Cumbria Shared Internal Audit Service

Internal Audit Report for Cumbria Constabulary

Audit Follow up of Business Continuity Planning

Draft Report Issued: **2nd May 2017**

Final Report Issued: **8th May 2017**

Audit Resources

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Audit Report Distribution

For Action:	Mark Pannone, T/Chief Superintendent of Territorial Policing Command
For Information:	Sean Robinson, Assistant Chief Constable
Audit Committee	The Joint Audit & Standards Committee, which is due to be held on 23rd May 2017, will receive the report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

Executive Summary

1. Background

1.1. An audit of Business Continuity was previously carried out in 2014/15. Based on the evidence provided at that time, the audit concluded that the controls in operation provided *Partial* assurance. Improvements were agreed and included the areas of policy and procedures, monitoring and review, plan testing and record maintenance.

1.2. Internal Audit has recently undertaken a formal follow up audit to provide updated assurance to senior management and the Joint Audit and Standards Committee that the previously agreed actions to address each recommendation have been fully implemented and all controls are working effectively to mitigate the risks previously identified.

2. Audit Approach

2.1. **Follow up Methodology**

2.1.1. The Internal Audit follow up process involved obtaining an update statement from management and then undertaking testing as necessary to confirm that the actions have been fully implemented and that controls are working as intended to mitigate risk.

2.1.2. It is the responsibility of management to continue to monitor the effectiveness of internal controls to ensure they continue to operate effectively.

3. Assurance Opinion

3.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A.**

3.2. Where the outcomes of the follow up confirm that actions have been successfully implemented and controls are working effectively, the internal audit assurance opinion may be revised from that provided by the original audit.

3.3. From the areas examined and tested as part of this follow up review we now consider the current controls operating in respect of Business Continuity provide **Reasonable** assurance. This has been revised from the original opinion of Partial**.**

4. Summary of Recommendations and Audit Findings

4.1. There are three levels of audit recommendation. The definition for each level is explained in **Appendix B**.

4.2. The previous audit raised **7** audit recommendations for action. Evidence was provided that significant developments have been made, with one area requiring further action. In summary;

- Six recommendations have been successfully implemented (summarised at Section 4.3)
- One recommendation has been partially completed and further action is needed to adequately address the risk exposure (summarised at Section 4.4).

4.3. **Recommendations fully implemented**:

- A Business Continuity Management Policy has been developed and approved by senior management.
- A BCM Strategy has been developed and approved which sets out the strategic objectives and critical activities of the Constabulary. We note that the document saved on the intranet had no header page or version control.
- The Business Continuity Management Policy and the Strategy establish the steps for assuring the Chief Constable that Business Continuity Plans have been prepared in line with operational requirements. This includes the Operations Board reporting to the Chief Officer Group.
- An Officer has been nominated to keep up to date with emerging legislation and with ensuring that the Business Continuity Policy and Strategy are updated with the necessary changes. We are informed that the new Business Continuity Plan template has been revised and now refers to updated legislation
- A review of critical activities across the constabulary has been undertaken and the ACPO guidance has been considered before preparing the new plan template. This ensures that the critical activities and functions cover corporate priorities across the Constabulary.
- The Policy and Strategy documents set out the requirement for an annual review and update of the BC Plans. An updated Business Continuity Plan template has been designed for use in 2016/17. We note that the revised BC Plan template does not include a section for detailing the future review date.

4.4. **Areas for further development**:
From the evidence provided as part of this follow up there is **one** audit recommendation which requires further action as follows:

4.4.1. *Medium priority issues:*

- Arrangements are not currently in place for Civil Contingencies Unit to demonstrate to senior management that they have fulfilled their responsibilities as outlined in the Business Continuity policy.

Comment from the Assistant Chief Constable

I note and welcome the findings of the Audit report. The Constabulary has shown positive progress since the last audit in 2014/15, and has moved to partial reassurance to Reasonable reassurance. Good progress has seen six recommendations being successfully implemented as outlined in the report. However there is still one recommendation that requires further action, which is a medium priority, I have tasked the TP Commander with addressing this recommendation, and providing an update to Ops Board in July 2017, which will provide governance and reassurance.

T/ACC S Robinson

5. Matters Arising / Agreed Action Plan

5.1. Information - reliability and integrity of financial and operational information**.**

Audit Finding
• **Medium priority**- *partially implemented* **Testing of Business Continuity Plans** We were advised that there is currently no overarching testing plan for business continuity arrangements.
Outcome from follow up: The Constabulary's requirement for testing the robustness of the Business Continuity Plans is set out in the Policy and Strategy documents. The policy states that *"…a programme of exercises will be implemented by the CCU (Civil Contingencies Unit) to validate and improve these plans".* There is no evidence that a programme of testing has been developed by CCU to comply with this policy. CCU have provided details of their departmental critical activities and testing / exercises undertaken. There have been a number of exercises and actual incidents since July 2015 but it is unclear if they link to specific business continuity plans in other departments and how they contribute to overall assurances regarding the robustness of business continuity arrangements for senior management.
Recommendation: • **Medium priority** Arrangements should be put in place for CCU to demonstrate to senior management that they have fulfilled their responsibilities as outlined in the policy.

Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	The controls tested are being consistently applied and no weaknesses were identified. Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed. Recommendations are no greater than medium priority.
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified. Recommendations may include high and medium priority matters for address.
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	Significant non-compliance with basic controls which leaves the system open to error and/or abuse. Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

		Definition:
High	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	●	Some risk exposure identified from a weakness in the system of internal control
Advisory	●	Minor risk exposure / suggested improvement to enhance the system of control

Cumbria Shared Internal Audit Service

Internal Audit Report for Cumbria Constabulary

Audit of the Business Improvement Unit

Draft Report Issued: **28th November 2017**

Final Report Issued: **18th January 2018**

Audit Resources

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Audit Report Distribution

For Action:	Carl Patrick (Head of Business Improvement Unit)
For Information:	Michelle Skeer (Deputy Chief Constable) Jane Sauntson (Director of Corporate Improvement)
Audit Committee	The Joint Audit & Standards Committee, which is due to be held on 21 March 2018, will receive the report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

Executive Summary

1. Background

1.1. This report summarises the findings from an audit of the Business Improvement Unit. This was a planned audit assignment which was undertaken in accordance with the 2017/18 Audit Plan.

1.2. The Business Improvement Unit (BIU) is important to the organisation because it is a key element of the Delivering Excellence Strategy. The BIU supports senior managers in the Constabulary to deliver organisational change, achieve high levels of service, maximise the efficiency and effectiveness of frontline policing and contribute to the successful achievement of policing objectives.

2. Audit Approach

2.1. **Audit Objectives and Methodology**

2.1.1. Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives which are outlined in section 4; detailed findings and recommendations are reported within section 5 of this report.

2.2. **Audit Scope and Limitations**

2.2.1. The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was the Director of Corporate Improvement. The agreed scope of the audit was to provide assurance over management's arrangements for governance, risk management and internal control in the following areas:

- Unit Objectives
- Plan
- Performance

2.2.2. There were no instances whereby the audit work undertaken was impaired by the availability of information.

3. Assurance Opinion

3.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A.**

3.2. From the areas examined and tested as part of this audit review, we consider the current controls operating within the Business Improvement Unit provide **Reasonable** assurance.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4. Summary of Recommendations, Audit Findings and Report Distribution

4.1. There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.

4.2. There are **2** audit recommendation arising from this audit review and they are summarised as follows:

	No. of recommendations		
Control Objective	**High**	**Medium**	**Advisory**
1. Management - achievement of the organisation's strategic objectives (see section 5.1)	-	-	-
2. Regulatory - compliance with laws, regulations, policies, procedures and contracts (see section 5.2)	-	-	-
3. Information - reliability and integrity of financial and operational information	-	-	-
4. Security - safeguarding of assets	-	-	-
5. Value - effectiveness and efficiency of operations and programmes (see section 5.3)	-	1	1
Total Number of Recommendations	-	**1**	**1**

4.3. **Strengths:** The following areas of good practice were identified during the course of the audit:

- Senior management are visibly committed to delivering quality and excellence in policing and this is demonstrated through the establishment of the Business Improvement Unit.
- Business Improvement Unit objectives link directly to strategic policing priorities.
- A sound governance structure is in place for delivery of business improvement activity. A 'Delivering Excellence' strategy is in place, there are clear terms of reference for the BIU, reporting arrangements are described and roles and responsibilities are clearly defined.
- A Business Improvement Unit Plan of inspection and audit activity is in place. The plan received approval from Force Strategic Development Board (FDSB).
- An element of flexibility has been built into the plan to accommodate ad-hoc reviews in response to issues arising e.g. inspection announcements.
- There is senior management oversight of BIU activity through regular reporting to FSDB, Operations Programme Board and Programme Leads and occasional reporting to Chief Officer Group (COG).
- Reports on BIU activity highlight the improvements being delivered following BIU intervention and support. This contribution is also acknowledged in HMIC inspection reports.

4.4. **Areas for development**: Improvements in the following areas are necessary in order to strengthen existing control arrangements:

4.4.1. *High priority issues:* None identified

4.4.2. *Medium priority issues:*

- The constabulary cannot effectively demonstrate the degree of senior management oversight and scrutiny as part of good governance arrangements.

4.4.3. Advisory issues:

- Arrangements are not in place for periodic review and update of the Delivering Excellence Strategy, including BIU terms of reference.

Comment from the Deputy Chief Constable:
I welcome this report from Internal Audit concerning the Business Improvement Unit. I am pleased to note that Internal Audit identified a number of strengths through the audit into the workings of BIU. The introduction of the BIU was a significant investment

by the Chief Officer Group and I am satisfied that it is helping to drive excellence within the Organisation. I have noted the recommendations and will ensure they are recognised as part of our current Governance Review. This will ensure we adequately demonstrate senior management oversight through governance. As part of this process, I will also ensure we build in periodic reviews of the Delivering Excellence Strategy and the terms of reference for the BIU.

Michelle Skeer
DCC

5. Matters Arising / Agreed Action Plan

5.1. **Value** - effectiveness and efficiency of operations and programmes.

● **Medium priority**

Audit finding	Management response
(a) **Senior Management Oversight** Force Strategic Delivery Board (FSDB) meetings are a key platform for those tasked with overseeing business improvement to discuss and challenge Business Improvement Unit (BIU) activity as part of the decision making process. Similarly Operations Programme Board has a role to play in managing improvement plans. The Head of BIU reports to both of these groups on a regular basis. Formal minutes of FSDB and Operations Programme Board meetings are not prepared so the constabulary cannot effectively demonstrate the degree of senior management oversight, scrutiny and challenge as part of good governance arrangements. BIU activity and progress delivering the BIU plan and objectives is regularly reviewed and discussed with the Head of BIU during 1:1 meetings with the Director of Corporate Improvement and Assistant Chief Constable and on occasions with the Chief Constable. The meetings are diarised but discussions held, decisions taken and actions arising that relate to BIU activity are not formally documented.	Agreed management action: The Head of Business Improvement Unit has discussed this with the Deputy Chief Constable who is prepared to accept the risk of not documenting meetings where BIU activity is discussed and challenged and decisions are taken.
Recommendation 1: The risks associated with not documenting meetings should be assessed and actions taken to mitigate those risks if they are above the Constabulary's acceptable risk tolerance level.	
Risk exposure if not addressed: • Inability to demonstrate senior management oversight, scrutiny and challenge. • Reduced ability to respond to challenge.	Responsible manager for implementing: **N/A** Date to be implemented: **N/A**

• Reputational damage.	

● **Advisory Issue**

Audit finding	Management response
(b) **Delivering Excellence** 'Delivering Excellence' is a strategy to deliver business improvement throughout the constabulary. The strategy, dated April 2016, sets out the terms of reference for the Business Improvement Unit, incorporating unit objectives, how the objectives will be delivered and governance arrangements including roles and responsibilities and reporting structure. Arrangements are not currently in place to periodically re-visit and update the Delivering Excellence Strategy and terms of reference for the BIU to ensure continued relevance in a fast changing environment. It was noted that some elements of the Delivering Excellence Strategy are now out of date.	Agreed management action: The Delivering Excellence Strategy will be reviewed and updated by April 2018 to ensure it remains relevant and reflects changes such as revised governance arrangements and expanded BIU responsibilities. It will be reviewed on a regular basis thereafter.
Recommendation 2: Arrangements should be in place for periodic review and update of the Delivering Excellence Strategy, including BIU terms of reference to ensure that they accurately reflect current working arrangements and remain relevant.	
Risk exposure if not addressed: • Strategic policing priorities are not achieved because BIU objectives are not aligned to organisational objective. • Failure to continuously adapt, learn and improve. • Reputational damage.	Responsible manager for implementing: **Head of BIU** Date to be implemented: **04/2018**

Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	The controls tested are being consistently applied and no weaknesses were identified. Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed. Recommendations are no greater than medium priority.
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified. Recommendations may include high and medium priority matters for address.
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	Significant non-compliance with basic controls which leaves the system open to error and/or abuse. Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

		Definition:
High	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	●	Some risk exposure identified from a weakness in the system of internal control
Advisory	●	Minor risk exposure / suggested improvement to enhance the system of control

Recommendation Follow Up Arrangements:

- High priority recommendations will be formally followed up by Internal Audit and reported within the defined follow up timescales. This follow up work may include additional audit verification and testing to ensure the agreed actions have been effectively implemented.
- Medium priority recommendations will be followed with the responsible officer within the defined timescales.
- Advisory issues are for management consideration.

Cumbria Shared Internal Audit Service

Internal Audit Report for Cumbria Constabulary

Command and Control

Draft Report Issued: **23rd May 2017**

Final Report Issued: **26th June 2017**

Audit Resources

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Audit Report Distribution

For Action:	Matt Kennerley, Temporary Superintendent Operational Support.
For Information:	Mark Pannone, Temporary Chief Superintendent Territorial Policing. Sean Robinson, Temporary Assistant Chief Constable.
Audit Committee	The Joint Audit & Standards Committee, which is due to be held on 21July 2017, will receive the report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

Executive Summary

1. Background

1.1. This report summarises the findings from the audit of **Command and Control**. This was a planned audit assignment which was undertaken in accordance with the 2016/17 Audit Plan.

1.2. Command and Control is important to the organisation as it provides the response to members of the public who contact the constabulary.

1.3. The Command and Control room (CCR) model, which includes a single call management and resolution function performed by police officers in the room, became operational in September 2015.

2. Audit Approach

2.1. **Audit Objectives and Methodology**

2.1.1. Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives which are outlined in section 4; detailed findings and recommendations are reported within section 5 of this report.

2.2. **Audit Scope and Limitations**

2.2.1. The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was the Temporary Chief Superintendent Territorial Policing. The agreed scope of the audit was to provide assurance over management's arrangements for governance, risk management and internal control in the following areas:

- Data Quality Assurance;
- Performance measures and monitoring of project objectives;
- Staff training and communication.

2.2.2. There were no instances whereby the audit work undertaken was impaired by the availability of information.

3. Assurance Opinion

3.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A.**

3.2. From the areas examined and tested as part of this audit review, we consider the current controls operating within Command and Control provide **Reasonable** assurance.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4. Summary of Recommendations, Audit Findings and Report Distribution

4.1. There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.

4.2. There are **two** audit recommendations arising from this audit review and these can be summarised as follows:

	No. of recommendations		
Control Objective	**High**	**Medium**	**Advisory**
1. Management - achievement of the organisation's strategic objectives (see section 5.1.)	-	1	-
2. Regulatory - compliance with laws, regulations, policies, procedures and contracts (see section 5.2)	-	1	-
3. Information - reliability and integrity of financial and operational information	-	-	-
4. Security - safeguarding of assets	-	-	-
5. Value - effectiveness and efficiency of operations and programmes	-	-	-
Total Number of Recommendations	0	2	0

4.3. **Strengths:** The following areas of good practice were identified during the course of the audit:

- Command and Control room data quality is independently sample reviewed by the Business Improvement Unit.
- A comprehensive guidance manual has been prepared for staff in the Command and Control Room, with A-Z documents providing further detailed guidance. The guidance manual is included in CCR specific training courses.
- Public consultation results were considered when revising performance targets in relation to 101 call answering times and abandoned calls.
- Internal consultation has recently taken place on questions in the user satisfaction survey.

