



# POLICE AND CRIME COMMISSIONER FOR CLEVELAND AND CHIEF CONSTABLE OF CLEVELAND

## Internal Audit Progress Report

16 December 2016





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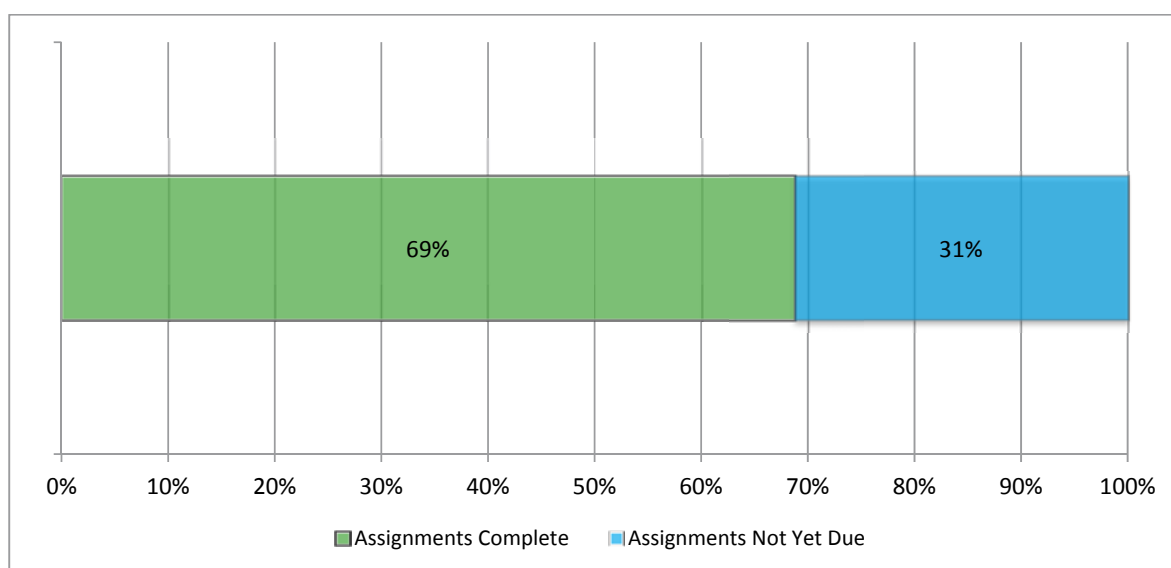
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# 1 INTRODUCTION

The internal audit plan for 2016/17 was approved by the Joint Audit Committee on 24<sup>th</sup> March 2016.

Please see the chart below for current progress against the plan.









## 2 REPORTS CONSIDERED AT THIS JOINT AUDIT COMMITTEE

This table informs of the audit assignments that have been completed and the impacts of those findings since the last Joint Audit Committee held.

We have finalised four reports since the previous meeting in line with the agreed timetable.

Appendix A also details of the full history of the audits completed in 2016/17.

Assignments	Status	Opinion issued	Actions agreed		
			H	M	L
IT Mobile Data	Final		3	2	0
Grants	Final		2	5	1
Estate Management – Lockers	Final		1	2	0
Key Financial Systems: Creditors, Debtors and Fixed Assets	Final		0	0	2

### 2.1 Impact of findings to date

Our reviews of **Key Financial Systems: Creditors, Debtors and Fixed Assets** identified the organisation can take **substantial assurance** that the controls upon which it relies on to manage the identified area were suitably designed, consistently applied and operating effectively. We did not agree any high or medium priority management actions as part of the review.





Our reviews of **IT Mobile Data**, **Grants** and **Estate Management – Lockers** each concluded with partial assurance opinions and action is required to strengthen the control framework to ensure the areas are effectively managed. The key priority management actions for each review are as follows:



- **IT Mobile Data** – the report contained three high and two medium priority actions. The high priority management actions related to the mobile devices were not used by officers, significant hardware issues had been identified with the devices and the opinion from device users had not been obtained on a frequent basis.
- **Grants** – the report contained two high and five medium priority management actions. The high priority management actions related to the lack of progress reports being submitted to the Office of the Police and Crime Commissioner (OPCC) on how monies had been spent and signed grant agreements were not in place for all cases sampled.
- **Estate Management – Lockers** – the report contained one high and two medium priority management actions. The high priority management action related to the lack of a reconciliation of data held on the locker spreadsheets with a current list of staff.

## 2.2 Annual Opinion 2016/17

The JAC should note that the assurances given in our audit assignments are included within our Annual Assurance report. In particular, the JAC should note that any negative assurance opinions will need to be noted in the annual report and may result in a qualified or negative annual opinion. We have issued six final reports with a partial assurance opinion to the Force and OPCC with a further three assurance reviews planned for the remainder of the year. As part of the Follow Up of Previous Internal Audit Recommendations we will consider the implementation of the management actions raised as part of the Grant, Firearms / Taser Service Records and IT Mobile Data that are due to be implemented this financial year. This will provide assurance to the JAC that areas of negative assurance that could significantly impact on the organisation have been implemented and ultimately reduce the organisation's risk exposure.



