Police & Crime Commissioner for Nottinghamshire & Nottinghamshire Police

Internal Audit Progress Report

Presented to JASP: 28th February 2022

mazars

Contents

01	Summary	3
02	Current progress	4
03	Performance	5
A1	Plan overview	6
A2	Reporting Definitions	9
A3	Summary of Reports	10
A4	Statement of Responsibility	21
Contacts		22

Disclaimer

This report ("Report") was prepared by Mazars LLP at the request of the Nottinghamshire Police and the Officer of the Police and Crime Commissioner (OPCC) for Nottinghamshire and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit the Nottinghamshire Police and the Officer of the Police and Crime Commissioner (OPCC) for Nottinghamshire and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk. Please refer to the Statement of Responsibility in Appendix A1 of this report for further information about responsibilities, limitations and confidentiality.

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01 Summary

The purpose of this report is to update the Joint Audit & Scrutiny Panel (JASP) as to the progress in respect of the Operational Plan for the year ended 31st March 2021, which was considered and approved by the JASP at its meeting on 24th February 2020. It will also provide an update on the progress in respect of the Operational Plan for the year ended 31st March 2022, which was considered and approved by the JASP at its meeting on 24th February 2021.

The Police and Crime Commissioner and Chief Constable are responsible for ensuring that the organisations have proper internal control and management systems in place. In order to do this, they must obtain assurance on the effectiveness of those systems throughout the year and are required to make a statement on the effectiveness of internal control within their annual report and financial statements.

Internal audit provides the Police and Crime Commissioner and Chief Constable with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the organisation's agreed objectives. Internal audit also has an independent and objective advisory role to help line managers improve governance, risk management and internal control. The work of internal audit, culminating in our annual opinion, forms a part of the OPCC and Force's overall assurance framework and assists in preparing an informed statement on internal control.

Responsibility for a sound system of internal control rests with the Police and Crime Commissioner and Chief Constable and work performed by internal audit should not be relied upon to identify all weaknesses which exist or all improvements which may be made. Effective implementation of our recommendations makes an important contribution to the maintenance of reliable systems of internal control and governance.

Internal audit should not be relied upon to identify fraud or irregularity, although our procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control will not necessarily be an effective safeguard against collusive fraud.

Our work is delivered is accordance with the Public Sector Internal Audit Standards (PSIAS).

02 Current progress

2020/2021

We are pleased to confirm that the Risk Management & the Collaboration Workforce Planning audits have now been issued as final, see Appendix A3 for full details.

2021-2022

Since the last meeting of JASP we are pleased to inform the committee that the final reports for Core Financials and OPCC Charities Accounts have been issued, see Appendix A3 for full details. In addition, the draft reports for Information Assurance, GDPR and Business Change are due to be issued.

The fieldwork for Health & Safety follow up audit commenced at that start of February with the three remaining audits of Partnerships, Procurement and Seized Property all scheduled to take place during March.

There has been one change to the agreed IA Plan for 21-22 with Workforce Planning removed from the plan, at the time of audit planning in February 2021 the Workforce Planning audit completed as part of the 20-21 Plan was yet to be finalised and looked like it would receive a limited assurance and in line with the agreed audit approach to follow this up within 12 months' time was included in the 21-22 plan to completed this. However, upon review and further information being provided the end result was a Satisfactory Assurance opinion being provided, therefore upon discussion with the Chief Finance Officer it was agreed that completing an audit of workforce planning would not be the best use of audit time and therefore it has been removed from the agreed IA Plan 21-22.

One amendment to the Collaboration Audit Plan 21/22 has been made following agreement by the regional CFO's and that is in relation to the proposed audits of EMSOT (East Midlands Special Operations Training Unit). This unit is working towards disbandment by March 2023 and therefore it was agreed to amend the focus of the audit at this unit towards assurance on the project being followed up to this point. Therefore, regional CFO agreed to defer this audit into the 22/23 Plan and to re-adjust the focus of this audit. Please see Appendix A4 for full details. The draft report for the Collaboration EMSOU Wellbeing audit has been issued and the remaining audits are scheduled to take place across quarter 4. It is unfortunate but due to staff availability we have had to schedule the completion of two of the collaboration audits during early April, whilst this is not ideal we foresee no impact on our ability to issue the Annual Internal Audit Report for 2021/22 in a timely manner.

