

Office of the Cambridgeshire Police and Crime Commissioner and Cambridgeshire Constabulary

Internal Audit Progress Report – 2013/14

Joint Audit Committee Meeting – 23 June 2014

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1. Introduction

- 1.1 The periodic internal audit plan for 2013/14 was approved by the Interim Joint Audit Committee in March 2013. This report summarises the outcome of work completed to date against that plan, and Appendices B and C provide cumulative data in support of internal audit performance.

2. Final Reports Issued

- 2.1 We have finalised six reports since the last Committee Meeting, these are in the areas of:

2013/14

- Collaboration – Governance (Joint .13/14) (Joint review across Beds, Cambs and Herts with contribution from audit plans from Beds and Cambs)
- Risk Management (12.13/14)
- Proactive Fraud – Proceeds of Crime Act and Cash Seizures (13.13/14)
- Financial Top Up Testing (14.13/14)
- Follow Up (15.13/14)
- Collaboration – Procurement (16.13/14)

We have included in Appendix D, the agreed actions plans of each of the finalised reports (including High and Medium recommendations only). This completes the audit plan for 2013/14.

3. Key Findings from Internal Audit Work

- 3.1 The Joint Audit Committee should note that the assurances given in our audit assignments are included within our Annual Assurance report. In particular the Joint Audit Committee should note that any negative assurance opinions will need to be noted in the annual report and may result in a qualified or negative annual opinion.
- 3.2 No common weaknesses have been identified within our reports so far for 2013/14. Furthermore, no findings to date will impact negatively on the Head of Internal Audit opinion which is a separate agenda item.

4. Work in Progress or Planned

4.1 All 2013/14 work has been completed, we are now working on 2014/15 reviews and will report progress to the next Committee.

5. Liaison with Management and External Audit

5.1 Regular progress meetings have been held with a representative from the Corporate Development Department. Meetings have also been held with the Chief Finance Officers to discuss the work completed to date, our key findings and the Internal Audit Plan for 2014/15. We are in the process of agreeing audit dates and scopes with management for the year.

5.2 We have also liaised with the External Audit to agree the protocol and make arrangements for sharing our audit working papers.

5.3 Other Assurances

6.1 As part of our agreed audit plan we included some collaborative reviews across Bedfordshire, Cambridgeshire and Hertfordshire. We have included in Appendix B the outcome of the final reviews including the level of assurance and number of recommendations. The final report have been sent to members of the Committee separately for information, however, the scrutiny of these reviews will be undertaken by the individual Joint Audit Committee.

7. Changes to our Plan

7.1 There have been no changes to the 2013/14 or 2014/15 audit plan since the last Joint Audit Committee.

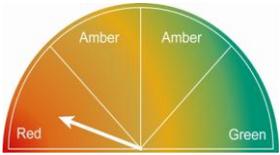
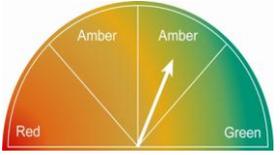
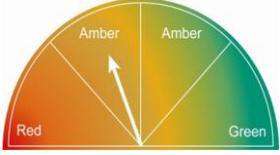
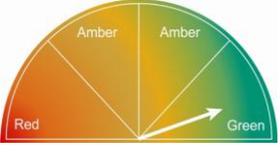
8. Sector Guidance

8.1 We have issued the following updates electronically since the last Joint Audit Committee;

- LG eUpdate March 2014
- LG News Briefing April 2014

APPENDIX A: Definitions of the levels of assurance and the classification of recommendations

Recommendation Categorisation			
Priority	Description		
High	Recommendations are prioritised to reflect our assessment of risk associated with the control weaknesses.		
Medium			
Low			

Opinions			
The definitions for the level of assurance that can be given are:			
Opinion	Description	Opinion	Description
	<p>Taking account of the issues identified, the OPCC & Force cannot take assurance that the controls upon which the organisation relies to manage this risk/area are suitably designed, consistently applied or effective. Action needs to be taken to ensure this risk is managed.</p>		<p>Taking account of the issues identified, the OPCC & Force can take reasonable assurance that the controls upon which the organisation relies to manage this risk/area are suitably designed, consistently applied and effective. However we have identified issues that, if not addressed, increase the likelihood of the risk materialising.</p>
	<p>Taking account of the issues identified, whilst the OPCC & Force can take some assurance that the controls upon which the organisation relies to manage this risk/area are suitably designed, consistently applied and effective, action needs to be taken to ensure this risk is managed.</p>		<p>Taking account of the issues identified, the OPCC & Force can take substantial assurance that the controls upon which the organisation relies to manage this risk/area are suitably designed, consistently applied and effective.</p>

APPENDIX B: OPERATIONAL PLAN PERFORMANCE 2013/14

Detailed below is a summary of the work undertaken 2013/14 to date, showing the levels of assurance given and the number of recommendations arising. Definitions with regard to the levels of assurance and the classification of recommendations are provided overleaf.

The four reports in bold are being discussed at this meeting.

