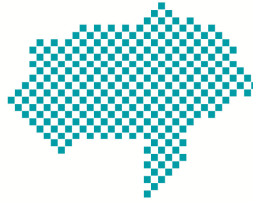


**Police and Crime
Commissioner
North Yorkshire**



Property Handling - Drugs Final Report

Auditor	Joanne Campbell
Contact Details	01924 294061
Date of Review	December 2013 to January 2014
Draft Report Issued	4 February 2014
Final Report Issued	13 March 2014

1 Executive Summary

This review was undertaken as a result of issues relating to drugs management, highlighted in the Property Compliance Review undertaken by Internal Audit in 2012. Prior to the original review the number of Drugs Liaison Officers (DLOs) within the Force, those responsible for the management of drugs exhibits, had been reduced from three to two. This approach was not deemed to be operating effectively, as records were not always up to date and issues were encountered in readily locating exhibits. In response to the Property Compliance report, Internal Audit were advised that a number of additional control measures had been put in place, in order to ensure that drugs exhibits were being effectively managed. This review has sought to assess changes within drugs management procedures and to seek evidence that the recommendations made within the original review have been implemented.

At the time of this review, whilst no material changes had been made to processes, the number of DLO posts had been increased to four. Two individuals were concentrating on stores and the other two focussing on the expert witness side of the role, providing statements in relation to drugs cases. The number of permanent drugs stores has also been increased from two to four, with additional stores in operation at Scarborough and Northallerton. Discussions with the DLOs and the Detective Chief Inspector in charge of this area, highlighted that there are still issues, due to the balancing of the role between stores management and expert witness statements. Internal Audit were advised that there are a large backlog of historic items ready to be disposed of and one of the DLOs advised that in their opinion, it would take another year to be fully up to date with disposals.

In order to address concerns within this area, an officer had been tasked with undertaking a review of the DLO structure and Internal Audit were also advised that a 'stores keeper' role was in the process of being filled, with the intention of supporting the DLOs. In addition, in order to increase disposal activity NYP were seeking assistance from South Yorkshire Police, who were completing expert witness statements on a temporary basis, allowing the DLOs to focus on stores. It is acknowledged that these measures should improve stores management; however, it is considered that a small number of significant issues still need to be addressed.

A significant recommendation that was made in the Property Compliance Review, was the need to reconcile drugs exhibits transferred from Whitby and Malton. At the time of the original review, Internal Audit were unable to verify a number of exhibits that had originally been placed within stores at Whitby. Whilst all of the items were ultimately accounted for, this was as a result of extensive enquiries by the former Force Drugs Coordinator and it was apparent that records had not been kept up to date. In formal response to the recommendation it was stated that all items had been accounted for. However, during this review Internal Audit were unable to evidence that any such process had been undertaken.

In order to assess the ability to readily locate drugs items transferred from outlying stations, Internal Audit selected a sample of drugs items submitted to stores at Whitby and attempted to verify that the items were within the stores or to obtain evidence of the items disposal. All items were accounted for, however in a number of cases the Property Other Than Found (POTF) records did not accurately reflect the movement of the item. Six items were shown as being transferred to Scarborough police station, however they

were not present in Scarborough, having subsequently been transferred to Harrogate police station for disposal. The stores move was not reflected in the records. In addition, in one case an item that was shown as located in the temporary drugs safe at Whitby, could not be located. Extensive enquiries within NYP enabled this item to be accounted for, as it was verified as being disposed of at the York drugs store. However, the POTF records did not reflect any stores movements in relation to this item. Internal Audit were advised that property movements of items that are transferred solely for the purposes of disposal, are not recorded on the POTF form or in a Drugs Movement book, due to the administrative burden of this process, although movements for 'live' exhibits are always recorded. The failure to record all property movements could lead to an increased risk of loss/ misappropriation, as the POTF records do not accurately reflect where an item is stored, making it more difficult for them to be located.

Internal Audit also has concerns in relation to the security of the temporary drugs safe at Whitby police station and out of hours access to the permanent drugs store at Scarborough. These issues could be addressed by NYP, by ensuring that access to these facilities is appropriately restricted.

Overall, Internal Audit considers that property handling in relation to drugs management is not effective in all areas at present and as a result, Internal Audit are able to provide limited assurances. This opinion is primarily based upon the inability to readily locate items, due to property records not being accurately maintained. In addition, Internal Audit were unable to evidence that items transferred from Whitby and Malton had been reconciled.

