Force Crime Registrars and Chief Officers at the respective force Crime Data Integrity (CDI) meetings. The Crime Registry and Audit teams regularly monitor this through the audit work they undertake and the CDI meetings have put action plans in place to address and monitor progress around risks. This will therefore continue to be monitored and assessed regularly.</i>	Ongoing	Force Crime Registrars

**Audit Report: NSC1720 Complaints**

**Report: 19<sup>th</sup> May 2017**

**SCOPE**  
The aim of the review assessed the adequacy and effectiveness of the internal controls in place at the Constabularies for managing complaints.

**MATERIALITY**  
A total of 734 complaints have been received for the period 1st April 2016 to the 31<sup>st</sup> March 2017.

- KEY FINDINGS**
- A standardised approach has been adopted for recording and assessing complaints.
  - Staff are trained in the process to be followed when assessing complaints.
  - A revised complaints policy is required to be developed, which is in line with new regulations, legislation, statutory guidance and the new Policing and Crime Act 2017.
  - There is a process to ensure that lessons are learnt.

**OVERALL ASSURANCE ASSESSMENT**

**ACTION POINTS**

Urgent	Important	Routine	Operational
0	0	1	0

**Audit Report: NSC1721 Collaborations  
2017**

**Report: 26<sup>th</sup> May**

**SCOPE**

Assessed the adequacy and effectiveness of the internal controls in place at the Constabularies for assessing the joint working arrangements / collaboration. The extent of the collaborations between Norfolk and Suffolk is extensive, as such the audit focused on the following:

- Financial controls in the ‘Joint Space’, including income and expenditure split and recharge processes.
- Benefits realisation – savings realised and forecast savings

**MATERIALITY**

The 2017/18 to 2020/21 change programme is forecasted to achieve £4.4 million of savings.

**KEY FINDINGS**

- A change programme has been developed for 2017/18 to 2020/21, this identified savings of £4.4 million.
- The Programme Management Office co-ordinates the change programme. Governance arrangements have been established to ensure projects are monitored.
- Non-financial success factors are not identified for projects prior to individual change projects commencing.
- An end of project report is prepared and reported to Organisational Board. The end of project report assigns any remaining actions to an owner, but there is not a process to ensure that the outstanding actions following completion of a project are completed, which may impact on the success of the project.

**OVERALL ASSURANCE ASSESSMENT**



**ACTION POINTS**

Urgent	Important	Routine	Operational
0	2	0	0

**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	Whilst financial critical success factors are identified for projects, non-financial critical success factors are not identified as standard for an area prior to a change process commencing. Austerity pressures have caused financial success factors to be the priority.	Financial and non-financial critical success factors are to be identified and agreed for all projects prior to them commencing. The critical success factors to be used as a means for assessing and measuring the projects' success.	2	<i>The recent introduction of OBB into the Force has encouraged the PMO to review both the process of change and the templates used to ensure that non-financial CSF's are picked up.</i>  <i>A recent review of CD&amp;C has also encouraged closer working with JPAD thus ensuring the impact of change through performance and analysis are also considered in order to maintain efficient and effective services.</i>	30 <sup>th</sup> Sept 2017	Programme Manager
2	Compliance	The End of Project Report (EoPR) process ensures that any outstanding actions are assigned to an appropriate officer, however there is no means to ensure that these actions are actually ever completed. There is a risk that outstanding actions for the projects are not completed, and this may affect the success of the project.	A target completion date to be assigned for any outstanding actions upon completion of projects, so that assigned officers can be held accountable for delivering outstanding actions. A follow-up process should be adopted to monitor outstanding actions with a quarterly update provided to the Organisational Board.	2	<i>A target completion date will be added to the existing End of Project Report template and will be monitored by PMO. Any exceptions flagged as appropriate to the Programme Manger.</i>	31 <sup>st</sup> May 2017	Governance Officer (PMO)

**Audit Report: ICT Second / Third Line Reporting**

**Report: 26<sup>th</sup> May 2017**

**SCOPE**

The review looked at the effectiveness of the controls in place concerning the management of the ERP second/third line support contract.

