



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

## Internal Audit Progress Report

Joint Audit Committee presented to

21 March 2017

This report is solely for the use of the persons to whom it is addressed.  
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.





# CONTENTS

1 Introduction.....	2
2 Reports considered at this Audit Committee.....	3
3 Other matters .....	4
APPENDIX A: Internal audit assignments completed to date .....	5
APPENDIX B: Internal audit opinions .....	6
For further information contact .....	7

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.

Recommendations for improvements should be assessed by you for their full impact before they are implemented. 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.

This report is solely for the use of the persons to whom it is addressed and 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.

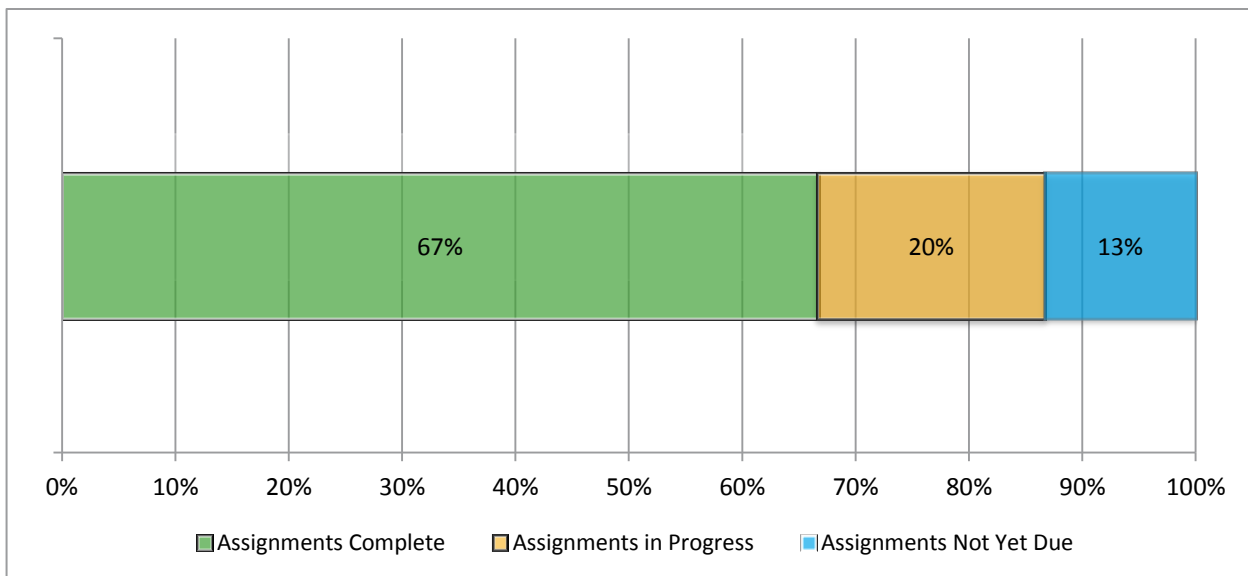
This report is released to our Client on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

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.

# 1 INTRODUCTION

The internal audit plan for 2016/17 was approved by the Audit Committee in March 2016. Below provides a summary update on progress against that plan at 7 March 2017 and summarises the results of our work to date.



## 2 REPORTS CONSIDERED AT THIS AUDIT COMMITTEE

This table informs of the audit assignments that have been completed and the impacts of those findings since the last Joint Audit Committee (JAC). The internal audit plan for 2016/17 was approved by the JAC in March 2016. Below provides a summary update on progress against that plan and summarises the results of our work completed since the last meeting.

We have finalised two reports from the 2016/17 Internal Audit plan since the previous JAC. One is a restricted paper and is not referred to within this progress report.

Assignments	Status	Opinion issued	Actions agreed		
			H	M	L
Financial Controls (7.16/17)	FINAL	REASONABLE ASSURANCE	-	2	3

We have also issued four reports in draft and we are awaiting management comments before these are finalised.

