



Office of the Police & Crime Commissioner for Nottinghamshire and  
Nottinghamshire Police

Internal Audit Progress Report 2016/17

December 2016

Presented to the Joint Audit & Scrutiny Panel meeting of: 15<sup>th</sup> December 2016

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## 01 Introduction

- 1.1 The purpose of this report is to update the Joint Audit & Scrutiny Panel (JASP) as to the progress in respect of the 2016/17 Internal Audit Plan that considered and approved by the JASP at its meeting on 11<sup>th</sup> February 2016.
- 1.2 The Police and Crime Commissioner and Chief Constable are responsible for ensuring that the organisations have proper internal control and management systems in place. In order to do this, they must obtain assurance on the effectiveness of those systems throughout the year, and are required to make a statement on the effectiveness of internal control within their annual report and financial statements.
- 1.3 Internal audit provides the Police and Crime Commissioner and Chief Constable with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the organisation's agreed objectives. Internal audit also has an independent and objective advisory role to help line managers improve governance, risk management and internal control. The work of internal audit, culminating in our annual opinion, forms a part of the OPCC and Force's overall assurance framework and assists in preparing an informed statement on internal control.
- 1.4 Responsibility for a sound system of internal control rests with the Police and Crime Commissioner and Chief Constable and work performed by internal audit should not be relied upon to identify all weaknesses which exist or all improvements which may be made. Effective implementation of our recommendations makes an important contribution to the maintenance of reliable systems of internal control and governance.
- 1.5 Internal audit should not be relied upon to identify fraud or irregularity, although our procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control will not necessarily be an effective safeguard against collusive fraud.
- 1.6 Our work is delivered in accordance with the Public Sector Internal Audit Standards (PSIAS).

## 02 Summary of internal audit work to date

- 2.1 We have issued four final reports in respect of the 2016/17 plan since the last progress report to the JASP, these being in respect of DPA Compliance, Procurement, Savings Programme and HR Establishment Budgeting. Additionally, we have issued two draft reports in respect of the Core Financial Systems and Effective Audit & Scrutiny where we await management's responses. Further details are provided in Appendix 1.

Nottinghamshire 2016/17 Audits	Report Status	Assurance Opinion		Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
Implementation of DMS	Final	Limited		3	3	2	8
Data Protection Act Compliance	Final	Limited		1	5	3	9
Estates Strategy	Final	N/A		-	-	-	-
HR Establishment Budgeting	Final	Satisfactory		-	3	1	4
Commissioning Framework	Final	N/A		-	-	-	-
Overtime Payments	Final	N/A		-	-	-	-
Procurement Follow-up	Final	EMSCU - Limited	Local - Satisfactory	1	4	2	7
Savings Programme Follow-up	Final	Satisfactory		-	2	1	3
Core Financial Systems	Draft						
Effective Audit & Scrutiny	Draft						
<b>Total</b>				<b>5</b>	<b>17</b>	<b>9</b>	<b>31</b>

- 2.2 We are also in the process of agreeing the scope of the audits of Risk Management, Human Resources and Data Quality, which will be carried out in quarter four. Further details are provided within Appendix A2.
- 2.3 As reported in our previous progress report, five specific areas have been identified in terms of the collaborative audits for 2016/17. In each case a lead officer (OPCC CFO) has been identified as a single point of contact. The initial reviews will look at the business plan and S22 agreement in terms of whether it is being delivered and is fit for purpose going forward; the scope will also include value for money considerations and arrangements for managing risk. We have recently finalised one audit (Legal Services) and completed the fieldwork with regards another (EMSCU), with further details provided in Appendix 1. Work is now in progress with regards Transactional Services, with the remainder due to be completed in quarter 4.

Collaboration Audits 2016/17	Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
EMCHRS Transactional Services	In progress					
EM Legal Services	Final	Limited	1	3	2	6
EMOpSS	Q4					
EMS Commercial Unit	Completed – being reviewed					
EMSOU	Q4					
<b>Total</b>			<b>1</b>	<b>3</b>	<b>2</b>	<b>6</b>

## 03 Performance

3.1 The following table details the Internal Audit Service performance for the year to date measured against the key performance indicators that were set out within Audit Charter. This list will be developed over time, with some indicators either only applicable at year end or have yet to be evidenced.

