

Agenda Item No. 10b

To: Joint Audit Committee

Date: 29 July 2020

By: Chief Internal Auditor

Title: Internal Audit Strategy, Plan & Charter 2020-21

Purpose of Report:

The purpose of this document is to provide the Joint Audit Committee with:

- a copy of the Internal Audit Charter which sets out the scope, purpose and responsibility of the internal audit activity and;
- the proposed internal strategy and audit plan for the Police and Crime Commissioner (PCC) and Chief Constable for the period 1st April 2020 to 31st March 2021. This includes the internal audit plan for collaborated functions and shared services with Sussex Police. A provisional assessment for the work to be provided during 2021/22 and 2022/23 is also included.

The new Terms of Reference for the independent Joint Audit Committee of the Police & Crime Commissioner for Surrey & the Chief Constable state as follows:

Paragraph 18 states that the Committee annually reviews the Internal Audit Charter and resources.

Paragraph 19 states that the Committee will review the internal audit plan and any proposed revisions.

Requirement of the JAC

Members of the Committee are asked to consider and make recommendation(s) as appropriate on:

- a. the Internal Audit Charter;
- b. the 2020/21 Internal Audit Plan for the Police & Crime Commissioner and Chief Constable, which includes

planned reviews of collaborated functions and shared services.

1. Internal Audit Charter

Public Sector Internal Audit Standards require that an Internal Audit Charter to formally define the purpose, authority and responsibility of internal audit is reviewed annually by the Joint Audit Committee prior to approval by the Police and Crime Commissioner and the Chief Constable. The Internal Audit Charter was last reviewed by the Joint Audit Committee in April 2019. No changes have been made to the Internal Audit Charter for 2020/21 which is attached as appendix A for consideration.

2. Internal Audit Plan

The internal audit plan for 2020/21, which has been prepared in accordance with the Internal Audit Charter, is attached at appendix B for consideration and comment. The approach to developing the internal audit plan is also outlined in appendix B.

The Internal Audit Plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of internal audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements.

We are confident that the proposed plan will enable us to provide our internal audit opinion in line with the Public Sector Internal Audit Standards.

The audit plan will remain fluid and will be regularly reviewed to ensure that it continues to meet the assurance needs of the PCC and Chief Constable. This will be achieved through ongoing liaison with the Chief Finance Officer for the PCC and Force Executive Director of Finance and Commercial Services to discuss progress and consider new and emerging risks.

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Appendices

Appendix A – Internal Audit Charter

Appendix B – Internal Audit Plan 2020 to 2023



Appendix A

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

Internal Audit Charter 2020/21

Introduction

The Public Sector Internal Audit Standards, which took effect from the 1 April 2013, provide a consolidated approach to audit standards across the whole of the public sector providing continuity, sound corporate governance and transparency.

The Standards form part of the wider mandatory elements of the International Professional Practices Framework (IPPF) which also includes the mission; core principles; definition of internal audit; and Code of Ethics.

The Standards require all internal audit activities to implement and retain an 'Internal Audit Charter'. The purpose of the Internal Audit Charter is to formally define the internal audit activity's purpose, authority and responsibility.

The SIAP currently provides internal audit services to a wide portfolio of public sector clients (Annex 1) through a variety of partnership and sold service delivery models.

Mission and Core Principles

The IPPF 'Mission' aims *'to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.'*

The 'Core Principles' underpin delivery of the IPPF mission requiring that the internal audit function:

- Demonstrates integrity.
- Demonstrates competence and due professional care.
- Is objective and free from undue influence (independent).
- Aligns with the strategies, objectives and risks of the organisation.
- Is appropriately positioned and adequately resourced.
- Demonstrates quality and continuous improvement.
- Communicates effectively.
- Provides risk-based assurance.
- Is insightful, proactive, and future-focused.
- Promotes organisational improvement.

Authority

The requirement for an internal audit function 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’ in relation to internal audit are laid down in the Public Sector Internal Audit Standards which were updated in 2017 [the Standards].

Purpose

The Police and Crime Commissioner (PCC) and Chief Constable 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 PCC and Chief Constable that these arrangements are in place and operating effectively. The PCC and Chief Constable’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of their agreed objectives.

This is achieved through internal audit providing a combination of assurance and consulting activities. Assurance work involves assessing how well the systems and processes are designed and working, with consulting activities available to help to improve those systems and processes where necessary.

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 organisation’s 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’.

Definitions

For the purposes of this charter the following definitions shall apply:

The Board – the governance group charged with receiving independent advice on the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting. For the Office of the Police and Crime Commissioner for Surrey (OPCC) and Surrey Police Force this shall mean the Police and Crime Commissioner and Chief Constable.

Senior Management – those charged with responsibility for the leadership and direction of the OPCC and Surrey Police Force. For the OPCC this shall mean the Police and Crime Commissioner, the Chief Executive and Chief Finance Officer and for Surrey Police Force this shall mean the Chief Constable, Executive Director of Commercial and Financial Services, and other members of the Organisation Reassurance Board.

Joint Audit Committee – the independent audit committee appointed to provide independent advice and recommendation to the Police and Crime Commissioner and Chief Constable on the adequacy of the governance and risk management frameworks, the internal control environment, financial reporting and delivery of the internal and external audit functions, helping to ensure efficient and effective assurance arrangements are in place.

Responsibility

The responsibility for maintaining an adequate and effective system of internal audit within the OPCC and Surrey Police Force lies with the Chief Finance Officer for the OPCC and Executive Director of Commercial and Financial Services for the Surrey Police Force (the Section 151 Officers).

For both the OPCC and Surrey Police Force, internal audit is provided by the Southern Internal Audit Partnership.

The Chief Internal Auditor is responsible for effectively managing the internal audit activity in accordance with the *'Mission'*, *'Core Principles'*, *'Definition of Internal Auditing'*, the *'Code of Ethics'* and *'the Standards'*.

