

**HUMBERSIDE POLICE AUTHORITY AND HUMBERSIDE POLICE
– INTERNAL AUDIT REPORTS**

INTRODUCTION

1. The purpose of this report is to apprise Members of the recommendations made recently by the Internal Auditors on the current systems and procedures adopted in the Humberside Police Authority and Police Force. This report highlights the recommendations agreed to improve the overall control environment and progress made against actions agreed at previous audits.

BACKGROUND

2. The work outstanding from the Audit Plan for 2004/2005 is now complete. Reports have been issued in the following areas:
 - Corporate Governance
 - IS/IT Security
3. In accordance with the Audit Plan for 2005/06, a system based review of the Sale of Buildings has been completed. Additional work has been carried out on the Drug Testing Programme Grant.
4. Where necessary, improvements were agreed with the system managers at the end of the audits and these were incorporated into the reports.
5. Appendices A to C show improvements agreed for the audits mentioned above. Appendices D to L show progress made on outstanding agreed actions as reported to the Audit and Strategy Committee in May 2005. It should be noted that some improvements are longer term and are not yet due for completion; agreed dates are shown in the action plans.

FINDINGS AND RECOMMENDATIONS

6. The main findings are summarised as follows:

Corporate Governance

7. There has been some improvement since the issue of the previous Corporate Governance Audit report. Whilst a number of agreed actions have not been fully met, it is evident that some progress has been made. In particular a Code of Corporate Governance has been drafted. Of the 27 actions agreed in the previous report issued in August 2004, eight remained outstanding, a further six had been

partially met and one was no longer applicable. Recent assessments by the Audit Commission reported that the overall 'corporate health' of the Police Authority was good.

8. The Force has carried out a significant amount of work on the area of risk and Statement on Internal Control. A risk register has been produced, the Review and Assessment Unit carry out audits and the Force Audit Board has been formed. Whilst the risk register was found to be satisfactory, it was felt that additional strategic risks could be added. Very little work has been carried out on risk within the Authority, however, the Audit Commission will be assisting the Secretariat in this area as part of their planned work.
9. Agreed actions are shown at appendix A.

IS / IT Security

10. Most aspects of the IT security that were examined are currently well controlled and IT security is considered to be an important part of the ISB philosophy.
11. Since the last audit significant investments have been made within ISB enabling it to successfully support the Force's IT requirements, and to substantially improve the IT Business Continuity plan with the development of a second computer suite at the Priory Road Site.
12. Agreed actions are shown in appendix B.

Sale of Property

13. Based on the audit testing, the systems in place for administering the sale of properties were found to be controlled and operating effectively.
14. Agreed actions are shown at appendix C.

Drug Testing Programme Grant

15. The grant claim was certified following confirmation that the statement of expenditure was correct and agreed to costs eligible under the programme. Minor recommendations were made to improve the management trail.

RECOMMENDATIONS

16. It is recommended that the report be noted.

SIMON DRIVER
Treasurer to the Police Authority

Contact Officer: - Helen Asher Tel (01724) 296046

Background Papers: - Reports of North Lincolnshire Council Internal Audit
2004/2005 and 2005/06

CORPORATE GOVERNANCE - ACTION PLAN
8 JUNE 2005

Finding Ref.	Issue	Action	Progress	res
3.1.1 * *	A Code of Corporate Governance has been drawn up but is in draft format.	A Code of Corporate Governance will be finalised.	Drafted. Not yet due	Sha Chie
3.1.2 * *	There are no documented protocols governing relationships between members and officers although work is ongoing.	Protocols governing relationships between members and officers will be drawn up to ensure accountability.	Drafted. Not yet due	Sha Chie
3.1.3 * *	There is no Scheme of Delegation in existence or a formal document outlining the decision making process within the Authority.	A Scheme of Delegation for officers and a formal document outlining the decision making process should be finalised.	Drafted. Not yet due	Sha Chie
3.1.4 * *	The roles and responsibilities of the Monitoring Officer are not formally documented. Work is in progress.	The roles and responsibilities of the Monitoring Officer will be formally documented.	Drafted. Not yet due	Sha Chie
3.1.5 * *	The role of the Monitoring Officer is not publicised across the Force.	The role of the Monitoring officer will be publicised across the Force.	In progress. Not yet due	Sha Chie
3.1.6 * *	A review of Contract Standing Orders is needed.	Contract Standing Orders will be reviewed.	Not yet due	Sha Chie
3.1.7	The Financial Regulations have not been updated since November 2002.	Financial Regulations will be updated.	Not yet due	Sha Chie

