



# KENT POLICE AND CRIME COMMISSIONER AND KENT POLICE

## Secondary Employment and Business Interests

Internal audit report 7.22/23

Final

11 July 2023

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# 1. EXECUTIVE SUMMARY

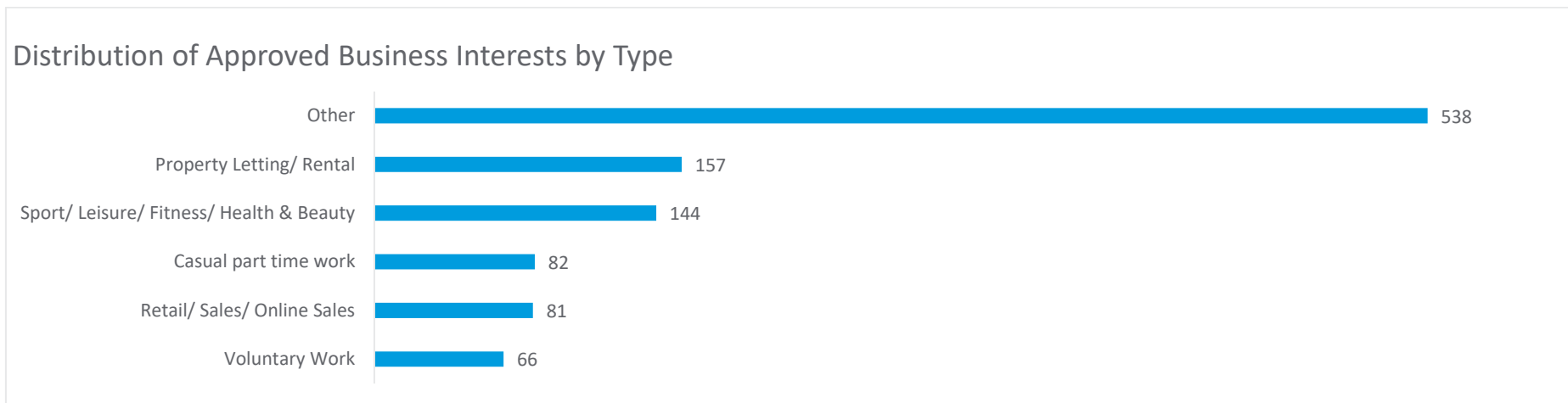
## Why we completed this audit

We undertook a review of Secondary Employment and Business Interests as part of the approved internal audit plan for 2022/23. The objective of this audit was to assess the processes in place to ensure that only appropriate and authorised additional employment is entered into and that all business interests are declared.

The Force seeks to foster an open culture with respect to secondary employment and business interests; and recognises within its Secondary Employment and Business Interests Protocol (the Protocol) that restrictions on the private lives on police officers and police staff should be applied proportionately. Nevertheless, there are certain regulatory restrictions in place which the Force is required to comply with.

The Police Regulations 2003 requires officers to abstain from any activity which is likely to interfere with (or give the impression of interfering with) the impartial discharge of their duties. The Standards of Professional Behaviour (in particular, SPB9: Discreditable Conduct) and the Code of Ethics also require that any approved business interest should be carried out in a way that does not compromise the police officer's impartiality, and that it is not incompatible with membership of a police force. The Force has a documented protocol in place to outline compliance requirements and the processes to be followed for the notification, review, and approval of any secondary employment and business interests.

As at January 2023, the Force had 1,068 approved business interests on its register, the largest single categories of which relate to property letting/rental and sport/fitness related activities as follows ('other' includes categories such as nursing and medical, armed forces, entertainment, and hospitality):

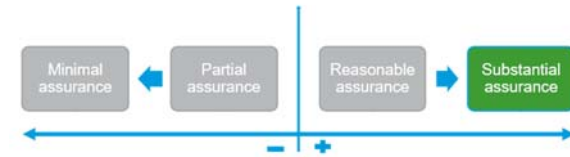


## Conclusion

We noted that the Force has a Secondary Employment and Business Interest Protocol in place that is made available to all police officers and staff through the Force intranet. Through our review of a sample of 20 approved business interests from the full Force approved business interest listing, we confirmed there was robust evidence of completion of each of the required approval stages via the Centurion workflow, including evidence of annual review by the employee's line manager where required.