Senior management are responsible for ensuring that internal control, risk management and governance arrangements are sufficient to address the risks facing the delivery of the priorities and objectives agreed for the OPCC and Surrey Police Force.

Accountability for response to internal audit's advice lies with senior management, who either accept and implement the advice, or formally reject it. Audit advice is without prejudice to the right of internal audit to review the policies, procedures and operations at a later date.

The Chief Internal Auditor must be satisfied that senior management accept accountability for, and provide an adequate response to, issues raised through internal audit's work. When the Chief Internal Auditor is not satisfied, the matter will be escalated to the audit sponsor, the Section 151 Officers, the Deputy Chief Constable, Chief Executive or Joint Audit Committee as appropriate.

Position in the organisation

The Chief Internal Auditor reports functionally to the Board and organisationally to the Chief Finance Officer / Executive Director of Commercial and Financial Services who have statutory responsibility, as proper officer(s) under Section 151 of the Local Government Act 1972, for ensuring an effective system of internal financial control and proper financial administration of the OPCC and Surrey Police Force's affairs.

The Chief Internal Auditor has direct access to the Police and Crime Commissioner and Chief Constable as those charged with governance. The Police and Crime Commissioner and Chief Constable carry the responsibility for the proper management of the OPCC and Surrey Police Force and for ensuring that the principles of good governance are reflected in sound management arrangements.

The Chief Internal Auditor has direct access to the Monitoring Officer for the OPCC where matters arise relating to the Police and Crime Commissioner's responsibility, legality and standards.

The Chief Internal Auditor also has direct access to the Joint Audit Committee who are able to meet privately and separately with the Chief Internal Auditor if this is considered necessary by either of them.

Internal audit resources

The Chief Internal Auditor will be professionally qualified (CMIIA, CCAB or equivalent) and have wide internal audit and management experience, reflecting the

responsibilities that arise from the need to liaise internally and externally with members of the Joint Audit Committee, senior management and other professionals.

The Chief Finance Officer for the OPCC will provide the Chief Internal Auditor with the resources necessary to fulfil the OPCC and Surrey Police Force's requirements and expectations as to the robustness and scope of the internal audit opinion.

The Chief Internal Auditor will ensure that the internal audit service has access to an appropriate range of knowledge, skills, qualifications and experience required to deliver the audit charter and operational audit plan.

The annual operational plan will identify the resources required to complete the work, thereby highlighting sufficiency of available resources. The Chief Internal Auditor can propose an increase in audit resource or a reduction in the number of audits if there are insufficient resources.

Senior Management, the Board and the JAC will be advised where, for whatever reason, internal audit is unable to provide assurance on any significant risks within the timescale envisaged by the risk assessment process.

The annual operational plan will be considered by the JAC and then submitted to senior management and the Board, for approval. The Chief Internal Auditor will be responsible for delivery of the plan. The plan will be kept under review to ensure it remains responsive to the changing priorities and risks of the OPCC and Surrey Police Force.

Significant matters that jeopardise the delivery of the plan or require changes to the plan will be identified, addressed and reported to senior management, the Board and the JAC.

If the Chief Internal Auditor, the Board or Senior Management consider that the scope or coverage of internal audit is limited in any way, or the ability of internal audit to deliver a service consistent with the Standards is prejudiced, they will advise the Chief Finance Officer/ Executive Director of Commercial and Financial Services and JAC accordingly.

Independence and objectivity

Internal auditors must be sufficiently independent of the activities they audit to enable them to provide impartial, unbiased and effective professional judgements and advice.

Internal auditors must maintain an unbiased attitude that allows them to perform their engagements in such a manner that they believe in their work product and that no quality compromises are made. Objectivity requires that internal auditors do not subordinate their judgement on audit matters to others.

To achieve the degree of independence and objectivity necessary to effectively discharge its responsibilities, arrangements are in place to ensure the internal audit activity:

- retains no executive or operational responsibilities;
- operates in a framework that allows unrestricted access to senior management, JAC and the Board;
- reports functionally to the Board;
- reports in their own name;

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- rotates responsibilities for audit assignments within the internal audit team;
 - completes individual declarations confirming compliance with rules on independence, conflicts of interest and acceptance of inducements; and
 - ensures the planning process recognises and addresses potential conflicts of interest through internal audit staff not undertaking an audit for at least two years in an area where they have had previous operational roles.

If independence or objectivity is impaired in fact or appearance, the details of the impairment will be disclosed to Senior Management, the Board and the JAC. The nature of the disclosure will depend upon the impairment.

Due professional care

Internal auditors will perform work with due professional care, competence and diligence. Internal auditors cannot be expected to identify every control weakness or irregularity but their work should be designed to enable them to provide reasonable assurance regarding the controls examined within the scope of their review.

Internal auditors will have a continuing duty to develop and maintain their professional skills, knowledge and judgement based on appropriate training, ability, integrity, objectivity and respect.

Internal auditors will apprise themselves of the *'Mission'*, *'Core Principles'*, *'Definition of Internal Auditing'*, the *'Code of Ethics'* and the *'Standards'* and will work in accordance with them in the conduct of their duties.

Internal auditors will be alert to the possibility of intentional wrongdoing, errors and omissions, poor value for money, failure to comply with management policy and conflicts of interest. They will ensure that any suspicions of fraud, corruption or improper conduct are promptly reported to the Chief Internal Auditor.

Internal auditors will treat the information they receive in carrying out their duties as confidential. There will be no unauthorised disclosure of information unless there is a legal or professional requirement to do so. Confidential information gained in the course of internal audit work will not be used to effect personal gain.

Access to relevant personnel and records

In carrying out their duties, internal audit (subject to the appropriate vetting and security requirements for access and on production of identification) shall have unrestricted right of access to all records, assets, personnel and premises belonging to the OPCC and Surrey Police Force or key delivery partner organisations.

Internal audit has authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities. Such access shall be granted on demand and not subject to prior notice.