Auditable Area	Status	Assurance level given	Number of Recommendations Made				
			H	M	L	In Total	Agreed
Reports finalised to date 2013/14 plan							
Absence Management (1.13/14)	FINAL	GREEN	0	1	1	2	2
Health and Safety (2.13/14)	FINAL	AMBER / RED	0	5	4	9	9
Governance Framework (3.13/14)	FINAL	GREEN	0	0	0	0	0
Covert Human Intelligence Source Payments (4.13/14)	FINAL	GREEN	0	0	0	0	0
Income and Debtors (5.13/14)	FINAL	AMBER / RED	1	0	5	6	6
General Ledger (6.13/14)	FINAL	GREEN	0	0	4	4	4
Cash Banking and Treasury Management (7.13/14)	FINAL	GREEN	0	0	0	0	0
Data Security Arrangements for Tablet Computers (8.13/14)	FINAL	AMBER / GREEN	0	2	3	5	5
Payroll (Including pensions and expenses) (9.13/14)	FINAL	GREEN	0	1	2	3	3
Victim and Witness Care (10.13/14)	FINAL	AMBER / RED	1	2	2	5	5
Payments and Creditors (11.13/14)	FINAL	AMBER / RED	1	0	2	3	3
Collaboration – Governance (Joint .13/14) (Joint review across Beds, Cambs and Herts with contribution from audit plans from Beds and Cambs)	FINAL	ADVISORY	2	10	0	12	12

Auditable Area	Status	Assurance level given	Number of Recommendations Made				
			H	M	L	In Total	Agreed
Risk Management (12.13/14)	FINAL	OPCC – Amber / Green Force - Amber / Green	0	6	6	12	12
Proactive Fraud – Proceeds of Crime Act and Cash Seizures (13.13/14)	FINAL	Red	2	6	0	8	8
Financial Top Up Testing (14.13/14)	FINAL	Green	0	1	2	3	3
Follow Up (15.13/14)	FINAL	Adequate	0	7	10	17	17
Collaboration – Procurement (16.13/14)	FINAL	Amber / Red	0	10	3	13	13

Other Assurances (for information only)

Auditable Area	Status	Assurance level given	Number of Recommendations Made				
			H	M	L	In Total	Agreed
Bedfordshire							
Collaboration – Scientific Services Unit	FINAL	Amber / Green	0	2	1	3	3
Hertfordshire (Different opinions used (Full, Substantial, Moderate, Limited, No Assurance))							
Financial Control for collaborated work streams	FINAL	Substantial	0	3	1	4	4
Road Policing	FINAL	Moderate	3	1	0	4	4

APPENDIX C: 2013/14 WORK IN PROGRESS (including reports still in draft)

All reports finalised.

APPENDIX D: Action Plans (HIGH and MEDIUM recommendations only) further information for Red and Amber / Red opinions.

Assignment: Collaboration – Governance (Joint .13/14)				Opinion: Advisory	Recs: H - 2 M - 10 L - 0	
<p><u>Conclusion</u></p> <p>Collaborative governance arrangements between the six corporate soles are in the infancy and require further development and drive to ensure that tangible benefits are realised.</p> <p>The work that has taken place in relation to Joint Protective Services & Professional Standards that has seen the introduction of an MOU and a Section 22 Collaboration Agreement has resulted in improved governance arrangements between the six organisations. These agreements need to be replicated for ICT, Procurement, Firearms Licensing and any other relevant or future collaboration so that the governance arrangements for these corporate functions are enhanced for benefits to be realised.</p>						
Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
Aspects that require further refinement, i.e. 'Getting your house in order'.						
1.1	Once finalised, the Section 22 Collaboration Agreement should be signed by the Police & Crime Commissioners and Chief Constables of the six parties to ensure it is binding.	Medium	Yes	The JPS Section 22 was finalised and signed off on 9 th December 2013. This will be used as the model for future Section 22s.	Completed	DCC Director of Change
1.2	The Terms of Reference for the Alliance Summit should be amended to outline the specific duties partners will undertake to effectively fulfil the defined role of the committee. In addition, the terms should state a quorum and set out the deputies of the members.	Medium	Yes	The Strategic Business case for additional collaboration will be presented to the Alliance on 1/4/14, this will necessitate additional amendments to the ToR and all changes to it will be made at the same time.	April 2014	Beds CE

	The Alliance Summit members should review and accept the terms once the review has taken place.					
1.3	The Police Forces/Constabularies should agree where Strategic Alliance Policies are required and ensure these are documented, agreed and communicated in a timely manner to ensure compliance with the Section 22 Agreement for Joint Protective Services & Professional Standards.	Medium	Yes	Will be reviewed once the new Change Portfolio Office has been staffed in April 2014 and this activity will be incorporated within the overall delivery plan.	May 2014	DCC Director of Change
1.4	Reviewed and updated Collaboration Agreements should be in place for each of areas where the OPCCs and Forces agree to collaborate. These should follow the format of the Section 22 agreement and be approved and signed.	Medium	Yes	Once the Change Portfolio Office has been staffed in March 2014 it will complete this work as part of 'business as usual'. The Office will work with the OPCC Joint Oversight Committee administrator to coordinate.	April 2014	Lead for Collaboration Team / OPCC Committee administrator
1.5	The governance arrangements for ICT, Procurement and Firearms Licensing should be clearly defined, put in place and maintained.	Medium	Yes	This will be incorporated into the s22As for Org Support / Op Support. Terms of Reference have been amended to allow governance arrangements for existing two Force collaborations to be considered.	May 2014	Head of Change Portfolio Office / OPCC Committee Administrator
1.6	Terms of Reference should be developed and agreed for the Chief Constables Management Board and minutes /action logs should be taken from the meetings.	Medium	Yes	This is now complete.		DCC Director of Change
1.7	Service Level Agreements should be in place for all business areas to support the Collaboration Agreements. These should include clear key performance indicators for each functional business area that should be reported against regularly.	Medium	Yes	Strategic level SLAs are included in the JPS s22A. Other business areas to be incorporated within the overall delivery plan. JPS Performance framework to	Completed April 2014 May 2014	Beds CE DCC Director of Change

