

For Information / Consideration	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	18th February 2014
Report of:	Chief Finance Officer
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Agenda Item:	6

INTERNAL AUDIT PROGRESS REPORT

1. Purpose of the Report

- 1.1 To provide members with an update on progress against the Internal Audit Annual Plan and the findings from audits completed to date.

2. Recommendations

- 2.1 Members are recommended to consider the report and where appropriate make comment or request further work in relation to specific audits to ensure they have adequate assurance from the work undertaken.

3. Reasons for Recommendations

- 3.1 This complies with good governance and in ensuring assurance can be obtained from the work carried out.

4. Summary of Key Points

- 4.1 The attached report details the work undertaken to date and summarises the findings from individual audits completed since the last progress report to the panel.

5. Financial Implications and Budget Provision

- 5.1 None as a direct result of this report.

6. Human Resources Implications

- 6.1 None as a direct result of this report.

7. Equality Implications

- 7.1 None as a direct result of this report.

8. Risk Management

8.1 None as a direct result of this report.

9. Policy Implications and links to the Police and Crime Plan Priorities

9.1 This report complies with good governance and financial regulations.

10. Changes in Legislation or other Legal Considerations

10.1 None

11. Details of outcome of consultation

11.1 Not applicable

12. Appendices

12.1 Appendix A - Internal Audit progress report.

Nottinghamshire Office of the Police & Crime Commissioner and Nottinghamshire Police

Internal Audit Progress Report

18th February 2014

Introduction

The internal audit plan for 2013/14 was approved by the Joint Audit & Scrutiny Panel on 14 February 2013. This report provides an update on progress against that plan and summarises the results of our work to date.

Summary of Progress against the Internal Audit Plan

Assignment <i>Reports considered today are shown in italics</i>	Status	Opinion	Actions Agreed (by priority)		
			High	Medium	Low
Audits to address specific risks					
Culture	Final Report issued	Advisory*	-	-	-
<i>Commissioning</i>	<i>Final Report issued</i>	<i>Advisory*</i>	-	-	-
Governance – Financial Governance	Final Report issued	Advisory	-	-	-
Data Quality – Medacs	Final Report issued	Advisory	8		
ICT Resilience	Refer to comments below				
Performance Management – Manifesto	February 2014				
Scrutiny Panel – Anti Social Behaviour	Final Report issued	Reasonable Progress	-	-	-
Business Continuity	Scoping meeting booked – 28 th Feb				
Workforce Planning	Draft report issued				
<i>Equality & Diversity</i>	<i>Final Report issued</i>	<i>Green</i>	-	-	3
Health & Safety	Draft report issued				
<i>Environmental Policy</i>	<i>Final report issued</i>	<i>Green</i>	-	2	3
Attendance Management	March 2014				
Volunteering	Refer to comments below				
<i>Estates</i>	<i>Final Report issued</i>	<i>Green</i>	-	-	1
Joint Tasking & OPR	Refer to comments below				
Payroll	Final Report issued	Green			
Training	Complete	Not Applicable			
Follow Up	Final Report issued	Good Progress	-	-	-

*ADVISORY RECOMMENDATIONS WERE INCLUDED WITHIN THIS REVIEW.

Other Matters

Following our meeting with Senior Management in January, it was agreed that the reviews of Volunteering and Joint Tasking be deferred as the areas are not currently high priority for the Force. Furthermore, the allocation of ICT Resilience needed to be considered, as this was originally a joint piece of work with Derbyshire. It would be useful to focus this resource on other issues. Therefore, it was agreed that a review of Management of Police Information and a review of Value for Money linking into the governance arrangements and the processes in place, be completed instead. It is intended that these reviews will be scoped on 28th February.