Where audit reviews require access to classified documents, higher level checks will be carried out where required and appropriate authorisation will be sought from the data owner.

Scope of Internal Audit activities

The Chief Internal Auditor is responsible for the delivery of an annual audit opinion and report that can be used by senior management to inform their governance statements. The annual opinion will conclude on the overall adequacy and

effectiveness of the organisations' framework of governance, risk management and control.

A range of internal audit services are provided (Annex 2) to form the annual opinion. The approach is determined by the Chief Internal Auditor and will depend on the level of assurance required, the significance of the objectives under review to the organisation's success, the risks inherent in the achievement of objectives and the level of confidence required that controls are well designed and operating as intended.

In accordance with the annual audit plan, auditors will plan and evaluate their work so as to have a reasonable expectation of detecting fraud and identifying any significant weaknesses in internal controls. Additionally, proactive fraud reviews will be incorporated within the plan to deter and detect fraud, covering known areas of high risk.

Those charged with responsibility for management are required to report all suspicions of theft, fraud and irregularity to the Chief Internal Auditor so that they can consider the adequacy of the relevant controls, evaluate the implication of the fraud on the risk management, control and governance processes and consider making recommendations as appropriate. Internal audit will not carry out investigations unless commissioned to do so and where this is the case, the Chief Internal Auditor will ensure that investigators are fully trained in carrying out their responsibilities.

The Chief Internal Auditor will meet regularly with the external auditors to consult on audit plans, discuss matters of mutual interest and to seek opportunities for cooperation in the conduct of audit work. The external auditors will have the opportunity to rely on the work of internal audit where appropriate.

Reporting

Internal Audit assignment reports

A report will be issued for each internal audit review undertaken and will include the objectives of the review, a clear opinion and executive summary, together with action plans outlining issues arising and actions proposed by management to address them. These reports will be distributed in line with the reporting protocols agreed with senior management.

Chief Internal Auditor's Annual Report and Opinion

The Chief Internal Auditor shall deliver annual internal audit opinions and reports that can be used by the organisations to inform their governance statements.

The annual internal audit reports and opinions will conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The annual reports will incorporate as a minimum:

- The opinion;
- a summary of the work that supports the opinion; and
- a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.

Senior Management

As those responsible for the leadership and direction of the OPCC and Surrey Police Force, it is imperative that senior management are engaged in:

- approving the internal audit charter (minimum annually);
- approving the risk based internal audit plan and any changes to it;
- reviewing the outcomes of all audit assignments and approving the proposed management actions;
- reviewing the Chief Internal Auditor's annual report and opinion;
- receiving communications from the Chief Internal Auditor on the internal audit activity's performance relative to its plan and other matters;
- making appropriate enquiries of management and the Chief Internal Auditor to determine whether there are inappropriate scope and resource limitations; and
- receiving the results of internal and external assessments of the quality assurance and improvement programme, including areas of non-conformance.

The Board

Organisational independence is effectively achieved when the Chief Internal Auditor reports functionally to the Board. Such reporting will include:

- approving the internal audit charter;
- approving the risk based internal audit plan and any changes to it;
- approving the internal audit budget and resource plan;
- receiving communications from the Chief Internal Auditor on the internal audit activity's performance relative to its plan and other matters, including the annual report and opinion;
- making appropriate enquiries of management and the Chief Internal Auditor to determine whether there are inappropriate scope and resource limitations;
- agreement of the scope and form of the external assessment as part of the quality management and improvement plan;
- receiving the results of internal and external assessments of the quality assurance and improvement programme, including areas of non-conformance; and
- approval of significant consulting services not already included in the audit plan, prior to acceptance of the engagement.

In accordance with their agreed terms of reference, the Joint Audit Committee will support the Board in fulfilling their role, by providing independent advice and making recommendations on these issues as appropriate, prior to approval.

Reporting to third parties

In line with the agreed internal audit protocols for collaborations between Surrey and Sussex Police Forces, reports arising from review of collaborative functions and shared services arrangements will be shared with both Surrey and Sussex Police.

Quality assurance

The internal audit team will work to the Public Sector Internal Audit Standards to maintain consistency in service provision. This requirement will be enforced through appropriate supervision, and supervisory/management review of all audit working papers, action plans and audit reports.

An annual satisfaction survey will be conducted with key stakeholders to assess the value of the service and to seek suggestions for improvement.

In addition, in line with the Standards:

- an annual self assessment will be completed by internal audit against the Standards;
- an external assessment of internal audit will also be conducted at least once every five years by an external, qualified, independent assessor or assessment team;
- there will be ongoing review of the performance of internal audit by senior management, JAC and the Board.

Review of the internal audit charter

This charter will be reviewed annually (minimum) by the Chief Internal Auditor and following review by the JAC, will be presented to Senior Management and the Board for approval.

Southern Internal Audit Partnership – Client Portfolio

Strategic Partners:	Hampshire County Council
Key Stakeholder Partners:	West Sussex County Council Havant Borough Council East Hampshire District Council Winchester City Council New Forest District Council Mole Valley District Council Epsom & Ewell Borough Council Reigate & Banstead Borough Council Tandridge District Council Hampshire Fire & Rescue Authority Office of the Hampshire Police & Crime Commissioner / Hampshire Constabulary Office of the Sussex Police & Crime Commissioner / Sussex Police Force Office of the Surrey Police & Crime Commissioner / Surrey Police Force
External clients:	Waverley Borough Council Hampshire Pension Fund West Sussex Pension Fund New Forest National Park Authority
	Further Education Institutions Eastleigh College Highbury College Isle of Wight College Portsmouth College