4.4. **Areas for development**: Improvements in the following areas are necessary in order to strengthen existing control arrangements:

4.4.1. *High priority issues:*

- No high priority issues were identified.

4.4.2. *Medium priority issues:*

- Arrangements are not in place to demonstrate that decisions taken in relation to performance data / information are subject to scrutiny and challenge and are formally approved.
- Expectations regarding frequency and focus of quality assurance checks within the Command and Control room are not clearly defined and communicated.

Comment from the Temporary Assistant Chief Constable
I have reviewed this audit report and welcome its conclusions of reasonable assurance. I have spoken to the management in terms of the two actions, which will report to Ops Board in July 2017 and October 2017 respectively, both will then form part of the monthly performance updates for CCR moving forward, therefore providing assurance and governance.

T/ACC S Robinson
23/6/17

Management Action Plan

5. Matters Arising / Agreed Action Plan

5.1. Management - achievement of the organisation's strategic objectives.

● **Medium priority**

Audit finding	Management response
(a) **Performance Data** There is some evidence of discussions around a performance dashboard for the Command and Control room and the information available for performance reporting. A summary of these discussions was presented to the Tactical Implementation Group. Thereafter there is no evidence that the performance measures that were developed were subject to scrutiny, challenge and approval. We were informed that now the Command and Control room has been implemented the aims have recently been reviewed and documented. This is now a good opportunity to reconsider and refresh how progress towards achieving these aims will be measured. The resultant performance measures should be agreed, defined and documented with appropriate approval.	Agreed management action: Command and Control will have a specific agenda item on the Operations Board meetings moving forward to ensure that decisions on performance data can be demonstrated.
Recommendation 1: Management should have arrangements in place to demonstrate that decisions taken in relation to performance data / information are subject to scrutiny and challenge and are formally approved.	
Risk exposure if not addressed: • Inappropriate / inadequate / undefined performance data is reported on; • Performance data does not provide management with the information they require; • Objectives are not achieved as performance measures do not directly link to them.	Responsible manager for implementing: **Chief Inspector – Command & Control Room** Date to be implemented: **07/2017**

5.2. Regulatory – compliance with laws, regulations, policies, procedures and contracts.

● **Medium priority**

Audit finding	Management response
(a) **Internal Quality Assurance Process** There is a lack of clarity around management expectations in relation to the quality assurance checks undertaken within the Command and Control room in relation to frequency and focus (e.g. staff, shifts, quiet/busy periods etc.). We undertook a series of discussions during the audit which indicated a lack of consistent approach to QA checking: • The Command and Control manual of guidance refers to a 'dip sampling protocol' as part of the QA process. We were not provided with a copy of this protocol to confirm management's expectations regarding dip sampling. • We were informed that at least two quality assurance checks should be undertaken per shift. • We were later informed that QA checks should be undertaken for each member of staff once per week. • The most recent verbal instructions on the process was to focus on areas / staff members requiring improvement and to undertake the checks regularly, without a particular number being stated. Without clearly defined expectations, management cannot be assured that quality assurance checks within the Command and Control room are being undertaken consistently and as intended.	Agreed management action: A piece of work is being undertaken in the Command and Control Room to bring all its quality assurance arrangements together. This includes formalising the process for quality assurance checks and updating the guidance manual and other relevant documents accordingly.
Recommendation 2: Management should ensure that expectations regarding frequency and focus of quality assurance checks within the Command and Control room are clearly defined and communicated.	
Risk exposure if not addressed: • Quality assurance process does not achieve its aims; • Quality assurance process not undertaken per management requirements due to lack of clarity	Responsible manager for implementing: **Chief Inspector – Command & Control Room** Date to be implemented:

for staff on their responsibilities.	**10/2017**

Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	The controls tested are being consistently applied and no weaknesses were identified. Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed. Recommendations are no greater than medium priority.
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified. Recommendations may include high and medium priority matters for address.
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	Significant non-compliance with basic controls which leaves the system open to error and/or abuse. Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

		Definition:
High	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	●	Some risk exposure identified from a weakness in the system of internal control
Advisory	●	Minor risk exposure / suggested improvement to enhance the system of control

Recommendation Follow Up Arrangements:

- High priority recommendations will be formally followed up by Internal Audit and reported within the defined follow up timescales. This follow up work may include additional audit verification and testing to ensure the agreed actions have been effectively implemented.
- Medium priority recommendations will be followed with the responsible officer within the defined timescales.
- Advisory issues are for management consideration.

Cumbria Shared Internal Audit Service

Internal Audit Report for OPCC and Constabulary

Peter McCall

Detailed procurement testing

Draft Report Issued: **7th February 2018**

Final Report Issued: **27th February 2018**

Audit Resources

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Audit Report Distribution

For Action:	Chris Guest (Head of Procurement)
For Information:	Stephen Kirkpatrick (Director of Corporate Support)
Audit Committee	The Joint Audit & Standards Committee, which is due to be held on 21 March 2018 will receive the report

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

1. Background

1.1. This report summarises the findings from the audit of detailed procurement testing. This was a planned audit assignment which was undertaken in accordance with the 2017/18 Audit Plan.

1.2. Detailed procurement testing was originally included in the 2016/17 internal audit plan but was deferred because a risk based audit of compliance with the Joint procurement regulations provided partial assurance. It was therefore considered that performing detailed testing at this time would not add value as it would only re-confirm the broader findings from our risk based review.

2. Audit Approach

2.1. **Audit Objectives and Methodology**

2.1.1. This piece of internal audit work is a compliance audit rather than a risk based review. As a result we have not assigned an assurance rating over the area.

2.2. **Audit Scope**

2.2.1. The scope of this audit was to undertake detailed transaction testing to confirm that the procurement routes, as set out in the joint procurement regulations, are adhered to.

2.3 **Sample Selection**

2.3.1 Internal Audit sought assistance from the Joint Chief Finance Officer and Deputy Chief Finance Officer when selecting the random sample of transactions to ensure that a cross section of procurement routes was selected across functions / services and covering both Constabulary and OPCC. Whilst the JCFO and DCFO assisted us they did not select our sample.

3. Findings

3.1. The table below sets out the procurement routes included in our sample and the number of issues identified during testing:

Route	Sample size	Number in sample with issues	No. of issues identified
C – Existing framework	7	0	0
E1 - <£20K	7	2	6
E2 - >£20K but < £100k	2	2	4
F - >£100k but < OJEU	1	1	2

G - > OJEU	1	1	1
Unclear - may be existing framework	1	1	1
	19	7	14

4. Conclusion

4.1. Our testing indicates that there is inconsistent application of the procurement regulations.

Number of procurements tested	19
Number of procurements where at least one instance of potential non-compliance with procurement regulations was found	5 (26%)
Information not provided so Internal Audit can't conclude on whether procurement regulations have been complied with	2 (10%)

4.2 We have discussed the results of each transaction tested with the Director of Corporate Support and Head of Procurement who are working to address the issues going forwards. The outcome of our follow up audit of procurement, which is currently underway, will feed in to an action plan.

Comment from the Director of Corporate Support

The detailed procurement testing raises a number of concerns with seven of the nineteen sample cases exhibiting one or more issues.

Based on detailed discussions with the audit team, I am comfortable that there have been no fraudulent activities, however I am concerned that that the joint procurement regulations are not being adhered to consistently across all aspects of procurement.

The findings of this testing are being taken very seriously and steps are being taken to increase the levels of procurement expertise, to vacancies within the structure and to introduce more consistent working practices across all procurement activities.

Cumbria Shared Internal Audit Service

Internal Audit Report for Cumbria Constabulary

Audit of Digital Case File Preparation

Draft Report Issued: **12th January 2017**

Final Report Issued: **8th May 2017**

Audit Resources

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Audit Report Distribution

For Action:	Gordon Rutherford – (Chief Inspector CJU & Partnerships)
For Information:	Mark Pannone – (T/Chief Superintendent Territorial Policing Command) Sean Robinson (Assistant Chief Constable)
Audit Committee	The Joint Audit & Standards Committee, which is due to be held on 24 May 2017, will receive the report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

Executive Summary

1. Background

1.1. This report summarises the findings from the audit of **Digital Case File Preparation**. This was a planned audit assignment which was undertaken in accordance with the 2016/17 Audit Plan.

1.2. The preparation of high quality case files is fundamental to the Constabulary in delivering its objectives of providing justice for the victim by detecting crime and bringing criminals to justice as set out in the Police and Crime Plan for Cumbria. The Constabulary is one of the top five forces in the country in terms of guilty pleas at first hearing and successful outcomes. This has been a focus for Chief Officers and senior level ownership in progressing file quality issues has been acknowledged by the North West Area Crown Prosecution Service.

1.3. During 2015/16 significant changes in systems and the staffing structure were implemented with a move to maintaining digital case files and a transfer of responsibilities from the Criminal Justice Unit (CJU) to individual officers.

1.4. This audit was included in the 2016/17 audit plan to provide assurance over the new arrangements.

2. Audit Approach

2.1. **Audit Objectives and Methodology**

2.1.1. Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives which are outlined in section 4; detailed findings and recommendations are reported within section 5 of this report.

2.2. **Audit Scope and Limitations**

2.2.1. The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was Chief Superintendent Territorial Policing Command. The agreed scope of the audit was to provide assurance over management's arrangements for governance, risk management and internal control in the following areas:

- Management arrangements to ensure digital case files are complete, robust and secure.

2.2.2. There were no instances whereby the audit work undertaken was impaired by the availability of information.

3. Assurance Opinion

3.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A.**

3.2. From the areas examined and tested as part of this audit review, we consider the current controls operating within the Digital Case File Preparation provide **partial** assurance.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4. Summary of Recommendations, Audit Findings and Report Distribution

4.1. There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.

4.2. There are **five** audit recommendations arising from this audit review and these can be summarised as follows:

	No. of recommendations		
Control Objective	**High**	**Medium**	**Advisory**
1. Management - achievement of the organisation's strategic objectives (see section 5.1.)	1	2	-
2. Regulatory - compliance with laws, regulations, policies, procedures and contracts (see section 5.2.)	-	1	-
3. Information - reliability and integrity of financial and operational information	-	-	-
4. Security - safeguarding of assets	-	-	-
5. Value - effectiveness and efficiency of operations and programmes (see section 5.3)	-	1	-

Total Number of Recommendations	1	4	0

4.3. **Strengths:** The following areas of good practice were identified during the course of the audit:

- Senior manager commitment to addressing file quality issues by allocating a high level of resource to checking the quality of case files.
- Senior Officers attend regular liaison meetings with the Courts and Crown Prosecution Service to discuss case file quality.

4.4. **Areas for development**: Improvements in the following areas are necessary in order to strengthen existing control arrangements:

4.4.1. *High priority issues:*

- Arrangements are not in place to identify and address the root causes of file quality issues at an early stage.

4.4.2. *Medium priority issues:*

- The risk score on the risk register relating to digital case file quality is not a clear reflection of the residual risk.
- Current arrangements do not give assurance that all relevant officers have been trained appropriately and consistently in digital case file preparation.
- Documented and approved policy and procedures for digital case file preparation are not in place.
- Management have yet to explore the reason for case file errors and options for improvement.

4.4.3. *Advisory issues:* No advisory issues were identified

Comment from the Assistant Chief Constable

I have reviewed this Audit Report and discussed it with both T/Ch Supt Pannone and T/Supt Rutherford. This report provides 'partial assurance,' and I welcome its findings. In terms of the one High Priority recommendation 1, Chief Officers have commissioned a report which is due to report to COG in May 17, is anticipated to address the future structure of the CJU and file checking function, which addresses this recommendation. Recommendation 5 is also linked to this review. This will be implemented through T/Supt Rutherford before between 1 June 2017 and 30 September 2017. In terms of Recommendation 2 (Medium), this was a 'housekeeping issue and is being monitored and reviewed through Territorial Policing monthly SMT, implemented (Feb 2017). Recommendation 3 – work is ongoing to address the three points raised. The training proposal will be delivered Sep-Nov 17, with the CJ trainer continuing to utilise area training days in the interim. Point 2 has been

actioned in Feb 2017, with point 3 being subject to ongoing evaluation. I note and support the plan to progress Recommendation 4 which is linked to the National Manual of Guidance. Overall I welcome the report and T/Supt Rutherford will drive these and report into TP SMT, with exceptions and a quarterly progress report coming to Ops Board for monitoring and governance, which is chaired by the ACC.

T/ACC S Robinson

5. Matters Arising / Agreed Action Plan

5.1. Management - achievement of the organisation's strategic objectives.

● **High priority**

Audit finding	Management response
(a) Case file quality. There are three levels of case file quality review in place: 1) Supervisory review of case file activity in Police Works; 2) 100% checks on digital case files by the Area Compliance Teams (ACTs) before submission to the Courts and CPS; 3) Quality and system checks by the Courts and CPS on receipt of digital case files. The checks in place have maintained Cumbria Constabulary's position as one of the top five forces in the Country in terms of guilty pleas at first hearings and successful outcomes. The mechanisms in place are identifying errors for correction. However, there is limited oversight and analysis to identify and understand the reasons for the errors (root cause analysis). Because of this the underlying issues have not been determined and addressed through feedback, training, performance management and procedural / system changes. Consequently case file quality hasn't been improved at an early stage to reduce the need for subsequent high levels of checking. Internal Audit were informed that the Strategic Development Unit have been tasked to undertake some analysis in this area and that this work will be complete by the end of March 2017. Without arrangements to identify and address the root cause of file quality issues at an early stage there is limited scope for improvement and less opportunity to reduce the need for extensive retrospective checking.	Agreed management action: The Chief Officer commissioned review will report to COG in May 17. The evidence-gathering phase took place from January to March, with the team now considering data analysis and findings. Once recommendations as to future structure of CJU and the file checking function are considered and approved by Chief Officers, then they will be implemented before September 30th 2017.