	Commentary
Effectiveness of Risk Management Approach	The current risk management approach is not considered to be wholly effective in all of the areas reviewed, as property records did not always accurately reflect the actual location of drug exhibits. Whilst Internal Audit were eventually able to account for all of the exhibits selected as part of this review, items could not always be readily located.
Efficiency of Risk Management Approach	NYP currently utilises a paper based system for the management of drugs exhibits. It is considered that the use of the Niche system would be more efficient and would enable items to be more readily located, as long as stores moves were accurately updated. The system enables bulk 'stores moves' which could reduce the administrative burden on the DLOs, particularly in terms of property transfers and disposals.
Assurance Level	3 – Limited Assurance
Overall Risk	5:10

2 Scope and Approach of the Audit

The audit reviewed the implementation of the four recommendations in relation to drug exhibit handling/ management, which were detailed in the original Property Compliance report, which were all classed as closed. These recommendations sought to address issues in relation to the security of drug storage areas at Harrogate Police Station, the ability to readily locate drugs items transferred from outlying stations and resilience of drugs handling processes.

Internal Audit reviewed the processes that are in place to manage drugs items seized. A sample of drugs exhibits were also selected from the POTF Drugs books held at Whitby, in order to assess compliance with current procedures.

Each recommendation made within this report is accompanied by an assessment of the likelihood and impact of the risk identified, to North Yorkshire Police/ the Commissioner as a whole.

3 Report Distribution

Name/Role	Draft	Final	Final with Response
D/Chief Inspector Matthew Walker	✓	✓	✓
D/Chief Superintendent Simon Mason	✓	✓	✓
ACC Paul Kennedy	x	✓	✓
Mr Gary Macdonald, Commissioner's Chief Finance Officer and Head of Organisation and Development	x	✓	✓
Mrs Jane Palmer, Chief Constable's Chief Finance Officer and Chief Accountant	x	✓	✓
Delivery Unit	x	✓	✓

4 Observations

4.1 Verification of Items Transferred from Whitby & Malton

Risk Exposure			Root causes		
Property may be lost/ misappropriated.			Force drugs management procedures have not been followed in all cases.		
Probability	Financial	Reputation	Operational	Legal	Rating
Unlikely	Minor	Significant	Minor	Significant	5:10

As part of the Property Compliance Review undertaken by Internal Audit in 2012, a number of drugs items were selected from records and attempts made to verify the items in stores or to obtain evidence that the item had been destroyed. Internal Audit encountered great difficulty in ascertaining what had happened to any drugs items which had initially been located at Whitby, prior to the closure of the store there, when the number of DLO posts were reduced from three to two.

All of the items were eventually accounted for, however this was as a result of extensive enquiries by the former Force Drugs Coordinator. It was apparent that procedures had not been correctly followed, as records had not been kept up to date in order to enable items to be readily located. Internal Audit were also notified that similar issues had also been encountered around this time with drugs items that had been transferred from Malton.

As a result, Internal Audit recommended that all of the drugs items that were transferred from Whitby and Malton around this time should be checked and verified, in order to ensure that they could be accounted for, either within stores or as disposed of. In formal response to this recommendation, Internal Audit were advised in May 2012 that all items had been accounted for. This review has sought evidence that this process was undertaken.

Discussions with the DLOs highlighted no awareness of this process actually being undertaken, nor have Internal Audit been able to obtain any evidence to confirm that this was the case. Information was also sought from the Detective Chief Inspector who was the original action manager for this recommendation. Whilst this individual is no longer responsible for this area, the absence of any forthcoming evidence to support this process, leads Internal Audit to conclude that the items were not fully accounted for. In addition, a 2011 POTF drugs book was also located at Whitby at the time of this review, which contained a number of entries, whereby neither the location or eventual disposal of the items were evidenced.

Given the paper based POTF system utilised by NYP to manage drugs exhibits, the only way to reconcile items is to refer to the original POTF drugs books and to locate the items in question or to verify that items have been disposed of. Given the time passed since the original review, it is likely that many of the items in question will have been disposed of, reducing the work involved in accounting for the transferred items.

Internal Audit would therefore reiterate the original recommendation contained within the Property Compliance Review report, to ensure that NYP can account for drugs exhibits

transferred from Whitby and Malton in 2012.

Recommendation 1

NYP should account for all of the drugs exhibits transferred from Whitby and Malton in 2012, to evidence the location of the items within stores or their disposal.

4.2 Property Movements - Disposals

Risk Exposure			Root causes		
Property may be lost/ misappropriated.			Property records are not updated to accurately reflect property movements, for items transferred from outlying stations to Harrogate or York for the purposes of disposal.		
Probability	Financial	Reputation	Operational	Legal	Rating
Unlikely	Minor	Significant	Minor	Significant	5:10

When an item is moved to another location, a record should be made as to where the item has been transferred. This is to ensure continuity of evidence and to enable items to be located at any time.