### Internal audit opinion:

Taking account of the issues identified, Kent Police and Crime Commissioner and Kent Police can take substantial assurance that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied and effective.



## Key findings

We noted the following controls to be adequately designed and operating effectively:



### Notification and Approval of Business Interests

We reviewed a sample of 20 approved business interests from the Force's full approved business interest listing, ten of which were not yet due for annual review at the time of audit, and ten of which were due for annual review. We noted that all business interests are tracked and approved through a workflow in the Centurion system, and we observed the records for each item in our sample in the system to confirm the appropriate approval steps had been followed. We confirmed that in all instances, there was clear evidence of initial endorsement by the employee's line manager or equivalent, that PSD reviews had been conducted where requested by the Head of Resourcing, and that there was clear documented evidence of final approval by the Head of Resourcing or a permitted delegate.



### Monitoring of Compliance with Business Interest Notification Process

Following initial identification of a Secondary Business Interest at the role application stage, the Business Services Team enter any details of the Business Interest on an Excel tracker, along with details of other key pre-employment checks. The spreadsheet is monitored on a case by case basis to ensure that where a Business Interest has been identified, this is progressed to the notification form stage. We confirmed through inspection of the tracker that initial declarations were being tracked for each role, and where appropriate, a note was recorded to indicate that the Business Interest Notification had been completed.



### **Annual Review of Business Interests**

Through review of a sample of 20 approved business interests, we noted ten would have been due for annual review at the time of audit. We therefore tested to confirm clear evidence was in place that the annual review had been completed utilising the required forms, and that these had been signed off by the employee's line manager. Through inspection of the Centurion workflow, we confirmed all reviews had been fully completed, with the exception of two individual who had left the Force before the review was due.



### **Secondary Employment and Business Interests Protocol**

We reviewed the Secondary Employment and Business Interests Protocol, effective May 2021 with a two-year review period, therefore it was up to date at the time of our review. We confirmed through review that the original document was reviewed in 2016 by the Director of Support Services for Essex and Kent and was subsequently reviewed by the Head of Resourcing in 2021, indicating no changes were required from the original version.

We confirmed that the latest version of the ACPO Guidelines on the Management of Business Interests and Additional Occupations were dated 2013, and it is therefore reasonable that no changes were required to be made to the Force's Protocol. We also confirmed that the protocol was accessible to all staff, via the Force intranet.

Through review of the Protocol, we confirmed it was adequate in terms of content, with coverage on the legislative background, definitions of secondary employment and business interests, the procedure for notification, review and approval, and details of the process for ongoing review and suspension. We confirmed the document was aligned to the ACPO Guidelines on the Management of Business Interests and Additional Occupations. We noted the Protocol stated that the Force will not approve working within the security industry (or similar) or any use of police premises, property, or vehicles.



### **Secondary Employment and Business Interest Declarations**

Through review of the Notification of Additional Employment/Business Interest/Services and Reservist Commitment Form, we noted that it includes detail regarding the nature of work undertaken and the expected commitment. We were advised by the Head of Resourcing that the nature of work and commitment is taken into consideration in the course of reviewing and approving a Business Interest notification. We were informed that where there is believed to be a likely conflict, the Business Interest application is either rejected, or a risk assessment meeting is held with the individual to lay out any necessary restrictions required. We were advised, however, that this is rarely necessary.

We reviewed a sample of 20 approved business interests from the Force's full approved business interest listing as at January 2023 to determine whether any included secondary employment such as volunteering to work as security staff or driving training that could interfere with the individual's day job, and if so, whether any risk assessments had been conducted. We did not find that any such business interests were declared.

