



The Police, Fire and Crime Commissioner for North Yorkshire and the Chief Constable of North Yorkshire

Internal Audit Progress Report

15 December 2020

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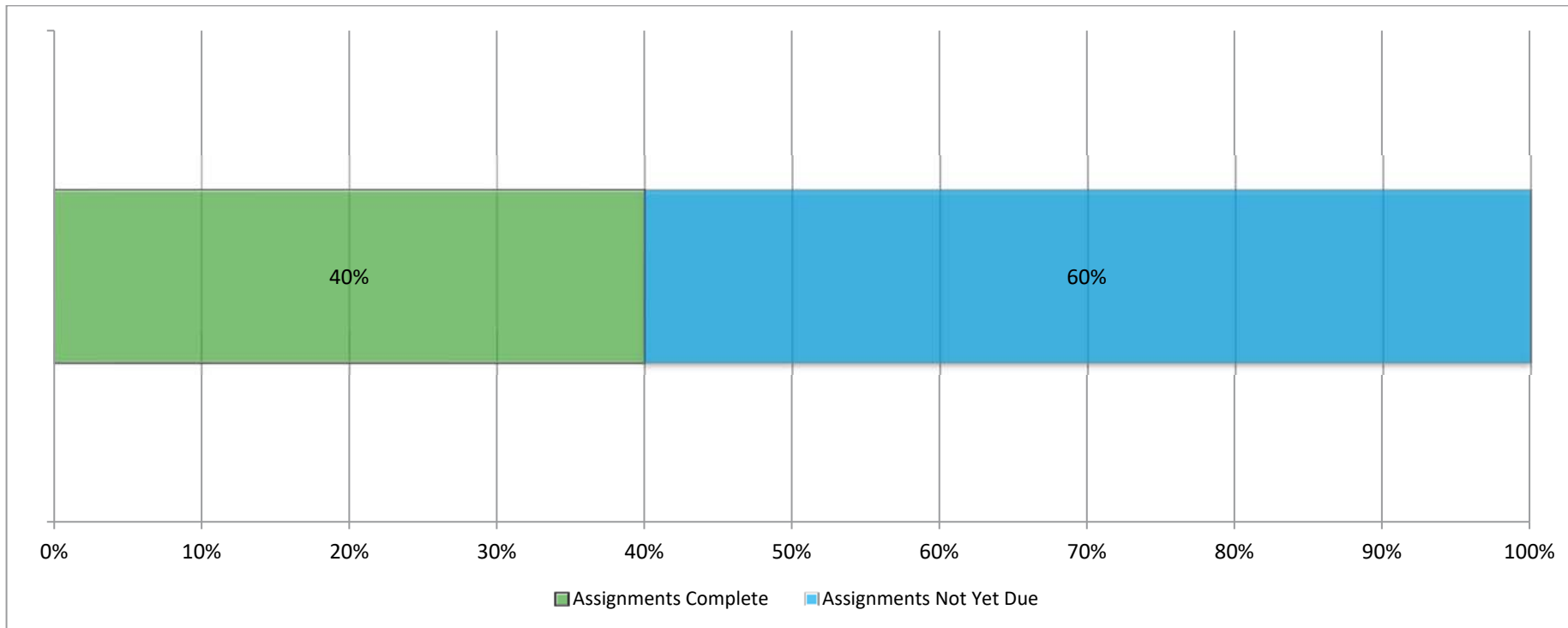
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1 Introduction

The internal audit plan for 2020/21 was approved by the Joint Independent Audit Committee on 17 March 2020.

The graphic below provides a summary update on progress against the 2020/21 plan.



2 Reports

2.1 Summary of final reports being presented to this committee

This section summarises the four reports that have been finalised since the last meeting.

Assignment	Actions agreed		
	L	M	H
Vulnerability and Incident Response (restricted report)	5	4	1
<u>Objective of the review:</u> To provide assurance over IT's ability to manage information security incidents and to ensure correct and secure operations of information processing facilities.			
<u>Risk:</u> Principal risk: ability to maintain I.T provision.			

