

ORIGINATOR: TIAA (INTERNAL AUDITORS)

PAPER NO: AC23/08

SUBMITTED TO: AUDIT COMMITTEE – 23 JUNE 2023

SUBJECT: SUMMARY INTERNAL CONTROLS ASSURANCE (SICA) REPORT 2023/24

SUMMARY:

1. The summary report provides an update on the progress of internal audit. The report is based on internal audit work carried out by TIAA and management representations that have been received during the period since the last progress report.
2. The follow up of internal audit recommendations undertaken by TIAA is undertaken throughout the year and reported to the Audit Committee during the year at each meeting.

RECOMMENDATION:

1. The Audit Committee is requested to consider the attached report.



Internal Audit

FINAL

Office of the Police and Crime Commissioner
for Suffolk and Chief Constable of Suffolk
Constabulary

Summary Internal Controls Assurance (SICA) Report

2023/24

June 2023

Summary Internal Controls Assurance

Introduction

1. This summary controls assurance report provides the Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at the Office of the Police and Crime Commissioner for Suffolk and Chief Constable of Suffolk Constabulary as the 13th June 2023.

Future of Internal Audit (IA)- Digital drivers

Use of Data analytics by TIAA

2. TIAA is always adopting new ways of working and methodologies including innovative approaches for delivering internal audits. This is part of our continuous improvement programme which facilitates improvements in efficiency, effectiveness, and the quality of the work we deliver. We currently use data analytics as part of our work in relevant areas to test against full data sets, spot hidden risks, to target our testing and to provide 'proof in total' assurance; this adds credibility and value to the reports we produce. Data Analytics helps us to analyse large volumes of data to identify trends, patterns, and anomalies that may indicate potential risks or opportunities for improvement.

How will Artificial Intelligence (AI) enhance the delivery Internal Audit of the future?

3. We believe that the way internal audits are delivered will change significantly in the next 3 to 5 years through the use of AI, through the use of auditing tools which contribute towards a process of continuous audit assurance, a wider use of predictive analytics to allow auditors to provide reports that are far more forward looking, and robotic process automation which will help remove much of the manual data collection work, thereby allowing Internal Audit more time to provide value-added analysis. Another branch of AI, Natural Language Processing (NLP), has the potential of also enabling auditors to analyse text in a large number of documents.
4. In addition to the use of Data Analytics, TIAA is actively exploring, as part of our vision for the future, the use of AI, automation and other digital tools to streamline the audit process, inform planning, reduce manual effort, and enhance the quality of audit results. Automated data collection and analysis will help reduce the time required to complete audits and improve the accuracy and consistency of audit results. Innovative ways of using and integrating artificial Intelligence in the delivery of audits in response to the exponential growth in data, and how it is analysed and used in the context of Internal Audit, is part of TIAA's innovation strategy. We will also as part of our strategy be investigating more opportunities to not only use AI, but also to develop the capabilities to audit AI and the associated ethical considerations.

Audits completed since the last SICA report to the Audit Committee

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

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Use of Social Media	Reasonable	18/04/23	01/06/23	01/06/23	-	1	1	-
Whistleblowing	Reasonable	25/05/23	12/06/23	13/06/23	-	1	-	-
Key Financials	Reasonable	31/05/23	12/06/23	13/06/23	-	-	6	1

6. The Executive Summaries and the Management Action Plans for each of the finalised reviews are included at Appendix A.

Progress against the 2022/23 and 2023/24 Annual Plans

7. Our progress against the Annual Plan for 2022/23 and progress against the Annual Plan for 2023/24 is set out in Appendix B.

Changes to the Annual Plan 2022/23

8. There have been such changes proposed to the 2022/23 internal audit plan. The following audits are to be transferred to the 2023/24 internal audit plan;

- Change Management
- ICT Strategy
- Cyber Security – days to be transferred to the 2023/24 Cyber Security budget so that in-depth Cyber Security Maturity Audit can be undertaken
- System ERP / Enact / DMS / Chronicle Interfaces
- Data Protection / Freedom of Information
- Security of Seized Proceeds of Crime (Cash and Assets)
- Vetting

Progress in actioning priority 1 & 2 recommendations

9. We have not made any Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA. More information is provided in Appendix C.

Frauds/Irregularities

10. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

Other Matters

11. We have issued a number of briefing notes and fraud digests, shown in Appendix D, since the previous SICA report.

Responsibility/Disclaimer

12. 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.