Annex 2**Assurance Services**

- **Risk based audit:** in which risks and controls associated with the achievement of defined business objectives are identified and both the design and operation of the controls in place to mitigate key risks are assessed and tested, to ascertain the residual risk to the achievement of managements' objectives. Any audit work intended to provide an audit opinion will be undertaken using this approach.
- **Developing systems audit:** in which:
 - the plans and designs of systems under development are assessed to identify the potential weaknesses in internal control and risk management; and
 - programme / project management controls are assessed to ascertain whether the system is likely to be delivered efficiently, effectively and economically.
- **Compliance audit:** in which a limited review, covering only the operation of controls in place to fulfil statutory, good practice or policy compliance obligations are assessed.
- **Quality assurance review:** in which the approach and competency of other reviewers / assurance providers are assessed in order to form an opinion on the reliance that can be placed on the findings and conclusions arising from their work.
- **Fraud and irregularity investigations:** Internal audit may also provide specialist skills and knowledge to assist in or lead fraud or irregularity investigations, or to ascertain the effectiveness of fraud prevention controls and detection processes.
- **Advisory / Consultancy services:** in which advice can be provided, either through formal review and reporting or more informally through discussion or briefing, on the framework of internal control, risk management and governance. It should be noted that it would not be appropriate for an auditor to become involved in establishing or implementing controls or to assume any operational responsibilities and that any advisory work undertaken must not prejudice the scope, objectivity and quality of future audit work.
- **Third party assurance:** the availability of objective assurance from other assurance providers will be considered in determining audit needs. Where internal audit needs to work with the internal auditors of other organisations, a practice which is expanding with the development of more organisational strategic partnerships, the roles and responsibilities of each party, as well as billing arrangements, will be clearly defined, agreed and documented prior to the commencement of work. Internal audit will also ensure awareness of and seek to place reliance on the work of other review bodies such as HMIC and HMRC etc.

Internal Audit Strategy and Plan

2020-21 to 2022-23

The Police & Crime Commissioner for Surrey/ The Chief Constable of Surrey

Office of the Police and Crime Commissioner for Surrey



Southern Internal Audit Partnership

Assurance through excellence
and innovation

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Introduction

The role of internal audit is that of an:

'Independent, objective assurance and consulting activity designed to add value and improve an organisation's 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 and Crime Commissioner and Chief Constable 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.

The Police and Crime Commissioner and Chief Constable's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation's objectives.

The aim of internal audit's work programme is to provide independent and objective assurance to management, in relation to the business activities; systems or processes under review that:

- the framework of internal control, risk management and governance is appropriate and operating effectively; and
- risk to the achievement of the organisation's objectives is identified, assessed and managed to a defined acceptable level.

The internal audit plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of internal audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements.

Internal Audit focus should be proportionate and appropriately aligned. The plan will remain fluid and subject to on-going review and amendment, in consultation with the Joint Audit Committee and delegated representatives of the Police and Crime Commissioner and Chief Constable to ensure it continues to reflect the needs of the organisation. Amendments to the plan will be identified through the Southern Internal Audit Partnership's continued contact and liaison with those responsible for the governance of the Force and Office of the Police and Crime Commissioner and reported to the Joint Audit Committee in the regular progress reports.

Your Internal Audit Team

Your internal audit service is provided by the Southern Internal Audit Partnership. The team will be led by Karen Shaw, Deputy Head of Southern Internal Audit Partnership, supported by Beverly Davies, Audit Manager.

Conformance with internal auditing standards

The Southern Internal Audit Partnership service is designed to conform to the Public Sector Internal Audit Standards (PSIAS). Under the PSIAS there is a requirement for audit services to have an external quality assessment every five years. In September 2015 the Institute of Internal Auditors were commissioned to complete an external quality assessment of the Southern Internal Audit Partnership against the PSIAS, Local Government Application Note and the International Professional Practices Framework.

In selecting the Institute of Internal Auditors (IIA) a conscious effort was taken to ensure the external assessment was undertaken by the most credible source. As the authors of the Standards and the leading Internal Audit authority nationally and internationally the IIA were excellently positioned to undertake the external assessment.

In considering all sources of evidence the external assessment team concluded:

*'It is our view that the Southern Internal Audit Partnership (SIAP) service generally conforms to **all** of these principles. This performance is within the top decile of EQA reviews we have performed. This is a notable achievement given the breadth of these Standards and the operational environment faced by SIAP.'*

*There are **no instances** across these standards where we determined a standard below "generally conforms", and 4 instances where the standard is assessed as "not applicable" due to the nature of SIAP's remit.'*

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.