03 Performance

The following table details the Internal Audit Service performance for the year to date measured against the key performance indicators that were set out within Audit Charter.

Number	Indicator	Criteria	Performance
1	Annual report provided to the JASP	As agreed with the Client Officer	N/A
2	Annual Operational and Strategic Plans to the JASP	As agreed with the Client Officer	Achieved
3	Progress report to the JASP	7 working days prior to meeting.	Achieved
4	Issue of draft report	Within 10 working days of completion of final exit meeting.	80% (4/5)
5	Issue of final report	Within 5 working days of agreement of responses.	100% (5/5)
8	Audit Brief to auditee	At least 10 working days prior to commencement of fieldwork.	100% (5/5)
9	Customer satisfaction (measured by survey)	85% average satisfactory or above	100% (3/3) 2 x Very Good 1 x Good

A1 Plan overview 2020/2021

Audit area	Proposed Dates	Draft Report Date	Final Report Date	Target JASP	Comments
Core Financial Systems	Q3	February 2021	May 2021	May 2021	
Workforce Planning	Q1	November 2020	December 2020	Feb 2021	
Victims Code of Practice	Q1	September 2020	October 2020	November 2020	
Estate Management	Q2	October 2020	November 2020	November 2020	
Wellbeing	Q4	February 2020	July 2021	May 2021	
Debt Recovery	Q3/4	February 2021	May 2021	May 2021	
Seized Property	Q3	February 2021	May 2021	May 2021	
Business Change	Q3			n/a	C/fwd. into 2021/22 Plan
Complaints Management	Q4	April 2021	July 2021	May 2021	
Risk Management	Q4	February 2021	February 2022	May 2021	
IT Security: Follow Up	Q3	January 2021	February 2021	Feb 2021	
GDPR: Follow Up	Q3	January 2021	February 2021	Feb 2021	

Plan overview 2021/2022

Audit area	Proposed Dates	Draft Report Date	Final Report Date	Target JASP	Comments
Performance Management	Q1	July 21	Sept 21	Sept 21	
Firearms Licensing	Q1	July 21	Sept 21	Sept 21	
MFSS Transfer - Q1 & Q2	Q1/Q2	Sept 21	Oct 21	Nov 21	
Core Financials	Q3	Jan 22	Feb 22	Feb 22	
OPCC Charities Account	Q3	Dec 22	Dec 22	Feb 22	
Business Change	Q4			Mar 22	Fieldwork Completed
Health & Safety	Q4			Mar 22	Fieldwork Underway
Workforce Planning	Q4			Mar 22	Removed from plan
Procurement	Q4			Apr 22	Date Agreed 03-Mar-22
Partnership	Q4			Apr 22	Date Agreed 07-Mar-22
Seized Property	Q4			Apr 22	Suggested date provided 14-Mar-22
Information Assurance	Q3/Q4			Mar 22	Draft Reports to be issued
GDPR	Q3/Q4			Mar 22	Draft Reports to be issued

Collaboration Audit Plan 2021/22

Audit area	Forces	Status
EMSOT Risk Management	Leics, Lincs, Northants	As noted in section 02 EMSOT audits to be adapted and deferred into 22/23
ESMOT Business Plan	Leics, Lincs, Northants	As noted in section 02 EMSOT audits to be adapted and deferred into 22/23
EMSLDH Governance	Derby, Leics, Northants, Notts	Scheduled for 28th February
EMCJS Performance Management	Leics, Lincs, Northants, Notts	Scheduled for 6th April
EMSOU - Business Continuity	Five Force	Scheduled for 7th March
EMSOU - Wellbeing	Five Forces	Fieldwork is complete and draft report to be issued shortly
EMSOU Risk Management	Five Forces	Scheduled for 24th March
Asset Management (EMCJS)	Leics, Lincs, Northants, Notts	Scheduled for 6th April