**MATERIALITY**

A robust contract management process is critical to ensuring the effective management of the ERP system. The cost of support payable to Cap Gemini in 2017/18 is projected to be £436,038.

**KEY FINDINGS**

The assurance opinion is reflective of the current position of the second/third line reporting arrangements and it is acknowledged that work is under way to address identified issues raised in this report.

Business ownership of the various operational elements of managing the ERP system to be formally assigned.

A review of the Responsible, Accountable, Consulted and Informed (RACI) schedule needs to be a standing agenda item for the ERP service review meetings.

Monthly service review meetings with Cap Gemini have commenced and are progressing well.

**OVERALL ASSURANCE ASSESSMENT**



**ACTION POINTS**

Urgent	Important	Routine	Operational
0	1	1	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	The audit found that business ownership of the various aspects of the ERP system have not been assigned. This includes key processes such as the interface jobs that transfer data between the different parts of the ERP system and external applications such as Storm, Chronicle and NCALT. It is recognised that this is a first line service issue, which means that this weakness is technically not in scope for this audit. However, it is considered prudent to raise the issue here as it was discussed during the fieldwork.	Business areas to be formally assigned ownership of processes that relate to their areas of responsibilities. Such areas include the management of interface jobs, error resolution and data reconciliation, working with other business areas as required to ensure that the processes are managed effectively.	2	<i>An ERP and Shared Services Programme Board has recently been constituted. One of the key work streams is to clarify system management responsibilities and improve system governance. The issues highlighted will be addressed within the programme of work.</i>	31 <sup>st</sup> March 2018	CFO Norfolk

**Audit Report: NSC1724 Key Financial Controls**

**Report: 4<sup>th</sup> May 2017**

**SCOPE**

The aim of the audit was to assess the adequacy and effectiveness of the internal controls in place at the Police and Crime Commissioners and Constabularies for Norfolk and Suffolk, regarding managing the key financial systems:

- Accounts Receivable
- Accounts Payable
- General Ledger
- Treasury Management

**MATERIALITY**

The total value of debtors for Suffolk at the end of February was £593k

The total value of debtors for Norfolk at the end of February was £170k.

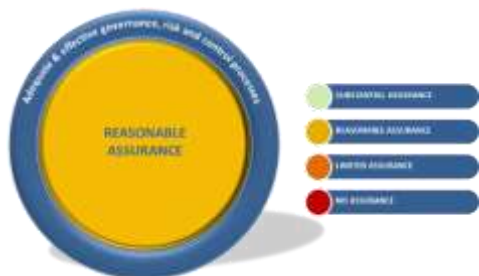
The total value of expenditure for Suffolk at the end of January was £53 million.

The total value of expenditure for Norfolk at the end of January was £74.3 million.

**KEY FINDINGS**

- No debts have been written off during 2016/17, although there are debts for which all options for recovery have been exhausted.
- In Norfolk, aged debts are not being followed up in accordance with the agreed debt recovery process.
- There is no independent check of the aged debtor reports to confirm that the appropriate action was being taken to recover outstanding debts.
- The debt recovery process is labour intensive, as ERP is not capable of producing system generated reminder letters.

**OVERALL ASSURANCE ASSESSMENT**



**ACTION POINTS**

Urgent	Important	Routine	Operational
0	3	0	1


**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	Compliance	There is no independent check of the aged debt reports to confirm that the appropriate action was being taken to recover outstanding debts.	Aged debt reports to be subject to independent review quarterly, to monitor that appropriate action is being taken to recover outstanding debts.	2	<i>A quarterly review will be undertaken, to ensure that monthly monitoring of debts is completed. This will capture those more than 90 days old for further action to be taken.</i>	30/06/17	Head of Transactional Services
2	Compliance	Audit testing found that debtors were not being followed up in accordance with the agreed debt recovery process.	Aged debts to be followed up in accordance with the debt recovery process.	2	<i>Agreed, letter to be issued after 30 / 60 days, in line with the documented process.</i>	30/06/17	Head of Transactional Services
3	Compliance	There has not been any debts written off during the 2016/17 financial year, although there are some debts for which all options for recovery have been exhausted.	A quarterly review of debtors to be undertaken, for consideration for write off.	2	<i>Agreed, a quarterly review will be undertaken, with recommendations made by the Head of Transactional Services to the Head of Finance, as appropriate.</i>	30/06/17	Head of Transactional Services



