

AUDIT COMMITTEE

Monday 30th July 2018 at 2.00 p.m.
Wroxham Room, Jubilee House, Falconers Chase,
Wymondham, Norfolk NR18 0WW

A G E N D A

Note for Members of the Public: If you have any specific requirements to enable you to attend the meeting, please contact the OPCCN (details overleaf) prior to the meeting.

Part 1 – Public Agenda

1. Welcome and Apologies
2. Declarations of Personal and/or Prejudicial Interests
3. To approve the minutes of last meeting held on 17th April 2018
4. Update on the Audit of the 2017/18 Statements of Accounts – Report from Chief Finance Officer
5. Internal Audit – Reports from Head of Internal Audit (TIAA)
 - 2018/19 Progress Report (including outstanding reports from 2017/18)
 - 2018/19 Follow Up Review
6. Audit Committee Annual Report 2017/18 – Report from Chair of the Audit Committee
7. Forward Work Plan – Report from Chief Finance Officer

Part 2 – Private Agenda

8. Strategic Risk Register Update – Report from Chief Executive and Chief Constable
9. Date of Next Meeting

Tuesday 23rd October at 2pm in the Wroxham Room.

Enquiries to:

OPCCN

Building 8, Jubilee House,

Falconers Chase, Wymondham, Norfolk, NR18 0WW

Direct Dial: 01953 424455 Email: opccn@norfolk.pnn.police.uk

如果您希望把这份资料翻译为国语，请致电 01953 424455 或发电子邮件至：
opccn@norfolk.pnn.police.uk 联系诺福克警察和犯罪事务专员办公室。

Если вы хотите получить данный документ на русском языке, пожалуйста, обратитесь в Управление полиции и комиссии по рассмотрению правонарушений в графстве Норфолк по тел. 01953 424455 или по электронной почте: opccn@norfolk.pnn.police.uk

Se desejar obter uma cópia deste documento em português, por favor contacte o Gabinete do Comissário da Polícia e Crimes através do 01953 424455 ou pelo e-mail:
opccn@norfolk.pnn.police.uk

Jei šio dokumento kopiją norėtumėte gauti lietuvių kalba, prašome susisiekti su Policijos ir nusikalstamumo komisarų tarnyba Norfolk grafystėje (Office of the Police and Crime Commissioner for Norfolk) telefonu 01953 424455 arba elektroninio pašto adresu opccn@norfolk.pnn.police.uk

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OFFICE OF THE POLICE & CRIME
COMMISSIONER FOR NORFOLK



NORFOLK
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**MINUTES OF THE AUDIT COMMITTEE MEETING
HELD ON TUESDAY 17 APRIL 2018 AT 2 PM
IN THE WROXHAM ROOM, JUBILEE HOUSE,
FALCONERS CHASE, WYMONDHAM**

Members in attendance:

Mr R Bennett (Chairman)
Mrs J Hills
Ms A Bennett

Also in attendance:

Mr N Dean	Deputy Chief Constable (DCC)
Mr J Hummersone	Chief Finance Officer (CFO)
Mr M Hodgson	Associate Partner, Ernst & Young LLP
Mr C Harris	Head of Internal Audit, TIAA
Ms F Dodimead	Director of Audit, TIAA

Part 1 - Public Agenda

1. Welcome and Apologies

The Chairman reported that Mr A Matthews had been appointed to the vacant position on the Committee. Mr Matthews was unavailable for this meeting.

The Chairman welcomed Mark Hodgson to the meeting. Apologies were noted from Mark Stokes (Chief Executive, OPCC) and Peter Hargrave.

2. Declarations of Personal and/or Prejudicial Interests

Members were reminded of the need to update their Disclosable Interests.

3. To confirm the minutes of the meeting held on 9 January 2018

Subject to one minor spelling correction **the Minutes were approved** as a correct record.

**4. Internal Audit - 2017/18 Audit Progress Report and Follow Up Report
- 2017/18 Annual Report
- 2018/19 Internal Audit Plan (Final)**

- 4.1 The Head of Internal Audit and Director of Audit introduced the Progress Report. The 10 outstanding draft reports would be present to the July meeting of the Committee. The Committee raised questions and received explanations on the ill health retirement, temporary recruitment, absence management, purchase cards and payroll reports particularly focussing on those with Limited Assurance. **The CFO agreed** to report back on two matters; reassurance that the 70 members of staff affected by HMRC reconciliation problems were aware of the problem and being suitably assisted, and the reason(s) for the big difference in year to date creditor spend between Norfolk (£55.9m and Suffolk £10.2m).
- 4.2 The Head of Internal Audit and Director of Audit introduced the Follow Up Report. It was noted that only 20 recommendations remained unimplemented, none of them Priority 1. The CFO gave some examples of why deadlines had to be extended. The Committee regarded the situation as perfectly acceptable.
- 4.3 Finally, the Head of Internal Audit introduced the Internal Audit Annual Report which summarised the work carried out during the year and the Committee was pleased to note the positive opinion given. The Head of Internal Audit drew attention to 8 limited assurance reports giving notice that if there were more than 8 in 2018/19 then a less positive opinion was likely. It was pointed out that management had directed audit activity to areas where good assurance was unlikely. The Director of Audit reported good engagement with auditees.
- 4.4 The Chairman summarised the discussions, welcomed the direction of travel detailed in the report and noted that all areas of the business had been looked at, not just those performing well. He also welcomed the wider perspective being taken by internal audit but recognised that the organisation was under pressure. Appreciation was expressed by the CFO, the Chairman and the Committee for the diligent way that the Director of Audit and her team had worked through the plan and reported to the Committee.
- 4.5 **The Committee noted** the reports.

5. Review of the effectiveness of the system of internal control and the draft Annual Governance Statement (AGS) 2017/18

- 5.1 The CFO introduced the report and explained that the production of the Annual Governance Statement was a commentary on compliance by the organisation with the Code of Corporate Governance and also served to document the review of the system of internal control.
- 5.2 Minor changes were noted to the Corporate Governance Framework in particular changes to the forces meeting structure (Diagram2).
- 5.3 The CFO described the work of the Corporate Governance Working Group which had overseen the review and the production of the AGS. He highlighted the detailed commentary on the work of Her Majesty's Inspector of Constabulary and

the Fire Service (HMICFRS) including actions taken as a result of the inspection recommendations. It was noted that although there were no significant governance issues the report did contain a summary of the 8 limited assurance audits discussed under the previous agenda item.

- 5.4 The Corporate Governance Working Group had concluded that the governance arrangements were fit for purpose in accordance with the Framework. It was noted that the Group would focus on one of the Principles in the Code of Corporate Governance when overseeing the 2018/19 AGS.
- 5.5 The Committee noted that the CFO would make further updates to the AGS and that the latest draft would be published alongside the draft 2017/18 Statements of Accounts at the end of May.
- 5.6 The Committee **noted** the completion of the review of the system of internal audit and **endorsed** the draft Annual Governance Statement.

6. Forward Work Plan

- 6.1 The Committee **noted** the Plan with some minor changes.

Part 2 - Private Agenda

7. Strategic Risk Register Update

- 7.1 The CFO introduced the report. Members had taken part in a risk management workshop in the morning and there had been a discussion on most of the key risks under other agenda items. There were no particular concerns and members welcomed the narrative summaries of the risks included in the covering report.
- 7.2 The Committee was aware that the recommendations from TIAA regarding the format or the risk registers would be considered by the force and the OPCC in due course.

8. Date of Next Meeting

30th July 2018 at 2 pm in the Wroxham Room

The meeting closed at 15:45.

.....
Mr R Bennett
CHAIRMAN



OFFICE OF THE POLICE & CRIME
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ORIGINATOR: Chief Finance Officer

REASON FOR SUBMISSION: To note.

SUBMITTED TO: Audit Committee – 30 July 2018

SUBJECT: Update on the Audit of the Statements of Accounts
2017/18

SUMMARY:

1. The statutory deadline for the sign off of the 2017/18 Statements of Accounts (31 July 2018) will not be met.
2. It will be necessary to convene an additional meeting of the Committee to receive the accounts.

RECOMMENDATION:

1. The Committee is invited to note the report.

1. Background

- 1.1 In discussions with the external auditor, over the last week or so, it has become apparent that it will not be possible to complete the audit and for the accounts to be signed off by the statutory date of 31 July 2018.
- 1.2 As a result, there has been an exchange of correspondence between the Chief Financial Officers of Norfolk and Suffolk (similarly affected) and Ernst and Young.
- 1.3 The correspondence is attached to this report:-
 - Letter from Mark Hodgson, EY to the Norfolk CFO dated 23 July 2018
 - Letter from the CFOs of Norfolk and Suffolk to EY dated 23 July 2018 (and an Appendix).
- 1.4 The external auditor mentions finalising the audit in August or September.
- 1.5 At its meeting in September 2017, the Committee sought, and received, reassurances from Ernst and Young that the tighter deadline (sign off by end of July instead of end of September) would be achievable.

2. The Statutory Position

- 2.1 Extract from the Accounts and Audit Regulations 2015:-

Publication of statement of accounts, annual governance statement and narrative statement for Category 1 authorities

10.—(1) A Category 1 authority must, after approving the statement of accounts in accordance with regulation 9(2) but not later than 31st July of the financial year immediately following the end of the financial year to which the statement relates, publish (which must include publication on the authority’s website)—

- (a) the statement of accounts together with any certificate or opinion, entered by the local auditor in accordance with section 20(2) of the Act;
- (b) the annual governance statement approved in accordance with regulation 6(2); and
- (c) the narrative statement prepared in accordance with regulation 8.

(2) Where an audit of accounts has not been concluded before the date specified in paragraph (1) an authority must—

- (a) publish (which must include publication on the authority’s website) as soon as reasonably practicable on or after that date a notice stating that it has not been able to publish the statement of accounts and its reasons for this; and
- (b) comply with paragraph (1) as if for “but not later than 31st July of the financial year immediately following the end of the financial year to which the statement relates” there were substituted “as soon as reasonably practicable after the receipt of any report from the auditor which contains the auditor’s final findings from the audit which is issued before the conclusion of the audit”.

- 2.2 In simple term we will need to publish, before the 31 July 2018, the reasons for not being able to publish the audited statements of accounts. Then we will need to publish the audited accounts “as soon as reasonably practical....”

3. Conclusion

- 3.1 It is most disappointing that the deadline will be missed given the amount of hard, professional work undertaken by the Finance Team.
- 3.2 We will seek to agree a programme of work with Ernst and Young which will enable the audit to be completed as soon as possible.
- 3.3 An additional meeting of the Committee will need to be convened to receive the Auditor's Report on the Accounts and the Annual Governance Statement.

ORIGINATOR CHECKLIST (MUST BE COMPLETED)	PLEASE STATE 'YES' OR 'NO'
Has legal advice been sought on this submission?	No
Has the PCC's Chief Finance Officer been consulted?	Yes
Have equality, diversity and human rights implications been considered including equality analysis, as appropriate?	Not applicable
Have human resource implications been considered?	Not applicable
Is the recommendation consistent with the objectives in the Police and Crime Plan?	Not applicable
Has consultation been undertaken with people or agencies likely to be affected by the recommendation?	Not applicable
Has communications advice been sought on areas of likely media interest and how they might be managed?	No – not yet.
Have all relevant ethical factors been taken into consideration in developing this submission?	Ethical considerations have been taken into account in the production of the Annual Governance Statement and the Accounts.

In relation to the above, please ensure that all relevant issues have been highlighted in the 'other implications and risks' section of the submission.

John Hummersone
Chief Finance Officer to the Chief Constable for Norfolk
Chief Finance Officer to the Police & Crime Commissioner for Norfolk

23 July 2018

Ref: Norfolk Police 17-18 audit/EY
Your ref:

Direct line: +44 7541 346507

Email: mhodgson@uk.ey.com

Dear John,

Norfolk Police - (Group, PCC and CC financial statements) 2017-2018 External Audit update

Further to our conversations last week, I am writing to confirm with you that my judgement is to postpone the completion of the external audit until August and September 2018.

I discussed with you the status of the audit. I have balanced the scale, complexity and risk of the audit procedures that still need to be completed with the amount of time and audit resources available to do this. In order to safeguard the quality and integrity of the external audit, I have reluctantly concluded that the completion of the audit before the end of July 2018 is not viable, and that a postponement is necessary.

I do recognise and appreciate the time, effort and investment that you have and continue to make to support the external audit through your finance team, and that this decision will be disappointing to both you, the Police & Crime Commissioner, the Chief Constable and their respective Joint Audit Committee.