A2 Reporting Definitions

Assurance Level	Control Environment
Substantial Assurance	There is a sound system of internal control designed to achieve the Organisation's objectives. The control processes tested are being consistently applied.
Adequate Assurance	While there is a basically sound system of internal control, there are weaknesses, which put some of the Organisation's objectives at risk. The level of non-compliance with some of the control processes may put some of the College's objectives at risk.
Limited Assurance	Weaknesses in the system of internal controls are such as to put the Organisation's objectives at risk. The level of non-compliance puts the College's objectives at risk.
No Assurance	Controls are generally weak leaving the system open to significant abuse and/or we have been inhibited or obstructed from carrying out or work.

Recommendation Priority	Description
1 (Fundamental)	Recommendations represent fundamental control weaknesses, which expose the Organisation to a high degree of unnecessary risk.
2 (Significant)	Recommendations represent significant control weaknesses which expose the Organisation to a moderate degree of unnecessary risk.
3 (Housekeeping)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

A3 Summary of Reports

Collaboration Workforce Planning 20/21

Overall Assurance Opinion	Satisfactory

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	-
Priority 3 (Housekeeping)	2

Our audit considered the following risks relating to the area under review:

- Governance arrangements for Workforce Planning are clearly defined, including roles and responsibilities, risk management processes, decision making and reporting arrangements.
- The collaboration has controls in place to ensure resources are prioritised for the current level of demand for the unit and appropriate actions plans are put in place to reallocate resources as required.
- There are robust succession planning processes in place which identify and develop officers and staff and provide structured opportunities for secondments and promotions for employees who are prepared to assume these roles as they become available.
- Key roles are identified within the organisation and relevant succession plans are put in place to address these.
- There are robust monitoring processes in place to ensure that the Force has up to date and accurate Establishment data in place.
- The collaboration unit regularly undertakes skills analysis to identify any areas of concern, with appropriate action plans put in place to address them.
- The collaboration unit regularly analyses its existing workforce and have a variety of models in place that identify key risks across the workforce
- There is regular communication between the collaboration unit and the respective Forces in regard to any risks associated with the existing workforce and plans are put in place to mitigate the risk.

The objectives of our audit were to evaluate the adequacy and effectiveness of the workforce planning systems with a view to providing an opinion on the extent to which risks in this area are managed. In giving this assessment it should be noted that assurance cannot be absolute. The most an Internal Audit Service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control.

As part of the review, we carried out an audit of the process in place across the region in respect of Workforce Planning within a sample of collaboration units agreed by the CFOs – East Midlands Special Operations Unit – Serious Organised Crime (EMSOU-SOC), East Midlands Special Operations Unit – Forensic Services (EMSOU FS) and East Midlands Collaborative Human Resources Service – Occupational Health Unit (EMCHRS-OHU).

We have raised two priority 3 recommendations of a more housekeeping nature. To provide the JASP with full details of each recommendation and management response these are detailed below:

Recommendation 1 (Priority 3)	To prevent the negative impacts from late cancellation of cohorts on EMCHRS OHU workforce planning. • Communications between the Force's and OHU should be improved. • Where OHU have to deal with last minute changes, a lesson learned review should take place to prevent reoccurrence.