				be developed and agreed with PCCs.		Beds DCC
1.8	The action plan to ensure compliance with the conditions of the Section 22 Agreement should include implementation dates for each agreed action and be actively monitored.	Medium	Yes	This is incorporated within the overall project management plan.	Jan 2014	Beds DCC
Going forward / strategy						
2.1	The OPCC's and Forces/Constabularies should sign up to an agreed vision for collaboration over the medium term in order to provide drive and impetus to collaboration initiatives. This should clarify all areas where the organisations seek to collaborate and a clear timetable for collaboration.	High	Yes	MoU signed by PCCs, CEs and CCs in December 2013 sets out the principles and next steps including need for timetable and prioritised workplan. A Shared Vision has been produced. This is now complete.	Complete	Chief Constables
2.2	An assessment of the resources required to deliver collaboration should be undertaken, with responsibility for key workstreams and deliverables assigned to staff/officers.	High	Yes	Resources are currently being identified and key management responsibilities defined. The new teams to deliver prioritised workstreams will be in place in April 2014.	April 2014	DCC Director of Change
2.3	The OPCC's should agree a timetable for undertaking a full benefit realisation exercise aimed at assessing the effectiveness of its collaborative governance arrangements.	Medium	Partial	It is proposed to benchmark and seek external assurance on collaborative governance arrangements.	Jan 2015	OPCC Committee Administrator
Broader issues						
3.1	A working group should be convened to agree principles and ensure consistency with the Schemes of Consent for each OPCC.	Medium	Partial	A CFO Lead has been agreed to work with the other CFOs and Forces to draw up a consistent Scheme of Consent.	April 2014	CFOs / Cambridgeshire OPCC

Assignment: Risk Management (12.13/14)				Opinion: OPCC - Amber / Green Force - Amber / Green		Recs: H - 0 M - 6 L - 6
Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
FORCE						
1.2	<p>A review of the way in which operational risk is recorded and managed at Service Area/Department level is required by the Risk Review Board. We would recommend that:</p> <ul style="list-style-type: none"> The three key Service Areas of Corporate Development Department, Territorial Policing and Investigations are required to establish operational risk registers using the 4Risk software. (Where required each Area can have a sub area for a department) Appointment of a risk lead in each case to manage the register and monitor the risk review process. Possible inclusion of these risk leads on the Risk Review Board? Consideration in the future on how 'other' Department's risk management is managed/monitored, i.e. Finance, HR, Estates etc. although accept that as collaboration increases these will become more cross Forces related. Once established the Board should consider what risk management awareness training is required to 	Medium	Partially accepted	<p>The three areas will have formal risk registers set up and oversight of these registers will be maintained by the RRB. Each of the departmental risk register owners will present the relevant register to the RRB on a rolling programme. However, while it is important the registers are robustly maintained, they won't necessarily be created using 4Risk software.</p> <p>Each of the departments have risk leads (below Ch Supt level) however it will be expected that the senior manager presents the register to the board.</p> <p>Once the process for maintaining oversight of the three main areas is embedded, this will be extended to cover the other areas mentioned. It is expected that this process will allow the training needs of personnel to become clear.</p>	<p>31st May 2014</p> <p>30th June 2014</p>	<p>Neil Stacey (Force Risk Manager)</p> <p>Neil Stacey (Force Risk Manager)</p>

	Force personnel.					
1.4	<p>In respect of the identification and recording of assurances to validate that controls are effective we recommend:</p> <ul style="list-style-type: none"> • In accordance with the Risk and Opportunity Policy assurances should be reviewed at least 6 monthly but ideally quarterly. • Assurances need to be more specific as to their validity to support a control, i.e. FEB minutes: <ul style="list-style-type: none"> - no mention as to what was covered, - were there any issues that could affect a control? - If there is a performance link what was the actual performance level? • Assurances should only be recorded where there is an actual outcome, not a theoretical outcome. • Whilst 'management' assurance has some validity this is limited unless there is an opportunity to link this to some 'hard measures' i.e. outcomes of HMIC inspections, Internal Audit reviews and any relevant Force KPI, ensuring that the actual outcome is recorded and that this is up to date. 	Medium	Partially accept	<p>Review of risks on a 6 monthly basis will be more robustly documented within 4Risk to ensure compliance with future audits.</p> <p>While the intent of this recommendation is accepted, the organisation intentionally doesn't formally minute meetings to this level of detail. To do so would place a burden of bureaucracy that isn't appropriate.</p> <p>The link between the risk and the hard measure associated with it will be strengthened as part of the performance framework for 2014-15</p>	<p>30th April 2014</p> <p>31st May 2014</p>	<p>Neil Stacey (Force Risk Manager)</p> <p>Neil Stacey (Force Risk Manager)</p>
1.6a	Once the Risk Review Board has been established there is a need for the requirements on reporting to be fully reviewed and revised. Areas to be addressed:	Medium	Yes	Agreed. The detail of specific reporting needs will be considered by the RRB.	31 st May 2014	Neil Stacey (Force Risk Manager)