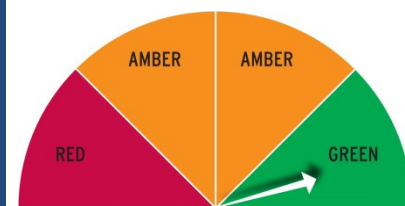
KEY FINDINGS FROM INTERNAL AUDIT WORK

Assignment: Grant Application	Opinion:	Advisory
<p>The Nottinghamshire Police and Crime Commissioner has set up the Community Safety Partnership Fund specifically to assist small local groups to reduce crime and antisocial behaviour and protect and support victims of crime at neighbourhood level. For 2013/14, organisations were encouraged to complete and submit the Community Safety Partnership Fund application form, prior to the 24th May 2013 deadline. Following review of the applications, the OPCC approved and has funded 28 community led projects to the collective value of £350,000.</p> <p>In September 2013, Nottinghamshire Office of the Police & Crime Commissioner received an allegation in relation to a grant application form for a project run by partner organisation. The allegation suggested that the application form was fraudulent as the partner organisations included within the bid had not provided their approval for being named and included. Following some internal investigations, in November 2013, we were asked to provide an independent review for which the following elements were to be considered;</p> <ul style="list-style-type: none"> • To meet the Chief Executive of the Organisation in question (the officer that has also signed the application form) to understand how the application form was completed, who was involved in the completion of the form and how approval was gained from the partners listed within the application form to assist with the delivery of the project. • A telephone meeting with the CEO or equivalent from other partner organisations to establish whether they did agree for their organisations to act as partners and to deliver the roles included within the application form. We will require evidence of this agreement and evidence of their involvement in delivering the objectives of the project • To provide a view as to whether the application form had been completed robustly based on reliable source data and whether any grant payments made to date, are appropriate and should therefore continue. <p>The review was advisory in nature and no formal assurance was provided.</p> <p>Our view is that the grant application form had been completed in good faith and the inclusion of the partner organisations to be involved in the project delivery was done so on the assumption that the partner organisations were willing to be involved. Our review confirmed that representatives from the partners included within the application form had been involved in informal discussions around the project scope and in the completion of the application form, prior to the submission deadline, albeit the formal approval to be included from their respective organisations had not been sought. It had been assumed that the involvement of the partner organisations was known.</p> <p>Recommendations around the improvement of governance and transparency have been included within the report. The governance arrangements around the completion and verification for both the partner organisations submitting a grant application form and the Office of the Police & Crime Commissioner, in receipt of the application form, can be and should be improved, to represent a robust and transparent process, moving forward. For this particular review, a number of areas have been highlighted where the PCC needs to gain assurances to minimise any reputational risks and these areas include off payroll payments and declaration of interests.</p>		
Action	Responsible Officer	Date
<p>For those grants that have been agreed, prior to formal approval, the Organisation should receive assurances from partners that are included within the application that they have agreed their involvement in the proposed project. It is considered that this will strengthen the governance around the complete grant application process. These assurances could also be extended to include verification around the structures in place around the payment for services to be provided by the partner</p>	<p>Chief Finance Officer</p>	<p>Feb – Apr 2014 as part of the award of small grants</p>

<p>organisations.</p> <p>Management Comment</p> <p>As far as is reasonably possible we will:</p> <ul style="list-style-type: none"> • Request written evidence of partnership agreement and involvement in the project. Either by letter or minute. • Request confirmation of whether all payments to those involved in project delivery are made through PAYE. This is as far as our requirement can go as it is the individual's responsibility to ensure their tax is in order. 		
<p>Where the PCC has any influence over meeting structures, it should be encouraged that there is a standing agenda item on 'Declaration of Interests.' Furthermore, at the approval stage of the grant funding, the parties involved with the project should be requested to declare any interests that they may have, either with the partners listed within the application form, to assist with the deliverables, or with any partner organisation involved with Nottinghamshire PCC or Police. This will provide, from the outset, the understanding of organisation structures and highlight any areas where closer scrutiny may be required.</p> <p>Management Comment</p> <p>Not something we can require. This is the organisations themselves to ensure.</p> <p>We will advise where we can and put such advice in the Guidance Notes for future funding.</p>	<p>Chief Finance Officer</p>	<p>Feb – Apr 2014 as part of the award of small grants</p>
<p>It is considered to be beneficial to introduce a programme of unannounced visits to projects, throughout the year. This will provide an opportunity for the Organisation to receive assurance that the project is running as intended and is maintaining the necessary documentation to support the delivery and operation of the project.</p> <p>Management Comment</p> <p>Projects over £10k already complete a twice yearly monitoring form, with projects under £10k completing a single monitoring form.</p> <p>A programme of announced monitoring visits will be made during 2014-5.</p>	<p>Chief Finance Officer</p>	<p>April 2014 onwards</p>

Assignment: Equality & Diversity

Opinion:



The Equality Act 2010 (Specific Duties) Regulations 2011 requires Nottinghamshire Police to consult on, and then publish, one or more specific and measurable equality objectives which will aid them to progress their responsibilities under the public sector equality duty.

