Agenda Item No.

5 & 6

**JOINT INDEPENDENT AUDIT COMMITTEE**
**20 July 2023**

| SUBJECT | Internal Audit Progress Report & IA Annual Report 2022/23 |
|---|---|
| REPORT BY | **Mark Lunn** |
| CONTACT OFFICER | **E Lau OPCC**<br>**Officepcc@notts.police.uk** |

**SUMMARY AND PURPOSE OF REPORT**

To receive an update on progress following internal audits undertaken to date, and to provide the annual report for 2022/23

| **RECOMMENDATION** | *That the progress report, and annual report be noted.* |
|---|---|

## A.   SUPPORTING INFORMATION

1. The Financial Management Code of Practice for the Police Service of England & Wales (July 2018), issued by the Home Office, states that the "Police & Crime Commissioner (PCC) and the Chief Constable (CC) are required to maintain effective internal audit of their affairs by the Accounts and Audit (England) Regulations 2015 and the Accounts and Audit (Wales) Regulations 2014. In fulfilling this requirement, the PCC and CC should have regard to the Public Sector Internal Audit Standards (PSIAS) issued by CIPFA as the relevant internal audit standards setter for local government and police. In addition, the Statement on the Role of the Head of Internal Audit in Public Service Organisations issued by CIPFA sets out best practice and should be used to assess arrangements to drive up audit quality and governance arrangements".

2.  A copy of the Mazars Internal Audit Progress Report to date is attached at Appendix A, and the annual report at Appendix B.

3.  David Hoose from Mazars will be in attendance to present the report.

## B.   FINANCIAL CONSIDERATIONS

The internal audit service is provided via contract with Mazars. A new contract was put in place for 3 years from 2023/24, PCC decision DR2023.046 refers. The value of the contract is £252,000 (3 years plus 1 optional year extension) this is within the OPCC budget and MTFP.

## C.   LEGAL AND HUMAN RIGHTS CONSIDERATIONS

The provision of internal audit services is one of the means by which the Police and Crime Commissioner discharges their responsibilities to secure the maintenance of an efficient and effective police force under section 1 (6)(b) of the Police Reform and Social Responsibility 5 2 Act 2011, and the Chief Finance Officer meets her responsibilities under section 151 of the Local Government Act 1972, section 73 of the Local Government Act

1985 and section 112 of the Local Government Finance Act 1988 for ensuring the proper administration of the Commissioner's financial affairs.

The PCC, in liaison with the CC, is required, under part 2 of the Accounts and Audit (England) Regulations 2015, to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

## D. PERSONNEL, EQUAL OPPORTUNITIES AND DIVERSITY ISSUES
(including any impact or issues relating to Children and Young People)

None.

## E. REVIEW ARRANGEMENTS

The committee will be kept informed of internal audit work throughout the year.

## F. RISK MANAGEMENT

Risks are detailed as appropriate within appendices to this report.

## G. PUBLIC ACCESS TO INFORMATION

Information in this report along with any supporting material is subject to the Freedom of Information Act 2000 and other legislation.

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

# Internal Audit Progress Report 2023/24

**Audit Committee – 20th July 2023**

Prepared by:     Mazars LLP

Date:               July 2023

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# Contents

## Status of our Reports

**Disclaimer**

This report ("Report") was prepared by Mazars LLP at the request of the Nottinghamshire Police and the Officer of the Police & Crime Commissioner (OPCC) for Nottinghamshire and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit the Nottinghamshire Police and the Officer of the Police & Crime Commissioner (OPCC) for Nottinghamshire and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk. Please refer to the Statement of Responsibility on the final page of this report for further information about responsibilities, limitations and confidentiality.

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# 01

## Section 01:
## **Introduction**

# Introduction

The purpose of this report is to update the Joint Independent Audit Committee (JIAC) as to the progress in respect of the Operational Plan for 31st March 2024, which was considered and approved by the JIAC at its meeting on 15 March 2023.

Responsibility for a sound system of internal control rests with the Police & 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.

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.

Our work is delivered is accordance with the Public Sector Internal Audit Standards (PSIAS).

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# Background

The purpose of the internal audit plan is to identify the work required to achieve a reasonable level of assurance to be provided by Mazars LLP in compliance with the Public Sector Internal Audit Standards (PSIAS).

The Police & 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.

Internal audit provides the Police & 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.
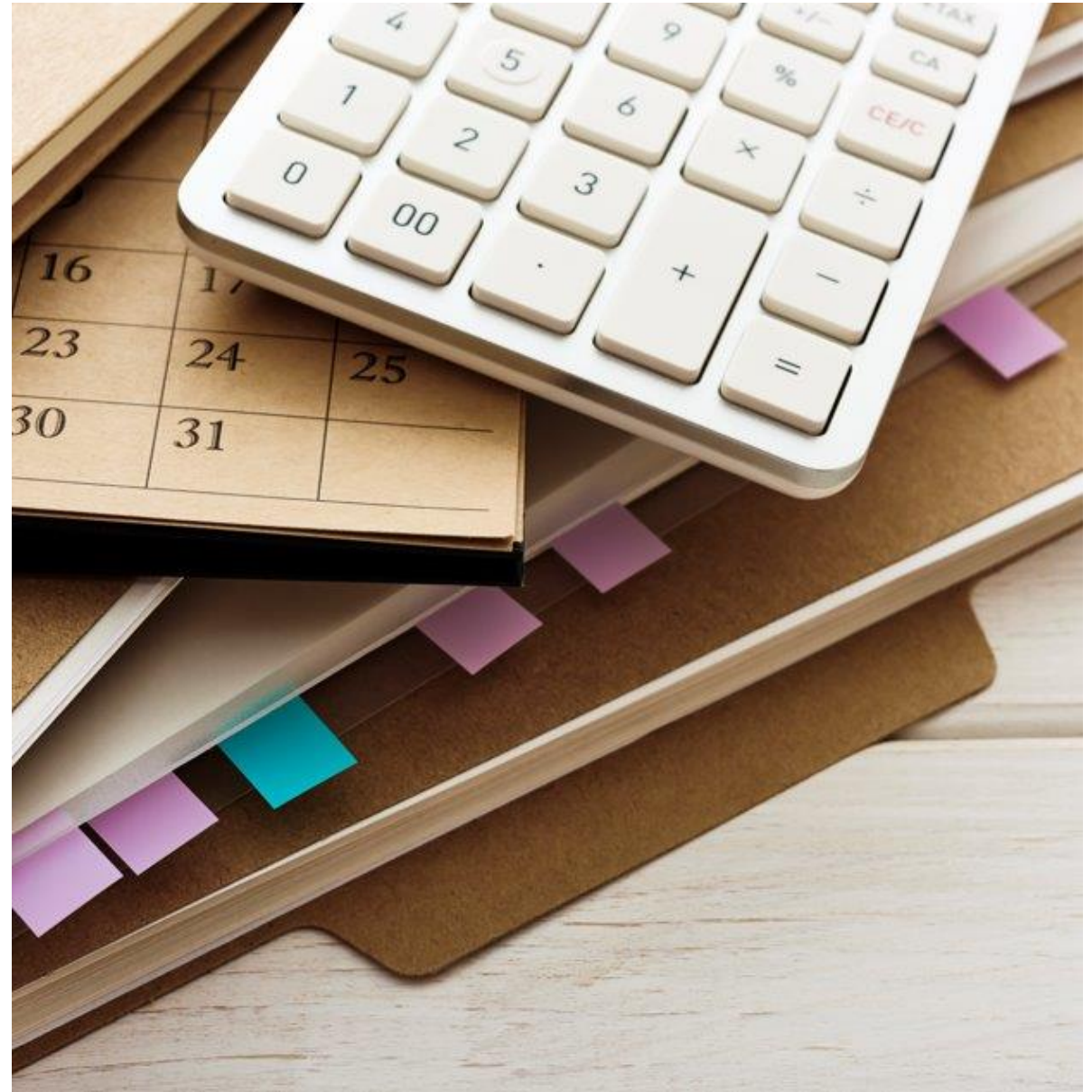
**02**

Section 02:

**Progress to Date**

# Progress to Date

We have issued the following 2022/23 Final Reports since the last meeting of the Audit Committee:

- Environmental Management (**Significant**)

- Cyber Security (**Limited**)

- Seized Property (**Satisfactory**)

- IT Asset Management (**Limited**)

We have issued the following 2022/23 Collaboration Final Reports since the last meeting of the Audit Committee:

- Collaboration: EMSOT Closedown (**Limited**)

- Collaboration: Digital Currency (**Satisfactory**)

*Progress against the 2022/23 Internal Audit Plan is shown in Appendix 1*

We have issued the following 2023/24 Draft Reports since the last meeting of the Audit Committee:

- Custody (**Satisfactory**)

*Progress against the 2022/23 Internal Audit Plan is shown in Appendix 2*



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# Progress to Date (Continued)

We are pleased to report to the JIAC that all the audits within the 2022/23 Internal Audit Plan  including the Collaboration Audit Plan.

We have begun delivery of the 2023/24 audit plan and are please to present the first final internal audit report in respect of Custody to the committee.

At the time of preparing this report, a further audit, Workforce Planning, has been issued in draft report.  Moreover, the fieldwork for the audits of Cash Handling and Estates Management are taking place across later June and early July.

Whilst we are still working to agree the dates for the rest of the audits in the plan, we have provided an indicative month of each audit in the IA plan and will continue to update the committee at each meeting as to the status. The current schedule has been designed for a even spread of audits across the year to prevent a back loaded plan as occurred during 2022/23, with reasons for this previously discussed with the committee.

As in previous years, the collaboration audit plan for 2023/24 has been agreed by the regional CFOs and a copy of the plan is included at Appendix 3. The committee should note the plan is smaller than in previous years to reflect the reduced amount of regional collaboration.



