

# **Nottinghamshire Office of the Police & Crime Commissioner & Office of the Chief Constable of Nottinghamshire Force**

**Annual Internal Audit Report - Year ended 31 March 2015**

Presented at the Joint Audit and Scrutiny Panel  
meeting of: 9 June 2015

Baker Tilly Risk Advisory Services LLP

## Contents

1 Introduction.....	2
2 The Head of Internal Audit Opinions .....	3
3 Our performance .....	6
Appendix A: Internal Audit Opinion and Recommendations Summary 2014/2015 .....	7
For further information contact .....	9

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

The matters raised in this report are only those which came to our attention during the course of our review 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. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

This report is supplied on the understanding that it is solely for the use of the persons to whom it is addressed and for the purposes set out herein. Our work has been undertaken solely to prepare this report and state those matters that we have agreed to state to them. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from Baker Tilly Risk Advisory Services LLP for any purpose or in any context. Any party other than the Board which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, Baker Tilly Risk Advisory Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Baker Tilly Risk Advisory Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

© 2015 Baker Tilly Risk Advisory Services LLP

# 1 Introduction

As the provider of the internal audit service to the Nottinghamshire Office of the Police and Crime Commissioner and the Office of the Chief Constable for Nottinghamshire we are required to provide the Section 151 Officers and the Joint Audit Committee, an opinion on the adequacy and effectiveness of the organisation's governance, risk management and control arrangements.

In line with the Financial Management Code of Practice published by the Home Office, both the Office of the Police and Crime Commissioner (OPCC) and the Office of the Chief Constable (OCC) must have an internal audit service, and there must be an Audit Committee in place (which can be a joint committee). This annual report is therefore addressed to both the PCC and the Chief Constable, and summarises the work undertaken during 2014/15.

As your internal audit provider, the assurance and advisory reviews that Baker Tilly Risk Advisory Services LLP (Baker Tilly) provides during the year are part of the framework of assurances that assist the PCC and Chief Constable prepare informed annual governance statements.

In giving our opinion it should be noted that assurance can never be absolute. The opinion does not imply that Internal Audit has reviewed all risks and assurances relating to the organisation. The most that the internal audit service can provide is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes.

## 2 The Head of Internal Audit Opinions

### **Police and Crime Commissioner for Nottinghamshire**

For the 12 months ended 31 March 2015, based on the work we have undertaken, our opinion below details the adequacy and effectiveness of your organisation's, risk management, internal control and governance.

In our opinion, based upon the work we have undertaken, for the 12 months ended 31 March 2015 Police and Crime Commissioner for Nottinghamshire has adequate and effective risk management, control and governance processes to manage the achievement of the organisation's objectives. During the year, the Police and Crime Commissioner had identified some concerns specifically around the governance and oversight of Victims, Volunteering, Grant Schemes and Partnerships, which were confirmed during our internal audit work within these areas.

### **Chief Constable for Nottinghamshire**

In our opinion, based upon the work we have undertaken, for the 12 months ended 31 March 2015 Nottinghamshire Police has adequate and effective risk management, control and governance processes to manage the achievement of the organisation's objectives. However, we have highlighted some concerns around Victims, Grant Scheme, Volunteering and Partnerships, following our coverage during the year and it is important that the Constabulary actions the highlighted weaknesses.

## 2.1 The basis of our opinion

Based on the work we have undertaken for the Nottinghamshire Office of the Police & Crime Commissioner and Nottinghamshire Constabulary's system of internal control we do consider that within some of the areas reviewed there are issues that need to be flagged as an internal control weakness.

We have issued two amber green (reasonable assurance) reports in relation to Business Continuity & IT Disaster Recovery and Key Financial Controls.

In addition, we have issued two further reports that received an amber red (some assurance) reports, specifically in relation to Volunteering and Grant Scheme.

Two red reports (no assurance) have been issued around Victims (Compliance with the Code) and Partnerships.

Furthermore, we also completed two reviews of an advisory nature. These were in the areas of Commissioning and Information Management. As part of the reviews a number of recommendations were included to assist both organisations, moving forward.

We have completed two follow up audits, one around Crime Recording, which provided good progress and a general follow-up of previous recommendations (both audit and inspection), which concluded that adequate progress had been in implementing previous recommendations.