No	Indicator	Criteria	Performance
1	Annual report provided to the JASP	As agreed with the Client Officer	N/A
2	Annual Operational and Strategic Plans to the JASP	As agreed with the Client Officer	Achieved
3	Progress report to the JASP	7 working days prior to meeting.	Achieved
4	Issue of draft report	Within 10 working days of completion of final exit meeting.	90% (9/10)
5	Issue of final report	Within 5 working days of agreement of responses.	100% (5/5)
6	Follow-up of priority one recommendations	90% within four months. 100% within six months.	N/A
7	Follow-up of other recommendations	100% within 12 months of date of final report.	N/A
8	Audit Brief to auditee	At least 10 working days prior to commencement of fieldwork.	100% (8/8)
9	Customer satisfaction (measured by survey)	85% average satisfactory or above	100% (1/1)

# Appendix A1 – Summary of Reports 2016/17

Below we provide brief outlines of the work carried out, a summary of our key findings raised and the assurance opinions given in respect of the final reports issued since the last progress report:

## Procurement Follow-up

<b>Assurance Opinion</b>	Limited
	Satisfactory

<b>Recommendation Priorities</b>	
Priority 1 (Fundamental)	1
Priority 2 (Significant)	4
Priority 3 (Housekeeping)	2

Our audit considered the following risks relating to the area under review:

- Policies, procedures and guidance are in place to ensure officers and staff are aware of the process for purchasing goods and services.
- Purchasing authority levels are clearly defined and adhered to.
- All purchases over £25,000 are managed by the East Midlands Strategic Commercial Unit (EMSCU).
- Purchases are supported by sufficiently detailed and authorised business cases where appropriate.
- All procurement below £25,000 is authorised locally, with purchase orders raised and with quotations and tenders sought where appropriate.
- Purchases below the £25,000 threshold are monitored to ensure compliance with local financial and procurement regulations and that best value is being achieved.
- National frameworks are used where it is appropriate to do so and best value is considered when making this decision.
- Value for money is considered and decisions regarding this are documented during the procurement process.

We raised one priority 1 recommendation of a fundamental nature that requires addressing. This is set out below:

<b>Recommendation 1</b>	<p>EMSCU should set a clear protocol in place to ensure key documentation is consistently stored in the Crystal system. The documents available should include the signed versions of:</p> <ul style="list-style-type: none"> <li>•Statement of Requirement;</li> <li>•Business Case</li> <li>•Single Tender Award;</li> <li>•Signed Contract</li> </ul>
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	Once implemented, regular dip samples on new contracts awarded should be carried out to ensure all supporting documentation is in place and correct authorisation has been given.
Finding	<p>EMSCU are responsible for retaining the key documentation that is required for the procurement process of contracts over £25k, including Statement of Requirements, Business Cases, Single Tender Award forms and the signed contract that is in place. These documents show the authorisation for the contract, the reasons why it is needed and why it demonstrates value for money.</p> <p>The Crystal system is used by EMSCU to record contracts that are in place and enables key documentation to be attached against each contract.</p> <p>Audit testing found the following:</p> <ul style="list-style-type: none"> <li>•3/10 had no Statement of Requirement;</li> <li>•2/10 no signed business case or single tender award so approval could not be evidenced; and</li> <li>•4/10 no signed contract could be located.</li> </ul> <p>Audit testing found that the use of attachments in the Crystal system was inconsistent, with some contracts having missing information. In some cases information was found but was stored in other locations but took staff time to retrieve these.</p> <p>If the key documents were available on Crystal this would allow a more efficient use of users time when searching for key documents and give additional assurance to EMSCU that the correct process had been followed with the documentation as evidence.</p>
Response	Agreed, there is a document storage policy that covers electronic storing methodology but does not consider the Crystal contracts management system. This policy is now under review and will be updated to cover what will be on Crystal. Once the review is complete staff training and future monitoring plan will be undertaken.
Timescale	Ronnie Adams, EMSCU Commercial Director January 2017

We raised four priority 2 recommendations where we believe there is scope for improvement within the control environment. These are set out below:

- The Force and EMSCU should ensure that the correct versions of procedures are available on the Force intranet site to ensure staff follow the correct procedures. (Local & EMSCU Responsibility)
- A further communication should be issued to remind all staff who raise and approve requisitions that the supporting documentation should be clearly attached in the Oracle system. This should include appropriate quotes or details of related contracts.  
Consideration should be given to completing dip samples to ensure compliance with Contract Procedure Rules. (Local Responsibility)
- Finance and EMSCU should set up a regular reporting protocol that allows the review of expenditure under £25k on a regular basis so the information can be used to aggregate spend and identify contract opportunities. (Local & EMSCU Responsibility)
- Finance should review the exception reports that it can produce and ensure they run them on a regular basis to provide assurance that exceptions are investigated and actions taken to address. (Local Responsibility)

We also raised two housekeeping issues with regards policies and procedures, and the removal of suppliers from the system.

Management confirmed that all actions will be implemented by March 2017.

**Data Protection Act Compliance**

<b>Assurance Opinion</b>	Limited
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<b>Recommendation Priorities</b>	
Priority 1 (Fundamental)	1
Priority 2 (Significant)	5
Priority 3 (Housekeeping)	3

The audit covered the following control objectives:

Information Asset Owners (IAO)

- The roles and responsibilities of Information Asset Owners are defined and have been effectively communicated to the responsible staff.
- The Information Management Strategy sets out the overall direction for the management of information, against which the role of the IAO can be measured.
- There are effective communication and training routines in place to support the IAO's in this new role.
- The Information Management Team have up to date records of who the IAO's are for all defined categories of information, including where such responsibilities have been delegated.
- There are effective and robust procedures in place to monitor the role of Information Asset Owners and their contribution to delivery of the Information Management Strategy.

Information Asset Register (IAR)

- There are accurate and up to date policies and procedures in place that facilitate the effective production and maintenance of Information Asset Registers.
- There are effective and robust procedures in place to ensure that accuracy and completeness of IAR's.
- IAO's, in the role in maintaining IAR's, have received adequate training and direction.
- IAR's are maintained in accordance with all statutory and local requirements, including the storage of sensitive data.

Information Risk Register (IRR)

- Policies and procedures are in place to ensure that information risks are identified; assessed; recorded; and, appropriate risk owners are assigned.
- The corporate and departmental IRR's are subject to regular review and are updated in a consistent manner.
- Risks in the corporate and departmental IRR's are assigned risk owners to monitor and manage the risks.
- There is a clear link between the IRR's and IAR's.

We raised one priority 1 recommendation of a fundamental nature that requires addressing. This is set out below:

<p>Recommendation 1</p>	<p>The Information Risk Management system in place at the Force needs to be reviewed, updated and implemented. This should include, but not be limited to, the following:</p> <ul style="list-style-type: none"> <li>• An update to the Information Risk Management Strategy.</li> <li>• The responsibilities of IAO's in relation to identifying and managing their risks needs to be clearly communicated.</li> <li>• The process for adding risks, closing risks and updating risks to the information risk register needs to be agreed upon and formally communicated.</li> <li>• The format of the risk register should clearly include Risk Owners, the risk mitigation actions that are in place, confidence levels of the actions in mitigating the risks and timescales for completion.</li> <li>• The process for regular monitoring of the Information Risk Register should be established.</li> <li>• There should be clear links between the information risks identified and the information assets the Force holds.</li> </ul>
<p>Finding</p>	<p>The Force has an Information Risk Management Strategy in place. However, a review of this against the current processes followed and the knowledge of the responsibilities of key parties highlighted inconsistencies.</p> <p>The role of the Information Asset Owners in identifying risks, adding risks to the register and taking mitigating actions is not clearly documented or understood by the IAO's.</p> <p>Whilst an information risk register is in place, it does not provide the Force with assurance that the risks are being appropriately managed. The risk register has an IAO listed for each risk, however it does not clearly state that they are the risk owner and that they are responsible for managing the specific risk. Moreover, the risk register simply states risk mitigation is the information asset owner's responsibility. It does not document the controls in place and the mitigation actions that should be taken to manage the risks that have been identified. In addition, there was no evidence that the risk register had been reviewed or updated for six months.</p> <p>The Information Risk Register currently has no clear links to the Information Asset Register and therefore asset owners are not aware of which risks are relevant to the assets they look after.</p>
<p>Response</p>	<p>Accepted.</p> <p>Action: Review, update and implement the Information Risk Management system. This should include, but not be limited to, the following:</p> <ul style="list-style-type: none"> <li>• An update to the Information Risk Management Strategy.</li> <li>• The responsibilities of IAO's in relation to identifying and managing their risks needs to be clearly communicated.</li> <li>• The process for adding risks, closing risks and updating risks to the information risk register needs to be agreed upon and formally communicated.</li> <li>• The format of the risk register should clearly include Risk Owners, the risk mitigation actions that are in place, confidence levels of the actions in mitigating the risks and timescales for completion.</li> <li>• The process for regular monitoring of the Information Risk Register should be established.</li> <li>• There should be clear links between the information risks identified and the information assets the Force holds.</li> </ul>
<p>Timescale</p>	<p>Pat Stocker, Information Management Lead 31/03/2017</p>