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# Performance 2022/23

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.

| Number | Indicator | Criteria | Performance |
|--------|-----------|----------|-------------|
| 1 | Annual report provided to the JIAC | As agreed with the Client Officer | Achieved (July 23) |
| 2 | Annual Operational and Strategic Plans to the JIAC | As agreed with the Client Officer | Achieved (May 23) |
| 3 | Progress report to the JIAC | 7 working days prior to the meeting | Achieved |
| 4 | Issue of draft report | Within 10 working days of completion of the final exit meeting | 50% (6 / 12) |
| 5 | Issue of final report | Within 5 working days of agreement of responses | 100% (12 / 12) |
| 6 | Audit Brief to auditee | At least 10 working days prior to commencement of fieldwork. | 100% (12 / 12) |
| 7 | Customer satisfaction (measured by survey) Very Good / Good / Satisfactory / Poor / Very Poor | 85% average satisfactory or above | 100% (1 / 1) Very Good |

# Performance 2023/24

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.

| Number | Indicator | Criteria | Performance |
|--------|-----------|----------|-------------|
| 1 | Annual report provided to the JIAC | As agreed with the Client Officer | n/a |
| 2 | Annual Operational and Strategic Plans to the JIAC | As agreed with the Client Officer | Achieved (May 23) |
| 3 | Progress report to the JIAC | 7 working days prior to the meeting | Achieved |
| 4 | Issue of draft report | Within 10 working days of completion of the final exit meeting | 0% ( 0 / 2)* |
| 5 | Issue of final report | Within 5 working days of agreement of responses | 100% (1 / 1) |
| 6 | Audit Brief to auditee | At least 10 working days prior to commencement of fieldwork. | 85% (11 / 13) |
| 7 | Customer satisfaction (measured by survey) Very Good / Good / Satisfactory / Poor / Very Poor | 85% average satisfactory or above | -% (0 / 1) |

*12 and 18 days, so slightly over the 10 day expectation. This was due to annual leave between end of audit and quality review process

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# Definition of Assurance & Priorities

### Audit Assessment 2022/23

In order to provide management with an assessment of the adequacy and effectiveness of their systems of internal control, the following definitions are used.

| Definitions of Assurance Levels | | |
|---|---|---|
| **Assurance Level** | **Adequacy of system design** | **Effectiveness of operating controls** |
| **Significant Assurance:** | There is a sound system of internal control designed to achieve the Organisation's objectives. | The control processes tested are being consistently applied. |
| **Satisfactory Assurance:** | 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. |
| **Limited Assurance:** | 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. |
| **No Assurance:** | 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. |

## Grading of recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows:

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

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# Definition of Assurance & Priorities

## Audit Assessment 2023/24

It should be noted that a slight change to the assurance levels used by Mazars wil take place for 2023/24. In order to align with the Government Internal Audit Agency and allow for wider sector comparison the assurance levels used have been updated. The following definitions are used.

| Definitions of Assurance Levels | | |
|---|---|---|
| Assurance Level | Adequacy of system design | Effectiveness of operating controls |
| Significant Assurance: | There is a sound system of internal control designed to achieve the Organisation's objectives. | The control processes tested are being consistently applied. |
| Satisfactory Assurance: | 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. |
| Limited Assurance: | 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. |
| No Assurance: | 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. |

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In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows:

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

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# 03

## Section 03:

## Appendices:

1. Status of Audit Work 2022/23
2. Status of Audit Work 2023/24
3. Status of Collaboration Audit Plan
4. Final Reports Issued

# Appendix 1 – Status of Audit Work 2022/23

The table below lists the 2022/23 Internal Audit Plan progress and a status summary for all of the reviews to date.

| Audit Area | Fieldwork Date | Draft Report Date | Final Report Date | Target JIAC | Comments |
|---|---|---|---|---|---|
| MINT | Q1 | May 22 | May 22 | July 22 | Final Report Issued |
| Custody | Q1 | Jul 22 | Mar 23 | Oct 22 | Final Report Issued |
| MTFP | Q2 | Aug 22 | Oct 22 | Oct 22 | Final Report Issued |
| OPCC Supplier | Q3 | Oct 22 | Nov 22 | Mar 23 | Final Report Issued |
| Business Continuity | Q3 | Nov 22 | Mar 23 | Mar 23 | Final Report Issued |
| Core Financials | Q3 | Apr 23 | Mar 23 | Mar 23 | Final Report Issued |
| Grant Funding Review | Q3 | Dec 22 | Mar 23 | Mar 23 | Final Report Issued |
| Environmental Management | Q4 | Feb 23 | Jul 23 | Jul 23 | Final Report Issued |
| Fleet Management / Transport | Q4 | Apr 23 | Apr 23 | May 23 | Final Report Issued |
| Cyber Security | Q4 | Mar 23 | Jul 23 | Jul 23 | Final Report Issued |
| Seized Property | Q4 | Apr 23 | Jul 23 | Jul 23 | Final Report Issued |
| IT Asset Management | Q4 | May 23 | Jul 23 | Jul 23 | Final Report Issued |
| Risk Management | Q4 | Apr 23 | Apr 23 | Apr 23 | Final Report Issued |

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# Appendix 2 – Status of Audit Work 2023/24

The table below lists the 2023/24 Internal Audit Plan progress and a status summary for all of the reviews to date.

| Audit Area | Fieldwork Date | Draft Report Date | Final Report Date | Target JIAC | Comments |
|---|---|---|---|---|---|
| Custody | May 23 | Jun 22 | May 22 | July 23 | Final Report Issued |
| Workforce Planning | Jun 23 | Jul 22 | | Nov 23 | Draft Report Issued |
| Cash Handling | Jun 23 | | | Nov 23 | |
| Estates Management | July 23 | | | Nov 23 | |
| Grant Funding | Aug 23 | | | Nov 23 | |
| Core Financials | Nov 23 | | | Mar 24 | |
| Governance | Jan 24 | | | Mar 24 | |
| Procurement & Contract Man | Jan 24 | | | Mar 24 | |
| EDI | Feb 24 | | | May 24 | |
| Job Evaluation Process | Feb 24 | | | May 24 | |
| Project Efficiecy | Q3/4 | | | Jul 23 | |

# Appendix 3 – Status of Collaboration Audit Work

The table below lists the 2022/23 Collaboration Internal Audit Plan progress and a status summary for all of the reviews to date.

| Audit Area | Forces | Status |
|---|---|---|
| EMSOT Closedown | Leics, Lincs & Northants | Final Report Issued |
| EMSLDH Governance | Derby, Leics, Northants & Notts | Final Report Issued |
| EMSOU Business Continuity | Five Forces | Final Report Issued |
| EMSOU Risk Management | Five Forces | Final Report Issued |
| Collaboration Performance Management | Five Forces | Final Report Issued |
| Digital Currency | Five Forces | Final Report Issued |

The table below lists the 2023/24 Collaboration Internal Audit Plan progress and a status summary for all of the reviews to date.

| Audit Area | Forces | Status |
|---|---|---|
| EMSOU Capital Programme | Five Forces | |
| EMSOU Workforce Planning | Five Forces | |
| EMSOU HMICFRS Action Plan | Five Forces | |

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# Appendix 4 – Final Reports Issued

On the following pages, 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 in respect of the 2022/2023 plan and the 2023/2024 plan.

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# Environmental Sustainability 22/23

| Overall Assurance Opinion | Limited |
|---|---|

| Recommendation Priorities | |
|---|---|
| Priority 1 (Fundamental) | - |
| Priority 2 (Significant) | 8 |
| Priority 3 (Housekeeping) | - |

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

Strategy / Policy / Procedure – Environmental Sustainability not part of the strategic approach

- The Force & OPCC has key strategic and policy documents in place are underpinned by a commitment to environmental sustainability.

- The document framework considers all key departments and how each will contribute to the overall objectives.

- Risks relating to environmental sustainability have been reviewed, with consideration given to placement on strategic and/or operational risk registers.

The governance mechanisms in place are not sufficient or appropriate to help meet environmental objectives

- There is clear leadership from the very top of the organisation, with ownership at the strategic management level to drive initiatives and performance.

- There is a formal governance structure that assigns responsibility to colleagues from across the Force & OPCC to implement environmental sustainability initiatives.

- The governance structure also enables scrutiny of new and existing projects and activities through the lens of environmental sustainability.

There is a lack of awareness of how the Force interacts with the environment

- An exercise has been undertaken to identify the main sources of carbon emissions and other environmental impacts from the organisation's activities.

- There is a programme or plan in place to maximise the sustainability of key assets upon renewal or replacement.

- Reporting of environmental impacts or sustainability more broadly has been considered and a plan is in place to begin reporting in the near future.

The culture does not align with ambition and/or prevents the achievement of environmental objectives

- Steps have been taken to improve the overall sustainability of internal activities.

- Colleagues have been engaged in a programme of education to ensure they understand the importance of environmental sustainability and the role they can play in meeting objectives.

The importance and value of environmental sustainability has not been realised

- Environmental sustainability is viewed through the lens of opportunity and investment, rather than compliance and costs, to maximise the value added.

The environmental impact of the supply chain has not been considered and suppliers/service users hold lower environmental standards

- An exercise has been undertaken to implement environmental considerations within the procurement process that are based on meaningful, evidence-based commitments and actions on sustainability.

- At a minimum, those commitments align with the Force's.

- A review of the sustainability of existing suppliers has also taken place.

Stakeholders are not engaged and do not buy in or contribute to the objectives

- Input has been sought from a diverse range of stakeholders to understand their appetite.

- Ongoing engagement and education is planned with stakeholders throughout the sustainability journey.

# Environmental Sustainability 22/23 (Continued)

We have raised eight Priority 2 recommendation which is significant, the full details of the recommendation and management response are detailed below:

| | |
|---|---|
| Recommendation 1 (Priority 2) | Governance mechanisms for environmental sustainability should be established, including, but not limited to the following:<br>• Strategic governance body e.g. sub-committee or steering group<br>• A sponsor in senior management to provide leadership<br>• Operational delivery group<br>• Clear definition of roles and responsibilities across all mechanisms<br>The governance forum should be responsible for the delivery of the Strategy as noted in Rec 4.2 |
| Finding | We noted from the Environmental Management Strategy 2014-17 that previously there was an Environmental Management Group in place, lead by the Head of Assets.<br><br>We were not able to find evidence that the Environmental Management Group or a dedicated governance structure regarding environmental sustainability remains in place at the Force.<br><br>Due to this, there is not a clear governance structure providing leadership to help meet the Force's environmental based objectives and providing a unified approach across the Force. |
| Risk | The governance mechanisms in place are insufficient to help meet the Force's current environmental objectives. |
| Response | Governance mechanisms will be set out and agreed as part of the Environmental Strategy |
| Responsibility / Timescale | August 2023 – Head of Estates |

| | |
|---|---|
| Recommendation 2 (Priority 2) | The Force should ensure that a new Environmental Management Strategy is developed<br>The Environmental Management Strategy should set out at minimum: Environmental Policy, Environmental Goals & Targets, Environmental Management System (EMS), Stakeholder Engagement , Continuous Improvement, Environmental Responsibilities, Governance.<br>The Force should ensure that an updated Carbon Reduction Plan is produced, with clear targets and deadlines for the reduction of emissions. |
| Finding | We noted that while there was an Environmental Management Strategy in place for 2014-17, this has not been updated or reviewed since publishing. Previously the strategy was maintained by an Environment Officer, however, this post no longer exists. The Force additionally made a 30% commitment towards reducing $CO_2$ emissions in a 2013-18 Carbon Reduction Plan; however a new plan has not yet been produced. We noted that the Force is currently considering a proposal from a supplier to produce an updated Carbon Reduction Plan, however, this has not yet been finalised. In the future, it should be ensured that this plan is closely aligned to the updated strategy. Whilst noting it is not a legal requirement, at present, for the Force to have a Strategy in place, there are a number of key dates that are approaching – such as inability to buy petrol & diesel cars in 2030 and to be Net Zero by 2050 – and it will take a number of years to adequately prepare for these events. Ensuring an effective strategy is in place will support the Force in preparing for and meeting the future sustainability requirements that will be placed on it . |
| Risk | Environmental sustainability is not part of the overall Force strategic approach leading to objectives not being met. |
| Response | We are currently undertaking a procurement process to appoint a consultant to prepare a new Environmental Strategy for adoption by the Force |
| Responsibility / Timescale | Jan 2024 – Workforce Planning Manager |