Finding	During discussions regarding demand planning in the Occupation Health Unit, it was noted that the unit regularly receives notification of cancelled and/or delayed cohorts, notification of new cohorts and receives required information for processing and appointments within short timescales. This impacts the ability of the Unit to properly profile upcoming demand on the Unit and then ensure an appropriate level of resource is in place and allocated in response. Additionally, it can cause an over reliance on bank staff to fill peaks in demand, which does not provide strong value for money where using employed staff is generally a more efficient use of funds. Whilst there is no easy solution to this due to the nature of police recruitment the risks could be further reduced through improved communication between the OHU and Force's. Secondly through reviewing where and why things have gone wrong this will allow continuous improvement to be built into the process. This would minimise the financial impacts of an over reliance on bank staff by making demand profiling less immediate. It would also minimise any impact on the Unit's, and ultimately the Force's, reputation from pulling out of agency employment and staff assignments at short notice – something that has been attributed to high turnover rates in the Unit with Occupation Health Nurses. *Risk*: Unit is unable to appropriately plan and/or profile for service demand.
Response	Communication is already improved and will be maintained as discussed in the meeting with the authors in October 202. (Already Done) If there are issues a lesson learnt review will be instigated as required.
Responsibility / Timescale	Review will be a collaboration with recruitment and OH and facilitated as required. / T Stacey

Recommendation 2 (Priority 3)	EMSOU SOC should ensure that an intranet site and/or SharePoint site is in place for staff and officers to access shared information, including job descriptions and person specification for roles within the unit to allow for workforce planning.
Finding	: As part of the audit review into the identification of key roles and processes for succession planning, audit noted that job descriptions and person specifications were important documents needed for this process. While it was noted that most roles in the units reviewed had job descriptions and person specifications in easily accessible locations, it was noted that there was no such location for ESMOU SOC. It was noted in discussions that job descriptions and person specifications for police staff were held on the Leicestershire Police intranet but that the equivalent for officers were not held on an intranet site. Additionally, while the Leicestershire Police intranet should be accessible for all police staff (who are ultimately employed by the OPCC), officers are still employed by their home force and as such may not have access to this intranet portal. *Risk:* Effective succession planning is not in place for key roles.
Response	There is a piece of work being led by Andrew Price and Jack March on intranet and internet development. The complexities of an EMSOU intranet are being scoped. Staff have undertaken a survey in relation to content and further deep dive workshops are being arranged.

Responsibility / Timescale	Andrew Price Apr 22

Risk Management 20/21

Overall Assurance Opinion	Limited

Recommendation Priorities	
Priority 1 (Fundamental)	1
Priority 2 (Significant)	2
Priority 3 (Housekeeping)	1

Our audit considered the following risks relating to the area under review:

Policies & Procedures
- A risk management policy, with supporting procedures, is in place and available to officers and staff.
- Procedures are in place to ensure that risks are identified; assessed; recorded; and, appropriate risk owners are assigned.

Risk Registers
- The corporate risk registers are subject to regular review and are updated in a consistent manner.
- The service risk registers are subject to regular review and are updated in a consistent manner.
- There are clear links between corporate and service risk registers.

Risk Mitigation
- The methods for identifying and managing potential risk within the business areas are regularly reviewed, with consideration given to developing engagement at all levels.
- Risk mitigation actions are in place and there is evidence they are monitored to ensure tasks are completed within agreed timescales.

Reporting Arrangements
- Appropriate oversight and reporting arrangements, including between the Force and OPCC, are in place and are working effectively.

Follow Up - Training
- The recommendation raised in the previous review in relation to Risk Management Training has been implemented.

The objectives of our audit were to evaluate the adequacy and effectiveness of the Risk Management system with a view to providing an opinion on the extent to which risks in this area are managed. In giving this assessment it should be noted that assurance cannot be absolute. The most an Internal Audit Service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control. We are only able to provide an overall assessment on those aspects of the Risk Management process that we have tested or reviewed. Testing has been performed on a sample basis, and as a result our work does not provide absolute assurance that material error, loss or fraud does not exist.

