



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

Internal Audit Progress Report 2018/19

April 2019

Presented to the Joint Audit, Risk & Assurance Panel meeting of: 25<sup>th</sup> April 2019

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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 2018/19 Internal Audit Plan, which was considered and approved by the JARAP at its meeting on 21<sup>st</sup> February 2018.
- 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 four final reports in respect of the 2018/19 plan since the last progress report to the JARAP, these being in respect of the Core Financial Systems, Payroll, Health & Safety and General Data Protection Regulations (GDPR). We have also issued a draft report in respect of Payroll Provider where we await management's response. Further details are provided in Appendix 1.

Leicestershire 2018/19 Audits	Report Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
Procurement	Final	Satisfactory		2	1	3
Firearms Licensing	Final	Satisfactory		1	1	2
Governance	Final	Satisfactory		2	1	3
Data Quality	Final	Satisfactory		3	1	4
Fleet Management	Final	Satisfactory		4	1	5
IT Strategy	Final	Significant			2	2
Core Financials	Final	Satisfactory				
• Payments & Creditors		Satisfactory		1		1
• General Ledger		Significant				0
• Cash & Bank		Significant			1	1
• Income & Debtors		Satisfactory		1		1
Payroll	Final	Satisfactory		1	2	3
Payroll Provider	Draft					
Health & Safety	Final	Satisfactory		3	1	4
GDPR	Final	Satisfactory	1		3	4
<b>Total</b>			<b>1</b>	<b>18</b>	<b>14</b>	<b>33</b>

- 2.2 Fieldwork in respect of the final two audits for the year, Property Management and Archive Management, has recently been completed and draft reports will be issued shortly.
- 2.3 The 2018/19 Collaboration Internal Audit Plan is largely complete. Since the last progress report to the JARAP we have issued three final reports, these being in respect of Strategic Financial Planning, Risk Management and Business Planning. Additionally, we were asked to undertake an additional audit in respect of Projected Underspends and the draft report has recently having been issued. Further details are provided in Appendices 1 and 2.

Collaboration Audits 2018/19	Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
Strategic Financial Planning	Final	Satisfactory		4		4
Risk Management	Final	Satisfactory		3	3	6
Business Planning	Final	Satisfactory		2	1	3
Projected Underspend	Draft					
<b>Total</b>			<b>-</b>	<b>9</b>	<b>4</b>	<b>13</b>

## 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% (11/11)
5	Issue of final report	Within 5 working days of agreement of responses.	100% (10/10)
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% (13/13)
9	Customer satisfaction (measured by survey)	85% average satisfactory or above	100% (4/4)

## Appendix A1 – Summary of Reports 2018/19

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 in respect of the 2018/19 Internal Audit Plan:

### Leicestershire

#### Core Financial Systems

<b>Assurance Opinion</b>	Satisfactory
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<b>Area Assurance on adequacy and effectiveness of internal controls</b>	
General Ledger	Significant
Cash, Bank & Treasury Management	Significant
Payments & Creditors	Satisfactory
Income & Debtors	Satisfactory

<b>Recommendation Priorities</b>	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	2
Priority 3 (Housekeeping)	1

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
- Previously Identified Weaknesses

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

- The Force should ensure that fraud checks are carried out and documented in line with its processes for all new suppliers and requests to change supplier details.
- The Force should ensure that actions are taken to chase any outstanding monies owed in line with policy, with actions taken documented within Agresso.

We also raised a priority 3 recommendation of a more housekeeping nature. This was with regards the need to create detailed documentation to govern cash payments, distinguishing between operational and routine expense claims, and detailing the circumstances under which each is appropriate, and the thresholds above which approval will be required.

Management confirmed that actions had either already been implemented or will be completed by the end of March 2019.

## Payroll

<b>Assurance Opinion</b>	<b>Satisfactory</b>
<b>Recommendation Priorities</b>	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	1
Priority 3 (Housekeeping)	2

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

### Policies and Procedures

- Procedures and policies are in place to support the effective administration of the function and are communicated to all relevant staff.