There have been two key issues leading me to make the above judgement:

- Property, Plant & Equipment Valuations - We have assessed the estimate of land and buildings provided by management's expert. Our initial work indicates the estimate is outside of our acceptable range. This has triggered the need for greater review, which will include understanding management's expert's estimation basis, challenge of the assumptions and consideration of other local factors. This may then lead to specific work procedures on a sample of assets to gain sufficient assurance for opinion purposes.
- We have experienced delays in completing our audit work program to the envisaged timetable. An element of this is in relation to the Property, Plant & Equipment issue above. There have been some other delays in the provision of adequate supporting working papers or follow up to initial audit questions for other items of account within the financial statements. In addition, there have been delays within our own audit team - in terms of delivery to timetable and documenting our work to the required standards.

I recognise that we need to reconnect with you and your finance team to work through the issues and to that end we have set out and agree detailed project and resource plan to complete the external audit testing by the middle of August. I and my External Audit Manager, Chris Hewitt, will be available to update the Joint Audit Committee at its meeting on Monday 30 July 2018.

In my professional opinion, I would not deem it appropriate for the Joint Audit Committee to consider, nor the Police & Crime Commissioner and Chief Constable to approve, their respective financial statements at the Audit Committee on the 30 July. Whilst the published draft financial statements may not change, I cannot give any assurances at this point in time, for the reasons set out above.

I would suggest that we convene either a special Joint Audit Committee, or a meeting(s) with the Police & Crime Commissioner and Chief Constable, once I am in a position to fully report the findings and outcomes from our audit.

In order to comply with the requirements of the Accounts and Audit Regulations 2015, I highlight in red below the relevant section of the regulations that need to be adhered to.

Extract from the Accounts and Audit Regulations 2015

Publication of statement of accounts, annual governance statement and narrative statement for Category 1 authorities

10.–(1) A Category 1 authority must, after approving the statement of accounts in accordance with regulation 9(2) but not later than 31st July of the financial year immediately following the end of the financial year to which the statement relates, publish (which must include publication on the authority's website)–

- (a) the statement of accounts together with any certificate or opinion, entered by the local auditor in accordance with section 20(2) of the Act;
- (b) the annual governance statement approved in accordance with regulation 6(2); and (c) the narrative statement prepared in accordance with regulation 8.

(2) Where an audit of accounts has not been concluded before the date specified in paragraph (1) an authority must–

- (a) publish (which must include publication on the authority's website) as soon as reasonably practicable on or after that date a notice stating that it has not been able to publish the statement of accounts and its reasons for this; and
- (b) comply with paragraph (1) as if for “but not later than 31st July of the financial year immediately following the end of the financial year to which the statement relates” there were substituted “as soon as reasonably practicable after the receipt of any report from the auditor which contains the auditor's final findings from the audit which is issued before the conclusion of the audit”.

I understand that you will wish to brief the Police & Crime Commissioner, the Chief Constable and the Chair of the Joint Audit Committee on this position, and I am happy to have discussions as necessary. I hope that this letter assists you in doing so.

Yours sincerely

MARK HODGSON

Mark Hodgson
Associate Partner
For and on behalf of Ernst & Young LLP
United Kingdom



Mark Hodgson (Associate Partner)
Ernst & Young LLP
One Cambridge Business Park
Cambridge
CB4 0WZ

23rd July 2018

Dear Mark,

Thank you for meeting with us last **Tuesday, 17th July**, to discuss progress with the audit. However, over the last few days we have reflected on the meeting and we wish to register our extreme disappointment that the Audit Opinion will not be signed until after the 31st July 2018.

At the Norfolk Audit Committee last year on 5th September and Suffolk on the 22nd September 2017 your predecessor reassured members that Ernst and Young would be able to complete the audit in the reduced timescale.

On **Friday 20th July** we received an email from Chris Hewitt that included a document that attributes the delays between the EY team and that of the constabulary. We completely disagree with the majority of the contents of this document. Please see attached Appendix 1 that outlines the areas we contest.

In addition, Chris Hewitt also attached a document with the remaining work plan to complete the audit. This schedules the remainder of the audit beyond the statutory date for its conclusion and *“covers the plan to complete the remaining elements of the audit by Friday 10 August 2018 in preparation for Mark's review upon Mark's return from annual leave.”*

We find this unacceptable.

The 3 week plan from Chris Hewitt is set out on the following page (cut and paste from the spreadsheet Chris Hewitt sent to us). This includes many basic audit items (agreement of Financial Statements; Cash and Bank as two examples) as well as some significant items (e.g.PFI) that have not yet commenced / been completed. Of the 36 items listed in the three tables below, only 5 or 6 are mentioned on your document of delays. The rest are not the result of any audit delays.

**The PCCs for Norfolk and Suffolk and CCs of Norfolk Constabulary
Week 23 July 2018**

Key elements of work
Payroll Control Account Reconciliation
Police Pension
Police Pension - Lump Sums
IAS 19 local Government Pensions
Income
Expenditure
External Funding Analysis
Journals
Agreement of Financial Statements
Audit Results Report

**The PCCs for Norfolk and Suffolk and CCs of Norfolk Constabulary
Week 30 July 2018**

Key elements of work
Police Pension
PFI
Reserves
Exit Packages
Financial Instruments
Cash and Bank
Cash Flow
Collaboration
Fixed assets
Provisions
Reserves

**The PCCs for Norfolk and Suffolk and CCs of Norfolk Constabulary
Week 6 August 2018**

Key elements of work
PFI
Payroll Control Account Reconciliation (if required)
Narrative Statement
Accounting Policies
Contracts
Remaining Grant Work
Interest Income
Interest Payable and Borrowing
All other minor disclosures not separately identified
Agreement of Financial Statements
Contingent Liabilities
Post Balance Sheet Events
Final Conclusion Steps
Whole of Government Accounts
Audit Results Report

We then received a letter from you on **Monday 23rd July** where you now say that your “*judgement is to postpone the completion of the external audit until August and September 2018.*” You then go on to say “*I would not deem it appropriate for the Joint Audit Committee to consider, nor the Police & Crime Commissioner and Chief Constable to approve, their respective financial statements at the Audit Committee on the 30 July.*” This is in contrast to the position we had agreed with you on Tuesday 17th July, where we had agreed for you to issue an Audit Results Report for the Audit Committees that outlined (a reduced number) of items still to be concluded, and for the PCC and CC to approve the accounts at the 30th July.

We are disappointed this view has subsequently changed.

Also in your letter dated **Monday 23rd July**, you have outlined two key issues that have led you to conclude to postpone the conclusion of the audit beyond the end of July:

1. *Property, Plant & Equipment Valuations - We have assessed the estimate of land and buildings provided by management’s expert. Our initial work indicates the estimate is outside of our acceptable range. This has triggered the need for greater review, which will include understanding management’s expert’s estimation basis, challenge of the assumptions and consideration of other local factors. This may then lead to specific work procedures on a sample of assets to gain sufficient assurance for opinion purposes.*

Valuations were supplied by the constabularies team in **January**, and the EY expert, Gerald Eves, supplied their information for assessment of tolerance in **April**. We were only informed of an issue with tolerance last week, and we discussed the issue with you at the meeting on the **17th July**. We then issued EY with our technical response on **19th July**. Had the assessment of tolerance been undertaken at the point of receipt of the Gerald Eves information, this issue would have already been resolved.

2. *We have experienced delays in completing our audit work program to the envisaged timetable. An element of this is in relation to the Property, Plant & Equipment issue above. There have been some other delays in the provision of adequate supporting working papers or follow up to initial audit questions for other items of account within the financial statements. In addition, there have been delays within our own audit team – in terms of delivery to timetable and documenting our work to the required standards.*

We disagree with the view contained in this statement about the impact of the constabulary side, and have provided detailed responses to the issues within Chris Hewitt’s document, and as previously stated these responses are attached to this letter (see Appendix 1).

Our view is that EY has completely under-resourced this audit, and we would like to raise the following resourcing points:

- The main audit was due to start on 4th June (leaving just under 2 months to complete the audit work)
- Chris Hewitt had several audits to manage and on average has only been on site 1 day a week
- An auditor was unavailable for the Norfolk and Suffolk audits from 4th June to 25th June as he was working on the Beds / Cambs / Herts audits
- The new audit lead only arrived on site 11th June
- In addition to this there was a change of audit lead between the interim audit and the main audit, and there does not appear to have been an adequate handover

It should also be noted that the audit team are not experienced auditors, and this has led to delays in resolving issues until Chris Hewitt was available.

In contrast, the constabulary team remains the same qualified, experienced and highly professional team that has had an excellent reputation with auditors and fellow professionals in the region for many years. The quality of working papers, for example, has always been reported as excellent.

There has also been a number of audit process and EY system issues that have generated significant delay:

- Income and Expenditure samples were not supplied until 10th July (over a month after the audit commenced)
- To this date it appears one of the auditors is not set up on the client portal (this is where we upload audit documents and working papers) and therefore everything has to go via the audit lead
- Documents that had previously been e-mailed to the previous audit lead, had to be re-uploaded to the portal as EY could not access them
- EY had not populated the portal with all the Suffolk requirements for the Client Assistance Schedule (CAS)
- The EY team regularly ask the constabulary team to guide them to the correct CAS request, as they do not appear to have an adequate understanding of what has been requested
- We have had to re-upload documents that EY could not open

As you stated at the meeting on Tuesday 17th July, the audit was scheduled late in the sequence of your audits, because we were seen as low risk (due to the quality of our team and their working papers). At the meeting you stated Norfolk and Suffolk were the only 2 out of 21 clients of yours that would not receive an opinion on time. We can only conclude that this scheduling, coupled with an inadequately resourced and inexperienced audit team has led to missing the statutory deadline, and we find this completely unacceptable.

Yours sincerely,

John Hummersone
Chief Finance Officer Norfolk

Chris Bland
Chief Finance Officer Suffolk

APPENDIX 1

The PCCs for Norfolk and Suffolk and The CCs of Norfolk and Suffolk Constabularies Reasons for slippage on the 2017/18 Audits

This document outlines the main areas of slippage on the audit for 2017/18 and sets out inefficiencies arising from the audit process indicates the processes EY will put in place going forwards to address the issues arising and prevent future budget overruns.

The document also sets out some of the delays in the provision of information from the PCCs and CCs during the audit process with completing the audit work.

Area Of Slippage	EY Inefficiencies	The PCCs for Norfolk and Suffolk and The CCs of Norfolk and Suffolk Constabularies	Constabularies Response
Income and Expenditure Testing	<p>In common with other Police audits EY apply the lower PCC materiality to income and expenditure as the analytics tool cannot map to the transaction level required for separate PCC and CC entries. Despite testing at interim, the lower materiality was producing more samples than expected at the final accounts audit. EY therefore tried to increase the efficiency of the audit by trying to split out PCC and CC expenditure. Time was lost due to the initial calculation of the sample sizes and then the re-calculation of the revised samples using a higher materiality level for the CC accounts.</p> <p>For next year, with a more efficient sample selection methodology available, the size of the samples should reduce. EY are to also discuss the mapping process of data with the Finance Team to enable the analytics data to drill down to PCC and CC individual transactions.</p> <p>EY used the PCC's and CC's computer to try and advance testing by directly accessing invoices. However, not all invoices chosen went to an invoice, some going to journals and others to emails that could not be opened. In addition, due to the way the data was provided from EY Analytics, EY were unable to select samples from the lowest drilldown level, which increased time spent on our testing. This meant further requests for information. EY will reflect on use of the computer for next year.</p> <p>The overrun amounted to 24 hours, split 12 each between Norfolk and Suffolk.</p>		<p>The issue here for us is that there was a significant delay until these samples were created due to the auditor not being on site and working on the B/C/H audits. This meant there was less resource available for our audit and delays in the commencement of significant work.</p>

The PPE evaluation was started very late in the audit. We had provided valuations in January, and the Gerald Eves information in April. We have provided information and a speedy response as to why the PPE estimates are within tolerance. The Constabulary team did not "cause" this issue. The time taken here cannot be attributed to us. This is a contingency issue.

This level of delay should be built into contingency planning. And also is an opportunity to work on one of the outstanding issues like Cash and Bank? These tests are not dependant on each other.