We raised one Priority 1 (fundamental) recommendation and two Priority 2 (significant) recommendations and the detailed recommendation, finding and management response are provided below:

Recommendation 1 (Priority 1)	The Force should ensure that a thorough review is undertaken of the Force's departmental risk registers, so that risks that are inherent to the respective departments are identified and scored, as stated in the Risk Management Strategy.
Finding	The Force's Risk Management Strategy states: '*Risk management will not focus upon risk avoidance, but on the identification and management of an acceptable level of risk. It is the Force's aim to proactively identify, understand and manage the risks inherent in our services and associated with our plans, policies and*

	strategies, so as to support responsible, informed risk taking and as a consequence improve value for money.' Additionally, audit noted that one of the objectives set out in the Strategy states that the Force will '*maintain strategic and operational risk registers which identify and rank all significant risks facing the Force, which will assist the Force in achieving its objectives through pro-active risk management.*' Force to an unnecessary amount of risk. Audit reviewed the Force's 19 departmental risk registers to confirm the registers identified and ranked the inherent risks to services, as stated in the risk management strategy. From the review undertaken, audit found that the Force has omitted inherent risks from the registers, which audit would expect to see in the registers. An example of this approach can be seen in the Archive & Exhibits risk register, where audit noted that inherent risks relating to the loss of evidence and misplacing evidence have been omitted from the register. Audit queried the omission of such risks with the Force's Corporate Development Manager and the Risk and Business Continuity Officer and were advised that the Force has adopted the approach where risks that are deemed emerging risks will be included in the risk register and therefore, inherent risks would not be included in the risk register. *Risk:* Non-compliance with the Force's Risk Management Strategy. The Force's current approach leaves the Force exposed to an unnecessary amount of risk
Response	Through the Risk and Organisational Learning Board, potential risks are identified and then work is undertaken to determine whether they should be included on an appropriate risk register. Our strategy does not intend to record all inherent risks. Strategy to be reviewed to ensure it aligns to our current approach.
Responsibility / Timescale	Corporate Development Manager Sept 22

Recommendation 2 (Priority 2)	The Force should ensure that all risk registers are complete and that appropriate controls are recorded for each risk. Where risk controls are being reviewed, the Force should ensure that interim controls are in place to effectively monitor risks.
Finding	Audit reviewed the Force's 19 departmental risk registers to confirm the completeness of the registers. From the review undertaken, audit noted anomalies in the following risk registers: • Contact Management – audit found that there are no controls in place for the risk referenced CM0013. • Fleet – audit noted there are no control measures for the risk referenced FL0002; and • Information Management – audit noted there are no controls recorded for two risks: IM0007 & IM0008 respectively. Audit queried the above anomalies with the Risk and Business Continuity Officer and was provided with explanations for each of the anomalies. However, audit advised the Risk and Business Continuity Officer that the Force should ensure that

	appropriate controls are in place for each risk to ensure the Force appropriately manages the risk the Force is exposed to. This was raised as a recommendation during the previous Risk Management review from May 2017. Furthermore, audit found that the Force has outsourced its procurement function to MINT. However, risks relating to MINT have not been recorded in the Finance risk register, at present. Audit was advised that risks relating to MINT will now be added to the Finance risk register. *Risk:* In the absence of controls, the Force cannot demonstrate an effective management of risks.
Response	It is noted that audit reviewed a total of 97 risks and found 4 errors. These errors are against a backdrop of introducing a brand-new risk management system into force. But this is accepted and completion of risk registers forms part of ongoing monitoring.
Responsibility / Timescale	Completed

Recommendation 3 (Priority 2)	The Force should ensure that further training is provided to users of the JCAD system to ensure that appropriate controls are recorded to mitigate the risks identified. Furthermore, the Force should ensure that where controls and other risk mitigation activities are inserted that these are reviewed to ensure their appropriateness. The Force could consider introducing guidance for users of the JCAD system, which outlines a criterion for controls and risk mitigation activities
Finding	Audit reviewed a sample of five risks from the departmental risk registers to confirm the controls / risk mitigation activities recorded are appropriate in responding to the risk and are being updated on JCAD, in line with the agreed timescales. From the testing undertaken, audit found that two of the controls / risk mitigation activities recorded on JCAD are not effective in responding to the risk stated respectively. Rather, audit found that the controls currently recorded are more indicative of updates. These findings relate to the following two departmental risk registers and the risk references respectively: • Archive & Exhibits – AE0003 • Intelligence – IN0004 *Risk:* The controls in place are ineffective in managing identified risks.
Response	A plan for rolling out training had been put together and had begun to be rolled out. The delay in roll out had been attributed to Covid-19. I can also confirm that since the audit was undertaken training has been undertaken throughout the force.
Responsibility / Timescale	Completed

