



SURREY POLICE FORCE AND OFFICE OF THE POLICE AND CRIME COMMISSIONER FOR SURREY

Internal Audit Strategy 2018-2021

Presented at the audit committee meeting of:

25 April 2018

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1 INTRODUCTION

Our approach to developing your internal audit plan is based on analysing your corporate objectives, risk profile and assurance framework as well as other, factors affecting Surrey Police and the Police and Crime Commissioner for Surrey in the year ahead, including changes within the sector.

1.1 Background

Surrey Police continues to collaborate, both with Sussex Police and with Hampshire and Thames Valley Police. A key area of collaboration, as well as a key system change for the Force and OPCC, is the implementation of a new EPR system, which will be used by all four Forces. To date, there has been some slippage in the implementation schedule, such that current estimates are this will 'go live' c18 months later than originally planned.

The vision of Surrey Police Force is 'to make Surrey the safest county it can be' and the mission is to 'pursue, protect and prevent'.

The pledges of the Police and Crime Commissioner are:

- Cutting Crime and Keeping Surrey Safe
- Supporting Victims
- Tackling Rural Crime
- Making Our Town Centres' Safe
- Tackling the Threat of Terrorism
- Making Every Pound Count

2 DEVELOPING THE INTERNAL AUDIT STRATEGY

We use your objectives as the starting point in the development of your internal audit plan.

2.1 Risk management processes

We have evaluated your risk management processes and consider that we can place reliance on your risk registers / assurance framework to inform the internal audit strategy. We have used various sources of information (see Figure A below) and discussed priorities for internal audit coverage with the following people:

- Treasurer and Chief Financial Officer for the OPCC
- Head of Finance, Surrey Police
- Corporate Finance Officer, Surrey Police

We have also considered the responsibility for reviewing the areas of collaboration and understand from our discussions that this will remain as it was for 2017/18, with IT audit coverage being included within our internal audit plan and the other areas being reviewed by Sussex internal audit as they fall due for review.

Based on our understanding of the organisation, the information provided to us by the stakeholders above, and the regulatory requirements, we have developed an annual internal plan for the coming year and a high level strategic plan (**see appendix A and B for full details**).

