



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

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

**2018/19 and 2019/20**

## 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 21<sup>st</sup> May 2019. 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 2018/19 and 2019/20 ANNUAL PLANS

2. Our progress against the Annual Plans for 2018/19 and 2019/20 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
Risk Management*	Reasonable	20/05/2019	20/05/2019	21/05/2019	0	0	0	0
Transport Strategy	Reasonable	13/03/2019	08/05/2019	15/05/2019	0	2	2	8
Key Financials	Reasonable	31/03/2019	15/05/2019	15/05/2019	0	3	1	0
Telematics and Fuel Usage	Reasonable	29/03/2019	07/05/2019	17/05/2019	0	1	1	1

\*No further recommendations have been raised, with previous recommendations raised in 2018/19 being carried forward. Copies of the finalised reports are available to Audit Committee Members on request. The details for Suffolk only reports will not be included in the Norfolk progress report.

## CHANGES TO THE ANNUAL PLANS 2018/19 and 2019/20

6. There has been the following changes made to the annual plan since the last meeting:

- Website Content / CAD Grazing has been moved to the 2019/20 financial year, due to restructures and developments, to ensure the audit timing can provide the most value.

**FRAUDS/IRREGULARITIES**

7. 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. It is noted that there are a number of limited assurance reports issued, where elements of the system have warranted a limited assurance due either to non-compliance with statutory requirements or internal requirements, however it is also noted that progress is being made by management at the time of the audit to address the control weaknesses and this progress is taken into account in the overall annual opinion.
10. We have made no urgent recommendations (i.e. fundamental control issues) since the previous Progress Report.
11. No recommendations have been raised which have not been approved by management since the previous Progress Report.

**ACTIONS FROM PREVIOUS AUDIT COMMITTEE MEETING**

12. The action points requested from the previous audit committee meeting are:
- Ethical standards – additional detail was required regards the arrangements in place to mitigate the lack of policy. There is no formal guidance in place, there are arrangements in place to disclose relationships at the recruitment stage. There are processes for officers and staff to notify their line managers of any personal relationships and for the line manager to ensure they are aware of any such relationships.
  - Allowances – materiality figures required to report whether allowances have increased or decreased since the previous financial year, note that the allowances, overpayments and additional payments figures include all types of such payments from the payroll data report, how these are reported by payroll may differ depending on type.

Allowances, Overpayments and Additional Payments		
	2017/18	2018/19

Norfolk	£11.2m	£10m
Suffolk	£7.8m	£7.4m

Total Payroll Spend		
	2017/18	2018/19
Norfolk	£130.2m	£117.7m
Suffolk	£96.6m	£89.3m

### 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 Plans for 2018/19 and 2019/20

System	Audit Ref	Planned Quarter	Planned Days	Actual Days to date	Current Status	Audit Committee Reporting	Assurance	Comments
<b>2018/19 Plan</b>								
Proceeds of Crime (NSC1927)		1	10	10	Draft Report		Reasonable	
ERP Disaster Recovery (NSC1913)		3	12	12	Draft Report		N/A	
Recovered Property (NSC1928)		3	10	10	Draft Report		Reasonable	
Control Room (NSC1924) Norfolk only		3	14	14	Draft Report		Reasonable	
Control Room (NSC1925) Suffolk only		3	14	14	Draft Report		Reasonable	
Risk Management – Embedding/Development (NSC1903)		1-3	10	10	Final Report		Reasonable	
Transport Strategy (NSC1918)		2	6	6	Final Report		Reasonable	
Key Financial Systems (NSC1909)		4	30	30	Final Report		Reasonable	
Fuel Usage and Telematics (NSC1920)		4	12	16	Final Report		Reasonable	
<b>2029/20 Plan</b>								
2020 Strategic Change Programme (Norfolk)	NSC2001	1	9		Scheduled			
2025 Strategic Change Programme (Suffolk)	NSC2002	1	9		Scheduled			
Network Security	NSC2003	1	12		To be scheduled			
Software Licencing	NSC2004	1	12		To be scheduled			