OPCC and Force Risk

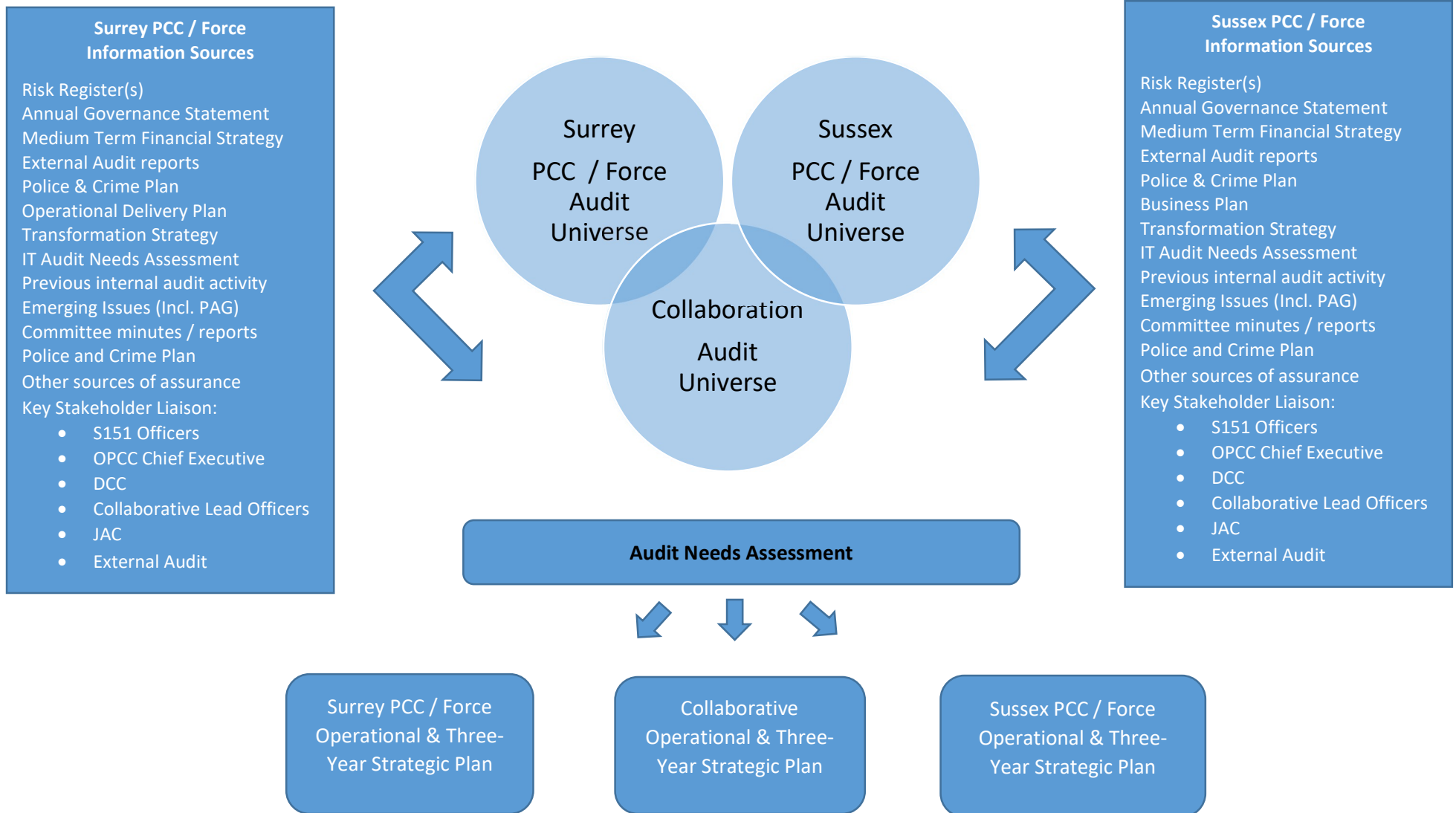
The OPCC and Force have a clear framework and approach to risk management. The strategic risks assessed by the organisations are a key focus of our planning for the year to ensure the internal audit plan meets the organisation's assurance needs and contributes to the achievement of organisation objectives. We will monitor the strategic risk register closely over the course of the year to ensure our plan remains agile to the rapidly changing landscape.

Developing the internal audit plan 2020-21 / 2022-23

Given the extensive collaborative and shared working arrangements with Sussex OPCC and Force, and that SIAP also provides internal audit services for Sussex OPCC and Force, it was agreed last year that from 2019-20 a joint internal audit plan will be developed with Sussex Police to include coverage of all collaborative and shared services. It was also agreed that each PCC will contribute days from their own internal audit plans on the already agreed split of 55% for Sussex and 45% for Surrey. The arrangements for sharing the results of this work were agreed in an internal audit protocol which was reported to the Joint Audit Committee with the 2019-20 plan. There have been no changes to the protocol since that time. The plan will remain flexible to accommodate any changes that may be required as a result of the Equip programme implementation plans. Any changes will be discussed and agreed with Officers and reported to the next Joint Audit Committee.

Systems and risks specific to Surrey OPCC and Force will continue to be identified and included in a separate plan in line with the current internal audit approach.

The approach to planning is summarised in the diagram below.



As indicated above, we have used various sources of information and discussed priorities for internal audit with the following officers as well as representative from Sussex Police:

- Ian Perkin – OPCC Chief Finance Officer
- Peter Gillett – Executive Director of Commercial and Financial Services
- Paul Bundy – Service Director Finance – Sussex & Surrey Police
- Miranda Kadwell - Corporate Finance Manager – Sussex and Surrey Police
- Joseph Langford – Chief Information Officer
- Jonathan Dymond – Head of Strategic Systems, IT

Based on these conversations with key stakeholders, review of key corporate documents and our understanding of the organisation, Southern Internal Audit Partnership have developed an audit strategy for 2020-21 to 2022-23 which is outlined below.

The OPCC and Force are 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. We will however continue to work closely with other assurance providers to ensure that duplication is minimised and a suitable breadth of assurance is obtained.

Surrey Police Internal Audit Plan

Audit	Risk / Scope	Strategic / Service Risk	Previous IA Coverage	Indicative days	2020-21	2021-22	2022-23
OPCC Reviews							
JAC Contingency	As previous years.		Annual	10	Q3	✓	✓
Victim's Code	From April 2019 this is provided in-house. To review the procedures, processes, monitoring and reporting arrangements.		2019/20				✓
Victim Support Service – post implementation review	Review to assess whether objectives set out in the business case have been monitored and achieved.		2019/20				
Data Protection (OPCC)	ICO visit to the Force was completed during 2018/19. The review will assess the controls in place to ensure continued compliance with legislation.			12	Q2		
OPCC Partnerships	To ensure that there is an awareness of existing partnerships with clarity over responsibilities and accountabilities and that a proportionate governance framework supports each partnership arrangement.					✓	
Grant Administration and Monitoring	Covered in other Force plans - for future discussion						
Independent visitors - custody	To review security, vetting, training and monitoring arrangements.			12	Q1		
Decision Making and Accountability	Covered in other Force plans - for future discussion						
Police and Crime Plan	Covered in other Force plans - for future discussion						