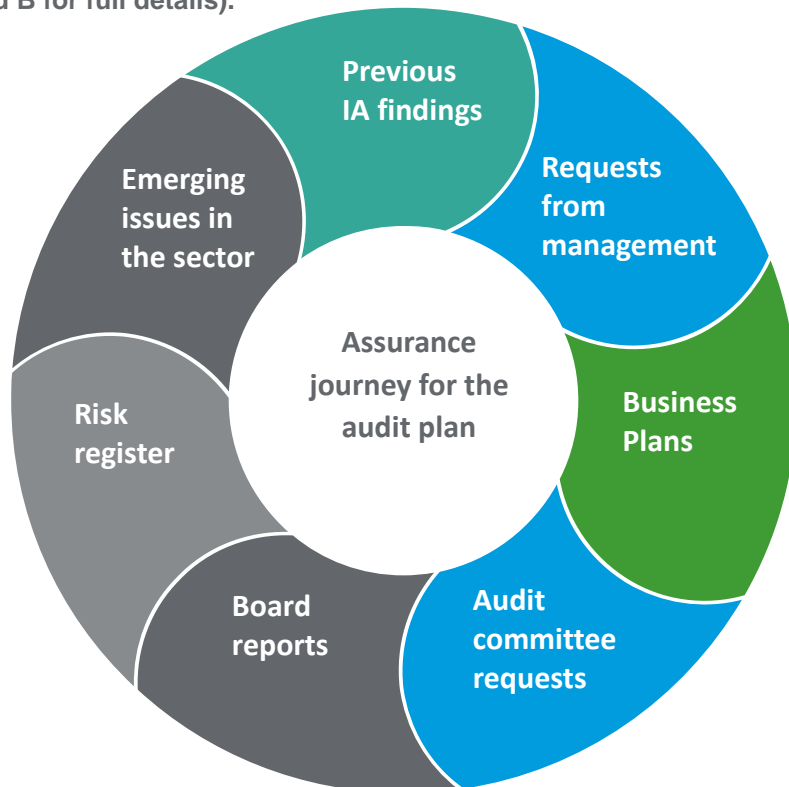


Figure A: Sources considered when developing the internal audit strategy

2.2 How the plan links to your strategic objectives

Each of the reviews that we propose to undertake is detailed in the internal audit plan and strategy within appendices A and B. In the table below we bring to your attention particular key audit areas and discuss the rationale for their inclusion or exclusion within the strategy.

Area	Reason for inclusion or exclusion in the audit plan/strategy	Link to strategic objective
Out of court disposals	There has been a significant policy change in this area and therefore it was considered relevant for review by internal audit. We will therefore review a sample of cases that did not go to court to consider whether the Force is complying the updated guidance in this area.	Cutting Crime and Keeping Surrey Safe
Victim support	The current victim support contract will come to an end in 2019 and the OPCC is looking to bring this work in hours. We will therefore complete an advisory review of the processes the OPCC plans to put in place prior to the change being made to support this process and identify any potential weaknesses prior to the processes being implemented.	Supporting Victims
Financial forecasting	In 2017/18 our specialists completed a review of financial forecasting which identified a significant number of areas for improvement. We have therefore included provision for a detailed follow up of this area to ensure that the actions are being addressed.	Making Every Pound Count
Data Quality	This review could focus on reporting of any area, but common areas for review are compliances or crime recording. We would select a sample of indicators and agree back to supporting evidence to ensure data reporting is accurate.	Cutting Crime and Keeping Surrey Safe
Evidential property	Our review of this area in 2017/18 resulted in a 'no assurance' opinion. We will therefore complete a full review of this area again in 2018/19 to ensure that the issues identified have been addressed.	Cutting Crime and Keeping Surrey Safe
Governance	Focus of this review to be considered nearer the time, but could include a review of decision making processes, or a focus on collaboration oversight or ethics. Given the collaborations with Sussex, Hampshire and Thames Valley, there are numerous options for coverage.	Making Every Pound Count

As well as assignments designed to provide assurance or advisory input around specific risks, the strategy also includes: a contingency allocation, time for tracking the implementation of actions and an audit management allocation. Full details of these can be found in appendices A and B.

2.3 Working with other assurance providers

The audit committee is reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not, seek to cover all risks and processes within the organisation.

We will however continue to work closely with other assurance providers, such as external audit to ensure that duplication is minimised and a suitable breadth of assurance obtained.

3 YOUR INTERNAL AUDIT SERVICE

Your internal audit service is provided by RSM Risk Assurance Services LLP. The team will be led by Daniel Harris, supported by Lorna Raynes as your client manager.

3.1 Fees

Our fee to deliver the plan will be in line with the contractual deed of variation signed on 2 May 2017.

3.2 Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS).

Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2016 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF) published by the Global Institute of Internal Auditors (IIA) on which PSIAS is based.

The external review concluded that “there is a robust approach to the annual and assignment planning processes and the documentation reviewed was thorough in both terms of reports provided to audit committee and the supporting working papers”. RSM was found to have an excellent level of conformance with the IIA’s professional standards.

The risk assurance service line has in place a quality assurance and improvement programme to ensure continuous improvement of our internal audit services. Resulting from the programme, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

3.3 Conflicts of interest

We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under internal auditing standards.

4 AUDIT COMMITTEE REQUIREMENTS

In approving the internal audit strategy, the committee is asked to consider the following:

- Is the audit committee satisfied that sufficient assurances are being received within our annual plan (as set out at appendix A) to monitor the organisation's risk profile effectively?
- Does the strategy for internal audit (as set out at appendix B) cover the organisation's key risks as they are recognised by the audit committee?
- Are the areas selected for coverage this coming year appropriate?
- Is the audit committee content that the standards within the charter in appendix C are appropriate to monitor the performance of internal audit?