System	Audit Ref	Planned Quarter	Planned Days	Actual Days to date	Current Status	Audit Committee Reporting	Assurance	Comments
Workplace Health	NSC2005	1	12	12	Draft Report			
Temporary Contracts	NSC2006	1	10	10	Draft Report			
Estates Maintenance	NSC2007	1	12	12	Draft Report			
Contracts	NSC2008	1	12	12	Draft Report			
Firearms and Dog Handling	NSC2009	1	14	14	In progress			Separate Reports will be issued for Firearms and for Dog Handling
Stores and Uniform	NSC2010	1	14	14	In progress			
Emergency Planning	NSC2011	1	14	14	Scheduled			
Single Tender Actions	NSC2012	1	6	6	Scheduled			
Data Protection – GDPR	NSC2016	2	12		Scheduled			
Mobile Device Management	NSC2017	2	12		To be scheduled			
Website Content	NSC2019	2	12		To be scheduled			
Budgetary Control	NSC2018	2	12		To be scheduled			
Limited Duties	NSC2014	2	12		To be scheduled			
Telematics / Use of Vehicles	NSC2026	2	12		To be scheduled			
Transformation – Business Cases	NSC2015	3	12		To be scheduled			
Strategic Control and Governance	NSC2013	3	12		To be scheduled			
Key Financials	NSC2021	3	30		To be scheduled			
Shared Service Transaction Centre	NSC2022	3	8		To be scheduled			
External Training Budget	NSC2025	3	12		To be scheduled			
Corporate Policies	NSC2014	4	6		To be scheduled			

System	Audit Ref	Planned Quarter	Planned Days	Actual Days to date	Current Status	Audit Committee Reporting	Assurance	Comments
Risk Management	NSC2020	4	10		To be scheduled			
Overtime	NSC2023	4	12		To be scheduled			
Allowances and Expenses	NSC2027	4	14		To be scheduled			
Collaborations (incl. Seven Force)	NSC2028	4	20		To be scheduled			
<b>Total Days Planned</b>			<b>376</b>	<b>376</b>				
<b>Annual Plan Days</b>			<b>330</b>	<b>330</b>				
<b>Contingency b/fwd</b>			<b>46</b>	<b>46</b>				
<b>Contingency (c/fwd)</b>			<b>(0)</b>	<b>(0)</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: Transport Strategy (NSC1918)

Report: May 2019

<p><b>SCOPE</b></p> <p>The audit appraised the strategy for managing the transport fleet for current and future requirements, with supporting policies across both Constabularies.</p> <p>The audit considered if the transport strategy is in line with corporate strategies and direction for current and future need.</p> <p><b>MATERIALITY</b></p> <p>Norfolk and Suffolk Constabularies have combined vehicle fleet of approximately 1,150 vehicles (exc bicycles).</p>	<p><b>KEY FINDINGS</b></p> <p>There is a current transport strategy in place, fleet vehicles are being procured and maintained in accordance with the transport strategy. Vehicles are procured through the Home Office Framework Agreement. A Joint Transport Policy was being developed at the time of audit.</p> <ul style="list-style-type: none"> <li>• There are potential tax implications for dual workplace workers with the shuttle bus being discontinued, as use of pool cars and hire cars to travel between dual workers workplaces are considered to be a benefit in kind.</li> <li>• Controls to ensure that staff claiming mileage have the appropriate insurance for business use and current licences could be tightened, to incorporate verification.</li> <li>• The records held by the Driving Training Unit are not updated for any changes following the initial approval. If unapproved drivers are driving fleet vehicles and are involved in an accident this may invalidate the Constabularies' insurance policy.</li> <li>• Proactive checks are not undertaken by the Driving Training Unit on cleared drivers to ensure they remain suitable to drive Constabulary vehicles.</li> </ul>								
<p><b>OVERALL ASSURANCE ASSESSMENT</b></p> 	<p><b>ACTION POINTS</b></p> <table border="1" data-bbox="1131 1125 2011 1284"> <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>2</td> <td>8</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	2	2	8
Urgent	Important	Routine	Operational						
0	2	2	8						