Audit	Risk / Scope	Strategic / Service Risk	Previous IA Coverage	Indicative days	2020-21	2021-22	2022-23
Governance							
Gifts, Hospitality and Business Interests	Review policy guidance and communication to officers and staff members. Ascertain whether gift and hospitality registers are regularly updated and adequately maintained, and business interests are declared as appropriate by staff and officers.		2018/19				
Corporate Governance	For discussion in future years - covered in other Force plans. To review arrangements for the governance of the organisation and adherence to national standards. To include code of governance, policy monitoring and production of the annual governance statement. Scope to be agreed as appropriate.						
Risk management	To review effectiveness of the risk management processes and ensure they are embedded throughout both organisations.		2018/19	12	Q3		
Information Governance and Management	To discuss in future years planning meetings - to cover DP Act compliance, copyright, freedom of information etc. ICO visit carried out in 2018/19.		2017/18				
Business Continuity Planning	Covered in other Force plans - for future discussion	657					
Equality and Diversity	Covered in other Force plans - for future discussion						

Audit	Risk / Scope	Strategic / Service Risk	Previous IA Coverage	Indicative days	2020-21	2021-22	2022-23
Pro-Active Fraud	Scope to be agreed on an annual basis but can include areas such as reviews of expenses, use of procurement cards, reviews of policies and procedures. 2020/21 scope will cover gifts, hospitality and business interests.		2019/20	15	Q1	✓	✓
Financial Management							
Police Officer Allowances	To review policy, approval of payments, monitoring and reporting arrangements.		2018/19			✓	
Mutual Aid/Recharges to Third Parties	Covered in other Force plans - for future discussion.						
Fees and Charges	Covered in other Force plans - for future discussion.						
General Systems							
Estates Management	New Service Director appointed. To review controls in place to ensure that sites are maintained to appropriate standards.			15	Q1		
Estates Strategy and Disposals	To review the estates strategy in the context of rationalisation plans for the estate, how it takes account of shared estate issues, acquisitions, disposals and accounting.			10	Q3		

Audit	Risk / Scope	Strategic / Service Risk	Previous IA Coverage	Indicative days	2020-21	2021-22	2022-23
	2020/21 review will focus on the governance surrounding the Building for the Future project.						
Uniform	Coverage to include stock management, issues and returns and record keeping ensuring stock is appropriately managed.		2018/19			✓	
Tasers	To cover initial and re-training, storage, issue and asset management.		2017/18			✓	
Seized and Found Property / Proceeds of Crime Act	Coverage to include management of seized and found property, recording, retention and disposals and ensure compliance with the Proceeds of Crime Act and the Police Property Act. Note - covered in 18/19 as evidential property after management concern.		2017/18 2018/19			✓	
Staff Experience	Deferred from 2018/19 to enable audit resource to focus on higher risk areas. Considered low risk.						
Out of Court Disposals	18/19 review looked at a recent policy change and compliance with the updated guidance. Future audits to review continued compliance.		2018/19			✓	
Integrated Offender Management	Compliance with policy and procedures.					✓	
Crime Recording Data Quality	To ensure processes for recording and reporting are robust.		2019/20				

Audit	Risk / Scope	Strategic / Service Risk	Previous IA Coverage	Indicative days	2020-21	2021-22	2022-23
Complaints Management	Review framework, responsibilities/accountabilities, timeliness, outcomes and lessons learnt.		2019/20				
Local Procurement	Keep under review for purchases under £50k						
Interpreters and Medical Examiners Fees	Covered in other Force plans - for future discussion						
Evidential Property	A review undertaken in 2017/18 resulted in a 'no assurance' opinion. A full review was undertaken by RSM in 2018/19. This review will follow up on any remaining issues as required / review continued compliance. Combined with Seized and Found property above.		2017/18 2018/19				
Safeguarding	Covered in other Force plans - for future discussion						
Safer Roads Partnership	Covered in other Force plans - for future discussion.						
Other Direct Audit Activity							
Advice and Liaison				10	Q1-4	✓	✓
Annual Internal Audit Report				3	Q4	✓	✓
Audit Strategy and Planning				3	Q3-4	✓	✓
Follow Up	Liaison with the Force staff who monitor the implementation of agreed management			2	Q1-4	✓	✓

Audit	Risk / Scope	Strategic / Service Risk	Previous IA Coverage	Indicative days	2020-21	2021-22	2022-23
	actions to facilitate management summary reporting to Joint Audit Committee.						
Monitoring and Progress Reports				4	Q1-4	✓	✓
Contingency				22			
Total Surrey Plan Days					130		
Contribution to Collaborated Plan Days (Surrey contribution 45% of total – see below)					131		
Total days					261		
Less days carried forward from 2019/20					14		
Total					247		

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Audit	Risk / Scope	Strategic / Service Risk (Surrey and Sussex)	Previous IA Coverage	Indicative days	2020-21	2021-22	2022-23
ERP Programme							
ERP - Pre go-live review of control maps	To review the control maps for each system within the ERP programme to ensure that key controls are built in appropriately.	STR1891 STR1892 STR2092 487 488		15	Q1		
ERP - Transition readiness	To ensure that appropriate user acceptance and regression testing has been completed to confirm readiness for transition and that appropriate governance arrangements are in place for sign off.	STR1891 STR1892 STR2092 487 488		30	Q2		
ERP - Post implementation (see separate systems listed below)	To review the operation of systems post go-live. To include sample testing of each core area. Days included in each system listed below. Any delay in ERP implementation may impact on delivery.	STR1891 STR1892 STR2092 487 488		See below	Q4		
Core systems							
Strategic Financial Planning and Budgeting	Following recent restructures and changes to systems, a review examining budget and financial planning, monitoring and reporting processes to ensure robustness. To cover both revenue and capital areas.	STR2237 STR2092 455	2019/20				✓
Main Accounting System	Post implementation review. Annual coverage for key financial systems.	STR2092 487 488	2019/20	15	Q4	✓	✓