Recommendation 1: Arrangements to ensure the robustness of digital case files at an earlier stage should be strengthened taking into consideration the outcomes of the Strategic Development Unit's review.	
Risk exposure if not addressed: • Inefficient use of resources • Failure to improve	Responsible manager for implementing: **T/Supt Rutherford** Date to be implemented: **June 17 – end of September 2017**

● **Medium priority**

Audit finding	Management response
(b) Risk register A risk relating to digital case file quality has been included in the Corporate Improvement risk register with mitigating actions. The mitigating actions have reduced the risk score down from 16 to 4 (as at the end of October 2016). The mitigating actions are considered by Internal Audit to be either not fully evidenced, still in progress or ineffective. As a result the risk score may not be a clear reflection of the residual risk.	Agreed management action: This was a housekeeping issue. The risk has been reviewed and mitigating actions updated. The score has been revised from 4 to 8 to reflect the ongoing work. This will be subject to monthly review at TPSMT chaired by the C/Supt TPA.
Recommendation 2: Management should ensure that mitigating actions used in the risk assessment process are fully explored and challenged to effectively determine the level of risk mitigation actually provided.	
Risk exposure if not addressed: • Failure to achieve service objectives	Responsible manager for implementing: **Chief Inspector CJU and Partnerships** Date to be implemented: **02/2017**

● **Medium priority**

Audit finding	Management response
(c) Training The current arrangements are inconsistent across the force in terms of who has received training. There is evidence of training being provided to officers on digital case file preparation in the South Area. At the time of our audit we were advised that the training would be rolled out to the other areas by the end of December 2016. We were provided with evidence that some Area Compliance Teams produce weekly bulletins to highlight common issues with file quality. There is inconsistency across the force regarding production, content and audience of these weekly bulletins. There is no evidence of oversight of the bulletin production in terms of content, tone and key messages delivered. We were informed that the Constabulary's approach to training in this area is threefold and consists of increasing knowledge, confirming understanding and then monitoring compliance. As a result the ability to demonstrate success will not be immediate. At the time of our review, we consider that the current arrangements do not provide management with assurance that all relevant officers have been trained appropriately and consistently, that the training has led to improvements in case file quality and ongoing updates are fitting.	Agreed management action: 1. The Constabulary Training Panel has approved the file quality training proposal and this will be delivered Sept to Nov 17 to all staff. In the meantime, the CJU trainer is continuing to deliver training across the force utilising Area Training Days. 2. This has been actioned. With effect from February 2017 one force wide bulletin will be issued. Note – the frequency of the bulletin is Monthly now due to the reduced demand to get key messages out. 3. Links to interventions are being evaluated using work based techniques.
Recommendation 3: 1. Management should ensure that digital case file training is rolled out to all appropriate officers across the force. 2. Arrangements should be in place to ensure that information bulletins contain appropriate information and communicate key issues consistently to the relevant audience. 3. The effectiveness of training activity and communications should be monitored to ensure that they contribute to improvements in digital case file quality.	

Risk exposure if not addressed: • Misunderstandings and inconsistencies because comprehensive training on digital case file preparation isn't in place for all officers. • Failure to continuously improve	Responsible manager for implementing: **Chief Inspector CJU and Partnerships** Date to be implemented: **09/2017**

5.2 Regulatory - compliance with laws, regulations, policies, procedures and contracts

• **Medium priority**

Audit finding	Management response
(a) Policies and procedures Police Works user manuals are maintained up to date and are available to staff. However, policy and procedures around digital case file preparation are not in place covering areas such as: • Quality assurance checks; • File transfer process; • Case file sign off. Without documented and approved policy and procedures around digital case file preparation management cannot be assured that files are being prepared and maintained in accordance with regulatory requirements and to a consistent high standard.	Agreed management action: The National Manual of Guidance is currently being redrafted to reflect changes in national digital file transfer processes. The Constabulary work needs to take cognisance of the national requirement. This work can be picked up via the ACTs and CJU Trainer. Embedded processes exist but for new recruits and staff it is accepted that these need to be made explicit in the form of written documentation.
Recommendation 4: Defined policies and procedures should be prepared and approved in accordance with the Constabulary's established process.	
Risk exposure if not addressed: • Sanctions and reputational damage arising from non-compliance with regulatory requirements. • Poor quality case files	Responsible manager for implementing: **Chief Inspector CJU and Partnerships** Date to be implemented: **09/2017**

5.3. Value - effectiveness and efficiency of operations and programmes.

- **Medium priority**

Audit finding	Management response
(a) Value for money A presentation was made to senior officers in July 2016 setting out current case file error rates and the cost of the current Area Compliance Team function. The report highlighted that 67% of files submitted for review by the ACT contained errors. A set of options were presented to management for a decision on how best to move forward with digital case file quality.	Agreed management action: Chief Officers have commissioned Strategic Development Unit to undertaken an activity analysis of the file QA process covering Area Compliance Teams, training and CJU structure. This review will report to COG in May with recommendations for implementation before the end of September 2017.
Recommendation 5: Management should continue to explore the reason for the error rate and explore options for improving the efficiency of the oversight / review mechanisms.	
Risk exposure if not addressed: • Wasted resources and inefficiency.	Responsible manager for implementing: **Chief Officer Group** Date to be implemented: **09/2017**

Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	The controls tested are being consistently applied and no weaknesses were identified. Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed. Recommendations are no greater than medium priority.
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified. Recommendations may include high and medium priority matters for address.
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	Significant non-compliance with basic controls which leaves the system open to error and/or abuse. Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

		Definition:
High	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	●	Some risk exposure identified from a weakness in the system of internal control
Advisory	●	Minor risk exposure / suggested improvement to enhance the system of control

Recommendation Follow Up Arrangements:

- High priority recommendations will be formally followed up by Internal Audit and reported within the defined follow up timescales. This follow up work may include additional audit verification and testing to ensure the agreed actions have been effectively implemented.
- Medium priority recommendations will be followed with the responsible officer within the defined timescales.
- Advisory issues are for management consideration.

Cumbria Shared Internal Audit Service

Internal Audit Report for Cumbria Constabulary

Audit of Receipt, Handling and Disposal of Drugs

Draft Report Issued: **11 April 2017**

Final Report Issued: **8 May 2017**

Audit Resources

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Audit Report Distribution

For Action:	Paul Duhig – T/Detective Superintendent
For Information:	Andy Slattery - Detective Chief Superintendent, Crime Command Sean Robinson – T/Assistant Chief Constable
Audit Committee	The Joint Audit & Standards Committee, which is due to be held on 24 May 2017, will receive the report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

Executive Summary

1. Background

1.1. This report summarises the findings from the audit of **Receipt, handling and disposal of drugs**. This was a planned audit assignment which was undertaken in accordance with the 2016/17 Audit Plan.

1.2. The Constabulary are required to seize, store and dispose of controlled drugs in an efficient and consistent manner to ensure that national and local objectives are met.

2. Audit Approach

2.1. **Audit Objectives and Methodology**

2.1.1. Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives which are outlined in section 4; detailed findings and recommendations are reported within section 5 of this report.

2.2. **Audit Scope and Limitations**

2.2.1. The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was the Detective Chief Superintendent – Crime Command. The agreed scope of the audit was to provide assurance over management's arrangements for governance, risk management and internal control in the following areas:

- Arrangements for receiving, recording, storing and disposal of seized drugs.

2.2.2. There were no instances whereby the audit work undertaken was impaired by the availability of information.

3. Assurance Opinion

3.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A.**

3.2. From the areas examined and tested as part of this audit review, we consider the current controls operating around arrangements for Receipt, Handling and Disposal of Drugs provide **partial** assurance.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4. Summary of Recommendations, Audit Findings and Report Distribution

4.1. There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.

4.2. There is **one** audit recommendation arising from this audit review and this can be summarised as follows:

	No. of recommendations		
Control Objective	**High**	**Medium**	**Advisory**
1. Management - achievement of the organisation's strategic objectives (see section 5.1.)	1	-	-
2. Regulatory - compliance with laws, regulations, policies, procedures and contracts	-	-	-
3. Information - reliability and integrity of financial and operational information	-	-	-
4. Security - safeguarding of assets	-	-	-
5. Value - effectiveness and efficiency of operations and programmes	-	-	-

Total Number of Recommendations	1	-	-

4.3. **Areas for development**: Improvements in the following areas are necessary in order to strengthen existing control arrangements:

4.3.1. *High priority issues:*

- A policy and supporting procedures outlining detailed requirements for receipt, recording, storing and disposal of seized drugs have not been produced. As a result, management cannot be assured that processes and practices meet national requirements, local objectives and management expectations and are applied consistently in each Territorial Policing Area.

Comment from the Assistant Chief Constable

I have reviewed and considered this Audit report and spoken to the Constabulary Crime Commander Det Ch Supt Slattery. I welcome the report and the partial assurance given. In terms of the High Priority Recommendation made, I am pleased to see that work to address this policy and procedure is already underway and being led by DCI Stalker. The policy will come through Ops Board, for governance, before being disseminated to ensure compliance. It is expected to be in place by the end of June 2017.

T/ACC S Robinson

5. Matters Arising / Agreed Action Plan

5.1. Management - achievement of the organisation's strategic objectives.

● **High priority**

Audit finding	Management response
Policy and Procedures There are currently no corporate policies or procedures outlining the detailed requirements for receipt, recording, storage, and disposal of drugs. Management have not defined their requirements or expectations and therefore they cannot be assured that seized drugs are being received, recorded, stored and disposed of as intended. The Standard Operating Procedure for property management shows, at Appendix H, a flow chart of the process for controlled drugs but this does not specify any detailed requirements. We were informed that local customs and practices have developed in each Territorial Policing Area meaning that there is no consistent approach over how drugs are receipted, recorded, stored and disposed of. In the absence of a policy and procedures Internal Audit are unable to provide assurance to management that: • Procedures meet national requirements, local objectives and management expectations; • Roles and responsibilities are clearly defined; • Staff have been trained effectively; • Consistent processes are being followed in each Territorial Policing Area.	Agreed management action: We recognise there is a weakness in relation to policy and procedure re seized drugs and work is being undertaken in force to remedy this. Policy and procedure is being written and will be approved at Ops Board. One agreed it will be disseminated to staff. We will put arrangements in place to ensure compliance with policy and procedure.
Recommendation 1: A policy and supporting procedures should be in place in respect of the arrangements for receiving, recording, storing and disposal of seized drugs.	

Risk exposure if not addressed:	Responsible manager for implementing:
• Reputational damage and poor inspection outcomes due to failure to comply with national standards; • Misunderstanding and inconsistent practices across the Territorial Policing Areas; • Drugs are not accounted for / potential for drugs to go missing; • Staff subject to unwarranted suspicion.	**DCI Stalker** Date to be implemented: **06/2017**

Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	The controls tested are being consistently applied and no weaknesses were identified. Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed. Recommendations are no greater than medium priority.
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified. Recommendations may include high and medium priority matters for address.
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	Significant non-compliance with basic controls which leaves the system open to error and/or abuse. Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

		Definition:
High	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	●	Some risk exposure identified from a weakness in the system of internal control
Advisory	●	Minor risk exposure / suggested improvement to enhance the system of control

Recommendation Follow Up Arrangements:

- High priority recommendations will be formally followed up by Internal Audit and reported within the defined follow up timescales. This follow up work may include additional audit verification and testing to ensure the agreed actions have been effectively implemented.
- Medium priority recommendations will be followed with the responsible officer within the defined timescales.
- Advisory issues are for management consideration.

Cumbria Shared Internal Audit Service

Internal Audit Report for Cumbria Constabulary

Audit of Firearms Licensing

Draft Report Issued: **29th November 2017**

Final Report Issued: **26th February 2018**

Audit Resources

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Audit Report Distribution

For Action:	Karen Morland (Firearms Licensing Manager) Andy Wilkinson (Chief Inspector – Operational Support)
For Information:	Mark Pannone (Superintendent Operations) Andy Towler (Chief Superintendent – Territorial Policing) Mark Webster (Assistant Chief Constable)
Audit Committee	The Joint Audit & Standards Committee, which is due to be held on 21 March 2018, will receive the report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

Executive Summary

1. Background

1.1. This report summarises the findings from the audit of Firearms Licensing. This was a planned audit assignment which was undertaken in accordance with the 2017/18 Audit Plan.

1.2. To ensure public safety, it is the responsibility of Cumbria Constabulary to ensure that firearms licences and renewals approved in the County are done so in line with Home Office and College of Policing (Authorised Professional Practice) guidance. Firearm and/or shotgun licences allow the holder to acquire, possess and lawfully use a firearm or shotgun. The Chief Constable must be assured that those applying for a firearm or shotgun licence or renewal have a valid reason for possessing a firearm or shotgun and are assessed as posing no threat to themselves or public safety.

1.3. As at 31 March 2017, Cumbria had approximately 9,000 firearm and/or shotgun certificate holders. Licence holders are required to renew their firearms / shotgun licence every 5 years. There is currently a backlog of approximately 10 weeks for processing grant and renewal applications; this has reduced from 22 weeks earlier in the year.

2. Audit Approach

2.1. **Audit Objectives and Methodology**

2.1.1. Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives which are outlined in section 4; detailed findings and recommendations are reported within section 5 of this report.

2.2. **Audit Scope and Limitations**

2.2.1. The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was the Chief Superintendent Territorial Policing. The agreed scope of the audit was to provide assurance over management's arrangements for governance, risk management and internal control in the following areas:

- Assessment of risk relating to the approval of applications;
- Processes and procedures for reviewing the on-going suitability of licence holders;

- Prioritisation of application requests and renewals based on business needs of the applicant.

2.2.2. There were no instances whereby the audit work undertaken was impaired by the availability of information.

3. Assurance Opinion

3.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A.**

3.2. From the areas examined and tested as part of this audit review, we consider the current controls operating within Firearms Licensing provide **Reasonable** assurance.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4. Summary of Recommendations, Audit Findings and Report Distribution

4.1. There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.

4.2. There are 3 audit recommendations arising from this audit review and these can be summarised as follows:

	No. of recommendations		
Control Objective	**High**	**Medium**	**Advisory**
1. Management - achievement of the organisation's strategic objectives (see section 5.1)	-	1	-
2. Regulatory - compliance with laws, regulations, policies, procedures and contracts (see section 5.2)	-	1	-
3. Information - reliability and integrity of financial and operational information	-	-	-

4. Security - safeguarding of assets	-	-	-
5. Value - effectiveness and efficiency of operations and programmes (see section 5.3)	-	1	-
Total Number of Recommendations	-	3	-

4.3. **Strengths:** The following areas of good practice were identified during the course of the audit:

- The Chief Constable has formally delegated responsibility relating to the Firearms Act 1968 to the Assistant Chief Constable, Firearms Licensing Manager and Chief Inspector - Uniform Operation Support;
- The Assistant Chief Constable takes all revocation and refusal decisions;
- Decisions are risk based with information collated from a number of sources;
- A daily automated report of incidents potentially involving licence holders is received and reviewed;
- All applications and subsequent decisions are logged on the National Firearms Licensing Management System (NFLMS);
- Enquiry Officers undertake home visits for all grant and renewal applications;

4.4. **Areas for development**: Improvements in the following areas are necessary in order to strengthen existing control arrangements:

4.4.1. *High priority issues:* None identified

4.4.2. *Medium priority issues:*

- Action and improvement plans are not fully aligned to service and organisational priorities and do not contain SMART objectives.
- Management have not defined their requirements for prioritising applications based on business need.
- Management have not set out their expectations on timescales for granting and renewing licences. A review of processes to establish the reason for the backlog has been undertaken but not yet presented to Senior Managers.

4.4.3. *Advisory issues:* None identified

Comment from the Assistant Chief Constable

I've discussed the content of this report with Supt Pannone and C/I Wilkinson. I am very familiar with the process around Firearms Licensing as I am the final signatory on granting and revocation of certificates, so I see the product of the system in regular cycles. I am content that the system performs well and am glad to see that is reflected in the overall audit opinion. I acknowledge the recommendations arising, and I am satisfied that they have already been taken on by the business and are currently being implemented. I am satisfied that the actions being taken will address the points raised.

Assistant Chief Constable M Webster, 26th Feb 2018.