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# Environmental Sustainability 22/23 (Continued)

| | |
|---|---|
| Recommendation 3 (Priority 2) | The Force should address the environmental skills gap. For example, by reinstating the environmental officer position, or by procuring the services of an external consultant to help with environmental initiatives. |
| Finding | Previously the Force had an Environment Officer in place within the Assets department who was responsible for developing the Environmental Management Strategy as well as a variety of other tasks such as promoting environmental sustainability generally at the Force and undertaking environmental based audits.. <br><br> However, the Environmental Officer post was removed a number of years ago and has not since been reinstated. Due to this, there is no single person at the Force who is responsible for environmental sustainability, acts as a key point of contact and can undertake the previous duties e.g. environmental audits. <br><br> During discussions with management we noted that while there is a positive attitude towards investing in improving environmental sustainability, there is a perception that they do not have sufficient technical knowledge to make the most informed decision as to what exactly to invest in which would lead to the greatest environmental benefit. |
| Risk | No key responsible individuals / point of contact for environmental sustainability based issues leads to a lack of a unified approach. Environmental sustainability initiatives are poorly implemented due to an environmental skills gap. |
| Response | Consideration is being given to how best to address the environmental skills gap including scoping and costing an Environmental Officer post. |
| Responsibility / Timescale | 2024/25 – Head of Estates |

| | |
|---|---|
| Recommendation 4 (Priority 2) | The Force should review whether it has capability to undertake emissions reporting for all departments. If it is found that the Force lacks capability, the Force should engage with a supplier or develop capability internally. The Force should consider undertake SECR reporting and consider publishing it publicly as a matter of best practice and transparency. |
| Finding | During the audit, we found that the Force undertook some reporting of emissions between 2013-18 during the course of its Carbon Reduction Plan, and that the Force achieved a 30% reduction in $CO_2$ emissions. However, during discussions with management we found that reporting has not continued after these dates and that management generally do not consider that the Force has the capability to report on emissions currently. Although environmental sustainability reporting is not mandatory for organisations, it is possible that this could be the case in the future, and therefore it is important for the Force to review whether this can be undertaken. During discussions with the Head of Transport we noted that the Force has recently acquired a new telematics system which provides environmental reporting capabilities, and therefore it may already be possible to undertake some level of emissions reporting. |
| Risk | The Force is unaware of the level of its current emissions leading to an inability to meet the government's Net Zero commitments. |
| Response | ACC Hooks has oversight of the Transport service and has established that we do have a couple of routes to report emissions data regarding our fleet use. The extent to which these are adequate and achieve the requirements is being explored. This is being undertaken alongside the force developing an appreciation of the Streamlined Energy and Carbon Reporting requirements. <br><br> Tim Wendels update - With regard to the estate, carbon emissions have been measured for some time and further work will be undertaken by the consultants engaged to prepare a roadmap towards carbon neutral by 2050 to update these figures. |
| Responsibility / Timescale | Q2 2024 – Head of Estates |

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# Environmental Sustainability 22/23 (Continued)

| | |
|---|---|
| Recommendation 5 (Priority 2) | Once fully established, Procurement should ensure that:<br>•A sustainability assessment of the Force's supply chain is undertaken to identify areas of improvement and set sustainability goals.<br>•Environmental sustainability should be embedded within the supplier selection process e.g. scoring of tenders and KPIs.<br>•Procedures should be implemented to obtain assurance regarding suppliers' commitments over the life of the contract. |
| Finding | During discussions with the Head of Commercial & Contract Management, we noted that the Force has only recently brought the procurement function back in-house after previously being outsourced to an external provider. Due to this, as well as limited staffing resources, the main focus of procurement has not been on implementing environmental sustainability initiatives.<br><br>Currently, suppliers are requested to provide Sustainability Statements for consideration, although they are not scored, and a commitment is also signed to sustainability. However, this does not take place consistently.<br><br>In the future, there are plans to ensure that a minimum of 10% of contract award criteria is allocated to social value, and to provide education to service leads within the procurement team once established on the inclusion of sustainability KPIs within contracts. |
| Risk | The environmental impacts of the supply chain have not been fully considered. The Force is not aware of the sustainability of its suppliers leading to reputational loss. |
| Response | This would naturally fall out after the other items have been addressed and would feature in the procurement strategy to ensure it is on the agenda. |
| Responsibility / Timescale | Q2 2024 – Head of Procurement |

| | |
|---|---|
| Recommendation 6 (Priority 2) | When the new / updated Environment Strategy is completed, the Force should consider implementing a mandatory training programme covering areas such as energy conservation, waste reduction, and information on the Force's environmental policies and procedures.<br>The Force should also consider implementing more specific training courses for staff with specific responsibilities e.g. training related to sustainable supply chain practices for procurement staff. |
| Finding | As part of our audit of environmental sustainability, we considered whether the Force has implemented any education or training courses for staff on environmental sustainability related topics, and during discussions with management we could not find evidence that this has taken place regularly.<br>The Force should consider implementing a training programme covering topics such as energy conservation, waste reduction, and information on the Force's current environmental policies and procedures and how staff can contribute to the Force's sustainability efforts. |
| Risk | Staff are not aware of the role they play or how they can contribute towards improving environmental sustainability and do not engage with the Environmental Strategy. |
| Response | This will be undertaken once the Environmental Strategy is in place |
| Responsibility / Timescale | Q2 2024 – Head of Estates |

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# Environmental Sustainability 22/23 (Continued)

| | |
|---|---|
| Recommendation 7 (Priority 2) | Departmental, strategic and operational risk registers should be reviewed and environmental risks included where relevant |
| Finding | During discussions with the Estates Manager, we were informed that environmental risks have not been included within the Estates departmental risk register.<br><br>Upon review of the Force and OPCC Strategic and Corporate Risk Registers, we also noted that environmental risks have not been considered.<br><br>We were informed that the Force is currently undertaking a review of its risk register and therefore it may be a good opportunity to include environmental sustainability related risks. |
| Risk | Environmental risks are not fully considered and mitigated due to not being included in risk registers. |
| Response | Discussions will take place with Corporate Services in respect of how best to achieve this |
| Responsibility / Timescale | Oct 2023 – Head of Esates |

| | |
|---|---|
| Recommendation 8 (Priority 2) | The Force and OPCC should undertake research into what stakeholder boards and meetings are available relating to sustainability and consider engaging with them.<br>The Force should consider engaging with ESESG and signing the charter. |
| Finding | During discussions with management, we noted that the main form of stakeholder engagement has been the Estates department representing the Force at the City Council Carbon Neutral by 2028 meeting.<br><br>The Force and OPCC should consider engaging with a wider variety of stakeholder organisations. It may be beneficial for the Force to identify and engage with similar boards and meeting groups. This may be useful as the Force can get an idea of what other similar organisations are undertaking around the UK, and to share best practice.<br><br>For example, we found that BlueLight Commercial, the Association of Police and Crime Commissioners, and the National Police Chief's Council have a Sustainability Governance Board in place to oversee Blue Light Commercial's Sustainability Decarbonisation Programme.<br><br>Other Forces in the region have signed the Emergency Services Environment and Sustainability Group (ESESG) Sustainability Charter. The Force should consider engaging with this group and signing the charter and commitments. This charter has adopted the United Nations Sustainability Development Goals. |
| Risk | The Force and OPCC do not engage with enough stakeholder organisations leading to shared knowledge being missed out on. |
| Response | The Force is engaging with ESESG and it is proposed to sign the Charter. |
| Responsibility / Timescale | Sept 2023 – Head of Estates |

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# Cyber Security 2022/23

| Overall Assurance Opinion | Limited |
|---|---|

| Recommendation Priorities | |
|---|---|
| Priority 1 (Fundamental) | 1 |
| Priority 2 (Significant) | 1 |
| Priority 3 (Housekeeping) | 2 |

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

- Confirmation of the current status of SyAP, Airwave and PSN accreditations.

- Review progress against issues identified during the IT Health check process supporting accreditations.

- Review governance processes for monitoring and discussing cyber security issues including responsibilities, oversight, senior management lead and progress reporting.

- Review cyber security breach policy and incident reporting and investigation processes.

**mazars**

# Cyber Security 2022/23 (Continued)

We have raised one Priority 1 recommendation, which is fundamental, and one Priority 2 recommendations, which is significant, the full details of the recommendation and management response are detailed below:

| | |
|---|---|
| Recommendation 1 (Priority 1) | The Force does not have a designated cyber security training course that employees are required to attend. Although the Force has an information management course, we were informed that it does not provide extensive training upon cyber security. |
| Finding | The Force does not have a designated cyber security training course that employees are required to attend. Although the Force has an information management course, we were informed that it does not provide extensive training upon cyber security. |
| Risk | The absence of annual cyber security training programme for members of the Force may result in employee security breaches. |
| Response | IMU have been in contact with other forces in respect of their cyber security training to introduce best practice. A cyber action plan is being prepared and will be ready by 1.6.23. This will incorporate comms messages, cyber training and a table top exercise. This is an ongoing piece of work for the next 6 months. From Sept 23, the IMU will have a Cyber Security Intern for 8 months who will assist on delivering this piece of work |
| Responsibility / Timescale | Early 2024– Head of IT |

| | |
|---|---|
| Recommendation 2 (Priority 2) | The IMB should monitor key risk indicators and key control indicators to support its oversight of cyber security. This could include metrics around patching, malware, and perimeter defences amongst others. |
| Finding | There is a lack of reporting on Key Risk Indicators/Key Control Indicators to the IMB. Whilst the information security and compliance team provide an update to the IMB, it does not include many of the metrics we would expect that should be monitored in relation to the operation of key security controls such as: training completion, critical patching, and deployment of anti-virus software. |
| Risk | The IMB has unwarranted comfort in the effective operation of cyber security controls that a subsequent breach demonstrates are ineffective |
| Response | Key risks from the SyAP (Security Assessment for Policing) will be taken to the IMB. Notts Police were part of a pilot with PDS and a draft report was provided on 17.5.23, the final version will be with the DCC (SIRO) in June.<br><br>A dashboard of performance metrics will be included in the pack for IMB from June, these will evolve over time, based on feedback from IMB |
| Responsibility / Timescale | Early 2024– Head of IT |

**mazars**

# Cyber Security 2022/23 (Continued)

We have also raised two priory 3 recommendations of a housekeeping nature:

- As already underway the Force should continue to liaise with PDS to gain its SyAP and related Airwave accreditations.

- The Force should enhance its technical procedures for dealing with security incidents in line with best practise such as found in the National Institute of Technology (NIST) framework. Where necessary, this should be supplemented with technical guidance upon the approach to managing common incidents

Management agreed with the recommendations and timetable for implementation was Ongoing and November 2023.

# Seized Property 2022/23

| Overall Assurance Opinion | Satisfactory |
|---|---|

| Recommendation Priorities | |
|---|---|
| Priority 1 (Fundamental) | 1 |
| Priority 2 (Significant) | 1 |
| Priority 3 (Housekeeping) | 2 |

Previous audits of Seized Property have been carried out with the last review being November 2022, when a Limited Assurance opinion was provided,

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

- Policies, Procedures and Training

- Policies and procedures are in place to ensure that cash / property detained is dealt with in accordance with relevant legislation and the Force's policies and procedures.
- Suitable training is provided to officers and staff to ensure they are aware of requirements when dealing with seized property.
- An appropriate insurance policy for the handling, retention and movement of cash / property is in place.

- Receiving and Recording

- Cash is counted in a secure and controlled environment, with an appropriate level of independent verification.
- Cash / property initially seized or received is accurately recorded on the property system in line with relevant procedures.
- Appropriate mechanisms are in place to accurately record the movement and disposal of cash / property.

- Security Arrangements

- Cash / property is stored securely, with restricted and controlled access to nominated officers and staff.
- Cash / property is transported securely by the appropriate number of authorised officers or staff in line with procedural and insurance requirements.

