

# POLICE & CRIME COMMISSIONER FOR LEICESTERSHIRE JOINT AUDIT, RISK & ASSURANCE PANEL

PAPER MARKED

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Report of	CHIEF CONSTABLE
Subject	AUDIT RECOMMENDATIONS & TRACKING
Date	TUESDAY 3 DECEMBER 2013 – 1.00 P.M.
Author :	ROY MOLLETT

## Purpose of Report

1. The following report provides the Panel with update progress responses from business owners in relation to 'High or Medium' priority audit recommendations determined so far for the period 2013/14 by external auditors Baker Tilly.

## Recommendation

2. The Panel are asked to discuss the attached update on progress responses against each respective outstanding audit recommendation so far for 2013/14.

## Summary

3. It is understood that progress with 'Low' priority recommendations is not reported.
4. There are currently no 'High' priority recommendations. However, there are presently seven 'Medium' priority recommendations outstanding and being progressed; these are all currently within the stated target implementation date. The number of 'High and Medium' recommendations so far for 2013/14 are as follows:

Priority of Recommendation	Number of Recommendations
High	0
Medium	7

Internal Audit Report	Audit Report Date	Update
<b>Payroll Provider Review (1.13/14)</b>	5 <sup>th</sup> June 2013	<b>No High or Medium recommendations.</b>
<b>Winsor Review - Payments for Unsocial Hours (4.13/14)</b>	12 <sup>th</sup> September 2013	<b>No Recommendations.</b> The purpose of the review was to provide assurances on the application of the controls in place around the processing and payment of unsocial hours claims from Police Officers. As part of this review, completed one year later, Baker Tilley confirmed that the issues raised in their advisory review had been addressed and effective controls were in place.
<b>HR – Absence Management (5.13/14)</b>	12 <sup>th</sup> September 2013	<b>Three Medium Recommendations.</b>
1.2 (a) Return to work interviews should be fully documented in all cases following a period of sickness absence. If referrals, recuperative / restricted plans, attendance plans or any formal capability procedures have also been completed, these can be referred to in the RTWI but this should remain the central record of the matters discussed.		Please refer to APPENDIX 'A' a report by Mr Steve Smith, HR Business Solutions - Human Resources. Stated target completion date December 2013.
1.2 (b) Return to work Interviews should be carried out on the individuals first day back to work or at the earliest opportunity; this may mean that this is completed by another Manager to cover for annual leave for example, and in most cases this should be able to be arranged in advance providing the Line Manager is aware of the date of the individuals expected date of return.		Please see above. Stated target completion date December 2013.
1.4 Where employees are absent due to anxiety, stress, depression related condition; offers to refer individuals to Occupational Health should be clearly recorded by the Line Managers at the earliest opportunity, in line with the Sickness Absence Procedure.		Please see above. Stated target completion date December 2013.

<b>Health and Safety (2.13/14)</b>	11 <sup>th</sup> November 2013	<b>One Medium recommendation.</b>
<p>6. To ensure that the task to draw up the risk assessments required is progressed and completed.</p> <p>Once finalised these need to be effectively communicated and made accessible to staff for information.</p>		<p>This requires Support Managers to finish drawing up task lists for police officers, police staff and volunteers in order that progress can be made with finalising the risk assessment process. When these are completed we can ensure that any new risk assessments that are needed are identified and completed. This work continues and good practice is shared at meetings with the Support Managers.</p> <p>Stated target completion date March 2014.</p>
<b>Zanzibar – Procure to Pay(P2P) (3.13/14)</b>	25 <sup>th</sup> September 2013	<b>One Advisory Recommendation</b>
<p>From our coverage we found the following aspects of actual controls are yet to be determined and actioned. We acknowledge these issues are scheduled to be actioned prior to implementation, but have itemised the areas covered in our scope and have highlighted areas where work is still in progress. We have made one overall recommendation to ensure these aspects are taken forward and included in the process leading through to full implementation. The issues highlighted include:</p> <ul style="list-style-type: none"> <li>▪ The need to ensure the P2P local Procedures are made available to system users as soon as practically possible after initial training is completed.</li> <li>▪ To determine / confirm actual password requirements/timeframes for changes etc.</li> <li>▪ To determine actual tolerance levels to be established for matching of orders to invoices.</li> <li>▪ To confirm what exception reports will be required to be run the system to ensure all required errors / potential anomalies will be sufficiently highlighted for review and resolution.</li> <li>▪ To progress plans through to confirmation of requirements for completion of / monitoring of payments and associated</li> </ul>		<p>As identified in the advisory review, Zanzibar (the Force P2P system) remains in the implementation phase. The items identified by Baker Tilley as requiring consideration prior to go-live <u>will</u> be considered and an appropriate course of action taken. Further conversations will take place with Baker Tilley as we progress towards go-live, accompanied by further updates into JARAP as required.</p> <p>Process notes and procedures have been drafted in conjunction with staff and are being reviewed to ensure completeness. The physical use of the P2P system is described in the comprehensive user manual produced by Procsolve whilst the processes within Accountancy &amp; Budgeting are being written to address the remaining technical challenges that need to be overcome. In overcoming the challenges, consideration is being given to the value for money that a software fix represents versus the practicalities of a manual work-around. On balance, the most appropriate solution on a case-by-case basis will be adopted.</p> <p>Some limited “live” testing has taken</p>