As part of this review a sample of 15 drugs exhibits were selected from the POTF drugs books at Whitby and attempts were made to find the items within stores or to obtain evidence that the item had been destroyed. The POTF entries evidenced that in six cases, the items had been transferred to Scarborough drugs store. However, the items were not present at Scarborough and enquiries with the DLO highlighted that the items had subsequently been transferred to Harrogate for the purposes of disposal. The movement of the items from Scarborough to Harrogate had not been recorded on the POTF record or in a Drugs Movement Book.

Internal Audit was notified that at present, items that are held within stores at Scarborough are transferred to Harrogate police station for the purposes of disposal. Ordinarily exhibits would be disposed of direct from Scarborough, but as the DLO who is normally based at Scarborough is on maternity leave, the store is currently being managed by the DLO who is based at Harrogate. Exhibits are transferred due to the availability of the DLO and an Inspector to undertake disposals there and to avoid extended travelling times between Harrogate and Scarborough. These movements are not being recorded due to the administrative burden, which would reduce the amount of time that the DLOs would have to spend on stores management and expert witness statements.

In order to reduce the risk of items becoming lost/ misappropriated during a stores move, the items are packed into field crates and sealed, similarly as they would be for a normal transfer. Minimal numbers of officers are also involved in any moves in order to improve accountability. However, no record is made of the items that are held within the crates either before or after the stores move and therefore there is not a complete audit trail.

In addition, at the time of this review one item could not be readily located, which was seized on 28 January 2013 and was described as a 'joint containing cannabis'. The original entry in the POTF book suggested that the item should still have been present in the temporary drugs safe at Whitby. However, extensive enquiries within NYP enabled the item to be accounted for, with Internal Audit provided with evidence that the item had been disposed of at York drugs store on the 17 January 2014.

POTF records should accurately reflect the location of an item at any time and the failure

to record property movements in these cases could lead to the loss/ misappropriation of items. As detailed in Section 4.1, similar issues were encountered during the 2012 Property Compliance Review undertaken by Internal Audit, when a number of exhibits that had initially been submitted to stores at Whitby, took in excess of three weeks to locate, as records did not accurately reflect the location of the items.

Internal Audit has also been advised that NYP intends to operate with one centralised property store in the future, which will include the storage of drugs exhibits. If pursued, the ability to trace the movement of drugs items, by ensuring that records are up to date, will become even more critical. Internal Audit would suggest that NYP considers the use of the Niche system, to enable property movements to be accurately recorded, negating the need for Drugs Movement Books. This system has already been piloted for the management of general POTF within NYP and this would enable items to be readily located, as long as the system was accurately updated. The system would be more efficient than the current paper based system and would reduce the administrative burden of disposals and movements, as bulk stores moves could be undertaken.

Recommendation 2

NYP should review the practice whereby property movements are not recorded, when the purpose of the move is to facilitate a disposal.

Recommendation 3

NYP should consider the use of the Niche system for the management of drugs exhibits.

4.3 Security of Stores

Risk Exposure			Root causes		
Property may be lost/ misappropriated.			<p>At some POTF locations, officers are permitted unaccompanied, unlogged access to the temporary store/facilities.</p> <p>The POTF Office at Scarborough is not always locked during office hours, when unattended.</p>		
Probability	Financial	Reputation	Operational	Legal	Rating
Unlikely	Minor	Significant	Minor	Significant	5:10

4.3.1 Access to the Temporary Drugs Safe - Whitby

When Internal Audit visited Whitby police station as part of this review, it was evident that officers continue to be permitted unaccompanied and unlogged access to temporary stores. During the previous property compliance review, Internal Audit were advised that this was due to the unavailability of supervision and individual key holders.

The key for the temporary drugs safe is held in a locked key safe within the Sergeants office; however the key for the key safe was freely accessible on a notice board in the same office.

In addition, it was apparent that the temporary drugs safe is not emptied on a regular basis. Force policy states that temporary stores should be emptied within 72 hours. Analysis of the items sampled by Internal Audit as part of this review identified that the average time taken to empty the temporary drugs safe at Whitby was 19 days, with 50% of the items taking in excess of 20 days to be transferred. This increases the risk of items being lost or misappropriated and also reduces the likelihood of identifying what has happened to any items that cannot be located.

