



Internal Audit

FINAL

# Police and Crime Commissioner for Cumbria and Cumbria Constabulary

Summary Internal Controls Assurance (SICA) Report

2023/24

September 2023

# Summary Internal Controls Assurance

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## Introduction

1. This summary controls assurance report provides the Joint Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at the Police and Crime Commissioner for Cumbria and Cumbria Constabulary as at 6<sup>th</sup> September 2023.

### **Whistleblowing - driving the conversation**

2. **The importance of a healthy culture.**

We have seen, over the last few months, the publication of several high-profile reports such as the Metropolitan Police (Casey Review March 2023), University Hospitals Birmingham (Bewick Report March 2023) and Plaid Cymru's review (conducted by Nerys Evans May 2023) where a common theme for each organisation was reported around the treatment of whistleblowers as well as 'poor' organisational culture, failures in leadership and poor whistleblowing reporting mechanisms.

There are so many high-profile incidents that have arisen over the last few years across many sectors and industries, perhaps most notably the #METOO campaign which highlighted sexual abuse in the entertainment industry spanning decades, where, despite there being many reported incidents, the individuals were ignored, ostracised or simply closed down and the matter covered up.

There is a real drive within government to look at the Whistleblowing Laws in the UK to drive through change. It is anticipated that there will be greater onus on organisations to improve their culture and to provide greater support and protection for whistleblowers. The outcome of the government's research is due for completion by the Autumn 2023.

In anticipation of the key messages coming out from the government, we in TIAA are using our expertise and knowledge to support organisations by:

1. Working with organisations to 'health check' organisational culture in respect of whistleblowing;
2. Providing a platform for those responsible for governance, raising concerns, whistleblowing and freedom to speak up guardians to share knowledge expertise, good practice in a forum event.
3. Examining poor practice and looking at the lessons to be learnt from recent incidents in webinar events and through consultation exercises such as online surveys.
4. Sharing the information through benchmarking reports and roundtable events.

Please use this link to keep up to date with our campaign and/or to be part of the conversation and drive through real change and improvement in this important area.

<https://www.ttaa.co.uk/publications/ttaa-organisational-culture-and-whistleblowing-webinar/>

**Audits completed since the last SICA report to the Audit Committee**

3. There have been no finalised reports since the previous meeting of the Joint Audit Committee.

**Progress against the 2023/24 Annual Plan**

4. Our progress against the Annual Plan for 2023/24 is set out in Appendix A.

**Changes to the Annual Plan 2023/24**

5. There are no proposed changes to the planned work for 2023/24.

**Progress in actioning priority 1 & 2 recommendations**

6. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA.

**Frauds/Irregularities**

7. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

**Other Matters**

8. We have issued a number of briefing notes and fraud digests, shown in Appendix B, since the previous SICA report.

**Responsibility/Disclaimer**


9. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.


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## Progress against Annual Plan


System	Planned Quarter	Current Status	Comments
Absence Management	1	Draft report issued	Completion delayed due to availability of TIAA and CC staff
Vetting	1	Fieldwork completed	Completion delayed due to availability of TIAA and CC staff
Fleet - Strategy and Management of Fleet	1	Fieldwork completed	Completion delayed due to availability of TIAA and CC staff
Grievance Reporting and Management	2	Proposed start date 10 <sup>th</sup> October 2023	
Corporate Health and Safety	2	Proposed start date 2 <sup>nd</sup> October 2023	
Use of Social Media	2	To be arranged	
Risk - Insurance	3	Proposed start date 2 <sup>nd</sup> October 2023	
Recruitment - Induction	3	Proposed start date 30 <sup>th</sup> October 2023	
ANPR Cameras	3	Proposed start date 9 <sup>th</sup> October 2023	
Accounts Payable (Creditors)	3	Proposed start date 2 <sup>nd</sup> November 2023	
Risk –Mitigating Controls (Deep Dive)	3	Proposed start date 27 <sup>th</sup> November 2023	
Partnerships and LGR	4	To be arranged	
Victim Support Services	4	To be arranged	
General Ledger	4	To be arranged	
Follow-up	1 – 4	To be arranged	

**KEY:**

 To be commenced

 Site work commenced

 Draft report issued


 Final report issued

## Briefings on developments in Governance, Risk and Control

TIAA produces regular briefing notes to summarise new developments in Governance, Risk and Control which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those CBNs issued in the last three months which may be of relevance to the Police and Crime Commissioner for Cumbria and Cumbria Constabulary is given below. Copies of any CBNs are available on request from your local TIAA team.

### Summary of recent Client Briefing Notes (CBNs)

CBN Ref	Subject	Status	TIAA Comments
CBN - 20009	Guidance issued by HMRC on tax avoidance schemes		<p><b>Action Required</b></p> <p>Raise the profile of tax avoidance across networks and communication channels Support HMRC by sharing the following link with stakeholders to help raise awareness among workers in the health and social care sectors, and to warn them of the risks of getting involved in tax avoidance.</p> <p>Link: <a href="https://taxavoidanceexplained.campaign.gov.uk/">https://taxavoidanceexplained.campaign.gov.uk/</a></p>
July 2023	Insider Invoice Fraud		<p><b>Action Required</b></p> <p>The City of London Police were contacted by the organisation that the fraudster had targeted following their discovery that 29 fake invoices had been received and processed through their accounts department. All of the fake invoices had been received as attachments within e-mails that were purportedly sent from the PA of the CEO, and were found in the shared email inbox within the organisation’s accounts department. The invoices were identified as fake as none of the companies requesting funds were legitimate. In addition, each of the invoices had what appeared to be the CEO’s signature authorising payment. All of the fake invoices were processed by a member of staff and evidence was found that linked the insider to the scam.</p> <p>The member of staff, the insider, was instrumental in this fraud being carried out. Insider invoice fraud refers to cases of fraud in which an insider’s access to the organisation’s systems and processes are essential in committing the fraud. Examples of insider invoice frauds, which are likely to increase during this period of increased financial pressures and the rising cost of living include:</p> <ul style="list-style-type: none"> <li>• False payment requests typically during busy periods</li> <li>• Overbilling a debtor and pocketing the difference</li> <li>• Recording false credits or refunds</li> <li>• Creating fictitious suppliers or shell companies for fraudulent payments</li> <li>• Forging signatures on payment authorisations</li> </ul> <p>Submitting false invoices from fictitious or actual suppliers for payments.</p>

CBN Ref	Subject	Status	TIAA Comments
June 2023	Payment Systems Regulator confirms new requirements for Authorised Push Payment fraud reimbursement		<p><b>Action Required</b></p> <p>This alert provides information and advice to staff about fraud and economic crime, and the risks associated with it. If you think that your organisation has been a victim of APP fraud, contact your Anti-Crime Specialist immediately for advice.</p> <p>The Payment Systems Regulator (PSR) confirms new requirements for banks and payment companies that will ensure more people will get their money back if they are a victim of Authorised Push Payment (APP) fraud; prompting more action to prevent these frauds from happening in the first place.</p> <p>The Financial Services and Markets Bill, which is currently making its way through Parliament, will remove current barriers and allow the PSR to direct firms to reimburse customers. The Bill is expected to receive Royal Assent in 2023, after which the PSR will be able to enforce its requirements on payment firms.</p> <p>Full details at: <a href="https://www.psr.org.uk/news-and-updates/latest-news/news/psrconfirms-new-requirements-for-app-fraud-reimbursement/">https://www.psr.org.uk/news-and-updates/latest-news/news/psrconfirms-new-requirements-for-app-fraud-reimbursement/</a></p>