



## 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 15<sup>th</sup> May 2018. 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 2017/18 and 2018/19 ANNUAL PLANS

2. Our progress against the Annual Plans for 2017-18 and 2018-19 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
NSC1812 Business Interests	Reasonable	09/01/2018	16/05/2018	16/05/2018	0	7	1	2
NSC1814 Risk Management – Mitigating Controls	Reasonable	24/04/2018	09/05/2018	16/05/2018	0	4	1	0
NSC1816 ICT Governance	Reasonable	10/05/2018	14/04/2018	15/04/2018	0	1	0	0
NSC1825 Corporate Policies	Limited	24/04/2018	14/08/2018	15/08/2018	0	4	2	2
NSC1829 Payroll	Limited	30/01/2018	21/03/2018	27/03/2018	1	3	0	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 have been no changes made to the annual plan since the last meeting.

**FRAUDS/IRREGULARITIES**

7. We regularly liaise with PSD regarding any work streams that may be relevant for internal audit. We have been advised of one potential fraud or irregularity that has been referred to PSD and will report back on conclusion.

**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 one urgent recommendation (i.e. fundamental control issues) since the previous Progress Report:
- Payroll - System controls on Enact to be investigated, to ensure Enact forms can only be approved by the relevant authorised signatory and prevent employees from approving their own Enact forms.
8. No recommendations have been raised 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 2017/18 and 2018/19

System	Planned Quarter	Planned Days	Actual Days to date	Current Status	Audit Committee Reporting	Assurance	Comments
<b>2018/19 Plan</b>							
NSC1901 Strategic Control, Corporate Governance and Whistleblowing	1	10			Quarter 3		
NSC1902 Transformation and Strategic Planning	2	12			Quarter 3		
NSC1903 Risk Management	3	10			Quarter 4		
NSC1904 Commissioners Grants	2/3	18			Quarter 4		
NSC1905 Cyber Security	2	10			Quarter 3		
NSC1906 ERP / Enact / DMS	1	12	2	In progress	Quarter 2		
NSC1907 GDPR	1	18	14	In progress	Quarter 2		
NSC1908 Website Content and CAD Grazing	2	12			Quarter 3		
NSC1909 Key Financials	4	30			Quarter 4		
NSC1910 Capital Programme	2	10			Quarter 3		
NSC1911 Fixed Assets	1	10	2	In progress	Quarter 2		
NSC1912 Allowances	1	14	14	Fieldwork complete	Quarter 2		
NSC1913 Records Management	4	12			Quarter 4		
NSC1914 MOPI Project Implementation	3	4			Quarter 4		
NSC1915 Establishment, Capacity, Recruitment and Retention	2	15			Quarter 3		

System	Planned Quarter	Planned Days	Actual Days to date	Current Status	Audit Committee Reporting	Assurance	Comments
NSC1916 Duty Management System	2	14			Quarter 3		
NSC1917 Vetting	1	10	10	Fieldwork complete	Quarter 2		
NSC1918 Transport Strategy	2	6			Quarter 3		
NSC1919 Transport Procurement	2	9			Quarter 3		
NSC1920 Fuel Usage	2	12			Quarter 3		
NSC1921 Estates Strategy and Policies	2	6			Quarter 3		
NSC1922 Stations, including building access and vehicle security	1	14	14	Fieldwork complete	Quarter 2		
NSC1923 Purchase Cards (Norfolk)	3	6			Quarter 4		
NSC1924 Control Room (Norfolk)	3	14			Quarter 4		
NSC1925 Control Room (Suffolk)	3	14			Quarter 4		
NSC1926 Custody Administration	1	14			Quarter 3		
NSC1927 Proceeds of Crime	1	10			Quarter 2		
NSC1928 Recovered Property	3	10			Quarter 4		
NSC1929 Lone Working	1	10			Quarter 3		
NSC1930 Ethical Standards	1	10			Quarter 3		
Follow Up	1-4	12	1	In progress	1 - 4		
Contingency b/fwd		(58)					
Contingency c/fwd							
Audit Management	1-4	20	3	In progress			
Total Days		330					
2017/18 Plan							