It may be necessary to update our plan in year, should your risk profile change and different risks emerge that could benefit from internal audit input. We will ensure that management and the audit committee approve such any amendments to this plan.

APPENDIX A: INTERNAL AUDIT PLAN 2018/19

Audit	Objective of the review	Audit approach	Proposed timing	Proposed JAC
Risk Based Assurance				
IT reviews	To be determined nearer the time and following completion of our 2017/18 internal audit work, but indications are that this is likely to consider a review of IT strategy. This review will consider both Sussex and Surrey.	TBC (dependent on scope)	January 2019	April 2019
Governance	Focus of this review to be considered nearer the time, but could include a review of decision making processes, or a focus on collaboration oversight or ethics. Given the collaborations with Sussex, Hampshire and Thames Valley, there are numerous options for coverage.	Assurance	January 2019	April 2019
Victim support	The current victim support contract will come to an end in 2019 and the OPCC is looking to bring this work in hours. We will therefore complete an advisory review of the processes the OPCC plans to put in place prior to the change being made to support this process and identify any potential weaknesses prior to the processes being implemented.	Assurance	December 2018	April 2019
Financial forecasting	In 2017/18 our specialists completed a review of financial forecasting which identified a significant number of areas for improvement. We have therefore included provision for a detailed follow up of this area to ensure that the actions are being addressed.	Follow up	August 2018	October 2018
Data Quality	This review could focus on reporting of any area, but common areas for review are compliances or crime recording. We would select a sample of indicators and agree back to supporting evidence to ensure data reporting is accurate.	Compliance	July 2018	October 2018
Evidential property	Our review of this area in 2017/18 resulted in a 'no assurance' opinion. We will therefore complete a full review of this area again in 2018/19 to ensure that the issues identified have been addressed.	Assurance	September 2018	October 2018
Core Assurance				
Risk management	This review will focus on processes in place to manage risks.	Assurance	January 2019	April 2019

Audit	Objective of the review	Audit approach	Proposed timing	Proposed JAC
Legal/ Insurance	This review will look at the channels of communication between the legal and insurance departments in order to ascertain when it is decided to make a claim, or when to take legal action.	Assurance	May 2018	July 2018
Gifts and hospitality	This review will assess the effectiveness of compliance with the procedures on gifts and hospitality	Assurance	June 2018	October 2018
Property seizures and disposal	We will review the system in place to record property seizures and disposals and how consistently this is used by officers.	Assurance	July 2018	October 2018
Uniform and small assets	This review will consider how the Force manages stocks and stores of uniform and other small assets. This will include how missing items are identified, and how it is ensured that members leaving the Force return all necessary items.	Assurance	May 2018	July 2018
Police officer allowances	We will consider the process for assessing eligibility for police officer allowances and how this is applied in practice. We will also consider processes for approving and making payment of these allowances.	Assurance	May 2018	July 2018
Out of court disposals	There has been a significant policy change in this area. We will therefore review a sample of cases that did not go to court to consider whether the Force is complying the updated guidance in this area.	Assurance	December 2018	April 2019

Controls Compliance

Audit	Objective of the review	Audit approach	Proposed timing	Proposed JAC
Financial controls	<p>This review will consider the following areas:</p> <ul style="list-style-type: none"> • Financial reporting • Creditor payments • Cash receipting and treasury management • Income and debtors • Procurement • Payroll 	Compliance	November 2018	January 2019
Other internal audit activity				
Contingency	To allow additional reviews to be undertaken in agreement with the Audit Committee or management based in changes in risk profile or assurance needs as they arise during the year.		tbc	Tbc
Follow up	To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management.	Follow up	June 2018 and October 2018	October 2018 and January 2019
Management	<p>This will include:</p> <ul style="list-style-type: none"> • Annual planning • Preparation for, and attendance at, Audit Committee • Regular liaison and progress updates • Liaison with external audit and other assurance providers • Preparation of the annual opinion 		Throughout the year	N/A

NB: Resources allocated to individual audits have taken into consideration the level of risk assigned to the area by the client, our knowledge of any existing client controls, including how effective these are, and the specialist nature of the area being reviewed. The resource level applied for the delivery of the area of work is reviewed as the detailed scope of the work is agreed with the executive lead.