Assignment

Actions agreed

L M H

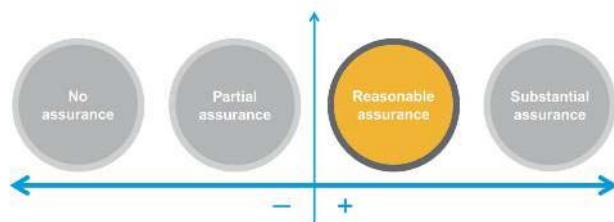
Key Financial Controls: Procurement

2 3 0

Objective of the review:

To ensure that value for money is achieved through the robust procurement of goods and services and in accordance with the Force's Devolved Resource Management Manual.

Overall assurance rating and management actions:



An overall assurance rating of **reasonable assurance** has been given for this review. We have raised **three medium** and **two low** priority actions. The medium management actions are summarised below:

- The 'Procurement Process' guidance document issued to staff in January 2020 was agreed at the 21 November 2019 meeting of the SCB and was signed off by the Commissioner's CFO; however, the document was not on an official policy template with document control (date reviewed, date of next review, version).
- The SCB, which was established to have oversight of NYP procurement activity, has not met in several months, during which time there has been little governance oversight of procurement activity. The Board is to be re-established awaiting finalisation of revised terms of reference.
- We could only evidence one report into procurement activity since the start of the calendar year 2020. As aforementioned, the forum at which procurement activity would be reported, the SCB, has not met for several months.

Context:

Procurement processes at North Yorkshire Police (NYP) are outlined in the Force's Devolved Resource Management (DRM) Manual, included in which are the thresholds of delegated authority, namely that the procurement of contracts below £50,000 (aggregated spend over four years) are managed in-house; procurement of those over £50,000 are led by the Regional Procurement Team. The current Senior Category Officer who leads responsibility for procurement at NYP joined the Force at the end of 2019. The Senior Category Officer is supported by two Senior Procurement Officers who have been with the Force for several years along with three procurement apprentices.

Assignment

Actions agreed

L M H

The Force previously had in place a Strategic Commercial Board (SCB), which was established in April 2019 to review all procurement activity over £10,000, and to provide advice on the most appropriate route to market. The opportunity was set out by PwC as part of the Force's Transform 2020 Strategy that identified by having a Procurement Board in place a 'better value for outcome' would be achieved, with forecasted savings of between 6-8%.

Assignment

Actions agreed

L M H

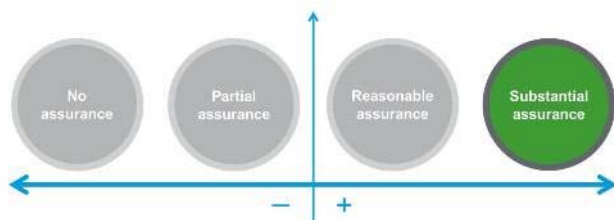
Overtime, Bonus and Honorarium Payments

3 2 0

Objective of the review:

To ensure appropriate controls are in place to support bonus, overtime and honorarium payments and these are made in accordance with the Police Regulations.

Overall assurance rating and management actions:



An overall assurance rating of **substantial assurance** has been given for this review. We have raised **two medium** and **three low** priority actions. The medium management actions are summarised below:

- A walkthrough of the Origin system identified that claimants log the rates of pay in the Origin system to support each overtime claim. There is no way to automate (and hard code) rates of pay within the system. The Origin system is limited in its reporting capabilities to identify potential errors in overtime claims submitted. The RMU Team and Payroll Department complete some checking of overtime claims; however, this is limited due to system capabilities and department capacities. Where limited checks are completed on overtime claims, there is a risk that overtime rates of pay are not claimed in accordance with Police Regulations.



Assignment

Actions agreed

L M H

- The Payroll Department review all honorarium forms submitted for additional hours. Claimants are required to document the relevant rates of pay for all hours claimed. Testing of 15 honorarium payments for additional hours highlighted three cases where higher rates of pay (1.5 hourly rate) were applied by the Payroll Department for some hours. The higher hourly rates were applied due to hours being worked between 7pm and 7am; however, the amendments were applied following line manager and Head of Department approval. Where no commentary is provided from the Payroll Department to confirm any required changes to rates of pay, there is a risk that claims are not processed within the pre-approved budget.

