



Office of the Police & Crime Commissioner for Leicestershire and
Leicestershire Police

Internal Audit Progress Report 2017/18

December 2017

Presented to the Joint Audit, Risk & Assurance Panel meeting of: 21st December 2017

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01 Introduction

- 1.1 The purpose of this report is to update the Joint Audit, Risk & Assurance Panel (JARAP) as to the progress in respect of the 2017/18 Internal Audit Plan which was considered and approved by the JARAP at its meeting on 17th March 2017.
- 1.2 The Police and Crime Commissioner and Chief Constable are responsible for ensuring that the organisations have proper internal control and management systems in place. In order to do this, they must obtain assurance on the effectiveness of those systems throughout the year, and are required to make a statement on the effectiveness of internal control within their annual report and financial statements.
- 1.3 Internal audit provides the Police and Crime Commissioner and Chief Constable with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the organisation's agreed objectives. Internal audit also has an independent and objective advisory role to help line managers improve governance, risk management and internal control. The work of internal audit, culminating in our annual opinion, forms a part of the OPCC and Force's overall assurance framework and assists in preparing an informed statement on internal control.
- 1.4 Responsibility for a sound system of internal control rests with the Police and Crime Commissioner and Chief Constable and work performed by internal audit should not be relied upon to identify all weaknesses which exist or all improvements which may be made. Effective implementation of our recommendations makes an important contribution to the maintenance of reliable systems of internal control and governance.
- 1.5 Internal audit should not be relied upon to identify fraud or irregularity, although our procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control will not necessarily be an effective safeguard against collusive fraud.
- 1.6 Our work is delivered in accordance with the Public Sector Internal Audit Standards (PSIAS).

02 Summary of internal audit work to date

- 2.1 We have issued six final reports in respect of the 2017/18 plan since the last progress report to the JARAP, these being in respect of Audit Committee Effectiveness, Health & Safety, Core Financial Systems, Estates Management, Commissioning and Risk Management. We have also issued a draft report in respect of Payroll where we await management's responses and the final report will be issued shortly. Further details are provided in Appendix 1.

Leicestershire 2017/18 Audits	Report Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
Audit Committee Effectiveness	Final	N/A		6	2	8
Workforce Planning	Final	Significant			2	2
Business Continuity	Final	Significant			1	1
Commissioning	Final	Significant			1	1
Health & Safety	Final	Limited	1	8	3	12
Risk Management	Final	Satisfactory		1	5	6
Estates Management	Final	Significant			2	2
Core Financial Systems	Final	Satisfactory		3		3
Payroll	Draft					
Total			1	18	16	35

- 2.2 Fieldwork in respect of Counter Fraud and Payroll Project, the latter an additional request to the audit plan, is in progress. We have agreed the scope and planned fieldwork dates for the remaining quarter four audits, these being in respect of Seized & Found Property and Payroll Provider. The audit of IT Strategy, which was originally planned for quarter 3 and was intended to encompass Northamptonshire and Nottinghamshire as well, has been deferred to quarter four following management's request to allow time for each force to reassess its IT arrangements. Further details are provided within Appendix A2.

2.3 Similarly to 2016/17, five specific areas have been identified in terms of the collaborative audits for 2017/18 and a lead officer (OPCC CFO) has been identified as a single point of contact. Four of the audits will adopt a similar scope to that of the 2016/17 audits and will look at the business plan and S22 agreement in terms of whether it is being delivered and is fit for purpose going forward; the scope will also include value for money considerations and arrangements for managing risk. The four areas of collaboration that will form the focus of these initial reviews are:

- EMCHRS Learning & Development
- EMCHRS Occupational Health
- EMSOU Forensic Services
- Criminal Justice (EMCJS)

The fifth audit within the Collaboration plan relates to the Proceeds of Crime Act (POCA) and will review the arrangements in place across the region to manage cash and property seizures.

2.4 We have issued three final reports since the last progress report to the JARAP, these being in respect of EMCHRS Learning & Development, EMCHRS Occupational Health and EMSOU Forensic Services. Further details are provided in Appendix 1.

Collaboration Audits 2017/18	Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
EMCHRS Learning & Development ¹	Final	Satisfactory		2	3	5
EMSOU Forensic Services ¹	Final	Significant			3	3
EMCHRS Occupational Health ¹	Final	Significant			3	3
Total			-	2	9	11

¹Denotes those collaborative arrangements which Leicestershire are a part of.