Disposal of Property

- Physical cash / property is only retained by the Force for the necessary period of time.
- Cash / property is disposed of in an appropriate manner and evidence of the reasons for, and method of, disposal is retained for confirmation.
- Authorised officers or staff provide approval for the disposal of cash / property in line with relevant procedures.

Property Management

- An appropriate safe audit regime is in place to identify breaches of agreed procedure and confirm cash / property stored.
- Mechanisms for monitoring the cash / property stored and disposed of are in place.

- Operation Eliminate (Mercury)

- The Force has considered measures to reduce the property backlog at Nottinghamshire.
- A suitable action plan is in place for the key tasks and activities associated with Operation Eliminate.
- Suitable reporting is made on progress against this Operation to a forum or Board.
- The Force has considered processes to implement in the future to maintain a lower level of held and stored property

As noted in the introduction section the Seized Property audit conducted in 2021/22 resulted in a Limited Assurance opinion largely based on the continued lack of action regarding policies, procedures and training, where issues had been raised since October 2017. It should be noted that this audit has shown improvements with updated policies and procedures being produced and published to all staff and officers in February 2023. However, there are still fundamental issues with the training provision to staff regarding seized property and data quality within NICHE regarding seized property. Therefore, the assurance rating provided, whilst still including a recurring fundamental issue, has improved to Satisfactory assurance.

# Seized Property 2022/23 (Continued)

We have raised one Priority 1 recommendation, which is fundamental, and one Priority 2 recommendations, which is significant, the full details of the recommendation and management response are detailed below:

| | |
|---|---|
| **Recommendation 1 (Priority 1)** | The Force should develop specific training for the use of NICHE for seized property and provide this to all new officers and transfers. Additionally, a refresher course should also be developed to utilise the new training portal being developed. This training should include information regarding data quality within NICHE, common errors, the impact of errors and how to report data quality issues. |
| **Finding** | Following previous audits performed (in October 2017, July 2019, May 21 & Mach 22), recommendations have been raised in relation to providing Niche training to Officers. Training provided to the Officers should result in greater compliance to the property management system. When Officers join the Force they go through a suite of Training that teaches them how to use specific systems that they'll encounter, including the Niche system. However, there is no standalone training for recoding seized property and no regular refresher training needed. Therefore Officers could be processing seized property incorrectly and inaccurately. Audit has noted that A&E have looked at implementing or improving this training for property recording but have not been able to date. Additionally, there is a new training portal being developed within the Force that can be accessed by all staff, therefore allowing for easy signposting to refresher training where errors are identified, instead of providing 1:1 training. Training should also have a focus on data quality as two incidents during our audit have noted issues and/or errors within NICHE - an incorrectly linked record between Nottinghamshire and the City of London Police leading to the overwriting of property details; and a duplicated entry for property within NICHE leading to a missing item in a drug safe location. Furthermore, upon audit identifying the errors staff were unclear how to report the issues found. Additionally, a focus on data quality would ensure that all staff are aware of their roles and responsibilities in ensuring data quality and reporting any identified data quality issues, as this was not common knowledge amongst the staff interacted with during the audit. |

| | |
|---|---|
| **Risk** | The Force are unable to accurately identify evidential property within its stores. Missing property items could impact on the judicial process. Items are fraudulently misappropriated without the means to track them |
| **Response** | • Data quality – Joined the data quality board (new) to raise areas of business improvement<br>•Policy updates<br>•Seminar to showcase areas for Exhibit improvement (Mr Gowan – Me Hooper) yet to be consulted<br>•Review of current training lesson plan<br>•Updating Website with current policy and procedures<br>•Training school (core trainers) stakeholders primarily have been consulted.<br>The issues regarding learning and development have been considered for a while and attempted measures have been explored to determine best outcomes for training delivery. These have already included consultation with training supervisors to gain a better understanding of why common themed areas are being implemented incorrectly. These errors are often found to be practiced immediately after leaving training school. DS Rob Spry has gathered feedback from new recruited staff members to support the understanding of why these errors have occurred etc. Most reports link heavily back to the lack of understanding from the core training and the knowledge passed on during the first phase of probationary practices, ie tutoring and supervising within the tutorship phase (10 weeks)<br>Archives and Exhibits have recognised that the internal online intranet page is out of date and is currently being rebuilt to conform to new policy updates and procedures. The lesson plan that is currently used by training school is also being reviewed by A&E managers in order to align both lesson plan and seized and found property policies (Acquisition, retention, disposal & destruction)<br>In terms of content delivery, the A&E department are looking to develop new ideas to support the L&D trainers such as a Property Seminar and the new property champion scheme. Both these ideas are in their infancy and currently being worked up for review. The introduction of key training areas being supported by champions and attendees at the seminar should start the knowledge expansion of property management and handling procedures. It recognises that the current position between exhibit department and training school requires better cohesion moving forward in order to improve better practices. |
| **Responsibility** | Apr 2024 – A&E Support Manager |

mazars

# Seized Property 2022/23 (Continued)

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|---|---|
| **Recommendation 2 (Priority 1)** | The Force should reinforce to officers the importance of updating NICHE in a timely manner to provide a full audit trail of exhibit movements. This should ensure that officers move items on NICHE after they are physically moved, to ensure that the most up-to-date location is stored on NICHE at any time.<br>Where necessary, this should continue to include the contact of offending officers with the policy and any additional training required.<br>The Force should investigate the ability to place physical dividers between racking locations on rolling shelving at Southern Main Store to ensure that items are kept in their recorded positions while using rolling shelving. |
| **Finding** | When property is moved between stores or to a different location, this should be recorded by the Officer on the Niche system.<br>Audit performed an onsite review, identifying the following instances where there were discrepancies between the Niche system and the physical stores.<br>Across both the Northern and Southern Main Stores, audit have reviewed 33 locations containing 485 items. Of these, we noted 9 issues (2%) with items marked for destruction but not removed, items moved locations but not updated on NICHE and items moving in rolling shelving due to a lack of physical dividers.<br>Across the four temporary stores reviewed at Mansfield, Kirkby-in-Ashfield, Oxclose Lane and Radford Road; audit have reviewed 20 locations containing 155 items. Of these, we have noted 31 issues (20%) with items being moved into locations without updating NICHE, items being taken into officer possession without updating NICHE, items being moved on NICHE without physically being placed into locations and with items being accidently created as duplicates. |
| **Risk** | The Niche system does not accurately reflect where property is held.<br>The Force systems do not hold data that is accurate.<br>Items could be lost leading to reputational damage for the Force |
| **Response** | Archives and exhibits work on the Niche 4 management system which underpins the front facing Niche 5 system used by front line operation staff and police officers.<br>The key element to the information is the understanding of how the Niche 4 manages a movement structure for the exhibit by A&E staff only. Niche is currently under review, and we are awaiting an update on what is to be expected.<br>The new separation methods for segregating the bays at Tom Ball Hall have been measured and costings are being gathered for financial support to implement this process. |
| **Responsibility** | Apr 2024 – A&E Support Manager |

# IT Asset Management 2022/23

| Overall Assurance Opinion | Limited |
|---|---|

| Recommendation Priorities | |
|---|---|
| Priority 1 (Fundamental) | 1 |
| Priority 2 (Significant) | 1 |
| Priority 3 (Housekeeping) | 4 |

- Inconsistent approaches are taken to financial activities.

- Procedures and policies in place and have been communicated to all relevant staff.

- Systems can be inappropriately accessed.

- Systems and data are adequately protected to reduce the risk of them being open to abuse.

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

- Poor control over assets leads to financial loss or inaccurate accounting.

- The Force has a clearly defined process for recording assets and inventories.

- The Force has clearly set out the roles and responsibilities of key staff in maintaining asset registers.

- An appropriate asset registers are in place to record details of the assets held by the Force.

- The asset register is incorrect.

- The register is maintained in such a format that it is adequate and fit for purpose.

- Procedures exist to ensure that all assets are included in the asset register promptly after purchase.

- Periodic checks are in place to ensure that assets are safeguarded and remain correctly recorded in the register.

- Disposal of assets is carried out only where appropriate authorisation has been received prior to disposal.

- Assets are removed promptly from the asset register when disposed of.

# IT Asset Management 22/23 (Continued)

We have raised one Priority 1 recommendation, which is fundamental, and one Priority 2 recommendations, which is significant, the full details of the recommendation and management response are detailed below

| | |
|---|---|
| Recommendation 1 (Priority 1) | The Force should maintain a record of all IT assets that are not available for use, which should be subject to regular, frequent checks. This will enable the Force to locate and trace all of their IT additions to an accurate location, regardless of if they are available for use, thus minimising the risk for fraudulent activity to take place. |
| Finding | IT assets are only added to the Force's asset register once they are built up to technical specification and therefore ready for use. IT assets that are not available for use are stored in the IS storeroom and are only subject to an annual stocktake. Audit sought to confirm for a sample of recent purchases, that they had been correctly added and reflected within the Force's asset register. However, testing found that not all purchases are added to the asset register imminently and are only added to the register once they are available for use. The current approach therefore means that from purchase order, asset register and stock held the Force are unable to accurately account for the whereabouts of the IT assets purchased. The stock take would identify discrepancies however it would be difficult to pin-point when and where items went missing. |
| Risk | TThe Force are unable to account for all of their IT asset additions, leaving them open to fraudulent activity. The Force are unable to substantiate when fraudulent activity may occur, and therefore are unable to react in a timely manner he governance mechanisms in place are insufficient to help meet the Force's current environmental objectives. |
| Response | Accept this recommendation and we will develop a managed process to track from delivery through the lifecycle and tracked at store Coupled with this recommendation we plan to introduce barcode scanning and we are refreshing the storeroom layout to match the new process flow of goods through. |
| Responsibility / Timescale | 6-12 Months – In-life Services Manager |

| | |
|---|---|
| Recommendation 2 (Priority 2) | The Force should include guidance regarding asset register 'User Access' within their Policy. Details should include which member of staff to contact to request access, the process in requesting access and the authorisation required. The Force should complete and publish their IT Asset Management Policy, allowing all staff members to have access, informing them of their roles and . responsibilities with respect to IT asset management. |
| Finding | The Force have an 'IT Asset Management Policy' in place which is dated November 2022. However, this policy is yet to be published and accessed by the wider Force. We established through conversations with the In-Life Services Manager, that the policy has only recently been drafted, and that the Force were awaiting recommendations from Internal Audit before publication. Furthermore, review of the policy shows no mention of procedures regarding 'User Access' of asset registers. Audit established that there are formal processes that must be followed when requesting access to the asset registers, including respective line manager authorisation and oversight from the Digital Support Centre Manager. However, there is no coverage of such processes within the policy. |
| Risk | Staff are unaware of their roles and responsibilities with respect to management of IT assets. |
| Response | We accept this recommendation The recommended changes have been made to the policy and the policy will now be presented through for acceptance and publication |
| Responsibility / Timescale | Completed. |

# IT Asset Management 2022/23 (Continued)

We have also raised four priory 3 recommendations of a housekeeping nature:

- The Force should develop and utilise a standardised template to ensure all requested details are received from staff members during the annual audit. The Force should also devise an escalation process, clearly illustrating the consequences for nil responses, to ensure the Force are able to sufficiently complete their records. This escalation process should be included within the IT Asset Management Policy.

- The Force should carry out a regular reconciliation between where assets are located and who they are assigned to. Any discrepancies highlighted can therefore be investigated in a timely manner.