Context:

Overtime claims

All unplanned overtime claims are submitted by the claimant in the Origin duties system and claims are approved by the relevant line manager prior to processing by the Payroll Department. The claimant inputs the applicable rate of pay (in accordance with Police Regulations), the reason code to support the overtime claim and details of the claim.

Planned overtime is input into the system by the Resource Management Unit (RMU) Team. The appropriate rate of pay, reason code and line manager are selected to ensure that claims are consistently logged and approved.

Bonus payments

Bonus payments can be claimed where officers have experienced unpleasant activity (for instance, attending a horrific crime scene), exceptional service and for tutoring time whereby officers tutor junior staff in addition to normal duties. The Force have developed e-forms for tutor bonus claim submissions. Bonus claims for unpleasant activity and exceptional service are logged on paper-based forms. All claims must be approved by the relevant line manager and submitted to HR for review of bonus payments to ensure that claims are not duplicated.

Honorarium payments

Honorarium payment claims are submitted for any additional hours or additional duties worked. The Force have developed e-forms to replace the previous paper-based forms. All claims are approved by the relevant line manager and Head of Department. The e-forms are reviewed and approved by the Head of Finance.





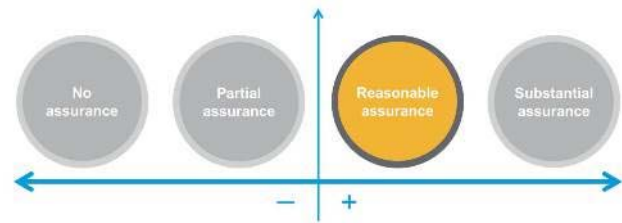
Assignment	Actions agreed		
	L	M	H
The Head of Finance has overall responsibility for overtime, bonus and honorarium payments. The Payroll and Pensions Manager is responsible for overseeing the processing of claims by the Payroll Department. The RMU Team Leader is responsible for officer duties within the Origin system, including the logging of planned overtime claims.			

Assignment	Actions agreed		
	L	M	H
Bail Management	0	4	1

Objective of the review:

To provide assurance that the Force has sufficient accountability and transparency in delivering their police bail approach in accordance with the Policing and Crime Act.

Overall assurance rating and management actions:



Overall assurance rating of **reasonable assurance** has been given for this review. We have raised **one high** and **four medium** priority actions. The high management action is summarised below:

- For a sample of 24 custody records (including five legacy cases) across the three custody suites (York, Harrogate and Scarborough) where the suspect was released under investigation, we identified 11 discrepancies in the consistency of supervising officer reviews on the Niche system. In two of these cases, the expected finish date for RUI had surpassed at the time of testing.



Assignment	Actions agreed		
	L	M	H

Context:

In late 2014, the then Home Secretary consulted on measures to limit the use of pre-charge bail, as well as supporting changes such as allowing the police to release low-risk suspects without bail while an investigation is ongoing. These measures were enacted by the Policing and Crime Act, which came into effect in April 2017.

Up until April 2017, all suspects arrested were under the expectation that they will be entitled to be bailed after a period of 24 hours detention. From April 2017, there is a presumption in law that the expectation is they will be released from detention without bail. For the police, this will formalise a category of suspect where an investigation remains live and the person remains a suspect, but no longer under any specified restrictions – ‘under investigation not on bail’. Applying bail is the exception and must be clearly justified.

The Force implemented the Suspect Management Policy and Procedure in October 2019. It states that after the initial arrest; for a suspect to be released on police pre-charge bail, the Investigating Officer must consider it proportionate and necessary, and an applicable bail period of 28 days is authorised at Inspector level (or above). Reason and grounds, including safeguarding considerations, for pre-charge bail are documented on a bail application form and uploaded into the Niche system. It is possible to secure an extension to the applicable bail period to three months; such extensions must be approved by a Superintendent or above. Where an extension beyond these dates are considered necessary, police pre-charge bail is subject to judicial oversight and a Magistrate will make a determination whether to extend the applicable bail period for a further three or six months until the investigation into the suspect is resolved.