Four objectives were identified in March 2012 and Goal, Measure of Success and a timescale were assigned to each objective. The four objectives cover all areas of Policing and are as follows;

Equality Objective 1 – Proportionality

'We will ensure that across all areas of operational performance that; policing powers are used proportionately; our services are accessible to all, and crimes that disproportionately affect and impact particular protected groups are dealt with proactively.'

Equality Objective 2 – Engagement

'We will regularly and meaningfully engage with our local and diverse communities to ensure that what we do focuses on their needs and reflect their concerns and experiences.'

Equality Objective 3 – Culture

'We will be recognised both locally and nationally as an organisation people choose to work for because of its reputation for treating people fairly, respectfully and without discrimination.'

Equality Objective 4 – Representation

'We will increase the extent that our workforce is representative of the communities of Nottinghamshire and ensure that all staff have the opportunity to progress and develop so that this representation is reflected at all levels within our organisation.'

The audit has specifically considered the second Equality Objective – Engagement. It was considered that recent audit work or audit work scheduled to be completed during 2013/14, for example Workforce Planning would provide further assurances surrounding work being completed across the Force and ultimately the achievement of the listed Equality Objectives.

The key findings from this review are as follows:

- The Equality Act 2010 (specific duties) Regulations 2011 required Nottinghamshire Office of the Police & Crime Commissioner & Nottinghamshire Force to publish one or more specific and measurable equality objectives for a maximum period of 4 years. As part of the review, it was confirmed that there are 4 objectives for the period 2012-2016. Each objective is led by the Assistant Chief Constable (Local Policing) reporting to the Equality Diversity and Human Rights (EDHR) Board, which is held on a quarterly basis and chaired by the Chief Constable. It was confirmed that the 4 equality objectives are a standing item on the agenda.
- The Equality & Diversity and Human Rights Working Group meeting on 31st January 2012 was the starting point for the development of the Equality and Diversity objectives. Within this meeting it was suggested that the following 4 areas should be taken forward as priorities;
 - Stop & Search
 - Retention and Progression
 - Engagement with underrepresented communities
 - Culture.

For each of the objectives, a number of goals have been set together with measurable success and timescales.

- Communication with the local community is through the Independent Advisory Groups (IAG). The

Force is currently in the process of developing a new website where what the IAGs do and dates of meetings are to be noted which will increase numbers. Currently the local PCSO and Police on the beat identify potential members of the IAGs through getting to know the community.

- Performance against Measures of Success is reported through the Local Policing & Operational Support Performance Board. A monthly Performance & Insight Report is produced by exception, highlighting areas that are not performing against target, have a negative trend and/or have been requested by the PCC or Chief Constable. It was noted that there were several measures that were not achieving the target. Actions have been identified and reported to improve the performance.
- Victims of crime satisfaction levels have not reached the yearly target set by the Force of 90%. For the 12 month period to April 2013 this stood at 87.1%.
- There are disparities between satisfaction for Black and Minority Ethnic (BME) and White victims of crime within the City Division and a large difference in satisfaction rate for Anti- Social Behaviour in the County Division.
- The Measure of Success 'the percentage of people who agree that local issues are being dealt with to achieve the target of 60% by April 2015' has not reached its 2012 -2013 target of 58%.
- Witness satisfaction has been included as a Measure of Success, although this data is not currently being collected by the Force.
- Independent Critical Incident Advisors are no longer utilised by the Force. The Action Plan should be updated to reflect this change to the use of Key Individual Networks.
- The Measure of Success 'Feedback from Independent Advisory Groups, partners and other forums representing diverse individuals and communities demonstrates satisfaction with the organisations contribution to community cohesion ' needs to be amended as the Independent Advisory Groups do not have access to the required information to demonstrate satisfaction with performance.
- The Force sees social media as a power tool allowing two way communications with communities. At the time of the review, it was reported to the Equality, Diversity and Human Rights Strategic Board that 22 members of staff had Twitter accounts, with a further 10 planned to be launched each month once the new website had been implemented. As part of the audit we liaised with the Strategic Support Officer to establish if there were associated risks included within the Risk Register. For instance there would be an increased risk of staff potentially tweeting information that has not been checked, prior to submission to the wider community. The Strategic Support Officer confirmed that the Force do not currently have any risks associated with misuse of social media included within the risk register. Clearly, the Force recognises that there are some risks in this area, but currently they are not considered significant to warrant their management within the strategic risk process. This is noted at this time; however it may be an area that the Force and the PCC may wish to monitor, moving forward.
- It was confirmed, on review of agenda documentation and minutes, that officers of the PCC attend the Local Policing & Operational Support Performance Board, Local Policing Board or Operational Support Board.