<p>Area Of Slippage</p>	<p>EY Inefficiencies</p> <p>Extra time was undertaken on the selection of the sample for the existence testing, the Audit Manager not having understood the instructions of the Associate Partner. In addition the budget for the work across the two audit sites underestimated the time involved to progress the audit work for Property, Plant and Equipment. The member of staff undertaking the audit was new to the audit and the budget did not take account of the time needed to become familiar with the working papers and accounting records.</p> <p>The lesson to learn from the process is to adjust the budgets where staff are new to the audit and working on more complex areas.</p> <p>This amounted to 26 hours, split 13 each between Norfolk and Suffolk. The element relating to existence testing included in these figures is 4 hours, 2 hours each between Norfolk and Suffolk</p>	<p>The PCCs for Norfolk and Suffolk and The CCs of Norfolk and Suffolk Constabularies</p> <p>During the course of our work on valuations, our assessment of the estimate provided by Management's expert highlighted that the estimate was outside of our predicted range.</p> <p>EY has spent extra time to understand the range and possible sensitivities to the range before raising with the Finance team and asking questions to assess how the estimate had been derived in light of our analysis. The assessment of the client's response may require the use of an Auditor's expert in the form of the EY Estates Team.</p> <p>This has taken 6 hours to date, 3 hours each between Norfolk and Suffolk, with further anticipated time required.</p>
<p>Debtors and Creditors</p>	<p>There was an error in budgeting given the lower audit testing thresholds that we have applied during the audit, in addition to the amount and standard of work required.</p> <p>The lesson to learn is to consider the impact on the resourcing for the audit should reduced materiality levels arise in future years.</p> <p>The overrun amounted to 4 hours split between 2 hours Norfolk and 2 hours Suffolk.</p> <p>In addition, EY's work was 10 hours over budget split between 5 hours Norfolk and 5 hours Suffolk, in order to re-visit our documents from earlier in the year and bring the documentation on the files to the required quality standards.</p>	<p>EY experienced delays as regards the receipt of evidence in support of the bad debt provision. The original responses received did not provide supporting information to enable a judgement to be made. Therefore we had to request a further listing of cases. Although the process of requesting further samples in themselves is not long, the impact is not being able to undertake the work as planned and when the samples come through these then cause a backlog in work to clear.</p> <p>This amounted to 2 hours, split 1 hour each between Norfolk and Suffolk.</p>

Area Of Slippage	EY Inefficiencies	<p>The PCCs for Norfolk and Suffolk and The CCs of Norfolk and Suffolk Constabularies</p>	<p>We discussed this at our meeting with Mark H on Tuesday. It took too long to get to the point of discussing compensating evidence and therefore the EY audit team wasted their own time. Had those discussions taken place earlier this process would have speeded everything up. At least half of this time is attributable to EY.</p>
Payroll Contract Testing		<p>EY undertook a test on payroll controls to confirm that the IT system calculated the payroll correctly. One of these tests failed - the test of detail which involved proving the validity of the payments made to officers and staff. This test was to prove payroll back to contracts to prove the pay point. There were a number of queries that were left over from interim period. EY had asked that supporting information be ready for our review.</p> <p>However, the Constabulary does not have records that readily reconcile to the Payroll. Therefore the auditor had to sit with the member of staff to work through the samples in order to understand and audit the figures. This takes a longer process than reviewing the evidence received and ticking the relevant figures. In addition, The Constabulary could not trace evidence for four members. This took extra time in agreeing to what would be acceptable compensating evidence, discussing with payroll staff and documenting the results.</p> <p>The overrun amounted to 21 hours, split 10.5 each between Norfolk and Suffolk.</p>	<p>This level of delay should be built into contingency planning. And also is an opportunity to work on one of the outstanding issues like Cash and Bank? These tests are not dependant on each other.</p>
Lump Sum Testing		<p>EY requested samples for our lump sum testing in April 2018. When EY followed up on auditing the samples in June, EY found that our sample had not been sent to the service provider. The sample was provided on 13 July which meant that this was adding work at the end of the audit rather than in a phased approach.</p> <p>The overrun amounted to 2 hours, split 1 hour each between Norfolk and Suffolk.</p> <p>Although the process of requesting further samples in themselves is not long, the impact is not being able to undertake the work as planned and when the samples come through these then cause a backlog in work to clear.</p>	

Area Of Slippage	EY Inefficiencies	<p>The PCCs for Norfolk and Suffolk and The CCs of Norfolk and Suffolk Constabularies</p>	<p>This is incorrect. The draft statements did contain estimates. And the impact of waiting for the final figures is insignificant and the figures themselves are immaterial.</p> <p>Plus there was an opportunity to progress with another item such as Cash and Bank.</p>
Officers Remuneration		<p>EY experienced slippage as EY were assigned a member of staff to deal with our Remuneration queries, but the member of staff could only deal with one element of the task. EY had to meet with a further officer to test the salary, fees and allowances part of the Remuneration Report note.</p> <p>The draft financial statements did not contain the "Benefits in Kind" figures for senior staff and officers in the Remuneration Report. The Finance Team has only just provided the draft figure calculations on excel 19 July 2018 for the Benefits in Kind,</p> <p>The overruns amount to 2 hours, split 1 hour each between Norfolk and Suffolk.</p> <p>Although the process of requesting further samples in themselves is not long, the impact is not being able to undertake the work as planned and when the samples come through these then cause a backlog in work to clear.</p>	
Exit Costs		<p>EY requested evidence for the exit costs including compromise agreements and termination letters and calculations on 4 June. The compromise agreements came through towards the end of the week of 15 July with the termination agreements being received early in the week of 16 July. EY has had to start the work and then stop pending the responses. Human Resources have yet to send through the termination agreements as at 19 July 2018, although EY has requested these throughout the audit.</p> <p>The overrun amounted to 4 hours, split 2 hours each between Norfolk and Suffolk.</p> <p>Although the process of requesting further samples in themselves is not long, the impact is not being able to undertake the work as planned and when the samples come through these then cause a backlog in work to clear.</p>	<p>Accept there was a delay in this area. However, some of the questions and follow up queries lack the clarity to deliver the right answers (e.g termination agreements). This process needs to be improved going forward. I cannot believe this has caused 4 hours overrun.</p>

This is an analytical review and explanations of "how" WERE provided. The accounts are constructed so that the figures in the main statements are easily traced back to the trial balance, and therefore the source of the figures is easy to verify. These would have been ticked back by a member of the audit team, so there is a communication issue here for EY. Time is invested in this process to make things easier for the auditors to follow. The work requested effectively meant having to reprovide the information already provided again that was easy to follow. There was also a fundamental misunderstanding of our coding structure at a senior level (despite it remaining unchanged for many years).

These things will happen in the course of the audit (i.e. updating figures for PBSE) and should be accommodated in EYs contingency planning. Seven hours is also a significant overestimate of time.

<p>Area Of Slippage</p>	<p>EY Inefficiencies</p>	<p>The PCCs for Norfolk and Suffolk and The CCs of Norfolk and Suffolk Constabularies</p>
<p>Audit Manager Review</p>		<p>Each year EY provide a list of queries based principally on the variances within the financial statements. This was issued on 4 June with a response time for 8 June and then this was deferred by agreement for a response by 15 June and the finance Team were preparing their working papers before EY come on site. However, the responses did not provide the how and why a variance had moved and the supporting code information as requested. EY sent the document back requesting this but the Finance Team's position was that the answers are in other documents already provided. Improved answers have been provided but the audit process takes more time than, as request and happens elsewhere, tabs itemising the variances are provide and the variances explained by the Finance Team.</p> <p>The Audit Manager had to request further information and then ask the audit team to follow up certain information and where required then search in the relevant file tabs necessary.</p> <p>The overrun amounts to 7 hours, split 3.5 hours each between Norfolk and Suffolk.</p> <p>Although the process of requesting information in itself is not long, the impact is not being able to undertake the work as planned and when the samples come through these then cause a backlog in work to clear.</p>
<p>Reserves</p>		<p>EY anticipates more work will be required because of the PCC and CC decisions to re-analyse the Reserves Notes. Although the figures may not have changed, we will need to trace through 2016/17 figures again alongside 2017/18 figures to ensure that the presentation is correct.</p> <p>This is likely to take 7 hours, split 3.5 hours each between Norfolk and Suffolk.</p>

Area Of Slippage	EY Inefficiencies	The PCCs for Norfolk and Suffolk and The CCs of Norfolk and Suffolk Constabularies	<p>The bank not responding is not an issue attributable to the constabulary team.</p> <p>The email to me said "These are likely to cause us extra fee work. " It did not say it would and I expected further conversations to occur.</p> <p>The team had the opportunity to review the PPE valuations and assess tolerance against the Gerald Eves information.</p> <p>The 21 hours mentioned here is a duplication of a previous value of hours and as previously described this was down to the inexperienced approach of the audit staff.</p>
Other Delays		<p>EY experienced other delays as regards to responses as regards:</p> <ul style="list-style-type: none"> - How the PCC and CC were dealing with Carillion; - Responses from the PCC and CC for Suffolk on the response to the fraud enquiry; - Interim work on payroll contracts where information was taking time to prepare and extra time arose and - Several reminders to banks for the return of bank and investment verification letters. <p>EY flagged the first three delays to the Head of Finance in April 2018 and that an extra audit fee would result from these delays.</p> <p>The overrun amounts to 21 hours (the bulk being 14 hours relating payroll contract work outline above), the remaining seven hours split 3.5 hours each between Norfolk and Suffolk.</p> <p>Although some delays occurred in April, by not having the issues resolved at the appropriate time meant that EY has had to deal with the issue in the final accounts period.</p>	
Total hours Overrun	<p>Total Overrun: 64 hours</p> <p>The PCC for Norfolk and CC of Norfolk Constabulary: 32 Hours</p> <p>The PCC for Suffolk and CC of Suffolk Constabulary: 32 Hours</p>	<p>Total Overrun: 72 hours</p> <p>The PCC for Norfolk and CC of Norfolk Constabulary: 36 Hours</p> <p>The PCC for Suffolk and CC of Suffolk Constabulary: 36 Hours</p>	

The time attributed to the Constabulary team is completely overstated (and looks like it is engineered to create a 50:50 view). Many of the smaller items (2-4 hours etc) should be accommodated within contingency or allow other items to be progressed (e.g. cash and bank). Some items are actually the fault of EY and some are items not attributable to the constabulary team. When you look at the number of outstanding items not yet progressed, these are NOT caused by delays to the audit and most are items additional to the above not yet commenced. They are caused by under resourcing and use of inexperienced staff NOT by any delays.



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

Audit Progress Report – Norfolk

2018/19

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 17th July 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	Draft issued	Key Dates			Number of Recommendations		
			Responses Received	Final issued		1	2	3
Business Interests (NSC1812)	Reasonable	09/01/2018	16/05/2018	16/05/2018	0	7	1	2
ICT Governance (NSC1816)	Reasonable	10/05/2018	14/04/2018	15/04/2018	0	1	0	0
Overtime, Expenses, Additional Payments	Limited	29/03/2018	22/05/2018	24/05/2018	0	3	1	0

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 the following urgent recommendations (i.e. fundamental control issues) since the previous Progress Report:
- A full review of the skills data recorded on ERP to be undertaken, requesting skills data held and trainers from individual departments, to ensure that ERP has an accurate record and can be used to identify skill requirements and gaps across the forces.
11. We have made no recommendations which have not been approved by management since the previous Progress 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.

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
2017/18 Plan							
Business Interests (NSC1812)	1	8	8	Final Report	July 2018	Reasonable	
ICT Governance(NSC1816)	2	12	12	Final Report	July 2018	Reasonable	
IM MOPI Project (NSC1818)	2	10	10	Draft Report	September 2018	Limited	
Overtime, Expenses, Add Payments (NSC1823)	2	14	14	Final Report	July 2018	Limited	
Corporate Policies (NSC1825)	4	10	10	Final Report	July 2018	Limited	
Learning and Development – Student Officer Training (NSC1804)	4	6	10	Final Report	July 2018	Limited	
Learning and Development – Skills (NSC1804)	4	6	10	Final Report	July 2018	Limited	
Risk Management – Mitigating Controls (NSC1814)	4	11	11	Final Report	July 2018	Reasonable	
Safeguarding and Investigations (NSC1822)	4	10	10	Final Report	July 2018	Substantial	
Accounts Receivable elements (NSC1828)	4	-	-	Final Report	July 2018	Reasonable	Separate report from key financials
2018/19 Plan							
Strategic Control, Corporate Governance and	1	10	10	Fieldwork	September 2018		

System	Planned Quarter	Planned Days	Actual Days to date	Current Status	Audit Committee Reporting	Assurance	Comments
Whistleblowing (NSC1901)				complete			
GDPR (NSC1907)	1	18	18	Draft report issued	September 2018		
Fixed Assets (NSC1911)	1	10	10	Fieldwork complete	September 2018		
Allowances (NSC1912)	1	14	14	Draft report issued	September 2018		
Duty Management System (1916)	1	14	14	Draft report issued	September 2018		
Vetting (NSC1917)	1	10	10	Draft report issued	September 2018		
Stations, including building access and vehicle security (NSC1922)	1	14	14	Final Report issued	July 2018		
Proceeds of Crime (NSC1927)	1	10	10	Draft report issued	September 2018		
Lone Working (NSC1929)	1	10	10	Fieldwork complete	September 2018		
Ethical Standards (Relationships Conduct) (NSC1930)	1-2	10	9	In progress			
Transformation and Strategic Planning/Change (NSC1902)	2	12		Scheduled			
Commissioners Grants (NSC1904)	2	18		Scheduled			
Cyber Security – Maturity Assessment (NSC1905)	2	10		Scheduled			
EPR / Enact / DMS / Storm (NSC1906)	2	12		Scheduled			
Website Content / CAD Grazing (NSC1908)	2	12		Scheduled			
Capital Programme (NSC1910)	2	10	9	In progress			