We also raised one recommendation of a more housing keeping nature (Priority 3) as detailed below:

- Departmental Risk Registers are presented at the Organisational Risk, Learning, Standards and Integrity Board for scrutiny. Audit noted that the meeting minutes from these board meetings found no evidence to demonstrate the scrutiny undertaken on the risk registers and decisions made in respect of them. Therefore, it was recommended that the Force should ensure the meeting minutes accurately record the scrutiny undertaken.

Management agreed to consider implementing this recommendation.

Core Financials 21/22

Overall Assurance Opinion	Satisfactory

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	1
Priority 3 (Housekeeping)	-

The objectives of our audit were to evaluate the adequacy and effectiveness of the Core Financial System with a view to providing an opinion on the extent to which risks in this area are managed. In giving this assessment it should be noted that assurance cannot be absolute. The most an Internal Audit Service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control. We are only able to provide an overall assessment on those aspects of the Risk Management process that we have tested or reviewed. Testing has been performed on a sample basis, and as a result our work does not provide absolute assurance that material error, loss or fraud does not exist.

Based upon the scope and objectives we have provided a summary of the results of this audit, categorised into each area of the review undertaken. As these are reviewed on a cyclical basis audit have provided the previous Core Financial audit findings to show a comparison.

Key control area	March 2021		November 2021	
	Assessment	Level of issue	Assessment	Level of issue
General Ledger				
Journals	Control effective	No issues noted	Control effective	No issues noted
Management Accounts	Control effective	No issues noted	Control effective	No issues noted
Reconciliations	Control effective	No issues noted	Control effective	No issues noted
Cash, Bank & Treasury Management				
Receipts of Cash & Cheques	Control effective	No issues noted	Control effective	No issues noted
Cash Flow	Control effective	No issues noted	Control effective	No issues noted
Investments	Control effective	No issues noted	Control effective	No issues noted
Borrowing	Control effective	No issues noted	Control effective	No issues noted
Payments & Creditors				
New Suppliers	Control effective	No issues noted	Control effective	No issues noted
Supplier Amendments	Control effective	No issues noted	Control effective	No issues noted
Payments	Control effective	No issues noted	Control effective	No issues noted

Key control area	March 2021		November 2021	
	Assessment	Level of issue	Assessment	Level of issue
Goods / Service Receipts	Control effective	No issues noted	Control effective	No issues noted
BACS Processing	Control effective	No issues noted	Control effective	No issues noted
Income & Debtors				
New Debtors	Control effective	No issues noted	Control effective	No issues noted
Invoices Raised	Control effective	No issues noted	Control effective	No issues noted
Other Income Streams	Control effective	No issues noted	Control effective	No issues noted
Credit Notes	Control effective	No issues noted	Control effective	No issues noted
Debt Management	Not tested at this review		Control effective, except for	Significant issue
Write Offs	Not tested at this review		Control effective	No issues noted
Payroll				
Starters	Control effective	No issues noted	Control effective	No issues noted
Leavers	Control effective	No issues noted	Control effective	No issues noted
Variations	Control effective	No issues noted	Control effective	No issues noted
Deductions	Control effective	No issues noted	Control effective	No issues noted
Expenses	Control effective	No issues noted	Control effective	No issues noted
Overtime	Control effective	No issues noted	Control effective	No issues noted
Payroll Runs	Control effective	No issues noted	Control effective	No issues noted
Other (Cross Cutting Themes)				
Policies, Procedures & Guidance	Control effective	No issues noted	Control effective	No issues noted
System Access	Control effective	No issues noted	Control effective	No issues noted
Fraud Prevention	Not tested at this review		Control effective	No issues noted