03 Performance

The following table details the Internal Audit Service performance for the year to date measured against the key performance indicators that were set out within Audit Charter.

No	Indicator	Criteria	Performance
1	Annual report provided to the JARAP	As agreed with the Client Officer	N/A
2	Annual Operational and Strategic Plans to the JARAP	As agreed with the Client Officer	Achieved
3	Progress report to the JARAP	7 working days prior to meeting.	Achieved
4	Issue of draft report	Within 10 working days of completion of final exit meeting.	100% (9/9)
5	Issue of final report	Within 5 working days of agreement of responses.	100% (8/8)
6	Follow-up of priority one recommendations	90% within four months. 100% within six months.	N/A
7	Follow-up of other recommendations	100% within 12 months of date of final report.	N/A
8	Audit Brief to auditee	At least 10 working days prior to commencement of fieldwork.	100% (11/11)
9	Customer satisfaction (measured by survey)	85% average satisfactory or above	100% (3/3)

Appendix A1 – Summary of Reports 2017/18

Below we provide brief outlines of the work carried out, a summary of our key findings raised and the assurance opinions given in respect of the final reports issued since the last progress report:

Core Financial Systems

Assurance Opinion	Satisfactory
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Individual Area Assurance Opinions	
General Ledger	Significant
Cash & Bank	Significant
Payments & Creditors	Satisfactory
Income & Debtors	Significant

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	3
Priority 3 (Housekeeping)	-

Our audit considered the following risks relating to the area under review:

- Clearly defined policies and/or procedures are not in place resulting in ineffective and inefficient working practices.
- Systems and data entry restrictions are not in place which could lead to inappropriate access to the systems and data.
- There are errors in accounting transactions posted on the General Ledger resulting in inaccurate financial information.
- Misappropriation of cash held by the force and lack of appropriate security to keep funds safe.
- The purchasing process is not complied with by staff which could lead to inappropriate transactions going undetected.
- An ineffective debt management process is in place which could lead to irrecoverable income and inappropriate write off of debt.
- System weaknesses are not addressed in line with agreed actions resulting in sustained weaknesses which may lead to financial loss or reputational damage.

In reviewing the above risks, our audit considered the following areas:

- General Ledger
- Cash and Bank
- Payments and Creditors
- Income and Debtors

We raised three significant (priority 2) recommendations where felt that the control environment could be improved. These related to the following:

- The Force should review the requirements for the anti-fraud checks on new and amended supplier details. Consideration should be given to completing anti-fraud checks on all companies that are invoicing the Force, rather than only "Trade Suppliers".
- The Force should complete a review of the Agresso workflow to identify the root cause of the financial delegation bypass on transaction 3040555. The workflow requirement within Agresso should be updated to seek appropriate approval for the full value of the invoice being processed in line with the delegated limits.
- Credit Notes should be accompanied with the appropriate supporting documentation to confirm the reason and value of the credit note being issued. This information should be available for the authorising officer to review to approve the issue of the credit note and should not be approved until this information is attached.

Management have confirmed that agreed actions have either been implemented or will have been by the end of March 2018.

Commissioning

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

Our audit considered the following area objectives:

Commissioning Framework

- The Commissioning Framework is aligned to the Police and Crime Plan, has been set to deliver the strategic objectives of the plan and is evidence-based in that it contributes to the PCC's desired outcomes.
- The Commissioning Framework has been put in place using best practice and available guidance.
- The Commissioning Framework draws on the views of service users and the community.
- The Commissioning Framework is regularly reviewed and updated, to ensure it stays aligned to the Police & Crime Plan.

Application of the Framework

- Commissioning Plans have been established to support the delivery of the Police and Crime Plan.
- There are appropriate supporting policies and procedures in the commissioning processes undertaken and these have been complied with.
- The commissioning process maintains adequate records that document compliance with the framework.

Commissioning Process

- During commissioning exercises the commissioning process is carried out in adherence to the commissioning framework.
- The process includes appropriate analysis of the most effective commissioning method to be followed, whether by direct commissioning, co-commissioning or partnership.
- The process includes drawing upon the views of service users and the community.
- When contracts are signed with providers, these include a clear service specification with clear results against which performance can be effectively measured.
- Each contract signed with providers is subject to regular monitoring to ensure the results are being achieved and challenges for poor performance are made.
- There is transparency in the commissioning process, with information, decisions and documents available for scrutiny.