System	Planned Quarter	Planned Days	Actual Days to date	Current Status	Audit Committee Reporting	Assurance	Comments
NSC1812 Business Interests	1	8	8	Final Report	May 2018	Reasonable	
NSC1816 ICT Governance	2	12	12	Final Report	May 2018	Reasonable	
NSC1818 IM MOPI Project	2	10	10	Draft Report	July 2018		
NSC1823 Overtime, Expenses, Add Payments	2	14	14	Draft Report	July 2018		
NSC1829 Payroll incl ERP	3	10	10	Final Report	May 2018	Limited	
NSC1825 Corporate Policies	4	10	10	Final Report	May 2018	Limited	
NSC1804 HR Learning and Development	4	12	20	Draft Report	July 2018		
NSC1814 Risk Management – Mitigating Controls	4	11	11	Final Report	May 2018	Reasonable	
NSC1822 Safeguarding and Investigations	4	10	10	Draft Report	July 2018		
NSC1827 Commissioners Grants	4	18	13	Draft Report	July 2018		Just Suffolk and scope widened
NSC1828 Key Financials	4	30	30	Draft Report	July 2018		
NSC1828 Accounts Receivable elements				Draft Report	July 2018		Separate report from key financials

**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: Business Interests (NSC1812)

Report: 16<sup>th</sup> May 2018

#### SCOPE

The audit focused on for business interests. The audit looked at the following areas;

- Policy and procedures
- Communication with staff
- Monitoring and compliance

#### MATERIALITY

There are 497 approved current business interests for Norfolk and 371 for Suffolk.

#### KEY FINDINGS

A standard process is in place for assessing a business interest request and records for business interests are maintained. The following key areas were identified where improvements could be made:

- Applicants are not required to declare business interests on application and thus the Constabularies could be undertaking costly recruitment processes when the application would not be employed on the basis of a business interest.
- Regular sickness reports are not run to monitor staff that have business interests, to ensure that excessive sickness is not being undertaken and possibly used for the business interest.
- The business interest policy does not cover the process for approving police funded courses, which could be used by staff for benefiting their private interest.
- Business interests are not being reviewed regularly.

#### OVERALL ASSURANCE ASSESSMENT



#### ACTION POINTS

Urgent	Important	Routine	Operational
0	7	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 business interest policy does not provide guidance to staff on what constitutes a business interest, allowable business interests and what courses can be undertaken by staff, and how the Constabularies can safeguard their interest, to ensure that employees are not benefiting from Constabulary funded courses and then setting up as a consultant.	<p>The business interest policy to be expanded to include:</p> <ul style="list-style-type: none"> <li>• What constitutes a business interest, when and how this should be declared and those allowable.</li> <li>• Police funded courses, to ensure that individuals only undertake courses in the interest of the Constabularies and not for personal gain.</li> <li>• Requirement for managers' to consider approval for staff undertaking police funded courses to be considered on an individual basis.</li> </ul>	2	<p><i>The policy is out to consultation, waiting to be ratified and on to JNCC. The completion date is to reach this point in the approval process, as the subsequent stages are outside of the department's control.</i></p> <p><i>There is no specific mention of police funded courses within the new policy. However, any training/consultancy BI where individuals had gained their experience from courses funded by the Constabularies would be considered carefully on an individual basis. It would be an HR decision whether to recoup monies in the event that an individual leaves shortly after completing a police funded course.</i></p>	30/09/2018	Senior Complaints, Appeals & Policy Manager



Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>Applicants are not required to declare business interests on application, such interests are considered using PSD10 forms to applicants at later stages in the process, after vetting and interview. TAs such, the Constabularies could be undertaking costly recruitment processes when the applicant would not be employed on the basis of a business interest.</p> <p>In addition, it is not clear to applicants what constitutes a business interest, as such they may not be declared until after the applicant commences employment.</p>	<p>The recruitment process to be amended so that business interests are clearly defined, declared and assessed on application for all staff and officers, prior to formal recruitment commencing.</p>	2	<p><i>The recruitment process has now been amended to clearly identify business interests. A business administrator deals with recruitment. Pre-employment business interest checks are now in place to identify a conflict prior to joining.</i></p> <p><i>This will be in conjunction with HR.</i></p>	16/05/2018	Senior Complaints, Appeals & Policy Manager
4	Directed	<p>Sample testing found an instance where a line manager had supported an officer to submit a business interest application, although the applicant had considerable amount of sickness and was not performing in their employed role.</p>	<p>Educating and guidance to be provided for line managers on how to discuss a business interest within the PDR. This should include what constitutes a business interest, allowable interests, including examples and how this can be declared.</p>	2	<p><i>The PDR has been revised and guidance is also on the intranet. The PDR will be further updated to include 'how to discuss' a business interest with line managers. A greater number of business interests are coming through directly from PDRs.</i></p>	31/07/2018	Senior Complaints, Appeals & Policy Manager