We raised one priority 2 (significant) recommendation and the detailed recommendation, finding and management response are provided below:

Recommendation 1 (Priority 2)	The Force should review all aged debts prior to the handover of the debt management process from MFSS. This review should ensure that all outstanding debts are being appropriately managed in line with the Force's debt management approach. The Force should also liaise with MFSS to ensure that the debts identified through the audit are chased effectively and in a timely manner going forward.
Finding	Audit confirmed that MFSS are responsible for the sending of reminder letters (Dunning Letters) to debtors when invoices have not been paid and the subsequent further contact attempts. This information is then presented to the Force, who decide on the appropriate action to take for any further debt's recovery. We reviewed a sample of 10 aged debts from January 2021 to ensure that Notts and MFSS are chasing debts effectively. We noted a number of issues: • 2 instances where the debt (due 20/04/2021 and 18/01/2021) had been communicated with the Force to chase further, however MFSS had not received a response surrounding further actions to be taken towards recovering the debt • 5 instances where the debt had not been chased following the 2nd Dunning Letter. This included there being no clear audit trail being maintained, no communication with the debtor via email or telephone within 7 days post receipt of the 2nd Dunning Letter, as stated within the MFSS Debt Recovery Procedure and no response to a defaulted payment plan *Risk*: The Force are not able to recover debts effectively and in a timely manner, leading to potential financial loss
Response	The Force is bringing in some temporary resource in early February 2022 to purposely chase and recover our aged debt to get transactions in order and tidy before we move away from MFSS and over to our new inhouse solution E-Financials. This resource will continue through to July/August 2022. In the new system we have targeted a better timeline for sending out dunning letters than the process MFSS currently undertake but more importantly this will be backed up with earlier and better communication with debtors to hopefully prevent the need to send the dunning letters wherever possible, something which doesn't currently happen as not part of our structure under the MFSS arrangement. Our access to reporting through Oracle and MFSS has been limited and our focus in the new financial system will be able to deliver informative reporting around aged debt and recovery through the Business Objects platform that we will be able to operate in and already through testing have far greater confidence in delivering this.
Responsibility / Timescale	Completed with Ongoing Monitoring

OPCC Charities Account 21/22

Overall Assurance Opinion	Significant

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	1
Priority 3 (Housekeeping)	-

Our audit considered the following risks relating to the area under review:
Signed Grant Agreements

- Grant agreements are signed by both parties prior to any funds being released.

Adequacy & Effectiveness of the Grant Agreement

- The Grant Agreements include a clear exception on the supplier that set out the information and evidence to be provided prior to payments being made.

Compliance with Grant Agreements

- No funds released to suppliers without adherence to the grant agreements.
- A robust review of the information provided takes place.
- Information is supplied to the OPCC in a timely manner as set out in the grant agreement.

Income & Debtors

- Where suppliers are failing to deliver on the expectations of the grant agreement these are escalated for appropriate management action.

The objectives of our audit were to evaluate the adequacy and effectiveness of the OPCC Charities Accounts systems with a view to providing an opinion on the extent to which risks in this area are managed. In giving this assessment it should be noted that assurance cannot be absolute. The most an Internal Audit Service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control.

We are only able to provide an overall assessment on those aspects of the OPCC Charities Accounts process that we have tested or reviewed. Testing has been performed on a sample basis, and as a result our work does not provide absolute assurance that material error, loss or fraud does not exist.

We identified no areas where there is scope for improvement within the existing control framework.

A4 Statement of Responsibility

We take responsibility to Nottinghamshire Police and the Office of the Police and Crime Commissioner for Nottinghamshire for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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