Lessons Learned

- Following the conclusion of a commissioned service, there is an appropriate review to highlight any lessons learned or issues that should not be repeated.

We raised one priority 3 recommendation of a more housekeeping nature relating to performance monitoring. Management have confirmed that actions would be implemented by the end of December 2017.

Risk Management

Assurance Opinion	Satisfactory
Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	1
Priority 3 (Housekeeping)	5

Our audit considered the following area objectives:

Policies & Procedures

- A risk management strategy, with supporting policies and procedures, is in place and available to officers and staff.
- Procedures are in place to ensure that risks are identified; assessed; recorded; and, appropriate risk owners are assigned.

Risk Registers

- The corporate risk registers are subject to regular review and are updated in a consistent manner.
- The service risk registers are subject to regular review and are updated in a consistent manner.
- There are clear links between corporate and service risk registers.

Risk Mitigation

- Risk mitigation actions are in place and there is evidence they are monitored to ensure tasks are completed within agreed timescales.
- The methods for identifying and managing potential risk within the business areas are regularly reviewed, with consideration given to developing engagement at all levels.

Programmes and Projects

- Programmes and projects that are carried out across the Force ensure that appropriate risks are considered, reported, updated and managed from the start to finish of the project.
- The risks in relation to programmes and projects are adequately recorded on the appropriate risk register.

Reporting Arrangement

- Appropriate oversight and reporting arrangements, including between the Force and OPCC, are in place and are working effectively.

We raised one priority 2 recommendation where we believe there is scope for improvement within the control environment. This is set out below:

- In the short term, risk owners should be made aware that risks should never be deleted from Orchid and that they should be archived.

In the long term, the specification for the new software for risk management should ensure that the ability to delete risks is removed / restricted to administrators and that there is a clear audit trail for the deletion of risks.).

We also raised five priority 3 recommendations of a more housekeeping nature. These were in respect policies and procedures, risk closure procedures, departmental risk registers, mitigating actions and risk reviews, and SORB risk reports.

Management have confirmed that all agreed actions will be completed by March 2018.

Estates Management

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

Our audit considered the following area objectives:

- There is a comprehensive and approved Estates Strategy in place which is aligned with strategic and medium / long term objectives of the OPCC and Force.
- The Estates Strategy is in line with the approved budget and is aligned with a fully costed and approved stock condition survey.
- Delivery of the Estates Strategy is supported by an agreed implementation plan / programme of work.

- Capital works are carried out in accordance with the implementation plan / programme of work.
- Non-delivery of the capital programme is flagged at the earliest opportunity and actions put in place to address the issues.
- Effective processes have been put in place for the delivery of day-to-day / reactive maintenance work.
- Budget control processes ensure that actual spend is in accordance with the approved budget.
- Management information is available to enable effective monitoring of performance against the capital programme and delivery of the reactive maintenance service.

We raised two priority 3 recommendations of a more housekeeping nature; these related the following:

- The timetable for planned maintenance surveys which is currently being produced should be completed and populated to clearly identify when each site/building is due to be surveyed. This should schedule the review of all of the estate before the end of 2018, as the last set of stock condition surveys were completed in 2015. This should then allow the estate to be split into two groups, which should be surveyed on an alternating annual programme.
- The Standing Orders should be updated to reflect the change in procedure with regards to quotes obtained by the Estates Team.

Management have confirmed that whilst the former has been implemented, with regards the latter, this will be implemented as part of a full review of the Corporate Governance Framework that will be undertaken as soon as the Resources Manager and Finance Director are in place.

Health & Safety

Assurance Opinion	Limited
Recommendation Priorities	
Priority 1 (Fundamental)	1
Priority 2 (Significant)	8
Priority 3 (Housekeeping)	3

Our audit considered the following area objectives:

Roles & Responsibilities

- The roles and responsibilities are clearly defined and the individuals concerned are fully aware of these.
- Appointed officers have been assigned to support the organisation to meet its health and safety responsibilities.

Policies & Procedures

- The Force has in place policies and procedures, which incorporate relevant legislative requirements and provide clear guidance to staff.
- The policies and procedures in place are comprehensive, up-to-date and available to all relevant members of staff.
- The existing policies and procedures are regularly reviewed to ensure they are up to date.