System	Planned Quarter	Planned Days	Actual Days to date	Current Status	Audit Committee Reporting	Assurance	Comments
Establishment, Capacity, Recruitment and Retention (NSC1915)	2	15	13	In progress			
Transport Strategy (NSC1918)	2	6		Scheduled			
Transport Procurement (NSC1919)	2	9		Scheduled			
Estates Strategy and Policies (NSC1921)	2	6		Scheduled			
Risk Management – Embedding/Development (NSC1903)	1-3	10	2	In progress			Working with management to monitor embedding, review in Q3
Records Management (NSC1913)	3	12		To be scheduled			
MoPI Project Implementation (NSC1914)	3	4		To be scheduled			
Purchase Cards (MNSC1923) Norfolk only	3	6		To be scheduled			
Control Room (NSC1924) Norfolk only	3	14		To be scheduled			
Control Room (NSC1925) Suffolk only	3	14		To be scheduled			
Recovered Property (NSC1928)	3	10		To be scheduled			
Key Financial Systems (NSC1909)	4	30		To be scheduled			
Telematics and Fuel Usage (NSC1920)	4	12		To be scheduled			
Business Cases (NSC1930)	4	10		To be scheduled		Added to plan	
Follow up of previous recommendations	1-4	12	3	Ongoing			
Management	1-4	20	4	Ongoing			
Total Days Planned		384					



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System	Planned Quarter	Planned Days	Actual Days to date	Current Status	Audit Committee Reporting	Assurance	Comments
Annual Plan Days		330					
Contingency b/fwd		58					
Contingency (c/fwd)		(4)					

KEY:

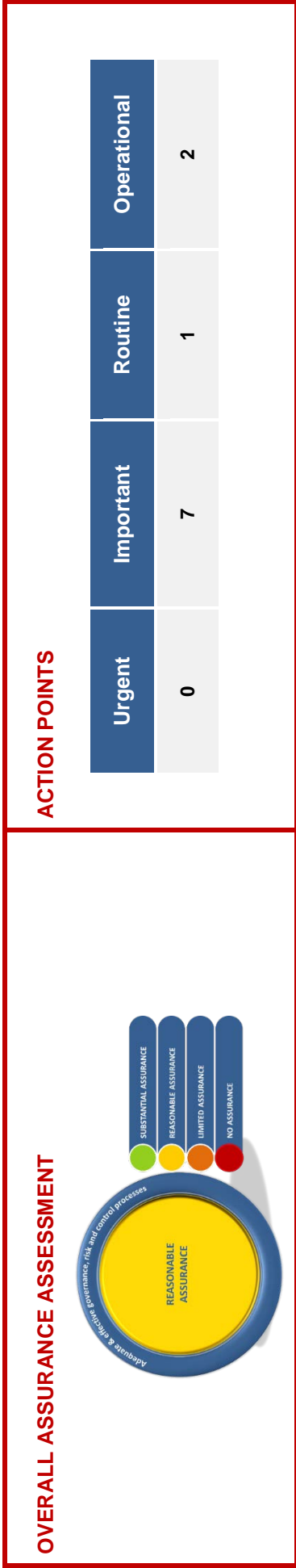
	=	To be commenced
	=	Site work commenced
	=	Draft report issued
	=	Final report issued

Summaries of Finalised Audit Reports issued since the last report

Audit Report: Business Interests (NSC1812)

Report: 16th May 2018

<p>SCOPE</p> <p>The audit focused on for business interests. The audit looked at the following areas;</p> <ul style="list-style-type: none"> • Policy and procedures • Communication with staff • Monitoring and compliance <p>MATERIALITY</p> <p>There are 497 approved current business interests for Norfolk and 371 for Suffolk.</p>	<p>KEY FINDINGS</p> <p>The overall opinion is provided on the basis of a standard process being in place for assessing a business interest request and records for business interests maintained. The following areas were identified where improvements could be made:</p> <ul style="list-style-type: none"> • Applicants are not required to declare business interests on application and thus the Constabularies could be undertaking 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.
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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"> • What constitutes a business interest, when and how this should be declared and those allowable. • Police funded courses, to ensure that individuals only undertake courses in the interest of the Constabularies and not for personal gain. • Requirement for managers' to consider approval for staff undertaking police funded courses to be considered on an individual basis. 	2	<p>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.</p> <p>There is no specific mention of police funded courses within the new policy. However, any training/consultancy business interest 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.</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	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. 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.	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.	2	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. This will be in conjunction with HR.	16/05/2018 Implemented.	Senior Complaints, Appeals & Policy Manager
4	Directed	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.	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.	2	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.	31/07/2018 Implemented.	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	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 th September 2018 is provided for the consideration period, to ascertain whether this is feasible to fully implement.	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	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.	16/05/2018 Implemented.	Senior Complaints, Appeals & Policy Manager

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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	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.	16/05/2018 Implemented.	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	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.	30/11/2018	Senior Complaints, Appeals & Policy Manager

Audit Report: ICT Governance (NSC1816)

Report: 15th 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.

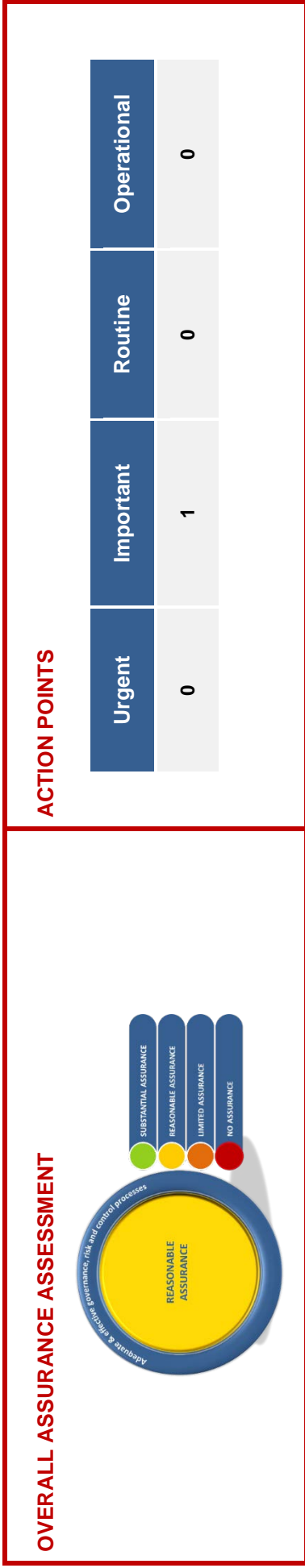
MATERIALITY

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.



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 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	A prioritisation methodology for all projects has been developed by CD&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.	31/07/2018	Head of SBOS / Head of PMO

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Audit Report: Overtime, Expenses and Additional Payments (NSC1823)

Report: 24th May 2018

SCOPE

The review considered the arrangements for overtime, expenses and additional payment transactions, for compliance with policy and procedures. These included overtime, mileage, car parking, meals, train travel and accommodation. The review also included focus on the validity of the expense claims. It is noted that as ERP is a templated system the risks associated with the self-authorising nature of the system have been accepted by management.

MATERIALITY

The materiality for overtime and expenses cannot be currently established, as system reporting does not distinguish these areas of expenditure within the payroll system, this has previously been raised as a system weakness.

KEY FINDINGS

The overall assurance rating is based on the validity of expense claims being processed through the ERP templated self-approval solution, along with a previous recommendation regarding policy revision remaining outstanding.

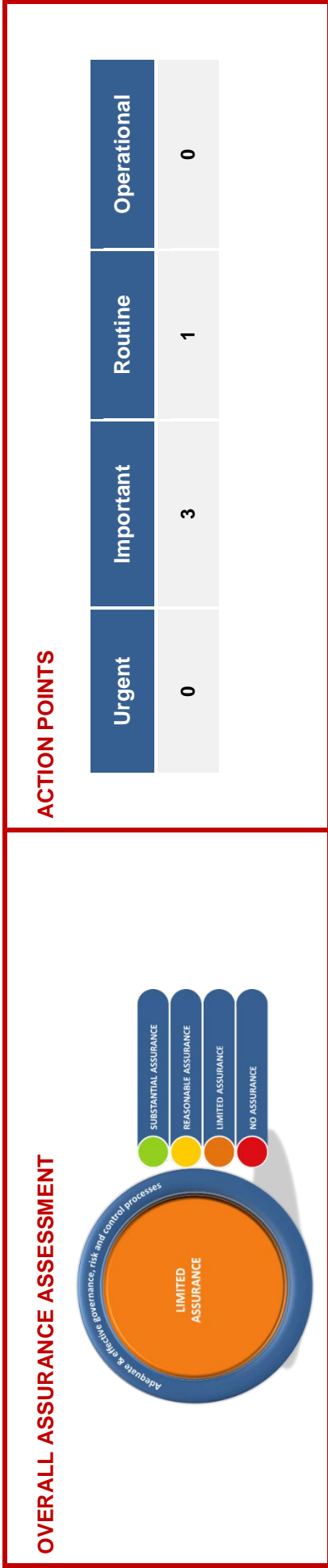
Dual workplace employees have been identified and claim a different mileage rate for journeys to a second workplace.

Overtime claims are submitted on paper forms and manually entered onto the payroll system.

Expenses claims submitted through iexpenses are self-authorised; as such, determining the validity of claims is compromised. It may be possible to claim the same expenses through different methods and remain undetected.

Policy requirements for submitting receipts for subsistence claims are not well enforced.

A 10% sample of expenses claims is audited each month to ensure the accuracy of claims. This 10% check does not consider the validity of expenses claims.



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)
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Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>The validity of claims is not currently checked as part of the 10% checking process, as such risks associated with claims not being valid are unlikely to be picked up. PSD undertake dip sampling of claims to check the validity and have advised the identification of examples for including in the validity checking, such as:</p> <ul style="list-style-type: none"> Meal allowance claims of the maximum amount, £25, with no receipt / includes alcohol. Overnight allowances claimed when criteria has not been met. Costs for eyesight tests / spectacles claimed when criteria has not been met. <p>There may be insufficient clarity around the claiming of expenses and allowances.</p>	<p>Sample testing on 10% of claims to include the validity of the claim and whether they are submitted within the guidelines.</p>	2	<p>The claims selected for testing are checked that they comply with the policy and rejected if they do not.</p> <p>With regards to the validity it had been agreed that through publication of the appropriate policy along with an understanding of potential disciplinary proceedings for non-compliance that the Constabulary would manage the remaining risk.</p> <p>The remaining risks should have been managed through reporting from iExpenses to identify duplicates and other information with regards to validity.</p> <p>A new reporting solution is now in place and being configured and an early priority is to design reports for Finance, PSD and Heads of Departments to manage this going forward.</p> <p>This Audit report along with recent PSD issues raised has led to the conclusion the risks are higher than can be tolerated and as a result has been added to the Constabulary risk register.</p>	30/09/2018	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 20 expenses and 20 hotel claims from purchasing and purchase cards were cross checked to expenses, in order to confirm that the same expense has not been claimed twice. No exceptions had been identified within the sample. Due to the volume of transactions and self-approval processes in place, there are potential fraud risks inherent within the system. Transactions that could be at risk of being claimed twice through different purchase methods have been referred to the Constabulary for further checking.	Regular sample checking of expenses claimed through purchase cards, purchasing and expenses be undertaken to identify any duplication in claims.	2	The risk will be assessed by validating claims in 2017/18 and these will be reported in due course.	30/09/2018	Head of Transactional Services

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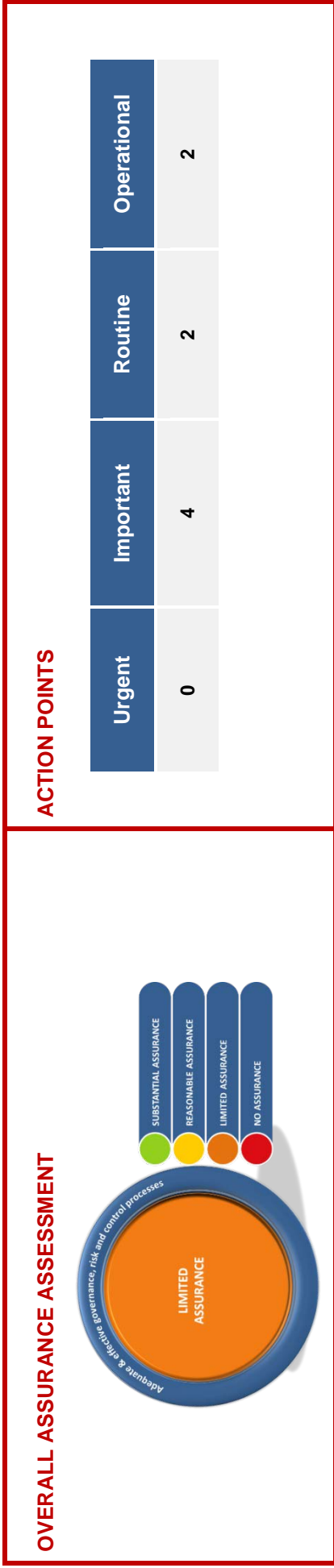
2018/19

