



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

Internal Audit Progress Report 2019/20

February 2020

Presented to the Joint Audit & Scrutiny Panel meeting of: 24<sup>th</sup> February 2020

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## 01 Introduction

- 1.1 The purpose of this report is to update the Joint Audit & Scrutiny Panel (JASP) as to the progress in respect of the Operational Plan for the year ended 31<sup>st</sup> March 2020, which was considered and approved by the JASP at its meeting on 22<sup>nd</sup> February 2019.
- 1.2 The Police and Crime Commissioner and Chief Constable are responsible for ensuring that the organisations have proper internal control and management systems in place. In order to do this, they must obtain assurance on the effectiveness of those systems throughout the year, and are required to make a statement on the effectiveness of internal control within their annual report and financial statements.
- 1.3 Internal audit provides the Police and Crime Commissioner and Chief Constable with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the organisation's agreed objectives. Internal audit also has an independent and objective advisory role to help line managers improve governance, risk management and internal control. The work of internal audit, culminating in our annual opinion, forms a part of the OPCC and Force's overall assurance framework and assists in preparing an informed statement on internal control.
- 1.4 Responsibility for a sound system of internal control rests with the Police and Crime Commissioner and Chief Constable and work performed by internal audit should not be relied upon to identify all weaknesses which exist or all improvements which may be made. Effective implementation of our recommendations makes an important contribution to the maintenance of reliable systems of internal control and governance.
- 1.5 Internal audit should not be relied upon to identify fraud or irregularity, although our procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control will not necessarily be an effective safeguard against collusive fraud.
- 1.6 Our work is delivered in accordance with the Public Sector Internal Audit Standards (PSIAS).

## 02 Summary of internal audit work to date

- 2.1 Since the last meeting of the JASP we have issued the two final report in respect of the 2019/20 plan, this being in respect of Custody Arrangements and Data Quality. Additionally we have issued two draft reports, this being in respect of MFSS Contract Management and Collaboration Performance Management. An additional piece of work to the 2019/20 plan was requested by the OPCC CFO and we have issued a draft report in regards to OPCC Supplier. Further details are provided in Appendix 1.

Nottinghamshire Audits 2019/0	Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
Performance Management	Final	Satisfactory		4	1	5
Business Continuity & Emergency Planning	Final	Force: Satisfactory	1	2		3
		OPCC: Limited				
Custody Arrangements	Final	Satisfactory**		1	1	2
		Limited**				
Data Quality	Final	Substantial				
MFSS Contract Management	Draft		-	-	-	-
OPCC Supplier	Draft					
<b>Total</b>			<b>1</b>	<b>6</b>	<b>1</b>	<b>8</b>
Collaboration 2019/20 Audits	Report Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
Performance Management	Draft					

\*\*Refer to 2.2 below.

- 2.2 The audit of Custody Arrangements covered the control environment in place and for adequacy and effectiveness of the internal controls a satisfactory opinion was given. The audit also reviewed the progress that the Force had made in respect of the action plan that was put in place to address HMICFRS findings in regards to custody, our review of this area resulted in a limited audit opinion, full details are provided in Section A1.
- 2.3 The fieldwork for the IT Security and GDPR audits has been carried out and the IT auditor is awaiting an exit meeting before these reports will be issued. The Core Financial Systems Audit have been completed and are currently undergoing quality review prior to the draft reports being issued. The Programme Management audit and Health & Safety Follow up fieldwork is being undertaken in February. Two additional pieces of work have been requested by the OPCC CFO in respect of Balance Transfers and IFRS 16, the Balance Transfer work has been completed and draft report will be issued shortly. The timing of the IFRS 16 audit is to be agreed with the Force CFO.
- 2.4 For the internal audit plans for 2019/20, it was agreed at the Joint Chief Finance Officers meeting that a similar 'themed' approach would be taken, albeit covering a different set of themes / areas, carrying out the audit across a further sample of units. The proposed 'themed' audits are Performance Management, Business Continuity & Health & Safety. The Performance Management audit draft report has been issued and is awaiting the co-ordinated response from the Forces. The fieldwork for Business Continuity & Health & Safety will be completed in February and draft reports issue thereafter

## 03 Performance

3.1 The following table details the Internal Audit Service performance for the year to date measured against the key performance indicators that were set out within Audit Charter.