- The Force have effective processes in place to support projects in respect of their Health and Safety requirements.

Governance

- There is an appropriate and effective governance structure in place through which Health and Safety issues are reviewed, scrutinised and managed.
- Health and Safety is promoted across the Force to ensure awareness from both police staff and police officers.

Monitoring & Reporting

- Health and Safety information is accurately produced and regularly reported to allow for effective monitoring, decision making and reporting in line with senior management requirements.
- There is an effective system in place for recording, maintaining and reporting Health and Safety data including any incidents or near misses.
- Appropriate oversight and reporting arrangements are in place and are working effectively.

Training

- Staff are fully supported, with relevant training and guidance provided to allow compliance with health and safety requirements and responsibilities.
- The Force has a robust process in place to monitor the level of health and safety training undertaken by key staff including Chief Officer Team and those who have statutory responsibilities.

We raised one priority 1 recommendation of a fundamental nature that require addressing. This is set out below:

<p>Recommendation 1</p>	<p>The RMU should support the Force and OPCC with regards the following:</p> <ul style="list-style-type: none"> a) Carrying out a data cleanse on the training database to ensure it is up to date and represents the current position with regards manager training. b) Following the above, prioritising those staff who have never completed the managerial course to ensure they receive this as soon as possible. c) The provision of training information to the Health & Safety Committees so they can ensure staff are encouraged to attend training. <p>The RMU, in liaison with the Health & Safety Committees, should determine the resource implications required for running the managerial and executive training courses in order to agree the subsequent frequency and depth of training provided.</p>
<p>Finding</p>	<p>The Force has a number of health and safety training levels in place to provide staff with the training they need to fulfil their health and safety responsibilities, dependent on their role within the organisation, there are three levels at present.</p> <p>When staff join the organisation they undertake induction training, which includes a basic level of health and safety training.</p> <p>However, it was highlighted that, at present, there is no refresher training required for staff who only undertake this level of training.</p> <p>If staff hold a managerial post then they are required to undertake a Managerial Health & Safety Training course. This course has been designed and delivered by the RMU's Health and Safety Practitioner. It includes the legal responsibilities that managers have for health and safety at the Force. This course should be re-taken every three years for staff in managerial posts.</p> <p>An Executive Level Training course is in the process of being created and it is scheduled</p>

	<p>to be delivered in September 2017. This course is for the Chief Officer Team and the senior managers at the Force and OPCC.</p> <p>The RMU maintain a list of all staff in managerial positions, received from HR, and match this to EMCHRS-L&D Training data to show if staff have completed the managerial course and, if so, when they undertook this.</p> <p>Audit reviewed this data and found the following:</p> <ul style="list-style-type: none"> • Only 1 member of the OPCC was listed (there is currently more than one Manager or Executive in the OPCC); • 8 employees listed as 'left' or 'leaving' in the current employee list; • 625 Staff/Officers listed for Manager or Exec Training; • 540 had undertaken Manager Training, therefore 85 have never undertaken Management Health and Safety Training (14%); • 131 had completed the training within the last three years (21%); • 409 staff had completed the training but not within the last three years (65%); • The average time since training has been completed is 5.2 years, with the oldest being 17.9 years; • Of the 85 to never have undertaken training, 47 are currently on the waiting list for the course.
Response	Agreed.
Timescale	<p>Principal Health & Safety Advisor</p> <ul style="list-style-type: none"> a) April 2018 b) March 2018 c) April 2018

We raised eight priority 2 recommendations where we believe there is scope for improvement within the control environment. These are set out below:

- The HR department should liaise with the RMU to ensure job / role descriptions are updated to reflect the responsibilities set out in the updated Health and Safety Procedure document.
- Once the new H&S Procedure has been signed off a clear communication strategy should be put in place to ensure that staff are made aware of their responsibilities for managing health and safety. The new Health and Safety Policy and Procedure should be made available to all staff once it has been approved.
- The Projects Team should liaise with the RMU to ensure that all projects, which have been progressed prior to the new form being put in place, have had appropriate consultation to ensure health and safety requirements are being adequately addressed. The Force should decide how cross departmental health and safety issues with regards to projects will be reported through the current governance structure.
- The Terms of Reference for the Executive Health and Safety Committee should be updated to ensure it also covers the OPCC. The Force should seek to clarify how assurance over health and safety management with the regional units, for which they are liable, will be sought.
- The RMU should produce a formal Accident/Incident reporting procedure. The procedure should provide guidance on what should be reported and how this should be reported by staff. The procedure should be clearly communicated to staff via the intranet.
- The RMU should support the force in clearing the current backlog of accidents that have not been investigated. A process should be put in place to ensure that managers undertake investigations and the RMU team quality assess them, in line with the new procedures.