NYP may wish to consider the use of drop box style safes, as appropriately restricted access to such facilities would ensure that drugs exhibits were held more securely, mitigating some of the risk of less frequent drug exhibit collections from outlying stations.

4.3.2 Access to the Permanent Drugs Store - Scarborough

At Scarborough drugs store, exceptional arrangements are in place to allow officers access to the permanent store, when urgent access is required and a DLO is not on site. Those accessing stores are asked to enter the store with a colleague and to log if they have removed any items, i.e. for court etc, in a notebook that is held within the store. As items are not reconciled after access has been allowed, this practice undermines the accountability of the DLOs, who should be the only individuals with access to stores.

Whilst it is appreciated that the DLOs are not always present at Scarborough, particularly whilst the store is being covered by the DLO based at Harrogate, officers should be

required to request items from stores in advance, negating the need for access when the DLO is not available.

Recommendation 4

NYP should determine the frequency with which temporary drugs safes should be emptied and also the appropriate individuals to undertake this task, i.e. DLOs/Orderlies.

As part of this assessment, NYP could consider the use of drop box style safes, to mitigate some of the risk of less frequent drug exhibit collections.

Recommendation 5

Access to permanent drugs stores should be restricted to those individuals involved with management of stores, i.e. DLOs.

5 Recommendations

#	Recommendation	Category of Rec.	Management Action	Action Manager & Completion Date	Satisfactory Response (IA View)
1	NYP should account for all of the drugs exhibits transferred from Whitby and Malton in 2012, to evidence the location of the items within stores or disposal.	Significant	All POTF/movement books from Whitby/Malton for 2012 have been requested by T/DI Marchant for verification.	T/DI Marchant 31 May 2014	Yes
2	NYP should review the practice whereby property movements are not recorded, when the purpose of the move is to facilitate a disposal.	Significant	All movements have been recorded on present spreadsheet system and this will subsequently be facilitated through implementation of Niche RMS system. District Account Manager Emma Connelly has been contacted to request that drugs handling is added to training package for Niche.	T/DI Marchant 31 October 2014	Yes
3	NYP should consider the use of the Niche system for the management of drugs exhibits.	Merits Attention	DLOs will be fast tracked for Niche training. ISD have been consulted regarding any additional IT requirements and then training will be rolled out as scheduled. This will mean that some areas will go on line before others and that officers seizing drugs will initially work on paper records. The DLO will transfer the record to Niche and will be managed subsequently in this way.	T/DI Marchant 31 October 2014	Yes

#	Recommendation	Category of Rec.	Management Action	Action Manager & Completion Date	Satisfactory Response (IA View)
4	<p>NYP should determine the frequency with which temporary drugs safes should be emptied and also the appropriate individuals to undertake this task, i.e. DLOs/ Orderlies.</p> <p>As part of this assessment, NYP could consider the use of drop box style safes, to mitigate some of the risk of less frequent drug exhibit collections.</p>	Significant	<p>The main temp drug stores are being emptied on a daily basis Monday to Friday as is current practice. Outlying stations will be emptied once a week or sooner if circs dictate. DLO's and Orderlies will perform this task. Orderlies who empty drug stores at outlying stations must agree with the DLO for that area prior to doing so, so that the drugs can be received once taken to the main sites. DLOs will make arrangements to cover main temp stores at other stations when there is abstraction. This will ensure the timely management of the incoming items and maintain the integrity of the temp stores.</p> <p>The use of drop boxes will not be practical for larger seizures and increased frequency of collections as above should manage this risk. Therefore this element of the recommendation is not accepted.</p>	<p>T/DI Marchant 03 April 2014</p>	Yes
5	<p>Access to permanent drugs stores should be restricted to those individuals involved with management of stores, i.e. DLOs.</p>	Significant	<p>Permanent drug stores will only be accessed by DLO's and their line managers. T/DI Marchant will liaise with operational delivery inspectors for main areas to ensure that keys are accounted for.</p>	<p>T/DI Marchant 31 May 2014</p>	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.

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.

6 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	Nil	Negligible	Minor	Significant	Catastrophic
Financial (£)	Nil	< 10K Minimal impact upon either devolved budget or the Police fund	10 – 30K Minor impact upon either devolved budget or the Police fund	30 - 75K Significant impact upon either devolved budget or the Police fund	>75K Catastrophic impact upon either devolved budget or the Police fund
Reputation	Nil	Negligible adverse publicity. Minimal impact upon public perception	Localised adverse publicity. Minor/transient impact upon public perception of Force or Authority	Criticism at local Government level. Lasting impact upon public perception of Force or Authority	Intense national media. Criticism at national government 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