- When IT assets are deployed and allocated to staff members, the IS Team should ensure all identification fields (forename, surname and collar number) are accurately recorded within their respective IT asset registers, providing a clear trace to whom the IT asset is located with.

- The Force should ensure strict compliance with the process of disposals as outlined within their Policy, to minimise the risk that assets are incorrectly disposed of. The Force should ensure all fields are completed within disposal reporting, and should also explore the possibility to include additional fields such as adding WasteCare certificates, to provide a clear audit trail of disposals.

Management agreed with the recommendations and timetable for implementation was 3-12 months.

# Collaboration – EMSOT Closedown 2022/23

| Overall Assurance Opinion | Limited |
|---|---|

| Recommendation Priorities | |
|---|---|
| Priority 1 (Fundamental) | 2 |
| Priority 2 (Significant) | 3 |
| Priority 3 (Housekeeping) | - |

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

- The project has an appropriate governance structure in place

- A project plan has been approved by all Forces within the collaboration unit.

- The financial impacts for each Force within the collaboration unit, have been accurately calculated & communicated and agreed by the Forces.

- The progress status of the project is reporting in line with the agreed timescales

- Any variance from timelines have been reported on and actions put in place to ensure the project remains on schedule.

- The staged sign off of the project has been authorised correctly.

- The progress of the project is being accurately reported on and has supporting documentation in regard to current status.

We have raised two Priority 1 recommendations, which are fundamental, and three Priority 2 recommendations, which are significant, the full details of the recommendation and management response are detailed below:

| Recommendation 1 (Priority 1) | For future projects regular reporting of progress should be conducted at the appropriate governance level, which includes measuring of progress against a clear predetermined plan. Measurable metrics should be produced to allow for effective monitoring of progress. |
|---|---|
| Finding | Within the ToR there is an estimated timescale for the dissolution of EMSOT, commencing in Q1 2022 with a forecasted end of March 2023. Audit were also provided with a Project Plan which provides 16 individual items, with their own duration, start date and finish date. However, from review of the Project Plan it was unclear what certain items related to, for example Scoping Meeting was listed with a duration of "1 day?" and a start and end date of 22/02/2022. The item included no further detail. Given this, audit were unable to reconcile the Project Plan to the Project Log, and could therefore not assess whether progress recorded in the Project Log was consistent with the timings listed in the Project Plan. Minutes are a useful tool to document decisions made by committees and boards, as well as ensuring accountability for any decisions. Audit were informed by management that no minutes were maintained for any of the meetings held by the EMSOT Closedown Project Board. Whilst there is a Project Log maintained which includes the risks, issues, actions and decisions related to the project, the decisions tab only includes seven items, and some are not provided with a rationale. As such, it has not been possible to ensure that all the duties of the board have been performed appropriately. Furthermore, the ToR states "Governance will move from the SMB to a regional project board and the progress will then be reported back to SMB", however no evidence of reporting from the Project Board to the Strategic Management Board was provided. |

**mazars**

# Collaboration – EMSOT Closedown 2022/23
## (Continued)

| | |
|---|---|
| **Finding** | Finally, audit noted that ToR states the function of the Project Manager as to "Ensure that the project delivers within time, budget and agreed quality standards". Audit inquired as to the nature of the quality standards and were informed by the Project Manager that these related to how the staff were treated during the process. However, no metrics were mentioned with regards to how this was monitored, and audit were provided with no evidence to support consideration of how staff were treated and any resulting redundancies. |
| **Risk** | Ineffective reporting reduces the oversight of governance groups, as well as the ability for the relevant Forces to be held to account. |
| **Response** | The ACC lead reported to the SMB when this sat, but SMB meetings themselves were cancelled so the reporting was more person-to-person; ACC to SMB members outside of a formal meeting. The work of dissolution was conducted more on a 'task and finish' basis where changes were made at an operational level as expediently as possible in each area. The project plan therefore only provided a framework within which these tasks were completed, the operational leads in each area completing the necessary work within as short a timescale as possible. It was all completed well ahead of 'schedule' leaving only the IT Chronicle work stream outstanding. However, we appreciate that this meant this progress reporting was not fully reflected in the documentation. |
| **Responsibility / Timescale** | Ongoing ACC |

| | |
|---|---|
| **Recommendation 2 (Priority 1)** | For future projects financial arrangements should be clearly agreed and documented at the commencement of any closedowns. Budget forecasts should be clearly documented and scrutinised by the relevant governance committee. |
| **Finding** | The Section 22 in place for EMSOT includes the following apportionment ratio: <br>• Leicestershire 44.9% <br>• Lincolnshire 25.9% <br>• Nottinghamshire 29.2% <br>Audit were informed by management that those apportionment ratios were still those used during EMSOT Closedown. This was supported by a monthly EMSOT finance summary report, which includes the salary costs and Force specific expenses, apportioned to the above ratio. <br>However, no evidence was provided with regards to the EMSOT budget for 2022/23, nor any specific agreement related to financial arrangements for the Closedown project. |
| **Risk** | Financial arrangements are unclear. Assets may be misappropriated. |
| **Response** | Agreed |
| **Responsibility / Timescale** | Ongoing ACO (Finance & Resources) |

# Collaboration – EMSOT Closedown 2022/23
## (Continued)

| | |
|---|---|
| Recommendation 3 (Priority 2) | For future projects minutes should be maintained for all meetings conducted by any committee or board of a collaboration unit. Where the frequency of governance meetings is changed from that listed in the related ToR, a clear record of the decision should be maintained, and that should be reflected in the ToR. |
| Finding | Audit were provided with an Terms of Reference (ToR) related to the EMSOT Closedown project which stated that the basis of the document was based on instruction from the Chief Constables of each of the respective Forces. The ToR notes the existence of a SOT Disaggregation Project Board (Project Board). The Project Board is accountable for ensuring the following:<br>• That the project remains on track;<br>• Status and progress are reviewed against the project plan on a regular basis;<br>• Key risks and issues are discussed and managed;<br>• Financial aspects are reviewed and discussed;<br>• Benefits are defined and realised;<br>• Business change is effectively implemented; and,<br>• Effective links with force implementation teams are maintained.<br>As previously noted in Recommendation 1, no minutes were maintained for the Project Board, and as such audit were unable to assess whether the Board performed their duty with regards to reviewing against the Project Plan on a regular basis, as stated in the ToR.<br>Additionally, within the ToR produced for the EMSOT Closedown project, it is explained that meetings should be held monthly, but that this will be reviewed to ensure that the frequency is appropriate. |

| | |
|---|---|
| Finding | From review of the instances of the meeting evidenced by meeting invites, of which we note only five meetings took place between 06/12/2021 to 06/06/2022, there was a gap of three months between 07/03/2022 and 06/06/2022.<br>Audit were informed that the meeting in June was the final such meeting conducted by the Project Board, at which point it was dissolved. However, within the "Decisions" tab of the Project Log, audit note that the final decision was dated 19/12/2022. |
| Risk | There is no accurate record of decisions made by the Project Board, and limited capacity for the Board to be held to account. |
| Response | Recommendation noted with regards the keeping of minutes. It should be borne in mind that minutes are usually kept, however with respect to this project, it was the explicit decision of the SRO that this be kept light touch project management style and that we only keep actions and decisions.<br>Noted re frequency of meetings. |
| Responsibility / Timescale | Ongoing<br>ACC |

mazars

# Collaboration – EMSOT Closedown 2022/23
(Continued)

| Recommendation 4 (Priority 2) | For future projects any change of senior leader for the project should be formally agreed, documented and handover evidenced. |
|---|---|
| Finding | The ToR includes a Superintendent under the role of Overall SOT Ops Lead, for which the function is listed noted as "Business lead for the disaggregation of SOT". However, audit were informed that the individual previously listed as Overall SOT Ops Lead retired and was not replaced since it was felt there was not enough work to justify a replacement. Audit was provided with limited evidence to support an appropriate transfer of the responsibilities of the Business Lead to an alternative individual nor were audit informed of the date of retirement. |
| Risk | There is a lack of clarity regarding the leadership of the project, leading to a lack of ownership of risks and actions, and an ineffective dissolution of collaborations. |
| Response | Fully understood. In relation to this project, there was not handover as there was no new officer to hand over to. The Supt lead retired but the function that person fulfilled had essentially ceased so the project role became redundant. This could have been documented in the project log though. |
| Responsibility / Timescale | Ongoing ACC |

| Recommendation 5 (Priority 2) | For future projects it should be ensured that the project log is regularly and frequently updated to ensure it is an accurate reflection of project status. |
|---|---|
| Finding | At the time of audit we were provided with a Project Log for EMSOT Closedown, which lists the risks, actions, issues and decisions relating to the project. From our review of this log, audit noted that risk 8 regarding the departure of the Nottinghamshire ACC lead is listed as open, although audit was informed by the Project Manager that this individual had in fact been replaced, and that the risk was therefore closed. However, no such actions were included with the risk. Additionally, an ongoing issue and action regarding the transfer of personnel training data from Chronicle, the system used to log training data for EMSOT, to individual systems for the three respective forces was present. Audit were informed at the time by the Project Manager that Lincolnshire and Nottinghamshire do not currently have a system to export the data to, and as such the issue is still outstanding. Subsequently after draft report issue an update project log was provided that addressed the outstanding issues. |
| Risk | Inaccurate and outdated audit trails are maintained, leading to a lack of oversight and accountability regarding actions, issues and risks. Responsibilities regarding the monitoring and ownership of actions are not kept up to date, leading to a lack of ineffective completion of actions and mitigating of risks |
| Response | As noted above, a more accurate project log could have been kept and this will feed into learning for future projects. |
| Responsibility / Timescale | Ongoing ACC |

**mazars**

# Collaboration – Digital Currency 2022/23

| Overall Assurance Opinion | Satisfactory |
|---|---|

| Recommendation Priorities | |
|---|---|
| Priority 1 (Fundamental) | - |
| Priority 2 (Significant) | 1 |
| Priority 3 (Housekeeping) | 1 |

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

- The roles & responsibilities for the handling of digital currency at the Force/Unit are clearly stated.

- There are clear policies, procedures and guidance available at the Force/Unit for the handling of digital currency.

- The Forces/Unit have appropriate recording mechanisms to identify all digital currency that is held.

- Where digital currency is held by the Force/Unit it is done so in line with best practice & guidance.

- The associated risks to the Force/Unit to investigating, handling and storing digital currency are identifies, recorded and appropriately managed.

We have raised one Priority 2 recommendation, which is significant, the full details of the recommendation and management response are detailed below:

| Recommendation 1 (Priority 2) | Derbyshire, Leicestershire, Lincolnshire, Nottinghamshire and EMSOU should ensure that policy, procedure and guidance documentation is in place and updated in line with NPCC guidance and Komainu storage and realisation processes. |
|---|---|
| Finding | For Derbyshire, Leicestershire, Lincolnshire, Nottinghamshire and EMSOU - we have noted that policies, procedures and guidance documents are being updated following the issuance of the NPCC guidance during Spring 2022, however these are still in draft status after several months. As Forces are transitioning to or are starting to utilise Komainu, they should ensure that these documents are equally updated for this change in process. However, during our audit we were not provided with any specific policies, procedures and/or guidance available to the Force/Unit for the handling of digital currency. |
| Risk | Inconsistent approaches to the seizure, storage and realisation of cryptocurrency. |
| Response | **Derbyshire** – Derbyshire Police follow the NPCC guidance on the seizure and retention of Crypto currency. Komainu are utilised as the custodian of any seizures. A Policy mirroring the NPCC guidance will be drafted later this year

**Leicestershire** – Leicestershire Police already have a Procedure document in place, which parallels the NPCC guidance. All documents are available on the Team Leicestershire Academy Intranet Page, along with the NPCC guidance videos.