APPENDIX B: INTERNAL AUDIT STRATEGY 2018 – 2021

Proposed area for coverage	Internal audit coverage	2018/19	2019/20	2020/21
Risk based assurance				
IT reviews (Force risk 550, 519)	To be determined nearer the time and following completion of our 2017/18 internal audit work, but indications are that this is likely to consider a review of IT strategy. This review will consider both Sussex and Surrey.	✓	✓	✓
Staff experience (Force risk 442)	The scope of this audit will be considered nearer the time, but could focus on the staff survey process and results.		✓	
Capital expenditure PCC risk 222	This review will consider how capital expenditure is budgeted, planned and monitored in order that funds are utilised and not carried forward indefinitely.		✓	
Strategic planning and budgeting (PCC risk 461)	The organisation has recently restructured its finance team, and financial information to inform budgeting and other planning processes is now provided by the collaborated team. We therefore will review the budgeting and other strategic planning processes.		✓	
Savings plan	This review will consider how savings plans are developed and approved. We will also consider how these are monitored throughout the year, and how any revisions are approved and communicated to relevant parties.		✓	
Victims Code (Force risk 547)	We will review the procedures put in place by the PCC to ensure that incidents are being identified and actions to support the victim put in place.		✓	
Governance – Collaboration (PCC risk 432)	It is important for the Force to be able to demonstrate a commitment to integrity. We are therefore suggesting that our Governance work will focus on the Code of Ethics, including how staff are made aware of this and how compliance with this is managed and monitored.	✓ <i>(code of ethics)</i>	✓	✓

Proposed area for coverage	Internal audit coverage	2018/19	2019/20	2020/21
Data Protection (PCC risk)	<p>Potential significant change in the requirements of Data Protection within our clients as result of the 2016 Major Overhaul of EU Data Protection Laws. This will impact on the requirements for both staff and tenants. Further guidance is awaited on the detail of the changes and required impacts.</p> <p>Coverage could include a preparedness review or compliance with any changes to policies and procedures in future years.</p>			✓
Collaboration strategy (PCC risk 432)	This review will consider how the collaboration strategy has been developed. We will also consider how progress against this is monitored and reported and whether anticipated benefits have been realised. Where there has been slippage, we will consider what is being done to remedy this.			✓
Proceeds of Crime Act (P+CP and Management Concern)	Review to ensure that the Force complies with the requirements of the Proceeds of Crime Act and that all items seized are held in a secure manner until release.			✓
Tasers (sector risk)	The issue of Tasers to officers is increasing within the Force. There have also been some high profile issues with the use of Tasers. Therefore we are proposing a review to focus on how officers are trained to use Tasers, training records, how the issue and storage of Tasers is controlled and how the whereabouts of Tasers is recorded and maintained. We will also consider the disposal of Tasers.			✓
Evidential property (management concern)	Where the Force takes possession of property, either that is seized during an investigation or where it has been reported as lost and found, it has a responsibility to ensure that all property is audited, retained and disposed of correctly through the appropriate property database. We will therefore review this process, with particular focus on the disposal of property.	✓		
Complaints (Force risk 521)	This review will focus on the process for capturing, investigating and reporting complaints.		✓	