* - outstanding since 2003/04 report

** - outstanding since 2002/03 report

Finding Ref.	Issue	Action	Progress	res
3.1.8 **	A formal system for identifying member training needs is not in place.	Individual training plans for members will be introduced.	Not yet due	Sha Chie
3.1.9 *	Formal systems for conducting Performance and Development interviews are not in place within the Secretariat.	Performance and Development interviews will be conducted within the Secretariat.	Not yet due	Sha Chie
3.1.10	The Members' Handbook has not been issued to Members.	The Members' Handbook will be issued to Members.	Completed	Sha Chie
3.1.11 *	The responsibilities of the Treasurer are not detailed in the Members' handbook.	The Treasurer's responsibilities will be detailed in the Members' handbook.	Completed	Sha Chie
3.2.1	More than one Service Level Agreement (SLA) is in operation for each Neighbourhood Panel within 'B' and 'C' Divisions.	One SLA will be drawn up for each Panel in future.	Revised SLAs are being circulated to include all signatures on the same document	Joh Cor Pa M
3.2.2	The Clerk to the Neighbourhood Panel and Chair of the Panel did not sign all SLAs. None were signed by the Chief Executive.	The required people will sign SLAs.	As above	Joh Cor Pa M
3.2.3	The Panel name is not always entered on the SLA.	The Panel name will be entered on the SLA.	The revised SLAs will include the panel name where it is not included	Joh Cor Pa M

Finding Ref.	Issue	Action	Progress	res
3.3.1 **	A Risk Management Strategy does not exist for the Authority.	A Risk Management Strategy will be drawn up for the Authority in conjunction with the Audit Commission.	In progress	Sha Chief Audit
3.3.2 **	The Force Audit Manual has been produced and it is in draft format.	The Force Audit Manual will be finalised.	Completed	J Fo Man Au
3.3.3	Some strategic risks have been omitted from the Force Risk Register.	Consideration will be given to including the additional risks identified in the Risk Register.	Completed	Chie R
3.3.4 **	There is no agreed protocol for Internal and External Audit joint working. A draft protocol has been drawn up.	A protocol for joint working will be finalised.	In draft	Intern Audit
3.4.1 **	There is no system in place for Force Support staff to declare pecuniary interests.	A system will be set up for Force Support staff to declare pecuniary interests on an annual basis.	Completed	John Empl M
3.4.2 & 3.4.3	An examination of Gift & Hospitality registers maintained at divisional level revealed that insufficient information is recorded.	Corporate standard registers will be used throughout all divisions and branches to ensure consistency.	Document out for consultation	John Empl M
3.4.4	There are no systems in place to remind Support staff and Police Officers to declare gifts and hospitality.	Staff will be reminded to declare any gifts and hospitality they have either accepted or declined via the Guidance and Information facility on the Intranet. An email will be forwarded to the Personnel and Support officers within Divisions/Branches to request that staff are reminded to declare gifts and hospitality.	As above	John Empl M

Finding Ref.	Issue	Action	Progress	res
3.4.5 *	Written procedures for dealing with complaints made against Chief Officers are currently being drafted.	A written procedure for dealing with complaints made against Chief Officers will be finalised.	Completed	Sha Chie