**Lincolnshire** – Lincolnshire Police acknowledge that we do not currently have a policy in place for the seizure of Crypto currency and we will be addressing that this year. We are a force with limited knowledge across the board but with recent training hopefully this has widened this skill set. We have recently updated our contract with Komainu.. |

# Collaboration – Digital Currency 2022/23 (Continued)

| | |
|---|---|
| **Response** | **Nottinghamshire** - Procedure is live on our Policy/Procedure Library and has been signed off by DSupt PISCOPO.<br><br>**EMSOU** – is addressing the lack of signed -off policy. |
| **Responsibility / Timescale** | **Derbyshire**<br>DS Steve Judge<br>October 2023<br><br>**Leicestershire**<br>DS Lee Taylor<br>Completed<br><br>**Lincolnshire**<br>T/DS Richard Lister<br>December 2023<br><br>**Nottinghamshire**<br>DS Thomas Curlett-New<br>Completed<br><br>**EMSOU**<br>T/DI Colin Ellis<br>October 23 |

We have also raised one priory 3 recommendation of a housekeeping nature:

• The Force/Unit should determine if risks related to digital currency should be included on their risk register.

Management agreed with the recommendations and both had been completed by the time the final report had been issued.

**mazars**

# Custody 23/24

| Overall Assurance Opinion | Moderate |
|---|---|

| Recommendation Priorities | |
|---|---|
| Priority 1 (Fundamental) | - |
| Priority 2 (Significant) | 3 |
| Priority 3 (Housekeeping) | 3 |

Previous audits of Custody Arrangements have been carried out with the last review being June 2022, where a Limited Assurance opinion was provided. Further details are provided in the background section below.

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) have a rolling programme of unannounced police custody inspections across all 43 police forces in England and Wales. The programme ensures that each force is inspected every six years, at a minimum and Nottinghamshire were last inspected in October 2018. Following this visit, HMICFRS highlighted five causes for concern in addition to 24 areas for improvement. The Force have developed an action plan to track progress against these actions.

As part of the audit, a review was complete on a sample of the points within the action plan. Internal Audit conducted site visits to two custody suites, based in Nottingham and Mansfield, to review the controls in place with respect to the recommendations selected within the sample.

We have raised three Priority 2 recommendation, which is significant, the full details of the recommendation and management response are detailed below:

| | |
|---|---|
| Recommendation 1 (Priority 2) | The Force should ensure that practical fire drills are conducted within the Nottingham and Mansfield custody suites on at least an annual basis in line with HMIC's AFI. Outcomes and lessons learned of each drill should be formally recorded and actioned. |
| Finding | As per HMIC Report AFI 6.20 P42, the Force should ensure there is an annual fire drill in all custody suites. Observation: During last year's audit we raised a Priority 1 recommendation in this area as there was no process to ensure fire drill were completed on an annual basis. Audit noted that some improvement has been made as both custody suites now perform monthly fire drill simulations. Although, no actual evacuation of the custody suites take place. Whilst Internal Audit do acknowledge that there is a heightened risk of performing a fire drill that includes evacuating detainees, there is an increased risk that custody staff are unaware how to act in the case of a real fire as they have not completed a practical drill. |
| Risk | Nottinghamshire Custody Suites do not meet HMIC expectations and exposes the suites to greater risk in the event of a fire. |
| Response | A fire evacuation simulation was conducted at Oxclose Lane October 2022. Monthly fire drills occur on 1st (NCS) and 2nd (MCS) of each month. There were designed to be a walk through with available staff but have evolved into a table top exercise which is not effective. A fire evacuation was conducted at NCS on Tuesday 27th June which identified learning points and a further evacuation is planned for Wednesday 26th July. Fire evacuation plan to be amended following 26th July. MCS to be scheduled for August. Fire evacuations will be planned for August, November, February, May. |
| Responsibility / Timescale | Head of Custody – Per above |

# Custody 2023/24 (Continued)

| | |
|---|---|
| Recommendation 2 (Priority 2) | The Force should reiterate to Sergeants conducting the release protocol for detainees, the need to ensure that in all cases a release leaflet and a circumstances of release letter is issued to the detainee. |
| Finding | As per HMIC Report Rec 6.5 P39, there should be an improved focus on release arrangements for detainees ensuring their safe release. Observation: All detainees should be provided with at least two forms of documentation when released from custody: a release leaflet and a circumstances of release letter. Audit observed detainees being released from custody, and noted in one case that a detainee was not provided with any documentation following their release. This poses a risk that the released detainee is unaware of the circumstances of their release and is unaware of the potential consequences should they interfere with the course of justice. Furthermore, by not receiving the release leaflet, the detainee is unaware of further support they could receive which may have caused their initial detention. |
| Risk | Released detainees are unaware of the circumstances of their release and are not provided with additional support they may require |
| Response | Comms has been sent to all sergeants regarding the risk, expectations and relevant requirements within APP. SOP to be extended to provide more detailed guidance around expectations. Policy circulated to all. This states that ALL detainees MUST have a pre-release risk assessment completed. Examples of expectations have been provided to all sergeants. Captured within Inspector DIP sampling. |
| Responsibility / Timescale | All teams notified of expectations 01/07/2023. |

| | |
|---|---|
| Recommendation 3 (Priority 2) | The Force should ensure there are no further delays to the implementation of the forensic testing surface, as currently Mansfield custody suite are unable to facilitate such practices presently. |
| Finding | As per HMIC Report AFI 6.25 P41, the Mansfield suite should have an appropriate work surface to facilitate efficient forensic testing. Observation: The basis of this action is dependent upon a physical change to the suite and was therefore raised as a recommendation in last years internal audit report as the issue remained outstanding. Internal Audit performed a walkthrough of the Mansfield Custody Suites and noted that this action remains outstanding. However, we were informed that this project has currently completed Phase 1, with Phase 2 planned to commence in Summer 2023 where the surface will be introduced. As such, there is no appropriate work surface to facilitate efficient forensic testing at current |
| Risk | Mansfield have no capabilities to complete forensic testing at the site. The lack of ability to conduct forensic testing at the Mansfield Custody Suite can impact the utility of evidence required for investigations. |
| Response | This forms part of the Mansfield Phase 2 refurbishment which commenced on 19th June. The forensic sample room is part of phase 5 due to challenges around achieving the air circulation requirements. Work commences on |
| Responsibility / Timescale | 29th September and completes on 13th October 2023. |

# Custody 2023/24 (Continued)

We have also raised four priory 3 recommendations of a housekeeping nature:

- The Force should ensure that SOPs are completed and ratified promptly, allowing all staff to access them freely. The Force should carry out a regular reconciliation between where assets are located and who they are assigned to. Any discrepancies highlighted can therefore be investigated in a  timely manner.

- The Force should ensure that dip sampling is completed by each team in a consistent monthly manner. Results of dip sampling should be recorded promptly, allowing for issues to be identified and actioned upon in a timely manner.

- The Force should ensure that higher mattresses should be available at the Nottingham Custody Suites and utilised when identified as necessary to meet detainee needs

Management agreed with the recommendations and timetable for implementation was enf of August 2023

# Section 04 - Statement of Responsibility

We take responsibility to Nottinghamshire Police and the Officer of the Police & Crime Commissioner (OPCC) for Nottinghamshire for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or reply for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

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# Police & Crime Commissioner for Nottinghamshire & Nottinghamshire Police

## Joint Independent Audit Committee

Internal Audit Annual Report 2022-2023

Prepared by:     Mazars LLP

Date:     July 2023

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# Contents

**Disclaimer**

This report ("Report") was prepared by Mazars LLP at the request of Nottinghamshire Police and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit of Nottinghamshire Police and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk. Please refer to the Statement of Responsibility in this report for further information about responsibilities, limitations and confidentiality.

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# 01    Introduction

Mazars LLP are the appointed internal auditors to the Police & Crime Commissioner for Nottinghamshire & Nottinghamshire Police. This report summarises the internal audit work undertaken by Mazars in 2022/23, the scope and outcome of work completed, and incorporates our annual statement on internal controls assurance.

The Police & Crime Commissioner for Nottinghamshire & Nottinghamshire Police retained a full scope internal audit service for 2022/23 which, based on the work we have undertaken, enabled us to provide the enclosed Annual Opinion on the Police & Crime Commissioner for Nottinghamshire & Nottinghamshire Police arrangements for risk management, control and governance.

The report should be considered confidential to the Police & Crime Commissioner for Nottinghamshire & Nottinghamshire Police and not provided to any third party without prior written permission by Mazars.

### Scope and purpose of internal audit

The purpose of internal audit is to provide the Police & Crime Commissioner for Nottinghamshire & Nottinghamshire Police, through the Joint Independent Audit Committee (JIAC), with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving Police & Crime Commissioner for Nottinghamshire & Nottinghamshire Police's statutory objectives and strategic aims.

Internal audit provides the Police and Crime Commissioner and Chief Constable, through the Joint Independent Audit Committee (JIAC), 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.

Our work is conducted in accordance with Public Sector Internal Audit Standards (PSIAS).

The report summarises the internal audit activity and, therefore, does not include all matters which came to our attention during the year. Such matters have been included within our detailed reports to the JIAC during the course of the year.

**Performance against the Internal Audit Plan**

The Plan for 2022/23 was considered and approved by the JIAC on 28th February 2022. In total the Plan was for 138 days, including 17 days of Audit Management. There was also provision for 8 contingency days included in the Plan, should these days be required.

The move to remote auditing has been well established between the Force & Mazars with both parties working hard to ensure the audits could be completed in a timely manner. Mazars have regularly communicated with the Force and OPCC, which has enabled us to make good progress in delivering the annual plan.

As noted in the 2022/23 Internal Audit Plan, the approach is a flexible one and where risks emerge, change or are effectively mitigated the internal audit plan will be reviewed and changes therefore may occur during the year. This occurred in a number of instances and the changes made to the internal audit plan are summarised below:-

• Grant Funding Review – additionally requested by the Force and OPCC.

The audit findings in respect of each of our finalised reviews, together with our recommendations for action and the management response, were set out in our detailed reports, which have been presented to the JIAC over the course of the year. In addition, we have presented a summary of our reports and progress against the Plan within our Progress Reports to each JIAC.

A summary of the reports we have issued is included in Section 03, additionally Appendix A1 describes the levels of assurance we have used in assessing the control environment and effectiveness of controls and the classification of our recommendations.

**Acknowledgements**

We are grateful to all members of the JIAC, the officers of the OPCC, the Chief Finance Officers of both the Force and the OPCC and other staff throughout Nottinghamshire Police for the assistance provided to us during the year.

# 02     Audit Opinion

**Scope of the Internal Audit Opinion**

In giving our internal audit opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide to Nottinghamshire is a reasonable assurance that there are no major weaknesses in governance, risk management and internal control processes.

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.

In arriving at our opinion, we have taken the following matters into account:

- The results of all audits undertaken as part of the plan;
- Whether or not any 'Critical', 'Highly Important' or 'Significant' recommendations raised have not been accepted by Management and the consequent risks;
- The extent to which recommendations raised previously, and accepted, have been implemented;
- The effects of any material changes in Nottinghamshire's objectives or activities;
- Matters arising from previous reports to Nottinghamshire;
- Whether or not any limitations have been placed on the scope of internal audit;
- Whether there have been any resource constraints imposed upon us which may have impinged on our ability to meet the full internal audit needs of Nottinghamshire; and
- The proportion of Nottinghamshire's internal audit needs have been covered to date.

