

PART ONE

Agenda Item 09

To: Joint Audit Committee

Date: 24th April 2019

By: Chief Internal Auditor

Title: Internal Audit Strategy, Plan & Charter 2019/20

1. 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 2019 to 31st March 2020. This includes proposals for the internal audit approach and protocols regarding collaborated functions and shared services with Sussex Police. A provisional assessment for the work to be provided during 2020/21 and 2021/22 is also included.

2. Recommendations

That the Joint Audit Committee considers and makes recommendation(s) as appropriate on:

- a. the Internal Audit Charter;
- b. the proposed Internal Audit approach and protocol for collaborative functions / shared services with Sussex Police and;
- c. the 2019/20 Internal Audit Plan for the Surrey Police & Crime Commissioner and Chief Constable, which includes planned reviews of collaborated functions and shared services.

3. Risk

The risk based approach to internal audit planning and reviews aims to ensure that internal audit resource focuses on key business risks and as such the risk registers have been used to inform the planning process and ensure that key risks are reflected in planned work.

4. Equalities / Human Right implications

No specific implications are raised by this report.

5. 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 proposed Internal Audit Charter for 2019/20 is attached as appendix A for consideration and reflects on page 7 the proposed internal audit arrangements for the collaborated functions / shared services with Sussex Police.

6. Internal Audit Plan

6.1 The internal audit plan for 2019/20, which has been prepared in accordance with the Internal Audit Charter and discussed with the Chief Finance Officer for the PCC and the Force Executive Director of Commercial and Financial Services, is attached at appendix B for consideration.

6.2 From 1 April 2019, Southern Internal Audit Partnership is providing internal audit services to both Surrey and Sussex Police and this has presented opportunity to review the approach to providing assurance over the collaborated and shared service functions.

6.3 Appendix B therefore includes proposals for a change to the audit approach and protocols for collaborative functions and shared services with Sussex Police to enable the audit needs of these areas to be identified and delivered through a shared Internal Audit Plan with Sussex Police. It is proposed that costs are shared in accordance with the cost sharing protocols that are already in place. These proposals have been discussed with the Chief Finance Officers for the Sussex PCC and Chief Constable and have also been presented to the Sussex Joint Audit Committee for their consideration in March. A proposed internal audit protocol for this work is outlined at appendix C for consideration.

6.4 Following a request by the Sussex Joint Audit Committee, a detailed IT audit needs assessment was also carried out during 2018/19 for the shared IT function. This is attached as appendix D and is reflected in the collaborated function / shared services plan.

6.5 The aim of internal audit's work programme is to provide independent an 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
- risks to the achievement of the Office of the Surrey Police & Crime Commissioner and Surrey Police Force objectives are identified, assessed and managed to a defined acceptable level.

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6.6 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.

6.7 Internal audit focus should remain proportionate and appropriately aligned to key areas of organisational risk. The audit plan will remain fluid to ensure internal audit's ability to react to the changing 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 Commercial and Financial Services to discuss progress and consider new and emerging risks.

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

Karen Shaw
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Appendices

Appendix A – Internal Audit Charter

Appendix B – Internal Audit Strategy and Plan 2019 to 2022

Appendix C – Internal audit protocol for shared internal audit plan with Sussex Police

Appendix D – Detailed IT audit needs assessment