

PART ONE

Agenda Item 09

To: Joint Audit Committee
Date: 23rd July 2019
By: Chief Internal Auditor
Title: Internal Audit Progress Report

1. Purpose

- 1.1 The purpose of this paper is to provide the Joint Audit Committee with an overview of internal audit activity against assurance work completed in accordance with the approved audit plan and to provide an overview of the status of 'live' reports.

2. Recommendations

- 2.1 That the Joint Audit Committee considers and makes recommendations as appropriate on the progress of internal audit work for the 2019/20 internal audit plan.

3. Background

- 3.1 Under the Accounts and Audit (England) Regulations 2015, the Office of the Police and Crime Commissioner and Surrey Police are responsible for:

- establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements.

Internal audit plays a vital role in advising the Police and Crime Commissioner and Chief Constable that these arrangements are in place and operating effectively.

In accordance with the Public Sector Internal Audit Standards and the Internal Audit Charter, the Chief Internal Auditor is required to provide a written status report to the Joint Audit Committee, summarising internal audit's performance relative to the agreed plan.

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APPENDICES

Appendix A = Internal Audit progress report 2019/20. Summary of the activities of internal audit for the 2019/20 internal audit plan.

Internal Audit Progress Report

July 2019

Office of the Police and Crime Commissioner
for Surrey and Surrey Police

Office of the Police and Crime
Commissioner for Surrey



Appendix B

Southern Internal Audit Partnership

Assurance through excellence
and innovation

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1. Role of Internal Audit

The requirement for an internal audit function for the Police & Crime Commissioner for Surrey and the Chief Constable of Surrey is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisations operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

The Police & Crime Commissioner for Surrey and the Chief Constable of Surrey are responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Police & Crime Commissioner for Surrey and the Chief Constable of Surrey that these arrangements are in place and operating effectively.

The Police & Crime Commissioner for Surrey and the Chief Constable of Surrey’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisations’ objectives.

2. Purpose of report

In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

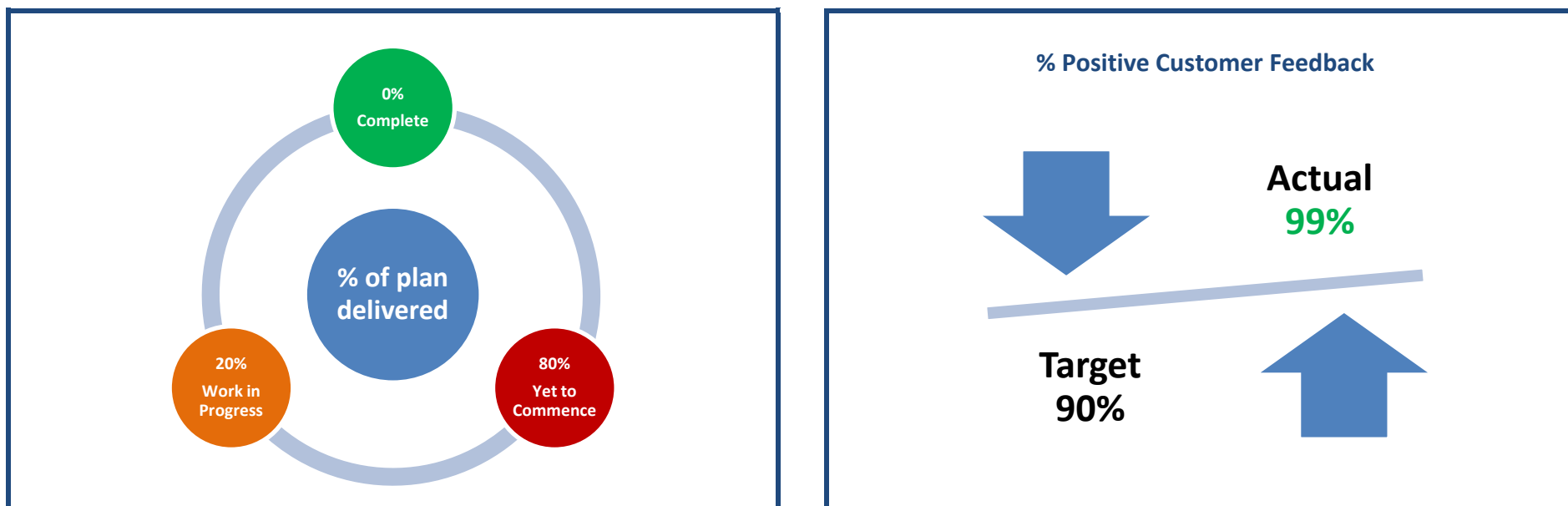
- the status of ‘live’ internal audit reports;

- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor's annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. Assurance opinions are categorised as follows:

- Substantial** A sound framework of internal control is in place and is operating effectively. No risks to the achievement of system objectives have been identified.
- Adequate** Basically a sound framework of internal control with opportunities to improve controls and / or compliance with the control framework. No significant risks to the achievement of system objectives have been identified.
- Limited** Significant weakness identified in the framework of internal control and / or compliance with the control framework which could place the achievement of system objectives at risk.
- No** Fundamental weakness identified in the framework of internal control or the framework is ineffective or absent with significant risks to the achievement of system objectives.

