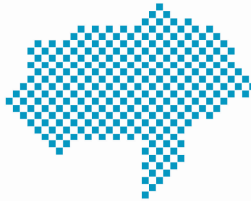


**Police and Crime
Commissioner
North Yorkshire**



Stage 2 Project Review Final Report

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Contact Details	01924 294061
Date of Review	August 2014
Draft Report Issued	October 2014
Final Report Issued	November 2014

1 Executive Summary

Background

The Stage 2 Transfer of responsibilities between the Office of the Police and Crime Commissioner and the Chief Constable necessitated a review of the organisations policies and procedures. Some cosmetic changes were necessary, but some more important changes were required to reflect the new alignment of legal responsibilities.

As a result it was necessary to establish some new decision making procedures and delegated authorities as well as ensuring that the arrangements for the transfer of staff were reflected in the suite of Human Resource Policy, whilst determining how they would be applied and developed across the whole organisation. The change should recognise that the approach taken to the Stage 2 settlement in North Yorkshire and the desire to develop Joint Corporate Services to service the needs of the Police and Crime Commissioner and Chief Constable as discrete corporations sole.

Main findings

Initially, Internal Audit established the methodology used for determining the priority of change for the suite of policies and procedures in place at the time of the Stage 2 transfer. The evaluation of this methodology confirmed that there was satisfactory consultation both at local level and at Executive Board to ensure that priority was given to policies and procedures that required substantive changes to reflect the new alignment of legal responsibilities. The timescales were also reviewed to ensure they were appropriate and would ensure timely implementation either prior to or following the Stage 2 transfer.

It is therefore audit opinion that the approach taken by the Stage 2 project team was suitable and that the prioritisation of the amendments to key policies and procedures was appropriate and well managed.

In relation to the transition to Business as Usual (BAU), the approach taken in respect of lower risk, cosmetic changes only that are to be managed during the normal policy review cycle also appears to be a pragmatic and sensible approach.

However, the scrutiny and authorisation process for the revision and publication of new or revised policies was also reviewed. This identified that at the time of the audit, 8 of the 35 Stage 2 priority and 1 of 30 Stage 2 secondary priority policies and procedures were completed but had yet to be formally approved and published. However, it should be noted that these policies and procedures were approved by Joint Corporate Risk Group (JCRG) in July 2014 and they are currently awaiting approval by the PCC prior to publishing. It was confirmed that the risks associated with these policies being outstanding is noted on the Strategic Risk Register and appear on the JCRG agenda each month. A further 23 secondary priority policies and procedures were approved and published in September, 2 more are awaiting PCC approval and the remaining 4 are due to be approved at either the November or December 2014 JCRG.

Whilst this approval process falls outside of the remit of the Stage 2 project, the failure to

Final

promptly review and formally approve these key Stage 2 policies and procedures has resulted in a period of uncertainty in respect of these policies and procedures following the Stage 2 transfer.

In relation to one of these secondary priority policies awaiting PCC approval, the Business Interest procedure, due to an imminent HMIC inspection, the procedure has been published with a caveat that it awaits formal PCC approval. It will be republished once PCC approval is obtained. It should be noted that the decision to publish with a caveat has been taken in this one instance only.

In summary, the Stage 2 project appears to have been well defined and delivered its objective of appropriately prioritising changes to key policies and procedures that were required as a result of the new alignment of legal responsibilities as a result of the Stage 2 transfer. However, the transition into BAU has seen that some of these key changes have not been promptly progressed through the current decision making process.

The implementation of the recommendations detailed in this report will provide added assurance that the Police and Crime Commissioner and the Chief Constable have adequately and promptly reflected the new alignment of legal responsibilities within their published policies and procedures.

	Commentary
Effectiveness of Risk Management Approach	In respect of the original project, reasonable assurance can be provided that the main risks considered were being effectively managed. However, action can be taken which should enhance the management of risk, particularly in relation to the delays occurring during the current decision making and approval process. In relation to the planned project to streamline the policy database, this represents good practice in this area.
Efficiency of Risk Management Approach	Whilst reasonable assurance can be provided in relation to the efficiency of the current approach, improvements could be made, particularly in terms of addressing delays in the decision making and approval process.
Assurance Level	2 – Reasonable Assurance
Overall Risk	6:3

2 Scope and Approach of the Audit

The objective of the audit was to review the approach taken to prioritising, developing and revising policies as part of the Stage 2 Transfer process. The review also sought to provide assurance that appropriate arrangements are in place to support the transfer into Business As Usual (BAU) following the Stage 2 transfer process. This was undertaken by liaising with key personnel involved in the development of the Stage 2 strategy and for managing the Stage 2 transfer process as well as evaluating the methodology for prioritising relevant policies and procedures and the challenge and authorisation process.

