



CHIEF CONSTABLE OF CLEVELAND

**HR Management - Overtime: Time Off In Lieu (TOIL)
and Rest Days In Lieu (RDIL)**

FINAL

Internal Audit Report: 2.16/17

4 August 2016

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1 EXECUTIVE SUMMARY

1.1 Background

An audit of Human Resources Management: Overtime Time Off In Lieu (TOIL) and Rest Days In Lieu (RDIL) was undertaken as part of the approved internal audit periodic plan for 2016/17. The objective of the audit was to ensure any TOIL or RDIL claimed by police officer or member of police staff is essential, authorised and properly recorded.

The following areas were considered as part of the review:

- Policies and procedures were in place, up to date and available to staff
- An assessment of the Duty Management System (DMS)
- Provision of DMS training

TOIL

- Overtime had been approved by the Duty Inspector or relevant Supervisor.
- Overtime has been appropriately recorded.
- Payment to employees had have been made accurately and in a timely manner.

RDIL

- Time owing had been added to annual leave, TOIL or the duty roster in a timely manner.

Reporting

- Management information was produced, reported and assessed through the Force's governance structure.
- Excessive balances are monitored, reporting and appropriation actions plans are implemented to reduce balances.

The Force uses the Duty Management System (DMS) for the purposes of recording time worked. In November 2015, the system was upgraded to incorporate the recording of overtime to be taken as either payment or as Time Off In Lieu (TOIL). The upgrade only allows police officers to use the self-service facility for overtime recording. Police staff use the manual paper forms for claiming overtime. The Force is currently developing the system relating to police staff using the DMS self-service system for inputting their overtime claims and having subsequent electronic approval. Complications include the varying number of working patterns within the police staff. The current system only allows input of overtime claim when a fixed number of hours have been worked, however police staff have a high number of part time workers and the system is not be able to deal with the complication hence why there is still a manual overtime sheet completed by the Police Staff.

The DMS system is operated under a Service Level Agreement (SLA) with Sopra Steria. Sopra Steria provides the IT service desk function and act as a point of contact for queries and issues regarding the DMS system. The Business Support Team receives, checks and processes manual paper TOIL claims for all police staff.

RDIL is mostly claimed by police officers and these are automatically processed on the DMS system. Depending on the circumstances, the Force can dictate the rate of pay for police officers when they working on their rest days. Supervisors are able to view the number of RDIL each officer has through DMS reporting and have the responsibility of ensuring that this is accurate.

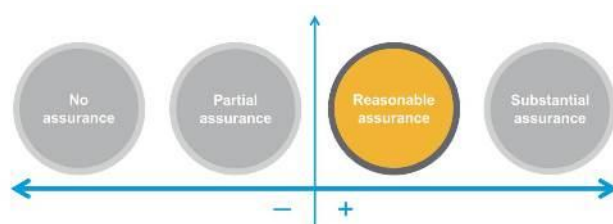
1.2 Conclusion

We were satisfied from the testing undertaken and discussions with key staff that a robust system is in place to ensure that all TOIL and RDIL claimed has been appropriately recorded and authorised. We confirmed that a number of key controls are in place for the recording of TOIL and RDIL claims. However, we identified some areas of non-compliance with documented controls which included instances of TOIL claims inaccurately input into the system and the absence of a strategy to reduce the excessive TOIL and RDIL balances.

Internal Audit Opinion:

Taking account of the issues identified, the Chief Constable of Cleveland can take **reasonable assurance** that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied.

However, we have identified issues that that need to be addressed in order to ensure that the control framework is effective in managing this area.



1.3 Key findings

The key findings from this review are as follows:

- The Force operates to Police Regulations which police officers have to comply with. The Force also has a local agreement which outlines local variations to Police Regulations in agreement with the local branch of the Police Federation. There is also a Police Staff Handbook in place which details overtime guidelines. These are accessible to all relevant staff on the intranet.
- All police staff are given the staff handbook at the commencement of employment and all police officers are given training on the use of the DMS system for their TOIL and RDIL claims by trained supervisors. Points of contact are in place for ad-hoc system questions. There are procedures and guidelines available on the intranet detailing how to use the DMS system is used.
- The Police Regulations and Police Staff Conditions of Service are embedded within the DMS system.
- When DMS system was upgraded twice in the last year, once in November 2015 and another in March 2016, we found evidence that all the data had been backed up and restored appropriately. Furthermore a report was generated that documented a comparison of the data pre-upgrade and post upgrade.
- From the sample testing of 20 police officers' TOIL claims, we found that in all instances these were approved by the Duty Inspector or relevant Supervisor; overtime had been appropriately recorded; and where applicable payment had been made accurately and in a timely manner.
- We found five instances (out of 15 sampled) where manual claim forms for overtime that had been paid were not signed by the person processing the claim, but had been properly authorised.
- Management information on TOIL and RDIL balances is produced by the Business Support Team and reported to the Force's Tactical Performance Group on a monthly basis.

