

OPCC for Lincolnshire & Lincolnshire Police

Follow up of Audit Recommendations

01 – Introduction

In line with the commitment to follow up Internal Audit Recommendations made, this report gives an overview of activity undertaken to verify implementation of audit recommendations with agreed implementation dates up to 15th February 2016.

A summary of audits finalised in the period, alongside accepted audit recommendations, is as follows:

Audit Area	Overall Assurance	Recommendations			Furthest Agreed implementation date	Follow Up Result
		P1 – Fundamental	P2 - Significant	P3 – Housekeeping		
Governance	Satisfactory		1	3	December 2015	Not yet implemented
Procurement	Satisfactory		2	0	September 2015	One implemented, one partially implemented
Firearms Licensing	Satisfactory		4	4	December 2015	Two implemented, two partially implemented
Risk Management	Significant (OPCC) Satisfactory (Force)			3	P3 only	N/A
Budgetary Control	Satisfactory		1		April 2016	not yet due
Estates Management	Satisfactory		2	4	March 2016	not yet due
General Ledger	Satisfactory		1		April 2016	not yet due
Asset Management	Satisfactory		2	1	September 2016	not yet due
Cash, Bank & Treasury Management	Significant			1	P3 only	N/A

This table also identifies the follow up result in terms of whether the recommendations reviewed at the time of this review had been satisfactorily implemented.

The approach taken was to follow up all recommendations made which were assigned a priority 1 and priority 2 which are defined as follows:

- Priority 1 - Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.
- Priority 2 - Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.

This follow up work revisited the Governance, Procurement and Firearms Licencing audits given that the implementation date for associated recommendations had passed. Follow up activity consisted of discussions with 'action owners' and testing of supporting records and documentation to gain assurance that actions had been implemented or were progressing within agreed timescales.

02 – Follow Up Results

Audit Area	Finding	Recommendation	Initial Timescales/ Management Comments	Follow Up Result	Satisfactorily implemented
Governance	<p>Contract Key Performance Indicators – Data Validation</p> <p><i>Observation:</i> Inquiry into the framework for validating service performance data identified that a trust approach is primarily adopted between the CPT and G4S contract management function. KPIs noted as indicating service below minimum contractually required levels are investigated further through collaboration between both departments. However, no routine auditing is undertaken on the remainder of the population where no operating issues are indicated.</p>	<p>G4S and the OPCC, perhaps through the Force Commercial Partnership Team, should design and agree a framework for validating KPIs performance data on an on-going rotational basis, with the objective of gaining assurance over the accuracy of the KPI population data.</p>	<p><u>End Dec 2015 / Commercial Partnership Manager</u></p> <p>A framework will be implemented to ensure this validation is recorded and undertaken on a rotational basis.</p>	<p>A meeting was held with the Commercial Partnership Manager as part of the follow up work.</p> <p>It is acknowledged that some areas of performance are checked by the Commercial Partnership Team where direct access to the system is available (for example IT), however wider than this the recommendation is still being progressed as performance indicators are currently under review.</p> <p>Indicators are scheduled to be formally agreed between the Force and G4S late February 2016.</p> <p>Once indicators are agreed, G4S will be informed of the need to provide the raw data on a rolling basis to ensure the Force are able to gain assurance on the performance being reported, as per the audit recommendation.</p>	<p>Recommendation still in progress – revised implementation date is 31st March 2016.</p>