Further detail on the definitions of our opinions raised in our reports can be found in Appendix A1.

Internal Audit has not placed any reliance on third parties in order to assess the controls operated by OPCC for Nottinghamshire & Nottinghamshire Police. Our opinion solely relies on the work we have performed and the results of the controls testing we have undertaken.

**Internal Audit Opinion**

On the basis of our internal audit work, our opinion on the framework of governance, risk management, and control is **Limited** in its overall adequacy and effectiveness. This opinions is provided on the basis that there are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.

Certain weaknesses and exceptions were highlighted by our internal audit work, in particular limited assurance opinions were provided during the period in respect of Core Financials, Environmental Management, Custody, IT Asset Management and IT: Cyber Security.

These matters have been discussed with management, to whom we have made recommendations, several of which are categorised as Priority 1 and Priority 2. All of these have been, or are in the process of being addressed, as detailed in our individual reports, and summarised in Section 04.

In reaching this opinion the following factors were taken into particular consideration:

**Corporate Governance**

In respect of Corporate Governance, while not directly assessed as part of the Plan, this was informed by consideration of this area through our individual assignments including where relevant. Audit noted issues with respect to governance controls within the Environmental Management audit, where it was highlighted that no governance structure existed and an outdated strategy was in place. Furthermore, we did note across the audits delivered that updating relevant policies, procedures and guidance recommendations were made in a number of instances.

**Risk Management**

Risk management was directly assessed as part of the 2022/2023 audit programme, where we issued a 'Significant Assurance' grading. Our opinion was also informed by consideration of risk management aspects through our individual assignments, including reporting within our 'risk management' thematic as well as observing reports and discussion around the Force's and OPCC's Risk Management including the Risk Register at each JIAC meeting with no significant issues arising.

During the course of delivering the 2022/23 audit programme, a key element of each audit scope was to evaluate the control environment and, in particular, how key risks were being managed. As summarised in the 'Internal Control' section below, we were able to place reliance on the systems of internal control and the manner in which risks were being managed by the Force and OPCC.

**Internal Control**

Of the 11 audits undertaken, where a formal assurance level has been provided, four received a significant level of assurance and two audits received a satisfactory level of assurance. A limited level of assurance has been awarded in five instances.

We have made a total of 47 new recommendations during the year at the Force and OPCC, with seven categorised as Priority 1, and 20 as Priority 2. This is a significant increase compared to 2021/2022, where a total of 27 recommendations were made. Further analysis is provided within Section 06.

The number and priority of recommendations raised across the audit plan supports the overall assessment there are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.
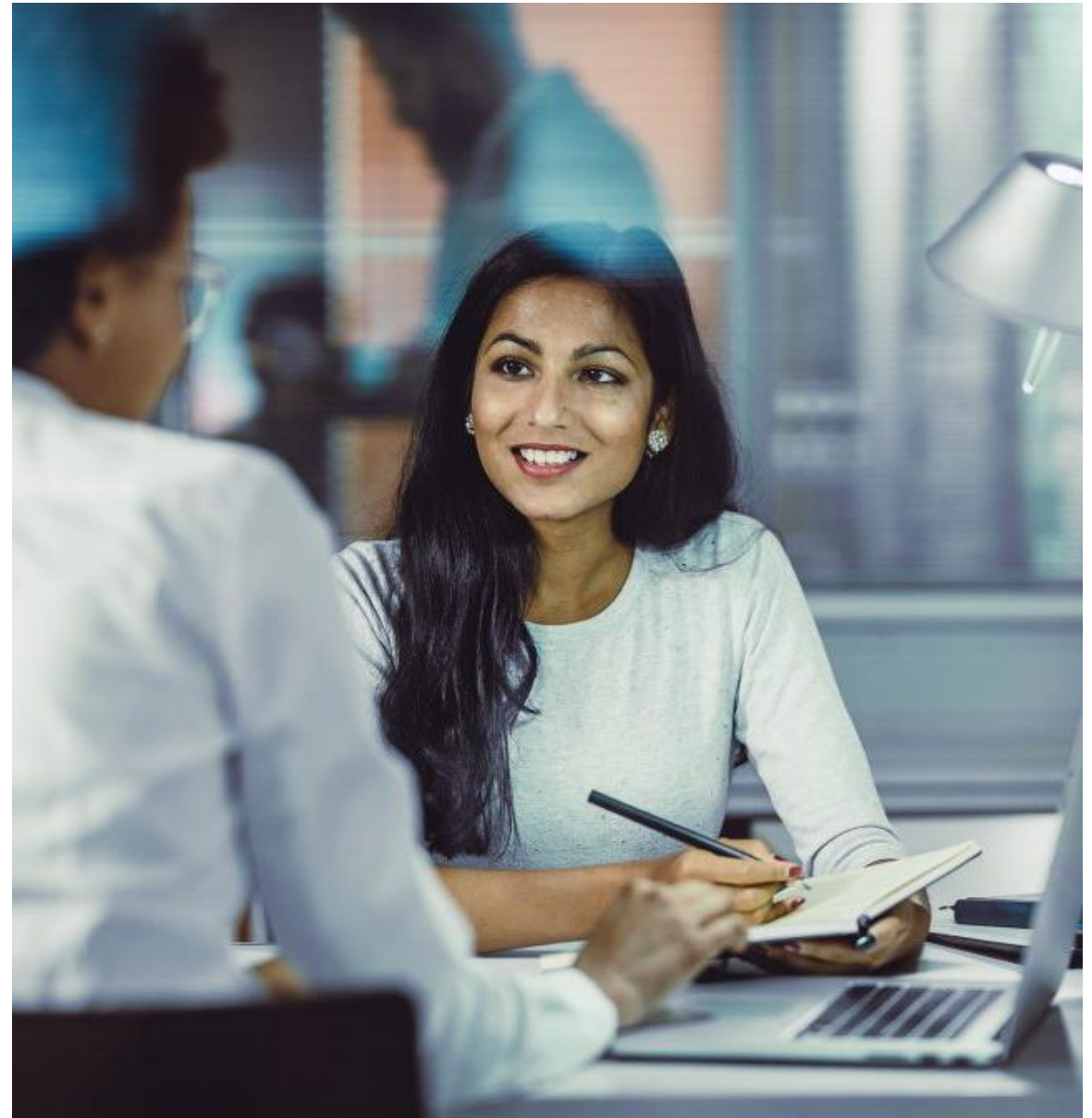
# 03 Internal Audit Work Undertaken in 2022/23

The Internal Audit Plan was for a total of 158 days, with all reviews able to be completed. The audit findings in respect of each review, together with our recommendations for action and the management responses are set out in our detailed reports.

In accordance with the approach set out within Nottinghamshire's internal audit plan, we undertook 11 in-depth audit reviews, alongside an additional review requested by the Force and OPCC during the year. The results of this work (to date) are summarised below:

| Ref | Audit area | Assurance level | Recommendations | | | | Accepted | Not Accepted |
|-----|-----------|-----------------|---|---|---|---|----------|--------------|
| | | | F | S | H | Total | | |
| 01.22/23 | Core Financials | Limited | 2 | 3 | 5 | 10 | 10 | - |
| 02.22/23 | Risk Management | Significant | - | - | 2 | 2 | 2 | - |
| 03.22/23 | Medium Term Financial Planning | Significant | - | - | 2 | 2 | 2 | - |
| 04.22/23 | Fleet Management / Transport | Satisfactory | - | 1 | 2 | 3 | 2 | - |
| 05.22/23 | Business Continuity | Significant | - | - | 1 | 1 | 1 | - |
| 06.22/23 | Environmental Management | Limited | - | 8 | - | 8 | 8 | - |
| 07.22/23 | Custody | Limited | - | 3 | 3 | 6 | 6 | - |
| 08.22/23 | Asset Management | Limited | 1 | 1 | 4 | 6 | - | - |
| 09.22/23 | Seized Property | Satisfactory | 1 | 1 | - | 2 | 2 | - |
| 10.22/23 | MINT | Significant | - | - | - | - | - | - |
| 11.22/23 | IT: Cyber Security | Limited | 1 | 1 | 2 | 4 | 4 | - |
| 12.22/23 | Grant Funding Review* | n/a* | 1 | 2 | - | 3 | 3 | - |
| | **Total** | | **7** | **20** | **20** | **47** | **47** | **-** |

*additionally requested during the year 2022/2023 – Specific review of a Grant Recipient

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# 04    Audits with Fundamental Recommendations 2022/23