- The RMU should collate all existing risk assessments held at local levels and carry out a review to ensure they can put in place an efficient process to carry out timely reviews of risk assessments.
- The Force should develop an appropriate Performance Information Framework that provides the Departmental Health & Safety Committees with the relevant detailed information. An overall summary of performance across Departments and Regional Committees should be available for the Executive Health & Safety Committee to have an overall view of key data.

We also raised three housekeeping issues with regards departmental improvement plans, building surveys and RIDDOR reporting.

Management confirmed that all actions will be addressed between April and July 2018.

Audit Committee Effectiveness

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	6
Priority 3 (Housekeeping)	2

The audit looked to provide assurance that there is an effective audit and scrutiny function in place to provide independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting and annual governance process, as set out in best practice guidance such as that published by CIPFA and the National Audit Office (NAO).

Using the five good practice principles set out in the NAO's good practice guide 'The Audit Committee Self-Assessment Checklist, 2012', and applying them to the Joint Audit, Risk & Assurance Panel, the audit objectives are to provide assurance over:

- *Principle 1: The Role of the Audit Committee* – Does the Audit Committee effectively support the Board and the Accounting Officer by reviewing the completeness of assurances to satisfy their needs, and by reviewing the reliability and integrity of these assurances?
- *Principle 2: Membership, Independence, Objectivity and Understanding* – Is the Audit Committee suitably independent and objective, and does each member have a good understanding of the objectives, priorities and risks of the organisation, and of their role on the Audit Committee?
- *Principle 3: Skills* – Does the Audit Committee contain or have at its disposal an appropriate mix of skills to perform its functions well?
- *Principle 4: Scope of Work* – Is the scope of the Audit Committee suitably defined, and does it encompass all the assurance needs of the Board and Accounting Officer?
- *Principle 5: Communication* – Does the Committee engage effectively with Financial and Performance Reporting issues, and with the work of internal and external audit? And does the Audit Committee communicate effectively with the Accounting Officer, the Board, and other stakeholders?

We raised six significant (priority 2) recommendations where felt that the control environment could be improved. These related to the following:

- Actions identified following this review of the JARAP’s effectiveness should be agreed and monitored at subsequent meetings via a standalone action plan. The JARAP work plan should be amended to include a regular review of its own effectiveness (possibly as part of the annual review of its ToR). Areas of best practice from other similar organisations discussed during the review should be considered.
As part of the JARAP’s review of its own effectiveness, consideration should be given to securing feedback from other (ie non-Panel members) contributors to the JARAP as to its effectiveness.
- There should be a review of the extent to which the JARAP annual report fulfils the areas of good practice set out in the NAO’s five good practice principles.
- All JARAP members should be required to submit a ‘Disclosable Interest’ form, even if there is no disclosure to be made, ie a ‘nil return’.
- The imminent recruitment of the JARAP Chair and a member should be supported by effective arrangements for their induction training. Amongst the areas to be included in the induction training, consideration should be given to the areas of good practice set out in the NAO five good practice principles.
- Consideration should be given to reviewing the JARAP’s training requirements, including the need for a ‘skills audit’ and training plans.
- The Panel should continue to seek input / insight from other audit committees in the region with a view to driving best practice.

We also raised two priority 3 recommendations of a more housekeeping nature. These were in respect of JARAP terms of reference and administrative support for the Panel.

It was confirmed that agreed actions have either been implemented or will be actioned by May 2018.

EMCHRS – Learning & Development

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

The East Midlands Collaborative Human Resources Service – Learning and Development (EMCHRS-L&D) unit is a four force collaboration between Derbyshire, Leicestershire, Northamptonshire and Nottinghamshire Police. Our audit considered the risks relating to the following areas under review:

- A Section 22 agreement is in place that clearly sets out the decision making and governance framework that is in place;
- A clearly defined Business Plan is in place that sets out the statutory duties, objectives and the key performance indicators for the services to be provided;
- The Business Plan is set in line with the Section 22 agreement and it is regularly reviewed to ensure it remains ‘fit for purpose’;
- There are effective reporting processes in place to provide assurances to the Forces on the performance of the unit;

- Value for money considerations are regularly reviewed and reported to the Forces; and
- The unit has procedures in place to ensure that risks are identified, assessed recorded and managed appropriately.