IT ORGANISATION & SECURITY - ACTION PLAN
2 JUNE 2005

Finding Ref.	Issue	Action	Progress	Office respo
3.1	There are security implications for information exchange and access to the network by external partners.	The current impetus of concern, evident in the establishment of a Project Board to debate the issues needs to be ongoing.	Not yet due	Mick A
3.2	The HMIC review reported that the Force Business side should follow the ISB initiative and revise their own plans.	The Business Side of the Force will review their continuity plans.	Not yet due	Phil G
3.3	The "ISB Performance Report 2003-2004" includes a reasonably detailed plan of the new computer room at Priory Road. Plans of the network topology were seen on the Intranet. Both represent a security risk in the current "anti terrorist" climate.	Withdraw the diagram of the Computer suite from the publication and consider the appropriateness and need for the network topology to be included on the Intranet.	Completed	Steve Roy M
3.5	At the time of the audit, a large fan was being used to keep parts of the computer room cool because the air conditioning system was not working adequately.	Whilst the air conditioning system in the computer room needs a fan blowing constantly it must be a risk to the IT process. It therefore needs to be corrected as soon as possible, even at additional cost.	Completed	Steve
3.6	All the system logs were being consolidated into the Envision Control server which includes an audit trail, full reporting software and real time alerting. Time has still to be put aside to specify the parameters, the run scheduling and decision on responsibility for proactive monitoring.	The specification of the parameters and the run scheduling needs to be timetabled, and a decision on responsibility for proactive monitoring needs to be made.	Not yet due	Mike F

Finding Ref.	Issue	Action	Progress	Office respo
3.7	The Internet and Email blocking and monitoring software was seen to be working but the results were reviewed when a problem was known or reported rather than a proactive monitoring of results.	Proactive monitoring of blocks and usage of the Internet and Email should be planned, undertaken and documented.	Not yet due	Ian Ma Roy M Graha
3.8	In order to achieve the Gold Status accreditation with FAST, it is considered that some Asset management software should be utilised to complete the control.	Asset management software should be assessed as the next step in the FAST accreditation process.	Not yet due	Graha Roy M
3.9	The manual system for altering user access requirements does not include a section to delete a user needs on changing roles.	A section to delete a user's needs on changing roles should be included in the change user access form.	Completed	Steve
3.10	The plans for rolling out the computer training package to the Force are dependent on individual Police Inspectors.	Some form of corporate monitoring should be considered to be able to identify the take up of the offered individual learning package.	Not yet due	Mick A
3.11	A regular monitoring report of Service Desk activity could be useful to identify any trends or problems and used to evidence the success of the procedures	A periodic monitoring report be produced which would show client calls made and cleared etc. This report could be used to demonstrate success and possibly identify any problem areas at the earliest opportunity.	Completed	Steve

SALE OF BUILDINGS - ACTION PLAN
25 AUGUST 2005

Finding Ref.	Issue	Action	Progress	Office respo
3.1	A formal system for notifying the Buildings Unit of members of the Force who are due to retire and occupy a police house is not in place.	The Buildings Unit will liaise with the Personnel Section with a view to introducing a system for identifying officers who are due to retire.	Not yet due	Lance Build Mana
3.2	The 2004/05 re-valuation data was submitted to the Assistant Finance Manager too late to be included in the annual accounts.	The surveyors will be informed to complete the re-valuation exercise earlier in order to meet the annual accounts deadline.	Not yet due	Lance Buildin
3.3	A three months delay was identified in sealing the Transfer of Deed for 17, Weatlans Drive within the Secretariat.	Transfer of Deed documents will be sealed promptly. The Member Support Manager will complete the preparation work for the sealing. The Chief Executive will sign the document and the Assistant Chief Executive in her absence.	Report just issued	Shahin Chief

MAIN FINANCIAL SYSTEMS - HEALTHCHECKS 2004/05 - ACTION PLAN
6 APRIL 2005

Finding Ref.	Issue - Sundry Debtors	Action	Progress	Office respo
3.1.12	The Principal Finance Officer sample checks, which feed into a quarterly debtors report, have not been performed since the first quarter of 2004/05.	The Principal Finance Officer will resume sample checks and the production of a quarterly debtors report. An appropriate target date will be set for raising invoice requests showing the date of service.	Completed	D Ketl
3.1.13	The same officer receipts income and prepares the paying in slips, providing an inadequate separation of duties.	Where possible the same officer will not receipt remittances and complete the paying in slip.	Will be actioned if staffing numbers allow	D Ketl
3.2.2	Travel claims are not always submitted promptly.	Essential user claims must be submitted on a monthly basis (even if no mileage has been undertaken), and casual user claims should cover no more than one month, in accordance with procedures. An email will be sent to budget holders.	Completed	D Ketl