### System Security and management of information

- Confidentiality and security of the payroll system(s) and employee records are maintained through the reliable operation of the system(s);
- Payroll information is produced in a timely manner and secured to allow for effective monitoring and decision making;
- Timely Payroll control account reconciliations are undertaken, with any balancing items investigated to ensure the integrity, reliability and accuracy of the Payroll systems.

### Starters, Leavers and Variations

- New joiners are accurately and timely added to the payroll with terms and conditions as per their contracts of employment;



- Leavers are timely removed from the payroll with outstanding commitments calculated and recouped where necessary;
- Variations and adjustments to employee payroll records are accurately processed in a timely manner.

Deductions

- Deductions, both statutory and voluntarily made, are accurately in line with contracts of employment.

Payments & Expenses

- Payments to staff, including expense claims and overtime payments, are made in line with Force policy, contracts of employment and legislative requirements.

We raised one significant (priority 2) recommendation where we felt that the control environment could be improved. This related to the following:

- Effective monitoring and analysis of issues is key to driving performance and this should be resumed through use of the advances and overpayments spreadsheet.

In addition to this, management should review the reporting capabilities of iTrent to enhance the level of analysis at a more granular level.

We also raised two priority 3 recommendations of a more housekeeping nature relating to audit trail for voluntary deductions and completion of new starter forms.

Management have confirmed that agreed actions have either already been implemented or will be completed by September 2019.

**General Data Protection Regulations**

<b>Assurance Opinion</b>	Satisfactory
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<b>Recommendation Priorities</b>	
Priority 1 (Fundamental)	1
Priority 2 (Significant)	-
Priority 3 (Housekeeping)	3

Audit testing looked to provide assurance that effective systems and controls are in place to mitigate against / contribute to the following risks and objectives:

- The Force has not sufficiently applied changes to data protection regulation;
  - The Force has an action plan in place which addresses the key areas of GDPR and provided a clear plan by which the force would be compliant.
  - The Force has completed a 'Privacy Impact Assessment' on new systems or they form part of the project life cycle.
  - The Force undertook an exercise to map and understand the data which is collected and currently stored, and this has been utilised to identify potential risks to compliance with GDPR. (N.B. does the mapping include what data is held, where it came from and who it is shared with?)

- The Force's management and staff are unaware of the updated regulations, and their increased responsibilities. how the organisation is structured to assess compliance against requirements;
  - The Senior Management team were informed and made fully aware of the risks posed by the implementation of the GDPR. (N.B. consider whether GDPR is identified as a risk on the Force's risk map, and whether the score can be justified)
  - Those staff who handle data have received, training on the GDPR. (N.B. consider whether the training relates to operational 'day-to-day' information handling)
- The Force is non-compliant with the GDPR.
  - The Force has identified a method of obtaining consent for the information collected by service users internally such as HR etc. (N.B. if this is already in place, review a sample of transactions where consent should be obtained and ensure there is a clear record of this consent).
  - The Force is subject to the guidance on law enforcement processing and we will consider how the force has applied this guidance internally.
  - The Force has considered how best to communicate the changes in regulation to service users, including the 'right to erasure'.
  - The Force has identified and appointed a 'Data Protection Officer', and the officer is suitably placed within the organisation.
  - The Force has identified how data can and should be deleted from all relevant systems.
  - The Force has a clear process for the identification, review and reporting of a personal data breach, which incorporates the updated 72-hour timescale to report the breach. (N.B. does the process seem feasible in 72 hours?)
  - The force has a clear subject access request policy in place and has dealt with requests appropriately since the May GDPR deadline.

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

<b>Recommendation</b> 1	<p>The organisation should seek to complete the implementation of its action plan.</p> <p>We acknowledge the approach being taken to complete the Information Asset Register and this should look to be completed as soon as is practical. It will require management commitment and adequate resource to implement and oversight of management to ensure it is implemented in a timely manner.</p>
<b>Finding</b>	<p>The force has performed a thorough and detailed gap analysis of compliance following national police and ICO guidance on the subject and actions were identified in an action/project plan. Whilst good progress has been made and the plan is being actively managed and updated, we note a significant number of outstanding actions remain.</p> <p>Development of the Information Asset Register (IAR) process is still ongoing as some challenges have been found in getting data in some areas. However, it is being managed and updated with responsibilities assigned to the Information Asset Co-ordinator. We did also note the lack of inclusion of non-operational or back office systems. We were informed that this was expected in a next phase of development of the IAR.</p> <p>The plan provides a means of moving towards compliance and therefore we acknowledge its aims. Management acknowledge there is still work to do but the recognition of the importance of GDPR is being expressed and has increased.</p>

