

CBSL

Assurance Review of the Promotions Arrangements

British Transport Police

Not Protectively Marked

FINAL



August 2012

2012/13

Assurance Review of the Promotions arrangements

- EXECUTIVE SUMMARY -

INTRODUCTION

1. We have carried out an assurance review of the promotions arrangements within the Force (both Police Officers and Staff) for the British Transport Police. The review was carried out in June/July 2012 and was part of the planned internal audit work for 2012/13.

SUMMARY

2. Key Risk Control Objectives were tested and based on the findings from this work an overall evaluation of the overall adequacy of the internal controls was established (figure 1 below).

Figure 1 - Evaluations of the Effectiveness of the Internal Controls



KEY FINDINGS

3. The key control and operational practice findings that need to be addressed in order to strengthen the control environment are set out in the Management and Operational Effectiveness Action Plans. Recommendations for improvements should be assessed by the Authority for their full impact before they are implemented. The priorities of the recommendations are summarised below (figure 2):

Figure 2 - Summary of Priorities of Recommendations

High	Medium	Low	Operational
-	3	-	1

RELEASE OF REPORT

4. The table below sets out the history of this report.

Date draft report issued:	19 th July 2012
Date management responses recd:	2 nd August 2012
Date final report issued:	6 th August 2012

MANAGEMENT ACTION PLAN
PRIORITY 1, 2 AND 3 RECOMMENDATIONS

Rec.	Risk	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Failure to comply with policies and procedures may give rise to incorrect promotion, grievance procedures from Officers and/or staff and reputational concerns for the Force.	<p>Areas of the SOP which may be improved/changed:</p> <p>1) The requirement to anonymise the applications prior to the paper sift is unnecessary as the individual details contained within the applications are likely to identify whose application it is. Appropriate advice should be taken as to whether the use of anonymity can be dispensed with.</p> <p>2) Specific reference should be made to the fact that Board panel members, and in particular the Chair of the Board, should not have line management responsibilities for any of the applicants.</p> <p>3) Specific reference should be made in the SOP to Police Officers having the</p>	<p>The draft Promotions Board Standard Operating Procedure be amended to:</p> <p>1) Remove reference to anonymising application forms(subject to the Force taking appropriate advice);</p> <p>2) Insert reference to the independence of panel members to all applicants;</p> <p>3) Insert reference to Police Officers and Sergeants being</p>	2	<i>Recommendations 1-4 are supported promotion process SOP will need to be amended to take account of these changes.</i>	30/9/12	<i>Leadership and Talent Development Manager</i>

PRIORITY GRADINGS

1	URGENT	Fundamental weaknesses in control which expose the Accounting Officer / Director to high risk or significant loss or exposure in terms of failure to achieve key objectives, impropriety or fraud.
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2	IMPORTANT	Significant weaknesses in control, which, although not fundamental, expose the Accounting Officer / Director to a risk of loss, exposure or poor value for money.
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3	ROUTINE	Minor weakness in control which expose the Accounting Officer / Director to relatively low risk of loss or exposure.
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Assurance Review of the Promotions Arrangements

Rec.	Risk	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
		<p>appropriate qualifications to be considered for a Promotions Board.</p> <p>4) Reference should be made to any Appeals from Officers not being promoted will be dealt with in accordance with the Force Grievance Procedures.</p>	<p>appropriately qualified as part of the application form self declaration.</p> <p>4) Insert reference to any Appeals being dealt with in accordance with the Force Grievance Procedures.</p>				
2	Failure to comply with policies and procedures may give rise to incorrect promotion, grievance procedures from Officers and/or staff and reputational concerns for the	The RAP have reviewed the draft Promotions Board SOP and made a number of important comments. Subject to the RAP comments being actioned and the above changes the SOP should be finalised at the earliest opportunity.	The Promotions Board SOP should be finalised at the earliest opportunity.	2	Fully support finalising the Promotion Board SOP. As outlined this will be updated by 31/10/2012 (subject to SCT Approval)	31/10/12	Leadership and Talent Development Manager