validation, reconciliations / control accounts set ups, so to ensure that the required control framework is established and adhered to once the system goes live.	place in controlled conditions and with agreed temporary processes in place. These transactions were on the P2P side only and have been <u>manually</u> entered into Sage Line 500. The “live” testing was considered vital to allow review of how the ordering processes works in reality with a supplier willing to assist us.	
<b>Change Programme (7.13/14)</b>	6 <sup>th</sup> November 2013	<b>One Medium Recommendation.</b>
1.15 In order for the organisation to benefit from further change programmes and Continuous Improvement projects, management should assess the capacity and capabilities of the existing team and consider investing in extra resource in order to review and work with staff to identify savings which will have a long lasting benefit and improve the workings of the organisation.		The Change Team are already reviewing this matter and a Business Case is under development for additional support to enhance capability and capacity. It is envisaged that this will ensure enhanced provision by April 2014.  Stated target completion date April 2014.
<b>Collaboration (to be completed as part of a joint review with the East Midlands)</b>	TBC	Status/progress enquiry made of Baker Tilley on the 22 <sup>nd</sup> November – currently awaiting reply.
<b>Risk Management (8.13/14)</b>	18 <sup>th</sup> October 2013	<b>Two Medium Recommendations.</b>
1.2 <b>Force</b> - Plans to be progressed to introduce a series of workshops for staff to improve the awareness, identification and management of risk within the Force.		There is to be a workshop at the February 2014 SORB to include identification and management of risks. All Senior Managers should be present. This is a repeat of the training and risk identification exercise at the Feb 2013 SORB.  Stated target completion date February 2014.
1.3 <b>Force and OPCC</b> - As part of the current Assurance Mapping Exercise both the Force and the OPCC should undertake a review of each mitigating control, for a risk, to identify if there are any material forms of measurable assurance that could be relied on to validate if the control is being effectively managed and operating correctly.		<b>Force</b> The SORB ToR state one aim is: <i>“To identify, analyse and prioritise the strategic risks facing the Force; ensuring that controls are identified and correctly applied.”</i>  High priority risks, risks registered since the previous SORB and risks of note are reviewed at each SORB, with

		<p>the controls being examined.</p> <p>Quantifying whether a control for most risks is effective is problematic as a lot of risks are reputational and somewhat subjective.</p> <p><b>OPCC</b></p> <p>A review of each mitigating control will be undertaken by the Chief Finance Officer regularly.</p> <p>Stated Implementation – Since commencement of SORB.</p>
<b>Publication Scheme (6.13/14)</b>	26 <sup>th</sup> September 2013	Currently a draft report – presently under further consideration by the OPCC.
<b>Governance</b>	Delayed	Delayed until March 2014
<b>General ledger</b>	Currently in Draft	Currently under quality assurance by auditors Baker Tilley.
<b>Payroll (including pensions and expenses)</b>	In progress	Fieldwork currently in progress

### **Implications**

Financial :	None
Legal :	None
Equality Impact Assessment :	None
Risks and Impact :	Risk to efficiency and effectiveness of business functions where agreed recommendations are not implemented in thorough and timely manner.
Link to Police and Crime Plan :	Transparency and accountability.

### **List of Appendices**

Appendix: Appendix 'A' – Report by Mr Steve Smith, HR Business Solutions, Human Resources.

### **Background Papers**

N/A

### **Persons to Contact**

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LEICESTERSHIRE POLICE

**FROM :** Steve Smith

**TO :** Ali Naylor  
HRD

**DEPT :** HR Business Solutions

**REF :**

**DATE :** 5/11/13

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**SUBJECT: JARAP Concerns.**

I refer to the letter from Mr Prince dated 22<sup>nd</sup> October 2013 respecting the above. By way of providing some context on the way Leicestershire Police manages absence, for the past 5-6 years Leicestershire Police has been amongst the highest performing Police Forces Nationally with regard to absence management. At the end of March this year the latest available Iquanta data on absence showed that we were in the top quartile of the 43 Forces in England and Wales being 4<sup>th</sup> for Police Officers and 6<sup>th</sup> for Police Staff.