However, we have agreed two 'medium' priority management actions in relation to the following findings:

- We found three instances (out of ten sampled) where the manual claims for overtime as TOIL had not been recorded on the ORACLE system correctly as per the claim form.
- We found that although information was reported to each command across the Force, we could not find evidence that the Force has a strategy in place to reduce the excessive TOIL and RDIL balances to acceptable levels.

1.4 Additional information to support our conclusion

Area	Control design*	Compliance with controls*	Agreed actions		
			Low	Medium	High
TOIL	0 (7)	1 (7)	0	1	0
RDIL	0 (1)	0 (1)	0	0	0
Duty Management System	0 (4)	0 (4)	0	0	0
Reporting	0 (2)	1 (2)	0	1	0
Total			0	2	0

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

2 ACTION PLAN

Categorisation of internal audit findings

Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

The table below sets out the actions agreed by management to address the findings:

Ref	Findings summary	Priority	Actions for management	Implementation date	Responsible owner
Area: TOIL					
1	We found three instances (out of ten sampled) where the manual claims for overtime as TOIL had not been recorded on the ORACLE system correctly as per the claim form.	Medium	The Force will ensure all overtime claimed is input into the system correctly and reconcilable to the claim forms.	End September 2016	Kathryn Summerfield, Head of HR, Sopra Steria
Area: Reporting					
2	We found that although information was reported to each command across the Force, we could not find evidence that the force has a strategy in place to reduce the excessive TOIL and RDIL balances to acceptable levels.	Medium	The levels of TOIL / RDIL were discussed at the June Tactical Performance Group, and each command was requested to develop a plan to address increasing levels of TOIL / RDIL and undertake additional work to understand the reasons why this is happening.	September 2016	T/ACC Irvine, Chair of Tactical Performance Group

3 DETAILED FINDINGS

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Actions for management
Area: TOIL						
1	<p>Police staff:</p> <p>Overtime – TOIL only</p> <p>Manual paper forms are used by police staff when claiming overtime.</p> <p>Paper claims are completed on an 'overtime for TOIL only sheet'. The claim is signed by the relevant line manager or electronically authorised and sent to the Business Administration Team who check the forms for completeness before processing.</p> <p>Records on the DMS system are updated by a system administrator.</p>	Yes	No	<p>Testing of ten staff found that in seven instances the samples had been:</p> <ul style="list-style-type: none"> • Approved by the relevant Supervisor (manually/ electronically-email); • A claim form had been retained; • Overtime had been appropriately recorded; and • TOIL had been recorded correctly on the DMS system. <p>However we also noted the following three instances where the system did not reconcile with the claim forms:</p> <ul style="list-style-type: none"> • One claim form had both overtime days to be processed for both payment and some hours for TOIL. Although we were able to reconcile the hours claimed on the form to the payment report we were however unable to reconcile two hours of TOIL on the DMS system. • In one instance there was a duplication of 1.5hrs on the DMS system for TOIL hours claimed. • In the third instance we found that TOIL hours claimed of 8 hours 25 minutes were only recorded on the ORACLE system as 50mins representing a discrepancy of 7 hours and 35 mins. <p>There is a risk that the TOIL hours are entered inaccurately on the system resulting in overstated/understated TOIL figures for police staff.</p>	Medium	The Force will ensure all overtime claimed is input into the system correctly and reconcilable to the claim forms.