Executive Summaries and Management Action Plans

The following Executive Summaries and Management Action Plans are included in this Appendix. Full copies of the reports are available to the Audit Committee on request. Where a review has a 'Limited' or 'No' Assurance assessment the full report has been presented to the Audit Committee and therefore is not included in this Appendix.

Review	Evaluation
Use of Social Media	Reasonable
Whistleblowing	Reasonable
Key Financials	Reasonable

Executive Summary – Use of Social Media

OVERALL ASSESSMENT







ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Social media is not used appropriately, and causing reputational damage.



SCOPE

The audit reviewed the policies and procedures around the use of social media, training and compliance with those policies.

KEY STRATEGIC FINDINGS

-  Training is not provided to police staff on the appropriate use of social media as part of their induction process.
-  Increased workloads for the professional standards department prevents the professional standard department being able to undertake proactive checks on social media accounts. A business case has been prepared to request additional resources, which should enable proactive checks to be undertaken.
-  Social media accounts are considered as part of the vetting process for both police officers and police staff.
-  There is a current policy on 'Digital Engagement and Social Media', the policy was published in October 2022.

GOOD PRACTICE IDENTIFIED

-  Regular communication is issued to police officers on the appropriate use of social media, information is published in force orders.
-  Norfolk and Suffolk have official social media accounts, access to the official Norfolk and Suffolk is restricted to the staff members that have been granted access to these accounts.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	1	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	Training is not provided to police staff on the appropriate use of social media as part of their induction process	Police staff receive training on the appropriate use of social media as part of their induction process.	2	Agreed, social media training will be provided to police staff as part of their induction. TEAMS will be used to provide this training to new police staff.	30/06/23	Detective Chief Inspector
2	Directed	Increased workloads for the professional standards department prevents the professional standard department being able to undertake proactive checks on police officer's social media accounts.	Regular adhoc proactive checks be undertaken on social media accounts.	3	Agreed, this will be undertaken when resources allow. Sample checking of social media accounts will be undertaken.	30/09/23	Detective Chief Inspector

Executive Summary – Whistleblowing

OVERALL ASSESSMENT







ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Both Norfolk and Suffolk have on their strategic risk register a risk in relation to public confidence. For Norfolk the risk is 'Failure to increase visible and trusted policing' and for Suffolk the risk is 'Failure to deliver a good and safe service to the public and / or victims



SCOPE

The objective of the audit was to determine if there are effective controls in place in relation to whistleblowing.

KEY STRATEGIC FINDINGS

-  The Professional Standards Department (PSD) has seen workloads increased considerably recently, this has caused additional pressure for the department. A business case has been produced to request additional resources.
-  A formalised process needs to be agreed to ensure that PSD files are retained and disposed off in accordance with Management of Police Information (MoPI) requirements.
-  Norfolk and Suffolk have a joint Confidential Reporting and Whistleblowing Policy in place, this has only recently been reviewed.
-  A standard process is followed when investigating concerns raised under the Confidential Reporting and Whistleblowing Policy

GOOD PRACTICE IDENTIFIED

-  It is clear how whistleblowing concerns are to be reported, there are a number of ways to report concerns.
-  Action plans have been developed for both Norfolk and Suffolk to address the recommendations from the HMICRFS Inspection of Vetting, Misconduct and Misogyny in the Police Service review.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	0	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	Members of the Professional Standards Department are aware of the requirements to be compliant with Management of Police Information (MoPI), currently there is not a process in place within the professional standards department to ensure that investigation files are retained and disposed off in accordance with MoPI requirements.	A formalised process to be developed to ensure that files are retained and disposed off in accordance with MoPI requirements.	2	<i>Agreed, this issue is known a process is being developed and files will be checked to ensure that they are compliant with MoPI.</i>	30/08/23	Detective Chief Inspector

Executive Summary – Key Financials

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

For Norfolk Strategic Risk 7 - Failure to deliver good stewardship of taxpayers' money and for Suffolk Strategic Risk 9 - Financial Uncertainty

SCOPE

The review considered the arrangements for key controls operating within the systems and Force Management Statements.

KEY STRATEGIC FINDINGS



Key controls were found to be in place for most aspects of the financial systems apart from the Accounts Payable (AP) system where duplicate invoices and credit notes had been processed.



A control weakness for Accounts Receivable regarding the lack of separation of duties between invoicing and receipting of payments has been previously raised with management who have accepted the risk associated with this.



Audit trails in relation to chasing aged debtors need to be improved as evidence of this for some debtors could not be found.



Testing of AP invoices identified issues in respect of checks and approval of two invoices in accordance with delegated limits where Purchase Orders were not in place.

