

For Information / Consideration	
Public/Non Public*	Public
Report to:	Joint Audit and Scrutiny Panel
Date of Meeting:	24 February 2021
Report of:	Chief Finance Officer
Report Author:	Charlotte Radford
Other Contacts:	Mark Lunn
Agenda Item:	09

INTERNAL AUDIT PROGRESS REPORT

1. Purpose of the Report

- 1.1 To provide members with an update on progress against the Internal Audit Annual Plan for 2020-21 and the findings from audits completed to date.

2. Recommendations

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

3. Reasons for Recommendations

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

4. Summary of Key Points

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

5. Financial Implications and Budget Provision

- 5.1 None as a direct result of this report.

6. Human Resources Implications

- 6.1 None as a direct result of this report.

7. Equality Implications

- 7.1 None as a direct result of this report.

8. Risk Management

8.1 None as a direct result of this report. Recommendations will be actioned to address the risks identified within the individual reports and recommendations implementation will be monitored and reported within the audit and inspection report to this panel.

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

9.1 This report complies with good governance and financial regulations.

10. Changes in Legislation or other Legal Considerations

10.1 None

11. Details of outcome of consultation

11.1 Not applicable

12. Appendices

12.1 Appendix A – Internal Audit Progress Report 2020-21



Police & Crime Commissioner for
Nottinghamshire & Nottinghamshire Police
Internal Audit Progress Report

Presented to JASP: 24th February 2021

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Contents

01 Summary	3
02 Current progress	4
03 Performance	5
A1 Plan overview	6
A2 Reporting Definitions	7
A3 Summary of Reports	8
A4 Statement of Responsibility	14
Contacts	15

Disclaimer

This report (“Report”) was prepared by Mazars LLP at the request of the Nottinghamshire Police and the Officer of the Police and 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 and 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 in Appendix A1 of this report for further information about responsibilities, limitations and confidentiality.

01 Summary

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 31st March 2021, which was considered and approved by the JASP at its meeting on 24th February 2020.

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.

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.

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.

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 in accordance with the Public Sector Internal Audit Standards (PSIAS).

02 Current progress

Since the last meeting of the JASP, we have issued three final report in respect of Workforce Planning, GDPR Follow Up and Information Assurance Follow Up. We have also issued four draft reports in respect of Core Financials, Debt Recovery, Seized Property & Risk Management. Further details are provided in Appendix A5.

The impact of the Covid-19 lockdown(s) has posed several challenges to the internal audit process and the move to remote auditing has caused some initial delays in setting dates when the audits will be carried out. Both parties have worked hard to ensure the audits could be completed and Mazars have regularly communicated with the Force and OPCC, which has enabled us to remain on course to deliver the audit plan by 31st March 2021. Moreover, we can confirm that the fieldwork for the remaining audits of Complaints Management and Wellbeing are due to take place during February 2021.

In discussion with key contacts, in regards to the Business Change audit included within the 2020/21 plan, it has been requested that this audit be carried forward into the 2021/22 plan as a number of changes have occurred in this area and therefore audit would be able to provide greater value if this audit was so to be completed once these changes have been established.

There were three proposed audits as part of the Collaboration time assigned for the 2020/21 plan, however due to the impacts of the Covid-19 pandemic and the delays in starting audits it has been proposed that one of the collaboration audits be carried forward into the 2021/22 plan. This was discussed with the regional Chief Finance Officers and a priority based approach was assigned to the audits due to be completed. Audit can confirm that the fieldwork for the two collaboration audits of Budgetary Control and Workforce Planning are being completed during February.

The process for Collaboration audits was discussed at a meeting of all five Force Audit Committee Chairs with an intention to improve the speed of delivering final reports to audit committees. Actions have been taken and these will be monitored for the collaboration audits completed in 2020/21 and learning taken forward into 2021/22.

The Plan in Appendix A1 has been updated to include the status of each audit to date.