**Audit Report: NSC1725 Estates Health and Safety**

**Report: 26<sup>th</sup> May 2017**

<p><b>SCOPE</b></p> <p>The aim of the audit was to assess the adequacy and effectiveness of the internal controls in place at the Constabularies for managing the Estates Health and Safety.</p> <p><b>MATERIALITY</b></p> <p>The annual value of the Kershaw contract is approximately £110k. The annual value of the East Fire contract is approximately £118k.</p>	<p><b>KEY FINDINGS</b></p> <ul style="list-style-type: none"> <li>• Contracts are in place with Kershaw and East Fire for Estates Health and Safety. The contracts include KPIs.</li> <li>• Standard performance monitoring arrangements have been agreed with contractors, including regular performance reports and meetings with contractors.</li> <li>• Quarterly updates are provided to the Health and Safety Committee on compliance with the Norfolk and Suffolk owned buildings, but this does not cover police leased buildings</li> <li>• Regular audits are undertaken on contractors work to ensure that work is being completed to the required standard.</li> <li>• Whilst the qualifications of contractors is confirmed during the tender stage, there is no ongoing process to check the qualifications of contractors during the duration of contracts.</li> <li>• Contractor invoices are reviewed by the Estates Team prior to payment.</li> </ul>								
<p><b>OVERALL ASSURANCE ASSESSMENT</b></p>  <p>The diagram shows a central yellow circle labeled 'REASONABLE ASSURANCE' surrounded by a blue ring. To the right are four horizontal bars representing assurance levels: 'Substantial Assurance' (green), 'Reasonable Assurance' (yellow), 'Limited Assurance' (orange), and 'No Assurance' (red). The 'Reasonable Assurance' bar is highlighted.</p>	<p><b>ACTION POINTS</b></p> <table border="1"> <thead> <tr> <th>Urgent</th> <th>Important</th> <th>Routine</th> <th>Operational</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>2</td> <td>1</td> <td>1</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	2	1	1
Urgent	Important	Routine	Operational						
0	2	1	1						

**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)
2	Directed	There is insufficient evidence to demonstrate that police leased buildings are compliant with statutory health and safety requirements.	<p>Properties leased by the police to have all necessary statutory health and safety checks undertaken.</p> <p>Evidence of compliance with statutory health and safety requirements to be maintained and recorded in a central location so that compliance can be demonstrated.</p>	2	<p><i>Due to the ongoing expansion of shared sites, we recognise our procedures need to change to better capture the works and servicing undertaken by landlords.</i></p> <p><i>Over the last year we have been reviewing our building leases to clarify in more detail the responsibilities of each party, as often, the wording of commercial leases is not clear.</i></p> <p><i>Carter Jonas (Chartered Surveyors) has assisted us to complete a standard template for each lease to summarise the repairing obligations and we have put together a master spreadsheet to capture and note who does what.</i></p> <p><i>We intend to send landlords an annual reminder letter that they need to copy us their works and servicing statutory certification, without which, service charge payments will not be made to the landlord.</i></p>	<p><i>Work has commenced already.</i></p> <p><i>31<sup>st</sup> March 2018</i></p>	<i>Estates Statutory Maintenance Officer</i>

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	The Health and Safety Committee does not receive updates on the status of compliance with statutory health and safety requirements for police leased properties.	Quarterly updates on compliance of police leased buildings in relation to statutory health and safety to be provided to the Health and Safety Committee.	2	<p><i>Historically the H&amp;S Committee have been updated on the works and servicing we are “responsible for”, arranging the same via our retained contractors.</i></p> <p><i>We are content to add our landlord’s works and servicing, but intend to state this separately.</i></p>	<p><i>Work has commenced already.</i></p> <p>31<sup>st</sup> March 2018</p>	<i>Estates Statutory Maintenance Officer</i>