In January 2020, Inspector reviews were introduced for all investigations classified as RUI, meaning that all investigations that were three months old were subject to a full review for the expeditious investigation of the offence, and that the status of RUI remained proportionate, legal, and necessary. In April 2020, the further safeguards of a Superintendent's six-month review was introduced.



Appendix A – Progress against the internal audit plan 2020/2021

The current Covid-19 situation means that our clients and internal audit are working differently. We understand and recognise the organisations' strategic / primary objectives, and that the developments around Covid-19 will continue to impact on all areas of the organisations' risk profile. We will work closely with management to deliver an internal audit programme which remains flexible and agile to ensure it meets your needs in the current circumstances.

Assignment	Status	Target Joint Independent Audit Committee
Freedom of Information (FOI – OPCC)	Planning document issued and approved Fieldwork scheduled to take place week commencing 7 December 2020	March 2021
Follow Up of Previous Internal Audit Management Actions: Visit 2	Planning document issued and approved Fieldwork scheduled to take place week commencing 4 January 2021	March 2021
Complaints Readiness	Planning meeting scheduled for 10 December 2020 Fieldwork scheduled for week commencing 25 January 2021	March 2021
Project / Capital Expenditure	Planning document issued Fieldwork scheduled to take place week commencing 15 February 2021	June 2021
Ethics	Planning document issued and approved Fieldwork scheduled to take place week commencing 8 March 2021	June 2021



Assignment	Status	Target Joint Independent Audit Committee
HMICFRS: Recommendation Tracking	Planning document issued Fieldwork scheduled to take place week commencing 15 March 2021	June 2021
Human Resources: Training	Planning meeting held Fieldwork scheduled to take place week commencing 22 March 2021	June 2021

Appendix B – Other matters

Impact of findings to date on 2020/21 Opinions

The Joint Independent Audit Committee (JIAC) should note that the assurances given in our audit assignments are included within our Annual Assurance Report. In particular, the JIAC 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.

To date we have issued six final reports, one of which was a partial assurance opinion (negative). This will not in isolation result in a qualification to our opinions. We will provide further updates as more reports are finalised throughout the year and keep both Chief Finance Officer's informed over the coming weeks as more reviews are undertaken.

Changes to the audit plan

Detailed below are the proposed change to the audit plan:

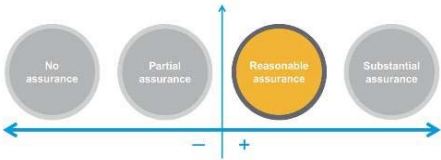
Note	Auditable area	Reason for change
1	Crime Recording: Equality (Reported and approved by JIAC in September 2020)	<p>At the request of management the Crime Recording: Equality review will be replaced with a Freedom of Information Request review focusing on the arrangements at the Police, Fire and Crime Commissioner. This change has been discussed at the Risk and Assurance Board meeting.</p> <p>The Force is currently developing Niche to allow for the necessary equality data to be captured, so is not in a position for a review to take place in 2020/2021.</p>
2	Victims' Code (8 days) Force Management Statements (6 days)	<p>Following discussions with Force leads the Victims' Code and Force Management Statements will be deferred to 2021/22. The audit days will be discussed by the Risk and Assurance Board and allocated to appropriate areas of risk, subject to JIAC approval.</p>

Appendix C - Key performance indicators (KPIs)

Delivery			Quality		
	Target	Actual		Target	Actual
Draft reports issued within 10 days of debrief meeting	10 days	5 days (average)	Conformance with PSIAS and IIA Standards	Yes	Yes
			Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	As and when required
Final report issued within 3 days of management response	3 days	1 day (average)	Response time for all general enquiries for assistance	2 working days	2 working days (average)
			Response for emergencies and potential fraud	1 working day	-

Appendix D – 2020/21 Internal audit assignments previously reported

Reports previously seen by the Joint Independent Audit Committee and included for information purposes only:

Assignment	Opinion issued	Actions agreed		
		L	M	H
Follow Up of Previous Internal Audit Management Actions: Visit 1	Reasonable progress	0	3	0
Collaborations		1	5	0



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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

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