GOOD PRACTICE IDENTIFIED



The Treasury Management Strategies comply with CIPFA's Code of Practice and controls are in place to ensure these are complied with.



A standard process is in place for all new starters, changes to contracts and leavers.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	5	1

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>The Constabularies use the Enterprise Resource Planning (ERP) integrated finance system for recording and accounting for its financial transactions.</p> <p>The majority of staff have read only access, with the ability to make amendments to data on ERP being restricted to finance staff.</p> <p>A recommendation was made previously to include a separation of duties between those raising invoices, credit notes and receipting of cash, so that the risk of fraud is reduced. The recommendation was rejected by management who have accepted the risk based on other compensating controls and the residual risk remaining.</p>	<p>Management to confirm that they continue to accept the risk that the lack of separation of duties between the raising of invoices/credit notes and receipting of income.</p>	3	<p><i>The risk is accepted. The access rights are set by the system developer and this is something that we cannot influence. We feel that we do have compensatory controls in place.</i></p> <p><i>If income was not receipted appropriately this would be identified by the budget holder as part of the budget monitoring process.</i></p>	<i>n/a as the recommendation is not accepted</i>	<i>n/a as the recommendation is not accepted</i>
2	Directed	<p>A review of the two journal registers maintained by Financial Accounts and Corporate Accounts found that Corporate Accounts do not include the approver of the journal, whereas this information is included within the Financial Accounts register. In terms of the latter register, it was noted that two journals had been recorded as being created and posted by the same person, i.e., there was no separation of duties. After further investigation of the transactions on the system, it was found that the name of the approver on the register had been recorded incorrectly for these two journals. This was discussed with the Head of Financial Accounts and Specialist Functions, who investigated running a journal report from the ERP system but found this was not possible, meaning that</p>	<p>A journal report to be produced quarterly to identify and review any journals.</p> <p>If this is not possible, the approver be added to the Corporate Accounts journal register so that journals created and posted by the same person can be easily identified and checked to ensure that they are appropriate. Evidence of this review should be recorded within both registers.</p>	3	<p><i>Agreed, this will be addressed. The system will be investigated to establish if a journal report can be produced. And if this is not possible, the alternative will be implemented.</i></p>	31/08/23	<i>Head of Financial Accounting and Specialist Functions</i>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
		the report will need to be developed by the service providers at cost.					
3	Directed	Out of eight overdue debts for Norfolk and five from Suffolk the following was identified that five had no evidence of chasing the debtors either at standard reminder stage or subsequently within a reasonable timescale: e.g. in one instance there was a gap of one year between the date of correspondence recorded. It was noted during testing that some of the reminders to debtors were from individual's email accounts, instead of the generic email accounts set up for debtors' invoices and reminders.	Management to review the aged debtors list to ensure that debtors are chased within reasonable timescales. Reminders or follow-up emails be sent from the generic debtors' email accounts only.	3	<i>Agreed, this will be addressed. Lack of resources have impacted the ability to chase up debtors as usual .</i>	31/08/23	Head of Transactional Services
4	Directed	A report of all payments for Norfolk and Suffolk was obtained and a sample of 20 transactions per Constabulary was tested to check that the transactions were supported by an appropriately authorised invoice. It was noted that the utility bills for Total Energies GP energy are sent to Finance for Payment without evidence of authorisation by the budget holder.	Payment requests for utility bills to evidence approval of invoice by the budget holder.	3	<i>Agreed, this will be addressed</i>	31/08/23	Head of Transactional Services

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Directed	<p>For Suffolk accommodation costs paid to Agitto, these are checked against booking requests.</p> <p>A process is not in place to ensure that payment made to Agitto for Norfolk accommodation costs are checked against booking requests.</p>	Checks be completed for Norfolk accommodation costs booked with Agiito.	3	<i>Agreed, this will be addressed</i>	31/08/23	Head of Transactional Services
6	Directed	Testing of Accounts Payable (AP) invoices found that there was one duplicate invoice and one duplicate invoice processed.	The lack of control over duplicate invoices be raised with System developers and ensure that these are addressed. In the meantime, there is a need to address the individual invoice/credit note duplications, and to test AP data to ensure that no further duplicate payments have occurred.	3	<i>This appears to be an exception, the break down in control was due to a change in Oracle when it was upgraded. This has since been addressed.</i>	Already implemented	Head of Transactional Services