5. Matters Arising / Agreed Action Plan

5.1. Management - achievement of the organisation's strategic objectives.

● **Medium priority**

Audit finding	Management response
(a) **Firearms Licensing Unit Business Plan and Action Plan** Internal Audit was provided with an extract from the Operational Support Business Plan relating to the Firearms Licensing Unit. The Business Plan outlines overarching aims and how they link to Constabulary priorities and includes an improvement plan to demonstrate how the aims will be achieved. The Firearms Licensing Unit has developed a separate action plan to address elements of the improvement plan. The improvement plan and action plan do not contain the same actions and so management cannot be assured that Firearms Licensing Unit activity is fully aligned to Operational Support business objectives and contributes to strategic policing priorities. The improvement plan and action plan do not include SMART objectives (Specific, Measurable, Agreed, Realistic, Time bound) or timescales for delivery and arrangements for monitoring progress with the plans are unclear. Without these key elements of a performance management framework it will be difficult to effectively monitor activity on an ongoing basis and demonstrate to management that identified aims, outputs and improvements are being delivered.	Agreed management action: We will link the firearms licensing unit action plan to the business plan. Monitoring and reporting on plan progress will be addressed through our 15 week review process.
Recommendation 1: Action and improvement plans should be fully aligned to service and organisational priorities and contain SMART objectives to ensure clear and direct linkage. Arrangements should be in place for regular monitoring and reporting on plan progress.	

Risk exposure if not addressed: • Policing priorities are not delivered because related plans are not aligned to them. • Objectives are not achieved because poor performance is not identified and addressed. • Inefficiency because unit activity does not provide clear, relevant benefits and improvements.	Responsible manager for implementing: **Chief Inspector (Operational Support)** **Firearms licensing manager** Date to be implemented: **03/2018**

5.2. Regulatory - compliance with laws, regulations, policies, procedures and contracts.

• **Medium priority**

Audit finding	Management response
(a) **Procedures** The Operational Support Business Plan acknowledges the need to prioritise firearms licensing applications where any delays would have a financial impact on the applicant and affect their livelihood. However this prioritisation is not reflected in procedure notes or process maps to guide staff in managing the workload. Management have not defined and agreed their requirements around the prioritisation of applications. Consequently a documented system is not currently in place to prioritise and schedule license applications based on business need, monitor compliance and track progress in this area. For this reason management cannot be assured that workload is being effectively managed and the public are receiving a high quality service.	Agreed management action: We will put a procedure into place to prioritise firearms license applications. We will undertake dip sampling to ensure the procedure is followed.
Recommendation 2: Management should define their requirements for prioritising firearms licensing applications, incorporate these requirements into an approved procedure note / process map and develop a mechanism for monitoring progress in this area.	

Risk exposure if not addressed: • Financial claims and reputational damage due to applicants experiencing loss of earnings through processing delays.	Responsible manager for implementing: **Firearms licensing manager** Date to be implemented: **03/2018**

5.3. **Value** - effectiveness and efficiency of operations and programmes.

• **Medium priority**

Audit finding	Management response
(a) **Firearms Licensing Backlog** A report to Operational Support Senior Management Team (OSSMT) in June 2017 stated that there had been a 22 week backlog in firearm and shotgun license applications and renewals during the period April to June 2017, we were advised that as of November 2017 this had reduced to 10 weeks. The Chief Inspector (Operational Support) advised that a target of 8 weeks has been set for 'business as usual' processing of granting and renewing applications. This 8 week target has not been documented, nor have plans to achieve and then maintain it. Clearly defined and communicated targets would clarify to the team management's expectations of the service and facilitate performance management. A review of firearms licensing processes has been undertaken to establish the reasons for the backlog earlier in the year. A date for this review to be finalised and presented to senior management has not been determined.	Agreed management action: a) We will document our aspiration to process firearms applications in line with the national targets (renewals within 8 weeks and new licenses within 12 weeks). b) Further work is being undertaken in this area looking at resilience within the firearms licensing team. A paper will be presented to the appropriate organisational governance body to consider.
Recommendation 3: a) Management should clearly set out and communicate their expectations for granting and renewing firearm and shotgun licences b) The Firearms Licensing Department review should be presented to Senior Management for consideration.	

Risk exposure if not addressed:	Responsible manager for implementing:
• Actions taken to address current issues are not appropriate or measureable. • Approval of actions required to address the current backlog are delayed.	**Chief Inspector (Operational Support)** Date to be implemented: **05/2018**

Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	The controls tested are being consistently applied and no weaknesses were identified. Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed. Recommendations are no greater than medium priority.
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified. Recommendations may include high and medium priority matters for address.
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	Significant non-compliance with basic controls which leaves the system open to error and/or abuse. Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

		Definition:
High	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	●	Some risk exposure identified from a weakness in the system of internal control
Advisory	●	Minor risk exposure / suggested improvement to enhance the system of control

Recommendation Follow Up Arrangements:

- High priority recommendations will be formally followed up by Internal Audit and reported within the defined follow up timescales. This follow up work may include additional audit verification and testing to ensure the agreed actions have been effectively implemented.
- Medium priority recommendations will be followed with the responsible officer within the defined timescales.
- Advisory issues are for management consideration.

Cumbria Shared Internal Audit Service

Internal Audit Report for Cumbria Constabulary

Audit of Information Security

Draft Report Issued: **16th March 2017**

Final Report Issued: **13th April 2017**

Audit Resources

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Audit Report Distribution

For Action:	Michelle Skeer (Deputy Chief Constable)
For Information:	Stephen Kirkpatrick (Director of Corporate Support) Sarah Jackson (Superintendent - Professional Standards Department) Roger Marshall (PCC/CC Chief Finance Officer)
Audit Committee	The Joint Audit & Standards Committee, which is due to be held on 24th May 2017, will receive the report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

Executive Summary

1. Background

1.1. This report summarises the findings from the audit of Information Security. This was a planned audit assignment which was undertaken in accordance with the 2016/17 Audit Plan.

1.2. Information Security is important to the organisation because of growing dependence on systems which hold and process information. At the same time there is increased public awareness about the proper use of information, particularly personal data and information security threats from criminals and terrorists. It is crucial that the Constabulary has robust arrangements in place to protect the confidentiality, integrity and availability of information. Information security breaches can result in service disruption and loss, financial penalties, lack of public confidence and reputational damage.

2. Audit Approach

2.1. **Audit Objectives and Methodology**

2.1.1. Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives which are outlined in section 4; detailed findings and recommendations are reported within section 5 of this report.

2.2. **Audit Scope and Limitations**

2.2.1. The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was the Deputy Chief Constable. The agreed scope of the audit was to provide assurance over management's arrangements for governance, risk management and internal control in the following areas:

- Roles and responsibilities.
- Procedures.
- Training.
- Information security incidents.
- Security and accessibility arrangements (physical & digital information).

2.2.2. There were no instances whereby the audit work undertaken was impaired by the availability of information.

3. Assurance Opinion

3.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A.**

3.2. From the areas examined and tested as part of this audit review, we consider the current controls operating within Information Security provide **reasonable** assurance.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4. Summary of Recommendations, Audit Findings and Report Distribution

4.1. There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.

4.2. There are **3** audit recommendations arising from this audit review and these can be summarised as follows:

	No. of recommendations		
Control Objective	**High**	**Medium**	**Advisory**
1. Management - achievement of the organisation's strategic objectives (see section 5.1.)	-	-	-
2. Regulatory - compliance with laws, regulations, policies, procedures and contracts (see section 5.2.)	-	-	-
3. Information - reliability and integrity of financial and operational information (see section 5.3)	-	-	-
4. Security - safeguarding of assets (see section 5.4)	-	2	1

5. Value - effectiveness and efficiency of operations and programmes (see section 5.5)	-	-	-
Total Number of Recommendations	-	**2**	**1**

4.3. **Strengths:** The following areas of good practice were identified during the course of the audit:

- There is a clearly defined and approved Information Security Policy in place that supports corporate priorities. An updated 2017 version has been drafted for approval by the Information Security Board in March 2017. Sound arrangements are in place to ensure the Information Security Policy reflects current best practice / national guidance.
- There is visible and formal senior management commitment to information security.
- Information security risks are considered as part of the established risk management process and production of annual Information Asset Owner reports.
- Clear, documented information security procedures are in place including system access permissions, physical security arrangements, management of mobile devices and removable media and reporting and managing information security incidents.
- There is a dedicated 'Information Security' page on the force intranet available to staff.
- Comprehensive breach management arrangements are set out in the Information Security procedures.
- New software is currently being implemented to proactively audit activities across the network to pick up on exceptional activity for review, including potential security breaches.
- Robust security measures are utilised including encryption, complex passwords and dual authentication with the use of portable storage media and devices carefully controlled.

4.4. **Areas for development**: Improvements in the following areas are necessary in order to strengthen existing control arrangements:

4.4.1. *High priority issues:* - none identified

4.4.2. *Medium priority issues:*

- The responsibility of managers to adjust the access permissions of staff that changes jobs in the constabulary are not clearly defined.
- A mechanism is not in place for managers to periodically confirm the access permissions of their staff.

4.4.3. *Advisory issues:*

- Newly designed posters that raise awareness of premises security requirements haven't yet been displayed around constabulary buildings.

Comment from the Deputy Chief Constable:

I welcome this report from Internal Audit and I am pleased to note the audit assurance grading. Information Security is high on the Constabulary agenda with all managers being committed. The Constabulary has also invested considerable time ensuring policies, procedures are in place, and broader awareness has taken place with wider staff. I am pleased that this hard work has been seen by internal audit and reflected in the audit grading.

All recommendations made have already been actioned, details of which are included in this report. These will be progressed through the Professional Standards Department and reported back through Business Board and Joint Audit and Standards Committee.

MANAGEMENT ACTION PLAN

5. Matters Arising / Agreed Action Plan

5.1 **Security** - safeguarding of assets**.**

- **Medium priority (Recs 1 & 2)**

Audit finding	Management response
(a) **Access Permissions** The responsibility of managers to adjust the access permissions of staff that changes jobs in the constabulary is not clearly defined in policy or procedures. Consequently practices are inconsistent across departments and reliance is placed on the ICT team to identify these changes via Origin HR reports and amend permissions accordingly. Arrangements are not in place for managers to consistently review the access permissions of their staff across systems on a periodic basis. A periodic review of access permissions would give management assurance that access is still required, access is at an appropriate level according to job responsibilities and staff are still in post etc.	Agreed management action: The responsibility of managers to adjust the access permissions of staff who change jobs within the constabulary will be defined within the Information Security Policy. We accept that we do not currently have a mechanism in place for managers to periodically confirm the access permissions of their staff. We will pursue this recommendation by instigating Business Systems to undertake an annual check of all system access permissions, which can be shared with relevant supervisors to check and return for amendment.
Recommendation 1: The responsibility of managers to adjust the access permissions of staff who change jobs in the constabulary should be clearly defined and communicated. Recommendation 2: Arrangements should be in place for managers to periodically confirm the access permissions of their staff.	
Risk exposure if not addressed: • Unauthorised access to view, alter, disclose or destroy data.	Responsible manager for implementing: **Head of Professional Standards**

• Penalties and reputational damage arising from security breaches.	Date to be implemented: **May 2017**

• **Advisory issue**

Audit finding	Management response
(a) **Physical Security** Counter terrorism officers from other forces carried out penetration testing on Cumbria Constabulary premises in September and October 2016. A number of physical security issues were reported. Measures have been taken to raise staff awareness of physical security requirements, including the design of a series of posters to be displayed around buildings. At the time of the audit review there was no evidence that the posters had been put on display within HQ buildings.	Agreed management action: The Head of Estates is progressing this. We estimate that the posters will be on display by the end of April 2017.
Recommendation 3: Posters that raise awareness of premises security requirements should be displayed around constabulary buildings.	
Risk exposure if not addressed: • Harm and loss arising from unauthorised access to premises, equipment and information. • Penalties and reputational damage arising from security breaches.	Responsible manager for implementing: **Head of Professional Standards** Date to be implemented: **May 2017**

Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	The controls tested are being consistently applied and no weaknesses were identified. Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed. Recommendations are no greater than medium priority.
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified. Recommendations may include high and medium priority matters for address.
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	Significant non-compliance with basic controls which leaves the system open to error and/or abuse. Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

		Definition:
High	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	●	Some risk exposure identified from a weakness in the system of internal control
Advisory	●	Minor risk exposure / suggested improvement to enhance the system of control

Recommendation Follow Up Arrangements:

- High priority recommendations will be formally followed up by Internal Audit and reported within the defined follow up timescales. This follow up work may include additional audit verification and testing to ensure the agreed actions have been effectively implemented.
- Medium priority recommendations will be followed with the responsible officer within the defined timescales.
- Advisory issues are for management consideration.

Cumbria Shared Internal Audit Service

Internal Audit Report for Cumbria Constabulary

Audit of the Constabulary's Use of Stingers

Draft Report Issued: **10th April 2017**

Final Report Issued: **8th May 2017**

Audit Resources

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Audit Report Distribution

For Action:	Matt Kennerley (Superintendent Operations)
For Information:	Mark Pannone (T/Chief Superintendent – Territorial Policing) Sean Robinson (T/Assistant Chief Constable)
Audit Committee	The Joint Audit & Standards Committee, which is due to be held on 24th May 2017, will receive the report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

Executive Summary

1. Background

1.1. This report summarises the findings from the audit of the use of Stingers. This was a planned audit assignment which was undertaken in accordance with the 2016/17 Audit Plan.

1.2. Effective arrangements over the use of stingers is important to the organisation to ensure that police pursuits are brought to a safe conclusion whilst protecting officers and the public from harm. This supports the Police and Crime Plan vision of making Cumbria even safer.

2. Audit Approach

2.1. **Audit Objectives and Methodology**

2.1.1. Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives which are outlined in section 4; detailed findings and recommendations are reported within section 5 of this report.

2.2. **Audit Scope and Limitations**

2.2.1. The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was the Chief Superintendent Territorial Policing. The agreed scope of the audit was to provide assurance over management's arrangements for governance, risk management and internal control in the following areas:

- Policy and procedures
- Training
- Maintenance of equipment
- Recording the use of stingers.

2.2.2. There were no instances whereby the audit work undertaken was impaired by the availability of information.

3. Assurance Opinion

3.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A.**

3.2. From the areas examined and tested as part of this audit review, we consider the current controls operating within the use of stingers provide **Partial** assurance.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4. Summary of Recommendations, Audit Findings and Report Distribution

4.1. There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.

4.2. There are four audit recommendations arising from this audit review and these can be summarised as follows:

	No. of recommendations		
Control Objective	**High**	**Medium**	**Advisory**
1. Management - achievement of the organisation's strategic objectives (see section 5.1.)	2	-	-
2. Regulatory - compliance with laws, regulations, policies, procedures and contracts (see section 5.2.)	-	1	-
3. Information - reliability and integrity of financial and operational information	-	-	-
4. Security - safeguarding of assets	-	-	-
5. Value - effectiveness and efficiency of operations and programmes (see section 5.3)	-	1	-
Total Number of Recommendations	2	2	-

4.3. **Areas for development**: Improvements in the following areas are necessary in order to strengthen existing control arrangements:

4.3.1. *High priority issues:*

- There are no arrangements in place to provide senior management with assurance over the Constabulary's use of stingers.
- Internal procedures, roles and responsibilities in relation to Stingers have not been formally defined or assigned within the Constabulary.

4.3.2. *Medium priority issues:*

- The arrangements for ensuring that the driver training system alerts are actioned and the necessary refresher training is delivered on a timely basis have not been formally defined.
- There is no mechanism in place to review pursuit information involving stingers to identify opportunities for improvement.

4.3.3 *Advisory issues:*

- None

Comment from the Assistant Chief Constable

I have reviewed the Audit report and that it provides partial reassurance. In terms of the two High priority recommendations(1 and 2), a policy document will be prepared, approved and implemented by August 2017(to be led by Supt(OS)), together with an operational framework these will be brought to Ops Board in terms of governance. Recommendation 3 – I note the update and the longer term aspiration to utilising the Chronicle system, this will be implemented by August 2017, this is achievable. In terms of recommendation 4 this will be implemented through Driver Training, to include specific expectations around debriefs, again I believe this is a pragmatic solution and can be delivered by August 2017, with progress update being provided to Ops Board in July 2017. Overall I welcome the Audit report and findings.

