Appendix A

BAKER TILLY AUDIT RECOMMENDATIONS 2013-14 & 2014-15

Audit Recommendations for 2013-14

Status	Internal Audit Report	Audit Report Date
	ZANZIBAR – (P2P) [Procure to Pay]	25th September 2013

One Advisory Recommendation

Advisory Recommendation: 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:

- The need to ensure the P2P local Procedures are made available to system users as soon as practically possible after initial training is completed.
- To determine / confirm actual password requirements/timeframes for changes etc.
- To determine actual tolerance levels to be established for matching of orders to invoices.
- 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.
- To progress plans through to confirmation of requirements for completion of / monitoring of payments and associated validation, reconciliations / control accounts set ups, so to ensure that the required control framework is established and adhered to once the system goes live.

Implementation Target Date: Between 9th Sept 2013 – 2nd January 2014 On hold pending decision to be made in August 2014 – please see latest update below.

Person Responsible: Andrew Dale – Finance & Ian Fraser Procurement

Update December 2013: As identified in the advisory review, Zanzibar (the Force P2P system) remains in the implementation phase. The items identified by Baker Tilly as requiring consideration prior to go-live will be considered and an appropriate course of action taken. Further conversations will take place with Baker Tilly as we progress towards go-live, accompanied by further updates into JARAP as required.

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 Procserve whilst the processes within Accountancy & 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.

Some limited “live” testing has taken place in controlled conditions and with agreed temporary processes in place. These transactions were on the P2P side only and have been manually 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.

Update January 2014: Status unchanged due to capacity/resource issues and the priority of setting next year’s budget.

Update March 2014: Procurement, IT and Finance have met to review the current position regarding the implementation of the ProcServe / SAGE interface. - Andrew Dale – Finance

There are a number of issues which require further work to be undertaken to get us to a position whereby we could move to ‘Go-Live’. These are detailed below:

- Re-submit link is not working on the error e-mails received for files that have failed.
- Invoice number from P2P in ‘Supplier Inv Id’ field is not being pulled through to sage

- Review position regarding VAT and error logs
- SAGE creates a separate invoice batch within SAGE for every individual purchase order number processed in the P2P. Corrections have been put onto the system but need to complete further testing to ensure the fix is working as expected.
- On purchase orders the unique reference is being overwritten if the order is reprinted.

The plan was to always implement on a phased approach starting initially with a small number of suppliers. Given the work involved in resolving the issues above and the benefits that would arise from a small number of suppliers it is recommended that we suspend implementation / development in light of the other departmental priorities that both Finance and IT are managing.

The implementation of ProcServe will now form part of the evaluation of the 2 options for the Finance System moving forward.

Update May 2014: The Zanzibar P2P Solution is now on hold pending work being undertaken by Finance and Procurement regarding future General Ledger provision. The Force is currently looking at 2 options for future General Ledger provision with a decision to be made in August 2014. When a final decision is made that will allow Finance and Procurement to then work with the chosen provider to implement the P2P solution. – Ian Fraser Head of Procurement and Support Services.

Update August 2014: A Procurement tendering process has recently been completed for a new Finance System. A recommendation will be made to the Force Change Board in August 2014 with the expectation that any new solution will be required to go through an implementation and testing process that will take several months. After parallel testing is completed the Force will then be able to address the issue of integration with the Zanzibar solution. It is difficult to provide a totally accurate date for this to be completed which depends upon acceptance of the current recommendation by the Force Change Board and subsequent sign off by the Police and Crime Commissioner. It is likely that taking into account other competing work for Finance at year end 2014/2015 that a potential date when Zanzibar integration may be completed is summer 2015 - Ian Fraser Head of Procurement

Update November 2014: The new Finance system Agresso has been purchased. The implementation of this system will be completed by April 2015. Thereafter once the main Finance solution is in place the Zanzibar P2P work can be commenced once identification of the process to integrate this with Agresso has been completed - Ian Fraser Head of Procurement.

Update January 2015: still ongoing, awaiting completion of system by April 2015.

CHANGE PROGRAME		6th November 2013
HIGH: 0	**MEDIUM: 0**	**LOW: 2**

Low Recommendation 1.12 The Change Programme Risk Register is further enhanced by the addition of the residual risk score, a description of the controls in place to mitigate the risk and details of the member of staff responsible for the risk.

Implementation Target Date: Dec 2013.