Furthermore, we raised five priority 2 recommendations where we believe there is scope for improvement within the control environment. These are set out below:

- The Strategies, Policies and Procedures that support Information Management at the Force should be reviewed and updated in line with the current processes that have been adopted. The documents to be addressed are:
  - Removal of the Information Assurance Framework, as this was superseded by the Information Management Strategy.
  - A review and update of the Information Management Strategy.
  - A review and update of the Terms of Reference for the FIAB including performance monitoring.
- The current training offered to IAO's and delegates should be reviewed and a decision made on how to deliver initial training and refresher training to ensure the Force has appropriately trained individuals performing the IAO role.

The IAO Handbook should be updated to reflect the current processes that are in place and provide clarity on the actions that IAO's need to take to produce and maintain the information asset register.

A clear process should be in place so that a 'gatekeeper' is in place to monitor consistency of the register.

- IAO's should be tasked to complete the missing Information.
- Management should decide upon the role that Information Audit is to play within the Information Management System in place and clearly document this.
- The audit process should be clearly documented and communicated to Information Asset Owners.

We also raised three housekeeping issues with regards IAO job descriptions, list of IAO's and delegates, and the format of the asset register.

Management confirmed that all actions will be implemented by March 2017.

### Savings Programme – Follow-up

<b>Assurance Opinion</b>	Satisfactory
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<b>Recommendation Priorities</b>	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	2
Priority 3 (Housekeeping)	1

Our audit considered the following risks relating to the area under review:

- Procedures and guidance are available to support the effective delivery of the savings programme, including the methodology / rationale for calculating and justifying the proposed savings.
- Responsibilities for the delivery of individual savings targets are agreed and understood.
- There is a rigorous process for challenging the proposed savings targets, including their subsequent approval.

- There are effective processes in place to co-ordinate delivery of the overall savings programme in liaison with local / departmental savings targets.
- Management information in respect of the delivery of the savings programme is reported to the relevant forum in a timely and complete manner.
- Where savings targets are unlikely to be achieved, the reasons for the shortfall are provided to the relevant forum at the earliest opportunity in order that timely remedial action can be taken to address the issue.
- The current shortfall in the achievement of the 2015/16 savings programme is known and the reasons for the shortfall are understood.
- There are robust processes put in place to address the current shortfall in the savings programme and to deliver further 2015/16 savings.
- The lessons learnt from the 2015/16 savings programme are understood and are utilised in drawing up the 2016/17 budget.

We raised two priority 2 recommendations where we believe there is scope for improvement within the control environment. These are set out below:

- The Guidance Notes for budgeting and savings should be finalised and shared across the business to aid in developing a clear savings process moving forward. These should also include the responsibilities of the Senior Responsible Officer and the forum where they are held to account.
- A timetable for the delivery of improvements highlighted by the Head of Finance should be implemented to ensure improvements are delivered in a timely manner.

We also one priority three housekeeping issue with regards reviewing the Medium Term Financial Plan and Budgeting Guidance.

Management confirmed that all actions will be implemented by November 2016.

### HR Establishment Budgeting

<b>Assurance Opinion</b>	Satisfactory
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<b>Recommendation Priorities</b>	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	3
Priority 3 (Housekeeping)	1

Our audit considered the following risks relating to the area under review:

- Clearly defined policies and/or procedures are not in place resulting in ineffective and inefficient working practices.
- Staff are unaware of their roles and responsibilities leading to inappropriate decisions being made.
- An unrealistic budget is set resulting in targets not being met and a financial loss to the Force.
- A lack of monitoring of the budget within the Force resulting in budget variances being unidentified.
- There is an inappropriate level of expenditure resulting in the Force overspending against the budget.