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

## Appendix A1 – Summary of Reports

Below we provide brief outlines of the work carried out, a summary of our key findings raised and the assurance opinions given in respect of the final reports issued since the last progress report in respect of the 2019/20 Internal Audit Plan:

### Custody Arrangements

<b>Assurance Opinion:</b>	Progress against HMICFRS Action Plan: Limited
	Assurance on adequacy and effectiveness of internal controls: Satisfactory

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

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

- There are effective governance arrangements in place for the oversight and monitoring of custody arrangements at the Force.
- The management of custody includes defined roles and responsibilities, senior oversight and reporting arrangements.
- The management of custody takes into consideration the demands on custody including the type of detainees and the necessary requirements to effectively deal with this.
- There are processes in place to carry out testing/reviews of custody processing to confirm processes have been completed accurately and correctly.
- There are processes in place to ensure complaints, incidents and near misses are reported and reviewed.
- Arrangements are in place and lessons are learned from incidents, near misses and complaints.
- Robust performance information is produced to allow for the effective oversight of current custody performance.
- The performance information reports are reported to the right forums in a timely manner.

We raised one significant (priority 2) recommendation where it was felt that the Force had not made enough progress in regards to the HMICFRS Action Plan. Audit carried out testing on ten of the twenty nine actions that the Force have put in place to address the issues raised by HMICFRS following their inspection of custody and in six out of ten tested the Force had been unable to complete the stated actions. Therefore audit recommendation was to ensure the stated actions are being progressed.

We also raised one priority 3 recommendation of a more housekeeping nature relating to the incident records on the Niche system and a consistent approach to these records.

Management have confirmed that agreed actions will be completed by the end of March 2020.

## Data Quality

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

Our audit considered the risks relating to the following control objectives:

### Governance

- There is an appropriate governance structure in place to evaluate data quality of Crime Recording at the Force.
- The roles and responsibilities for the recording of crime within the Force are clearly stated and communicated.

### Policies & Procedures

- Policies and procedures are in place, are regularly updated to reflect lessons learnt and legislative changes, and are communicated to all relevant staff.
- Guidance is in place on how to correctly record incidents and crimes in compliance with the National Crime Recording Standard.
- The current crime recording process in place is aligned to the National Crime Recording Standards.

### Data Quality Audits

- There is an effective process in place at the Force to review and scrutinise data quality within the crime recording process.
- Audits are undertaken in line with HMICFRS guidelines to ensure that the Force is complying with the National Crime Recording Standard.
- Areas of underperformance are highlighted to the appropriate forum and actions plans put in place to address areas of weakness.

### Monitoring / Benchmarking

- There are robust processes in place for the Force to review their crime recording data against national benchmarking data and / or other areas of best practice.

We raised no recommendations.

## Appendix A2 Internal Audit Plan 2019/20

Auditable Area	Planned Fieldwork Date	Draft Report Date	Final Report Date	Target JASP	Comments
<b>Core Assurance</b>					
Core Financial Systems	Dec 2019			May 2020	Fieldwork completed, draft report to be issued by the end of Feb 20.
<b>Strategic &amp; Operational Risk</b>					
Data Quality	Sept 2019	October 2019	October 2019	Nov 2019	Final Report Issued
Programme Management	Feb 2019			May 2020	Fieldwork being completed in February.
MFSS Contract Management	Sept 2019	Sept 2019		Nov 2019	Draft Report Issued, in September 2019.
Business Continuity & Emergency Planning	May 2019	June 2019	August 2019	Nov 2019	Final Report Issued.
IT Security	Oct 2019			Feb 2020	Fieldwork Completed. Awaiting Exit Meeting with Force prior to issue.
General Data Protection Regulation (GDPR)	Oct 2019			Feb 2020	Fieldwork Completed. Awaiting Exit Meeting with Force prior to issue.
Health & Safety	Feb 2020			May 2020	Fieldwork being completed in February.
Performance Management	June 2019	June 2019	August 2019	Nov 2019	Final Report Issued.
Custody Arrangements	Sep 2019	Oct 2019	January 2020	Feb 2020	Final Report Issued.

Auditable Area	Planned Fieldwork Date	Draft Report Date	Final Report Date	Target JASP	Comments
<b>Collaboration</b>					
Performance Management	Oct 2019	Feb 2020		May 2020	Draft Report Issue.
Business Continuity	Nov 2019			May 2020	Fieldwork ongoing.
Health & Safety	Jan 2020			May 2020	Fieldwork Completed.

## Appendix A3 – Definition of Assurances and Priorities

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

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

## Appendix A4 - Contact Details

### Contact Details

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## A5 Statement of Responsibility

### **Status of our reports**

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

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