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Actions for management
Area: Reporting						
2	<p>As a result of the management information that is produced by the Business Support Team Leader, the Force Performance team produces a monthly report which is reported to various commands for monitoring and in order to address excessive balances noted.</p> <p>Officers can only accrue up to a maximum of 30 hours Time off In Lieu (TOIL) or five Rest days In Lieu (RDIL) at any time.</p> <p>The Tactical Performance Group receives a TOIL and RDIL report on a monthly basis which is shared across the Force within the different commands.</p>	Yes	No	<p>We obtained reports showing the TOIL and RDIL balances across the and noted the following as at the time of the audit:</p> <ul style="list-style-type: none"> They were 124 Officers (10%) with TOIL over the limit as per the Performance Report. We noted that since November 2015 this number had been increasing on a monthly basis. They were 400 Officers (32%) with RDIL over the limit (i.e. over five days). Again this figure had remained steady or rising since November 2015. As at April 2016 the total hours for TOIL for all officers across the Force was 12,948 hours and the total RDIL was 6,044 days Review of the top 10 list of officers with TOIL and RDIL balances between the period November 2015 to April 2016 found that the number was steadily increasing every month. <p>We picked a sample of ten officers who were listed on the top ten list for TOIL and RIDL and sought to find any action plans in place for those officers to reduce their respective excessive balances. We were able to discuss with a Chief Superintendent about specific officers and found that each command was aware of the officers who needed to reduce their balance.</p> <p>However it was noted that due to reduced budgets and subsequent strain on resourcing, the need to reduce TOIL/ RIDL balances was of a low priority in order to ensure that there is capacity.</p> <p>We concluded that at the time of the audit they were no action plans in place across the various commands (to reduce the excessive balance) although it is acknowledged that management were aware of the issues surrounding excessive</p>	Medium	<p>The levels of TOIL / RDIL were discussed at the June Tactical Performance Group, and each command was requested to develop a plan to address increasing levels of TOIL / RDIL and undertake additional work to understand the reasons why this is happening.</p>

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Actions for management
				balance and were looking for actions to implement to reduce the balances. Failure to reduce the balances may cause future resourcing issues across the Force.		

APPENDIX A: SCOPE

Scope of the review

To evaluate the adequacy of risk management and control within the system and the extent to which controls have been applied, with a view to providing an opinion. The scope was planned to provide assurance on the controls and mitigations in place relating to the following areas:

Objective of the area under review

To ensure any TOIL or RDIL claimed by police officer or member of police staff is essential, authorised and properly recorded.

When planning the audit, the following areas for consideration and limitations were agreed:

Areas for consideration:

Our review has considered the following areas:

- Policies and procedures are in place, up to date and are available to staff.
- An assessment of how the Duty Management System's parameters have been established and meet Police Regulations and Police Staff Conditions of Service.
- Training has been provided to staff following the implementation of the Capita DMS system in November 2015.

TOIL

- We have sample tested the following overtime claimed as TOIL or payment:
 - Planned
 - Unplanned or casual
 - Recall of duty
 - Advancing the start of duty from rostered time
 - Rest Day and Public Holidays
- Overtime has been approved by the Duty Inspector or relevant Supervisor.
- Overtime has been appropriately recorded. We will also consider the closedown of the Duty Management System and accessibility to make changes to assess the risk of duplication of payment.
- Payment to the employee has have been made accurately and in a timely manner.

RDIL

- Time owing has been added to annual leave, TOIL or the duty roster in a timely manner.

Reporting

- Management information is produced, reported and assessed through the organisation's governance structure.
- Excessive balances are monitored, reporting and appropriation actions plans are implemented to reduce balances.

Limitations to the scope of the audit assignment:

- The audit has been carried out on a sample basis only.
- We have not commented on the appropriateness of the TOIL and RDL levels, whether these have been accounted for appropriately or whether they are sustainable.
- We have not confirmed the adequacy or appropriateness of any overtime undertaken, just that the correct process has been followed.
- Our work does not provide an absolute assurance that material errors, loss or fraud do not exist.

APPENDIX B: FURTHER INFORMATION

Persons interviewed during the audit:

- Gerard Gallagher, Lead Finance Business Partner
- Andy Sykes, ORACLE System Administrator
- Karen Lindberg, Deputy Head of HR
- Phil Byrom, DMS Administrator
- Andy Sykes, Oracle System Administrator,
- Ian Hailstone, Systems and Accounts Manager
- Peter McPhillips, Chief Superintendent
- Chris Baxendale, Senior Performance Analyst
- Ruth Banks, Business Support Team Leader

Documentation reviewed during the audit:

- Police Regulations, 2003
- DMS Quick User Guide
- Pay and Conditions Service Handbook
- Adding TOIL to DMS
- BoBo Guidance for supervisors

FOR FURTHER INFORMATION CONTACT

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