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Compliance	20 subsistence claims were tested during the audit, of which nine did not have receipts to support the claim. The expenses policies for both Constabularies state that receipts should be provided for all subsistence claims. Although most claims are self-approved, three of the nine claims without receipts were subject to audit and should have been rejected.	Receipts be provided as evidence with all subsistence claims, and be rejected if reviewed as part of the quality checking and found not to be in line with expenses policies.	2	Any claims without receipts will be rejected as they are selected for checking.	01/06/2018	Head of Transactional Services

Audit Report: Corporate Policies (NSC1825)

Report: 15th May 2018

<p>SCOPE</p> <p>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:</p> <ul style="list-style-type: none"> • Consultation process for policies; • Rationalisation of policies; • Segregation of policies and procedures; • Roles and responsibilities; • Risk assessing of review dates for policies; and <p>Management information.</p> <p>MATERIALITY</p> <p>There are 300 policies identified by the policy unit.</p>	<p>KEY FINDINGS</p> <p>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.</p> <p>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.</p> <p>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.</p> <ul style="list-style-type: none"> • 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.
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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	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. In addition, there are several joint HR and finance policies that have passed their review date. 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.	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.	2	Linked to recommendation 2. 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. 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. 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.	16/08/2018	Programme Manager

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>Linked to recommendation 1.</p> <p>An action plan will be drawn up to consider the actions and deadlines associated with splitting the documentation into policies and procedures.</p> <p>In addition the Policy Creation document should be updated to reflect the changes to layouts articulated above.</p>	<p>Action plan agreed – 31/07/2018</p> <p>31/12/2018</p>	<p>Corporate Support Manager</p> <p>Corporate Support Manager</p>

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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>Linked to recommendations 1 & 4.</p> <p>A review of the Policy Creation document will incorporate guidance on how withdrawn policies are reviewed and considered going forward.</p>	31/12/2018	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>Linked to recommendation 2.</p> <p>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</p>	16/07/2018	Programme Manager

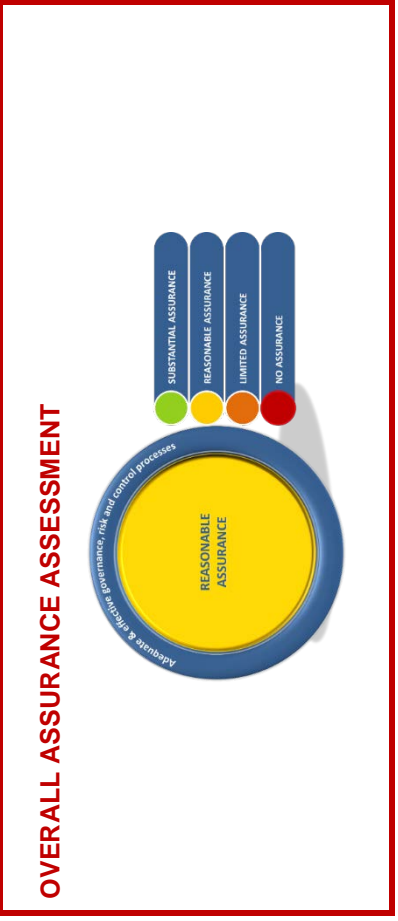
Audit Report: L&D Student Officer Training (NSC1804)

Report: 6th July 2018

SCOPE
The audit looked at the adequacy of the Student Police Officer training records maintained and effectiveness of training.

MATERIALITY
The student officer training programme has been streamlined, from an 18 week course to a condensed 10 week course, with a follow up course, this has resulted in a saving of £360k and retaining the same retention levels of students.

- KEY FINDINGS**
- The reduction in the initial training programme for student officers has enabled more student officers to be trained without the need to recruit additional trainers and resulted in significant savings for the
 - The retention levels of student police officers has remained the same since implementing the changes to the programme.
 - Whilst there is an evaluation strategy in place to evaluate training received, this is not being followed.
 - There is a need to link workforce planning to succession planning, to ensure there is an appropriate number of qualified officers.



ACTION POINTS

Urgent	Important	Routine	Operational
0	2	0	1

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

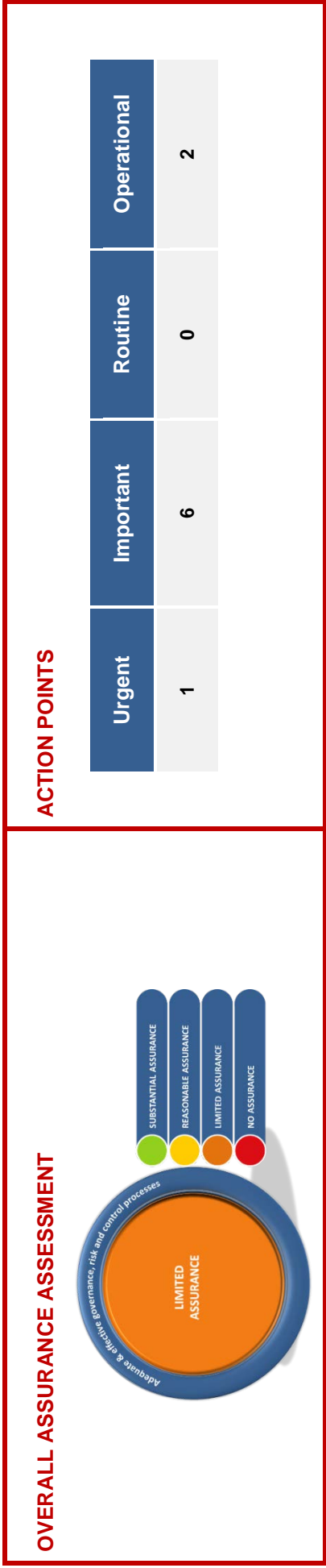
Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Compliance	<p>Succession planning is not fully integrated within the Constabularies, work is currently being done to address this.</p> <p>There is a need to link succession planning with the 'Workforce Plan' to ensure that the Constabularies have appropriate long term arrangements for training staff, to minimise the risk of insufficient qualified officers to fulfil roles.</p>	<p>Succession planning be linked to the workforce plan to ensure that there are appropriately qualified and trained officers.</p>	2	<p>A framework for succession planning has been established, and a pilot held involving senior leaders within the Constabularies (Chief Inspector and above). This included career conversations, chief officer meetings in order to draw up short, medium and long term succession plans. The feedback from the pilot will be used to refine and develop the framework in conjunction with workforce planning for the rest of the organisation.</p>	30/09/2018	Director of HR

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Compliance	Student officers evaluate each course upon completion. The evaluation forms are reviewed by the inspector who will review the feedback and make any adjustments to the course as required. Whilst there is a process to evaluate the performance of the course when the student officers complete their initial training, further evaluation is not undertaken once student officers put the training into practice, to establish the value of that training.	Evaluation of training be undertaken at the designated intervals at both two weeks after the course is completed and three months after the training course is completed.	2	The Operational Training Manager is currently writing a new evaluation strategy which will sit across all training. As part of the implementation of PEQF (and the Police Constable Degree Apprenticeship), evaluation will be more rigorous given the Constabularies' relationship with a higher education Institution. The strategy is being written to support this. Currently all students are tracked throughout the two year probation period, and exit interviews and case conferences are monitored to ensure that any lessons learned are captured and incorporated into future training.	30/09/2018	Temporary Chief Inspector

Audit Report: L&D Skills (NSC1804)

Report: 6th July 2018

<p>SCOPE</p> <p>The audit focused on whether accurate central records of Police Officer skills is maintained within Learning and Development for Norfolk and Suffolk Constabularies.</p> <p>MATERIALITY</p> <p>The Learning and Development budget for 2017/18 was £3,343,980, with actual expenditure at the end of March being £3,812,630.</p>	<p>KEY FINDINGS</p> <p>The overall assurance opinion is derived from the accuracy and completeness of skills and training record keeping arrangements from across both</p> <ul style="list-style-type: none">• Skills and training arranged by other departments are not always notified to Learning and Development for central oversight and recording on ERP, as such ERP records are incomplete.• Access to book courses on ERP is restricted to Learning and Development. Other departments such as the Specialist Operations and the Firearms Training team do not have access.• Skills data on ERP is inaccurate and incomplete, in part due to only minimal training having been provided to the Learning and Development Administrators on ERP.• Departments may charge training to the Learning and Development budget without the knowledge or prior approval of the department.
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ACTION POINTS

Urgent	Important	Routine	Operational
1	6	0	2

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

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
7	Compliance	ERP does not have an accurate record of police officers skills. Individual departments provide training outside of Learning and Development, such as intoximetre, as well as departments such as Firearms and Specialist Operations maintaining separate / differing records to the central Learning and Development department. The Resource Management Unit, when assigning shifts, will refer to ERP to ensure that they select staff that have the appropriate qualification/skills. Without utilising ERP as the central record for all training and skills, training officers may not be fully utilised and appropriately trained and skilled officers may not be selected for suitable shifts or the same officers selected for extensive periods of time.	A full review of the skills data recorded on ERP to be undertaken, requesting skills data held and trainers from individual departments, to ensure that ERP has an accurate record and can be used to identify skill requirements and gaps across the forces.	1	The ERP skills review is well underway. The findings are being fed into the ERP Board for future changes to the ERP system, which will require change requests. The ERP Board has agreed the procurement of new management information software for the ERP system, which will also provide assistance in this area.	27/06/2018	Temporary Chief Inspector – Operational Training Manager

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>The Head of Learning and Development is accountable for all expenditure against the learning and development budget across both organisations. However, there is no requirement for the Learning and Development department to approve training requests, which can be arranged independently by other departments.</p> <p>This would ensure that Learning and Development can monitor expenditure against budget, monitor skills across the organisation and chase attendance sheets to ensure that ERP is updated accordingly upon completion of a course.</p>	<p>A standard process be developed for the approval of Learning and Development requests for training, and be notified when courses are arranged by areas such as Specialist Operations and Firearms.</p>	2	<p>Learning and Development are progressing work to understand the flow of requirements around external training. Through understanding the flow, Learning and Development will be able to determine expenditure against planned and proposed bids. Following this exercise, Learning and Development will present the DCCs with all training bids for scrutiny with recommendations from Learning and Development and justification from the department heads.</p>	30/09/2018	Temporary Chief Inspector – Operational Training Manager

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	ERP is used for recording staff skills. ERP does not have inbuilt quality control measures within the skills section to prevent general errors on the system from being made, such as ERP allowing police staff to have courses assigned to them, for which the skills usage can only be undertaken by police officers.	ERP be investigated to see if adequate quality control measures can be set up to prevent police staff being assigned courses and skills that only police officers can achieve.	2	Learning and Development are working with Cap Gemini and have identified a number of change requests to the ERP Board to improve the work flow, and therefore improve the quality of data input into the system.	30/09/2018	Temporary Chief Inspector – Operational Training Manager

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	There are inconsistent practices in place between the Learning and Development Administrators with regards to recording skills data on ERP. Some of the Administrators update ERP directly and others that maintain standalone spreadsheets only accessible by themselves and update ERP once a course has been completed, with only those actually completing the course being recorded. If ERP is not used to record when courses are booked, a record is not maintained of when courses have been cancelled, which would identify recurrences of the same people booking and cancelling courses and any areas of concern.	ERP be used for recording all scheduling of training courses and expected attendees by the Learning and Development Administrators, and be updated when officers have completed courses. Discontinuing the use of spreadsheets.	2	Protective Services were required to hold the "Mercury Report" which is a national requirement. Significant sections of this have to be undertaken manually. ERP could be better utilised to complete this. Work contained within the other management responses will enable this to be progressed.	30/09/2018	Temporary Chief Inspector – Operational Training Manager

