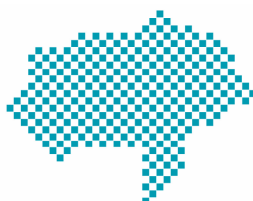


Police and Crime
Commissioner
North Yorkshire



Administration of the OPCC Final Report

Auditor	Matthew Hirst & Faye Simmons
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Contact Details	01924 294061
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Draft Report Issued	February 2015
Final Report Issued	March 2015

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1 Executive Summary

The Office of the Police and Crime Commissioner (OPCC) in April 2014 signed a collective agreement with North Yorkshire Police (NYP) which set up a cooperative approach to service provision, which in principle allows any team (with the exception of those exercising police powers) to provide services to both corporate bodies.

The OPCC has agreed to IT support being provided by ISD, vetting of staff being undertaken by PSD, payroll and expenses by Finance, information sharing practices (including ongoing county wide considerations) in liaison with Joint Corporate Legal Services and personnel and recruitment with HR.

The audit found that a number of functions and activities that were undertaken within the OPCC were working well. These included the recruitment and selection of paid staff to meet the particular needs of the OPCC. From the sample of staff selected, evidence was found of the recruitment process including application forms, up to date role profiles, use of competency frameworks, the review of scores obtained during interviews by NYP HR and the roles being listed within the Change Proposal Agreement and the review of affordability by Chief Finance Officer.

The staff in the audit sample had also all been set up on the NYP payroll system iTrent at the appropriate time and at the correct scale, receiving their salary payments in line with their NYP colleagues. Reimbursements for the payment of expenses also utilised the existing NYP processes as outlined in the Devolved Resource Manual (DRM) and had been authorised appropriately, was deemed reasonable and supported by receipts.

All OPCC staff had been vetted at the point of recruitment and that this process had been undertaken by NYP.

Expenditure that was undertaken by the OPCC was also reviewed and found to be appropriately accounted for and reasonable. This included purchasing card transactions, their compliance with Chapter 15 of the DRM and that they received appropriate authorisation for the transactions.

The procurement contracts for services utilised by the OPCC since 2013 were also found to be displayed upon the OPCC website and for those that were relevant, a link was supplied to the Bluelight Procurement website for public scrutiny.

Although many of these functions are well established and are working effectively, it was noted during the audit that minor improvements could be made in the following areas:

- The intended provision of IT services by NYP ISD to the OPCC are not expected to be implemented for at least 9 months, extending the risk of insecure communications and the potential exploitation of weaknesses in the OPCC system.
- Hotel bookings, although infrequent, are not utilising the Capita contract. The rationale was that accommodation is cheaper online than via Capita, however no

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checks are made at the time of the booking to confirm this.

- Transactions that are undertaken utilising the purchase card do not record which member of the OPCC undertook the transaction making it very difficult to investigate if any inappropriate transactions were made.
- Pertinent information that NYP staff could easily access and would be of use to OPCC staff, including organisation updates, legislative requirements, training and job vacancies, was not available to them.

During the audit compliance with the Specified Information Order was also undertaken and a separate report was completed however no major findings were reported (a copy of the Executive Summary and Commentary Box can be found at Appendix A).

Overall the areas of the administration of the OPCC that were tested and reviewed were found to be dealt with pragmatically for the size of the organisation and where help was needed by specialists within NYP this was being utilised.

	Commentary
Effectiveness of Risk Management Approach	The OPCC have benefitted from the adoption of policies and processes that have been developed by NYP over a number of years that are effective in both their purpose and outcome. These include the payment of staff salaries via the iTrent payroll system, vetting of staff upon recruitment by NYP and the procurement and purchase of services and goods via iProc and Bluelight Procurement.
Efficiency of Risk Management Approach	The provision of specialist support functions by NYP means that the OPCC can focus solely on providing support to the Commissioner.
Assurance Level	2 – Reasonable Assurance
Overall Risk	3:13

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2 Scope and Approach of the Audit

The objective of the audit was to undertake a review of the administration of the OPCC whilst considering the risks associated with recruitment of staff, payments of expenses and reimbursements, vetting of staff, IT support, Information sharing practices and procurement.