PRIORITY GRADINGS

1	URGENT	Fundamental weaknesses in control which expose the Accounting Officer / Director to high risk or significant loss or exposure in terms of failure to achieve key objectives, impropriety or fraud.
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Assurance Review of the Promotions Arrangements

Rec.	Risk	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
	Force.						
3	Failure to comply with policies and procedures may give rise to incorrect promotion, grievance procedures from Officers and/or staff and reputational concerns for the Force.	At this time the only hard copy documents which are generated during the promotion process are those produced by the interview panel. It is the LTDM intention that these should also be scanned and only held electronically. This would then avoid the laborious and riskier process of sending hard copies via the post when access to them is required.	The interview panel hard copy documents should be scanned and only be held electronically.	2	<i>At the next promotion board process the scanning of documents will be implemented.</i>	30/9/12	<i>Leadership and Talent Development Manager</i>

PRIORITY GRADINGS

1	URGENT	Fundamental weaknesses in control which expose the Accounting Officer / Director to high risk or significant loss or exposure in terms of failure to achieve key objectives, impropriety or fraud.
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3	ROUTINE	Minor weakness in control which expose the Accounting Officer / Director to relatively low risk of loss or exposure.
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OPERATIONAL EFFECTIVENESS MATTERS

Ref	Item	Management Comments
10.12	The use of IT (both hardware and software) to manage the promotions process should be assessed and a SOP produced which gives a clear understanding of how the system will be managed to allow for a structured expansion of the data held.	<i>A separate project is looking at better use of IT for recruitment processes this work-stream will include the promotion process. This work is part of the e-Recruitment project being led by the North East Business Partner. By 31/12/2012.</i>

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures, rather than on a one-by-one basis

- DETAILED REPORT -**SCOPE AND LIMITATIONS OF THE REVIEW**

5. The review considers the arrangements for: identification of eligible staff for promotion opportunities, short listing, assessing suitability, and selection of successful candidates. The scope of the review does not include consideration of the need for the promotion or any consequential changes to remuneration, terms and conditions of successful candidates. The review did not consider the arrangements operated by the Authority.
6. The review has been carried out by TIAA Ltd as the nominated sub-contractor of Capita Business Services Ltd ('CBSL'). CBSL is the arm through which Sector's non-FSA regulated services, including the former Sector Business Assurance, are delivered. The limitations and the responsibilities of management in regard to this review are set out in the Annual Plan.
7. The matters raised in this report are only those that came to the attention of the auditor during the course of the internal audit review and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. 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. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. CBSL and TIAA neither owe nor accept 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.

ASSESSMENT OF THE KEY RISK CONTROLS

8. This review identified and tested the controls that are being operated by the Force and an assessment of the combined effectiveness of the controls in mitigating the key control risks is provided. The assessments, which accord with those used by the Department for Transport, are:

Full	Systems of corporate governance, risk management and internal control are fully established, documented and working effectively.
Substantial	Systems of corporate governance, risk management and internal control arrangements are well established and working effectively. Very minor control weaknesses have been identified in a maximum of one or two discrete areas.
Reasonable	Systems of corporate governance, risk management and internal control arrangements are generally established and effective, with some minor weaknesses or gaps identified.

Partial	Systems of corporate governance, risk management and internal control are present and operating effectively except for some areas where material weaknesses or significant deficiencies have been identified, aspects of the control arrangements need documenting, or evidence does not exist to demonstrate effective operation.
None	Systems of corporate governance, risk management and internal control are poorly developed or non-existent or major levels of non-compliance or non-conformance have been identified. Control arrangements are not adequately documented, or evidence does not exist to demonstrate effective operation.

MATERIALITY

9. There needs to be transparent arrangements whereby the most suitable eligible candidates who are capable of performing the higher grades roles are promoted. Failure to have such a process could impact adversely on the delivery of the policing plan, the reputation of the Force and the Authority and could incur significant remedial costs.