**We have identified two minor weaknesses, leading to the agreement of two low priority management actions.**

## 2. DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Governance and Reporting		Assessment:	
<b>Control</b>	<p>The Force does not have a fully embedded defined governance, reporting and monitoring route in place to challenge and scrutinise secondary employment and business interests.</p> <p>Formal reporting is planned to take place at the monthly Absence Management Group Meeting and Anti-Corruption Meetings, as well as the quarterly Force Security Integrity Committee.</p>	<p><b>Design</b> ×</p> <p><b>Compliance</b> N/A</p>	
<b>Findings / Implications</b>	<p>At the time of our review, we were informed that there was not yet a clearly defined governance and reporting mechanism in place to monitor and analyse secondary employment and business interest data to identify and address any potential problem areas, or to monitor compliance with the process for completion of notification forms. We were advised that a plan was in place to report on business interest information through a monthly Absence Management Group meeting. In addition, an Anti-Corruption meeting is in place where the Force also intends to monitor such information.</p> <p>We noted that the plans to develop a governance and reporting mechanism was work in progress at the time of audit which we confirmed through review of action notes from the Force Improvement Board and Force Absence Meetings in December 2022. While partially mitigated by the existence of these plans, there was not yet sufficient evidence in place, such as agendas, terms of reference, meeting minutes or papers for the planned meetings, and without adequate reporting and monitoring processes in place, issues with secondary employment and business interests may not be identified and actioned, leading to potential financial and operational impacts to the Force.</p> <p>We additionally confirmed that a verbal Secondary Business Interests update was provided to the Force Security Integrity Committee in February 2023. We also noted from inspection of an email trail in relation to this verbal update that it was to include information relating to how many business interests were live, core themes, trends in the number of applications, current numbers awaiting sign off and review, and any issues of concern. The Head of Resourcing noted that this would be provided as a formal report at subsequent meetings.</p> <p>However, as there was limited documented evidence of these processes at the time of audit, there remains some risk that the Force is not able to demonstrate adequate oversight of Secondary Business Interests.</p>		
<b>Management Action 1</b>	<p>The Force will establish an appropriate forum and reporting arrangements to ensure secondary employment and business interest information is subject to robust oversight, challenge, and scrutiny. Forums will be supported by terms of reference, agendas, meeting notes and appropriate reporting.</p>	<p><b>Responsible Owner:</b></p> <p>Rebecca Humphries, Head of Resourcing</p>	<p><b>Date:</b></p> <p>Implemented</p> <p><b>Priority:</b></p> <p>Low</p>

Review of Business Interests During Sickness Absence		Assessment:		
<b>Control</b>	<p>The Force does not typically require a declaration from the employee as to whether any secondary employment was undertaken during the period of absence.</p> <p>However, within the Secondary Employment and Business Interests Protocol it is stated that the Force retains the right to remove or review the business interest in the event of an absence, and a notification to this effect is included in the notification form completed by employees on declaring a business interest.</p>	<b>Design</b>	×	
		<b>Compliance</b>	N/A	
<b>Findings / Implications</b>	<p>We were advised by the Head of Resourcing that, as part of the return-to-work process following a period of sickness absence, the Force does not currently require a declaration from the employee as to whether any secondary employment was undertaken during the period of absence, though we note the Protocol does not preclude the undertaking of such interests during sickness absence. We were advised that this control would occur too late in the process to provide any benefit or mitigate the risk. However, it was additionally noted, and confirmed through inspection of the Secondary Employment and Business Interests Protocol, that the Force retains the right to remove or review the business interest in the event of an absence, and the Head of Resourcing informed us that this had happened in the case of a recent absence.</p> <p>We confirmed through inspection of communication between the Force and a recent employee who had returned from sickness absence, that such reviews were occurring, although it was noted that such cases are rare and therefore undertaken on a case-by-case basis.</p> <p>We were also advised that sickness absence is picked up through the Senior Leadership Team report pack, which includes a RAG rating of absence triggers. Through inspection of the report pack on screen, we confirmed absence reporting was in place. There was no reporting at the time of review specifically in relation to Business Interests, but the Head of Resourcing advised the intention was to add an additional tab to this report which would pick up any issues with such interests. However, without further documented evidence, there remains some risk that secondary employment is occurring during sickness absence that is not appropriately identified and reviewed by the Force, which could lead to financial and operational impacts to the Force in the event of an inappropriately extended absence.</p>			
<b>Management Action 2</b>	The Force will fully embed and formalise reporting of any issues with Business Interests and sickness absence as part of the Senior Leadership Pack.	<b>Responsible Owner:</b>	<b>Date:</b>	<b>Priority:</b>
		Rebecca Humphries, Head of Resourcing	31 August 2023	Low

## APPENDIX A: CATEGORISATION OF FINDINGS

### Categorisation of internal audit findings

Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

The following table highlights the number and categories of management actions made as a result of this audit.