Each recommendation is accompanied by an assessment of the likelihood and impact of the risk identified, the OPCC as a whole.

3 Report Distribution

Name/Role	Draft	Final	Final with Response
Will Naylor, Chief of Staff	✓	✓	✓
Michael Porter, Commissioners Chief Officer	✗	✓	✓
Joanna Carter, Chief Executive Officer	✗	✓	✓
Jane Palmer, Chief Constables Chief Finance Officer	✗	✓	✓
Risk & Assurance Unit	✗	✓	✓

4 Observations

4.1 IT Provision

Risk Exposure			Root causes		
Current IT support does not provide sufficient safeguard of sensitive information or protection from external attack			<ul style="list-style-type: none"> The OPCC use a small business enterprise system supported by a private company to facilitate its IT needs 		
Probability	Financial	Reputation	Operational	Legal	Rating
Probable	Negligible	Significant	Minor	Minor	3:13

During the audit, discussions were held between the OPCC and ISD to agree that the provision of IT systems and hardware would now be facilitated by NYP ISD.

Although this was seen as a significant step forward for the organisation, Internal Audit would raise concerns with the length of time (at least 9 months) that it was due to take for this to be implemented.

NYP are currently undergoing a series of upgrades to ensure compliance with the new police systems standards (PSNP) as set out by the Home Office which in part allows police forces across England and Wales to share information and communicate with each other securely. Internal Audit were informed that this project was the main focus for ISD both strategically and operationally and that a deadline of October 2015 had been set for its completion and therefore the OPCC work could not be completed with its current level of resources until after the completion of PSNP project.

The OPCC currently utilises a small business enterprise system (Office 365) which is serviced by an outside private company. During discussions with ISD they highlighted a number of issues which they had already identified with this system including the server location in a room which could be accessed by other tenants of the same building as the OPCC, the potential for insecure communication to take place between senior members of the OPCC and NYP which in turn could be more easily intercepted from the OPCC server and also the potential exploitation of weaknesses in the OPCC set up to link into the NYP systems.

Internal Audit would therefore recommend that a review of the timescales for the intended provision of NYP IT systems to the OPCC should take place and consider the associated risks of not implementing the changes for another 9 months.

Recommendation 1

Consideration should be given to risk assessing the situation and review whether the timescales proposed for the provision of IT services to the OPCC by ISD are appropriate.

4.2 Purchasing Card and Hotel Bookings

Risk Exposure			Root causes		
Purchasing cards are used inappropriately. Fraud protection provided by the bank may be invalidated.			<ul style="list-style-type: none"> • Purchasing cards are used by those who are not signatories of the card for on line purchases • Comparison checks between existing contract and online providers for accommodation does not take place. 		
Probability	Financial	Reputation	Operational	Legal	Rating
Unlikely	Negligible	Significant	Negligible	Minor	5:10

The audit checked that transactions that had utilised the OPCC purchasing card were completed in line with NYP policy on purchases as covered in the DRM.

Most purchasing card transactions were found to be undertaken in line with this policy however it was reported that hotel accommodation was being booked on line with the OPCC card rather than using the Capita contract that is in place. The OPCC were aware of the scrutiny that the office was under from members of the public, specifically in areas such as hotel accommodation, and therefore wanted to ensure that these costs were kept as low as possible.

It was presumed therefore (by the PA to the Commissioner undertaking the bookings) that booking on line would provide cheaper accommodation than utilising the Capita hotel accommodation contract. During discussions with the PA it was found however that comparisons between the costs of the accommodation on line versus that suggested by Capita were not taking place and therefore it was unknown whether it was indeed cheaper or not.