Person Responsible: C/Supt Rachel Swann – Head of Change Team

Update June 2014: The review of the risk register has been given to the Project Managers when commencing their role. The first successful applicant is due to commence week starting 26th May 2014.

Update August 2014: This has now been tasked to the newly recruited Project Managers and Programme Managers. The combination of the risk score, descriptive controls and those responsible will be completed.

Update November 2014: The Change Programme risk register has now been reviewed, taking into account the recommendations from Baker Tilly. All recommended headings are now included. A highlight report is now submitted to each Change Board outlining significant risks, unmitigated risk score, mitigations in place and residual risk score – C/Insp Neil Newell

Update January 2015: CLOSE

	Low Recommendation 2.7 For consistency the format of the project risk register should reflect the same as the overall programme risk register. **Implementation Target Date: Apr 2014.** **Person Responsible: C/Insp Neil Newell – Change Team**
	Update June 2014: The review of the risk register has been given to the Project Managers when commencing their role. The first successful applicant is due to commence week starting 26th May 2014. **Update August 2014:** This has now been tasked to the Project Managers and Programme Managers. The format of the project risk register will reflect the same as the overall programme risk register and will be completed. **Update November 2014:** The Change Programme risk register has now been reviewed, taking into account the recommendations from Baker Tilly. All recommended headings are now included. A highlight report is now submitted to each Change Board outlining significant risks, unmitigated risk score, mitigations in place and residual risk score – C/Insp Neil Newell **Update January 2015:** Responsible Person for risk on Change Programme is Ch/Supt Nixon – Head of Change. This is managed day to day by programme manager Mr Andy Elliott. To be closed

	RISK MANAGEMENT		18th October 2013
	HIGH: 0	**MEDIUM: 1**	**LOW: 0**
	Medium Recommendation 1.2 – Force: Plans to be progressed to introduce a series of workshops for staff to improve the awareness, identification and management of risk within the Force. **Implementation Target Date:** Revised Date – 31st October 2014 [previously February 2014]. **Person Responsible: Laura Saunders**		
	Update January 2014: 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. **Update March 2014:** The February 2014 SORB was reduced in length due to time constraints. Therefore, risk identification and one to one training with all Senior Managers and Heads of Business Areas, carried out by the Risk Manager in February 2014. The Force carries out cyclical Manager training and a section on risk identification and notification is to be developed within the Risk Department, to be delivered as part of this training. Responsible person change - Peter Coogan. Delivery Oct 2014. **Update May 2014:** The workshop has been rescheduled for inclusion in the May SORB. All senior managers have been invited to attend. The purpose of the workshop is to improve awareness of the risk management process and lead the group through this process to identify current and future risks on the horizon. It is envisaged that this will be embedded in conjunction with the managers training by the revised date of October 2014 as proposed previously by Peter Coogan in March. **Update August 2014:** The planned workshop went ahead in the May 2014 SORB meeting. This consisted of an overview of the risk management process, identification of possible sources of risk and a discussion about how these threats and opportunities could be managed. Work continues to develop the input around risk management within the existing manager's training programme. Moved to Amber as likely to meet the October target date. **Update November 2014:** A risk identification workshop was carried out with the SORB members in May 2014. This interactive session involved an input about the risk management process, an overview of tools for scanning for internal and external sources of risk; now and in the future and identifying the threats and opportunities associated to the sources of risk. An input around risk management and the identification of risk has been added to the Duties and Responsibilities Course; a mandatory full day workshop aimed at colleagues across the		

organisation in a managerial role. In addition, one to one sessions continue to be provided to individual managers and risk owners to improve the awareness, identification and management of risk within the force – Laura Saunders

Update January 2015: This recommendation is now complete. An annual workshop will continue to be undertaken with the SORB membership and risk identification remains an integrated element of the health and safety course delivered to managers. Laura Saunders - CLOSE

SEIZED / FOUND PROPERTY **2011-12, 2012-13 (part 2) Follow up & 2013-14 Follow up**		11th June 2014
HIGH: 0	**MEDIUM: 1**	**LOW: 0**

'Revised' recommendation:

Plans to introduce the Management Information Module in the KiM property system should be progressed to implementation, used as a mechanism to provide reports to address the numbers of outstanding items 'booked out to Officers' and facilitate the reduction of these items to a manageable level. Actions to address the volume of items could then include:

- **Generating reports from the KiM MI Module that list the 'top ten' officers with items booked out to them so they can be reviewed in priority order.**
- **Reviewing items booked out in order of value to establish if the 'booked out' status is accurate.**

Implementation Target Date: By September 2014 – New target date stated in the recent Baker Tilly Follow up Report.