Action	Responsible Officer	Date
<p>The disparities between satisfaction for Black and Minority Ethnic (BME) and White victims of crime within the City Division should be investigated in order to identify the reason behind this.</p> <p>In addition, the significant difference in the satisfaction rate for Anti-Social Behaviour in the County Division should also be investigated. It may be beneficial to identify a specific measurable outcome for this particular element, so that it can be robustly measured and managed. (Low)</p>	Kevin McCudden (Equality and Diversity Advisor)	Already Implemented
<p>The following Measure of Success - '<i>A robust and representative Independent Critical Incident Advisor structure is in place</i>' should be amended to incorporate</p>	Kevin McCudden (Equality and Diversity Advisor)	31/01/14

the introduction of the Key Individual Networks. (Low)		
The Measure of Success for the Engagement Goal <i>'Diverse individuals and communities, stakeholders and partners scrutinise performance outcomes and report confidence in both processes and progress'</i> needs to be reworded to provide clarity that the Independent Advisory Groups do not and cannot specifically review performance outcomes. (Low)	Kevin McCudden (Equality and Diversity Advisor)	31/01/14

Assignment: Estates	Opinion:	
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The Estates Department has been charged with reducing the cost of the estate by £2.4 million by the end of 2015, as set out in the Forces Medium Term Financial Plan.

In order to achieve this, the department has developed a 'Rationalisation Project'. This is currently in Stage Three of the project after Stage One involved the disposal of police housing and Stage Two included the reduction of the size of the estate through a number of small projects. Stage Three has been developed to contribute to the delivery of a number of the Force's strategic objectives set out in the Policing Plan 2011-15 and to deliver further cost savings by reducing the number of buildings, running and maintenance costs. To achieve these savings all buildings within the estate are being reviewed.

The key findings from this review are as follows:

- An Estates Strategy covering the period of 2012 – 2015 is in place which covers the short term objectives of the Estates Department. This was agreed in February 2012 and has been reviewed by the Commissioner in an informal manner since the implementation of the PCC.
- 'Estates Phase 3 Programme of Work – Target Areas for Further Estates Rationalisation and Savings' spreadsheet identifies how the Estates Department is to achieve its objective of saving £2.4 million by the end of 2015, as set out in the Forces Medium Term Financial Plan.
- Business cases are developed for the projects identified with the Estates Rationalisation, during the weekly Estates meeting. Once solutions for these projects have been identified the Business Cases are presented at the Corporate Services Programme Board for approval.
- The Estates Department has compiled a risk register for the Rationalisation Project. This is reviewed at the monthly Estates Project Board meeting.
- Monthly 'Highlight Reports' are produced for projects which have an approved Business Case in place. These highlight the progress of the projects for the Estates Project Board meeting. Each project is rated 'Red' 'Amber' or 'Green' dependant on issues identified and progress made.
- 'Red' or 'Amber' Highlight reports are presented at the Corporate Services Programme Board to inform Senior Management of issues identified.
- The Estates Department complete a conditional survey on all buildings every five years. Identified issues are given a priority rating of one to four, with one being urgent work is required. These works are included within the 'Summary of findings reports' which identify works to be completed.
- A register of contracts for preventative and pre-planned maintenance is held by the Estates department. It was confirmed that only contractors documented on this list are undertaking work.
- Reactive repairs are reported to the Maintenance Team via email or telephone. These are added to the maintenance spreadsheet by the Maintenance Assistant who then allocates these jobs to members of the Facilities Team, depending on the priority assigned to the work. Non-emergency jobs are to be completed within 7 working days. Emergency jobs are dealt with instantly, with members of the Facilities Team on call 24/7. Logging of the progress of these jobs is monitored via

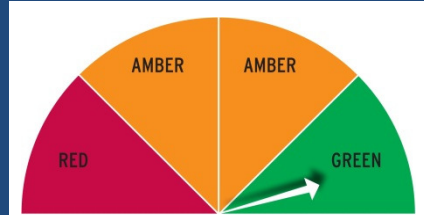
this spreadsheet.