Internal Audit therefore recommends that when accommodation is being sourced by those in the OPCC, a check should be made with Capita so that an informed decision can be made as to the option which provides the best value.

A small number of transactions utilising the purchasing card, 9, were found to be for items that did not use an existing contract. These included the purchase of stationery from a supermarket for a local event, on line marketing and publicity, images for the Police & Crime Plan and a post box for the provision of feedback from local residents at an event. All these were for relatively small amounts of money (the highest being £145) and had been authorised by the Chief of Staff prior to the purchase.

Purchasing cards were being used by members of the OPCC who were not the signatories of the card. The DRM does state in Chapter 15 (paragraph 2) that a card held by a member of the OPCC can be used by other members of staff for authorised business on their behalf but it was found that no record of who made the transaction was kept therefore making it difficult to track who was responsible for each purchase. This approach may also make

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it harder for fraudulent activity to be identified as quickly (committed by both internal and external parties) compared to one person reviewing and being responsible for their own purchasing card activity.

Internal Audit recommends that there should be a review of the contract in place with the bank (who provide the purchasing cards) to see whether or not this current approach affects the fraud protection that is offered. It may be that the current approach may invalidate any cover which is offered.

Recommendation 2

When accommodation is being booked, comparison checks with Capita should be made to confirm the justification of not using the contract.

Recommendation 3

A review of the current fraud protection that is offered by the bank on the use of purchasing cards should take place to ensure that the existing protocols contained within the DRM, which allows non-signatories to use the card, does not invalidate it.

4.3 Personnel File Storage& HR

Risk Exposure	Root causes
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Staff of the OPCC are not provided the same opportunities as their colleagues within the rest of the Organisation.			<ul style="list-style-type: none"> • NYP intranet is not routinely available to all OPCC staff 		
Probability	Financial	Reputation	Operational	Legal	Rating
Probable	Negligible	Minor	Negligible	Negligible	5:8

Whilst conducting interviews with a number of departments including HR, ISD and Legal, Internal Audit became aware that members of NYP have access to a large range of resources via the intranet including:

- Updates to the organisation and its structure.
- Changes to and reminders of the national/local threat levels.
- Messages of the day.
- Changes to legislation and policy.
- Training, both mandatory (such as the protective marking of documents) and skills based.
- Job vacancies.

This benefit however was not routinely on offer to all staff employed within the OPCC due to the lack of access to the intranet system. Although it is acknowledged that the OPCC now intends to be included in the NYP IT system, this will not be the case for several months and that alternative arrangements should be considered on how news and areas such as job vacancies could be communicated to the staff of the OPCC on a regular basis to ensure that they have the same opportunities as those offered to their NYP colleagues.

Recommendation 4

Consideration should be given as to how pertinent information to the staff of the OPCC can be best communicated to during the interim period that they do not have regular access to NYP systems.

5 Recommendations

#	Recommendation	Category of Rec.	Management Action	Action Manager & Completion Date	Satisfactory Response (IA View)
1	Consideration should be given to risk assessing the situation and review whether the timescales proposed for the provision of IT services to the OPCC by ISD are appropriate.	Significant	The Virgin Media network is being installed on 25 th March 2015, by Virgin Media Business services in conjunction with the NYP ICT Department, with the LAN (local area network) following shortly afterwards.	Richard Flint April 2015	Yes
2	When accommodation is being booked, comparison checks with Capita should be made and a record kept to confirm the justification of not using the contract.	Merits Attention	A mixture of informal training will be undertaken to raise awareness and ensure any staff booking accommodation check both the internet and Capita to establish the best value option. This training and awareness will be carried out with relevant staff individually and at team meetings by the Chief of Staff to the PCC. This has happened to some extent already, and informal training can begin, to ensure the new PA is trained sufficiently, once a replacement PA has been identified.	Will Naylor Ongoing, Completion date 31.05.2015	Yes
3	A review of the current fraud protection that is offered by the bank on the use of purchasing cards should take place to ensure that the existing protocols contained within the DRM, which allows non-signatories to use the card, does not invalidate it.	Significant	Michael Porter will undertake a review of the fraud protection on the purchasing cards by the end of June 2015.	Michael Porter 30.06.2015	Yes