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Directed	There is no process to obtain reimbursement for Constabulary funded courses attended by staff who then reduce hours or leave to pursue a different career and possibly benefit financially from Constabulary funded courses.	Employment contracts to be reviewed for staff that attend police funded courses to be required to reimburse the Constabularies if they leave within set time periods of attending the course. As well as setting restrictions on working within a set geographical area for a given period.	2	<i>The policy has been revised to reflect setting restrictions on geographical area for working and on course reimbursement. Consideration is being given to including reimbursements within employment contracts and what would be enforceable. An implementation date of 30<sup>th</sup> September 2018 is provided for the consideration period, to ascertain whether this is feasible to fully implement.</i>	30/09/2018	Senior Complaints, Appeals & Policy Manager
6	Directed	Staff with high levels of sickness are not routinely checked for business interests. Excessive sickness could be a trigger to identify business interests affecting performance within the Constabularies.	High levels of sickness cases to be checked for business interests as part of the sickness monitoring process.	2	<i>This has now been implemented. Cases of sickness and performance against business interests are being checked as part of the sickness monitoring process. This is undertaken through the TCG process where an HR representative attends to share information.</i>	16/05/2018	Senior Complaints, Appeals & Policy Manager

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
7	Compliance	Sample testing found an instance where a line manager had supported an officer to submit a business interest application, although the applicant had considerable amount of sickness and was not performing in the role employed to perform.	To educate line managers on the requirement to check staff and officers sickness levels for consequences, including business interests that could be affecting performance, recording such a check on business interest's application forms, and/or notifying PSD when sickness due to a business interest is affecting an individual's performance.	2	<i>This has now been implemented. When applying for a business interest the line manager signs off that they have checked against sickness and performance. Line managers notify business interests if someone then goes off sick.</i>	16/05/2018	Senior Complaints, Appeals & Policy Manager
8	Compliance	Audit testing found that business interest reviews had not been undertaken at the designated time intervals, as agreed when the business interest was approved.	Business interest reviews to be undertaken at the designated review periods, as agreed when the business interest was approved.	2	<i>The level of outstanding reviews has improved, however there is still a backlog to clear. A process is in place for timing of reviews depending on their risk, with low level risks being reviewed every two years, up to high risk cases being reviewed every few months.</i>	30/11/2018	Senior Complaints, Appeals & Policy Manager

**Audit Report: Risk Management (NSC1814)**

**Report: 15<sup>th</sup> May 2018**

**SCOPE**

The review considered how the Constabularies have engaged with risk management and how well risk management is embedded. The audit focused on the following key areas;

- Risk management policy, risk management strategy and risk management procedures;
- Process for identification, recording, assessment of risk;
- Review of the risk registers to establish if controls are effective in managing and reducing of risks, appropriateness of risks and controls defined in risk registers;
- Links with risk management and business continuity;
- Risk management training;
  - Reporting and management information.

**MATERIALITY**

There are 12 risks on the strategic risk register. The strategic risk register is supported by operational risk registers.

**KEY FINDINGS**

The overall assurance opinion supports that there is a risk management process in place, which is coordinated by a dedicated risk manager and adopted by the Constabularies.

There are areas for improvement in the risk management process, which are highlighted below, to enhance the processes and controls.

- The residual risk scores combine existing and proposed controls and requires separation and clarity.
- The role of the Organisational Board in relation to risk management to be clearly defined in their terms of reference.
- A more robust training programme, which is clearly defined for management roles would be beneficial.
- Risks, controls and assurances on the risk register to be clearly defined.

