

Classification **PUBLIC**

Meeting **April 10th, 2017**

Agenda Item **Monitoring Report:
Audit Function**



Recommended Motion:

THAT the Board receive the Executive Limitations Policy: Audit Function monitoring report.

I hereby submit my monitoring report on your Executive Limitations Policy: Adequacy and Effectiveness of Police Services according to the schedule set out. I certify that the information contained in this report is true.

I report compliance to all provisions of this policy.

Signed: _____

Date: _____

Chief of Police

Board Policy Statement:

The Chief of Police will not fail to ensure that all practices related to quality assurance and audit functions are in accordance with statutory requirements and generally accepted principles and standards for the professional practice of internal auditing.

Further, without limiting the scope of the foregoing, the Chief of Police will not:

- 1. Fail to establish an internal audit capability for the police service and ensure that appropriate resources are provided to the members performing the function.*
- 2. Fail to ensure that police members involved in audit processes have the knowledge, skills and abilities required to perform the duties required.*
- 3. Fail to establish audit priorities on an annual basis based on a risk assessment or operational priorities of the police service.*

4. *Fail to develop an internal audit work plan on an annual basis that identifies potential audit projects to be performed during the calendar year it is presented.*
5. *Fail to present to the Board the internal audit work plan for the current calendar year.*
6. *Fail to present to the Board a consolidated report summarizing the results of the previous year's audits, including any audits conducted externally.*
7. *Fail to inform the Board, as required, of any audit results that may require the immediate attention of the Board.*

Interpretation of the Chief of Police:

It is my interpretation that this limitation policy stipulates that the Durham Regional Police Service shall have, at minimum: a quality assurance capacity internal to the Service; and an audit capacity, either internally or through external contract depending on the expertise required, to meet statutory requirements, and to comply with generally accepted principles and standards for the auditing profession. This audit capacity also includes the continuous review, and revision process in relation to Service directives.

Data Support:

1. QUALITY ASSURANCE CAPABILITY

The Durham Regional Police Service (DRPS) has a Quality Assurance Unit (QA) whose responsibility it is to:

1. Conduct internal quality assurance audits
2. Assist in the development and maintenance of directives, which outline processes, procedures and roles and responsibilities of members
3. Assist in the development and maintenance of forms
4. Review all suspect apprehension pursuits, ensuring the timely submission of Fail To Stop Reports and Suspect Apprehension Pursuit Debriefings by the Compliance Officer (Staff Sergeant)

Active members of the unit include a Staff Sergeant and one civilian member. The capacity of the QA Unit is occasionally expanded on a short-term basis by the use of members who have completed the *Auditing in a Law Enforcement Organization* course.

2. KNOWLEDGE, SKILLS AND ABILITIES

To perform a comprehensive audit unassisted, auditors must have completed a course in auditing, typically the *Auditing in a Law Enforcement Organization* course. There are currently thirty-three members within the Service who have successfully completed the auditing course mentioned above. These members may be called upon to support internal audits.

Members assigned to the QA Unit auditing function received additional training on quality and process improvement applicable to internal auditing from a certified member of ROCG Hobb and Company Consulting in the spring of 2011.

Audits requiring Generally Accepted Accounting Principles (GAAP) standards are sourced out to qualified agencies.

3. AUDIT PRIORITIES

Quality Assurance prioritizes audits based on input from the Risk Management Committee and the need for assurance of adequacy standards and directive procedures compliance. Throughout the year, leadership may identify additional audit priorities and the schedule is amended accordingly.

The property audit is conducted annually based on the guidelines of the Policing Standards Manual integrated policy statement *LE-020 Collection, Preservation and Control of Evidence and Property*, Section 5, which recommends that:

Every Chief of Police should ensure that an annual audit of the property/evidence control function is conducted by a member(s) not routinely or directly connected with the property/evidence control function, and report the results to the Board.

An audit of the Communications/911 Unit is conducted annually in adherence to the policy outlined in the *Communications and Dispatch* directive.

Audit priorities also take into account the priority rating of a directive. Directives are prioritized based on a four-class rating system, with priority 1 directives being those that relate to the highest risk activities, and priority 4 directives being those that relate to the lowest risk. The priorities were assigned using a directive rating assessment tool that takes into account both the level of risk and the frequency of the activities related to the directive.

4. AUDIT PLAN

The Quality Assurance Unit develops an audit schedule for each calendar year. The unit schedules audits on an annual basis and reviews the requirements for each before beginning work on the audit. To identify priority audits, the unit solicits input from the Risk Management Committee in the previous calendar year.

Two to four weeks prior to the scheduled audit, the executive responsible for the area to be audited is contacted to discuss the work plan including the background, purpose and scope of the audit. This is an opportunity to ensure that any concerns, regulations and standards are identified and considered for inclusion in the audit.

5. AUDIT SCHEDULE (2017)

The following audits will be conducted in 2017:

June: Property

September: Communications/911

6. AUDIT SUMMARY (2016)

In 2016 the following audits were completed by the QA unit:

A. Communications and Dispatch

The purpose of this audit was to trace the documentation of repairs made to radio equipment in order to ensure that proper system coverage and functionality is maintained. The process was measured against the standard operating procedures outlined in the *Radio and Battery Procedures* directive. A test of inventory controls for personal issued radios was also conducted.

B. Property:

The purpose of this audit was to take an inventory of the gun cage and to test the controls over the firearms in the Property warehouse. Property records were checked to verify the accuracy of the property tag and the assigned shelf location as recorded in the property control module within the Versadex records management system.

For a more detailed summary of audit results and the corresponding management response refer to the *Consolidated Audit Report: 2016 Audit Summary* attached as Appendix A.

7. AUDIT RESULTS

For internal audits, a meeting is scheduled with the auditor and the member in charge of the unit involved (the unit manager). During this meeting, the auditor presents the audit findings and recommendations and the unit manager has the opportunity to provide input on the audit. The unit manager then responds in writing to the findings and recommendations in a Management Action Plan (MAP). Progress on the management action plan is reported back to the Quality Assurance Unit.

The unit manager may choose to accept, accept in part, or decline any recommendation stemming from the audit. If accepting a recommendation, the management response will include an action plan with an anticipated completion date. If declining a recommendation, the management response will include the reasons for declining the recommendation. Finally, if accepting the recommendation in part, the management response will include a reason for the partial acceptance and an action plan for the accepted portion of the recommendation.

Audit results are communicated to the Risk Management Committee, and the final report of each audit is submitted to the Executive Leadership Team. A copy of all audit reports and management action plans are retained in accordance with the Durham Regional Police Services Board's Records Retention Bylaw for corporate knowledge management.

Attachments:

A. Consolidated Audit Report: 2016 Audit Summary