**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>A spreadsheet is maintained of staff that have been given authority to drive Constabulary pool and/or hire cars. Once the initial clearance has been given no further updates are made for any changes to the authority.</p> <p>There is no requirement for cleared drivers to inform the Driving Training Unit when they have a change of circumstances.</p> <p>At the point of booking or physically driving any vehicle there are no checks undertaken to verify authority.</p>	<p>Records of drivers cleared to drive Constabulary pool and hire cars be regularly maintained by the Driving Training Unit, with proactive checks undertaken, to ensure that there has not been a change in circumstances for cleared drivers.</p>		<p><i>There is a requirement that all staff who avail themselves of driving authorisations complete a paper application process, which requires a copy of their driving licence and a DVLA print out of their driving licence summary. This is held on the individual's personal driving folder within the driving school.</i></p> <p><i>A reminder to all managers that have access to pool cars that their staff require this authorisation prior to the vehicles use, and/or a prompt when staff book pool cars via the intranet that there is a requirement that they need to be authorised by Driving School prior to the vehicles use, can be implemented fairly swiftly.</i></p> <p><i>Chronicle (Driver Management Unit) has now been approved for implementation to Norfolk and Suffolk Constabularies and this will ensure the future recording and checking of drivers is more robust.</i></p>	30 June 2019	Driver Training Team Leader

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Directed	<p>With the shuttle bus having been discontinued there is a risk that staff may have to incur the tax liability for travelling between the two sites. Use of pool cars and/or hire cars to travel between dual workers work locations are considered to be a 'benefit in kind' by HMRC and therefore taxable.</p> <p>There are a number of employees for the Constabularies that are likely to fall within the category of dual workplace workers, which are required to pay tax on mileage payments for journeys between home and their second place of work.</p> <p>A recent review has not been undertaken to identify and notify dual work workers of the implication of being a dual work worker. Nor is a register maintained of dual workplace workers.</p>	<p>A review be undertaken to identify potential dual workforce workers, with a system to record those identified and verify that tax implications have been addressed.</p>	2	<p><i>A notification will be issued to all Department Heads to ensure that they consider staff travelling between sites comply with the Dual Workplace HMRC guidance and maintain records of those identified</i></p>	30 June 2019	<p>Head of Transport Services</p>

**Audit Report: Key Financials (NSC1909)**

**Report: May 2019**

**SCOPE**

The purpose of the review was to assess the adequacy and effectiveness of the internal controls in place for managing the key financial systems across the Constabularies, as follows:

- General Ledger;
- Payroll;
- Accounts Payable;
- Accounts Receivable;
- Treasury Management;
- Budget setting and Monitoring.

**MATERIALITY**

**KEY FINDINGS**

The overall opinion of the systems and process in place are reasonable. The recommendations raised for improvement are in relation to ERP, Enact, and the use of purchase orders, overdrafts and payment methods for contractors.

- Enact forms are not always processed promptly, with system reporting limitations preventing the highlighting of delays.
- Access to ERP requires oversight by a designated administrator, with regular review as staff change roles within the organisations.
- The use of retrospective purchase orders being raised to be reviewed, to promote purchase orders being raised in advance of any purchases.

**OVERALL ASSURANCE ASSESSMENT**



**ACTION POINTS**

Urgent	Important	Routine	Operational
0	3	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	Whilst the reporting functionality on ERP is limited, it has been possible to obtain a report of staff that have access to ERP. It was found that there are a number of staff that have general ledger, accounts payable, accounts receivable, and payroll access who do not require access as part of their current role. When staff change roles and leave the finance department access rights on ERP are not always updated to reflect the access requirements of the new role.	A designated administrator be assigned to undertake regular reviews of staff access rights on ERP to ensure that access rights are appropriate.	2	<p><i>A review of ERP access rights to be undertaken by the ERP team.</i></p> <p><i>A designated administrator to be assigned upon the development of the Shared Service Transaction Centre. The requirement for a designated administrator for the ERP system to be included within the Shared Service Transaction Centre Business Case.</i></p>	31/03/2020	Head of Transactional Services