	<ul style="list-style-type: none"> • Periodic reporting of Service Area Operational Risk registers, say 1 area per month. • Review at least quarterly of all Force Corporate/Operational risks with new, revised and high/medium being submitted monthly. • Monthly exception report to the Force Executive Board, prior to onward submission to the Business Co-ordination Board. • Quarterly reporting to the Joint Audit Committee, as per their request, of new, emerging, revised and high/medium Force Corporate and Operation risks with the full register being submitted at least annually • Inclusion of reviews on the Joint Strategic Risk Register and reporting to the Business Co-ordination Board. • Regular review of the Collaboration Risk Register. 					
1.6b	<p>We would recommend that the Risk Review Board undertakes a review of the way in which closed risks are dealt with. Under the current process once a risk has been classed as having been managed to its lowest acceptable level then it is closed. However we would comment that in reality the majority of these risks still exist and there is a question as to how the Force can be assured that the risk continues to be managed without its further inclusion on the register.</p> <p>We would recommend that the review should focus around the assurances held for a 'closed risk' – if these are considered</p>	Medium	No	<p>It is considered important to close risks entirely to ensure that management attention can be focussed on those currently identified as live (and avoid the risk register growing simply as a product of time).</p> <p>Risks will not be closed unless the controls are deemed robust. Where risks are closed, good risk management practices will ensure the risk is re escalated if necessary.</p>		

	as robust enough to provide an early warning that a control is failing, which in turn may cause the risk to become more of a reality then this would be sufficient. However in cases where the assurance is weak or cannot provide any meaningful substance then there is the question as to how these risks should be monitored rather than just being left in the background?			Internal Audit Comment - Management comment noted, however, management response states that risks will not be closed unless the controls are deemed robust. We would still comment that without identification of assurances that can validate the control effectiveness then management may wish to consider how they can be assured that controls remain robust if these are no longer being monitored through regular risk reviews.		
OPCC						
2.2	As part of the regular risk review process identification of any additional mitigating/managing actions is required and these should be suitably recorded and monitored for completion	Medium	Yes	Each risk will be reviewed on a regular basis though the current monitoring and governance process. This review will cover the appropriateness of the risk and the mitigating/management actions	Quarterly	Chief Finance Officer/Chief Executive
2.3	A review of the risk register should be undertaken of the current assurances detailed for a risk to ensure that these are: <ul style="list-style-type: none"> Assurances clearly detail where an assurance can be obtained, when it can be obtained and what the assurance will be. 	Medium	Yes	Each risk will be reviewed on a regular basis though the current monitoring and governance process. This review will cover the appropriateness of the risk and the mitigating/management actions and assurances	Quarterly	Chief Finance Officer/Chief Executive

	<ul style="list-style-type: none"> Assurances should only be recorded where there is an actual outcome, not a theoretical outcome and include the date of the assurance. 					
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Assignment: Proactive Fraud – POCA and Cash Seizures (13.13/14)	Opinion: Red	Recs: H - 2 M - 6 L - 0
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<p>Design of control framework</p> <p>The following controls were designed adequately:</p> <ul style="list-style-type: none"> Cash should be counted by two people and be recorded either on the evidence bag if counted at the scene, or within the Property Logs once the bag is opened and counted. Once cash is banked, paying in slips should be recorded within the Property Logs. Where cash has been seized but no further investigation or prosecution is to follow, it is returned to the owner. In this case, cash should be signed as returned to the owner by both the returning officer and the owner. Cash and property is logged within Property Boxes or in safes. Access is restricted and any retrieval is be logged. Once cash is banked by Economic Crime Unit, the Treasury Management department will manage funds at the request of the Economic Crime Unit. Accounts are opened for any POCA related seizures, whilst cash is disposed of as per request for all other confiscation seizures. Each station has insurance limits in place for the amounts of cash and property it can hold within its safes and stores. <p>The following controls were found to not be designed adequately and have resulted in one High and four Medium priority recommendations, detailed further within the Action Plan in Section 2;</p> <ul style="list-style-type: none"> The Constabulary had a Standard Operating Procedure (SOP) and further documents in relation to POCA seizures. However, these did not provide sufficient further information in relation to cash seizures as a whole, and had not recorded any version control or review dates. In addition, neither of the Property Stores visited as part of this audit had any procedural guidance in place for the management of stores and the processing of either POCA or other cash seizures. Without sufficient guidance, processes will be created without any formal authorisation which could mean incorrect processes are followed, increasing the risk to operational efficiency and even resulting in financial and reputational loss. (High) Evidence bags are used to store cash seized at the scene. Cash can be counted at the scene, or 'quantity of cash' noted and counted at a later date, as counting at the scene is not always possible or appropriate. These bags should be signed by two Officers and the offender to evidence the accuracy of the seizure. However, the bags only provided space for one signature, meaning there was not a dedicated space for a dual signature or for the offender to confirm the amount seized. Bags should be reviewed to determine if this can be amended, or whether the procedures need to be amended to take this into account. (Medium) Whilst cash bags are supposed to be dual signed, the bags are not retained by the Property Stores once opened and the audit trail is not maintained through another method. This means that we could not select a sample of seizures and verify whether they had been dual signed. We did however, review some current bags held, testing of which identified some issues which are referred to later in our report. If bags are to be dual signed, the Constabulary
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- must either retain bags to evidence this, or record the Officers who had signed the bags prior to disposal. **(Medium)**
- There was no procedural guidance in place for the management of the Constabulary’s bank accounts, POCA monies once banked etc. We confirmed that the processes were put in place by the current staff members. However, without formal guidance in place, there is a risk that the necessary processes will not be followed by any new staff. **(Medium)**
- There is currently no audit process in place within the Economic Crime Unit to ensure the processes that are in place across the Constabulary for seizing and storing cash are followed. Without an audit or other compliance check in place, there is a risk that the processes will not be complied with, resulting in potential operational efficiency and even financial and reputational loss. **(Medium)**