Person Responsible: Emma Corns – Delivering Justice Department

Update April 2014: Baker Tilly 2013/14 Follow Up Report –

(i) "Through discussion with the Support Manager (Delivering Justice), we were advised that a link between the Socrates and KiM systems was in place and was currently being tested by the Forensics/Drugs Team to check that it functioned as required and was fit for purpose before going live. It was expected that this would be in place for the start of the new financial year in April 2014.

We acknowledged that work was on-going in this area and whilst this part of the recommendation had not been fully implemented; we identified progress was being made and have therefore not repeated the recommendation.

(ii) We were advised that the volumes of items 'booked out' remained at c5,000 and work had not progressed in this area however a Management Information module within the KiM system was currently being trialled by another Force (who were also members of the KiM user Group).

It was expected that testing on this module should be complete by June 2014 resulting in a roll out to other Forces by quarter three; with a view to enabling greater management of property by Local Policing Unit (LPU), and be used as a tool to address issues such as the highest number of items of property signed out to particular officers as a means of a performance measure".

Update May 2014: Herts Police are currently trialling a KiM Management Information Module; it is expected that testing on the module should be complete by June '14 resulting in a roll out to other Forces in Q3.

This will enable greater management of property by LPU; and can then be used as a tool to address issues such as the highest number of items of property signed out to particular officers as a means of a performance measure.

Update August 2014: In July 2014 the Management Information Module was implemented. It is now possible to analyse the 'booked out' statuses.

The Property Team are working to reduce the items 'booked out' and have prioritised this area of work by categories/risk. Paper G on the agenda provides a further update. Insp Siobhan Barber
Update November 2014: The Property Management Module has now been implemented and enables the following activity to take place;

1. The reporting tool allows scrutiny of the reasons for items being booked out e.g. to officer for court, for officer for return to owner, to SOCO etc. so it does allow analysis of items booked out to enable prioritisation
2. The above enables items to be sorted by officer or staff member and prioritised by those with the most items
3. Items are not valued at the point of booking in to the KIM PMS, as staff do not have the requisite skills to assess monetary value of property. However, as items can be categorised (as cash or jewellery for example), this does enable prioritisation based on 'assumed' value.

Update January 2015: CLOSE

BUSINESS CONTINUITY (Non IT) Follow up		11 June 2014
HIGH: 0	**MEDIUM: 0**	**LOW: 1**

Low Recommendation 1.11b Restated recommendation - The Office of the Police and Crime Commissioner (OPCC) should ensure that dates are set for testing the Business Continuity Plan (BCP) to ensure that it is fit for purpose.

Implementation Target Date: By the end of second quarter 2014

Person Responsible: Angela Perry - OPCC

Update May 2014: Acknowledged not yet completed – delays contributed to by changes in arrangements, stage 2 transfer work and 3 different CFO personnel in last year.

Update 4th September 2014: The Business Continuity Plan is being revised and re-formatted into the Force template. A table top exercise is planned to take place before the end of the calendar year to test the Plan. A new temporary member of staff who has a background in risk and business continuity at a local authority is leading on the work - Angela Perry OPCC

Update November 2014: The OPCC are still in the process of populating the templates. Deadline for the desktop exercise may be pushed back to January due to staff absences and Interviews taking place.
Update January 2015: This is currently being take to the PCC SMT and therefore there will be an update for the next report.

MOBILE DEVICE SECURITY		**22nd April 2014**
HIGH: 0	**MEDIUM: 1**	**LOW: 0**

Medium Recommendation 1.6

All forms should be signed when a member of staff is responsible for a mobile device.

Implementation Target Date: 30th September 2014

Person Responsible: Tim Glover - Head of IT

Update June 2014: Staff have been reminded to comply with this part of the process and the process will be reviewed to try to reduce the risk of human error.

Update August 2014: The process review is underway and will be complete by 30th September 2014. Essentially this extends the current process from laptops to all mobile devices and makes explicit the need for users to sign for the devices.

In the interim we have undertaken an internal management-led audit of compliance with the existing process and this has identified some non-compliance caused by new staff unfamiliar with the process. We have therefore identified the need to improve the induction of new staff into the support team. These further changes will also be complete by 30th September 2014, the anomalies found will be rectified, and there will be further management checks to ensure

	compliance. **Update November 2014:** This was policy at the time of audit. Further internal check as to compliance is scheduled to be undertaken in December – awaiting results of compliance check before closing. **Update January 2015:** The December check has identified that the signed forms are being returned to the ISO. The process will be changed such that the forms will come back to the ICT department for filing.