03 Performance

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 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% (9/9)
5	Issue of final report	Within 5 working days of agreement of responses.	100% (5/5)
6	Follow-up of priority one recommendations	90% within four months. 100% within six months.	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% (9/9)
9	Customer satisfaction (measured by survey)	85% average satisfactory or above	-% (-/-)

A1 Plan overview

Audit area	Proposed Dates	Draft Report Date	Final Report Date	Target JASP	Comments
Core Financial Systems	Q3	February 2021		May 2021	Draft Report Issued
Workforce Planning	Q1	November 2020	December 2020	Feb 2021	
Victims Code of Practice	Q1	September 2020	October 2020	November 2020	
Estate Management	Q2	October 2020	November 2020	November 2020	
Wellbeing	Q4			May 2021	Fieldwork completed in February
Debt Recovery	Q3/4	February 2021		May 2021	Draft Report Issued
Seized Property	Q3	February 2021		May 2021	Draft Report Issued
Business Change	Q3			n/a	C/fwd. into 2021/22 Plan
Complaints Management	Q4			May 2021	Fieldwork moved to March at request of Force
Risk Management	Q4	February 2021		May 2021	Draft Report Issued
IT Security: Follow Up	Q3	January 2021	February 2021	Feb 2021	
GDPR: Follow Up	Q3	January 2021	February 2021	Feb 2021	

A2 Reporting Definitions

Assurance Level	Control Environment
Substantial Assurance	There is a sound system of internal control designed to achieve the Organisation's objectives. The control processes tested are being consistently applied.
Adequate Assurance	While there is a basically sound system of internal control, there are weaknesses, which put some of the Organisation's objectives at risk. The level of non-compliance with some of the control processes may put some of the College'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 College's objectives at risk.
No Assurance	Controls are generally weak leaving the system open to significant abuse and/or we have been inhibited or obstructed from carrying out or work.

Recommendation 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.

A3 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

Workforce Planning

Overall Assurance Opinion	Satisfactory
Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	1
Priority 3 (Housekeeping)	1

Our audit considered the following area objectives:

Workforce Planning

- Governance arrangements for Workforce Planning are clearly defined, including roles and responsibilities, risk management processes, decision making and reporting arrangements.
- There are robust succession planning processes in place which identify and develop officers and provide structured opportunities for secondments and promotions for employees who are prepared to assume these roles as they become available.
- Key roles are identified within the organisation and relevant succession plans are put in place to address these.
- There are robust monitoring processes in place to ensure that the Force has up to date and accurate Establishment data in place.
- The costs associated with the establishment structure are regularly updated and reconciled with the Finance department.
- The Force has a robust talent programme that is linked with key risks to ensure that the future needs of the organisation can be met.
- The Force regularly undertakes skills analysis to identify any areas of concern, with appropriate action plans put in place to address them.

Uplift of Officers

- Action plans are in place to ensure the recruitment targets can be achieved.
- There is effective oversight and monitoring of the uplift of officers including input from other departments at Force that will be affected e.g. Finance, Training, Equipment, IT etc.
- The costs associated with the recruitment uplift is regularly updated and reconciled with the Finance department.
- The recruitment uplift is aligned to the workforce planning operations and is regularly reconciled and updated.

We raised one priority 2 (significant) recommendations and one priority 3 (housekeeping) where the control environment could be improved upon. The finding, recommendation and response is detailed below:

<p>Recommendation 1</p>	<p>The Force should complete a mapping exercise and produce a centralised log of all key roles across the organisation, including non-leadership roles which are critical or specialised.</p> <p>Alongside this exercise, individuals who are able to assume these positions in a short / medium / long term capacity should be highlighted.</p>
<p>Finding</p>	<p>Audit have noted that the Force does not have a central succession planner document, to highlight key roles across the organisation and individuals who have the potential to assume these positions in a short term / medium term / long term capacity.</p> <p>Risk: The Force have a lack of transparency regarding key and specialist roles and positions across the organisation.</p> <p>The Force are unaware of individuals who have the capability to assume key roles</p>
<p>Response</p>	<p>It is agreed that that we have some work to do on key roles and skills and this is a priority for 2021. However, this is also a huge piece of work and I anticipate that in order to get to the final iteration of this centralised plan it will take the majority of 2021. Therefore, a realistic timeframe for this to be signed off as complete has been set.</p>
<p>Responsibility / Timescale</p>	<p>Head of People Services 31st March 2022</p>

We raised one priority 3 recommendations of a more housekeeping nature relating to:

People Strategy

The Force should review and update the People Strategy to include reporting arrangements and decision making processes in place at the Force; a defined individual responsible for the People Strategy; and version control of the document.

Management accepted the recommendations and confirmed implementation would be immediately.

GDPR Follow Up

Overall Assurance Opinion	Satisfactory
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Recommendation Priorities		
	Mar 20	Feb 21
Priority 1 (Fundamental)	1	-
Priority 2 (Significant)	-	1
Priority 3 (Housekeeping)	3	1

The aim of the audit is to establish the level of General Data Protection Regulation (GDPR) processes and procedures following our previous review in this area and progress against the recommendations made in the last audit year and where applicable will include testing from all areas within the Force. The audit will identify the level of assurance which can be placed on the system of controls and level of compliance with these controls in the area being audited and will be categorised as shown in the section headed Reporting Definitions below.

The ICO's Guide to Law Enforcement processing highlights the key requirements of Part 3 of the Data Protection Act 2018. This part of the Act transposes the EU Data Protection Directive 2016/680 (Law Enforcement Directive) into domestic UK law. The Directive complements the General Data Protection Regulation (GDPR) and sets out the requirements for the processing of personal data for criminal 'law enforcement purposes. For international transfers, it also replaces the 2008 Council Framework Decision (2008/977/JHA) on the protection of personal data processed in the framework of police and judicial co-operation in criminal matters. This guidance will be considered during the course of the audit.

The overall objective of this internal audit is to provide the Senior Management and Audit Committee with reasonable, but not absolute, assurance.

The audit will also update the following risks and objectives relating to the GDPR processes within the Force following on from last year's review and consider the progress made in implementing the recommendations.

The audit will also align to the ICO Controllers Checklist and walkthrough the questionnaire with the client. The checklist is designed to help the client, as a controller, assess their high level compliance with data protection legislation. Includes the rights of individuals, handling requests for personal data, consent, data breaches, and data protection impact assessments under the General Data Protection Regulations.

We raised one priority 2 (Significant) recommendation and one priority 3 (housekeeping) where the control environment could be improved upon. The finding, recommendation and response is detailed below:

Recommendation 1	The Force should continue to address the issues identified in the ICO Controllers Checklist, all of which are currently in some level of implementation.
Finding	<p>The completion of the ICO Controllers Checklist conducted with the Head of Information Governance provided an overall rating of 'green' within a traffic light system based rating and identified no areas that were not yet implemented or planned. There were however 9 areas which were only partially implemented or planned. These included: -</p> <ul style="list-style-type: none"> • an information audit to map data flows • what personal data you hold • lawful bases for processing • record consent

	<ul style="list-style-type: none"> record and manage ongoing consent process data to protect the vital interests <p><i>Risk:</i> The organisation is not fully compliant with ICO Guidance.</p>
Response	<p>Accepted – The 9 partially implemented or planned measures from the ICO Controllers Checklist will form part of the Information Management Business Plan for 2021- 22 and progress will be monitored via the Information Management Board.</p> <p>The identified risk will be added & monitored via the JCAD Risk Management system.</p>
Responsibility / Timescale	<p>Information Management Lead</p> <p>31st March 2022</p>

We raised one priority 3 recommendations of a more housekeeping nature relating to:

Information Asset Register

We continue to support the approach being taken to complete the Information Asset Register and this should look to be completed as soon as is practical and how the National Enabling Programme progresses.