Proposed area for coverage	Internal audit coverage	2018/19	2019/20	2020/21
Mandatory Training (Force risk 545, 512)	It is important to have dedicated procedures for making sure that officers and staff remain "in ticket", but also what are the processes for identifying who needs to undertake mandatory training, i.e. is there a clear process of who needs to do what as opposed to a 'one size fits all approach' There is an obvious time and cost associated to training and therefore ensuring only the required level of training is completed could result in an efficiency saving.			✓
Data Quality (Force risk 542)	This review could focus on reporting of any area, but common areas for review are complaints or crime recording. We would select a sample of indicators and agree back to supporting evidence to ensure data reporting is accurate.	✓		
Crime recording (Force risk 542)	Our review will consider the effectiveness of internal checks and compliance with the National Decision Model and national and local policy and procedures. This will take account of any relevant findings from the 2018/19 review of data quality.		✓	
Financial forecasting (PCC risk 461)	In 2017/18 our specialists completed a review of financial forecasting which identified a significant number of areas for improvement. We have therefore included provision for a detailed follow up of this area to ensure that the actions are being addressed.	✓		
Victim support (PCC risk)	The current victim support contract will come to an end in 2019 and the OPCC is looking to bring this work in hours. We will therefore complete an advisory review of the processes the OPCC plans to put in place prior to the change being made to support this process and identify any potential weaknesses prior to the processes being implemented.	✓		
Core Assurance				
Vetting processes	Vetting is a shared service between Sussex and Surrey which Surrey lead on. We will therefore review the processes to ensure that all staff and contractors are subject to vetting to the appropriate level, and consider who the Force ensures that this is completed promptly.		✓	
Risk Management	This review will focus on processes in place to manage collaborative risks.	✓	✓	✓

Proposed area for coverage	Internal audit coverage	2018/19	2019/20	2020/21
Legal / Insurance	This review will look at the channels of communication between the legal and insurance departments in order to ascertain when it is decided to make a claim, or when to take legal action.	✓		
Policies and procedures	We will review the policies and procedures in place for both the Force and the OPCC to ensure these cover all expected topics, and are up to date and have been subject to appropriate approval.		✓	
Procurement	As both the PCC and the CC may be undertaking procurement, this review will consider the processes undertaken by both, and how value for money is achieved. The review will also consider the governance arrangements in respect of the procurement collaboration with Sussex Police.	Covered by Sussex IA		
Estates Management	This review will consider the processes undertaken to manage the estate, and how value for money is achieved.		✓	
Gifts and Hospitality	This review will assess the effectiveness of the implementation of the recommendations from the internal review and compliance with the revised governance procedure on gifts and hospitality.	✓		
Business Interests	This review will assess the effectiveness of and compliance with Surrey Police's Business Interests procedures.			✓
Commissioning	This will consider how the OPCC can demonstrate that commissioning has achieved the intended outcomes and purpose.			✓
Integrated Offender Management	Our review will review the design of, and compliance with, the IOM framework.			✓
Property Seizures and disposal	We will review the system in place to record property seizures, and how consistently this is used by officers.			
Uniform	Focus of these reviews should be around how Forces are managing the stocks and stores of uniform. Are internal audits undertaken to identify missing items, and what actions are taken to manage these discrepancies. Do they have a sufficient process surrounding the returning of uniform from members leaving the Force as well as the issuing of uniform to new starters. How does the Force know what items of uniform each officer has in their possession, based upon their role and responsibilities.	✓		

Proposed area for coverage	Internal audit coverage	2018/19	2019/20	2020/21
Estates Strategy and Disposals	The OPCC and Force are currently looking to rationalise its estate. We therefore have included provision for a review of the Estates Strategy, with a specific focus also on the process for the disposal of property and the methods used to ensure VFM is achieved.			✓
Vehicle Maintenance	A key asset group for the Force will be vehicles. Our review will consider how the Force manages and updates vehicle service records, and how it ensures that these are all maintained in line with the manufacturers' specifications / guidance. The responsibility for internal audit of this area is to be discussed at the meeting between Sussex and Surrey Audit Committee Chairs in February. Following this we will reflect these	Covered by Sussex IA		
Police officer allowances	We will consider the process for assessing eligibility for police officer allowances and how this is applied in practice. We will also consider processes for approving and making payment of these allowances.	✓		
Out of court disposals	There has been a significant policy change in this area. We will therefore review a sample of cases that did not go to court to consider whether the Force is complying the updated guidance in this area.	✓		
Controls Compliance				
Financial Controls (Force risk 461)	This review will consider the following areas: <ul style="list-style-type: none"> Financial Reporting. Creditor Payments. Cash Receipting and Treasury Management. Income and Debtors. Procurement. Payroll. 	✓	✓	✓
Other Internal Audit Activity				
Contingency	To allow additional reviews to be undertaken in agreement with the Audit Committee or management based in changes in risk profile or assurance needs as they arise during the year.	✓	✓	✓
Follow up	To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management.	✓	✓	✓