Assignment area	Timing per approved IA plan 2016/17	Status	Target AC per the IA Plan 2016/17
Savings Plan (6.16/17)	October 2016	Draft issued 9 December 2016	March 2017
Managing Victims of Crime – Domestic Abuse (9.16/17)	January 2017	Draft issued 23 January 2017	March 2017
Follow Up of Previous Management Actions (10.16/17)	Ongoing	Draft issued 14 February 2017	March 2017
Strategic Planning And Budgeting (11.16/17)	April 2016	Draft issued 14 February 2017	March 2017
Capital Expenditure	January 2017	Draft report issues 8 March 2017	March 2017
Risk Management	February 2017	Fieldwork in progress	March 2017
IT Review - PSN Compliance	January 2017	Fieldwork in progress, key staff at the Force off sick which impacted fieldwork	March 2017
Staff Experience	May 2016	Scope issued. Fieldwork start date 27 March 2017	June 2017
Vetting Processes	August 2016	Scope issued. Fieldwork start date 31 March 2017	June 2017

## 3 OTHER MATTERS

### 3.1 Impact of findings to date

The JAC should note that the assurances given in our audit assignments are included within our Annual Assurance report. In particular the JAC should note that any negative assurance opinions will need to be noted in the annual report and may result in a qualified or negative annual opinion.

We have issued one final report (Crime Recording) with a partial assurance opinion and two draft reports with partial assurance opinions (Strategic Planning and Budgeting and Savings plan). These issues will be referred to within our annual report, and may need to be considered when preparing the annual governance statements but will not in isolation qualify our year end opinions for either the Force or the OPCC.

### 3.2 Changes to the audit plan

Since the last JAC meeting there have been no further amendments to the plan. Where timings have been delayed, in particular in relation to the reviews of Staff Experience and Vetting these have been at the request of management to allow developments in these areas to take place prior to our review.

### 3.3 Added value work

Since the last meeting JAC meeting we have also issued the following:

A client briefing on the Gender Pay Gap

## APPENDIX A: INTERNAL AUDIT ASSIGNMENTS COMPLETED TO DATE

Reports previously seen by the JAC and included for information purposes only:

Assignment	Opinion issued	Actions agreed		
		H	M	L
Policies and Procedures (1.16/17)	Reasonable Assurance	1	3	2
Governance (2.16/17)	Substantial Assurance	0	0	4
Crime recording (3.16/17)	Partial Assurance	2	1	1
Complaints (4.16/17)	Substantial Assurance	0	1	0
Cash Handling (5.16/17)	Advisory	0	4	3

# APPENDIX B: INTERNAL AUDIT OPINIONS

The following shows the full range of opinions available to us within our internal audit methodology to provide you with context regarding your annual internal audit opinion.

Audit opinions	
	<p>Taking account of the issues identified, the Board cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective. Urgent action is needed to strengthen the control framework to manage the identified risk(s).</p>
	<p>Taking account of the issues identified, the Board can take partial assurance that the controls to manage this risk are suitably designed and consistently applied. Action is needed to strengthen the control framework to manage the identified risk(s).</p>
	<p>Taking account of the issues identified, the Board can take reasonable assurance that the controls in place to manage this risk are suitably designed and consistently applied. However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).</p>
	<p>Taking account of the issues identified, the Board can take substantial assurance that the controls upon which the organisation relies to manage the identified risk(s) are suitably designed, consistently applied and operating effectively.</p>

## FOR FURTHER INFORMATION CONTACT

Daniel Harris, Head of Internal Audit

Email address: [Daniel.Harris@rsmuk.com](mailto:Daniel.Harris@rsmuk.com)

Telephone number: +44 (0) 7792 948767

Lorna Raynes, Internal Audit Manager

Email address: [Lorna.Raynes@rsmuk.com](mailto:Lorna.Raynes@rsmuk.com)

Telephone number: +44 (0)7972 004175





# GENDER PAY GAP REPORTING

New regulations planned to be effective by 6 April 2017 will require employers with 250 or more relevant employees in an individual entity on a snapshot date each year to publish within 12 months details of their employees' gender pay and bonus differentials.