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4	Consideration should be given as to how pertinent information to the staff of the OPCC can be best communicated to during the interim period that they do not have regular access to NYP systems.	Merits Attention	Following discussions with Information Management - the Information Security Officer has agreed that the OPCC can share an RSA Token. Providing a log is kept of the usage and that the token is only used when Will Naylor is present in the office. The relevant form will be sent by ISD to the OPCC for completion and then authorised by the Information Security Officer.	Will Naylor 30.06.2015	Yes

Classification of Recommendations	
Fundamental	Action is needed to address risks that could impact on the organisation's ability to achieve its objectives. Action will typically be organisation-wide and be necessary at the highest level. Other fundamental recommendations will be made in regard to potentially serious breaches of statutory obligations.
Significant	Action is needed to address risks that impact primarily on one major business area or to address lower risks on an organisation-wide basis.
Merits Attention	Action is advised to enhance control, remedy minor breaches of current controls or to improve efficiency.

NOT

6 Appendix: Assurance Level

Internal Audit assesses the effectiveness of internal control, within the scope of what is audited. This measure is therefore a relative one.

Category	Description
1	Reasonable assurance can be provided that the main risks considered are being effectively managed; action may still enhance the management of risk in a small number of areas. In addition Internal Audit has identified that the approach taken to address risk as representing good practice in this area.
2	Reasonable assurance can be provided that the main risks considered are being effectively managed. Limited management action may be required to address a small number of significant issues.
3	Limited assurance can be provided that the main risks considered are all being effectively managed. Significant management action is required to address some important weaknesses.
4	Inadequate assurance can be provided that the risks identified are being effectively managed. Significant weaknesses have been identified in the risk management action, these are likely to involve major and prolonged intervention by management. These weaknesses are such that the objectives in this area are unlikely to be met.

7 Appendix: Overall Assessment Criteria

Risks in this report have been assessed using the following criteria. It is the same criteria as that used by North Yorkshire Police to assess risk for the Risk Register.

Probability	Highly Probable	Nil	5:7	4:12	2:14	1:16
	Probable	Nil	5:4	5:8	3:13	2:15
	Unlikely	Nil	6:2	5:5	5:10	4:11
	Highly Improbable	Nil	6:1	6:3	5:6	5:9
	Nil	Nil	Nil	Nil	Nil	Nil
		Nil	Negligible	Minor	Significant	Catastrophic
			Impact			

Probability	Nil	< 20% Highly Improbable (HI)	20% - 40% Unlikely (UL)	40% - 60% Probable (P)	> 60% Highly Probable (HP)
Impact Categories	Nil	Negligible	Minor	Significant	Severe
Financial (£) - Default - Mandatory	Nil	0 => 100k Increased financial impact less than £100000	100k => 250k Increased financial impact between £100k and £250k	250k => 2.5m Increased financial impact between £250k and £2.5m	2.5m => 3.75m Increased financial impact greater than £2.5m
Reputation	Nil	Negligible adverse publicity. Minimal impact upon public perception	Localised adverse publicity. Minor/transient impact upon public perception of Force or PCC	Criticism at local level. Lasting impact upon public perception of Force or PCC	Intense national media. Criticism at national level
Operational	Nil	Negligible impact upon ability to deliver service and meet Force targets	Minor impact upon ability to deliver service and meet Force targets	Significant impact upon ability to deliver service and meet Force targets	Catastrophic impact upon ability to deliver service and meet Force targets
Legal/Compliance	Nil	Negligible prospect of legal challenge	Minor/Transient prospect of legal challenge	Serious non compliance. Litigation/challenge.	National legal issue.