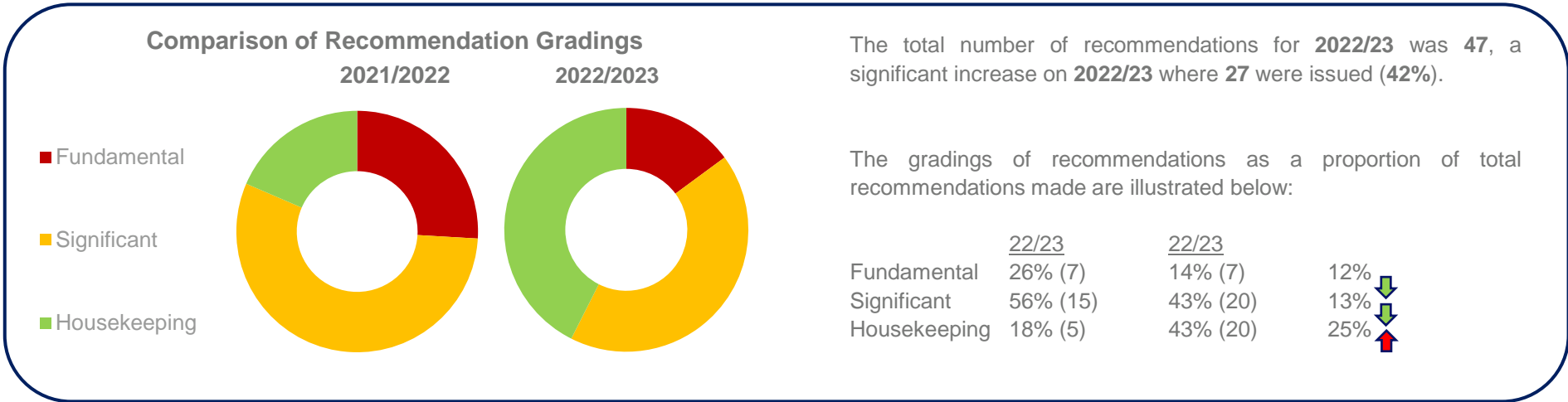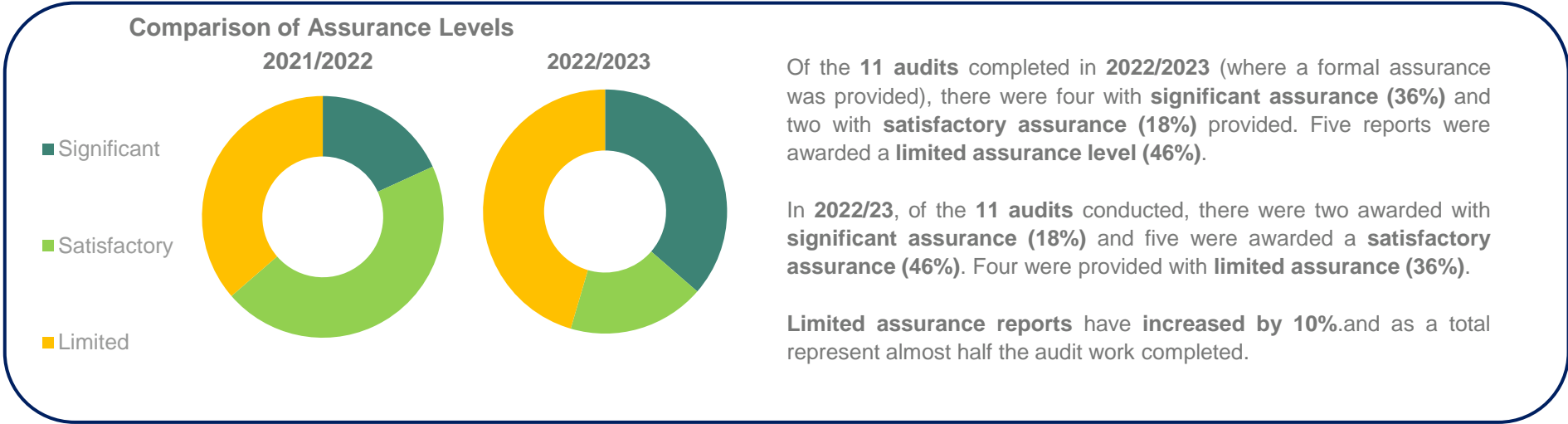| Audit Area | Assurance Level | Summary of Key Findings |
|---|---|---|
| **Core Financials** | Limited | <u>Two Priority 1 Recommendations:</u><br><br>1 – The Force should remind staff of the need to ensure an authorised credit note form is held prior to processing<br><br>2 - As the Force are now aware of their debt position, they should begin to chase historic debt and take relevant debt management actions (to be outlined within their policy accordingly). Further, the Force should complete and ratify their 'Management of Accounts Payable and Receivables' Policy, to ensure a consistent approach is taken regarding outstanding debt. |
| **Custody** | Limited | <u>One Priority 1 Recommendation:</u><br><br>1 – Management should ensure that fire drills are conducted within the Nottingham and Mansfield custody suites on an annual basis. It would be beneficial to establish a recurring set date for drills to ensure their annual completion |
| **Asset Management** | Limited | <u>One Priority 1 Recommendation:</u><br><br>1 – The Force should maintain a record of all IT assets that are not available for use, which should be subject to regular, frequent checks. This will enable the Force to locate and trace all of their IT additions to an accurate location, regardless of if they are available for use, thus minimising the risk for fraudulent activity to take place. |
| **IT: Cyber Security** | Limited | <u>One Priority 1 Recommendation:</u><br><br>1 - The Force should implement a cyber security training course to be taken annually, with supporting periodic awareness.  The course should cover common security risks such as malware, phishing, security of equipment, social engineering etc. |
| **Seized Property** | Satisfactory | <u>One Priority 1 Recommendation:</u><br><br>1 – The Force should develop specific training for the use of NICHE for seized property and provide this to all new officers and transfers. Additionally, a refresher course should be developed to utilise the new training portal being developed. This training should include information regarding the data quality within NICHE, common errors, the impact of errors and how to report data quality issues. |

# 05     Internal Audit Plan 2022/23 vs Actual

The Internal Audit Plan was for a total of 150 days, however additional time was required to complete all reviews which was done in agreement with management.

| Audit Area | Planned Days | Actual Days | Difference | Status |
|---|---|---|---|---|
| Core Financials | 30 | 38 | +8 | Additional time was required |
| Risk Management | 8 | 8 | - | |
| Medium Term Financial Planning | 8 | 8 | - | |
| Fleet Management / Transport | 10 | 10 | - | |
| Business Continuity | 8 | 8 | - | |
| Environmental Management | 10 | 10 | - | |
| Custody | 8 | 8 | - | |
| Asset Management | 8 | 8 | - | |
| Seized Property | 8 | 8 | - | |
| MINT | 5 | 4 | -1 | Scope was reduced upon planning |
| Cyber Security | 10 | 10 | - | |
| Grant Funding Review | - | 5 | +5 | Additionally requested during the year |
| Management | 17 | 17 | - | |
| Contingency | 8 | 12 | - | Per above |
| Collaboration | 12 | 12 | | |
| **Total** | **150** | **162** | | |

*\* additionally requested during the year 2022/2023*

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# 06    Benchmarking

This section compares the Assurance Levels (where given) and categorisation of recommendations made at Nottinghamshire Police.

## Comparison of Assurance Levels

### 2021/2022        2022/2023

- ■ Significant
- ■ Satisfactory
- ■ Limited

Of the **11 audits** completed in **2022/2023** (where a formal assurance was provided), there were four with **significant assurance (36%)** and two with **satisfactory assurance (18%)** provided. Five reports were awarded a **limited assurance level (46%)**.

In **2022/23**, of the **11 audits** conducted, there were two awarded with **significant assurance (18%)** and five were awarded a **satisfactory assurance (46%)**. Four were provided with **limited assurance (36%)**.

**Limited assurance reports** have **increased by 10%**.and as a total represent almost half the audit work completed.

## Comparison of Recommendation Gradings

### 2021/2022        2022/2023

- ■ Fundamental
- ■ Significant
- ■ Housekeeping

The total number of recommendations for **2022/23** was **47**, a significant increase on **2022/23** where **27** were issued (**42%**).

The gradings of recommendations as a proportion of total recommendations made are illustrated below:

|  | 22/23 | 22/23 |  |
|---|---|---|---|
| Fundamental | 26% (7) | 14% (7) | 12% ⬇ |
| Significant | 56% (15) | 43% (20) | 13% ⬇ |
| Housekeeping | 18% (5) | 43% (20) | 25% ⬆ |

# 07 Performance of Internal Audit

We have provided some details below outlining our scorecard approach to our internal performance measures, which supports our overall annual opinion.

## Compliance with Professional Standards

We employed a risk-based approach to determining the audit needs of the Force & OPFC at the start of the year and use a risk-based methodology in planning and conducting our audit assignments.

In fulfilling our role, we abide by the three mandatory elements set out by the Institute of Internal Auditors. Namely, the Code of Ethics, the Definition of Internal Auditing and the Standards for the Professional Practice of Internal Auditing.

## Conflicts of Interest

There have been no instances during the year which have impacted on our independence and/or lead us to declare any interest.



Compliance with Professional Standards

Conflicts of Interest

Performance Measures

Internal Audit Quality Assurance

## Performance Measures

We have completed our audit work in accordance with the agreed Plan and each of our final reports has been reported to the Audit and Risk Committee. We have received positive feedback on our work from the Audit and Risk Committee and staff involved in the audits.

Regular planned discussions on progress against the Audit Plan have taken place with the Audit and Risk Committee.

## Internal Audit Quality Assurance

In order to ensure the quality of the work we perform, we have a programme of quality measures which includes:
- Supervision of staff conducting audit work;
- Review of files of working papers and reports by Managers and Partners;
- Annual appraisal of audit staff and the development of personal development and training plans;
- Sector specific training for staff involved in the sector;
- Issuance of technical guidance to inform staff and provide instruction regarding technical issues; and
- The maintenance of the firm's Internal Audit Manual.

# 08    Internal Audit Quality Assurance

**Our commitment on quality and compliance with the IIA's standards**

Mazars is committed to ensuring our work is delivered at the highest quality and compliant with the Global Institute of Internal Auditors' International Professional Practices Framework (IPPF), which includes the International Standards for the Professional Practice of Internal Auditing (Standards). Our public sector work also conforms with the UK Public Sector Internal Audit Standards (PSIAS), which are based on the mandatory elements of the IPPF.

Our quality assurance and quality control requirements are consistent with the Standards and PSIAS. These requirements are set out within our internal audit manual covering internal audit assurance and advisory work and which is structured to ensure our approach/methodology is compliant.

All internal audit staff conduct an annual declaration confirming awareness and compliance with the IPPF and PSIAS.

All work undertaken must have met the requirements of our manual before it can be signed out and issued to a client.

We have agreed delegated authorities that set out the levels at which various client outputs, including deliverables such as internal audit reports, must be reviewed and approved before being issued to our clients.

Our work is structured so that on-site auditors are supervised and are briefed on specifics relating to the client and internal audit work. Each review is overseen by a management team member, responsible for undertaking first-line quality reviews on working papers and reports and ensuring quality service provision by our team.
All reports must be reviewed and signed out by the engagement Partner, in line with the specific requirements set out within our delegated authorities. Evidence of this sign out is retained.

We have a formal system of quality control that our Advisory and Consulting Quality Board leads. There is a specific Mazars methodology for quality review of internal audit work. This is structured to cover the work of all engagement managers, directors, and partners during each year.
Our quality process takes a two-fold approach:
1. In-depth qualitative reviews assess specific audit engagements against all auditable elements of the Standards and many specific Mazars policies.
2. We also undertake quarterly compliance reviews of the work of all engagement managers, directors, and partners, which ensure that critical elements of compliance (such as evidence of report reviews and sign-outs) are present.

The results of our compliance reviews are discussed with the firm's Executive Board, which demonstrates the importance that the firm's partners attach to this exercise. The results of an individual partner's work review are considered in the reward system for equity partners. The central Technical Department is available for more specialist areas and alerts partners and team members to forthcoming technical changes. In this way, we seek to minimise the prospect of problems arising with internal audit files.

**External quality assessment (EQA)**

As noted above, we can confirm that our internal audit work is undertaken in line with the IPPF and PSIAS. Under this there is a requirement for internal audit services to be subject to an independent EQA every five years. Our most recent assessment took place over the summer of 2019. The review concluded that Mazars "conforms to the requirements of the International Professional Practices Framework for Internal Audit and the Public Sector Internal Audit Standards".

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# Appendices

A1          Definitions of Assurance

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# A1     Definitions of Assurance

## Assurance Gradings
We use categories to classify our assurance over the processes we examine, and these are defined as follows:

| Assurance level | Definition |
|---|---|
| **Significant** | There is a sound system of internal control designed to achieve the Organisation's objectives. The control processes tested are being consistently applied. |
| **Satisfactory** | 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. |
| **Limited** | 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. |
| **No** | 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. |

## Recommendation Gradings
To assist management in using our reports, we categorise our recommendations according to their level of priority, as follows:

| Recommendation Level | Definition |
|---|---|
| **Priority 1 (Fundamental)** | Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk. |
| **Priority 2 (Significant)** | Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk. |
| **Priority 3 (Housekeeping)** | Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk. |

## Annual Opinion Gradings

We use categories to classify our assurance over the processes we examine, and these are defined as follows:

| Assurance level | Definition |
|---|---|
| Significant | The framework of governance, risk management and control is adequate and effective. |
| Moderate | Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control. |
| Limited | There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective. |
| Unsatisfactory | There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail. |

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# Contact us

**David Hoose**
Director, Mazars
[David.Hoose@Mazars.co.uk](mailto:David.Hoose@Mazars.co.uk)

**Mark Lunn**
Manager, Mazars
[Mark.Lunn@Mazars.co.uk](mailto:Mark.Lunn@Mazars.co.uk)

Mazars LLP
30 Old Bailey
London
EC4M 7AU

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