We raised two significant (priority 2) recommendations where felt that the control environment could be improved. These related to the following:

- EMCHRS L&D should agree Terms of Reference for the Senior Management Team to clearly state their roles and responsibilities. These should include, but not be limited to:
 - Purpose
 - Scope
 - Membership
 - Decision making authority
 - Reporting Requirements
 - Frequency of meetings
 - Review
- The unit should ensure that external contractors have a valid contact and that a process is put in place to ensure that contracts are renewed in a timely manner.

We also raised three priority 3 recommendations of a more housekeeping nature. These were in respect of policies and procedures, review of strategy and risks management.

Management have confirmed that agreed actions have either been implemented or will be actioned by the end of November 2017.

East Midlands Special Operations Unit (EMSOU) – Forensic Services

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

The East Midlands Specials Operations Unit – Forensic Services (EMSOU-FS) unit is a five force collaboration between Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire Police. The Collaboration Unit formed as a five Force collaboration in March 2014 when the five forces agreed to progress with a regional approach to forensic services.

EMSOU-FS aims to provide a quality assured forensic science and investigation service to the police forces of Derbyshire, Lincolnshire, Nottinghamshire, Leicestershire and Northamptonshire, with the strategic objective of supporting the efficient and effective investigation of crimes and incidents by these Forces in accordance with their statutory and common law responsibilities.

The Unit provides various forensic services, such as:

- Fingerprint Bureau;
- Forensic Analytical Services Team;
- Forensic Case Management;
- Crime Scene Investigation and Digital Forensic

Our audit considered the following risks relating to the area under review:

- A Section 22 agreement is in place that clearly sets out the decision making and governance framework that is in place;
- A clearly defined Business Plan is in place that sets out the statutory duties, objectives and the key performance indicators for the services to be provided;
- The Business Plan is set in line with the Section 22 agreement and it is regularly reviewed to ensure it remains 'fit for purpose';
- There are effective reporting processes in place to provide assurances to the Forces on the performance of the unit;
- Value for money considerations are regularly reviewed and reported to the Forces; and
- The unit has procedures in place to ensure that risks are identified, assessed recorded and managed appropriately.

We raised three priority 3 recommendations of a housekeeping nature. These were in respect of the following:

- The updated Section 22 agreement should be circulated and signed off by the five PCC's and CC's in a timely manner to ensure a clear agreement is established.

EMSOU-FS should agree Terms of Reference for the Managers Network. Operations and Centre groups. This should ensure they are aligned to the governance structure of the unit and that there is no duplication in the issues discussed at the governance groups across the unit.

- The overdue reviews should be carried out and the unit should consider putting a process in place to ensure that annual reviews of policies and procedures are undertaken in a timely manner.
- The Unit should consider putting a Risk Management Policy in place to formally document their existing system for managing risk.

Management confirmed that these recommendations will be actioned by April 2018.

EMCHRS – Occupational Health

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

The East Midlands Specials Operations Unit – Forensic Services (EMSOU-FS) unit is a five force collaboration between Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire Police. The Collaboration Unit formed as a five Force collaboration during 2012/13 when each force agreed to progress with a regional approach to occupational health.

The Occupational Health Unit aims to support each regional force through the delivery of a number of services including:

- Medical requirements for recruits;
- Health Screening / Health Surveillance;
- Occupational Vaccinations;
- Professional Support; and
- Incident Support – post incidents, follow up, advice and guidance.

Our audit considered the following risks relating to the area under review:

- A Section 22 agreement is in place that clearly sets out the decision making and governance framework that is in place;
- A clearly defined Business Plan is in place that sets out the statutory duties, objectives and the key performance indicators for the services to be provided;
- The Business Plan is set in line with the Section 22 agreement and it is regularly reviewed to ensure it remains 'fit for purpose';
- There are effective reporting processes in place to provide assurances to the Forces on the performance of the unit;
- Value for money considerations are regularly reviewed and reported to the Forces; and
- The unit has procedures in place to ensure that risks are identified, assessed recorded and managed appropriately.