Audit Area	Finding	Recommendation	Initial Timescales/ Management Comments	Follow Up Result	Satisfactorily implemented?
Procurement	<p>Financial Regulations Compliance</p> <p>Quotes: Testing of a sample of 20 items of expenditure from April to June 2015, with values ranging from £425 to £7,875, found, in the two remaining cases, which were both under £5000, there was no attached evidence to confirm that quotes had been obtained.</p> <p>Requisitions: Testing of 17 requisitions found that in three cases the requisition had been raised retrospectively,</p>	<p>Relevant staff should be reminded of their requirements to adhere to the Financial, Contract and Procurement Regulations, with particular reference to appropriate quotes and timing of requisitions.</p>	<p><u>September 2015</u></p> <p><u>Exchequer Manager/ Force CFO.</u></p> <p>This will be covered in the communications that will be sent out following the approval for the new purchasing process.</p> <p>Once the policy is in place we will report on a monthly basis any invoices received without a PO that have had a retrospective PO raised.</p>	<p>A meeting was held with the Exchequer Services Manager as part of the follow up work.</p> <p>It was confirmed that an agreement in respect of which invoices should be supported by a purchase order and which would require retrospective orders to be raised is now in place and awaiting formal sign off in the new Financial Regulations.</p> <p>In addition, categories of invoices which do not require an official order number have also been agreed.</p>	<p>Partially completed.</p> <p>The approval of Financial Regulations will enable this information to be communicated and subsequent monitoring of any invoices received without a PO that have had a retrospective PO raised.</p>

Audit Area	Finding	Recommendation	Initial Timescales/ Management Comments	Follow Up Result	Satisfactorily implemented?
Procurement	<p>Requisitions over £10k approval</p> <p><i>Observation:</i></p> <p>Testing of a sample of 20 items of expenditure from April to June 2015, with values ranging from £425 to £7,875, found that in 17 out of 20 cases purchase orders had been approved by an officer on the Approval Matrix. (See recommendation 1 which addresses two of these cases)</p> <p>For the one remaining case, the expenditure was £6,303 however this was only one element of a requisition for £11,210 and therefore further approval levels applied as per the financial regulations.</p> <p>In this case the Interim Head of Procurement approved the requisition and forwarded it to the Force Accountant for further approval, the Force Accountant requested confirmation from the IS Contracts Manager that there was 'approval to award' however this request was timed out (officers have 5 days).</p>	<p>It should be written into the Central Purchasing procedures that for requisitions over £10k the CPU should review the attached documents to the requisition and the workflow to confirm that: it has been approved by the Head of Procurement, there has been approval for the award of contract at the appropriate level as stated in the Force's Financial Regulations and the Force Account has approved.</p>	<p><u>September 2015</u></p> <p><u>Financial Services Manager</u></p> <p>A Capgemini change request has been raised to change the configuration of the purchasing approval timescale from 5 days to 30 days.</p>	<p>A meeting was held with the Exchequer Services Manager as part of the follow up work.</p> <p>It was verified that the request to Capgemini to change the configuration of the system to allow more time for the requisitions to be approved has been sent and confirmation that this has been implemented has been received.</p>	<p>Yes</p>

Audit Area	Finding	Recommendation	Initial Timescales/ Management Comments	Follow Up Result	Satisfactorily implemented?
Firearms Licencing	<p>Procedure Document</p> <p><i>Observation:</i> Audit confirmed that the process maps do not include document owners or review dates and therefore audit could not confirm when the last review and update was completed.</p> <p>In addition, it was noted that there is no set guidance in place for a number of other processes. For example, there is no procedure/guidance in place for revoking licenses and for when home/security inspections are mandatory or otherwise required.</p>	The current procedural guidance should cover all key aspects of the firearms licensing process. The guidance should be reviewed and updated on at least an annual basis.	<p><u>T/D/Supt Davison & FAL Manager</u></p> <p><u>December 2015</u></p> <p>All process maps and procedural documentation within the Firearms Licensing Administration department is undergoing a review. All documentation will be reviewed annually and will be dated to enable an effective audit process.</p> <p>All staff to be made aware of location and content of Authorised Professional Practice (APP) and Home Office Guidance. Marketing materials to be displayed in the office.</p>	<p>A meeting was held with D/Supt Davison as part of the review.</p> <p>It has been agreed that a bespoke process review is to be undertaken by a 3rd party consultancy firm in conjunction with the Force's Strategic Officers to complete an 'end to end' review of the entire Firearms Licensing Operation. Audit requested the documented overview / matrix of recommendations to be used as the basis of this review, however this had not been received at the time of writing.</p> <p>In respect of the procedural guidance, this is held in hard copy in the department where every member of the team works so is available for staff to review.</p>	Recommendation still outstanding due to the impending process review.
Firearms Licencing	<p>Firearms Storage Security</p> <p><i>Observation:</i> Audit tested a sample of 25 grant applications and it was confirmed that on 22 occasions a home security visit had been conducted. However, it was noted</p>	Home security visits should confirm that storage arrangements for firearms and/or shotguns are suitably in place prior to the	<p><u>T/D/Supt Davison</u></p> <p><u>Completed 2015</u></p> <p>While the review does not make it clear if the three cases</p>	<p>A meeting was held with D/Supt Davison as part of the review.</p> <p>The policy for home security visits has been reviewed by the Deputy Chief Constable as part</p>	Yes