Progress against Annual Plan

2022/23 Internal Audit Plan

System	Planned Quarter	Current Status	Comments
Complaints	1	Final Report	
Workplace Health	1	Final Report	
Safeguarding	1	Final Report	
Establishment, Capacity, Recruitment and Retention	2	Final Report	It was requested by management that the audit was moved until 2022/23.
Absence Management, with limited duties	2	Final Report	It was requested by management that the audit was moved until 2022/23.
Performance Management	3	Final Report	
Whistleblowing	3	Final Report	Was undertaken in quarter 4 at the request of management
Use of Social Media	2	Final Report	Was undertaken in quarter 4 at the request of management
Key Financials	4	Final Report	
Overtime and Additional Allowances	2	Draft Report	Was undertaken in quarter 4 at the request of management
Risk Management	4	Draft Report	Was undertaken in quarter 4 at the request of management
Local procurement compliance including waivers	2	Draft Report	Was moved to quarter 4 at the request of management
Commissioners Grants	4	Fieldwork in progress	
Agile Working	4	Fieldwork in progress	
Data Quality	4	Fieldwork in progress	

Resource Management Unit	4	Fieldwork in progress	
Firearms Licensing	4	Fieldwork in progress	
Succession Planning	4	Fieldwork in progress	

2023/24 Internal Audit Plan

System	Planned Quarter	Current Status	Comments
Business Interest, Secondary Employment and Declaration of Interest	1	Audit has been scoped	Audit proposed to commence 4 th July
Fuel Usage and Security of Fuel Cards	1	Audit has been scoped	Audit is proposed to commence 10 th July
Sustainability	1	Audit has been scoped	The audit has been agreed to commence 7 th August
Business Continuity	1	Audit has been scoped	The audit has been agreed to commence 18 th July
Fleet Management Strategy	1	Audit has been scoped	Audit is proposed to commence 7 th August
Grievance Reporting and Management	1	Audit has been scoped	Audit is proposed to commence 18 th July
Staff Retention and Staff Appraisals	1	Audit has been scoped	The audit has been agreed to commence 4 th September
ICT Cyber Security Maturity	2	Audit has been scoped	Awaiting confirmation of start date. Audit days from the 2022/23 have been transferred to the 2023/24 audit so that in-depth 23/24 internal audit can be undertaken.
Ill Health Retirement	2	Audit has been scoped	The audit is proposed to commence 16 th August
Planned and Preventative Estate Maintenance	2	Audit has been scoped	The audit has been agreed to commence 23 rd August
Firearms Management and Training	2	Audit has been scoped	The audit has been agreed to commence 10 th July
Absence Management including Limited Duties	2	Audit has been scoped	Awaiting confirmation of start date
New E-recruitment systems	2	Audit has been scoped	Awaiting confirmation of start date
Expenses	3	Audit has been scoped	The audit is proposed to commence 3 rd July
Subscriptions	3	Audit has been scoped	The audit is proposed to commence 29 th September

Out of Court Disposals (OOCs)	3	Start date agreed	The audit has been agreed to commence 1 st November
Procurement Strategy and Compliance	3	Awaiting confirmation of start date	The audit is proposed to commence 14 th December
Data Quality	3	Start date agreed	The audit has been agreed to commence 21 st November
Key Financial Controls	4	Audit has been scoped	The audit is proposed to commence 11 th February
Risk Management	4	Audit has been scoped	Awaiting confirmation of start date
Culture and Required Behaviour	4	Awaiting confirmation of start date	The audit is proposed to commence 9 th January
Change Management	3	Audit has been scoped – start date 5 th December	Transferred from the 2022/23 internal audit plan
ICT Strategy	2	Audit has been scoped – start date agreed	Transferred from the 2022/23 internal audit plan
System ERP / Enact / DMS / Chronicle Interface	2	Audit has been scoped – start date agreed	Transferred from the 2022/23 internal audit plan
Data Protection / Freedom of Information	2	Audit has been scoped – awaiting confirmation as to when this should commence	Transferred from the 2022/23 internal audit plan
Security of Seized Proceeds of Crime (Cash and Assets)	2	Audit has been scoped – start date agreed	Transferred from the 2022/23 internal audit plan
Vetting	2	Audit has been scoped – start date agreed	Transferred from the 2022/23 internal audit plan. Due to requirements to incorporate findings from national vetting review.