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Compliance	A sample of 30 purchase orders were randomly selected to test, to verify appropriate authorisation. Whilst authorisation was confirmed for all 30 purchase orders, it was found that 10 had been raised retrospectively. Retrospective raising of purchase orders is not in accordance with the approved procurement processes. There is a risk of duplicate goods and services being received if retrospective purchase orders are sent out to suppliers.	Staff raising retrospective purchase orders be reminded that purchase orders are to be raised in advance of procuring of goods/services.	2	<i>The Assistant Chief Offices will formally notify heads of department that it is not acceptable for purchase orders to be raised retrospectively.</i>	30/06/2019	Head of Transactional Services
4	Compliance	Enact is being replaced with Iforms. The implementation of the new system will provide an opportunity to introduce a control to flag and escalate forms that have not been processed promptly, to help avoid delays and possible overpayments to staff. There is a need to have any appropriate flagging and escalation process for Enact forms/Iforms to ensure that these are processed promptly to ensure that employees are paid correctly.	A flagging system be developed to identify Iforms that are not being processed promptly by Line Managers so that these can be escalated accordingly.	2	<i>A solution will be implemented upon "Go-Live". The nature of this will develop as the IForms project continues.</i>	30/09/2019	HR Service Centre Manager

**Audit Report: Fuel Usage and Telematics (NSC1920)**

**Report: May 2019**

**SCOPE**

The purpose of the audit was to review the arrangements in relation to fuel usage and assessed the progress in relation to implementation of telematics into fleet vehicles, across both Constabularies.

**MATERIALITY**

The value of telematics spend at the time of audit was £817k. At the time of audit telematics had been installed in 926 vehicles. There are 35 vehicles which are awaiting telematics to be installed.

**KEY FINDINGS**

A project plan is in place to support implementation of telematics in all necessary fleet vehicles, and this was on progress to have telematics fitted by the target date of 31<sup>st</sup> March 2019.

- The Transport Standards Group has been established, with a remit to manage and implement change following the analysis of telematics data.
- Standardised guidance and processes require development to address any potential adverse performance, along with managing high risk drivers highlighted through telematics.
- Installation of telematics needs to be recorded on the new vehicle checklist, to ensure that telematics is implemented timely in all necessary vehicles.

**OVERALL ASSURANCE ASSESSMENT**



**ACTION POINTS**

Urgent	Important	Routine	Operational
0	1	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	<p>The Transport Standards Group is still to publish guidance for Line Managers on the process to adopt for any breaches of the telematics policy.</p> <p>Standardised guidance will help to ensure that adverse behaviour is dealt with consistently and the policy is complied with.</p>	<p>Standardised guidance and process be developed to address any potential adverse poor driving identified through telematics.</p>	2	<p><i>This is being developed by the Head of Transport and Transport Standards Group with assistance from Dr Julie Gandolfi who has been commissioned by our Motor Insurers, Edison.</i></p>	31/10/19	<p><i>Head of Transport and Uniform / Transport Standards Group</i></p>

**Audit Report: Risk Management (NSC1903)**

**Report: May 2019**

**SCOPE**

The review considered how the Constabularies have engaged with risk management and how well risk management is embedded.

**MATERIALITY**

Commands/departments maintain their own local risk register, with a overriding joint strategic risk register.

**KEY FINDINGS**

Work is underway to strengthen and enhance the Constabularies risk management process. A risk management framework is in place, with operational risk registers recording operational risks and controls.

- An updated risk management policy has been produced and made accessible to staff.
- The format of the joint strategic risk register has been revised, which includes, each risk on the strategic risk register having its own page and a summary covering page for the strategic risk register. The summary page highlights new risks and risks that are increasing.
- Progress is being made to address recommendations that were raised in last year’s audit.
- Upon review of the revised joint strategic risk register, training is to be provided to ensure that risks and controls are defined accordingly.

**OVERALL ASSURANCE ASSESSMENT**



**ACTION POINTS**

Urgent	Important	Routine	Operational
0	0	0	0