- The Force is unaware of the actual expenditure taking place within the HR establishment leading to budgets being ineffectively monitored which could lead to a financial loss to the Force.
- Fraudulent activities are not detected resulting in financial loss and potential reputational damage.

In reviewing the above risks, our audit considered the following areas:

- Production of Budgets
- Budget Monitoring
- Reconciliation of Actual Expenditure

We raised three priority 2 recommendations where we believe there is scope for improvement within the control environment. These are set out below:

- Procedure notes should be developed for all key tasks completed with regards to the Force budgeting process, including production, approval and monitoring.

The procedures should be:

- Regularly reviewed using version control to evidence the review;
- Tested for accuracy and appropriateness; and
- Made available to all relevant officers on the intranet.

- There should be clarity and transparency between the OPCC and the Force over the data that is required to be included within the budget report.
- A reconciliation between the data held on the payroll system, HR system and budget model should be conducted on a regular basis.

We also one priority three housekeeping issue with regards budget monitoring.

Management confirmed that all actions will be implemented by October 2016.

### Collaboration – East Midlands Police Legal Services

<b>Overall Assurance Opinion</b>	Limited
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<b>Recommendation Priorities</b>	
Priority 1 (Fundamental)	1
Priority 2 (Significant)	3
Priority 3 (Housekeeping)	2

Our audit considered the following risks relating to the area under review:

- A Section 22 agreement is in place that clearly sets out the decision making and governance framework that is in place;
- A clearly defined Business Plan is in place that sets out the statutory duties, objectives and the key performance indicators for the services to be provided;
- The Business Plan is set in line with the Section 22 agreement and it is regularly reviewed to ensure it remains 'fit for purpose';
- There are effective reporting processes in place to provide assurances to the Forces on the performance of the unit;

- Value for money considerations are regularly reviewed and reported to the Forces; and
- The unit has procedures in place to ensure that risks are identified, assessed recorded and managed appropriately.

We raised one priority 1 recommendation of a fundamental nature that require addressing. This is set out below:

Recommendation 1	<p>The Management Board for EMPLS should be reinstated to provide oversight and assurance with regards the unit's performance and delivery of its objectives.</p> <p>The Management Board members should ensure they have a timetable in place to attend meetings and carry out their responsibilities in line with the Section 22 agreement that is in place.</p>
Finding	<p>The Section 22 agreement sets out the governance structure for the collaboration and refers to a Management Board comprised of the Deputy Chief Constables of each Force. The responsibilities of this Board are clearly defined and the key features are:</p> <ul style="list-style-type: none"> <li>• Board should meet at periodic intervals and in default of agreement at EMPLS place of business every three months;</li> <li>• Provide oversight of EMPLS operational performance;</li> <li>• Support the continued development of the collaboration;</li> <li>• Propose and monitor the annual aims and objectives of EMPLS; and</li> <li>• Provide a three year business plan to ensure the maintenance and development of the collaboration in line with regional strategic aims.</li> </ul> <p>A review of Management Board meeting minutes shows that the EMPLS Management Board last met in March 2015. Explanation provided to audit was that each Force was happy with the service that EMPLS was providing and, as a consequence, there was no need for the meetings to take place.</p>
Response	It is acknowledged that the Management Board have not met for some time and Derbyshire will lead on re-establishment of this Board.
Timescale	David Peet, Chief Executive January 2017

We raised three priority 2 recommendations where we believe there is scope for improvement within the control environment. These are set out below:

- EMPLS should review the current KPI's that are in place and should prepare updated KPI's that can be presented to the Management Board for scrutiny and approval.
- In accordance with Recommendation 4.1, once the Management Board meetings have been established they should include a review of performance and this should be noted or actions put in place to address areas of concern.
- The risk register should be updated to include a RAG rating between the target risk score and the current risk score to clearly identify the priorities for risk mitigation actions. The risk actions should be separated into ongoing actions and specific actions that will be taken on a set date, with the planned effect on the risk score clearly stated.  
Review of the risk register should be a standard agenda item at EMPLS Silver Meetings and should be included in the reporting to the Management Board.