T/ACC S Robinson

Management Action Plan

5. Matters Arising / Agreed Action Plan

5.1. Management - achievement of the organisation's strategic objectives.

● **High priority**

Audit finding	Management response
(a) **Management assurance on the use of stingers** We are informed that Approved Professional Practice (APP) guidance has been adopted for police pursuits; this includes the use of tactical options such as stingers. There are no arrangements in place to review or check compliance with APP stinger guidance, including the decisions taken to deploy a stinger, ensuring risk assessments have been carried out, information is being accurately recorded and refresher training frequency is on track. As a result, management cannot be assured over the use of stingers.	Agreed management action: A policy document will be prepared to be agreed at Executive level. The document will incorporate the areas identified as part of the audit. We will implement systems to ensure compliance with the policy document and national guidance.
Recommendation 1: A mechanism should be developed to give management assurance that stingers are being deployed in accordance with national guidance.	
Risk exposure if not addressed: • Non-Compliance with Approved Professional Practice • Reputational damage arising from unsafe or ineffective use of stingers	Responsible manager for implementing: **Superintendent Operations** Date to be implemented: **08/2017**

● **High priority**

Audit finding	Management response
(b) **Roles, responsibilities and internal procedures** APP guidance sets out the roles and responsibilities for pursuit driving and associated tactics. However, the guidance does not cover wider arrangements around stinger usage. Internal procedures, including roles and responsibilities have not been formally defined or assigned within the Constabulary. For example: • responsibility for accounting for all stingers and associated equipment, • responsibility for maintaining stingers and recording this, • responsibility for ensuring all vehicles that should be equipped with stingers are, • the review of and reporting on the records maintained of stinger usage and decisions taken, • the arrangements for debriefing following stinger use, • keeping the driver training unit informed of stinger activity. Clear, comprehensive and up to date procedures would provide clarity on roles and responsibilities and management's expectations in respect of wider arrangements for stingers.	Agreed management action: An operational framework for stingers will include named roles and responsibilities and will be communicated to officers.
Recommendation 2: The wider arrangements around stinger usage should be clearly defined and communicated to those involved and give greater clarity around procedures, roles and responsibilities.	
Risk exposure if not addressed: • Risk of injury to officers or the public because vehicles are not adequately prepared for stinger deployment.	Responsible manager for implementing: **Superintendent Operations** Date to be implemented: **08/2017**

5.2. Regulatory - compliance with laws, regulations, policies, procedures and contracts.

● **Medium priority**

Audit finding	Management response
(a) Driver Training APP police driver training guidance states that "*where enhanced skills are required as part of daily or periodic use those skills require regular assessment and / or refresher training".* APP Police Driving Training Governance recommends that regular assessment or refresher training is undertaken every 2 – 5 years depending on the role of the Officer. There is a mechanism in place to flag, to individual officers and the training department, when pursuit training is due to expire. However, there are no defined responsibilities or procedures in place to ensure that this information is acted upon and drivers receive the appropriate training at the required time, ensuring that there is no skills gap.	Agreed management action: We will rationalise the procedures in place within our operating framework for current systems with a view to implementing the Chronicle system over a longer period.
Recommendation 3: The arrangements for ensuring that the driver training system alerts are actioned and the necessary refresher training is delivered on a timely basis should be clearly defined and communicated.	
Risk exposure if not addressed: • Reputational damage resulting from non-compliance with national guidance • Failure to protect the public due to a skills gap because suitably trained pursuit drivers are not on duty as required	Responsible manager for implementing: **Superintendent Operations** Date to be implemented: **08/2017**

5.3. **Value** - effectiveness and efficiency of operations and programmes**.**

● **Medium priority**

Audit finding	Management response
(a) **Improvement activity** Pursuit decisions and tactics deployed are recorded in STORM on the incident logs together with recordings of communications. More recently a national tool; NPCC pursuit recording has been adopted which records further information on pursuits for national submission. This information held is not reviewed or reported on internally for the purpose of confirming compliance with national requirements, capturing lessons learnt and identify training needs. APP guidance states that forces must establish briefing and debriefing protocols for pursuits and appoint an individual responsible for their recording and analysis. We are informed that there is not a formal debrief in place following each pursuit. 15 week officer reviews are in place that provide an opportunity to discuss recent performance or issues. However, the pursuit logs are not currently reviewed and reported on to inform these discussions. Without arrangements in place to review pursuit information involving stingers management cannot be assured of compliance with national requirements, data quality, that training needs are identified and lessons are learnt.	Agreed management action: The extent and frequency of debriefs will be outlined and delivered as part of driver training. Specific expectations on when debriefs will take place and in what format will be documented.
Recommendation 4: There should be mechanisms in place to review pursuit information involving stingers so that management can be assured that improvement opportunities are maximised.	
Risk exposure if not addressed: • Reputational damage for non-compliance with national guidance • Missed opportunities for improvement due to a failure to review pursuit data involving the use of stingers.	Responsible manager for implementing: **Superintendent Operations** Date to be implemented: **08/2017**

Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	The controls tested are being consistently applied and no weaknesses were identified. Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed. Recommendations are no greater than medium priority.
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified. Recommendations may include high and medium priority matters for address.
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	Significant non-compliance with basic controls which leaves the system open to error and/or abuse. Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

		Definition:
High	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	●	Some risk exposure identified from a weakness in the system of internal control
Advisory	●	Minor risk exposure / suggested improvement to enhance the system of control

Recommendation Follow Up Arrangements:

- High priority recommendations will be formally followed up by Internal Audit and reported within the defined follow up timescales. This follow up work may include additional audit verification and testing to ensure the agreed actions have been effectively implemented.
- Medium priority recommendations will be followed with the responsible officer within the defined timescales.
- Advisory issues are for management consideration.

Cumbria Shared Internal Audit Service

Internal Audit Report for Cumbria Constabulary & OPCC

Audit of Main Financial Systems:

Main Accounting System

Draft Report Issued: **20 April 2017**

Final Report Issued: **8 May 2017**

Audit Resources

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Audit Report Distribution

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For Information:	Michelle Bellis, Deputy Chief Finance Officer Roger Marshall, PCC/CC Chief Finance Officer Stephen Kirkpatrick, Director Corporate Support
Audit Committee	The Joint Audit Standards Committee, which is due to be held on 24 May, will receive the report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

1 Background

1.1 This report summarises the findings from the audit of Cumbria OPCC and Constabulary's Main Accounting System. This was a planned audit assignment which was undertaken in accordance with the 2016/17 Audit Plan, as part of a cyclical review of main financial systems.

1.2 The main accounting system is important to the both organisations because it records all financial transactions. The Chief Finance Officer is responsible for ensuring the financial affairs of the PCC and Chief Constable are properly administered and that financial regulations are observed.

2 Audit Approach

2.1 Audit Objectives and Methodology

2.1.1 Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives which are outlined in section 4 of this report; detailed findings and recommendations are reported within section 5 of this report.

2.2 Audit Scope and Limitations

2.2.1 The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsors for this review were the Director of Corporate Support and the Deputy Chief Finance Officer and the agreed scope was to provide independent assurance over management's arrangements for ensuring effective governance, risk management and internal controls in the following areas:

- **Journals and virements**

2.2.2 There were no instances whereby the audit work undertaken was impaired by the availability of information.

3 Assurance Opinion

3.1 Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A.**

3.2 From the areas examined and tested as part of this audit review, we consider the current controls operating in respect of the main accounting system provide **reasonable** assurance.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4 Summary of Recommendations, Audit Findings and Report Distribution

4.1 There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.

4.2 There is 1 audit recommendation arising from this review and these can be summarised as follows;

	No. of recommendations		
Control Objective	**High**	**Medium**	**Advisory**
1. Management - achievement of the organisation's strategic objectives (see section 5.1)	-	-	-
2. Regulatory - compliance with laws, regulations, policies, procedures and contracts (see section 5.2)	-	-	-
3. Information - reliability and integrity of financial and operational information (see section 5.3)	-	**1**	-
4. Security - safeguarding of assets	-	-	-
5. Value - effectiveness and efficiency of operations and programmes (see section 5.4)	-	-	-
Total Number of Recommendations	**-**	**1**	**-**

4.3 **Strengths:** The following areas of good practice were identified during the course of the audit:

- Comprehensive financial policies and procedures in place that are easily accessible
- The roles and responsibilities of budget managers are clearly defined
- Robust access permissions to the system with regular reviews in place

4.4 **Areas for development**: Improvements in the following areas are necessary in order to strengthen existing control arrangements:

4.4.1 High priority issues:
None

4.4.2 Medium priority issues:
Arrangements are not in place to ensure that all virement requests are recorded and approved in accordance with financial rules and regulations.

4.4.3 Advisory issues:
None

Comment from the Director of Corporate Support:
I am very pleased with the findings of this audit of the Main Accounting System, specifically focusing on governance, risk management and internal controls around journals and virements. I am pleased that the audit has resulted in a reasonable level of assurance with only one medium priority recommendation being identified. I note and accept the recommendation regarding improving the compliance for managing virements in line with financial regulations. I also note and support the details and timescales for the agreed management action to address the recommendation.

The strengths identified in the audit, specifically regarding the comprehensive financial policies & procedures in place, together with the clearly defined roles and responsibilities, provide the Constabulary with positive assurance that the services provided are robust and effective which is a credit to all involved in financial management of the organisation.

5 Matters Arising / Agreed Action Plan

5.3 Information - reliability and integrity of financial and operational information.

● **Medium priority**

Audit finding	Management response
a) Virement request forms: The financial rules require that a record of virement requests is maintained and monitored ensuring that appropriate approval is in place before virements are actioned in accordance with the financial regulations, funding agreements and budget protocols. Audit testing identified a small number of virement request forms were either not available or did not contain a budget managers signature to approve the virement.	**Agreed management action:** A named budget holder will be assigned to each Cost Centre and Project. Financial Services to maintain a record of all virements and to check all virements have been approved by the appropriate person. In additional Financial Services Staff will be reminded of the appropriate regulations, funding agreement and budget protocols concerning the approval of budget virement.
Recommendation 1: The arrangements for virements, as outlined in the financial regulations and financial rules, should be complied with.	
Risk exposure if not addressed: • Unauthorised virements being actioned • Inaccurate budget management/monitoring • Non-compliance with internal procedures.	**Responsible manager for implementing:** Principal Financial Services Officer, Revenue and Systems **Date to be implemented:** For the 2017/18 financial year with effect from April 2017

Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	The controls tested are being consistently applied and no weaknesses were identified. Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed. Recommendations are no greater than medium priority.
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified. Recommendations may include high and medium priority matters for address.
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	Significant non-compliance with basic controls which leaves the system open to error and/or abuse. Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

		Definition:
High	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	●	Some risk exposure identified from a weakness in the system of internal control
Advisory	●	Minor risk exposure / suggested improvement to enhance the system of control

Recommendation Follow Up Arrangements:

- High priority recommendations will be formally followed up by Internal Audit and reported within the defined follow up timescales. This follow up work may include additional audit verification and testing to ensure the agreed actions have been effectively implemented.
- Medium priority recommendations will be followed with the responsible officer within the defined timescales.
- Advisory issues are for management consideration.

Cumbria Shared Internal Audit Service

Internal Audit Report for Cumbria Office of the Police and Crime Commissioner

Audit of Commissioning

Draft Report Issued: **29th November 2017**

Final Report Issued: **15th January 2018**

Audit Resources

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Audit Report Distribution

For Action:	Vivian Stafford, Head of Partnerships and Commissioning.
For Information:	Gill Shearer, Deputy Chief Executive / Head of Communications and Business Services
Audit Committee	The Joint Audit & Standards Committee, which is due to be held on 21st March 2018, will receive the report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

1. Background

1.1. This report summarises the findings from the audit of **Commissioning**. This was a planned audit assignment which was undertaken in accordance with the 2017/18 Audit Plan.

1.2. Commissioning is important to the Office of the Police and Crime Commissioner because it allows the Commissioner to work with other organisations, the community and the voluntary sector to help deliver initiatives aimed at supporting the objectives in the Police and Crime Plan.

1.3. The Commissioner has a number of funds which organisations can apply to for funding. These include the Property Fund, whose balance results from the disposal of property coming into the possession of the police, which can be awarded up to the value of £2,500, the Community Fund (awarded up to £10,000) and the Innovation Fund (awarded up to £100,000).

1.4. The processes for awarding and managing OPCC grants is currently under review, with a report including recommendations for change to be presented to the Executive Team and the Police and Crime Commissioner in early 2018.

2. Audit Approach

2.1. **Audit Objectives and Methodology**

2.1.1. Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives which are outlined in section 4; detailed findings and recommendations are reported within section 5 of this report.

2.2. **Audit Scope and Limitations**

2.2.1. The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was the Head of Partnerships and Commissioning. The agreed scope of the audit was to provide assurance over management's arrangements for governance, risk management and internal control in the following areas:

- The arrangements for the distribution of grants from the property, community, and innovation funds.

2.2.2. Our assurance level is based on the controls currently in place, some of which have only recently been introduced, and as such assurance is not

being provided on previous arrangements that were in place for earlier grants issued.

3. Assurance Opinion

3.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A.**

3.2. From the areas examined and tested as part of this audit review, we consider the current controls operating within commissioning provide **Reasonable** assurance.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4. Summary of Recommendations, Audit Findings and Report Distribution

4.1. There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.

4.2. There are **four** audit recommendations arising from this audit review and these can be summarised as follows:

	No. of recommendations		
Control Objective	**High**	**Medium**	**Advisory**
1. Management - achievement of the organisation's strategic objectives	-	-	-
2. Regulatory - compliance with laws, regulations, policies, procedures and contracts (see section 5.1)	-	2	-
3. Information - reliability and integrity of financial and operational information (see section 5.2)	-	-	2
4. Security - safeguarding of assets	-	-	-

5. Value - effectiveness and efficiency of operations and programmes	-	-	-
Total Number of Recommendations	0	2	2

4.3. **Strengths:** The following areas of good practice were identified during the course of the audit:

- Legal department has been involved in the preparation and review of revised grant agreements for all three of the funds.
- Funding is not paid to successful applicants until a signed grant agreement has been received, this good practice will be built into the property fund arrangements going forward.
- Each fund has criteria that must be met in order to be considered for a grant and information on these is included in application packs.

4.4. **Areas for development**: Improvements in the following areas are necessary in order to strengthen existing control arrangements:

4.4.1. *High priority issues:*

- No high priority issues were noted.

4.4.2. *Medium priority issues:*

- There are currently no local level procedures covering the grant funding process and clearly setting out managements requirements in relation to this including; the processes to be undertaken, information to be retained, checks to be performed, and documentation / evidence requirements.
- Decisions to approve some Property Fund grant applications were not clearly supported by the documented evaluation process.

4.4.3. *Advisory issues:*

- No evidence could be provided to confirm that the Commissioner was aware that the 2016/17 budget for the Innovation fund would be exceeded if he decided to approve further applications in full.
- Whilst the OPCC promotes transparency, the website was not up to date with successful grant applicants or the OPCC staff register of gifts and hospitalities.

Comment from the Deputy Chief Executive

We agree with the actions that have been identified and have put plans in place to address where required. G Shearer

5. Matters Arising / Agreed Action Plan

5.1. **Regulatory** - compliance with laws, regulations, policies, procedures and contracts.