Application of and compliance with control framework

The above controls were appropriately applied and complied with, but for the following exceptions. These exceptions have resulted in **one High** and **two Medium** priority recommendations, detailed further within the Action Plan in Section 2:

- Sample testing of evidence bags held within the safes at both Parkside and Thorpe Wood Property Stores identified that evidence bags were not being dual signed by Officers at the point of seizure and the offender had not signed any of the bags reviewed, although we accept that it is not always possible to obtain the offender signature. In addition, many cash seizures had not recorded if anyone had counted the cash, and if cash had been counted, it was only by one person. If evidence bags are not dual signed and signed by the offender where possible, there is a risk that the Constabulary may be held accountable for any discrepancies with the cash seized that may be identified at a later date. This also applies to recording when cash is counted. Cash should be counted by two people and this should be recorded in the Property Logs to evidence this. **(High)**
- Review of a sample of cash seizures that had been banked identified that paying in slips had not been attached to the Property Logs held within the Property Stores. With many cash seizures not being counted and only recording ‘quantity of cash’, we were unable to trace the seizure through to paying in slips and the bank to confirm the amount seized was the amount banked. If paying in slips are not retained with the Property Logs for each seizure banked, there is a risk that an adequate and sufficient audit trail for each seizure will not be maintained. **(Medium)**
- Where cash and property is to be returned to the owner, the Property Log or return slips are to be signed by both the returning Officer and the owner. However, we identified exceptions where the forms had not been fully completed. In particular, three returns out of 20 could not be reconciled back to any signature as received by the owner. If this is not evidenced, there is a potential risk to the Constabulary’s reputation if owners attempt to retrieve their property again, knowing they did not sign for it the first time. **(Medium)**

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
1	All policies, procedures and SOP's should be updated to include all aspects of the process from seizure through to logging, receipt, banking and disposal of all cash and property for both POCA and Constabulary wide cash seizures. In addition, they should detail a date of next review to ensure they are subject to formal scrutiny and all information is up to	High	Y	The audit highlights clear issues with several force's processes and checking mechanisms. My strategic review of the Economic Crime Unit examined some of these issues and form part of our internal action plan in relation to how the ECU	16/5/14	ECU Manager

	<p>date, ensuring employees follow only the most up to date procedures.</p> <p>These should be made available to all stations and Property Stores to ensure they are aware of the procedures to be followed.</p>			<p>manages cash seizures, however this now provides a forum to address the force-wide failings in this area, and establish a formal policy for all officers and staff to be guided by.</p> <p>The observations and action plan made by the review are accepted without specific comment, and will form the basis of the force strategy going forward. I have accepted responsibility for implementing the action plan, with a completion date of 23rd May 2014, broken down as follows:</p>		
3a	<p>All cash bags should be signed by two officers when the cash is seized.</p> <p>The Constabulary should review their current cash bags and determine whether these can be updated to include a second signature upon seizure. If they cannot, procedures need to be updated to reflect the requirements for dual signatures and identify where and how these signatures should be recorded.</p>	Medium	Y	See comment at 1 above.	16/5/14	ECU Manager
3b	<p>The Constabulary must determine whether the cash bags need to be retained once opened. If not, it must be determined how dual signatures will be recorded once the bag is destroyed, to ensure an accurate audit trail is maintained from seizure to disposal.</p> <p>It may be that the Officers that signed the cash bags are recorded on the system</p>	Medium	Y	See comment at 1 above.	16/5/14	ECU Manager

	once deposited with the Property Store.					
4	A SOP/guidance should be documented for the process of receipt, processing and distributing cash handled under POCA, and other cash seizures. This should include detail regarding signing upon receipt, cash reconciliations and the process for distribution.	Medium	Y	See comment at 1 above.	9/5/14	ECU Manager
5a	Cash should be dual signed as counted every time it is handled. This includes at the point of seizure if it is counted, and prior to banking. When tamperproof bags are opened and cash counted, this should be dual counted and dual signed within the Property Books.	High	Y	See comment at 1 above.	23/5/14	ECU Manager
5b	Paying in slips should be retained within the Property Log for every cash seizure banked, to evidence that the amount banked reconciles to the amount recorded within the log. This should reconcile to the amount recorded either at the time of seizure, or when the cash was counted at the Station. All logs should be updated once cash has been counted to record the amount.	Medium	Y	See comment at 1 above.	28/4/14	ECU Manager
6	All returns to the owner should be signed by the returning Officer and the owner as returned and this should be recorded within the property log book.	Medium	Y	See comment at 1 above.	28/4/14	ECU Manager
7	An audit checklist should be devised that includes but is not limited to: <ul style="list-style-type: none"> Review of evidence bags to ensure dual signed; 	Medium	Y	See comment at 1 above.	16/5/14	ECU Manager