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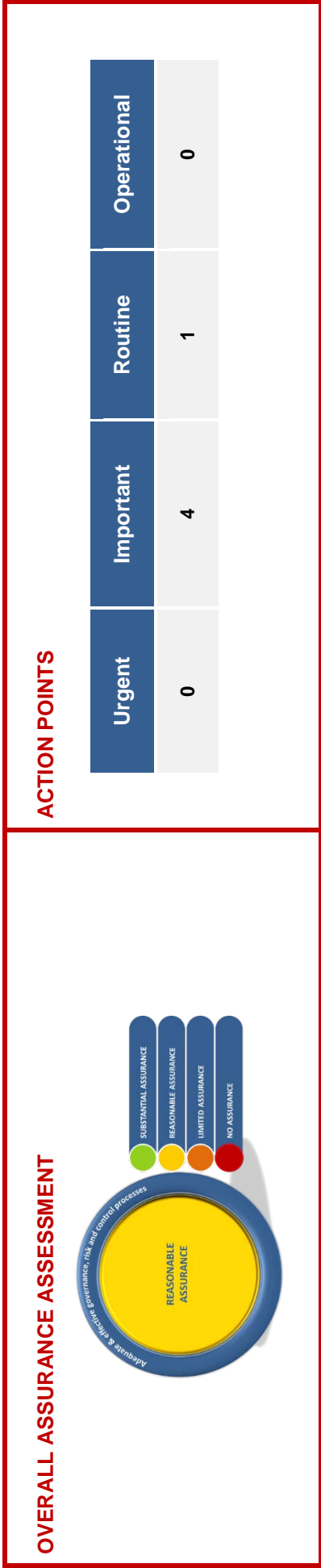
Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Directed	A standard training programme is not in place for the Learning and Development Administrators on ERP. As such an inconsistent approach has been adopted for entering the skills data on ERP, with the Learning and Development Administrators enter the same data in different ways. This could result in data being misconstrued.	Training and user guides be provided to the Learning and Development Administrators so that skills data is accurately and correctly recorded on ERP.	2	<i>This will be drafted and completed as part of the work listed.</i>	30/09/2018	Temporary Chief Inspector – Operational Training Manager
5	Directed	Staff are not sent reminders of when their training is due to expire and ERP is capable of generating reminders if the training is still on the system, but is not able to identify training that has expired, and thus if the officer has not undertaken refresher training before the training expires this is deleted from the officers record. Some courses do not have a time period for which it is valid, and thus an arbitrary date is entered on ERP so that the course.	Training expiry dates be assigned for all courses, to enable reminders to be sent at designated intervals and/or ERP updated with a new expiry date.	2	<i>Automated ERP reminders are problematic owing quantity. Force Announcements have advised individuals that it is their responsibility to understand their own skill profile.</i>	30/06/2018	Temporary Chief Inspector – Operational Training Manager

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Compliance	Courses have been identified that have a number of different titles for what appears to be the same course. For example, the 'search' course has a number of different titles, and thus it is difficult for Learning and Development Administrators to identify if there are several different types of search courses or whether they are the same course. As such, the search skill may not be correctly recorded on police officers skill profiles on ERP.	Standard titles be assigned for all courses and these to be uploaded on to ERP so that Learning and Development staff select the appropriate course for staff.	2	The ERP Project has identified naming discrepancies within skills. The project is setting naming conventions when new course details.	30/09/2018	Temporary Chief Inspector – Operational Training Manager

Audit Report: Risk Management (NSC1814)

Report: 15th May 2018

<p>SCOPE</p> <p>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;</p> <ul style="list-style-type: none"> • 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. <p>MATERIALITY</p> <p>There are 12 risks on the strategic risk register. The strategic risk register is supported by operational risk registers.</p>	<p>KEY FINDINGS</p> <p>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.</p> <p>There are areas for improvement in the risk management process, which are highlighted below, to enhance the processes and controls.</p> <ul style="list-style-type: none"> • 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.
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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>The risk management policy will be reviewed and updated ahead of the scheduled review in 2020.</p> <p>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.</p>	31/12/2018	Risk & Compliance Manager


Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
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>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.</p>	30/06/2018	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. The risk owners are included, however the individuals responsible for actioning 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>Following discussions with CFO's it is recommended that the proposed new template is trialled for a period of six months on the Joint Strategic Risk Register only. A report detailing the proposed changes and seeking agreements for the commencement of a trial will be presented to Chief Officers at the June 2018 JCOT meeting.</p> <p>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.</p>	08/06/2018	Risk & Compliance Manager
<p>Audit Committee 30 July 2018 Agenda Item 5 – Internal Audit Progress Report</p>							
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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 'relevance and impact' approach, to enable them to address the risk identified.	2	Linked to recommendation 4 (above). A pilot of the revised template for the Joint Strategic Risk register will incorporate this recommendation.	08/06/2018 28/02/2019	Risk & Compliance Manager

Audit Report: Safeguarding (NSC1822)

Report: 6th July 2018

<p>SCOPE</p> <p>The audit assessed the adequacy and effectiveness of the internal controls in place at the Constabularies for inter-agency working in relation to safeguarding.</p> <p>MATERIALITY</p> <p>There have been approximately 10,000 CPIs for 2017/18.</p>	<p>KEY FINDINGS</p> <p>Members of the MASH are working together to address safeguarding concerns promptly.</p> <ul style="list-style-type: none"> • Standard risk assessments are used to assess the domestic violence risk rating, and these are subject to independent review. • Child Protection Investigations (CPI) are being checked by officers and referrals are being made accordingly. The CPI screening tool is used for assessing CPIs, and the outcome of the screening decision is recorded • Whilst there is a CPI screening tool in place for officers to use when assessing a child protection investigation case, there is not a procedure guiding officers through how the assessment should be recorded on Athena. 								
<p>OVERALL ASSURANCE ASSESSMENT</p> 	<p>ACTION POINTS</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>0</td> <td>1</td> <td>0</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	0	1	0
Urgent	Important	Routine	Operational						
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Audit Report: Accounts Receivable (NSC1822)

Report: 6th July 2018

SCOPE

The aim of the review was to assess the adequacy and effectiveness of the internal controls in place at the Norfolk and Suffolk Office of the Police and Crime Commissioners and Constabularies for managing the account receivable function.

MATERIALITY

At the time of audit approximately 600 invoices had been raised for Suffolk and the same for Norfolk since the 1st April 2017. Suffolk had £523k of debtors outstanding and Norfolk had £2.1 million of debtors outstanding.

KEY FINDINGS

The overall assurance opinion is given as systems and processes are in place for managing accounts receivable.

- Invoices and credit notes are raised upon receipt of debtor requisition forms.
- There is no regular review of aged debtors, for which all avenues of recovery have been exhausted.
- There is no regular review of aged debtors, for which all avenues of recovery have been exhausted.
- Norfolk debtors have not all been followed up in accordance with the agreed debt recovery process.
- For both Suffolk and Norfolk there is no regular review of debts to be considered for write off.
- Access rights for AR staff are generic, being a templated system it is not possible to restrict AR access rights as per staff role. As such detection controls are suggested to strengthen the system.

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

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)
1	Compliance	Norfolk debtors have not been followed -up in accordance with the agreed debt recovery process.	Debtors in Norfolk to be followed-up in accordance with the agreed debt recovery process.	2	A debts outstanding enquiry is run which is exported to a spreadsheet for monitoring outstanding debts. It is accepted that due to staffing shortages this has not been kept up to date, however periodic reviews have been completed but not documented, as the recording process is under review. A revised process is currently under discussion and the debts outstanding have now been reviewed as part of the year end processes and the appropriate debts will be written off. In Norfolk there were 775 debts raised in 2017/18 for a value of 10.5m with no write offs. In Suffolk 852 debts were raised for a value of £7.2m with two debts written off, for the value of £332.	31/08/2018	Head of Transactional Services

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2018/19

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Compliance	<p>There is no regular review of debtors for which all avenues of recovery have been exhausted.</p> <p>Once all areas of recovery have been exhausted, these debts should be referred to management for write-off.</p>	<p>A quarterly review of debts to be undertaken to identify debts that are to be considered for write-off.</p>	2	<p>The debt process will be revised, to be aligned across Norfolk and Suffolk and quarterly meetings will be held between the Transactions Team Leader and the Head of Transaction I services. Any debts requiring write off will be periodically referred to the Head of Finance. The debts outstanding in Norfolk and Suffolk were all reviewed as part of the year end processes to identify debts requiring write off.</p>	31/08/2018	Head of Transactional Services

Audit Report: Stations (NSC1922)

Report: 6th July 2018

SCOPE

Police stations operate the same policy and management requirements as centrally located resources. Ensuring compliance with those policy and requirements can be challenging due to their geographical spread.

The purpose of the audit was to assess the controls operating within the governing policies and management requirements at Police Stations.

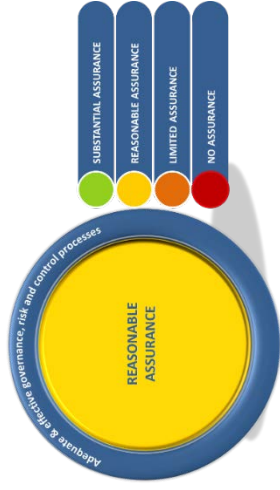
MATERIALITY

Norfolk has 24 police stations including the main headquarters at Wymondham. Three of these stations that have counters open to the public these being King's Lynn, Great Yarmouth and Norwich (Bethel Street).

KEY FINDINGS

- Security arrangements at the Great Yarmouth police station to be reviewed.
- Petty cash and procurement cards are being used to purchase fuel. All police vehicles are provided with fuel cards, which are to be used for
- The monthly security check audit process is currently under review, as there are a number of stations that do not have business support officers in post to complete the monthly audit check.
- The joint physical and personal security policy has been updated and is going through the review process.
- There is no regular review of Salto access rights to ensure appropriate access of police staff and officers.
- A reminder to be issued to staff of the importance of keeping lockers locked.
- An approved transport policy covering the use of vehicles and refuelling is being progressed, with a draft policy devised.

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Urgent	Important	Routine	Operational
0	4	3	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	Directed	<p>There are areas that are not accessible to the public which require a key to access the doors. As such, a member of staff could get duplicate keys cut at any time and retain them after leaving the force.</p> <p>There is a need to review the security arrangements within the station, including if a staff member leaves Great Yarmouth station then all of the locks to the station should be changed.</p>	<p>A review be undertaken of the Great Yarmouth police station security arrangements, including changing of locks when staff leave the station.</p>	2	<p>A programme to roll out site lock boxes, to store site keys for sign in/out is in progress as an interim measure to improve security, this is expected to be completed by 31/12/2018.</p> <p>A programme is also in place for replacing locks with salto access, this is ongoing across 2018 and 2019, with the expected completion date for all sites by 31/12/2019.</p>	31/12/2019	The Joint Information Security and Estates Facilities departments

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	Dereham, Great Yarmouth and Norwich (Bethel Street) police stations' external doors are key coded doors. An agreed frequency has not been communicated for changing of door codes for the station visited.	An agreed frequency for changing of door codes be communicated to the stations, in accordance with centrally agreed protocols.	2	The Joint Estates and Facilities Department together with the Joint Information Security Department sit on an Access Control Project Board where access issues are discussed and addressed. The frequency of change for door codes has been addressed, and occurs quarterly (unless staff leave and then they are changed at that time), on the day of the audit, a door code had been changed that day, but the database had not been updated before it was transmitted to the ISO.	30/06/2018	The Joint Estates Department

Report Ref	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Compliance	<p>Petty cash is not being used appropriately. Petty cash floats are being used for the reimbursement of fuel costs.</p> <p>Claiming fuel costs through petty cash reduces control and accountability for fuel usage, to ensure fuel is only for appropriate business use, not excessive and is correctly accounted for.</p>	<p>Staff be reminded that it is not appropriate for the petty cash float to be used for reimbursement of fuel costs and police vehicles and pool cars be refuelled using pool cars fuel cards. If a fuel card is to be rejected, police officers and staff be reminded that expenses is to be used for reimbursement of costs.</p>	2	A reminder will be issued.	31/07/2018	Head of Transactional Services
7	Compliance	<p>One of the procurement card holders for Norwich (Bethel Street) has not used their card for appropriate purchases, with the card being used to purchase fuel. In addition, the card has split payments, as had used a procurement card to pay veterinary bill of over £900 and had split into two transactions.</p>	<p>Procurement card holders be reminded of the appropriate purchases that are to be made on procurement cards, and that these are not to be used for purchasing of fuel.</p>	2	A reminder will be issued.	31/07/2018	Head of Transactional Services



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

Follow Up Review – Norfolk Only

2018/19

Executive Summary

INTRODUCTION

1. The follow up of internal audit recommendations by TIAA is undertaken throughout the year and reported to the Audit Committee during the year at each meeting.
2. The summary tables show the number of raised and brought forward priority 1 (P1 - Urgent) and priority 2 (P2 - Important) recommendations implemented since being reported to the April 2018 Audit Committee meeting and those outstanding past their implementation dates.