● **Medium priority**

Audit finding	Management response
(a) **Grant Funding Processes and Procedures** The Cumbria Office of the Police and Crime Commissioner Grant Regulations 2017-2020 provide some guidance for staff on the administration of grant funding. However, there are no formal local procedures setting out management's specific requirements and detailing, for example, the processes to be undertaken, information to be retained, checks to be performed, and documentation requirements. Our audit work identified that a key aspect of the Innovation and Community Funds (that applications have to obtain at least fifty percent of the available marks when they are initially evaluated to proceed to the next stage) is not documented as a requirement in any guidance. Sample testing showed that it was not always clear what checks and monitoring had been performed on information received from grant recipients and the outcome of these. It was also seen that forms included in the annexes of Innovation Fund agreements are not always completed and provided by grant recipients and we were informed that they would not necessarily be followed up to provide these. It was also stated that different officers may have their own way of monitoring projects and recording this. Procedures / guidance on monitoring would be useful to aid consistency; provide clarity on what should be monitored; any exceptions to this, and how monitoring should be evidenced. This would also help to provide resilience within the OPCC should there be a need to cover monitoring responsibilities within the team and to clearly demonstrate that key deliverables are being satisfactorily progressed and terms complied with before further payments are made to grant recipients.	Agreed management action: A process map of the general grant funding process has been documented and a checklist will be prepared for each funding stream to go alongside this.

The grant funding process is currently under review and we were informed that these issues and the arrangements that Property Fund monitoring will take are being considered as part of the review. New forms (grant agreement monitoring form), grant agreements, processes (e.g. use of Geographic Area of Responsibility Inspectors and PCSO's, scanning and retaining copies of approved Property Fund applications) are being introduced as part of the current review and it is possible that further changes will be made to processes. It is therefore an opportune time to formally document the agreed processes.	
Recommendation 1: Local procedures covering all grant funding processes should be documented, approved, maintained and informed to staff, with training being provided where required. Management should then ensure they have a mechanism in place to confirm the procedures are complied with.	
Risk exposure if not addressed: • Objectives are not achieved due to lack of clarity on roles, responsibilities and processes; • Objectives are not achieved as management have not clearly defined their requirements; • Grant funding work ceases in the absence of key staff members; • Grant funding is used inappropriately / ineffectively; • No evidence to support that objectives are being achieved; • Funding payments made where satisfactory progress against key deliverables / outputs is unclear.	Responsible manager for implementing: **Head of Partnerships and Commissioning** Date to be implemented: **09/2018**

● **Medium priority**

Audit finding	Management response
(b) **Evaluation of Grant Applications** Whilst the funds have been running for a number of years, the evaluation of grant applications has only recently started to be documented for the Community Fund (since April 2017) and Property Fund (since September 2017).	Agreed management action: The evaluation process will be reviewed and amended to ensure that decisions are clearly documented.

Documentation of application evaluations is one of several recent improvements in the grant process. However, it was noted that some comments on the property fund evaluation did not clearly support the approval of applications and suggested that further information was required despite approvals being made.	
Recommendation 2: Management should ensure that the evaluation of grant applications clearly supports the decision of whether to approve them.	
Risk exposure if not addressed: • Reputational damage if evaluation decisions are questioned; • Grant funding is used inappropriately / ineffectively due to a lack of robust evaluation process.	Responsible manager for implementing: **Head of Partnerships and Commissioning** Date to be implemented: **03/2018**

5.2. Information - reliability and integrity of financial and operational information**.**

• **Advisory issue**

Audit finding	Management response
(a) **Fund Budgets** In 2016/17 the £100,000 budget for the Innovation Fund was exceeded by £7,644. Whilst budget responsibility lies with the Head of Partnerships and Commissioning, she stated that where the full approval of grant funding applications would result in the allocated budget being exceeded in a particular year, the Police and Crime Commissioner would be made aware of this before the final funding decision was made. Nothing could be provided to demonstrate that the Commissioner had been informed that the budget would be exceeded in this case.	Agreed management action: We will document these decisions as part of the grant funding process going forward.
Recommendation 3: It should be clear that funding decisions are taken with full knowledge of any budget implications.	

Risk exposure if not addressed: • Decisions taken based on incomplete information; • Capacity in other areas reduced to cover exceeded budget.	Responsible manager for implementing: **Head of Partnerships and Commissioning** Date to be implemented: **03/2018**

• **Advisory issue**

Audit finding	Management response
(b) **Updating the OPCC Website** To aid and promote transparency the OPCC publishes successful grant applicants and registers of gifts and hospitality on its website. However, recent information on applicants and the staff gifts and hospitality register had not been published. Discussions confirmed that responsibility for updating the website had not been allocated to an individual and that timescales for publishing information had not been given. During the course of our audit updates to this information were made.	Agreed management action: We will identify a member of staff to have ownership of updating the website.
Recommendation 4: A mechanism should be in place to ensure that the website is updated with relevant information on a timely basis and that responsibilities and timescales for this are clear.	
Risk exposure if not addressed: • Reputational damage resulting from timely information not being provided to the public; • Promotion of transparency undermined.	Responsible manager for implementing: **Head of Partnerships and Commissioning** Date to be implemented: **05/2018**

Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	The controls tested are being consistently applied and no weaknesses were identified. Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed. Recommendations are no greater than medium priority.
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified. Recommendations may include high and medium priority matters for address.
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	Significant non-compliance with basic controls which leaves the system open to error and/or abuse. Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

		Definition:
High	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	●	Some risk exposure identified from a weakness in the system of internal control
Advisory	●	Minor risk exposure / suggested improvement to enhance the system of control

Recommendation Follow Up Arrangements:

- High priority recommendations will be formally followed up by Internal Audit and reported within the defined follow up timescales. This follow up work may include additional audit verification and testing to ensure the agreed actions have been effectively implemented.
- Medium priority recommendations will be followed with the responsible officer within the defined timescales.
- Advisory issues are for management consideration.

Cumbria Shared Internal Audit Service

Internal Audit Report for Cumbria Constabulary & OPCC

Audit of Payroll

Draft Report Issued: **9th March 2017**

Final Report Issued: **7th April 2017**

Audit Resources

Title	Name	Email	Telephone
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Audit Report Distribution

For Action:	Alison Hunter, Payroll and Transactional Services Manager
For Information:	Ann Dobinson, Head of Central Services Stephen Kirkpatrick, Director of Corporate Support Roger Marshall, Chief Finance Officer.
Audit Committee	The Joint Audit Standards Committee, which is due to be held on 24th May 2017, will receive the report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

1 Background

1.1 This report summarises the findings from the audit of the Cumbria Constabulary and Office of the Police Crime Commissioner's (OPCC) payroll which was undertaken in accordance with the 2016/17 Audit Plan.

1.2 Payroll is a key process administered by the Central Services department of Cumbria Constabulary. The salaries of approximately 1900 Constabulary and 25 OPCC employees are paid through the system.

2 Audit Approach

2.1 Audit Objectives and Methodology

2.1.1 Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives which are outlined in section 4 of this report; detailed findings and recommendations are reported within section 5 of this report.

2.2 Audit Scope and Limitations

2.2.1 The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was the Director of Corporate Support and the agreed scope was to provide independent assurance over management's arrangements for ensuring effective governance, risk management and internal controls in the following areas:

- Procedures
- Security
- Payroll data.

2.2.2 There were no instances whereby the audit work undertaken was impaired by the availability of information.

3 Assurance Opinion

3.1 Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A.**

3.2 From the areas examined and tested as part of this audit review, we consider the current controls operating in respect of payroll provide **Substantial** assurance.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4 Summary of Recommendations, Audit Findings and Report Distribution

4.1 There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.

4.2 There are no audit recommendations arising from this review.

4.3 **Strengths:** The following areas of good practice were identified during the course of the audit:

- Existence of clearly stated targets which are fully and consistently achieved thereby supporting effective and efficient service delivery.
- Regular monitoring and reporting of payroll performance to senior management.
- Fully implemented, purpose built payroll system supported by comprehensive procedures and bespoke training.
- A good level of training for staff involved in payroll processes with detailed documented procedures in place.
- Robust access controls to the system contributing to the integrity of payroll data.
- Up to date registration with the Information Commissioner for data protection purposes.
- In-built data validation routines within the system ensuring data is bona-fide, accurate and complete.
- Detailed management review of input and reconciliation routines, including deductions prior to payment.
- Strict adherence to timetables for payroll and the transfer of statutory deductions.

Comment from the Director of Corporate Support:
I am delighted that this review of the Payroll function has provided Substantial assurance and that there are no areas for action identified. The audit has confirmed that the Constabulary has an excellent approach to the provision of Payroll services which effectively supports and enables the organisation to provide robust, reliable and effective remuneration for all employees. The audit identified numerous areas of good practice without identifying any areas for development, which is a credit to all staff involved in the Payroll function.

I am pleased that the audit highlighted the strong governance and oversight of the procedures and systems in place. The Central Services Department maintains a strict focus on Payroll to ensure both a reliable ongoing business as usual service and, crucially, to ensure that the service continues to improve wherever possible. These findings are extremely positive in recognising the excellent work undertaken regarding Payroll services, specifically within the Central Services Department.

Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	The controls tested are being consistently applied and no weaknesses were identified. Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed. Recommendations are no greater than medium priority.
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified. Recommendations may include high and medium priority matters for address.
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	Significant non-compliance with basic controls which leaves the system open to error and/or abuse. Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

		Definition:
High	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	●	Some risk exposure identified from a weakness in the system of internal control
Advisory	●	Minor risk exposure / suggested improvement to enhance the system of control

Recommendation Follow Up Arrangements:

- High priority recommendations will be formally followed up by Internal Audit and reported within the defined follow up timescales. This follow up work may include additional audit verification and testing to ensure the agreed actions have been effectively implemented.
- Medium priority recommendations will be followed with the responsible officer within the defined timescales.
- Advisory issues are for management consideration.

Cumbria Shared Internal Audit Service

Internal Audit Report for **Police and Crime Commissioner**








Review of Annual Governance Statement 2016/17

Draft Report Issued: **26th June 2017**

Final Report Issued: **5th July 2017**

Audit Resources

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Audit Report Distribution

For Action:	Roger Marshall, Joint Chief Finance Officer.
For Information:	
Audit Committee	The Joint Audit & Standards Committee, which is due to be held on 21 July, will receive the report

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

Executive Summary

1. Background

1.1. This report summarises the findings from the audit of the Police and Crime Commissioner for Cumbria's Annual Governance Statement for 2016/17. This was a planned audit assignment which was undertaken in accordance with the 2017/18 Audit Plan.

1.2. The Accounts and Audit (England) Regulations 2015 require the Commissioner to produce an Annual Governance Statement (AGS) explaining how the Code of Corporate Governance has been complied with. The Code of Corporate Governance was updated for the 2016/17 year to reflect the revised CIPFA / SOLACE Delivering Good Governance in Local Government Framework. The AGS must accompany the statement of accounts.

1.3. The Code of Corporate Governance for the Commissioner has been in place for the 2016/17 financial year.

2. Audit Approach

2.1. **Audit Scope and Limitations**

2.1.1. The Audit Scope was as follows:

- *Confirm that the Annual Governance Statement has been prepared in accordance with "Delivering Good Governance in Local Government: guidance note for Police" (2016 Edition)*
- *Review evidence for any major new content in the Annual Governance Statement and ensure the Annual Governance Statement accurately reflects any issues identified by Internal Audit, in particular the existence of any significant governance issues;*
- *Confirm that there is a due process for the review and approval of the Annual Governance Statement.*

- Our work was performed on the latest Annual Governance Statement provided to us on 21 June 2017.
- There were no instances whereby the audit work undertaken was impaired by the availability of information.

3. Assurance Opinion

3.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition

for each level is explained in **Appendix A.**

3.2. From the areas examined and tested as part of this audit review, we consider the current controls operating for the preparation of the Annual Governance Statement provide **Reasonable** assurance. We are not aware of any matters that should be declared within the Statement as significant governance issues.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4. Summary of Recommendations, Audit Findings and Report Distribution

4.1. There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.

4.2. There is one medium priority recommendation arising from this review which is detailed in Section 5.

4.3. **Strengths:** The following areas of good practice were identified during the course of the audit:

- The Annual Governance Statement has been drafted in accordance with the relevant guidance – Delivering Good Governance in Local Government: Guidance: Note for Police.
- Where changes or new content has been included in the AGS supporting information was readily available for Internal Audit review.
- The Internal Audit annual report summarised our work during 2016/17 and information provided in the Annual Governance Statement is consistent with our findings.
- The Commissioner's AGS has been prepared by statutory and senior officers and a draft was taken to the Joint Audit and Standards Committee on 24th May 2017 for comment. The AGS will be signed by the Commissioner and his Chief Executive and Chief Finance Officer. The Statement will then be considered by the Joint Audit and Standards Committee before it is published alongside the statutory accounts. A logical process of review and approval has been followed.

4.4. **Areas for development**: Improvements in the following areas are necessary in order to strengthen existing control arrangements:

4.4.1. *High priority issues: None identified.*

4.4.2. *Medium priority issues:*

- The AGS includes, as Appendix B, a development and improvement plan for 2017/18. Areas for development and improvement aren't included in the main body of the report making it less clear to readers where the areas identified stem from.
- Actions in the Development and Improvement Plan aren't always clearly defined.
- Actions spanning more than one year aren't updated to reflect progress made, with actions still to achieve carried forward.

4.4.3. *Advisory issues: None identified*

5. Matters Arising / Agreed Action Plan

● **Medium priority**

Audit finding	Management response
2017/18 Development and Improvement Plan The Annual Governance Statement is accompanied by a development and improvement plan for 2017/18. Whilst actions in the plan are referenced back to the Core Principles in the delivering good governance framework there is no reference to any areas to be developed and / or improved within the main body of the AGS. As a result, it is not clear to the reader where the areas identified in the action plan stem from. We attempted to give assurance by taking the actions within the development and improvement plan and translating them back to the text in the AGS but were unable to establish links in all cases (for example CPA/2 – there is no reference to the Police and Crime Bill within the main body of the AGS).We are therefore unable to provide full assurance that all areas for development and improvement have been reflected in the action plan. Actions within the 2017/18 development and improvement plan are not always clear and don't always effectively define what is to be achieved. For example: *CPC/1 "The Commissioner is working with health and local government partners to improve*	The Annual Governance Statement will be amended to incorporate actions in the main body of the report. For the future we will seek to provide a better cross check between the statement narrative and the action plan. Having reviewed the development and improvement plan actions for 2017-18 the majority of actions have clear and measurable outcomes, however the statement will be amended to provide greater clarity where this is not the case. For longer term actions spanning more than one year and update on progress is generally made at the

services for victims with mental health issues. Supported by the PCC, the Office of the Police and Crime Commissioner has secured funding from the Home Office Innovation Fund for the development of a multi-agency assessment and crisis centre. (March 2018)". Without clear actions and defined outcomes, it may be difficult for progress on these to be monitored and reported. The above action was also included within the 16/17 Development and Improvement Plan as CP2/2 and progress with phases one and two has been reported in the update on the 2016/17 development and improvement plan contained as Appendix A to the AGS. However, the action hasn't been updated to reflect progress made to date or to set out what is still to be achieved over the coming year.	end of each year.
Recommendation 1: a) Areas included in the Development and Improvement plan should readily link back to the narrative in the AGS. b) Actions in the Development and Improvement plan should be clearly defined and measurable so that achievement can be monitored. c) Longer term actions spanning more than one year in the Development and Improvement plan should be updated to reflect progress made and action still to be taken to achieve the required outcome.	
Risk exposure if not addressed: • Actions in the development and improvement plan may not be realised because they are not effectively defined and achievement cannot be measured.	Responsible manager for implementing: Chief Finance Officer Date to be implemented: 31 July 2017 for amendments to specific actions 30th April 2018 for more general cross referencing.

Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	The controls tested are being consistently applied and no weaknesses were identified. Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed. Recommendations are no greater than medium priority.
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified. Recommendations may include high and medium priority matters for address.
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	Significant non-compliance with basic controls which leaves the system open to error and/or abuse. Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

		Definition:
High	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	●	Some risk exposure identified from a weakness in the system of internal control
Advisory	●	Minor risk exposure / suggested improvement to enhance the system of control

Recommendation Follow Up Arrangements:

- High priority recommendations will be formally followed up by Internal Audit and reported within the defined follow up timescales. This follow up work may include additional audit verification and testing to ensure the agreed actions have been effectively implemented.
- Medium priority recommendations will be followed with the responsible officer within the defined timescales.
- Advisory issues are for management consideration.

Cumbria Shared Internal Audit Service

Internal Audit Report for Cumbria Constabulary

Audit of Police Officer Pensions

Draft Report Issued: **12th April 2017**

Final Report Issued: **9th May 2017**

Audit Resources

Title	Name	Email	Telephone
Audit Manager	Emma Toyne	emma.toyne@cumbria.gov.uk	01228 226254
Lead Auditor(s)	David Kendrick	david.kendrick@cumbria.gov.uk	01228 226255

Audit Report Distribution

For Action:	Alison Hunter, Payroll and Transactional Services Manager
For Information:	Ann Dobinson, Head of Central Services Stephen Kirkpatrick, Director of Corporate Services Roger Marshall, PCC/CC Chief Finance Officer
Audit Committee	The Joint Audit & Standards Committee, which is due to be held on 24th May 2017 will receive the report:

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

Executive Summary

1. Background

1.1. This report summarises the findings from the audit of Police Pensions. This was a planned audit assignment which was undertaken as part of the rolling programme of financial systems audits for 2016/17.

1.2. The Police Officers pension scheme is currently contracted out to Kier, who took over from Capita in April 2016. The contract with Kier is managed by the Central Services Department of Cumbria Constabulary and the audit was conducted to provide assurance that the pension scheme is functioning effectively under the new arrangements.

2. Audit Approach

2.1. **Audit Objectives and Methodology**

2.1.1. Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives which are outlined in section 4; detailed findings and recommendations are reported within section 5 of this report.

2.2. **Audit Scope and Limitations**

2.2.1. The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was the Director of Corporate Support and the agreed scope of the audit was to provide assurance over management's arrangements for governance, risk management and internal control in the following areas:

- Management of pension scheme arrangements under the new contract with Kier
- Procedures
- Data quality
- Follow up of the recommendation made in the 2015/16 internal audit report

2.2.2. There were no instances whereby the audit work undertaken was impaired by the availability of information.

3. Assurance Opinion

3.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A.**

3.2. From the areas examined and tested as part of this audit review, we consider the current controls operating within Pensions provide **Reasonable** assurance.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4. Summary of Recommendations, Audit Findings and Report Distribution

4.1. There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.

4.2. There is **one** audit recommendation arising from this audit review and this can be summarised as follows:

	No. of recommendations		
Control Objective	**High**	**Medium**	**Advisory**
1. Management - achievement of the organisation's strategic objectives (N/A.)	-	-	-
2. Regulatory - compliance with laws, regulations, policies, procedures and contracts (see section 5.1)	-	1	-
3. Information - reliability and integrity of financial and operational information (N/A)	-	-	-
4. Security - safeguarding of assets (N/A)	-	-	-
5. Value - effectiveness and efficiency of operations and programmes (N/A)	-	-	-

Total Number of Recommendations	0	1	0

4.3. **Strengths:** The following areas of good practice were identified during the course of the audit:

- There is a comprehensive contract in place, signed by both parties, which includes a list of roles and responsibilities.
- There are secure portals in place for transfer of confidential information between Cumbria Constabulary and the contractor.
- The contractor provides comprehensive quarterly statistics on standing data and transactions processed and this is reviewed by management.
- Meetings have been held with the contractor to review progress with the contract.

4.4. **Areas for development**: Improvements in the following areas are necessary in order to strengthen existing control arrangements:

4.4.1. *High priority issues:*

- None

4.4.2. *Medium priority issues:*

- Pension processes performed within the Central Services Department have not been defined, documented and communicated to the team to further clarify understanding of the service level agreement in place. This issue was raised during the 2015/16 pensions audit.

4.4.3. *Advisory issues:*

- None

Comment from the Director of Corporate Support
I am pleased that this review of Police Officer Pensions arrangements has provided Reasonable assurance with only one medium recommendation made. The audit has confirmed that the Constabulary has a sound approach to the provision of Police Officer Pensions with comprehensive, robust and proven arrangements in place with our contractor administrators. I am frustrated that the necessary procedures are still not defined and in place, however I am assured that all relevant staff have received appropriate training and have sufficient knowledge &

experience to fulfil their roles. This recommendation will be addressed, with all relevant documentation agreed and communicated to appropriate staff, by the end of May 2017.

Having noted and agreed the comments and recommendation made within this audit, I remain reassured that the staff working within the Central Services Department, working closely with colleagues at the contractor, provide an effective service for our pension service users.

5. Matters Arising / Agreed Action Plan

5.1. **Regulatory** - compliance with laws, regulations, policies, procedures and contracts

● **Medium priority**

Audit finding	Management response
(a) Pension procedures As part of the change of contractor to Kier in April 2016 work was done to redesign the leavers pension form which now produces an error prompt if there is missing or incorrect data. This form is self-explanatory and the team have received training on all the Kier forms in use. Whilst the contractor performs the bulk of the pensions processing, there are a number of key tasks undertaken by the Central Services Department. A number of the procedures to be followed in performing these tasks have not been documented. Although the team are long-standing and experienced in this area of work it is good practice to document procedures particularly given the recent change of contract. This would help to clarify management's expectations, ensure consistent practices across the team and provide resilience in the event of staff absence. Procedures should include the nature of supervisory checks, including data quality and compliance with defined requirements as part of the payment authorisation process. The previous audit review in 15/16 highlighted that management hadn't documented their requirements regarding supervisory checks of data and how this would be evidenced. Management highlighted that the pension administration contractor would be changing in April 2016 resulting in new processes and procedures. Management agreed that these new processes and procedures would be fully documented with staff receiving appropriate training.	Agreed management action: We will ensure that procedures are documented.
Recommendation 1: Procedures for pension administration tasks undertaken within Central Services Department should be defined, documented and communicated to the team.	
Risk exposure if not addressed:	Responsible manager for implementing:

• Pension payment errors, inconsistent practices and reduced resilience because management have not defined their requirements in this area.	**Head of Central Services** Date to be implemented: **05/2017**

Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	The controls tested are being consistently applied and no weaknesses were identified. Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed. Recommendations are no greater than medium priority.
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified. Recommendations may include high and medium priority matters for address.
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	Significant non-compliance with basic controls which leaves the system open to error and/or abuse. Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

		Definition:
High	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	●	Some risk exposure identified from a weakness in the system of internal control
Advisory	●	Minor risk exposure / suggested improvement to enhance the system of control

Recommendation Follow Up Arrangements:

- High priority recommendations will be formally followed up by Internal Audit and reported within the defined follow up timescales. This follow up work may include additional audit verification and testing to ensure the agreed actions have been effectively implemented.
- Medium priority recommendations will be followed with the responsible officer within the defined timescales.
- Advisory issues are for management consideration.

Cumbria Shared Internal Audit Service

Internal Audit Report for Cumbria Constabulary

Audit of Resourcing – Duty Management

Draft Report Issued: **29th March 2018**

Final Report Issued: **26th April 2018**

Audit Resources

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Audit Report Distribution

For Action:	Superintendent Sarah Jackson, Head of People.
For Information:	Stephen Kirkpatrick, Director Corporate Support.
Audit Committee	The Joint Audit & Standards Committee, which is due to be held on 24th May, will receive the report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

Executive Summary

1. Background

1.1. This report summarises the findings from the audit of **Resourcing – Duty Management**. This was a planned audit assignment which was undertaken in accordance with the 2017/18 Audit Plan.

1.2. Resource management is important to the Constabulary as it provides the officers to deal with policing issues on a day to day basis and therefore directly contributes to the achievement of the Constabulary's policing priorities.

1.3. To allow a more joined up and whole system approach, resource coordination is now part of the People Department along with HR, professional standards and occupational health, safety and wellbeing. The implementation of a new governance structure from April 2018 should further reinforce this approach to resource management.

2. Audit Approach

2.1. **Audit Objectives and Methodology**

2.1.1. Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives which are outlined in section 4; detailed findings and recommendations are reported within section 5 of this report.

2.2. **Audit Scope and Limitations**

2.2.1. The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was the Director of Corporate Support. The agreed scope of the audit was to provide assurance over management's arrangements for governance, risk management and internal control in the following areas:

- Monitoring and reporting on delivery across the force and outcomes.

2.2.2. There were no instances whereby the audit work undertaken was impaired by the availability of information.

3. Assurance Opinion

3.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A.**

3.2. From the areas examined and tested as part of this audit review, we consider the current controls operating within Resourcing – Duty Management provide **Reasonable** assurance.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4. Summary of Recommendations, Audit Findings and Report Distribution

4.1. There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.

4.2. There are **three** audit recommendations arising from this audit review and these can be summarised as follows:

	No. of recommendations		
Control Objective	**High**	**Medium**	**Advisory**
1. Management - achievement of the organisation's strategic objectives (see section 5.1.)	-	1	-
2. Regulatory - compliance with laws, regulations, policies, procedures and contracts	-	-	-
3. Information - reliability and integrity of financial and operational information (see section 5.2)	-	2	-
4. Security - safeguarding of assets	-	-	-
5. Value - effectiveness and efficiency of operations and programmes	-	-	-
Total Number of Recommendations	-	3	-

4.3. **Strengths:** The following areas of good practice were identified during the course of the audit:

- Changes in resource management related policies and procedures are consulted on both across departments and with the Federation and Unison before their approval and communication to staff.
- Regular resource management team meetings take place.

4.4. **Areas for development**: Improvements in the following areas are necessary in order to strengthen existing control arrangements:

4.4.1. *High priority issues:*

- No high priority issues were identified.

4.4.2. *Medium priority issues:*

- The terms of reference setting out the role and responsibilities of the Strategic Workforce Planning Group are not up to date.
- Information to be reported and recorded in respect of resources at daily operational review meetings (DORM) has not been clearly defined and inconsistencies were identified.
- The resource management system doesn't allow and facilitate the extraction of all information that may assist the resource management process.

4.4.3. *Advisory issues:*

- No advisory issues were identified.

Comment from the Director of Corporate Support

I am satisfied that this review of 'Resourcing – Duty Management' has provided Reasonable assurance which I believe to be a fair reflection of the service provided. This is an operationally critical area of business which ensures that, on a daily basis, the Constabulary has the appropriate staff, with the necessary skills, available across all relevant areas of operational business in order to achieve the Constabulary's policing priorities.

The audit recognised several areas of good practice regarding consultation and engagement with staff associations over changes to policies

and procedures when required. The report also recognises that the team is managed and run effectively, including regular team meetings being held.

Whilst being pleased that no high priority issues were identified, I note and fully accept the medium priority actions resulting in three recommendations which are being addressed.

The first recommendation, regarding clarity over roles and responsibilities has been addressed with the development of new governance arrangements for workforce planning which has resulted in the introduction of a weekly and monthly Gold, Silver, Bronze structure to ensure that the full range of strategic and tactical resourcing matters are considered and addressed. I am satisfied that this recommendation can be considered closed.

The second recommendation, regarding clarity over the level and consistency of resource management related information considered at the Force Daily Operational Review Meeting (DORM), will be addressed by the end of July.

The final recommendation, regarding improving the level of resource management information through the systems upgrade project, will be addressed as part of the ongoing Business Futures project over the next 12-18 months. The Business Futures project will also be introducing improvements to functionality across a wide range of resource related activities (Shift Management, Annual Leave, Sickness Management, Time off in Lieu etc) over the coming months which are all being designed to improve the service offered to officers and staff across the organisation.

I am confident that the responses to the identified recommendations, together with the current Business Futures project, will add value to the service moving forward.

Management Action Plan

5. Matters Arising / Agreed Action Plan

5.1. Management - achievement of the organisation's strategic objectives.

● **Medium priority**

Audit finding	Management response
(a) **Resource Management Responsibilities** We were informed that the Strategic Workforce Planning Group sets the strategic direction of resource management and has oversight of the arrangements in place to manage resources. A governance paper from 2016 was provided to support the role of this group but only includes brief information that does not clearly reflect its current role, which we were informed had evolved since this paper was prepared. No new documentation has been prepared that clearly sets out its role and responsibilities. We were informed that from April 2018 there will be a new gold, silver and bronze governance structure in place for the People Department. It should be ensured that group roles, responsibilities and permissions going forward are clearly defined and maintained up to date.	Agreed management action: As of the 1st April 2018 the Bronze, Silver and Gold governance structure is in place. Each meeting has a clear agenda and action / decision logs are maintained. Guidance has been prepared for the Chair of each meeting and maintaining these up to date will form part of business as usual.
Recommendation 1: Management should ensure that arrangements are in place to clearly document and maintain the role, responsibilities and permissions of groups with a key resource management remit.	
Risk exposure if not addressed: • Lack of clarity on responsibilities in relation to resource management; • Resource management decisions taken by inappropriate groups.	Responsible manager for implementing: **CI Resource Coordination** Date to be implemented: **Complete**

5.2. Information - reliability and integrity of financial and operational information**.**

● **Medium priority**

Audit finding	Management response
(a) **Resourcing Information at DORM** Resourcing is a standing item at daily operational review meetings (DORM), where verbal updates are provided on staffing numbers and breaches in staffing levels. Whilst it was stated that short term breaches may not be reported, particularly if they relate to only one below the required staffing level, there is nothing to show that this has been defined by management. Some examples of inconsistent practice were noted whereby identified breaches were documented in DORM notes as reported, yet others with the same or greater level of breach were not.	Agreed management action: The resource management information to be reported at DORM will be defined, agreed, communicated and recorded.
Recommendation 2: Management should ensure there is clarity on the level of resource management related information to be reported and recorded at the Daily Operational Review Meeting.	
Risk exposure if not addressed: • Inconsistencies in resource management information reported continue; • Management do not receive all the resource management information they expect to; • No evidence that senior management have been made aware of breaches in staffing levels.	Responsible manager for implementing: **CI Resource Coordination** Date to be implemented: **07/2018**

● **Medium priority**

Audit finding	Management response
(b) **Management Information** Management information has been highlighted as an improvement area in the upcoming upgrade of the resource management system. Information is available from the system and the system produces warnings when police regulations / working time directive will be breached. However, we were informed that it is not currently possible / or easy to obtain information at a granular level and on areas such as how many times the working time directive has been breached, the number of rest days that have been cancelled in a certain period or the number of short notice shift changes.	Agreed management action: There is an ongoing project to upgrade various systems including the duties management system and this aspect will be picked up by the 'Business Futures' project and included in the project plan.