Management accepted the recommendations and confirmed implementation by end of March 2022.

Information Assurance Follow Up

Overall Assurance Opinion	Limited
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Recommendation Priorities		
	Mar 20	Feb 21
Priority 1 (Fundamental)	1	1
Priority 2 (Significant)	1	-
Priority 3 (Housekeeping)	2	-

The audit reviewed risks and objectives relating to the Information Assurance processes within the Force following on from last year's review and considered the progress made in implementing the recommendations.

The audit also considered any major changes in the environment since last year's review.

The audit considered the following risks and objectives: -

- Governance procedures are in place to manage and maintain the frameworks and compliance.
- All frameworks are identified and timetabled to maintain compliance within expected timescales.
- Action plans are in place to address issues in an efficient and timely manner.
- Effective follow up of actions confirms issued closed.
- Key issues are reported to senior force management.

We raised one priority 1 (Fundamental) recommendation the finding, recommendation and response is detailed below:

Recommendation 1	As intended, the organisation must continue to liaise with NPRIMT in relation to the GIRR accreditation process.
Finding	<p>Now the force has more resource in place to manage the process the force should look in the longer term to return to an annual cycle of compliance rather than an ongoing pattern of late submissions for the variety of frameworks it is required to comply with.</p> <p>In terms of current accreditation status:</p> <ul style="list-style-type: none"> • GIRR: was accepted in March but subsequently lapsed in July 2020 due to its annual schedule. • PSN: lapsed on 25 September 2019 but is likely to be replaced in 2021. • Airwave: lapsed in July 2020. • IT Health Check: last undertaken in March 2020. A new Health Check is currently being scoped for March 2021. <p>Work has been ongoing in liaising with NPRIMT regarding the GIRR accreditation and a new submission was made in November 2020, with the force currently awaiting a response. The force remains in close contact with NPRIMT.</p>

	<p>However, as the force does not currently have accreditation and is operating outside of the expected timetable, the recommendation has been rated as 'Fundamental'.</p> <p>In previous years the PSN re-accreditation process has in part been contingent on provision of the GIRR accreditation, however, PSN is likely to be replaced in 2021 and therefore no longer a high priority.</p> <p>The other Airwave certification is being discussed with NPRIMT.</p> <p>Risk: The Force is not compliant with required standards and associated reputation and sector risk leading to potential fine or revocation of access to key services in the worst case scenario.</p>
Response	<p>Accepted – since the Information Management restructure was completed in September 2019 there have been 2 Information Security & Compliance Team Leaders and recruitment into this new team was only completed in the summer of 2020. Since then there has not been the capacity and appropriate circumstances (due in the main to Covid-19 and agile ways of working) to develop this new team and increase the skills level of each member to ensure the vision of this team can be achieved. All that has been achieved is to meet the day to day tasks.</p> <p>It is hoped that with the upcoming recruitment of the 3rd ISC Team Leader that the team will be able to have a period of stability, receive the required training, improve their knowledge and skills and will be able to fulfil their roles in supporting the Information Security Officer and Information Management Lead in providing the evidence required by NPRIMT to support the accreditation process and to get it back into the required timetable.</p> <p>The identified risk will be added & monitored via the JCAD Risk Management system</p>
Responsibility / Timescale	<p>Information Management Lead</p> <p>31st July 2021</p>

A4 Statement of Responsibility

We take responsibility to Nottinghamshire Police and the Office of the Police and Crime Commissioner 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.

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Registered office: Tower Bridge House, St Katharine's Way, London E1W 1DD, United Kingdom. Registered in England and Wales No 0C308299.

Contacts

David Hoose

Partner, Mazars

david.hoose@mazars.co.uk

Mark Lunn

Internal Audit Manager, Mazars

mark.lunn@mazars.co.uk

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