Finding Ref.	Issue - Payroll	Action	Progress	Office respo
3.3.1	Sickness records have to be monitored manually by Payroll Assistants to ensure half pay is implemented at the correct time.	The new personnel system will be evaluated to identify if automatic monitoring of sickness records is possible. A working party will be set up to do this.		D Ketl

MAIN ACCOUNTING SYSTEM & BUDGETARY CONTROL - ACTION PLAN
4 APRIL 2005

Finding Ref.	Issue	Action	Progress	Of re.
3.2	Budget monitoring procedures have changed during the year.	Budget monitoring procedures will be closely examined and reviewed to ensure the desired information and control is attained.		Mi
3.2	Budget monitoring procedures have changed during the year.	The revised budgetary monitoring procedures will be documented and incorporated into the Finance Manual of Guidance.	Not yet due	Mi
3.4	The future role of visits by Financial Management is not clear.	Visits by Financial Management to FARMS and Branch Managers will continue. Visits will be made as and when specific issues arise and at least quarterly.	Visits commenced August	Mi
3.8	The approval of virements above £100,000 does not follow written procedures.	Financial Regulations and the Finance Manual of Guidance will be re-written to reflect the current approval lines for virements. This will include virements within the same subjective lines and externally funded monies.	Not yet due	Di & Mi
3.9	The correct journal form is not used by some staff when inputting their own journals.	The journal input form will be issued as an official form and appropriate instructions supplied to Divisions/Branch Managers.	Completed	Mi
3.10	Journal procedures are not complete.	A copy of the journal input form will be added as an appendix to the journal procedures.	Completed	Mi

CREDITORS - ACTION PLAN
29 MARCH 2005

Finding Ref.	Issue	Action	Progress	Off
3.1	There are minimal documented procedures for the input and reconciliation procedures	Documented procedures will be produced for the input and reconciliation procedures.		Del
3.2	as above	Consideration will be given to cheques over £50,000 requiring a second signatory.		Del
3.3	The Finance Unit does not record tests to establish the level of compliance to the payment standard.	Tests will be carried out periodically to establish the level of compliance to the payment standard. Records will be maintained to support all checks.		Del
3.4	The outstanding credit note list shows approximately £900 relating to 2003 or earlier.	Outstanding credit notes prior to 2004 will be reclaimed.		Del
3.6	The Senior Finance Officer (Financial Control) can input and authorise BACS payments.	The division of duties of the input and authorisation of BACS payments will be reviewed.	Completed	Eile

FLEET TRADING ACCOUNT - ACTION PLAN
2 MARCH 2005

Finding Ref.	Issue	Action	Progress	Officer
3.6	It would appear that some codes/vehicles are included in the vehicle log unnecessarily.	The vehicle log will be reviewed and rationalised where possible.	Completed	Alan H Fleet & Manag

BANK ACCOUNT MANAGEMENT & TREASURY MANAGEMENT - ACTION PLAN
28 FEBRUARY 2005

Finding Ref.	Issue	Action	Progress	Officer
3.1 3.2	The Senior Finance Officer post is incorrectly detailed under item 2 as Finance Officer. Fidelity Guarantee Insurance cover has not been reviewed. The current schedule does not include all relevant designated officers. Two Assistant Finance Manager posts have not been included.	The Fidelity Guarantee cover which expires on 31 March 2005 will be reviewed to include all relevant designated officers. Posts will be accurately detailed.	Completed for renewal wef 1.4.05	Mike H
3.3	There is not adequate separation of duties on the banking system, relating to authorisation of payments and management of the system. Access levels for one officer allows them to create, authorise and send payments. The same officer is also the System Manager.	The Senior Finance Officer will cease to be the System Manager but will remain auditor of the system. The responsibility of System Manager(s) will be given to either or both of the two Senior Finance Managers who cannot create payments. The Senior Finance Officer will no longer have access to create payments. Should at any time both the Finance Assistants be absent then a System Manager will change the access rights of the Senior Finance Manager to allow her to create and not authorise, until such time as a Finance Assistant is available.	On-going	Eileen