We also raised two housekeeping issues with regards business planning and performance reporting.

Management confirmed that all actions will be implemented by March 2017.

## Appendix A2 Internal Audit Plan 2016/17

Auditable Area	Planned Fieldwork Date	Draft Report Date	Final Report Date	Target JASP	Comments
<b>Core Assurance</b>					
Risk Management	July 2016			Sept 2016	Deferred to Jan 2017 on client request. Planned to start 26 <sup>th</sup> Jan.
Procurement	Nov 2016	Nov 2016	Nov 2016	Dec 2017	Final report issued.
<b>Core Financials</b>					
Payroll	Oct 2016	Nov 2016		Dec 2016	Draft report issued.
Cash, Bank & Treasury	Oct 2016	Nov 2016		Dec 2016	Draft report issued.
General Ledger	Oct 2016	Nov 2016		Dec 2016	Draft report issued.
Income & Debtors	Oct 2016	Nov 2016		Dec 2016	Draft report issued.
Payment & Creditors	Oct 2016	Nov 2016		Dec 2016	Draft report issued.
<b>Strategic &amp; Operational Risk</b>					
Implementation of DMS	April 2016	May 2016	June 2016	June 2016	Final report issued.
Savings Programme Follow-up	Sept 2016	Oct 2016	Oct 2016	Dec 2016	Final report issued.
Human Resources	Jan 2017			Mar 2017	Planned to start 9 <sup>th</sup> Jan.
Data Protection Act Compliance	Aug 2016	Sept 2016	Oct 2016	Dec 2016	Final report issued.

Auditable Area	Planned Fieldwork Date	Draft Report Date	Final Report Date	Target JASP	Comments
Data Quality	Feb 2017			Mar 2017	Audit deferred by management from Q3 to Q4.
Effective Audit & Scrutiny	July 2016	Oct 2016		Dec 2016	Draft report issued.
<b>Collaboration</b>					
EMCHRS Transactional Services	Dec 2016			Mar 2017	Work in progress.
EM Legal Services	Nov 2016	Nov 2016	Nov 2016	Dec 2016	Final report issued.
EMOpSS	Sept 2016 – Jan 2017			Mar 2017	Q4 date to be agreed.
EMS Commercial Unit	Nov 2016			Mar 2017	Completed; being reviewed.
EMSOU	Sept 2016 – Jan 2017			Mar 2017	Q4 date to be agreed.
<b>Other</b>					
Estates Strategy	-	May 2016	May 2016	June 2016	Final memo issued.
HR Establishment Budgeting	-	May 2016	Sept 2016	Sept 2016	Final report issued.
Commissioning Framework	-	July 2016	July 2016	Sept 2016	Final memo issued.
Core Financial Follow-up	-	July 2016	July 2016	Sept 2016	Final report issued.
Overtime Payments	-	July 2016	July 2016	Sept 2016	Final memo issued.

## Appendix A3 – Definition of Assurances and Priorities

Definitions of Assurance Levels		
Assurance Level	Adequacy of system design	Effectiveness of operating controls
<b>Significant Assurance:</b>	There is a sound system of internal control designed to achieve the Organisation's objectives.	The control processes tested are being consistently applied.
<b>Satisfactory Assurance:</b>	While there is a basically sound system of internal control, there are weaknesses, which put some of the Organisation's objectives at risk.	There is evidence that the level of non-compliance with some of the control processes may put some of the Organisation's objectives at risk.
<b>Limited Assurance:</b>	Weaknesses in the system of internal controls are such as to put the Organisation's objectives at risk.	The level of non-compliance puts the Organisation's objectives at risk.
<b>No Assurance</b>	Control processes are generally weak leaving the processes/systems open to significant error or abuse.	Significant non-compliance with basic control processes leaves the processes/systems open to error or abuse.

Definitions of Recommendations	
Priority	Description
<b>Priority 1 (Fundamental)</b>	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.
<b>Priority 2 (Significant)</b>	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
<b>Priority 3 (Housekeeping)</b>	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

## Appendix A4 - Contact Details

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## A5 Statement of Responsibility

### **Status of our reports**

*The responsibility for maintaining internal control rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy of the internal control arrangements implemented by management and perform testing on those controls to ensure that they are operating for the period under review. We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone are not a guarantee that fraud, where existing, will be discovered.*

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