Figure 1 - Summary of implemented and outstanding Recommendations

Evaluation	P1 - Urgent Recommendations	P2 - Important Recommendations	P 1 & 2 Recommendations
	Number	Number	Total
Implemented Since Last Meeting	0	7	7 (22%)
Outstanding (incl. deadlines extended*)	3	22 (11*)	25 (78%)

Figure 2 - Summary of implemented and outstanding Recommendations

Audit Ref	Audit Area	Date Presented to Audit Committee	Assurance Level	Previously reported as complete to Audit Committee		Completed since last Audit Committee		Outstanding with Extended Period Agreed		Outstanding - Previously reported as outstanding		New since last Audit Committee		Total Outstanding		Not Yet Due for Implementation	
				P1	P2	P1	P2	P1	P2	P1	P2	P1	P2	P1	P2	P1	P2
2016/17 Internal Audit Reviews																	
NSC1703	Transport	Sep-16	Reasonable	1				3									
NSC1704	Corporate Communications	Sep-16	Reasonable			3											
NSC1707	Duty Management	Dec-16	Limited	6				2			2						
NSC1714	Overtime, Expenses	Mar-17	Reasonable	3							1						
NSC1716	Pensions	Mar-17	Reasonable					1									
NSC1723	ICT ERP	Jun-17	Reasonable								1						
NSC1725	Health and Safety	Jun-17	Reasonable			2											
2017/18 Internal Audit Reviews																	
NSC1802	ICT Mobile Device Mgt	Sep-17	Reasonable	2							1						
NSC1804	L&D Skills	Jul-18	Limited									1					5
NSC1810	Temporary Recruitment	Feb-18	Reasonable	2				1									
NSC1811	Procurement	Sep-17	Reasonable	2							1						
NSC1814	Risk Management	May-18	Reasonable					2									2

NSC1817	Data Quality - Athena	Nov-17	Limited																
NSC1819	HR Absence Management	Mar-18	Limited	2			1	1											
NSC1829	Payroll	Mar-18	Limited			1							1	2	3				
NSC1830	Accounts Payable	Mar-18	Reasonable			1									0				
TOTALS				0	18	0	7	1	10	0	6	2	6	25	0	7			

KEY FINDINGS

3. There are three urgent recommendations outstanding and past the agreed deadline:
 - 3.1 Payroll (NSC1829) – this is regarding checks and balances for pensionable pay, for which a reporting tool is being pursued. A revised date was agreed and applied.
 - 3.2 L&D Skills (NSC1804) – this issue is around the skills data held by Learning and Development, the timescales were ambitious, following which the service manager has left the Constabularies. Discussions are being held with the department to identify reasonable timescales for implementation.
 - 3.3 HR Absence Management (NSC1819) – the issue is around the consistency of data between ERP, Enact and DMS, which is being investigated. An IT audit is due to be undertaken once resolved to review the systems. This has been moved back to Q2 whilst the issues are being resolved.
4. Any recommendations in relation to policies are advised as in progress and require consultation prior to implementation. A revised policy review process has commenced to reduce the extent of time taken to update / approve policies, which will continue to be monitored as part of the follow up process.
5. It is noted that the majority of recommendations continuing to remain outstanding are largely due to resource and IT requirements to be sourced.

THE BREAKDOWN OF THE ACTIONS ON RECOMMENDATIONS KEY:

- The direction of travel for implementing recommendations is shown from right to left.
- The audit will remain on the table until all P1 and P2 recommendations relating to that audit are complete and reported as such to Audit Committee, including those previously reported. Once an audit is reported as complete (highlighted in grey), the audit will be removed from the table.
- Outstanding with extended period agreed – outstanding past original deadline and an extension has been agreed with management.
- Outstanding and previously reported as such to Audit Committee – outstanding past agreed deadline and no extension has been agreed.
- New since the last Audit Committee meeting – deadline has recently passed and the recommendation is outstanding.
- Total outstanding – includes; extended period agreed, previously reported as outstanding and new outstanding.
- Not yet due for implementation – the agreed implementation deadline has not been reached.

SCOPE AND LIMITATIONS OF THE REVIEW

6. The review considers the progress made in implementing the recommendations made in the previous internal audit reports and to establish the extent to which management has taken the necessary actions to address the control issues that gave rise to the internal audit recommendations. The implementation of these recommendations can only provide reasonable and not absolute assurance against misstatement or loss.
7. The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.
8. For the purposes of this review reliance was placed on management to provide internal audit with full access to staff, accounting records and transactions and to ensure the authenticity of these documents.

RELEASE OF REPORT

9. The table below sets out the history of this report.

Date draft report issued:	N/A
Date management responses recd:	N/A
Date final report issued:	18 th July 2018

Detailed Report

FOLLOW UP

10. Management representations were obtained on the action taken to address the recommendations. Only limited testing has been carried out to confirm these management representations.
11. The following matters were identified as outstanding past their original/revised deadline:

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response
NSC1707 Duty Management System	The exception rules inbuilt within DMS to be investigated to see if these are correct.	2	The RMU are currently working on exceptions and discussing with Crown the feasibility of changing the exception rules.	Chief Finance Officer (Norfolk)	31/03/17	30/06/18	05/04/18	A review of all the exceptions being generated by DMS is underway to agree what is required to update DMS or change working practices to eliminate, where possible exceptions. This work is being completed by the ERP Programme Delivery Manager and the RMU-System/Support and Management Information manager. A process for approving changes to the set-up of DMS has been agreed.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response
NSC1707 Duty Management System	Monthly reconciliations to be undertaken between DMS and payroll to establish if the value of overtime on DMS agrees with the value of overtime paid by payroll.	2	Not all areas of the business provide information of Overtime to the RMU, and therefore this is challenging to deliver. This would be a Finance task.	Head of Transactional Services	30/06/17	30/06/18	05/04/18	A review of all the exceptions being generated by DMS is underway to agree what is required to update DMS or change working practices to eliminate, where possible exceptions. This work is being completed by the ERP Programme Delivery Manager and the RMU-System/Support and Management Information manager. A process for approving changes to the set-up of DMS has been agreed.
NSC1714 Overtime, Expenses and Additional Payments	Joint expenses for Norfolk and Suffolk Constabularies for police officers and police staff to be developed. The updated expenses policies to be placed on the intranet.	2	New Conditions of Service for Police Staff are to be introduced from April 2017 (this was expected to be implemented in October 2016 but was delayed nationally). As a result we will take this opportunity to revise the new Conditions have been agreed and implemented.	Head of Transactional Services	30/06/17	31/03/18	27/06/18	The HR Policy team are progressing joint policies and the expenses policy is a priority but not yet been completed. Internal Audit: Recommendations relating to implementation of a new policy remain as outstanding until new policies have been approved and implemented. Due to the time taken to approve policies, such recommendations may remain for extended periods. This could impact on outdated processes remaining until a policy is approved.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response
NSC1723 ICT – ERP Second/Third Line Support (to c/f)	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	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.	Co-ordinator - ERP System and Supplier Manager	31/03/18	30/09/17	22/03/18	This is now 98% complete with the few outstanding items to be agreed with Cap Gemini.
NSC1802 ICT Mobile Device Management (body worn video)	The existing "Mobile App Request" process to be updated to include the following as a minimum - documented approval from the requestor's line management; A list of Active Directory groups that the app is to be provisioned for; testing results showing the app not conflicting with other apps in the whitelist; Information Security Office comments and	2	ICT to discuss with ISO required modifications to the existing forms and process.	Information Management	29/12/17	30/03/18	22/06/18	A process is in place to approve the use of a Google Play App. Information Security (IS) receive a form from ICT requesting app usage, IS research the app in relation to the guidance from the NCSC and approve, where applicable, the app for use on police devices. The form is then forwarded to the ICT Service Desk to install the app. The IS officer is still in the process of developing the more detailed form which ICT have outlined, to cover a greater range of internally and externally developed apps. IS has a very rough draft form, but due to other commitments has yet to move it forward.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response
NSC1804 HR – Learning and Development	<p>recommendations; final sign off for the decision to deploy or not; Requestor's business case for the request; next review date; the owner of the app to be consulted during the review cycles, including app update.</p> <p>A full review of the skills data recorded on ERP to be undertaken, requesting skills and data held from trainers individual departments, to ensure that ERP has an accurate record and can be used to identify skill requirements and gaps across the forces.</p>	1	<p>The ERP skills review is well underway. The findings are being fed into the ERP Board for future changes to the ERP system, which will require change requests. The ERP Board has agreed the procurement of new management information software for the ERP system, which will also provide assistance in this area.</p>	Temporary Chief Inspector - Operational Training Manager	27/06/18	27/06/18	06/07/18	Due to the changes in Learning and Development, this is being progressed.
NSC1804 HR – Learning and Development	<p>Training expiry dates be assigned for all courses, to enable reminders to be sent at designated intervals and/or ERP updated with a new expiry date.</p>	2	<p>Automated ERP reminders are problematic owing to quantity. Force Announcements have advised individuals that it is their responsibility to understand their own skill profile.</p>	Temporary Chief Inspector - Operational Training Manager	30/06/18	30/06/18	06/07/18	Due to the changes in Learning and Development, this is being progressed.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response
NSC1811 Procurement – Compliance with CSO within departments	Orders on Tranman to be authorised electronically, and authority limits on Tranman to be set so that they are in line with the Constabularies joint contract standing orders.	2	A review of the present and potential automation of Tranman will be carried out with a view to cost effectively maximising the ability of the system where appropriate. Transport service will adopt the organisations purchasing activity limits.	Head of Finance / Head of Transport Services	31/03/18	30/06/18	27/06/18	Tranman was updated by Civica in December 2017. Unfortunately they put the authorisation on the back end at the invoice stage on Tranman, which they did for free. Although this has now been removed. They provided a quotation, to charge for the approval process in the right place, £10k. A request for change form is to be submitted to the Organisational Board for approval of the funding.
NSC1817 IM - Data Quality	A review of the two dashboards be undertaken and a decision made as to whether both dashboard reports continue to be run, and in their current format.	2	Any changes to the Dashboards (DB) require other Athena Force Data Quality (DQ) Leads, the Information Management User Group (IMG) and to be ratified by the Athena Business Design Authority. Work is taking place by the (regional) Athena DQ Sub Group to review the reporting mechanisms. The DQ & Audit Officer requested the criteria for the DB be reviewed at the IMG DQ Sub group, as the findings are to large for business areas to tackle. Unless resource is available to attack DQ risk areas on a daily / weekly basis then DB 1 is redundant. DB 2 (run monthly) would give an overview of data trends.	Information Compliance Manager	01/04/18	01/04/18	22/06/18	The Athena DQ Group no longer runs, as the chair does not have the capacity to run or engage with this. This has been raised to the SIRO and we await the outcome. To this end this action is not able to be completed, as this work is directed by this group.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response
NSC1817 IM - Data Quality	Regular reports be provided to departments on potential data errors so that departments can target specific areas.	2	Changes have been made to reduce the errors. The Data Quality team cannot look into the variance of issues outside the match & merge queues but intends to do so based on the improved reporting mechanisms from the AMO. The missing data tends to relate to areas such as intelligence where it is expected there will be a level of missing data due to the nature of the work. Revised reports are being developed by the AMO. Also an Athena DQ Comms strategy is being written by the Information Compliance Manager. The Dashboards do not produce data that can be taken to business areas.	Information Compliance Manager / Records Manager	01/04/18	01/04/18	22/06/18	The Data Quality and Audit Officer post is still vacant and this work is directed to this post. The DQ team work on a list that is created within Athena and prioritises this in accordance with their processes, due to the large amount of errors this work will be continuous with the staff allocated.
NSC1817 IM - Data Quality	A resolution be sought on the outstanding and growing duplicate Athena records across each of the categories.	2	The 500 limited is a technical limitation set by the AMO. A current change notice is being proposed to remove cases which have been reviewed but that cannot be merged, from the match & merge list. There is a cost element to this change which has to be agreed and prioritised by the BDA and AMO. Issues remain unresolved in Athena that impacts on the level of duplicates in the system. Updates to Athena have	Head of Information Management / D/Supt Joint Justice Command - Athena Lead	01/04/18	01/04/18	22/06/18	The Head of Information Management is meeting with the Athena Project Team to discuss the force business case proposals on how this can be resourced in future.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response
NSC1829 Payroll, including ERP Reporting	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>helped reduce some of the duplication through a number remain in the system due to the previous issues and need to be cleared. Improved training on DQ at the front end of Athena is crucial to success.</p> <p>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. 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.</p>	Head of Transactional Services	30/06/18	30/06/18	27/06/18	Encircle have developed a solution for this and it is currently in the development database, with a plan to release to the live database shortly.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response
NSC1829 Payroll, including ERP Reporting	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, and leavers changes within the monthly payroll.	2	Heads of Department have regular meetings with their management teams, and with HR and Finance Business Partners to understand their staffing position. However, a business case is in draft in connection to a new reporting solution and funding has been provided within the MTFP. The reporting solution will have much wider benefits than the more narrow issue outlined here.	Head of Transactional Services	30/06/18	30/06/18	27/06/18	This is reliant upon the new reporting tool, which has not yet been deployed.
NSC1829 Payroll, including ERP Reporting	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	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. 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.	Head of Transactional Services	30/06/18	30/06/18	27/06/18	A fix has been provided by CapGemini and has been tested successfully in the test environment.