**OVERALL ASSURANCE ASSESSMENT**



**ACTION POINTS**

Urgent	Important	Routine	Operational
0	4	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)
1	Directed	<p>The risk management policy is in place and incorporates elements of a risk management strategy. The policy does not make reference to the Constabularies risk appetite.</p> <p>The strategy includes a template of the RAIDE registers. The template risk register would be expected to be separate from the policy, as any updates to the register template would then require formal policy review.</p>	<p>The risk management policy be revised, to incorporate reference to the Constabularies risk appetite and separation of template risk registers.</p>	2	<p><i>The risk management policy will be reviewed and updated ahead of the scheduled review in 2020.</i></p> <p><i>The revised policy will provide a more defined strategy element and introduce risk appetite into the overall policy statement. The risk register template along with any other relevant documentation will be held in a separate procedures document.</i></p>	31 <sup>st</sup> December 2018	Risk Compliance & Manager
2	Directed	<p>Whilst the Organisational Board receives the risk register, there is no clarity around the role of Organisational Board in relation to risk management.</p> <p>It is not clear whether Organisational Board is to challenge and consider whether risk is being identified, scored and mitigated appropriately, or if they are responsible for merely receiving the risk register within their meeting.</p>	<p>Clarification be obtained as to the role of the Organisational Board in relation to risk management, and this to be formally documented in the Organisational Board terms of reference.</p>	2	<p><i>The Terms of Reference (TOR's) for the "Organisation Board – Delivery" meeting have recently been reviewed and updated. The role of the Board with regards to risk management is much more clearly articulated.</i></p>	30 <sup>th</sup> June 2018	Programme Manager

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Compliance	<p>The risk registers contain relevant information regarding the risks and controls to mitigate those risks. However, the presentation of the information could be improved to provide clarity over the information.</p> <p>The risk owners are included, however the individuals responsible for auctioning the controls are not identified.</p> <p>As well as controls to mitigate risks, assurances can be sought both from internal sources or external monitoring bodies over the risks and controls. This is not currently included in the risk registers.</p> <p>The residual risk scoring on the risk registers is unclear, as it was found that there are cases where the score includes existing controls and others where the score includes proposed controls that have not as yet been actioned.</p> <p>A revision of the risk registers will help to clarify the inherent risk score, current score based on existing controls and residual score factoring in the proposed controls.</p>	<p>Proposed revisions to the risk register be adopted and populated for each risk register, to include administrators for each risk / control in addition to the overall owners; assurances (internal and external); separating current controls and assurances with proposed actions for further controls and assurances; and separating current risk scores from those anticipated once proposed controls and assurances are in place.</p>	2	<p><i>Following discussions with CFO's it is recommended that the proposed new template is trialled for a period of 6 months on the Joint Strategic Risk Register only. A report detailing the proposed changes and seeking agreements for the the commencement of a trial will be presented to Chief Officers at the June 2018 JCOT meeting.</i></p> <p><i>A further report will be produced, post-trial, to analyse the findings and propose a way forward with regard to the revised risk register template.</i></p>	<p>8<sup>th</sup> June 2018</p> <p>28<sup>th</sup> February 2019</p>	<p>Risk &amp; Compliance Manager</p>

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Compliance	There is a designated column for recording controls on directorate and strategic risk registers, the narrative can be very general, with lengthy explanations. As such, they lose impact to the reader and their understanding of how this reduces the risk that it relates to.	Controls on the strategic risk register be made specific, applying the 'so what' approach, to enable them to address the risk identified.	2	<p><i>Linked to Action Plan Finding 4 (above).</i></p> <p><i>A pilot of the revised template for the Joint Strategic Risk register will incorporate this recommendation.</i></p>	<p><i>8<sup>th</sup> June 2018</i></p> <p><i>28<sup>th</sup> February 2019</i></p>	<p><i>Risk &amp; Compliance Manager</i></p>

**Audit Report: ICT Governance (NSC1816)**

**Report: 15<sup>th</sup> May 2018**

**SCOPE**

The review has looked at ICT Governance across the Norfolk and Suffolk Constabularies, incorporating whole programme management; programme prioritisation, programme delivery and the structure of the ICT department.