8 Appendix A: Specified Information Order Report

Executive Summary

The Elected Local Policing Bodies (Specified Information) Order 2011, and its amendments, identifies the information that should be made publicly available by an elected policing body, in this case the Office of the Police and Crime Commissioner (OPCC). It also states how frequently this information must be produced. The purpose of this review is to ensure that the OPCC produces the appropriate information in compliance with this order. This involved Internal Audit comparing the requirements set out by the Order and the information provided on the OPCC website. This will in turn provide assurance that the same information could be located by a member of the public.

The information required by the order is readily available on the OPCC website, visible under its own link entitled '*Compliance with Specified Information Order*'. Here material is set out like the Order, with hyperlinks leading to the necessary information. In this format, data is easy to find, and it also enables the OPCC to ensure that the information is up to date.

Information about the person holding the office of Police and Crime Commissioner is required to be published. The details of the Commissioner were displayed including their salary, expenses, business interests, and where applicable any complaints lodged against them. The details of the other staff members within the OPCC are also given in compliance with the Order, along with a further breakdown of information such as gender. Additional information regarding staff who earn over £58,000 is given, with any gifts or hospitality that staff have been in receipt of in previous financial years, up to August 2014.

Financial information is a key stipulation of the Order and must include the budget of the OPCC, the precept, proposed expenditure, expenditure over £500, the investment strategy and grants awarded in the previous financial year. All of this information was available on the OPCC website, who in fact go further by publishing all expenses for the OPCC, even those below £500.

The Order also requires that contracts for expenditure over £10,000 that relate to either the Commissioners Office or the Force are published. North Yorkshire OPCC and Police seek to comply with this through a link on the Commissioners website to the Blue-light database which gives a considerable amount of contractual information. Work is underway to bring the outstanding contractual information as up to date as possible, adding a copy of the contract and details of the invitations to tender. In common with other commissioners and forces this requirement has not been fully implemented, although Regional Procurement are working to ensure that regional forces fully comply. Publishing all contractual information is a significant challenge, requiring additional time and resources, which is why compliance has not been achieved to date.

The procedures and policies of the OPCC specifically regarding whistle blowing, requests made under the Freedom of Information Act and complaints handling, are also included

on the OPCC website.

The Annual Report was obtained from the website and assessed against the information it should contain. The Report sets out the Commissioner's strategy, and the activities that have been undertaken in the previous financial year, to meet those objectives.

Details of public meetings, including their agenda and the minutes, are available up to October 2014. Also shown are relevant upcoming public meetings up to December 2014. In addition decisions of a significant public interest are documented with the most recent decision made being in November 2014. The publication of Decision Notices could however be improved to ensure the most recent decisions are clearly identifiable and easier to find. Although the right information is published, it is not as accessible as it could be.

In addition the Invitations to Tender leads to a page stating that the page cannot be found. It would be prudent to rectify this issue.

Overall it has been determined that the OPCC is compliant with the Elected Local Policing Bodies (Specified Information) Order 2011, and its additional amendments of 2012. Information specified by this order can be located on the OPCC website, and in the majority of cases is well labelled and work is continuing to improve the information available regarding contracts over £10,000.

	Commentary
Effectiveness of Risk Management Approach	The management of publicly available information via the OPCC website is appropriate and effectively communicates what is required by the Elected Local Policing Bodies (Specified Information) Order 2011. In common across the sector, commissioners and police forces are not fully compliant with the requirements to publish information on contracts over £10,000. Work is continuing to assemble and publish the remaining information required.
Efficiency of Risk Management Approach	The information is easily located on the website, following the structure of the Order, with hyperlinks leading to the relevant information. It is therefore easy for the OPCC to identify when certain information is out of date.
Assurance Level	2 - Reasonable Assurance
Overall Risk	5:8