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Audit	Risk / Scope	Strategic / Service Risk (Surrey and Sussex)	Previous IA Coverage	Indicative days	2020-21	2021-22	2022-23
Imprest Accounts	Review of controls in place over the use and reconciliation of imprest accounts.	STR2092	2017/18	12	Q1		
Procurement Cards/Corporate Credit	Review of controls in place over the issue, use, authorisation and monitoring of procurement cards and corporate credit cards.	STR2092	2019/20				
Accounts Receivable	Post implementation review. Annual coverage for key financial systems.	STR2092 487 488	2019/20	15	Q4	✓	✓
Pensions	Review of shared service arrangements and controls in place.	STR2092	2019/20	12	Q4	✓	✓
Accounts Payable	Post implementation review. Annual coverage for key financial systems.	STR2092 487 488	2019/20	15	Q4	✓	✓
Payroll	Post implementation review. Annual coverage for key financial systems.	STR2092 487 488	2019/20	15	Q4	✓	✓
Security (User Access)	Review looking at access to the Equip systems.					✓	
Joint Human Resources							
Joint Human Resources	Post implementation. Scope to be agreed annually. To include the systems below.	STR2058 487 488			✓	✓	✓
Duty resource planning	To review the system and controls in place to ensure efficient and effective duty resource planning following the introduction of Equip.	STR2058 487 488				✓	

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Recruitment	To review the system and controls in place to ensure efficient and effective recruitment following the introduction of Equip. In 2020/21 the review will focus on Uplift.	STR2058 OPCC 0001 487 488		15	Q2		
HR Case Management (sickness, grievances, disciplinary, competence etc)	To review controls in place to ensure effective management, monitoring and resolution of cases managed through HR policies and procedures.	STR2058					
Performance Management	To ensure effective processes are in place to monitor and manage staff and officer performance in line with corporate objectives.	STR2058					
Learning and Development / mandatory training	To ensure that training needs are identified, delivered, updated and monitored in line with the needs of each role.	OPCC 0001 STR2058					
Management Information and performance	To ensure that appropriate and timely information is provided to facilitate effective management oversight and decision making.	STR2058					
Occupational Health Service	To ensure that referrals are managed effectively in line with policies and procedures.	STR2058					

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Other Collaborated Business Services							
Transport (Fleet)	Post implementation review. To review management of service vehicles; how the Forces ensure that all vehicles are maintained in line with manufacturers guidelines and ensure that vehicle records are updated. To include stock controls for parts.		2019/20			✓	
Joint Procurement	To review governance arrangements across the collaboration. To consider completeness of and compliance with Contract standing Orders and Financial Regulations for purchases over £50k.			15	Q1		
Joint Force Vetting Unit	To ensure vetting arrangements are robust and carried out with sufficient regularity and integrity.		2019/20			✓	
Insurance	To review the collaborative arrangements for the management of the joint insurance service. To ensure effective controls are in place for the administration of civil claims and motor insurance.		2018/19			✓	
Health and Safety	To review the controls relating to risk assessment, reporting and case management.	STR2214	2018/19			✓	

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Audit	Risk / Scope	Strategic / Service Risk (Surrey and Sussex)	Previous IA Coverage	Indicative days	2020-21	2021-22	2022-23
Corporate Governance							
Governance of Collaborative Arrangements	To review governance of the collaborative arrangements, decision making, performance reporting and financial arrangements. This will include review of the planning, monitoring and reporting processes relating to the strategic direction of the collaborative arrangements. The scope of the 2020/21 review will be Operations.		2018/19	12	Q2		
Benefits realisation from investment	To review how investment plans are developed, monitored and reported and whether there is evidence that planned benefits are realised.		2019/20				
Project and Programme Management	To review arrangement for the planning, delivery and monitoring of key projects to include governance arrangements and roles and responsibilities.		2019/20				
Brexit Readiness Plans - advisory	Advisory work to ensure that potential risk areas have been identified and assessed by the Force with appropriate and robust contingency planning in place.	STR2124	2019/20				
Assurance mapping	To facilitate discussion to agree the approach to be taken to developing an assurance map.		2019/20	5	Q1		

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Audit	Risk / Scope	Strategic / Service Risk (Surrey and Sussex)	Previous IA Coverage	Indicative days	2020-21	2021-22	2022-23
Information, Communication and Technology							
ICT Assurance Map	IT staff have been planning to undertake an assurance mapping exercise to identify other sources of assurance over ICT, relating to Force, Regional and National arrangements. In 2019/20 we planned to review progress made in this process. This has been superseded by the work being undertaken across Surrey and Sussex to produce an assurance map. See above.						
Information governance/GDPR	ICO visit completed in 2018/19 for Surrey Police. Review of OPCC GDPR compliance included in the 2019/20 plan for Sussex Police. This will include the arrangements for data sharing with third parties / delivery agents.	OPCC 0003 STR2031		15	Q2		
IT Governance							
IT Strategy and Direction	The IT Strategy is aligned to the business articulating the vision, strategic roadmap, technical architecture, planning and investment for IT. Effective governance arrangements are in place to approve, monitor and scrutinise the production, approval and delivery of the strategy.	STR2093	2019/20				

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IT Policies, Standards and Procedures	Policies, Standards and Procedures are clear, up to date and aligned to relevant legislation / guidance (ITIL as appropriate). Effective governance arrangements are in place to approve and monitor compliance. Note: this will be re-assessed after the IT assurance mapping exercise.						✓
Monitoring, Assurance and Compliance	Monitoring of compliance with internal policies and external compliance programmes. Analysis of sources which provide assurance that IT is being governed effectively. The scope of the 2020/21 review will be a follow up of the 2019/20 review of contract management.		2019/20	15	Q4		
IT Resource Management	There is a clear understanding and management of resources and competencies required to meet existing and future business needs including corporate projects, BAU and IT Service developments (local & national).	STR2093 380	2019/20				
IT Asset Management	Practices in place to join financial, contractual and inventory functions to support life cycle management and strategic decision making for the IT environment. Assets include all elements of software and hardware within the			12	Q2		