This limited availability / lack of easy access to certain information may impact on the ability to effectively manage resources, identify non-compliance with legislation and procedures or inconsistencies in practice, determine where improvements to the resource management process may be made and assess whether process changes are having the desired outcomes. High level management information relating to resourcing is provided monthly to Business Board and includes sickness and establishment levels, leaver and recruitment data, numbers of suspended staff and misconduct cases, and those on limited duties. It was stated that this report is work in progress whilst the Board determine the information they require and recent changes have included the addition of the balance and value of rest days, time off in lieu and annual leave owed and forecast overspend on pay and overtime, along with the direction of travel for certain items. We were informed that consultation will take place on reporting requirements as part of the system upgrade project, and it should be ensured that this consultation is thorough and covers the information requirements for day to day and longer term resource management, as well as the information that senior officers / managers would find useful and want to receive.	
Recommendation 3: It should be ensured that resource management information requirements of all groups are clearly considered and defined as part of the resource management system upgrade project.	
Risk exposure if not addressed: • Limited ability to effectively manage resources; • Limited ability to easily identify non-compliance with legislation / procedures or inconsistent practices; • Limited ability to identify improvement opportunities and assess the outcomes of improvement work; • Ineffective outcome of the system upgrade project in terms of reporting ability.	Responsible manager for implementing: **CI Resource Coordination / Head of People** Date to be implemented: **10/2019**

Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	The controls tested are being consistently applied and no weaknesses were identified. Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed. Recommendations are no greater than medium priority.
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified. Recommendations may include high and medium priority matters for address.
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	Significant non-compliance with basic controls which leaves the system open to error and/or abuse. Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

		Definition:
High	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	●	Some risk exposure identified from a weakness in the system of internal control
Advisory	●	Minor risk exposure / suggested improvement to enhance the system of control

Recommendation Follow Up Arrangements:

- High priority recommendations will be formally followed up by Internal Audit and reported within the defined follow up timescales. This follow up work may include additional audit verification and testing to ensure the agreed actions have been effectively implemented.
- Medium priority recommendations will be followed with the responsible officer within the defined timescales.
- Advisory issues are for management consideration.

Cumbria Shared Internal Audit Service

Internal Audit Report for Cumbria Constabulary & OPCC

Audit of Treasury Management

Draft Report Issued: **14 September 2017**

Final Report Issued: **4 October 2017**

Audit Resources

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Audit Report Distribution

For Action:	Lorraine Holme, Principal Financial Services Officer
For Information:	Michelle Bellis, Deputy Chief Finance Officer Roger Marshall, Joint Chief Finance Officer Stephen Kirkpatrick, Director of Corporate Support
Audit Committee	The Joint Audit Standards Committee, which is due to be held on 22 November, will receive the report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

Cumbria Shared Internal Audit Service

1 Background

1.1 This report summarises the findings from the audit of Treasury Management. This was a planned audit assignment which was undertaken in accordance with the 2017/18 Audit Plan, as part of a cyclical review of main financial systems.

1.2 Treasury Management is important in making sure that the PCC has sufficient liquidity to meet obligations whilst managing payments, receipts and financial risks effectively. Treasury management is defined as the management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

1.3 The Commissioner is required to approve an annual Treasury Management Strategy Statement in accordance with CIPFA Code of Practice on Treasury Management. The Strategy must also incorporate an Investment Strategy as required by the Local Government Act 2003. Together, both these strategies cover the financing and investment strategy for each financial year.

2 Audit Approach

2.1 Audit Objectives and Methodology

2.1.1 Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives which are outlined in section 4 of this report; detailed findings and recommendations are reported within section 5 of this report.

2.2 Audit Scope and Limitations

2.2.1 The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was the Deputy Chief Finance Officer and the agreed scope was to provide independent assurance over management's arrangements for ensuring effective governance, risk management and internal controls in the following areas:

- **Compliance with the Treasury Management Strategy**

2.2.2 There were no instances whereby the audit work undertaken was impaired by the availability of information.

3 Assurance Opinion

3.1 Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A.**

3.2 From the areas examined and tested as part of this audit review, we consider the current controls operating in respect of treasury management provide **substantial** assurance.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4 Summary of Recommendations, Audit Findings and Report Distribution

4.1 There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.

4.2 There are no audit recommendations arising from this review.

4.3 **Strengths:** The following areas of good practice were identified during the course of the audit:

- The treasury management strategy has been approved by the Commissioner.
- The strategy is supported by documented Treasury Management Practices as recommended by the CIPFA Code of Practice on Treasury Management.
- The strategy and supporting treasury management practices are reviewed annually by the Joint Chief Finance Officer and Deputy Chief Finance Officer and are independently reviewed by the Joint Audit and Standards Committee prior to approval by the Commissioner.
- The Deputy Chief Finance Officer, as officer with overall delegated responsibility for treasury management, has arrangements in place to be assured that the strategy is being complied with. Where instances of non-compliance occur these are reported with explanations to the Joint Audit and Standards Committee and Commissioner.
- There is quarterly reporting to and independent review and scrutiny of treasury management performance by the Joint Audit and Standards Committee.
- Roles and responsibilities of those involved in treasury management activity have been clearly identified, documented and communicated.

- Risks around delivery of the treasury management strategy are considered and included within the Corporate Support risk register.
- Arrangements are in place to ensure segregation of duties between making and authorising transactions.
- There is regular review of access permissions to treasury management systems.
- Arrangements are in place to ensure there is resilience within the treasury management team and treasury management is included within the finance business continuity plan.

Comment from the Director of Corporate Support and Joint Chief Finance Officer:
Director of Corporate Support comments
I am delighted that this review of treasury management has provided Substantial assurance and that there are no areas for action identified. The audit has confirmed that the Constabulary & the Office of the Police and Crime Commissioner (OPCC) have a sound and robust approach to treasury management which supports and enables the priorities set out in the Policing Plan.

I am pleased that the audit review also recognised the strong governance and working practices in place around treasury management, including clear ownership with demarcation of responsibilities and robust reporting arrangements. These findings are extremely positive in recognising the excellent work of the shared Financial Services team working on behalf of both the Constabulary and the OPCC.

Joint Chief Finance Officer comments
I am very pleased to note the continuing assessment of Substantial Assurance in relation to Treasury Management activities, in what is an inherently risky activity. The report reflects the high quality of work delivered by the Financial Services team in liaison with our Treasury Management advisors Arlingclose Ltd to safeguard PCC and Constabulary funds.

Appendix A

Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	The controls tested are being consistently applied and no weaknesses were identified. Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed. Recommendations are no greater than medium priority.
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified. Recommendations may include high and medium priority matters for address.
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	Significant non-compliance with basic controls which leaves the system open to error and/or abuse. Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

		Definition:
High	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	●	Some risk exposure identified from a weakness in the system of internal control
Advisory	●	Minor risk exposure / suggested improvement to enhance the system of control

Recommendation Follow Up Arrangements:

- High priority recommendations will be formally followed up by Internal Audit and reported within the defined follow up timescales. This follow up work may include additional audit verification and testing to ensure the agreed actions have been effectively implemented.
- Medium priority recommendations will be followed with the responsible officer within the defined timescales.
- Advisory issues are for management consideration.

Cumbria Shared Internal Audit Service

Internal Audit Report for Cumbria Constabulary

Audit of Vulnerability (Hate Crime)

Draft Report Issued: **27th February 2018**

Final Report Issued: **1st May 2018**

Audit Resources

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Lead Auditor(s)	Gemma Benson	gemma.benson@cumbria.gov.uk	01228 226252

Audit Report Distribution

For Action:	Vicki Ellis, Detective Superintendent – PPU and Operations; Dean Holden, Chief Superintendent – Crime Command.
For Information:	Andy Slattery, T/Assistant Chief Constable
Audit Committee	The Joint Audit & Standards Committee, which is due to be held on 24th May 2018, will receive the report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

Executive Summary

1. Background

1.1. This report summarises the findings from the audit of **Vulnerability (Hate Crime)**. This was a planned audit assignment which was undertaken in accordance with the 2017/18 Audit Plan.

1.2. Hate crimes are criminal offences that are perceived to be motivated by hostility or prejudice based on one of five categories: disability, race, religion, sexual orientation and transgender.

1.3. Hate crime is important to the constabulary as it directly links with one of its big 6 priorities 'protecting vulnerable people and communities'. Similarly, an objective of the Police and Crime Plan 2016-2020 is to 'tackle crime and anti-social behaviour' and it references addressing hate crime and making it clear it will not be tolerated.

2. Audit Approach

2.1. **Audit Objectives and Methodology**

2.1.1. Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives which are outlined in section 4; detailed findings and recommendations are reported within section 5 of this report.

2.2. **Audit Scope and Limitations**

2.2.1. The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was the Chief Superintendent of Crime Command. The agreed scope of the audit was to provide assurance over management's arrangements for governance, risk management and internal control over hate crime in the following areas:

- Policies and procedures
- Staff training and awareness raising
- Management information and reporting.

2.2.2. There were no instances whereby the audit work undertaken was impaired by the availability of information.

3. Assurance Opinion

3.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A.**

3.2. From the areas examined and tested as part of this audit review, we consider the current controls operating within hate crime provide **Reasonable** assurance.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4. Summary of Recommendations, Audit Findings and Report Distribution

4.1. There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.

4.2. There are **three** audit recommendations arising from this audit review and these can be summarised as follows:

	No. of recommendations		
Control Objective	**High**	**Medium**	**Advisory**
1. Management - achievement of the organisation's strategic objectives (see section 5.1.)	-	1	-
2. Regulatory - compliance with laws, regulations, policies, procedures and contracts (see section 5.2.)	-	2	-
3. Information - reliability and integrity of financial and operational information	-	-	-
4. Security - safeguarding of assets	-	-	-
5. Value - effectiveness and efficiency of operations and programmes	-	-	-
Total Number of Recommendations	-	3	-

4.3. **Strengths:** The following areas of good practice were identified during the course of the audit:

- An approved hate crime policy and procedure are in place and available to all staff.
- An awareness raising campaign, within the Constabulary, on hate crime has recently been undertaken including a seven minute briefing and the launch of a hate crime page on the intranet.

4.4. **Areas for development**: Improvements in the following areas are necessary in order to strengthen existing control arrangements:

4.4.1. *High priority issues:*

- No high priority issues were identified.

4.4.2. *Medium priority issues:*

- There is a lack of clarity around how the Constabulary's hate crime aim will be measured, monitored and reported on.
- The definition of hate crime and hate incident in the hate crime policy is inconsistent with the National College of Policing definition which is used in the hate crime procedure. An old version of the hate crime policy is available on the Constabulary website.
- Hate crime policy and procedure are not being complied with in all cases.

4.4.3. *Advisory issues:*

- No advisory issues were identified.

Comment from the T/Assistant Chief Constable

I acknowledge the findings of the audit and note the recommendations. I am content that progress on the strategic aims are quantified through survey data and monitored through the Vulnerability Meeting and Cumbria Constabulary Improvement Plan. Updated policy and procedure have been circulated in line with College of Policing APP by the Head of Public Protection and compliance is being audited by the Business Improvement Unit. I am, therefore, aware of the actions the Constabulary has signed up and have arrangements in place to monitor their implementation. I am satisfied that the actions identified by your managers address the issues and risks identified within the audit to an acceptable level. I am content that the report can now be finalised and reported in summary to the next meeting of the Joint Audit & Standards Committee via the internal audit quarterly progress report.

Andrew Slattery
Temporary Assistant Chief Constable
30/4/18

Management Action Plan

5. Matters Arising / Agreed Action Plan

5.1. Management - achievement of the organisation's strategic objectives.

● **Medium priority**

Audit finding	Management response
(a) **Hate Crime Aim** The hate crime policy and procedures include the Constabulary's aim in relation to hate crime as 'reducing the harm hate crime causes, increasing the confidence of victims, and working with partners to identify and prosecute those who commit such crimes'. They also include a list of items that the policy supports which will help the constabulary to achieve its aim including: reducing the under-reporting of hate crime, reducing the overall incidence of hate crime, reducing the impact of hate crime through high quality victim support, bringing offenders to justice, and promoting community cohesion. Despite having a clear aim and linked items that will help achieve the aim there is a lack of clarity around how achievement of the aim will be measured, monitored and progress in achieving it reported. Whilst it was seen that the number of hate crimes / incidents is regularly monitored and reported on, this does not provide enough information to allow progress with achieving all aspects of the hate crime aim to be determined.	Agreed management action: We will survey victims of hate crime so that we can assess whether we are increasing confidence levels as per the aim.
Recommendation 1: Management should ensure there is clarity around how the achievement of the hate crime aim will be measured, monitored and reported.	
Risk exposure if not addressed: • Constabulary aims are not achieved; • Management are unaware of progress in achieving aims.	Responsible manager for implementing: **Detective Superintendent – PPU and Operations** Date to be implemented: **04/2019**

5.2. Regulatory - compliance with laws, regulations, policies, procedures and contracts.

● **Medium priority**

Audit finding	Management response
(a) **Hate Crime Definition** The definitions of hate crime and hate incident in the hate crime policy are different to the ones in the hate crime procedure, which uses the National College of Policing agreed definitions. It was also noted that the previous hate crime policy dated January 2012, is still available on the external constabulary website and that this does not use the National College of Policing agreed definitions of hate crime and hate incident. There are also noticeable differences between this version of the policy and the latest version.	Agreed management action: a) We will ensure that the agreed College of Policing definitions are used in all hate crime guidance. b) We will remove the old policy from the website and ensure easy access to the new one.
Recommendation 2: a) Management should ensure that all hate crime guidance uses consistent definitions. b) Where policy documents are made available to the public through the Constabulary's website, arrangements should be put in place to ensure only the most recent version is published.	
Risk exposure if not addressed: • Lack of clarity on the definition of a hate crime / incident; • Public access out of date information.	Responsible manager for implementing: **Detective Superintendent – PPU and Operations** Date to be implemented: **06/2018**

● **Medium priority**

Audit finding	Management response
(b) **Compliance with Hate Crime Policy and Procedure** The hate crime policy and procedures require that Hate Crime Managers (a Detective Sergeant in each area) are tasked to review each hate crime investigation within seven days of the case being recorded. Sample testing showed that one of the ten cases sampled had no evidence of a review by a Hate Crime Manager on CaseMan and that two others were tasked and reviewed but outside	Agreed management action: The Business Improvement Unit checks will identify non-compliance with hate crime policy and procedures and provide a baseline for this. Results will be scrutinised at Vulnerability meetings and

of the seven day timescale. Similarly, a Detective Chief Inspector in each area should be tasked to review all hate crimes where 'no further action' is to be undertaken. Sample testing showed that this review was not evidenced on CaseMan in eighty percent of the relevant cases. The policy and procedures also require that Inspectors make contact with victims of hate crime within 72 hours. Sample testing found that only two of the ten cases sampled recorded Inspector contact on CaseMan, and in one of these the contact was not recorded by the Inspector themselves. One case provided a reason for the victim not being contacted and two cases did not have an identified victim, though it is unclear in these cases whether the Inspector should contact the reporter of the crime instead. The Business Improvement Unit has recently started to test hate crimes and incidents for compliance against the hate crime procedure (for hate crimes recorded since January 2018), as part of the Quality Counts initiative. Whilst this will provide management with assurance on whether the procedure is being complied with, BIU testing should not be relied upon as the main control in ensuring compliance with the policy.	reasons for non-compliance identified so that appropriate action can be taken to address it.
Recommendation 3: Arrangements should be put in place to provide assurance to management that hate crime policy and procedures are being complied with, that all staff are aware of processes and their responsibilities in relation to hate crime and that there is sufficient evidence to demonstrate that these are being undertaken.	
Risk exposure if not addressed: • Non-compliance with Constabulary policy and procedure; • Constabulary aims are not achieved; • No evidence to support compliance with policy and procedure; • Improvements are not made to the hate crime process as lessons are not learned from previous cases.	Responsible manager for implementing: **Detective Superintendent – PPU and Operations** Date to be implemented: **10/2018**

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