12. The following matters were identified as being given a revised date, which has not yet been reached:

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response
NSC1703 Transport Services	The weekly vehicle check form be standardised across both counties.	2	Norfolk weekly check sheets fall under the remit of the Driver of Police Vehicles Force Policy Document, with the Policy owner being Specialist Operations. Within Suffolk the remit is with the County Policing Command. Norfolk and Suffolk Constabularies are aligning their equipment levels and types. This will then allow the use of one form across both Counties.	Head of Transport	31/12/16	30/07/18	27/06/18	The joint equipment inventory and weekly vehicle check form (that contains the equipment levels) has been updated and is being presented to the Health and Safety Committee for sign off on 19th July 2018, following which it will be immediately rolled out across both Constabularies. Internal Audit: This is expected to be closed by 31 st July 2018 following the Health and Safety Committee meeting and distribution.
NSC1703 Transport Services	The system for recording and monitoring the completion of the weekly vehicle checks be standardised and a system for central oversight of the results of the checks be implemented.	2	There is scope for the central reporting hub to be Transport services. This will be progressed through the Transport Strategic Group.	Head of Transport	31/12/16	31/07/18	27/06/18	The process has been standardised and the weekly check form is going to the Health and Safety Committee on 19th July, following which the process to monitor the standardised approach will be immediately implemented.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response
NSC1703 Transport Services	The Joint Transport Policy be subject to document control and approval process and current operating procedures should be updated and maintained.	2	This is a Transport Services only Policy as it was determined the Policy was more aligned to a standard operating procedure. The standard operating procedures are in the process of being updated to reflect T13 restructure and process changes.	Head of Transport	31/10/16	30/09/18	27/06/18	The Transport policy/SOPs have all be revised and the first draft sent to the Policy Officer to go through the review process. The process timing will determine the completion of the recommendation. A revised date of 30th September 2018 as been set by internal audit for an update on going through the review process. Internal Audit: Recommendations relating to implementation of a new policy remain as outstanding until new policies have been approved and implemented. Due to the time taken to approve policies, such recommendations may remain for extended periods. This could impact on outdated processes remaining until a policy is approved.
NSC1707 Duty Management System	DMS to be used for recording overtime, and investigated to establish if approval of overtime can be recorded on DMS.	2	The RMU is working to reduce exceptions before embarking on the issues with overtime. Delivering overtime will require a project to be set up to deliver training and understanding to all line managers and the confidence that claims will be accurately recorded.	Chief Finance Officer (Norfolk)	31/01/18	31/08/18	05/04/18	Whilst the exceptions work is being completed we have agreed that we will not switch on the overtime claims approval process. To ensure overtime is approved correctly a temporary form outside DMS will be completed. Once the exceptions rules have been clarified a project will be set up to develop the overtime functionality within DMS. Alternative processes are in

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response
NSC1707 Duty Management System	A full audit trail for all aspects of DMS to be made functional.	2	It has been raised with Crown the requirement to have an audit on the notes section on DMS, as have other Police Forces. This is with their Research and Development team to be looked at in the relation to future releases.	Chief Finance Officer (Norfolk)	30/06/17	31/03/19	05/04/18	place to manage overtime, using DMS would minimise the use of alternative temporary solutions... This is still being considered by Crown for a future release of the DMS system. When Audit functionality is implemented this often affects the performance of systems and this will need to be tested and reviewed before any audit functionality within DMS is used.
NSC1716 Pensions Administration	The payroll system to be investigated to establish if a report can be run to calculate pensionable pay for staff.	2	The pension contributions are set at system level and the appropriate contribution is deducted from the employee in accordance with their pensionable pay each month. I accept that we cannot check this at a global level, however I am confident that the deductions made are correct at an employee level and the necessity for a pensionable pay figure is not considered as a significant issue. However when reporting for ERP is reviewed then this will be considered as part of the requirements.	N/A	01/03/17	30/09/18	07/03/18	Checks, balances and reconciliations that are completed in respect of pensionable pay, including some very challenging returns to Local Government Pension Scheme and Police Officer pension administrators at year end. The Audit Committee accepted these mitigations. In addition, the Constabulary is pursuing a new reporting tool that will address the issues but this will not be implemented until 2018/19.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response
NSC1810 Procurement – Temporary Recruitment	The Constabularies to assess potential conflicts of interest for agency staff and where appropriate convey this to the agencies, requesting a conflict of interests form be completed where required, in line with employed staff, possibly as part of the service agreed with Reed.	2	This will be discussed at the next HR Leadership Team Meeting on 20 February 2018, with a view to requesting Reed to complete this for the Constabularies, and establishing arrangements for other suppliers.	Head of HR	31/05/18	31/08/18	01/07/18	A draft form has been created, and will be sent to Reed to include as part of their process, by 31st July 2018 for completion.
NSC1814 Risk Management – Mitigating Controls	Controls on the strategic risk register be made specific, applying the 'relevance' approach, to enable them to address the risk identified.	2	Linked to Action Plan Finding 4 (above). A pilot of the revised template for the Joint Strategic Risk register will incorporate this recommendation.	Risk & Compliance Manager	08/06/18	31/08/18	27/06/18	In progress, controls have been separated for the strategic risks. It is anticipated that the remaining risks will be updated by 31/8/18.
NSC1814 Risk Management – Mitigating Controls	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	2	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 commencement of a trial will be presented to Chief Officers at the June 2018 JCOT meeting. A further	Risk & Compliance Manager	08/06/18	31/08/18	27/06/18	In progress, risks in the strategic risk register have been updated and the remaining ones to update. It is anticipated that the strategic risk register will be updated by 31/08/18. A decision will be made on the operational risk registers as to whether this approach will be adopted following this.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response
NSC1819 HR – Absence Management	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. A briefing note be prepared to staff on the appropriate means for recording of sickness, including accounting for free/rest days. The briefing note to be circulated to all Line Managers.	2	report will be produced, post-trial, to analyse the findings and propose a way forward with regard to the revised risk register template. The Management Team have reviewed this action and this does not inflate our reported sickness figures. This is because we report on number of working hours lost, which does not include rest and free days. This does affect operational police officers, as they could be called in if they are fit, and therefore guidance will be updated and circulated via HRAs.	Operational HR Manager	31/05/18	31/07/18	01/07/18	A sickness guide for managers has been prepared, this will be updated to include explicit reference to the issue raised and be provided by 31st July.

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Expected Completion Date	Last Update	Latest Response
NSC1819 HR – Absence Management	A review of data entered on ERP, Enact and the Duty Management System (DMS) be completed to ensure that it is following the correct processes to ensure it continues to align.	1	The list of anomalies has been reviewed by the Management Information Team. Many of the differences are related to the way in which the different systems count sickness, rather than user errors. This may be difficult to address, but there has been progress made to ensure that the relevant processes are followed thus reducing genuine errors causing inconsistency. This will be an ongoing review, with a review date of June 2018 to review progress.	HR Service Centre Manager	30/06/18	30/09/18	27/06/18	The list of anomalies has been reviewed by the Management Information Team. Differences relate to the way the different systems count sickness, rather than user errors. This may be difficult to address, but there has been progress made to ensure that the relevant processes are followed thus reducing genuine errors causing inconsistency. This is an ongoing review, with a review date of September 2018 to review progress.



ORIGINATOR: Chairman

REASON FOR SUBMISSION: For review and comment

SUBJECT: Audit Committee Annual Report – 1 April 2017 – 31 March 2018

SUMMARY:

The work undertaken by the Committee is presented in the Annual Audit Committee Report.

RECOMMENDATION:

The Committee is asked to review and comment on the draft Report.

Introduction

The purpose of the Audit Committee is to provide independent advice and recommendations to the Police and Crime Commissioner and the Chief Constable for Norfolk on the adequacy of governance and risk management frameworks, the internal control environment and financial reporting.

The Committee has an independent role to review the effectiveness of governance, risk management and control arrangements in the Office of the Police and Crime Commissioner for Norfolk (OPCCN) and in Norfolk Constabulary. It also reviews financial reporting and annual governance processes as well as the work of the internal and external auditors.

This report covers the activities undertaken by the Audit Committee at its meetings during the period from 1 April 2017 to 31 March 2018.

The Committee comprises 5 independently appointed members who have a range of backgrounds and experience. During the period, it met 4 times and these meetings are open to the public to attend.

Governance and Risk Management frameworks

During the year, the Committee reviewed and approved the Annual Governance Statement for the year ended 31 March 2017 which sets out the arrangements that operated to ensure effective governance in the OPCCN and the Constabulary.

This statement was published as part of the annual financial statements for the year ended 31 March 2017. It is also reviewed by the external auditor who did not raise any issues in relation to its contents as part of the annual audit process.

At each of its meetings during the year, the Committee reviewed the strategic risks facing the OPCCN and the Constabulary, together with the actions being taken by management to manage those risks effectively. The Committee also discusses any emerging risks with representatives from the OPCCN and the Constabulary.

Internal Controls

Internal auditors have been appointed to assess and test the operation of internal controls in a number of activities based on a programme of work for the year. The Committee reviewed and agreed the internal audit plan for the 2017/18 year and then received progress reports from the internal auditors on their work at each meeting.

The Committee also discussed individual internal audit reports with the internal audit team and with management at each of its meetings with particular emphasis on those reports where the overall conclusion was one of limited assurance.

The internal audit reports included progress in implementing agreed recommendations arising from earlier assignments. The Committee has been

pleased with the progress that has been made by management to action recommendations. It will continue to focus on this important area.

The Committee also considered the draft internal audit strategic and annual plan for 2018/19 noting the need to address those areas of greatest risk to the delivery of the OPCCN and Constabulary objectives.

Financial Reporting

The OPCCN and the Constabulary are required to produce annual financial statements in accordance with recognised accounting standards and which are then subject to an independent external audit.

Prior to the production of the annual accounts, the Committee reviewed the accounting policies to be used in compiling the accounts. It also reviewed the draft annual accounts before the external audit process commenced and questioned the Chief Finance Officer on a range of accounting matters that they contained.

At the conclusion of the external audit process, the Committee received a report from the external auditor which set out the results of the audit work in relation to annual accounts and the arrangements for securing value for money in the use of resources at the OPCCN and the Constabulary.

The external auditor provided unqualified opinions for the year ended 31 March 2017. The external auditor summarised all of these results in an Annual Audit Letter which was presented to the Committee and published on the OPCCN website in September 2017.

The Committee recorded its appreciation of management in achieving this positive report. It also noted the tighter timescales for publishing and auditing the financial statements for 2017/18.

The Committee also received details of the work to be carried out by the external auditor on the annual accounts for 2018/19.

Other Matters

The Committee reviewed the annual Treasury Management strategy for the year ending 31 March 2019, together with an update on treasury activities during 2017/18. The strategy sets out details of the approach to managing debt and investments.

Following a national procurement exercise to appoint external auditors, the Committee noted that Ernst & Young had been re-appointed as the external auditor to the OPCCN and the Constabulary for a 5 year term from 1 April 2017.

As well as its formal meetings, the Committee meets to discuss topics that are relevant to its business so that members have a greater insight into policing matters.

Topics that have been included in this programme of training and development during the year were Strategic Collaboration with other forces, Norfolk 2020,

information security and management and the implementation of IT systems such as Athena.

The Committee also undertook a review of the skills of its members in order to identify future training and development needs.

In the coming year, the Committee will review its effectiveness using the latest good practice guidance for audit committees issued by the Chartered Institute of Public Finance & Accountancy.

Rob Bennett
Chair
On behalf of the Audit Committee
June 2018



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COMMISSIONER FOR NORFOLK



NORFOLK
CONSTABULARY
Our Priority is You

Audit Committee Forward Work Plan

23 October 2018

Welcome and Apologies	
Declarations of Interest	
Minutes of meeting 30 July 2018	
Internal Audit 2018/19 Plan update and follow-up Report	Report from Head of Internal Audit
Annual Audit Letter	Report from Ernst and Young LLP
Strategic Risk Register update	Report from Chief Exec and CC
Forward Work Plan	Report from CFO

15 January 2019

Welcome and Apologies	
Declarations of Interest	
Minutes of meeting 23 October 2018	
Audit Committee Terms of Reference	Report from CFO
Internal Audit 2018/19 Plan update 2019/20 Internal Audit Plan (draft)	Reports from Head of Internal Audit
External Audit 2017/18 Accounts Annual Audit Letter 2018/19 Audit Plan	Reports from Director, E&Y
Treasury Management 2018/19 Half Year Update 2019/20 Strategy	Report from CFO
Strategic Risk Register Update	Report from Chief Exec and CC
Forward Work Plan	Report from CFO

16 April 2019

Welcome and Apologies	
Declarations of Interest	
Minutes of meeting 15 January 2019	
Internal Audit 2018/19 Progress Report and Follow Up Review 2018/19 Annual Report 2019/20 Internal Audit Plan (Final)	Reports from Head of Internal Audit
Annual Governance Statement 2018/19	Report from CFO
External Audit Plan 2018/19	Report from Director, E&Y
Strategic Risk Register update	Report from Chief Exec and CC
Forward Work Plan	Report from CFO

Report Author

John Hummersone

Chief Finance Officer

01953 424484

Email: hummersonej@norfolk.pnn.police.uk