We raised three priority 3 recommendations of a housekeeping nature. These were in respect of the following:

- The terms of reference for the SLT and Client Liaison Group should be updated to ensure consistency in the governance structure. These should include, but not be limited to:
 - Purpose
 - Scope
 - Membership
 - Decision making authority
 - Reporting Requirements
 - Frequency of meetings
 - Review
- The Unit should review and update the Risk Management Policy to ensure it matches their current needs and approach to managing risks.
- The Unit should review the performance data included within the performance pack that is presented to the Board each quarter

Management confirmed that these recommendations will be actioned by January 2018.

Appendix A2 Internal Audit Plan 2017/18

Auditable Area	Planned Fieldwork Date	Draft Report Date	Final Report Date	Target JARAP	Comments
Core Financial Systems					
Core Financial Systems	Nov 2017	Nov 2017	Nov 2017	Dec 2017	Final report issued.
Payroll	Nov 2017	Nov 2017		Dec 2017	Draft report issued.
Payroll Provider	Feb 2018			Mar 2018	
Audit Committee Effectiveness	April 2017	May 2017	Oct 2017	Dec 2017	Final report issued.
Risk Management	Aug 2017	Sept 2017	Oct 2017	Dec 2017	Final report issued.
Strategic & Operational Risk					
Seized & Found Property	Jan 2018			Mar 2018	Scheduled to start 15 th Jan.
Counter Fraud Review	Sept 2017			Dec 2017	Work in progress.
Business Continuity	July 2017	Aug 2017	Aug 2017	Sept 2017	Final report issued.
Estates Management	Oct 2017	Nov 2017	Dec 2017	Dec 2017	Final report issued.
Information Technology Strategy	Dec 2017			Mar 2018	Audit deferred to Q4 following request.
Workforce Planning	May 2017	June 2017	July 2017	Sept 2017	Final report issued.
Commissioning	Nov 2017	Oct 2017	Oct 2017	Dec 2017	Final report issued.

Auditable Area	Planned Fieldwork Date	Draft Report Date	Final Report Date	Target JARAP	Comments
Other					
Health & Safety	Aug 2017	Sept 2017	Nov 2017	Dec 2017	Additional request. Final report issued.
Payroll Project	Dec 2017			Mar 2018	Starts 11 th Dec.
Collaboration					
EMCHRS Learning & Development	Aug 2017	Aug 2017	Sept 2017	Dec 2017	Final report issued.
EMCHRS Occupational Health	Oct 2017	Nov 2017	Nov 2017	Dec 2017	Final report issued.
EMSOU Forensic Services	Sept 2017	Oct 2017	Oct 2017	Dec 2017	Final report issued.
Criminal Justice (EMCJS)	Dec 2017			Mar 2018	F/w starts 4 th Dec.
POCA	Jan 2018			Mar 2018	

Appendix A3 – Definition of Assurances and Priorities

Definitions of Assurance Levels		
Assurance Level	Adequacy of system design	Effectiveness of operating controls
Significant Assurance:	There is a sound system of internal control designed to achieve the Organisation's objectives.	The control processes tested are being consistently applied.
Satisfactory Assurance:	While there is a basically sound system of internal control, there are weaknesses, which put some of the Organisation's objectives at risk.	There is evidence that the level of non-compliance with some of the control processes may put some of the Organisation's objectives at risk.
Limited Assurance:	Weaknesses in the system of internal controls are such as to put the Organisation's objectives at risk.	The level of non-compliance puts the Organisation's objectives at risk.
No Assurance	Control processes are generally weak leaving the processes/systems open to significant error or abuse.	Significant non-compliance with basic control processes leaves the processes/systems open to error or abuse.

Definitions of Recommendations	
Priority	Description
Priority 1 (Fundamental)	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.
Priority 2 (Significant)	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
Priority 3 (Housekeeping)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

Appendix A4 - Contact Details

Contact Details

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A5 Statement of Responsibility

Status of our reports

The responsibility for maintaining internal control rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy of the internal control arrangements implemented by management and perform testing on those controls to ensure that they are operating for the period under review. We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone are not a guarantee that fraud, where existing, will be discovered.

The contents of this report are confidential and not for distribution to anyone other than the Office of the Police and Crime Commissioner for Leicestershire and Leicestershire Police. Disclosure to third parties cannot be made without the prior written consent of Mazars LLP.

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