In addition, we undertook two reviews within the East Midlands Collaboration: East Midlands Operational Support Service (EMOpSS) was provided with an Amber Green (reasonable assurance) opinion and Collaboration: Innovation Fund was provided with a Red (cannot take assurance) opinion as we found there was not a consistent, transparent and overarching governance framework in place to provide oversight and effective management of the Innovation Funds.

A summary of internal audit work undertaken, and the resulting opinions, is provided at appendix A.

## **2.2 Acceptance of 2014/2015 Internal Audit recommendations**

All of the recommendations made during the year were accepted by management.

## **2.3 Reliance placed upon work of other assurance providers**

In forming our opinion we have not placed any direct reliance on other assurance providers.

## 3 Our performance

### 3.1 Wider value-adding delivery

As part of our client service commitment, during 2014/15 we issued 4 sector specific client updates.

- Issued four client updates and general briefings during the year.
- Provided benchmarking within our reports on the number and category of recommendations and assurance opinions across organisations similar to yourselves.
- Undertook both advisory and assurance reviews across both Corporations Sole. This included sharing best practice across the sector through our work. Specific advisory reports completed included Information Management Arrangement and Commissioning.
- We have made suggestions throughout our audit reports based on our knowledge and experience in the public and private sector to provide areas for consideration.

### 3.2 Conflicts of interest

Baker Tilly has not undertaken any work or activity during 2014/15 that would lead us to declare any conflict of interests.

### 3.3 Conformance with internal auditing standards

Baker Tilly affirms that our internal audit services to Nottinghamshire Office of Police & Crime Commissioner & Nottinghamshire Constabulary are designed to conform with the Public Sector Internal Audit Standards (PSIAS).

Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our Risk Advisory service line commissioned an external independent review of our internal audit services in 2011 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF) published by the Global Institute of Internal Auditors (IIA) on which PSIAS is based.

The external review concluded that *“the design and implementation of systems for the delivery of internal audit provides **substantial assurance** that the standards established by the IIA in the IPPF will be delivered in an adequate and effective manner”*.

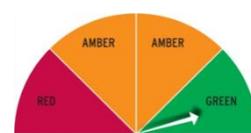
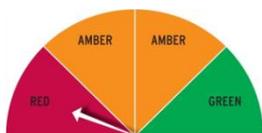
## Appendix A: Internal Audit Opinion and Recommendations Summary 2014/2015

Assignment	Executive lead	Opinion	Actions agreed		
			H	M	L
Information Management Arrangement *	Margaret Monckton, Assistant Chief Officer Resources & Julie Mair, Organisational Development Manager	Advisory	-	-	-
Business Continuity & IT Disaster Recovery Planning	Margaret Monckton, Assistant Chief Officer Resources		0	2	3
Volunteering	Charlotte Radford, Chief Finance Officer		0	5	2
Key Financial Controls	Margaret Monckton, Assistant Chief Officer Resources Charlotte Radford, Chief Finance Officer		0	4	3
Follow Up	Charlotte Radford, Chief Finance Officer & Julie Mair, Planning and Policy Officer	Adequate Progress	-	-	-
Crime Recording – Follow Up	Kevin Dennis, Chief Executive & Charlotte Radford, Chief Finance Officer	Good Progress	-	-	-
Victims Code of Practice for Victims of Crime – Demonstrating Compliance	Charlotte Radford, Chief Finance Officer		3	1	0
Grant Scheme – Preventing Demand	Charlotte Radford, Chief Finance Officer		0	4	1
Commissioning Framework *	Charlotte Radford, Chief Finance Officer	Advisory	-	-	-

Assignment	Executive lead	Opinion	Actions agreed		
			H	M	L
Partnerships	Charlotte Radford, Chief Finance Officer		4	3	2

\*=Advisory suggestions were included within the audit report

We use the following levels of opinion classification within our internal audit reports



Taking account of the issues identified, the Board cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective. Action needs to be taken to ensure this risk is managed.

Taking account of the issues identified, whilst the Board can take some assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective, action needs to be taken to ensure this risk is managed.

Taking account of the issues identified, the Board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective. However we have identified issues that, if not addressed, increase the likelihood of the risk materialising.

Taking account of the issues identified, the Board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

## For further information contact

**Name: Patrick Green**

[Patrick.Green@bakertilly.co.uk](mailto:Patrick.Green@bakertilly.co.uk)

Tel: 07768 807469

**Name: Angela Ward**

[Angela.Ward@bakertilly.co.uk](mailto:Angela.Ward@bakertilly.co.uk)

Tel: 07966 091471