**MATERIALITY**

Robust ICT Governance processes enhance the Constabularies' ability to deliver its strategic priorities on time and budget.

**KEY FINDINGS**

There is a large ICT department that is broken down into functional sections to deliver each aspect of the ICT service to the Constabularies. ICT are required to support delivery of the Constabularies change programme, which covers the portfolios and projects of change. A review of the governance structure for management of the change programme has been undertaken, this has resulted in the development of the Strategic Planning and Monitoring Group (SPMG).

- The SPMG meets monthly and reviews new work and change requests so that there is governance and accountability for projects and change request.
- A standard template has been developed for all new change requests. The template identifies outcomes and potential financial and non-cashable benefits.
- Monthly meetings of the SPMG assists with the engagement of ICT and Corporate Development and Change from project initiation to project completion.
- There is a documented IT Strategy in place for 2017-2020.
- The ICT risk register has been updated to include ICT resource needs to deliver all strategic and operational programmes.
- A risk assessment is required for projects that are cancelled due to lack of ICT resources, to provide clarification on the associated impact, costs and risks.

**OVERALL ASSURANCE ASSESSMENT**



**ACTION POINTS**

Urgent	Important	Routine	Operational
0	1	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	Compliance	Detailed discussions are not recorded or noted as held that review the ICT and CD&C programme of projects to understand whether the priority of some projects are appropriately set, could be lowered, slowed down, etc., thus releasing ICT and CD&C project resource to support other CD&C projects.	All new / change recommendations for projects to take account of national, regional and local strategic priorities, as well as documented resource requirements, cost, benefit and risk assessment, impact on ICT resources and other projects.	2	<i>A prioritisation methodology for all projects has been developed by CD&amp;C in close liaison with ICT and is based on the 7 Force prioritisation matrix to ensure synergy and alignment between the national, regional and local programmes. Consultation has also been undertaken with Suffolk 2025 and Norfolk 2020 and a paper presented to JCOT in May outlining the proposed matrix and process. This will now be tested by putting all existing projects through the prioritisation matrix and reported back to JCOT with a view to adopt and implement the matrix going forwards. This will then be used for all future projects at the Strategic Planning and Monitoring meeting.</i>	July 2018	Head of SBOS / Head of PMO

**Audit Report: Corporate Policies (NSC1825)**

**Report: 15<sup>th</sup> May 2018**

**SCOPE**

The purpose of the review was to assess the adequacy and effectiveness of the Constabularies for agreeing and reviewing of policies. The audit focused on the following key areas:

- Consultation process for policies;
- Rationalisation of policies;
- Segregation of policies and procedures;
- Roles and responsibilities;
- Risk assessing of review dates for policies; and

Management information.

**MATERIALITY**

There are 300 policies identified by the policy unit.

**KEY FINDINGS**

The Central Policy Unit was established to coordinate and support business units for the review, update and approval of policies. Whilst the system of internal controls is generally adequate it is deemed policies are not operating effectively.

The processes followed by the Central Policy Unit have improved, reducing the number of expired policies from 83% down to 38%. Policies are now risk assessed to stagger the review frequency, between two and four years, depending on their priority.

Whilst this is encouraging that good progress has been made to update policies, the number of outstanding policies remaining and the impact they have on the Constabularies reduces the overall audit assurance.

- HR policies do not follow the standard policy unit processes.
- There is no strategy in place for withdrawn policies.
- Finance and HR hold policies that are past their review date, some of which require dual input to update and ownership clarification is needed.
- HR protocols are used as well as policies, with a number of these having passed their review date.