<b>Response</b>	<p>a) The information Management department will undertake a summary report of overall GDPR compliance for the DCC and SORB which will be ready by the next SORB (March approx.)</p> <p>b) The Info Asset Register is business as usual and is a long term work. A roll out plan has been formalised and will be presented to the DCC for approval. The plan now includes back office functions.</p>
<b>Timescale</b>	<p>a) 1<sup>st</sup> March 2019</p> <p>b) Ongoing</p> <p>Steven Morris – Head of Information Management</p>

We also raised three priority 3 recommendations of a more housekeeping nature relating to the establishment of a Deputy Data Protection Officer, available resources to deal with Subject Access Requests and regional data protection meetings.

Management have confirmed that agreed actions will be completed between April and December 2019.

## Health & Safety

<b>Assurance Opinion</b>	Satisfactory
Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	3
Priority 3 (Housekeeping)	1

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

### Policies, Procedures and Guidance

- 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 and 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 & 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 three priority 2 recommendations where we believe there is scope for improvement within the control environment. These are set out below:

- When the HAY re-evaluation takes place there should be discussion regarding updating job / role descriptions to reflect the responsibilities set out in the updated Health and Safety Procedure document.
- 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 Force should prioritise those staff who have never completed the managerial course to ensure they receive this as soon as possible.
- When undertaking a dip sample a minimum number of cases should be investigated over the year. Consideration should be given to undertaking spot checks on 10% of the accidents not reported to HSE, as an additional check that reportable incidents have not been missed.

We also raised a priority 3 recommendation of a more housekeeping nature with regards responsibilities, the format of risk registers and risk scoring, and the alignment of force risk.

Management confirmed that agreed actions will be completed by July 2019.

## Regional Collaboration Units

### **Strategic Financial Planning**

<b>Assurance Opinion</b>	Satisfactory
<b>Recommendation Priorities</b>	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	4
Priority 3 (Housekeeping)	-

Our audit considered the risks relating to the following control objectives:

### Development of financial plans

- An effective and informed medium term financial plan (MTFP) is in place to ensure that a comprehensive review of the unit's financial position for the current and future years is undertaken and reviewed on a regular basis.
- The MTFP and financial planning process is aligned with key objectives, priorities and strategies set out in the unit's Business Plan.
- Appropriate assumptions are made as part of the planning process.

- Responsibility for creation, review and sign off of the MTFP is defined and controls are in place to ensure these responsibilities are discharged effectively.
- The financial planning process takes into account the requirements of the individual regional forces.

#### Delivery of Efficiency Savings

- Efficiency savings are incorporated into the MTFP and these savings are monitored on a regular basis.
- There is evidence of stakeholder engagement in evaluating the proposed savings and they take into account the impact on the wider Force and region.
- The Regional Efficiency Board has a key role in reviewing and challenging financial plans and savings assumptions.
- Procedures and guidance are available to support the effective delivery of the savings programme, including the methodology / rationale for calculating and justifying the proposed savings.
- Responsibilities for the delivery of individual savings targets are agreed and understood.
- There is a rigorous process for challenging the proposed savings targets, including their subsequent approval.
- Processes exist to enable management to highlight potential failure to deliver efficiency savings and action taken accordingly.

#### Budget Management and Monitoring

- MTFP is regularly monitored to ensure financial performance is aligned with ongoing budget management and monitoring procedures.
- Regular monitoring is undertaken to enable timely management information to be produced to assess performance and accuracy of the MTFP.
- Reports on financial performance are submitted in a timely manner to the relevant forum, including the relevant regional forces.

#### Budget Shortfall/ variances to budget projections

- Budget shortfalls/ variances to budget projections are recognised as part of the MTFP process.
- Shortfalls and variances are monitored and the MTFP updated accordingly as these occur through the financial year, with future impact on deliver of the overall plan assessed.