Proposed area for coverage	Internal audit coverage	2018/19	2019/20	2020/21
Management	This will include: <ul style="list-style-type: none"> • Annual planning • Preparation for, and attendance at, Audit Committee • Regular liaison and progress updates • Liaison with external audit and other assurance providers • Preparation of the annual opinion 	✓	✓	✓

APPENDIX C: LEVELS OF ASSURANCE GIVEN TO DATE

The table below informs of the key audits carried in our audit plan to date, giving an overview of assurances issued. This table will help to provide context when considering the key risk areas we wish to include in this year's plan.

Audit	Opinion	High	Medium	Low
Year 1				
Internal Audit Follow-Up Report (1.15/16)	Little Progress	4	12	0
New Desktop project review (2.15/16)	Reasonable Assurance	0	2	0
BT Datacentre Project Initiation Review (3.15/16)	No assurance	4	4	0
Vehicle Recovery Unit (4.15/16)	Advisory	0	2	1
Property Seizures (5.15/16)	Reasonable Assurance	0	3	3
Legal and Insurance departments review (6.15/16)	Advisory	2	8	0
Integrated Offender Management (7.15/16)	Substantial Assurance	0	0	2
Governance of Collaborations (8.15/16)	Reasonable Assurance	0	3	2
Financial Feeders (9.15/16)	Reasonable Assurance	0	1	2
Data Quality Review (10.15/16)	Partial Assurance	2	4	3
Commissioning of Grant Funding (11.15/16)	Partial Assurance	3	5	0
Risk Management (12.15/16)	Reasonable Assurance	0	5	0
Managing Victims of Crime (13.15/16)	Reasonable Assurance	0	5	1
Year 2				
Crime Recording Review	Partial Assurance	1	0	0
Savings Plan	Partial Assurance	1	2	3
Staff Experience (Draft)	Partial Assurance	2	4	0
PSN Compliance	Partial Assurance	0	6	0
Strategic Planning and Budgeting	Partial Assurance	1	2	1
Vetting	Partial Assurance	-	1	1
Policies and Procedures	Reasonable Assurance	1	3	2

Audit	Opinion	High	Medium	Low
Financial Feeder Systems	Reasonable Assurance	0	2	3
Managing Victims of Crime - Domestic Abuse Referrals	Reasonable Assurance	0	4	2
Capital Expenditure	Reasonable Assurance	0	0	4
Risk Management	Reasonable Assurance	0	2	0
Governance	Substantial Assurance	0	0	4
Complaints	Substantial Assurance	0	1	0
Cash Handling	Advisory	0	4	3
Follow Up	Reasonable progress	2	9	0
Year 3				
Tasers (1.17/18)	Reasonable Assurance	1	2	3
Evidential property (2.17/18)	No Assurance	3	7	3
Fire Governance Project (3.17/18)	Advisory	0	9	3
Follow up (4.17/18)	Little Progress	1	0	0
OPCC Commissioning of Services (5.17/18)	Reasonable Assurance	1	4	4
Financial Feeders (8.17/18)	Reasonable Assurance	0	2	4
Business Interests (7.17/18)	TBC	TBC	TBC	TBC
Follow Up – part 2	TBC	TBC	TBC	TBC
Mandatory Training	TBC	TBC	TBC	TBC
Estates Strategy and Disposals	TBC	TBC	TBC	TBC
Information Governance	TBC	TBC	TBC	TBC
IT Governance	TBC	TBC	TBC	TBC
IT strategy peer review	TBC	TBC	TBC	TBC
Proceeds of Crime Act	TBC	TBC	TBC	TBC