	<ul style="list-style-type: none"> Review of property logs to ensure paying in slips have been retained and cash has been dual signed as counted; and Cash seized can be traced to the cash banked to ensure accuracy and transparency. <p>Quarterly audits could be undertaken of small samples to ensure compliance with the control framework and the process should be formally documented and added to the procedure documents.</p>					
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Assignment: Financial Top Up Testing (14.13/14)					Opinion: Green	Recs: H - 0 M - 1 L - 2
Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
1.1	The Finance Department should ensure that all control and suspense account reconciliations are independently reviewed in a timely manner following preparation.	Medium	Y	This was agreed at the debrief and control and suspense accounts have all been reviewed for the year end.	Already implemented	Acting Head of Finance

Assignment: Follow Up (15.13/14)						Opinion: Adequate	Recs: H - 0 M - 7 L - 10	
Review	Total No. of recs agreed.	Status of Recommendation					Audit work confirmed as completed or no longer necessary (1)+(4)	No of recs carried forward for follow up at next review (2)+(3)+(5)
		Recs. not due for implementation (5)	Implemented (1)	Implementation Ongoing (2)	Not Implemented (3)	Superseded (4)		
Business Continuity 1.12/13	8	0	5	1	2	0	5	3
Follow up 11.12/13	10	0	2	8	0	0	2	8
Major Crime Unit Collaboration 14.12/13	6	0	3	2	0	1	4	2
Collaboration – Professional Standards Department 16.12/13	8	0	5	3	0	0	5	3
Absence Management 1.13/14	2	0	2	0	0	0	2	0
Health & Safety 2.13/14	9	0	8	1	0	0	8	1
Data Security Arrangements for Tablet Computers 8.13/14	5	0	2	3	0	0	2	3
Victim and Witness Care 10.13/14	5	0	4	1	0	0	4	1

Total		53 100%	0 0%	31 58%	19 36%	2 4%	1 2%	32 60%	21 40%
Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible			
1	Recommendations should not be removed from the audit recommendation tracking documentation until all aspects have been fully completed.	Medium	Yes	All audits are managed via one note. CDD Chief Inspector will ensure that all outstanding recommendations are tracked and not removed until fully actioned/discharged.	22/4/14	CDD Chief Inspector			
3	Ensure that assurance is obtained from Bedfordshire Constabulary and presented to the Audit Committee on the implementation status of the recommendations left as part of the Major Crime Unit Collaboration 14.12/13 report.	Medium	Yes	There are two outstanding actions as a result of this audit: 1. Take plans forward to consider and progress production / agreement to establish a single set of Financial Regulations /Financial Procedures for Collaboration. Gain confirmation that appropriate and complete procedures are in place/ maintained and kept up to date for key tasks linked to budgetary and financial matters for the MCU collaboration. Update: A single set of Financial Regulations/Financial Procedures for Collaboration – A signed section 22 agreement came into force in	July 2014	Robert Vickers OPCC			

			<p>Dec 2013, alongside this the three forces are aligning their financial regulations, this is in the final stage of completion and relates to all of the three forces, not just collaborated units.</p> <p>It is the intention of the three OPCCs to have this completed by end June 2014. Rob Vickers – coordinating this piece of work on behalf of three OPCCs.</p> <p>Update June 2014: In relation to the Financial Regulations the JAC will be updated on 23rd June. I have agreed with the CFO's of Bedfordshire and Hertfordshire that we will all update our respective audit committees this month (giving the same messages to each committee), with a view to them approving a set of financial regulations at their respect meetings in September. It is worth noting that there is likely to still be some differences within the financial regulations which reflect either local differences or the areas which may need greater focus.</p> <p>Ensure that the requirements /</p>		
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				<p>role of the Joint Collaboration Working Group are clearly defined and set out in Terms of Reference as part of plans for review and planned changes to the existing governance framework for the Collaboration.</p> <p>The Joint Collaboration Working Group has now been replaced by the Tri-Force Alliance Summit (at the strategic level) with a defined Terms of Reference, a monthly change briefing for Chief Executives and joint workshops for PCC / CC engagement. In addition each PCC office has a seat at the tri-force Change Portfolio Delivery Board which also has an agreed Terms of Reference.</p> <p>This action is now complete.</p>		
3.1	Business Continuity 1.12/13					
3.1.3 .9	<p>Recommendation Revised</p> <p>Management should design and document an annual plan of BC tests. A Tri-force-wide process for recording, monitoring and reporting the completion and results of BC tests should be developed.</p>	Medium	Yes	<p>Now the new BC Management Structure has been decided and approved by the BC Gold Group an annual plan of BC tests can be drawn up. The exercise programme to test BC will be produced and logged by the Force Resilience Team and Agreed by the</p>	1/6/2014	Head of Resilience & Civil Contingencies