On page 3 of the RSM report it clearly stated that, "There was no evidence held of return to work interviews being completed in four cases of the sample of 20 checked", not 7 as indicated in the letter.

The comment that, "A significant number of staff, when returning from sick absence are not being appropriately supported by their managers" is a misrepresentation of what is said in the report which is that, "If return to work interviews are not carried out in a timely manner of the individuals return, they may not add the value intended by completing the process; the employee may not consider they have been supported, which could attribute to repeated absence".

The report goes on to identified that whilst no return to work interview could be found for the four cases referred to, it did acknowledge that there was other supporting documentation held on file to illustrate what plans, referrals or actions had been taken. This verifies that management support/ intervention was taken at the time but without knowing the cases involved it is not possible to track whether or not a return to work was completed or not and then not properly filed on our IT Systems.

Whilst the return to work interview is a fundamental part of our absence management process in supporting officers and staff on their return to work depending on the length and nature of the illness other support facilities are put in place. Where appropriate HR Staff and line managers work together to provide necessary support, such as providing a single point of contact, drawing up a recuperation plan, working a reduced number of days or hours for a period, encouraging engagement with our employee assistance provider, giving continued support from our occupational health unit and making reasonable adjustments as advised and where necessary allowing staff to temporarily work in another role or location whilst they recuperate.

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Moreover, our internal Return to Work Report, which covers the period from 22<sup>nd</sup> October 2012 to 22<sup>nd</sup> October 2013 shows a Force completion rate of 91% which is a far more accurate indication of commitment to managing absence than any small random sample.

HR Practitioners monitor returns to work on a weekly basis and contact line managers to try and ensure they complete any documentation such as return to work interviews to ensure that we maintain a high level of completion rates. Where it is necessary second line managers are contacted if timely returns are not submitted.

Whilst the RSM Tenon report, identified that officer sickness rates were just above target. It went on to identify that a review was undertaken in May 2013 by myself mapping the sickness trends for Officers and Staff against key events from the last 12 months. This report highlighted that Staff sickness absence had risen in September 2012 but was levelling out by March 2013 whilst Officer Sickness had continued to rise since April 2012. The report indicated that this increase may have been contributed to by a cumulative effect of National and local changes occurring such as the impacts from the changes resulting from the Winsor Review and a new shift pattern which was implemented in January 2013.

As an indication of how seriously we take the management of attendance in Force, since April this year we have ill health retired 18 police officers and there are a further 24 officers in or about to go into the process. We have 279 Officers where some form of management intervention has taken place, 38 are on attendance plans and 4 are in the formal Unsatisfactory Attendance Process. For Police Staff 199 have been subject to management intervention, 50 are on attendance plans and 49 are subject to our formal capability process because of their poor attendance. Only last month a police staff member was dismissed for poor attendance.

The RSM Tenon report also clearly identified the robust nature that we manage absence in Leicestershire Police. Inter alia it states: "Performance reports were produced by workforce planning indicating the employees who had met trigger levels and required further management action, in addition to any outstanding Return to Work Interviews. These reports were reviewed on a monthly basis by the HR Practitioners to ensure that the use of 'no action' was kept to a minimum and that absence levels were being appropriately managed.

Meetings were held between the HR Business Partners and the Senior HR Officer on a fortnightly basis to review the long term sickness absences and those on restricted or recuperative duties. Records were maintained to confirm what next steps were being considered on a case by case basis.

There was a robust system in place to manage long term sickness absences; with individual cases being subject to review by the HR Practitioners, HR Business Partners and the Senior HR Officer at least once a fortnight. "

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JARAP's concerns over the management action plan response would be pertinent if indeed there was a 35% failure in completion of return to work interviews. However, this is far from the case and the 'reminder guidance' was on top of the monitoring and chasing that already takes place by HR Practitioners and Business Partners and is proportionate to relatively low incidences of non completion.

Similarly, the comment that, "A significant number of staff, when returning from sick absence are not being appropriately supported by their managers" is a misrepresentation of what is said in the report which is that, "If return to work interviews are not carried out in a timely manner of the individuals return, they may not add the value intended by completing the process; the employee may not consider they have been supported, which could attribute to repeated absence".

The report also identified that whilst no return to work interview could be found for the four cases referred to it did acknowledge that there was other supporting documentation held on file to illustrate what plans, referrals or actions had been taken.

I respectfully submit this report for your information and consideration.