We have included one low priority recommendation in relation to ensuring the system is implemented that will remove the need for repairs to be logged and tracked, via a spreadsheet and provide for a much more efficient recording and monitoring mechanism.

Action	Responsible Officer	Date
Ensure that the new computerised Facilities system is implemented which will allow jobs to be reported and monitored, in a much more efficient manner. (Low)	Tracey Blincow (Facilities Manager)	2 May 2014

Assignment: Environmental Policy

Opinion:



The Environmental department of Nottinghamshire Police has been set three key performance indicators;

- 30% reduction in carbon saving from 2010 - 2015
- A 5% reduction in waste year on year (since 2012); and
- To ensure that recycling rates are maintained at 85%.

The 30% reduction in carbon by 2015 has been set in conjunction with the Carbon Trust, who the Force has been closely working with. The remaining targets have been suggested by the Environmental Officer and agreed with the Environmental Management Board - in line with industry averages, but at the same time provide the Force with challenging targets to meet.

The key findings from this review are as follows:

- An Environmental Policy is currently being drafted, which incorporates best practice from environmental policies from a number of different forces. At the time of the audit, the draft policy is being reviewed by the Environmental Management Group.
- The Force in partnership with the Carbon Trust has developed a Carbon Management Strategic Plan, which identified how the Force plans to achieve its target of reducing carbon emissions by 30% by the end of 2015.
- An Environmental Management Group has been set up, which meets on a quarterly basis. The performance of the Force against its three KPIs is monitored through the presentation of reports.
- Day to day compliance issues are dealt with by the Environmental Team. Serious issues are referred to the Environmental Management Group.
- A legislative register is maintained by the Environmental Team identifying all legislation that is applicable to Nottinghamshire Police. This is populated by the Environmental Officer and reviewed by the Health and Safety Team and colleagues at other forces.
- Staff and Officers are provided with training and/or marketing to raise awareness of the Environmental Policy.

Our testing identified some weaknesses in compliance, in the following areas;

- Further publicising of the Forces KPIs is required to ensure that Officers and staff at all levels of the Force are aware of the targets that have been set. An increased awareness will increase participation which would help the Force achieve its environmental objectives.
- The Carbon Management Strategic Plan requires an update to reflect the work already completed and if funding has now been obtained for future projects identified. This will allow the Force to

<p>identify its current performance against the reduction target.</p> <ul style="list-style-type: none"> ○ The Environmental Management Group was not receiving performance information specifically for the KPI in relation to reducing carbon. ○ A clear audit trail was not available to establish if all Force sites had been subjected to a Health & Safety site survey, during the current year. ○ The legislative register does not record when this was last reviewed by the Environmental Officer or other members of the Force. Confirmation of review will provide the Force with assurance that relevant legislation has been identified and considered. 		
Action	Responsible Officer	Date
The Force should ensure that employees at levels below the Chief Officer Team and Senior Management are fully aware of the environmental targets set. This could be through the use of Environmental Champions or better publicity through the Forces intranet. An increased awareness will increase participation which would help the Force achieve its environmental objectives. (Medium)	Ainsley Peters (Environmental Advisor)	30/09/2014
The Force should ensure that the Carbon Management Plan was updated ensuring that the Environmental Team has an accurate understanding of how they are currently performing against their CO2 emissions reduction target of 30%. (Low)	David Heason (Building Surveyor)	31/03/2014
A clear audit trail should be created to document where Health & Safety site surveys have been undertaken and the dates these have been completed, to ensure that all sites are subjected to this type of review during the year. If the surveys are documented, any similar issues across the various sites will be easily flagged and consistent action taken. (Medium)	Ainsley Peters (Environmental Advisor)	31/03/2014
The Force should consider introducing a version control to create an audit trail of when the register was updated and for what reason. This should also include dates when the register has been reviewed by the Health & Safety Team or colleagues in other forces to ensure that all legislation applicable to the Force is included. (Low)	Ainsley Peters (Environmental Advisor)	28/02/2014
The Force should consider creating a section on the Force website informing the public of targets, progress made and successful projects as part of the 'Spend your Money Wisely' objective. (Low)	Ainsley Peters (Environmental Advisor)	30/09/2014

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

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