APPENDIX D: INTERNAL AUDIT CHARTER

Need for the charter

This charter establishes the purpose, authority and responsibilities for the internal audit service for Surrey Police Force and the Office of the Police and Crime Commissioner for Surrey. The establishment of a charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the audit committee.

The internal audit service is provided by RSM Risk Assurance Services LLP (“RSM”).

We plan and perform our internal audit work with a view to reviewing and evaluating the risk management, control and governance arrangements that the organisation has in place, focusing in particular on how these arrangements help you to achieve its objectives. An overview of our client care standards are included at Appendix E of the internal audit strategy plan for 2018 – 2021.

The PSIAS encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) as follows:

- Core Principles for the Professional Practice of Internal Auditing
- Definition of internal auditing
- Code of Ethics; and
- The Standards

Mission of internal audit

As set out in the PSIAS, the mission articulates what internal audit aspires to accomplish within an organisation. Its place in the IPPF is deliberate, demonstrating how practitioners should leverage the entire framework to facilitate their ability to achieve the mission.

“To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight”.

Independence and ethics

To provide for the independence of internal audit, its personnel report directly to the Partner Dan Harris (acting as your head of internal audit). The independence of RSM is assured by the internal audit service reporting to the Joint Audit Committee, with further reporting lines to the OPCC and Chief Constable.

The head of internal audit has unrestricted access to the chair of audit committee to whom all significant concerns relating to the adequacy and effectiveness of risk management activities, internal control and governance are reported.

Conflicts of interest may arise where RSM provides services other than internal audit to Surrey Police Force and the Office of the Police and Crime Commissioner for Surrey. Steps will be taken to avoid or manage transparently and openly such conflicts of interest so that there is no real or perceived threat or impairment to independence in providing the internal audit service. If a potential conflict arises through the provision of other services, disclosure will be reported to the audit committee. The nature of the disclosure will depend upon the potential impairment and it is

important that our role does not appear to be compromised in reporting the matter to the audit committee. Equally we do not want the organisation to be deprived of wider RSM expertise and will therefore raise awareness without compromising our independence.

Responsibilities

In providing your outsourced internal audit service, RSM has a responsibility to:

- Develop a flexible and risk based internal audit strategy with more detailed annual audit plans. The plan will be submitted to the audit committee for review and approval each year before work commences on delivery of that plan.
- Implement the internal audit plan as approved, including any additional tasks requested by management and the audit committee.
- Ensure the internal audit team consists of professional audit staff with sufficient knowledge, skills, and experience.
- Establish a quality assurance and improvement program to ensure the quality and effective operation of internal audit activities.
- Perform advisory activities where appropriate, beyond internal audit's assurance services, to assist management in meeting its objectives.
- Bring a systematic disciplined approach to evaluate and report on the effectiveness of risk management, internal control and governance processes.
- Highlight control weaknesses and required associated improvements together with corrective action recommended to management based on an acceptable and practicable timeframe.
- Undertake follow up reviews to ensure management has implemented agreed internal control improvements within specified and agreed timeframes.
- Report regularly to the audit committee to demonstrate the performance of the internal audit service.

For clarity, we have included the definition of 'internal audit', 'senior management' and 'board'.

- Internal audit – a department, division, team of consultant, or other practitioner (s) that provides independent, objective assurance and consulting services designed to add value and improve an organisation's operations. The internal audit activity helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.
- Senior management who are the team of individuals at the highest level of organisational management who have the day-to-day responsibilities for managing the organisation.
- Board - The highest level governing body charged with the responsibility to direct and/or oversee the organisation's activities and hold organisational management accountable. Furthermore, "board" may refer to a committee or another body to which the governing body has delegated certain functions (eg an audit committee).