**OVERALL ASSURANCE ASSESSMENT**



**ACTION POINTS**

Urgent	Important	Routine	Operational
0	4	2	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)
3	Directed	<p>There are several HR policies that have passed their review date. Whilst a plan has been drawn up which identifies the HR policies that have passed their review date, there is no formalised action plan and updates have not been provided to JNCC, Organisational Board or the Central Policy Unit on progress being made.</p> <p>In addition, there are several joint HR and finance policies that have passed their review date.</p> <p>HR and finance have not identified whom is responsible for a number of policies for instance; Allowances (other than travel), Disturbance and Travel Allowances, Expenses (other than travel) and voluntary deductions.</p>	<p>A formal action plan for joint policies, be developed to verify the policy owner(s) and to bring them up to date. Regular updates to be provided to Organisational Board and JNCC through the Central Policy Unit.</p>	2	<p><i>Linked to Action Plan Finding 2</i></p> <p><i>A decision paper will be taken to the July JCOT meeting to seek agreement on the way forward with regards to the responsibility of monitoring and reporting HR policies.</i></p> <p><i>Regular reviews currently take place with the Policy Officer and the Department / Command SPOC to advise of the action plan to update policies and this work will continue.</i></p> <p><i>An update was provided to JCOT in May 2018 and it has been agreed that a management information dashboard will be presented, as a minimum, on a six monthly basis going forward.</i></p>	<p>16<sup>th</sup> July 2018</p> <p>08<sup>th</sup> May 2018</p>	<p>Programme Manager</p> <p>Programme Manager</p>

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Directed	<p>The Constabularies' policies are the responsibility of individual departments, with oversight and completion/review by the central policy unit. The policies include both policy level detail and the level of detail normally contained within a supporting procedural guidance merged into one document.</p> <p>A detailed policy containing procedural detail is not ideal for the target audience (police staff and police officers), as there is a lot of information for them to read, which reduces the impact of the policy message.</p> <p>In addition, if small amendments are required to the policy regarding procedural aspects, the policy is still required to undergo full review. The policy review process, whilst recently improved takes a minimum of three to six months.</p>	<p>A formal action plan be developed stating the key tasks and target completion date for separating policies and procedural guidance.</p>	2	<p><i>Linked to Action Plan Finding 1</i></p> <p><i>An action plan will be drawn up to consider the actions and deadlines associated with splitting the documentation into policies and procedures.</i></p> <p><i>In addition the Policy Creation document should be updated to reflect the changes to layouts articulated above.</i></p>	<p><i>Action plan agreed – 31 July 2018</i></p> <p><i>31<sup>st</sup> December 2018</i></p>	<p><i>Corporate Support Manager</i></p> <p><i>Corporate Support Manager</i></p>

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Compliance	<p>There are 32 policies that have been withdrawn as they have past their review date.</p> <p>Withdrawing the policies means that there is no guidance stating the process that should be followed in relation to the areas the policies covered. Without current guidance/policy staff may not be aware of management's wishes in managing a service.</p>	<p>A review of withdrawn policies be undertaken to identify if the policy details are addressed by another policy, and for those that are not covered by another policy, a formal action plan be drawn up which records the action to be taken to ensure that these are reviewed promptly and a new policy developed.</p>	2	<p><i>Linked to Action Plan Finding 1 &amp; 4</i></p> <p><i>A review of the Policy Creation document will incorporate guidance on how withdrawn policies are reviewed and considered going forward.</i></p>	31 <sup>st</sup> December 2018	Corporate Support Manager
6	Compliance	<p>In addition to policies, the Constabularies have a total of 29 HR protocols, of which 12 have passed their review date.</p> <p>There are instances where there is a protocol and a policy that covers the same area.</p>	<p>Review and update of HR protocols be undertaken, and amalgamated into a policy where possible.</p>	2	<p><i>Linked to Action Plan finding 2</i></p> <p><i>As all of the protocols belong to the HR Department, this will form part of the JCOT decision paper to be tabled in July 2018</i></p>	16 <sup>th</sup> July 2018	Programme Manager

**Audit Report: Payroll (NSC1829)**

**Report: 27<sup>th</sup> March 2018**

**SCOPE**

The audit reviewed the controls in operation in relation to the payroll system for the Police and Crime Commissioners for Norfolk and Suffolk and the Norfolk and Suffolk Constabularies.

**MATERIALITY**

The total gross payroll value for the period 1<sup>st</sup> April 2017 to the 31<sup>st</sup> January 2018 is approximately £61 million for Suffolk and £81 million for Norfolk Constabularies, £446k for the Suffolk and £630k for the Norfolk OPCCs.

**KEY FINDINGS**

The main control weakness identified as affecting the overall assurance opinion is in relation to the Enact system allowing users to approve their own on-call forms, without designated independent authority.