				<p>Silver Commander responsible for each of the BC directorates (Crime, Corporate Functions, JPS, Contact Management, Territorial Policing). The Force Resilience Team will incorporate a debrief process into the exercise documentation to include Action Points and the development of individual, team and corporate learning.</p> <p>The development of this process across the 3 Forces requires the current BC Gold Commands and structures to be aligned to achieve this effectively. The consultation on this is ongoing but it not totally within Cambridgeshire's control. It will be developed as soon as possible.</p>	1/4/2015	Head of Resilience & Civil Contingencies
3.1.3 .11	<p>Recommendation Revised</p> <p>Management should ensure compliance with the programme of regular test restores and system backups of business critical applications. Appropriate records should be maintained to evidence compliance.</p>	Medium	Yes	<p>Schedule and frequency to be reviewed and re-published for sign off. Change request process to be set up to ensure testing of restore process. Back up procedures to be reviewed to ensure testing of critical business functions.</p>	25/4/2015	Head of IT
3.2	Follow up 11.12/13					
3.2.3	Information Governance					

3.2.3 .3.1	<p>Recommendation Revised</p> <p>The Information, Assurance, and Strategy Board, or similar, should undertake the following:</p> <ul style="list-style-type: none"> • Document the roles and responsibilities of the Senior Information Risk Owner; and • Formally approve the Terms of Reference and membership of the IASB, or similar, at their first meeting. 	Medium	Yes	<p>There is no longer the intention to establish a separate IASB but rather this business will be incorporated into the TOR of the BCH PSD Governance Board. The first BCH PSD Governance Board chaired by DCC Wood and attended by Beds and Herts DCCs and other senior HR and Finance Representatives, will take place on the 22nd May 2014. In addition a new Cambs Information Management Board has recently been established and it is through this group that the roles and responsibilities of the SIRO (DCC Wood) should be documented and shared with the BCH PSD Governance Board.</p>	<p>TOR for BCH PSD Governance Board – 1st September 2014.</p> <p>SIRO roles and responsibilities – 1st September 2014.</p>	<p>D/Supt Mark Hodgson (PSD)</p> <p>C/Insp Mike Branston (Information Management)</p>
3.2.3 .3.2	<p>Recommendation Restated</p> <p>Management should ensure that the draft Tri-Force Information Assurance Strategy and Information Assurance Policy are approved by the IASB, or similar and made available to staff/ officers.</p>	Medium	Yes	<p>See 3.2.3.3.1</p> <p>The Information Assurance Strategy/Policy will be considered and signed off in due course by the BCH PSD Governance Board.</p>	1 st September 2014.	D/Supt Mark Hodgson (PSD)
3.3	<p>Major Crime Unit Collaboration 14.12/13</p>					
3.3.3	<p>Recommendation Restated</p> <p>Take plans forward to consider and progress production / agreement to establish a single set of Financial</p>	Medium	Yes	<p>See update provided at point 3.</p>		Robert Vickers (OPCC)

<p>Regulations /Financial Procedures for Collaboration.</p> <p>Gain confirmation that appropriate and complete procedures are in place/ maintained and kept up to date for key tasks linked to budgetary and financial matters for the MCU collaboration.</p>					
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<p>Assignment: Procurement (16.13/14)</p>	<p>Opinion: Amber / Red</p>	<p>Recs: H - 0 M - 10 L - 3</p>
<p>Design of control framework</p> <p>The design of the control framework was found to be adequate with the exception of those areas detailed below which have resulted in two medium priority recommendations being made:</p> <ul style="list-style-type: none"> • Appropriate procedure/guidance notes on day to day operational processes have yet to be developed and issued to staff. There is a risk that staff may adopt or follow inappropriate or inaccurate processes or procedures if these are not detailed. Additionally given three different locations there is a risk that 'local practices' may evolve if a centralised process is not detailed. (Medium) • There is no formal reporting of procurement performance, which increases the risk of management being unable to determine if the Unit is functioning appropriately and is meeting target requirements.(Medium) <p>Application of and compliance with control framework</p> <p>We found that the following controls were adequately applied and complied with:</p> <ul style="list-style-type: none"> • A Joint Procurement Department has been set up to cover all three collaborative Forces. This Department has the overarching aim that all procurement (to include goods, services, estates, building works etc.) will be undertaken on a central basis. The Joint Procurement Department is headed by the Strategic Head of Procurement and assisted by staff based at Cambridgeshire HQ and also on site at Bedfordshire and Hertfordshire HQs. • Considerable progress has been made to consolidate the various Financial Regulations, Delegated Authority Levels and Procurement Strategy and related procedures. • A Joint Procurement Department Contracts Register is maintained. • A review is being undertaken to ensure that staffing is appropriate and have the relevant skills to advance the effectiveness of the joint department. <p>Weaknesses were however identified in a number of areas which have resulted in eight medium priority recommendations and these are listed below. A further</p>		

six low priority recommendations have been detailed in the action plan.