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

- We concur with attempts to establish a longer term financial plan. These should follow a clearly defined MTFP Process that is agreed and applied across the regions collaboration units.

This should include a clear timetable for the preparation of plans and the appropriate levels of scrutiny through to final approval.

- The Collaboration budget setting process should be aligned with local Forces to ensure budgets are sufficient to meet service requirements. When collaboration budgets include elements that are held with the local Force (such as Officers in Kind), these are correctly stated across the Force budget and the collaboration budget.
- To ensure consistency and clarity for financial planning, clear reporting lines should be established so that individual(s) who have responsibilities for delivering budgets are clearly held to account.
- The Resource Board should determine a consistent approach to budget underspends and efficiency savings to ensure each collaboration unit is engaged and incentivised to deliver efficiency savings.

Moreover, there should be clarity when savings are being prepared and proposed so that it is understood what type of saving are being proposed and the impact for all stakeholders.

Management confirmed that actions had either already been addressed or will be completed by April 2019.

## Risk Management

<b>Assurance Opinion</b>	Satisfactory
<b>Recommendation Priorities</b>	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	3
Priority 3 (Housekeeping)	3

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

- Procedures are in place to ensure that risks relating to the unit are identified, assessed, recorded, and appropriate risk owners are assigned.
- Responsibility for risk, both in terms of supporting the overall risk management process across the unit and individual risk owners, is delegated and understood.
- Risks are managed, where appropriate, at all levels of service delivery:
  - Strategic
  - Operational
  - Contracts
  - Programme
  - Partnership
- Risk registers are in place and are adequate and reasonable in terms of risk scoring, documented mitigation and action plans.
- The risk register is subject to regular review and is updated in a timely and consistent manner.
- Risk mitigation actions are in place and there is evidence they are monitored to ensure tasks are completed within agreed timescales.
- Appropriate oversight and reporting arrangements are in place and are working effectively.
- Collaboration unit risk registers are aligned with individual force registers, including how risks are escalated and reviewed, ensuring that duplication is minimised.
- Risk registers are routinely shared with force risk managers in order to ensure there is awareness across the region of the risks collectively being faced and how those risks are being mitigated.

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

- The EMSOU unit should establish a Risk Management Policy or Strategy to formally document their existing system for managing risk.
- The Collaboration Units should ensure that their Risk Registers are fully completed.

- The collaboration units should review their risk mitigation actions to confirm they clearly align to the risks. The collaboration units need to ensure that the risk registers are regularly reviewed and updated.

Updates need to be specific to the risks and agreed mitigating actions

When the risk registers are reviewed by management within the collaboration units, the lack of updates on risks should be challenged and actions set to ensure risks are being actively managed.

We also raised three priority 3 recommendations of a more housekeeping nature with regards responsibilities, the format of risk registers and risk scoring, and the alignment of force risk.

Management confirmed that actions will be completed by June 2019.

## Business Planning

<b>Assurance Opinion</b>	Satisfactory
<b>Recommendation Priorities</b>	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	2
Priority 3 (Housekeeping)	1

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

- There is a Section 22 agreement in place which sets out how the unit will operate and which underpins how the business plan is constructed.
- There is a clearly defined business plan in place that sets out, amongst other elements, the statutory duties and aims / objectives of unit and the key performance measures against which the service will be monitored.
- There is a clear link between strategic planning and service delivery such that:
  - Business Plan – how the unit will deliver its objectives;
  - Service Plans – operational plans for each area of activity; and
  - Individual Work Plans – how individuals will contribute towards the objectives and priorities of the unit.
- There is a robust business planning process in place that covers both the current year but also includes future year considerations.
- The business planning process includes the assessment of resources to achieve the stated objectives / priorities.
- The reliance on partners / suppliers to deliver the business plan is considered.
- The business plan is kept under review to ensure that it remains 'fit for purpose' and meets the requirements of each regional Force.
- The business plan is aligned with the Section 22 agreement and sets out the key deliverables of the service.
- Supporting each deliverable, there are clear, measurable performance measures against which the service will be measured.
- Performance management / reporting arrangements are in place to support the effective delivery of the service.