AUDIT FINDINGS

Key Risk	Failure to direct the process through approved policy & procedures and/or losses arising from unauthorised action.
Key Risk Controls	Arrangements in place for the process provide for direction through established policies, procedures and provide for safeguarding the organisation’s assets and interests from avoidable losses.
Evaluation	Reasonable Assurance

10. The following matters were identified in reviewing the Key Risk Controls:

Risk: **Failure to have appropriate policies and procedures may give rise to incorrect promotion, grievance procedures from officers and staff and reputational concerns for the Force.**

10.1 The Promotions for Police Officers procedures have changed since the transfer of the Human Resources Business Centre (HRBC) to Leadership and Development (L & D) in June 2011. The audit therefore did not review in detail promotions which have taken place prior to the new procedures being adopted. The new procedures have been operated from April 2012 and Promotion Boards since then were reviewed as part of the audit.

10.2 To manage the Promotions process a new draft Standard Operating Procedure (SOP) for Police Officer Promotions has been developed. This clearly sets out the procedures for progressing Police Officer promotions and has a number of key controls within to manage the Promotions process in an accountable manner.

- 10.3 In discussions with Human Resources it became clear that for Police Staff promotions do not happen. Every staff vacancy which arises either through some leaving, retiring etc or a new position is create is reported to the Resource Approvals Panel (RAP) for approval to fill the vacancy. Should there be sufficient and appropriate internal candidates then RAP may approve for the vacancy to only be advertised internally. If there may be insufficient internal staff then RAP would approve both an internal and external advertisement for the vacancy. In both cases a full recruitment process is followed with either an applicant or CV being required in response to the advertisement; a sifting or shortlisting of suitable candidates; and an interview with the shortlisted people. HR is involved in the recruitment process although may not attend the interview stage.
- 10.4 The process and key controls for Police Officer Promotions as set out in the draft SOP is as follows:
- All Promotion Boards are scheduled in advance
 - All Promotion Boards are approved by RAP
 - The Leadership Department will provide the Promotion Board single point of contact (SPOC) who will organise the Board
 - The Promotion Board SPOC will identify the Board Sponsor
 - The Chair of the Board approves the questions, presentation and posting.
 - An application form has to be submitted which includes the most recent PDR rating and a recommendation from line manager and Area Commander:
 - The Promotion Board SPOC will confirm the Board members
 - A paper sift is conducted by a qualified member of the Leadership team and the shortlist verified by the Chair of the Board.
 - The panel members for the Board are clearly identified by the Promotion Board SPOC well in advance.
- 10.5 Areas of the SOP which may be improved/changed:
- The requirement to anonymise the applications prior to the paper sift is unnecessary as the individual details contained within the applications are likely to identify whose application it is. Appropriate advice should be taken as to whether the use of anonymity can be dispensed with.
 - Specific reference should be made to the fact that Board panel members, and in particular the Chair of the Board, should not have line management responsibilities for any of the applicants.
 - Specific reference should be made in the SOP to Police Officers having the appropriate qualifications to be considered for a Promotions Board.

- Reference should be made to any Appeals from Officers not being promoted will be dealt with in accordance with the Force Grievance Procedures.

Recommendation: 1**Priority: 2**

The draft Promotions Board Standard Operating Procedure be amended to:

- 1) Remove reference to anonymising application forms (subject to the Force taking appropriate advice);**
- 2) Insert reference to the independence of panel members to all applicants;**
- 3) Insert reference to Police Officers being appropriately qualified as part of the application form self declaration.**
- 4) Insert reference to any appeals being dealt with in accordance with the Force Grievance Procedures.**

- 10.6 Following the publication of the Thomas Winsor report in March 2012 the Force may need to consider further changes to the SOP to reflect any recommendation made in the Winsor report and subsequently adopted. In addition, the SOP should have due regard to any recommendations made by the HMIC in their reports on staffing and promotions.
- 10.7 The RAP has reviewed the draft Promotions Board SOP and made a number of important comments. Subject to the RAP comments being actioned and the above changes the SOP should be finalised at the earliest opportunity.