- Whilst the existing collaboration agreements made under the old section 23A of the 1996 Act should be transferred automatically to the Commissioner under the terms of paragraphs 5 and 21 of Schedule 15 to the 2011 Act, this has not yet happened and a new Section 23A agreement has not yet been put in place. There is a risk that expected savings may not be achieved if the underlying procurement agreement is not in place. **(Medium)**
- We confirmed that the tripartite Strategic Procurement Action Plan (Strategy) has been reviewed by the three Section 151 Officers (Joint Procurement Strategy Group) and approved by them. The summary minutes of the Joint Procurement Strategy Group held on the 25 October 2013 confirmed that the action plan has been accepted by the Group and that actions have been agreed to take the plan forward. However, we have not seen any evidence that the three Police and Crime Commissioners have approved the plan. **(Medium)**
- Testing identified a number of instances where use has been made of Single Tender Actions, these being cases where the items are only available from restricted suppliers or where there are capability issues with existing functions/items. However these are also used where there has been insufficient time or there is an emergency requirement to place a contract. It was noted that there was no central depository of documentation held to provide the required managerial approval of the use of a STA.
There is a risk that without appropriate challenge by management there could be a disproportionate use being of the STA facility. **(Medium)**
- A new delegated authority document has been produced in draft but is not yet in use. In the meantime the three Forces are complying with their own laid down limits although these are different within the Hertfordshire Force and therefore increases the risk of the overall non-compliance. **(Medium)**
- A functionality review of operations by the Joint Procurement Unit is underway which will entail the staffing resources and also the revision and issue of required procedural guidance and compliance documents. Once completed there will be a need to ensure that all parties, both in the Forces and in the Unit, are fully conversant with the new requirements and that there is a system established to minimise the risk of non-compliance.**(Medium)**
- From the sample tested, not all contracts were recorded on the contracts register or did not always make clear whether they were within the OJEU limits. All contracts entered into should be included on the contracts register. Where contracts are within the OJEU limits, the documentation should clearly reflect this. **(Medium)**
- Testing at Hertfordshire indicated that not all STA's had a clear audit trail or evidenced as formally approved by the budget holder. Therefore single supplier contracts should be formally documented and approved at the appropriate level. **(Medium)**
- Whilst a joint contracts register is maintained, not all procurement staff are actively involved in the whole of the contract process. Without procurement staff being involved throughout the process, this increases the risk that correct procedures may not be followed and be in breach of the Financial Regulations. It may also reduce the likelihood of VFM being achieved. **(Medium)**

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
1.1a	That the revised Section 23A agreement for the collaboration of procurement within the three Forces should be revised and implemented in a timely manner.	Medium	Y	The section 23a agreements are being developed by the OPCC as part of the overall collaboration work	TBC	TBC (OPCC)

1.1b	That the Strategic Procurement Action Plan (Strategy) and the Procurement Delegated Authority and Threshold document be formally approved by the three Police and Crime Commissioner's in a timely manner. It is noted however that the timeline is the 1st July 2014 and therefore there is some urgency in obtaining formal approval.	Medium	Y	A redraft is with the DOR's awaiting approval. Subject to their approval, the document will be submitted through the relevant boards for final approval	Estimated June 2014	Simon Mulvey / Procurement Board
1.2	Single Tender Actions should only be used in agreed exceptional cases. Managers should ensure that any use of a STA is 'justified' and that in future there should be a central repository for all STA documentation to ensure a strong audit trail is maintained.	Medium	Y	Action is already underway to reduce STA, and this will be continually monitored	Ongoing	Simon Mulvey
1.3	The aligned financial thresholds and authorisation limits need to be approved and communicated across the three Forces in the collaboration. The authorised signatory's listings for each Force should be subject to periodic review and updating so they remain current.	Medium	Y	This requirement is currently under review by the OPCC	Ongoing	Robert Vickers

1.4b	Appropriate procedure/guidance notes on day to day operational processes have yet to be developed and issued to staff. Additionally given three different locations there is a risk that 'local practices' may evolve if a centralised process is not detailed	Medium	Y	Before this action can be completed the new delegated authorities and thresholds need to be agreed	Aug 2014	Simon Mulvey
1.5	Once the functionality review has been completed and all required revised documentation on procedures, processes and financial thresholds etc. have been issued then senior management must take appropriate measures to ensure: <ul style="list-style-type: none"> • All staff have received, read and understood the new working methodologies. • The three Forces take appropriate steps to ensure that their staff are fully aware of the new requirements. • Monitoring is undertaken to ensure compliance, with any areas of non-compliance being identified and addressed. 	Medium	Y	Upon the completion of points 10 to 1.4, this can be implemented	Sept 2014	Simon Mulvey
1.6a	All contracts entered into should be included on the Contracts Register. Where contracts are within the OJEU limits, the documentation should clearly reflect this.	Medium	Y	Upon approval of the Procurement thresholds, all new contracts can be entered onto the register	Aug 2014	Simon Mulvey

1.6b	<p>Hertfordshire</p> <p>Staff within Hertfordshire should ensure that all single supplier contracts should be formally documented and approved at the appropriate level.</p>	Medium	Y	Approval process will be consider again to ensure adequate policies are in place	Sept 14	Simon Mulvey
1.7	<p>All staff within the Joint Procurement Department should be involved in all appropriate aspects of contract and procurement negotiation throughout the three Forces as they would be more aware of overall spend limits and compliance with Standing Orders etc. and there would be greater opportunities to achieve Value for Money savings.</p> <p>Staff within the Hertfordshire Force who do not follow the correct contracts and tendering processes should be made aware that the requirements within the Financial Regulations including Procurement involvement.</p>	Medium	Y	This will require agreement of the Procurement Strategy and relevant policy changes	July 2014	Simon Mulvey
1.8	<p>A review should be undertaken of the performance of the Joint Procurement Department on a regular quarterly basis.</p> <p>This review should consider the use of the NAO VFM indicators and cover key performance indicators, using where relevant these indicators for corporate services (such as Procurement) and others within the organisation's performance management cycle.</p>	Medium	Y	The Procurement Board should be used as the appropriate mechanism.	On-going	Simon Mulvey