**STORES - ACTION PLAN
7 DECEMBER 2004**

Finding Ref.	Issue	Action	Progress	Officer
3.1	The number of personnel fully responsible for stock is limited.	The long-term objective is to restrict the number of personnel fully responsible for individual stores sections.		Alan H
3.7	The stocktaking sheets should be designed to assist inexperienced officers.	The feasibility of adding units of quantity to stocktaking sheets will be examined.	February 2005	Alan H
3.13	as above	The practicality of maintaining the control sheet of 'wet stock' on a spreadsheet will be examined.	February 2005	Alan H

**BEVERLEY POLICE STATION - ACTION PLAN
29 OCTOBER 2004**

Finding Ref.	Issue	Action	Progress	Officer
3.17	The inventory is still in process of completion.	The inventory will be completed and kept up to date.	Not completed until works have finished	C Wis
3.18	Inventory items are not security marked.	Inventory items will be security marked.	Not completed until works have finished	C Wis
3.20	Income is banked on average every two weeks.	Income will be banked on a weekly basis.	Unable to complete as the job share post is helping with the Building Refurbishment Programme	L Bent

**UNOFFICIAL FUNDS - ACTION PLAN
1 OCTOBER 2004**

Finding Ref.	Issue	Action	Progress	Officer responsible
3.1 & 3.2	The Practice Directions for Other Than Found Property were prepared and published in April 1999 and, at the time of audit testing, no evidence was seen to suggest that they had been reviewed or updated since. The information is vague and confusing and doesn't fully explain the eligible income. There is also some confusion as to the responsibility of defining income and making the distinction between Revenue Other Than Found income and Property Act Fund Income.	The updated Practice Directions will be agreed and implemented as soon as possible. Any training and development requirements will be addressed accordingly.		Chief Constable representative report to
3.3	Some accounting queries were noted, including a number of debit entries to this fund, showing incorrect and misleading income figures.	Care will be taken to ensure correct payment codes and appropriate suspense accounts are used. Payments will not be made from income codes. Staff will be reminded where appropriate.		Chief Constable representative report to
3.4	Police Officers have to be constantly reminded to monitor Other Than Found Property, which is very often left and not followed up.	Police Officers will be reminded of the procedures for disposing of Other Than Found Property. Consideration will also be given to including a reminder or checklist within case documentation.		Chief Constable representative report to
3.7	Auction forms at Scunthorpe were not authorised and the statement of sales were not reconciled back to the original forms.	Property staff will be reminded of the procedures in respect of disposing items at auction.		Chief Constable representative report to

IMPROVEMENT ACTION PROCESS

CONTRACT MANAGEMENT
10 NOVEMBER 2003

NO.	RECOMMENDATION/ IMPROVEMENT ACTION	RESPONSIBLE PERSON	PROGRESS OF IMPLEMENTATION <i>COMPLETED/ONGOING/COMPLETED</i>
1 (Finding Ref 3.1.1)	Contract Standing Orders will be agreed as a matter of urgency.	Simon Driver, Treasurer	ongoing
2 (3.2.1)	An additional method of advertising for expressions of interests, for specific contracts, will be considered in order to ensure local contractors and SMEs are given the opportunity to tender.	Will Lambert, Purchasing & Contracts Officer	ongoing
4 (3.2.3)	The fact that the contract will be awarded to the Most Economically Advantageous Tender will be included in the tender document.	Will Lambert	Awaiting Standing Order amendment
10 (3.3.2)	An additional method of advertising for expressions of interests for specific contracts will be considered in order to ensure local contractors and SMEs are given the opportunity to tender.	Lance Beasley	ongoing
13 (3.3.5)	Contracts will be evaluated using the criteria of 'Most Economically Advantageous Tender' and not 'lowest compliant tender'. The award criteria will be clearly stated in the tender document.	Lance Beasley	ongoing