Area	Control design not effective*		Non Compliance with controls*		Agreed actions		
					Low	Medium	High
Processes are in place to ensure that only appropriate, authorised, additional employment is entered into and that all business interests are declared.	2	(5)	0	(5)	2	0	0
<b>Total</b>					<b>2</b>	<b>0</b>	<b>0</b>

\* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

## APPENDIX B: SCOPE

The scope below is a copy of the original document issued.

### Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to the following risks:

#### Objective of the area under review

Processes are in place to ensure that only appropriate, authorised, additional employment is entered into and that all business interests are declared.

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#### When planning the audit, the following areas for consideration and limitations were agreed.

- Policies and procedures which align to the Association of Chief Police Officers (ACPO) principles for employees undertaking secondary employment are in place and have been reinforced and communicated to staff at all levels. This includes coverage of types of secondary employment that is not acceptable such as volunteering to work as security staff or driving training as this could interfere with the day job.
- Business interest declarations are undertaken during induction and refreshed on a frequent basis (at least annually) and 100% completion rates are achieved across all staff. Where this is not the case, staff are being chased to complete their declarations. Where the available data allows, we will use data analytics to summarise compliance by department and identify low compliance areas.
- Where staff are permitted flexible working hours, clear KPIs have been set to ensure that productivity is measurable and value for money is being achieved including through 1:1 meetings and performance management where necessary (NB: we have not reviewed this during our audit as we were informed by the Head of Resourcing that those on flexible working contracts are treated the same as any other employee in that if they have declared a business interest, this will be reviewed annually and during 1:1s and performance meetings following the usual processes.)
- When staff return from sickness absence, return to work interviews are conducted and recorded, inclusive of a declaration for the employee to confirm whether any secondary employment was undertaken during the period of absence. Where the data on record allows, we will test on a whole population basis using data analytics software. Otherwise, this will be tested on a sample basis.
- How the Force is using the data obtained from declarations made and whether action is being taken to assess the responses received from declarations including how conflicts are being managed.
- Where declarations are made, sign off is obtained by the line manager to confirm that the secondary employment or business interest is appropriate and does not affect delivery of output. Including a consideration of the nature of the work being undertaken and whether this affects the day to day job of the police officer (or equivalent).
- Governance arrangements are in place to challenge and scrutinise secondary employment and business interests including reporting and analysis. We will trace a sample of reported data back to source to confirm accuracy of reporting.



**The following limitations apply to the scope of our work:**

- The scope of this work is limited to those areas examined and reported upon in the areas for consideration in the context of the objectives set out for this review. It should not, therefore, be considered as a comprehensive review of all aspects of non-compliance that may exist now or in the future;
- We will not provide assurance that all secondary employment and business interests have been declared;
- We will not review or confirm the accuracy of business interest declarations made by staff;
- Due to the lack of suitable data, we have not used data analytics to summarise compliance by department with the business interest declaration process; in addition, as there is currently no reporting process in place, we have not traced a sample of reported data back to source to confirm accuracy of reporting;
- We will not confirm the legitimacy of staff sickness records
- Testing will be on a sample basis only.
- The results of our work are reliant on the quality and completeness of the information provided to us; and
- Our work does not provide any guarantee against material errors, loss or fraud or provide an absolute assurance that material error, loss or fraud does not exist.

**Debrief held** 18 January and 13 March 2023

**Draft report issued** 5 April 2023

**Revised draft reports issued** 9 May 2023, 1 June 2023, 4 July 2023

**Responses Received** 11 July 2023

**Final report issued** 11 July 2023

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