Recommendation: 2**Priority: 2**

The Promotions Board SOP should be finalised at the earliest opportunity.

- 10.8 Examination and testing of a recent Promotion Board showed that the new draft SOP procedures are being followed. In addition the sample of promotion records examined confirmed that the arrangements for: identification of eligible staff for promotion opportunities, short listing, assessing suitability, and selection of successful candidates for promotion was correct, properly authorised and processed in accordance with the draft Promotions Board SOP. Since the new procedures have been introduced only one promotion has been completed using these procedures. In particular, the Promotions Board scheduled to commence in February 2012 was tested in detail. This was a Sergeant to Inspector promotion. Five applications were received for this promotion, one was paper sifted out and four were interviewed. Of those interviewed three passed the panel interview and were promoted.
- 10.9 It is noted that before the new SOP was introduced the Promotions Board Chairman could have line management responsibility for one or more of the applicants. Under the new process this would not be the case, except for the most senior of promotions.

Risk: Appropriate records are not maintained of all promotions and any subsequent action taken

- 10.10 Prior to the transfer of the work to the L & D department the Promotion process was not as robust as it might have been and the administration of the record keeping could have been improved. The L & D Department has done much to improve both the procedures (now documented in the draft Promotions Board SOP) and the record keeping of the promotions process. Most documents including the application forms are held electronically and this facilitates storing of records in an electronic format. Not only does this improve the security of the data held but can also facilitate easier controlled access should that be required at some future time.
- 10.11 At this time the only hard copy documents which are generated during the promotion process are those produced by the interview panel. It is the LTDM intention that these should also be scanned and only held electronically. This would then avoid the laborious and riskier process of sending hard copies via the post when access to them is required.

Recommendation: 3

Priority: 2

The interview panel hard copy documents should be scanned and only held electronically.

- 10.12 It would be appropriate to consider making the records of the promotions process and its record keeping to be electronic, rather than hard copy. To facilitate this the IT infrastructure needs to be robust and structured to allow for future expansion. The software which manages the documents needs to be developed and indexed in such a way as to allow for a structure growth in documents held. This would then make access and retrieval available to all those who required sight of the data. Appropriate file structure conventions should be in place to assist with data management. The software system should be capable of being interrogated and reported upon with read access for audit (internal and external) purposes.

Operational Effectiveness Matter: 1

The use of IT (both hardware and software) to manage the Promotions process should be assessed and a SOP produced which gives a clear understanding of how the system will be managed to allow for a structured expansion of the data held.

Risk: There are inadequate reconciliations between Payroll and Human Resources

- 10.13 Once the Promotions Board had made their recommendations and the results have been confirmed by a member of the Senior Command Team for those officers who would be promoted, the Leadership Team email the Business Centre at Birmingham

with the successful candidates using a secure generic email address. This email data is input to "Case" the IT system for managing personnel data.

- 10.14 Upon receipt the Business Centre Manager and their team process the data and complete an Employee Advice Details (EAD) form. The Business Centre Manager will check the EAD to confirm it is in accord with the promotions details and authorise the EAD. The Business Centre will then update the ORIGIN system and email the EAD to the Payroll team who will update the payroll.
- 10.15 A member of the payroll team will then update iTrent. This change to payroll data will be checked and verified by the Payroll Manager/Supervisor. The "case" system is then updated and for that case will be closed.
- 10.16 The Organisational Development Team in Corporate Resources at FHQ undertake a monthly reconciliation between the HR system ORIGIN and the payroll system iTrent. The systems now reconcile although some adjustment may be needed each month to take account of timing differences between the two systems. These adjustments arise because of such things as an employee who has left the Force may still appear on iTrent for his final salary but would have been deleted from ORIGIN.