Authority

The internal audit team is authorised to:

- Have unrestricted access to all functions, records, property and personnel which it considers necessary to fulfil its function.
- Have full and free access to the audit committee.

- Allocate resources, set timeframes, define review areas, develop scopes of work and apply techniques to accomplish the overall internal audit objectives.
- Obtain the required assistance from personnel within the organisation where audits will be performed, including other specialised services from within or outside the organisation.

The head of internal audit and internal audit staff are not authorised to:

- Perform any operational duties associated with the organisation.
- Initiate or approve accounting transactions on behalf of the organisation.
- Direct the activities of any employee not employed by RSM unless specifically seconded to internal audit.

Reporting

An assignment report will be issued following each internal audit assignment. The report will be issued in draft for comment by management, and then issued as a final report to management, with the executive summary being provided to the audit committee. The final report will contain an action plan agreed with management to address any weaknesses identified by internal audit.

The internal audit service will issue progress reports to the audit committee and management summarising outcomes of audit activities, including follow up reviews.

As your internal audit provider, the assignment opinions that RSM provides the organisation during the year are part of the framework of assurances that assist the board in taking decisions and managing its risks.

As the provider of the internal audit service we are required to provide an annual opinion on the adequacy and effectiveness of the organisation's governance, risk management and control arrangements. In giving our opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the board is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The annual opinion will be provided to the organisation by RSM Risk Assurance Services LLP at the financial year end. The results of internal audit reviews, and the annual opinion, should be used by management and the Board to inform the organisation's annual governance statement.

Data protection

Internal audit files need to include sufficient, reliable, relevant and useful evidence in order to support our findings and conclusions. Personal data is not shared with unauthorised persons unless there is a valid and lawful requirement to do so. We are authorised as providers of internal audit services to our clients (through the firm's terms of business and our engagement letter) to have access to all necessary documentation from our clients needed to carry out our duties.

Quality Assurance and Improvement

As your external service provider of internal audit services, we have the responsibility for maintaining an effective internal audit activity. Under PSIAS, internal audit services are required to have an external quality assessment every five years. In addition to this, we also have in place an internal quality assurance and improvement programme, led by a dedicated team who undertake these reviews. This ensures continuous improvement of our internal audit services.

Any areas which we believe warrant bringing to your attention, which may have the potential to have an impact on the quality of the service we provide to you, will be raised in our progress reports to the audit committee.

Fraud

The audit committee recognises that management is responsible for controls to reasonably prevent and detect fraud. Furthermore, the audit committee recognises that internal audit is not responsible for identifying fraud; however internal audit will be aware of the risk of fraud when planning and undertaking any assignments.

Approval of the internal audit charter

By approving this document, the internal audit strategy, the audit committee is also approving the internal audit charter.

APPENDIX E: OUR CLIENT CARE STANDARDS

- Discussions with senior staff at the client take place to confirm the scope four weeks before the agreed audit start date
- Key information such as: the draft assignment planning sheet are issued by RSM to the key auditee four weeks before the agreed start date
- The lead auditor to contact the client to confirm logistical arrangements at least 10 working days before the commencement of the audit fieldwork to confirm practical arrangements, appointments, debrief date etc.
- Fieldwork takes place on agreed dates with key issues flagged up immediately.
- A debrief meeting will be held with audit sponsor at the end of fieldwork or within a reasonable time frame.
- Draft reports will be issued within 10 working days of the debrief meeting, and will be issued by RSM to the agreed distribution list.
- Management responses to the draft report should be submitted to RSM.
- Within three working days of receipt of client responses the final report will be issued by RSM to the assignment sponsor and any other agreed recipients of the report.

FOR FURTHER INFORMATION CONTACT

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As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Surrey Police and the Police and Crime Commissioner for Surrey and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.