### 3 LOOKING AHEAD

Assignment area	Timing per approved IA plan 2016/17	Status	Target Joint Audit Committee per the IA Plan 2016/17
Complaints	November 2016	Fieldwork due to begin week commencing 21 <sup>st</sup> November	March 2017
Annual Governance Assurance Statement	March 2017	Fieldwork due to begin week commencing 9 <sup>th</sup> January	June 2017
Seized Cash Spot Checks	January 2017	Fieldwork due to begin week commencing 16 <sup>th</sup> January	March 2017
Victim Referral Services	January 2017	Fieldwork due to begin week commencing 30 <sup>th</sup> January	March 2017
Follow Up of Previous Internal Audit Recommendations	January 2017	Fieldwork due to begin week commencing 6 <sup>th</sup> February	March 2017



## 4 OTHER MATTERS

### 4.1 Added value work

We have undertaken the following added value work since the previous Joint Audit Committee.

Area of work	How this has added value
The Commissioned Services Support Officer has shadowed RSM staff during the following reviews: Grants and Key Financial Controls: Creditors, Debtors and Fixed Assets.	The Commissioned Services Support Officer's role will include auditing the use of grant monies in accordance with the organisation's application and contract particulars.
The Commissioned Services Support Officer will also be shadowing RSM on the following reviews: Seized Cash Spot Checks and Victim Referral Services.	The support provided by RSM will allow the Commissioned Services Support Officer to identify controls and determine if they are well-designed and have been applied consistency to support compliance with the contract particulars associate with the grant monies.
The Chief Finance Officer of the OPCC requested RSM to assess the commissioning aspect of the PCC's budget and in particular RSM assessed the following:	RSM put on site individual and group training workshops and sessions with selected OPCC staff and set discrete tasks to help them build a commissioning framework.
a) To both assess, test and coach selected individuals within the OPCC in key commissioning skills with a view to understanding what capability and skill was pre-existing; and	This framework was largely built by RSM, but with regularly engagement with senior OPCC staff, and the final output was a commissioning manual, explaining the process, providing a wide selection of tools and resources to use, an interactive commissioning tracker (spreadsheet based), and a programme of actions needed to make the transition to the new commissioning model.
b) To build a commissioning framework and systems for tracking spend against objectives which clearly aligned intelligence, evidence and decision making.	

Since the last meeting JAC meeting we have also issued the following:

#### Police Risk Register analysis

Our risk register analysis document provides information to help forces, Offices of Police and Crime Commissioners (OPCCs) and audit committees to review and challenge their own risk profiles and to help with ongoing risk identification and horizon scanning. It provides the outcomes of our analysis of police risk registers and highlights key risk changes within the sector over the last two years (when RSM last undertook this analysis. The document identifies a number of areas for improvement in risk management and internal control, acting as a useful sense check for police forces and OPCCs to utilise when considering their risks; an activity that is particularly beneficial during times of change

#### Emergency Services sector update – November 2016

Published on 18<sup>th</sup> November our regular briefing included updates on:

- Emergency Services Network
- Little Book of cyber scams



- Home Secretary's conference speech
- Delivering Good Governance
- Joined up response to Child Protection
- Police procurement
- Public confidence in the police
- Police risk register analysis
- Fire procurement
- Updates from Parliament
- Fire risk register analysis

## 4.2 Key performance indicators (KPIs)

Delivery	Quality	
	Target	Actual
Audits commenced in line with original timescales	Yes	No <sup>1</sup>
Draft reports issued within 10 days of debrief meeting	100%	100% - 10 days (average)
Management responses received within threedays of draft report	100%	100% - two days (average)
Audit reports presented to agreed Joint Audit Committee meetings	Yes	No <sup>1</sup>
% of High & Medium recommendations followed up	100%	Audit planned for week commencing 6 <sup>th</sup> February 2017

### Notes

<sup>1</sup> Data Quality (including elements of Data Security and MoPI), HR Management: Overtime - TOIL and RDIL and Health and Safety audits have not been reported as per the timescales detailed in the internal audit plan.

The Follow of Previous Internal Audit Recommendations has been rearranged to week commencing th 6<sup>th</sup> February 2017 to allow for management actions from the partial assurance reviews to be followed up.

The Force requested the Estate Management – Lockers audit to be deferred till October 2016. This was reported to the Joint Audit Committee at the June meeting.



## APPENDIX A: INTERNAL AUDIT ASSIGNMENTS COMPLETED TO DATE

Reports previously seen by the Joint Audit Committee and included for information purposes only:

Assignment	Opinion issued	Actions agreed		
		H	M	L
Seized Cash Spot Check – Middlesbrough and Stockton	No opinion provided	0	2	0
HR Management - Overtime: Time Off In Lieu (TOIL) and Rest Days In Lieu (RDIL)		0	2	0
Health and Safety		0	3	1
Stockholding		0	4	1
Data Quality (including elements of Data Security and MoPI)		0	0	1
Firearms/Taser Service Records		2	3	0
Collaborations – CDSOU and Fingerprint Bureau		1	4	1



# FOR FURTHER INFORMATION CONTACT

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