	that on three occasions a firearms/shotgun certificate had been approved and issued prior to confirmation that adequate security arrangements were in place for the storing of weapons. A home security visit was completed for these three applicants however no security arrangements were in place at the time of the inspection and a certificate was still approved.	approval and issuing of a license.	in exception had "significant justification" for not having physical checks, this recommendation should be followed as it is <i>already</i> Lincolnshire Police policy. FEO's will be reminded of this requirement.	of the monthly matrix updates, who confirmed that the existing policy was appropriate providing it was adhered to. This is an area that is to be monitored and DIP sampling is going to be carried out to ensure compliance – monitoring to be implemented by D/Supt Davison once independent review (as referred to in the previous recommendation above) has been completed.	
Firearms Licensing	Home Security Inspections <i>Observation:</i> Audit tested a sample of 25 grants and 25 renewals. It was confirmed that a security visit was conducted for each grant application tested. However, testing of the 25 renewals confirmed that on five occasions a visit was conducted after a certificate had been issued and on six occasions a visit was not conducted at the time of application. It was noted that the reason for these is that the force policy is that license holders only applying for a shotgun license are to be visited once every 10 years.	Consideration should be given to conducting a home security visit upon each grant or renewal application for firearms and shotguns.	<u>T/D/Supt DAVISON</u> <u>Completed</u> At this point, the current policy and practices is such that the risk-based policy and safeguards are sufficient, but the general firearms review is one that is regularly reviewed.	It is noted that this recommendation was marked as completed within the management comment received to the initial draft report. At the meeting held during the review, D/Supt Davison confirmed that the existing policy was reviewed in line with the Home Office Guidelines and the Force is allowed to take a risk based approach on renewals. The current 10 year period is agreed by the Deputy Chief Constable as an appropriate risk based approach to home inspections.	Recommendation completed.

Audit Area	Finding	Recommendation	Initial Timescales/ Management Comments	Follow Up Result	Satisfactorily implemented?
Firearms Licensing	<p>Key Performance Indicators</p> <p><i>Observation:</i> Audit identified that operational performance is monitored on a regular basis. This includes the raw figures for applications received and completed on a daily basis. Additionally, turnaround times are also monitored on a monthly basis. The firearms licensing department is currently going through a period of base lining to identify the targets that are to be set.</p> <p>However, at the time of the audit, no agreed performance indicators were in place for firearms licensing.</p>	<p>Key performance indicators for the operational performance of firearms licensing should be set and monitored against on a regular basis. Performance indicators should include, but should not be limited to, the turnaround time for both grants and renewals of firearm and shotgun licenses.</p>	<p><u>G4S Service Delivery Director / CPT Manager / DCC</u></p> <p><u>November 2015</u></p> <p>The wording of the key performance indicators have been agreed and are currently in base lining to enable a performance target to be established.</p>	<p>A meeting was held with D/Supt Davison as part of the review.</p> <p>There are agreed KPI's in place between the Force and G4S and performance information is available on a weekly basis via the Firearms Tracker which is shared with G4S, the Force and the Deputy Chief Constable.</p> <p>KPI's are not currently enforced in terms of financial implications for G4S underperforming. However, the reasons for underperformance are understood by the Force as they have had a high turnover of staff in Firearms Licensing which has impacted upon timeliness.</p>	<p>Partially implemented. (To be progressed by 31 March 2016 with the link to G4S as detailed in the Governance recommendation within this follow up report.</p>