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 will apply to private and voluntary sector organisations. The Equality Act (Specific Duties and Public Authorities) Regulations 2017 are planned to be effective from 31 March 2017 and will apply to English public authority employers. The public sector reporting model is very similar to the private sector one.

An explanatory narrative, although not required, is strongly encouraged as is a statement of the actions planned to narrow the gaps.

## The annual cycle of gender pay gap reporting



### What is the gender pay gap in the UK workforce?

Men's average pay is greater than that for women. The Office for National Statistics says that over the last 20 years the median gender pay gap has narrowed from 27.5 per cent to 9.4 per cent for full-time employees.

### What are employers affected required to do?

To publish annually for employees in scope a report on:

- overall gender pay gap figures calculated using both the mean and median average hourly pay between genders;
- the numbers of male and female employees in each of four pay bands (quartiles), based on the employer's overall pay range; and
- for a 12 month period, both the difference between male and female's mean and median bonus pay and the proportion of relevant male and female employees who received a bonus.

## What are the timescales?

A snapshot of employees' pay for private and voluntary sector organisations must be taken on 5 April 2017 and on 5 April in each subsequent year and for public sector bodies on 31 March 2017 and on 31 March in each following year.

The first gender pay private and voluntary sector reports must be published both on the employer's own website and uploaded to a government website no later than 4 April 2018, to include hourly pay rates at 5 April 2017 and bonus payments between 6 April 2016 and 5 April 2017. The data must remain on the employer's website for three years.

**Dry runs of data should be prepared now to ensure that any gaps are identified prior to the snapshot date/reporting period closing.**

## How can RSM help?

RSM has experts in payroll, HR consultancy and legal employment advice to support you in meeting both the requirements and the business opportunities of gender pay gap reporting.

## Our services include:

We can analyse your data to determine relevance and to identify and assist in resolving any areas of uncertainty. This can include:

- status and relevance of employees including those working overseas;
- consideration of whether and what data is readily available; and
- analysis of the reportable elements of remuneration packages.

## Calculations and narrative

RSM will work with you to collate your data on the required snapshot date to:

- prepare and process all reportable calculations;
- provide the calculations to you in a template statement which can be approved and published;
- guide on the voluntary narrative to support your results and to demonstrate accuracy of data; and
- make initial recommendations on publication dates and ensure that you receive an annual reminder.

## Consultancy

RSM can review and analyse your results to create supporting action plans which may include:

- a review of current pay practices and audit of bonus schemes across your organisation;
- identification of skills shortages – recruitment process review;
- facilitation of analysis discussion identifying areas of risk and exposure; and
- formulation of communications plan and benchmarking data (industry/geographic/function) to provide context.

## rsmuk.com

The UK group of companies and LLPs trading as RSM is a member of the RSM network. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm each of which practises in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction. The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, London EC4N 6JJ. The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

RSM Corporate Finance LLP, RSM Restructuring Advisory LLP, RSM Risk Assurance Services LLP, RSM Tax and Advisory Services LLP, RSM UK Audit LLP, RSM UK Consulting LLP, RSM Employer Services Limited, RSM Northern Ireland (UK) Limited and RSM UK Tax and Accounting Limited are not authorised under the Financial Services and Markets Act 2000 but we are able in certain circumstances to offer a limited range of investment services because we are members of the Institute of Chartered Accountants in England and Wales. We can provide these investment services if they are an incidental part of the professional services we have been engaged to provide. RSM Legal LLP is authorised and regulated by the Solicitors Regulation Authority, reference number 626317, to undertake reserved and non-reserved legal activities. It is not authorised under the Financial Services and Markets Act 2000 but is able in certain circumstances to offer a limited range of investment services because it is authorised and regulated by the Solicitors Regulation Authority and may provide investment services if they are an incidental part of the professional services that it has been engaged to provide. Baker Tilly Creditor Services LLP is authorised and regulated by the Financial Conduct Authority for credit-related regulated activities. RSM & Co (UK) Limited is authorised and regulated by the Financial Conduct Authority to conduct a range of investment business activities. Whilst every effort has been made to ensure accuracy, information contained in this communication may not be comprehensive and recipients should not act upon it without seeking professional advice.