KEY:

To be commenced	Site work commenced	Draft report issued	Final report issued
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Recommendations Update

Recommendations implemented since the last Audit Committee meeting;

Audit	Recommendation	Priority	Management Comments	Original Due Date	Responsible Officer	Progress
Seized Monies	Additional resilience be factored into the seized monies process after the monies have been banked.	2	<i>This post forms part of the Shared Service Transaction Centre (SSTC). The SSTC Governance Board has commenced Phase 3 of the SSTC business case to review the AP/AR/Supplies Teams (which includes seized monies) and this will be considered as part of this. This will be implemented as recommended by the 30th September 2022.</i>	30/09/22	Head of Shared Services Centre	<i>Additional resilience has been factored in, a further resource is in place</i>
Procurement Strategy and Policy	A review be undertaken of the process for approving orders less than £50,000 where local signatories are unavailable.	3	<i>Agreed, a review will be undertaken, in the interim the Head of Commercial Support will continue to authorise so that orders are appropriately authorised. The Head of Shared Services Transaction Centre will consult with appropriate personnel to ensure that the expenditure is appropriate prior to authorising.</i>	30/09/22	Head of Commercial Services	<i>This has been addressed, a review of the process for approving of orders less than £50k has been undertaken, In addition, the Head of Commercial Services now works in-house which provides greater scrutiny over the process for approving of orders.</i>

The following table lists the recommendations that are overdue;

Audit	Recommendation	Priority	Management Comments	Original Due Date	Revised Due Date (s)	Responsible Officer	Latest update
Workplace Health	The written procedures for Cancer Guide for Managers and the Drug and Alcohol Protocol be reviewed, updated as necessary and approved. A system also be put in place to ensure the timely review and approval of procedures within the department.	3	<i>The Cancer Guide was replaced by the Macmillan Cancer and Work guides that are sent out to managers and colleagues as required. The department does have a review process for policies and procedures; due to staffing issues this hasn't been kept up to date, however this can now be rectified as staffing has improved. The Drug and Alcohol policy should be under the ownership of Professional Standards with an input on process from Workplace Health. Following discussions with PSD, they are still waiting for national guidance to be released before the local policy can be written.</i>	01/11/22	30/06/23	Head of WHSW	<p><i>Still awaiting national guidance to be able to review and update the procedures.</i></p> <p><i>A revised due date has been requested for this recommendation.</i></p>
Recruitment	A recruiting of police officer policy be produced and made accessible.	2	<i>The production of this policy remains a key priority, but the key dependencies (the introduction of PEQF and the OLEEO E-Recruitment System) remain outstanding. The Implementation Date therefore takes these into account.</i>	30/06/22	30/04/23 & 30/06/23	Head of Resourcing	<p><i>The policy is being reviewed to take into account changes that are being brought in following the implementation of OLEEO. The Constabularies are implementing a new recruitment system. The OLEEO project has only just commenced so currently in the process of defining what everything will look like when launched. The policy will need to go out for consultation and is scheduled to go to the June JNCC meeting for sign off.</i></p> <p><i>A revised due date was approved at the last audit committee, and work is progressing to get addressed by revised due date.</i></p>

Audit	Recommendation	Priority	Management Comments	Original Due Date	Revised Due Date (s)	Responsible Officer	Latest update
Recruitment	The recruiting of police staff policy be reviewed to ensure that it reflects current legislation.	2	<i>As stated within the finding, this has been delayed by the expected implementation of the new e-recruitment system. The review will take place as soon as implementation allows.</i>	30/06/22	30/04/23 & 30/06/23	Head of Resourcing	<p>The policy is being reviewed to take into account changes that are being brought in following the implementation of OLEEO. The Constabularies are implementing a new recruitment system. The OLEEO project has only just commenced so currently in the process of defining what everything will look like when launched. The policy will need to go out for consultation and is scheduled to go to the June JNCC meeting for sign off.</p> <p>A revised due date was approved at the last audit committee, and work is progressing to get addressed by revised due date</p>

Priority Gradings (1 & 2)

1	URGENT	Fundamental control issue on which action should be taken immediately.
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2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
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3	ROUTINE	Control issue on which action should be taken.
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Briefings on developments in Governance, Risk and Control

TIAA produces regular briefing notes to summarise new developments in Governance, Risk, Control and Anti-Crime which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those CBNs and Anti-Crime Alerts issued in the last three months which may be of relevance to the Office of the Police and Crime Commissioner for Suffolk and Chief Constable of Suffolk Constabulary is given below. Copies of any CBNs are available on request from your local TIAA team.

Summary of recent Client Briefing Notes (CBNs)

CBN Ref	Subject	Status	TIAA Comments
CBN - 230006	Tips for Virtual Meetings and Video Conferencing during the COVID-19 Pandemic		<p>No Action Required</p> <p>For information only to Audit Committees and Boards / Governing Bodies.</p>