- Effective reporting routines are in place which provide up to date and accurate information to each regional force on the delivery of the service.
- Plans are in place and are appropriately reported in respect of agreed actions to address identified issues.
- There are clear policies and procedures in place supporting delivery of the service which are aligned to the delivery of the business plan.

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

- The EMSOU collaboration unit should progress plans to adopt business plans for the four main areas of operation – Serious Organised Crime, Major Crime, Forensic Services and Special Branch. A timetable should be established to ensure these business plans are put in place in a timely manner.

The EMOpSS collaboration unit should ensure an appropriate business plan is adopted once the new format of the unit has been established.

- The Collaboration Units should ensure that there is an agreed business planning process that is scheduled annually.

The planning process should include

- Coverage of both the current year but also includes future year considerations.
- The assessment of resources to achieve the stated objectives / priorities.

We also raised a priority 3 recommendation of a more housekeeping nature with regards the format of business plans.

Management confirmed that actions will be completed by May 2019.



## Appendix A2 Internal Audit Plan 2018/19

Auditable Area	Plan Days	Planned Fieldwork Date	Draft Report Date	Final Report Date	Target JARAP	Comments
<b>Core Financial Systems</b>						
Core Financial Systems	17	Dec 2018	Jan 2019	Feb 2019	April 2019	Final report issued.
- Payments & Creditors						
- General Ledger						
- Cash & Bank						
- Income & Debtors						
Payroll	5	Jan 2019	Feb 2019	Feb 2019	April 2019	Final report issued.
Code of Governance	6	June 2018	June 2018	July 2018	Sept 2018	Final report issued.
Payroll Provider	5	Feb 2019	Mar 2019		April 2019	Draft report issued.
<b>Strategic &amp; Operational Risk</b>						
Firearms Licensing	8	May 2018	May 2018	Aug 2018	Sept 2018	Final report issued.
IT Strategy	10	July 2018	Sept 2018	Oct 2018	Dec 2018	Final report issued.
Procurement	7	May 2018	May 2018	June 2018	Sept 2018	Final report issued.
Health & Safety	7	Jan 2019	Jan 2019	Mar 2019	Apr 2019	Final report issued.
Data Quality	8	July 2018	July 2018	Aug 2018	Sept 2018	Final report issued.
GDPR	10	Nov 2018	Dec 2018	Feb 2019	April 2019	Final report issued.

<b>Auditable Area</b>	<b>Plan Days</b>	<b>Planned Fieldwork Date</b>	<b>Draft Report Date</b>	<b>Final Report Date</b>	<b>Target JARAP</b>	<b>Comments</b>
Fleet Management	7	Aug 2018	Aug 2018	Sept 2018	Dec 2018	Final report issued.
Property Management	10	Mar 2019			July 2019	Fieldwork completed.
Archive Management	8	Mar 2019			July 2019	Fieldwork completed.
<b>Collaboration</b>						
Risk Management	3	Aug 2018	Nov 2018	Feb 2019	April 2019	Final report issued.
Strategic Financial Planning	3	July 2018	Oct 2018	Feb 2019	Dec 2018	Final report issued.
Business Planning	3	Sept 2018	Jan 2019	Mar 2019	April 2019	Final report issued.
Review of Collaboration Assurance Statements	1	May 2018	May 2018	June 2018	Sept 2018	Final memo issued.
Projected Underspend	2	Feb 2019	Mar 2019		July 2019	Additional request. Draft report issued.

## Appendix A3 – Definition of Assurances and Priorities

Definitions of Assurance Levels		
Assurance Level	Adequacy of system design	Effectiveness of operating controls
<b>Significant Assurance:</b>	There is a sound system of internal control designed to achieve the Organisation's objectives.	The control processes tested are being consistently applied.
<b>Satisfactory Assurance:</b>	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.
<b>Limited Assurance:</b>	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.
<b>No Assurance</b>	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
<b>Priority 1 (Fundamental)</b>	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.
<b>Priority 2 (Significant)</b>	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
<b>Priority 3 (Housekeeping)</b>	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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