In addition, the following was noted:

- The reporting function on ERP is limited.
- There are approximately 70 Norfolk employees for which HMRC payments cannot be allocated to their account, potentially affecting their ability to claim state pension.
- Regular checks are not undertaken to ensure compliance with IR35.

**OVERALL ASSURANCE ASSESSMENT**



**ACTION POINTS**

Urgent	Important	Routine	Operational
1	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)
4	Compliance	<p>The Enact system does not have adequate system controls in place for approving of on-call payments.</p> <p>Audit sample testing identified that Enact allows employees to self-approve on-call payments, as well as those not designated as the authorised signatory for that employee.</p>	System controls on Enact to be investigated, to ensure Enact forms can only be approved by the relevant authorised signatory and prevent employees from approving their own Enact forms.	1	<p><i>Enact has only one more year under contract, and the intention is not to renew this product. Instead a review is underway into products that are either already part of the Oracle ERP suite, or integrate into that platform.</i></p> <p><i>However, conversations are underway with the Enact provider Encircle and early indications are that they can make this change at minimal cost. However, if significant investment was required this will not be undertaken as any investment will be into the replacement system.</i></p>	30 <sup>th</sup> June 2018	Head of Transactional Services

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>The reporting function for the payroll element on ERP is limited. Compensating controls have been in place to enable information requirements to be met where possible.</p> <p>However, the reporting functionality on ERP does not currently enable line managers to have all necessary information available for effective decision making. Line managers do not receive reports detailing starters, leavers and changes within the monthly payroll.</p>	<p>The reporting functionality on ERP to be explored so that all necessary reports can be provided to enable line managers to have all necessary information, including a report of new starters, leavers and changes within the monthly payroll.</p>	2	<p><i>Heads of Department have regular meetings with their management teams, and with HR and Finance Business Partners to understand their staffing position.</i></p> <p><i>However, a business case is in draft in connection to a new reporting solution and funding has been provided within the MTFP.</i></p> <p><i>The reporting solution will have much wider benefits than the more narrow issue outlined here.</i></p>	30 <sup>th</sup> June 2018	Head of Transactional Services
2	Directed	<p>Whilst there is guidance in place for managers to follow, to aid the Constabularies to comply with IR35, there are no regular checks undertaken to identify any freelancers, contractors or consultants which may fall under IR35 and thus should be paid through the payroll rather than through creditors.</p>	<p>Monthly checks to be undertaken of creditor payments to identify any potential freelancers, agency staff, contractors or consultants that meet the IR35 requirements and should be paid through the payroll.</p>	2	<p><i>In addition to the guidance, Finance Business Partners liaise with Heads of Department in connection to this issue. The Supplies Team also look for any orders that may trigger an IR35 review, and there is a lead in the Commercial Team that oversees this and also looks for contracts that may need an IR35 process.</i></p> <p><i>The AP team will undertake spot checks on a monthly basis to further reduce the risk.</i></p>	30 <sup>th</sup> June 2018	Head of Transactional Services



Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Compliance	The payroll audit undertaken during 2015/16 identified that an underpayment was made to HMRC due to approximately 70 Norfolk staff on the ERP system being rejected by the payroll for HMRC payment runs. The Head of Transactional Services stated that payment to correct this has been made to HMRC. Whilst the payment has been made to HMRC it has not been possible to identify the individual staff for which the payments had been rejected. It was confirmed through discussions with the Head of Transactional Services that work was still underway to address this. This issue needs to be addressed, as for the approximately 70 employees for which payments have not been allocated to, these may result for the employees involved not being able to claim their full state pension.	Resources to be allocated to addressing the issue for the 70 employees that have not been included on the FPS report, to rectify that for these employees their ability to claim state pension is not affected.	2	<p><i>This is a complex issue and work has been ongoing within Capgemini to arrive at a solution. Also discussions have been taking place with HMRC on the issue.</i></p> <p><i>The latest position is that an Earlier Year Update (EYU) process will be run to correct the position and provide HMRC with the correct information about the individuals concerned.</i></p>	30 <sup>th</sup> June 2018	Head of Transactional Services