Each recommendation 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
Lesley Whitehouse, Acting Risk & Assurance Manager	✓	✓	✓
Donald Stone, Interim Head of Organisation & Development	✓	✓	✓
Risk & Assurance Unit	x	✓	✓
Joanna Carter, Chief Executive Officer	x	✓	✓
Michael Porter, Commissioner's CFO	x	✓	✓
Jane Palmer, Chief Constable's CFO	x	✓	✓

4 Observations

4.1 Stage 2 Methodology

North Yorkshire Police had over 250 policies and procedures included on their policy database prior to the Stage 2 transfer process. Due to this large quantity of documents, it was vital that an appropriate risk based approach was adopted, to ensure that the most critical policies and procedures were addressed first and on a timely basis. Additionally, a number of new documents would need to be developed and published as a result of the Stage 2 transfer of legal responsibilities, including for example, A Memorandum of Understanding, Collective Agreement and Definitive Transfer Scheme.

A project working group was established to provide assistance to relevant stakeholders/heads of function. The project working group would also assist with the governance of the transition, for example deciding how impasses could be resolved and setting deadlines.

For each of the policy and procedure documents on the database, a document owner was identified and liaison was undertaken to determine what the extent of amendments or revisions would be needed as a result of the Stage 2 process. The project working group established 3 categories of priority, those needing substantive and urgent changes, secondary substantive changes and finally, cosmetic changes only. The assessment of these priorities was approved by Executive Board.

Timetables were set for each of these categories of priority, with substantive changes and new documents requiring approval by 31 March 2014 prior to Stage 2 transfer coming into effect on 1 April 2014, secondary substantive to be approved by 15 May 2014 and cosmetic changes only to be completed as part of the business as usual policy review timetable.

	Substantive/New Priority	Non- substantive Secondary	Cosmetic only Business as Usual	Total
Number of policy and procedure documents	36	30	198	264

This methodology provides good assurance that important changes to key policies and procedures required as a result of the Stage 2 transfer process would be identified and appropriately prioritised.

4.2 Document Review, Challenge and Authorisation Process

Risk Exposure			Root causes		
<p>Increased difficulty in challenging the actions of employees/officers in the event of allegations of non-compliance.</p> <p>Legal challenge.</p> <p>Reputational damage.</p>			<p>Failure to promptly approve and publish revisions to key policy and procedure documents.</p>		
Probability	Financial	Reputation	Operational	Legal	Rating
Unlikely	Minor	Negligible	Negligible	Minor	5:5

The project working group was made up of representatives from Legal Services, HR, Finance, Communications, Risk & Assurance and was lead by the Head of Organisation and Development. This provides good assurance that the project working group could provide expertise and challenge across all key areas of the organisation.

A Business Transition Management Document was completed ahead of the project which included the objectives of the project, outlined the membership of the group and their roles and responsibilities as well as the timescales for the project and post project standing arrangements.

In accordance with the timescales, revised and newly drafted policies were submitted to Executive Board by 25 March 2014. As at 3 April 2014, only 6 of the priority documents had been approved. Upon the completion of the Stage 2 project at 30 April 2014, the Joint Corporate Risk Group was delegated responsibility for managing the remainder of the policy approvals.

At the time of the audit, 25 of the priority policies have been approved and published. Eight were approved by the Joint Corporate Risk Group in July 2014 and are awaiting PCC approval and 2 have yet to be approved. Of the initial 36 policies and procedures identified as priority, 2, the Staff Performance and Maintaining Performance Standards have been merged into one document.

Of the 30 secondary priority policies and procedures, 4 have been approved, 1 awaits PCC approval, 10 were due to be approved at 1 September 2014 Joint Corporate Risk Group and 15 were outstanding to be completed and approved by the end of September.

An update in November confirmed that 23 has now been published, 3 were awaiting PCC approval and 4 are due to be approved at either the November or December JCRG.

Due to the strategic and legal nature of the Stage 2 process, it is recognised as a risk on the strategic risk register. The action log identifies that the JCRG expect that all priority and medium priority policies and procedures will be submitted and approved by the end of September 2014.

In relation to one of the medium priority procedures, Business Interests, the policy was published with a caveat that it was awaiting PCC approval. This decision was taken

prior to an impending HMIC inspection.

Amendments to existing policies and procedures are clearly identified in different colour font to facilitate a more efficient review and approval process. This is particularly of benefit when JCRG have a significant number of policy and procedure documents to review and approve.

Recommendation 1

Legal advice should be sought regarding the legal standing in respect of the publication of key policies and procedures that are caveated to reflect they are awaiting formal CC and/or PCC approval. If the advice is positive, using a risk-based approach, where significant delays occur in the formal approval of key policies and procedures, consideration should be given to publishing these documents with the appropriate caveat.

Recommendation 2

Where blockages are identified which delay the decision making process, consideration should be given to undertaking a risk assessed review of the scheme of delegation and approval processes to ensure that the organisation can continue to operate effectively and react to changes appropriately and on a timely basis.

4.3 Business As Usual (BAU)

Risk Exposure			Root causes		
New or revised policy and procedure documents may conflict with corporate policy and/or may not include necessary, appropriate and up to date information.			Failure to seek independent approval prior to publication of revised policy and procedure documents.		
Probability	Financial	Reputation	Operational	Legal	Rating
Unlikely	Negligible	Negligible	Negligible	Minor	6:2

Where cosmetic changes only were identified as being required as part of the Stage 2 transfer, a pragmatic approach was taken and it was determined these would be reviewed in line with the business as usual review timetable. Approval of the JCRG will only be required where major amends are undertaken as part of the review process, with the policy owner having approval to publish where minor amends only are needed. JCRG are notified of any policy and procedure documents reviewed and published in the last month.