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Audit	Risk / Scope	Strategic / Service Risk (Surrey and Sussex)	Previous IA Coverage	Indicative days	2020-21	2021-22	2022-23
	organisation. This review will include software licensing.						
Change Management	Assurance that standardised methods and procedures are used for the efficient and effective handling of all changes, to minimise the impact of change-related incidents upon service quality, and consequently improve the day-to-day operations of the organisation	STR2027					✓
Software licencing	To ensure the adequacy, effectiveness and completeness of monitoring of software licenses across the organisation. This will be covered in the IT asset management review.						
Problem and Incident Management	Reported incidents are effectively managed, prioritised and responded to within a timely manner. Analysis of reported incidents provides proactive action in identified areas of commonality or criticality.						✓
IT - Data Management							
Data Centre Facilities and Security	Maintained in an appropriate location with suitable physical and environmental controls in place.				2019/20		
Data Storage and Data Backup	Data is appropriately retained in accordance with legislative and organisational requirements. Data is	STR2240 STR2074			2019/20		

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	backed up at appropriate intervals and retrievable within known timeframes.						
Capacity and Performance Monitoring	Ensure that the current system is running within safe engineering limits within the organisations network. Regular monitoring provides assurances on capacity health and stability avoiding capacity and performance exposures from occurring.		2019/20				
Database Management	To review areas of general security, access, database availability, backup and recovery, development and integrity of a sample of key databases.						✓
IT - Information Security							
Security Controls	Design, implementation and monitoring of system and logical security to verify confidentiality, integrity, availability	666	2019/20	15	Q2		
Data Classification / Data Governance	Data is appropriately classified and relevant procedures and processes/ controls in place to enable and monitor compliance.	STR2074		15	Q3		
Remote Access	Safeguarding access to information by mobile workers or remote staff via the internet from remote locations.						✓
Public Facing Internet Security	Controls to prevent loss of website access / availability which could inhibit key communication channel.						✓
Cyber Security	Safeguards in place to protect systems, networks, and programs from digital	665 666	2019/20				✓

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Audit	Risk / Scope	Strategic / Service Risk (Surrey and Sussex)	Previous IA Coverage	Indicative days	2020-21	2021-22	2022-23
	attacks. Such attacks are usually aimed at accessing, changing, or destroying sensitive information; extorting money from users; or interrupting normal business processes.	STR2340					
Cloud	Controls in place to protect the organisation against the use of remote servers to store, manage, and process data.					✓	
System Development and Implementation							
Systems Life Cycle Support and Planning	Management of systems which are out of support and identification of those coming to the end of support.	STR2238		12	Q3		
Project Management Practices, Reviews and Project Controls	Effectiveness of processes and procedures in place for the planning, executing, controlling, and closing of workstreams / projects to achieve specific goals and meet identified success criteria. The 20/21 review will follow up the findings from the 2018/19 review.		2018/19	5	Q1		
Application Management	Processes in place for managing the operation, maintenance, versioning and upgrading of an application throughout its lifecycle (incl. patching).	STR2238	2019/20			✓	

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IT - Business Continuity							
IT Business Continuity/Disaster Recovery Planning	Effectiveness of planning to protect the organisation from the effects of significant negative events, allowing the organisation to maintain or quickly resume mission-critical functions following a disaster.	665 657 STR2340	2019/20				
System Resilience	Processes in place to understand a systems ability to withstand a major disruption (including identification of single points of failure) within acceptable degradation parameters and to recover within an acceptable time.	665 STR2340	2019/20				✓
IT - Networking and Communication							
Network Security and Access Control	Effectiveness of controls to safeguard network security and access to include considerations of antivirus, host intrusion prevention, and vulnerability assessment, user or system authentication and network security enforcement.	666	2019/20			✓	
Network Infrastructure Management and Monitoring	Assurance with regard hardware and software resources of the network including connectivity, communication, operations and management.		2018/19			✓	

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Virtualisation	Effective management and control of virtual computer hardware platforms, storage devices, and computer network resources.					✓	
Operating Systems Management	Controls and procedures in place to protect the integrity, operation, access, maintenance etc. of key operating systems					✓	
Specialist Crime Command							
Specialist Crime Command	To consider overall governance arrangements in addition to budgetary control, reporting and performance management. Deferred from 2019/20 to allow time for higher risk areas. Potential scope to include areas below agreed through planning.						
Major Crime							
Forensic Investigation	To review the systems and processes in place, in light of national capacity challenges. This will include prioritisation and contract management.						
Surveillance							
Cyber Crime							
Investigative Standards							
Special Branch							

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Audit	Risk / Scope	Strategic / Service Risk (Surrey and Sussex)	Previous IA Coverage	Indicative days	2020-21	2021-22	2022-23
Operations Command							
Operations Command	To consider overall governance arrangements in addition to budgetary control, reporting and performance management. Deferred from 2019/20 to allow time for higher risk areas. Potential scope to include areas below agreed through planning discussions.					✓	
Roads Policing Unit							
Operations Support							
Tactical Firearms							
Dog Training							
Operations Dogs							
Public Order							
Vehicle Recovery							
Firearms Licencing	To review processes with regard to vetting and eligibility in addition to financial controls and payments. New system in place.		2018/19	10	Q3		
Other direct audit activity - collaborated areas							
Advice and liaison				5	Q1-4	✓	✓
Follow ups	Liaison with the Force staff who monitor the implementation of agreed management actions to facilitate management summary reporting to Joint Audit Committee.			2	Q1-4	✓	✓

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Audit	Risk / Scope	Strategic / Service Risk (Surrey and Sussex)	Previous IA Coverage	Indicative days	2020-21	2021-22	2022-23
Follow up of IT reviews	To review progress in addressing issues raised during 2019/20 reviews.			10	Q1		
Total Collaborated Plan Days					292		
Sussex contribution to Collaborated Plan (55%)					161		
Surrey contribution to Collaborated Plan (45%)					131		
					0		