3. Performance dashboard – 2019/20



Compliance with Public Sector Internal Audit Standards



An External Quality Assessment of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2015. The report concluded:
*'It is our view that the Southern Internal Audit Partnership 'generally conforms' to **all** of the principles contained within the International Professional Practice Framework (IPPF); Public Sector Internal Audit Standards (PSIAS); and the Local Government Application Note (LAGN).*

In accordance with PSIAS, a further self-assessment was completed in April 2018 concluding that the Southern Internal Audit Partnership continues to comply with all aspects of the IPPF, PSIAS and LGAN.

4. Status of 'Live' Reports

This section is used to summarise the status of agreed management actions for each final report issued, with all actions tracked to completion by Surrey Police. This will be shown in the following format:

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Number of Management Actions					Priority
				Reported	Not Accepted	Pending (Not yet Due)	Actioned	Overdue	
									L M H

As at 8 July there have been no finalised reports for 2019/20.

5. Planning and Resourcing

The internal audit plan for 2019/2020 was approved by the Police and Crime Commissioner and Chief Constable following feedback from the Joint Audit Committee in April 2019. There have been no variations in the year to date.

6. Rolling plan

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ✗ Delay)	Comment
Surrey Plan 2019-20									
Corporate Cross Cutting									
JAC contingency	CFO OPCC							✗	Q1
Victims Code	CFO OPCC & EDCFS								Q3
Pro Active Fraud – Use of Procurement Cards	CFO OPCC & EDCFS	✓	✓	✓					Closure meeting booked for 17.07.19
Crime Recording Data Quality	CFO OPCC & EDCFS								Scoping booked for 18.07.19

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule 🔴 Delay)	Comment
Complaints Management	CFO OPCC & EDCFS	✓	✓	✓					Q1
Collaborative Arrangements									
Corporate cross cutting									
ERP - Pre go-live review of control maps	CFO OPCC & EDCFS								Pending discussion on revisions to the plan in line with timescales of the project
ERP - Transition readiness	CFO OPCC & EDCFS								Pending discussion on revisions to the plan in line with timescales of the project

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ✗ Delay)	Comment
Core Systems									
Strategic Financial Planning and Budgeting	CFO OPCC & EDCFS								Q4
Main Accounting System	CFO OPCC & EDCFS								Q4
Procurement Cards/Corporate Credit	CFO OPCC & EDCFS								Q4
Accounts Receivable	CFO OPCC & EDCFS								Q4
Pensions	CFO OPCC & EDCFS								Q4

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule 🔴 Delay)	Comment
Accounts Payable	CFO OPCC & EDCFS								Q4
Payroll	CFO OPCC & EDCFS								Q4
Security (User Access)	CFO OPCC & EDCFS								Q4
People Services									
Duty Resource Planning	CFO OPCC & EDCFS								Q4
Transport (Fleet)	CFO OPCC & EDCFS								Q4

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ✗ Delay)	Comment
Joint Force Vetting Unit	CFO OPCC & EDCFS	✓	✓	✓					Q1
Corporate Governance									
Benefits realisation from investment	CFO OPCC & EDCFS	✓							Q2
Project and Programme Management	CFO OPCC & EDCFS	✓	✓	✓					Q1
Brexit Readiness Plans – advisory	CFO OPCC & EDCFS	✓	✓	✓					Q1
IT Governance									
ICT Assurance Map	CFO OPCC & EDCFS							✗	Q1

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule 🔴 Delay)	Comment
IT Strategy and Direction	CFO OPCC & EDCFS								Q2
IT Resource Management	CFO OPCC & EDCFS							🔴	Q1
Data Management									
Data Centre Facilities and Security	CFO OPCC & EDCFS								Q3
Data Storage and Data Backup	CFO OPCC & EDCFS								Q3
Capacity and Performance Monitoring	CFO OPCC & EDCFS								Q4
Information Security									

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule 📅 Delay)	Comment
Security Controls	CFO OPCC & EDCFS							📅	Q1
Cyber Security	CFO OPCC & EDCFS							📅	Q1
Systems Development and Implementation									
Application Management	CFO OPCC & EDCFS								Q4
Business Continuity									
IT Business Continuity/Disaster Recovery Planning	CFO OPCC & EDCFS								Q4
Networking and Communications									

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ⓧ Delay)	Comment
Network Security and Access Control	CFO OPCC & EDCFS								Q3

Key:

EDCFS	Executive Director of Commercial and Financial Services
CFO OPCC	Chief Finance Officer, Office of the Police and Crime Commissioner