Recommendation 3

Consideration should be given to providing JCRG with a schedule of policy and procedure documents which are due for business as usual (BAU) review to provide an opportunity for them to 'call in' the revised document where there is a risk that key changes are required or have been undertaken without scrutiny.

4.4 Policy Database Streamlining

As part of the priority assessment undertaken at the start of the Stage 2 review, it was identified that of the 264 documents included on the policy database, there is potentially significant duplication within some of the documents and that some included on the policy database do not meet the definition of a policy or a procedure and would be more accurately termed guidance notes. As a result, the Acting Risk & Assurance Manager, as part of the business as usual review process, is to undertake a review of the documents held on the database with a view to streamlining the content to ensure it contains only relevant, up to date policy and procedure documents.

There are good controls in relation to publishing documents within the corporate policy database, with new documents having to be approved firstly by the relevant Head of Function. The Risk & Assurance Unit also undertake a regular search of the intranet to identify instances where local policies and procedures have been developed and published which might be unnecessary and/or contrary to the Force/PCC policy and procedures. Where these are identified, the document owner is contacted and the document is removed.

5 Recommendations

#	Recommendation	Category of Rec.	Management Action	Action Manager & Completion Date	Satisfactory Response (IA View)
1	<p>Legal advice should be sought regarding the legal standing in respect of the publication of policies and procedures that are caveated to reflect they are awaiting formal CC and/or PCC approval. If the advice is positive, using a risk based approach, where significant delays occur in the formal approval of key policies and procedures, consideration should be given to publishing these documents with the appropriate caveat.</p>	<p>Merits Attention</p>	<p>The CEO determined and informed Executive Group that she would consider and approve all remaining policies following her individual review of them acting as Head of Paid Service. This would stand as approved by the Police and Crime Commissioner. Should the Police and Crime Commissioner subsequently wish to amend the policies, this would occur in due course. A review meeting has been arrangements for 3 December 2014.</p> <p>Following consideration by the CEO and JCRG a number of policies and procedures are no longer considered required. These will cease to be effective. This supports the streamlining approach, reduction of bureaucracy and empowerment agenda.</p>	<p>Miss Joanna Carter Chief Executive Officer 3 December 2014</p>	<p>Yes</p>

NOT PROTECTIVELY MARKED

Final

#	Recommendation	Category of Rec.	Management Action	Action Manager & Completion Date	Satisfactory Response (IA View)
2	Where blockages are identified which delay the decision making process, consideration should be given to undertaking a risk assessed review of the scheme of delegation and approval processes to ensure that the organisation can continue to operate effectively and react to changes appropriately and on a timely basis.	Significant	<p>The CEO determined and informed Executive Group that she would consider and approve all remaining policies following her individual review of them acting as Head of Paid Service. This would stand as approved by the Police and Crime Commissioner. Should the Police and Crime Commissioner subsequently wish to amend the policies, this would occur in due course. A review meeting has been arrangements for 3 December 2014.</p> <p>Following consideration by the CEO and JCRG a number of policies and procedures are no longer considered required. These will cease to be effective. This supports the streamlining approach reduction of bureaucracy and empowerment agenda.</p>	<p>Miss Joanna Carter Chief Executive Officer 3 December 2014</p>	Yes
3	Consideration should be given to providing Joint Corporate Risk Group with a schedule of policy and procedure documents which are due for business as usual (BAU) review to provide an opportunity for them to 'call in' the revised document where there is a risk that key changes are required or have been undertaken without scrutiny.	Merits Attention	The Policy, Procedure and Inspection Admin Officer will produce a list of P&P's that are due for review within the next three months for submission to the 3 December Joint Corporate Risk Group and each JCRG thereafter.	<p>Lesley Whitehouse Acting Risk & Assurance Manager 3 December 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.

6 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.

7 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 Improbably (HI)	20% - 40% Unlikely (UL)	40% - 60% Probable (P)	> 60% Highly Probable (HP)
Impact Categories	Nil	Negligible	Minor	Significant	Severe
Financial (£) - Default - Mandatory	Nil	0 => 100k Increased financial impact less than £100000	100k => 250k Increased financial impact between £100k and £250k	250k => 2.5m Increased financial impact between £250k and £2.5m	2.5m => 3.75m Increased financial impact greater than £2.5m
Reputation	Nil	Negligible adverse publicity. Minimal impact upon public perception	Localised adverse publicity. Minor/transient impact upon public perception of Force or PCC	Criticism at local level. Lasting impact upon public perception of Force or PCC	Intense national media. Criticism at national 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

NOT PROTECTIVELY MARKED

Final

Legal/Compliance	Nil	Negligible prospect of legal challenge	Minor/Transient prospect of legal challenge	Serious non compliance. Litigation/challenge.	National legal issue.
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