Audit Recommendations 2014-15

N^{0}	Internal Audit Report		Audit Report Date
	ESTATES MANAGEMENT		
	HIGH: 0	**MEDIUM: 0**	**LOW: 2**
	Low Recommendation 1.1a Undertake a planned periodic review of the Estates Strategy to ensure it remains relevant and reflects the direction of travel. **Implementation Target Date:** 2015 in line with Change Programme **Person Responsible: Andrew Wroe – Head of Estates**		
	Initial Management Comment: This was planned to be carried out in 2015 and will fall in-line with the change programme. **Update November 2014:** Still planned to undertake this in the summer of 2015. **Update January 2015:** Still on track for completion in the summer.		
	Low Recommendation 1.1b Ensure there are clear links in the Estates Strategy to both the Police and Crime Plan and Leicestershire Police aims and objectives. **Implementation Target Date:** 2015 in line with Change Programme **Person Responsible: Andrew Wroe – Head of Estates**		
	Initial Management Comment: This will be incorporated when the above review takes place. **Update November 2014:** Still planned to undertake this in the summer of 2015. **Update January 2015:** Still on track for completion in the summer.		
	SEIZED / FOUND PROPERTY		July 2014
	HIGH: 1	**MEDIUM: 1**	**LOW: 1**
	Medium Recommendation 1.1 As planned the Property Management Policy and Procedures should be reviewed and revised, taking into account any issues identified within this review. Given the issues identified in this review we would recommend that once the Policy and Procedures have been finalised and approved a training session is held with Property staff to ensure that they are fully conversant with requirements, especially any changes that have been made from original documents. **Implementation Target Date:** March 2015 **Person Responsible: Inspector Siobhan Barber**		
	Initial Management Comment: The review of property is now well underway and the team involved are identifying opportunities to streamline processes and increase efficiency which will be relevant to the policy and procedures. Initial work on the refresh and re-write of the policy and procedures is expected to commence in November 2014 when resources within DJD Support have the capacity. **Update November 2014 -** Resources have now been allocated within the Crime and Intelligence Directorate Support Team and work to review and revise the Property Management policy and procedures has commenced. The review will take into account the recommendations made by Baker Tilly as well as issues identified by the force Property Review Team. Training cannot be considered or scoped until the policy and procedures		

	are complete and signed off but as issues come to light Property Officers are already being provided with guidance, instructions and training to ensure that they have the knowledge and skills to adapt to changes in practice on an incremental basis. The Continuous Improvement Team are also supporting the review process and working with the property team to assess their skills and training needs. The Continuous Improvement Team are presenting their findings to DI Mark Zanker on Monday 26 January after which consideration will be given to how the recommendations are implemented
	Low Recommendation 1.7a Procedures/guides for basic operations and processes within the Unit responsible for e-Bay should be documented. Appropriate high level controls should also be included within the main Property Management Policy and Procedures. **Implementation Target Date:** December 2014 **Person Responsible: Paul Wenlock**
	Initial Management Response: This piece of work is ongoing and being completed by Dave Hargrave in the ECU under the supervision of Paul Wenlock. When completed, a process chart will be created that outlines the basic procedures and an appendix will be added to the refreshed Property Management Policy and Procedures specifically for e-bay operations and processes. **Update November 2014:** A user guide has been prepared and submitted as part of the Forces review of retained property and will be included within the main property management policy and procedure. The guide provides information and instruction for basic operation and processes. **Update January 2015**: CLOSE
	High Recommendation 1.7b The PayPal account used to collect e-Bay auction monies should be cleared on a monthly basis and an evidenced reconciliation undertaken to ensure all sold items have been accounted for. **Implementation Target Date:** September 2014 **Person Responsible: Paul Wenlock**
	Initial Management Response: Finance Department are in the process of completing a historic reconciliation across all areas. POCA is almost complete and then they will move on to POTF, which should be complete by the end of September. Going forward a monthly reconciliation will be undertaken with which funds will be withdrawn from PayPal. **Update November 2014:** The PayPal account is now being cleared on a monthly basis and is then transferred into a Nat West Bank account. A monthly reconciliation is being undertaken by Kiera Hughes in the Finance Department. **Update January 2015:** CLOSE
	End