**Internal Audit Progress Report (October 2020)**

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

[](http://www.google.co.uk/url?sa=i&rct=j&q=&esrc=s&source=images&cd=&cad=rja&uact=8&ved=0ahUKEwjG4IPUzZLWAhUCUhQKHZBEA0YQjRwIBw&url=http://www.surrey-pcc.gov.uk/&psig=AFQjCNF7letkqiYA5fhw59d_Y3NgUUdTqQ&ust=1504857601430770) 

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1. **Purpose of report**

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.

CIPFA have recently released a paper which examined the case for standardising the terminology and definitions used in internal audit engagements across the whole of the public sector and has subsequently recommended a standard set of opinions and supporting definitions for internal audit service providers to use. To ensure we continue to conform to the best practice principles, we will be adopting the standard definitions for our 2020/21 work and moving forwards. The assurance opinions are categorised as follows:

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| **Substantial** | A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited. |
| **Reasonable** | There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited. |
| **Limited** | Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited. |
| **No** | Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited. |

*\* Some reports listed within this progress report (pre 2020/21 audit plan) refer to categorisations used by SIAP prior to adoption of the CIPFA standard definitions, reference is provided at page 11.*

1. **Performance dashboard**

**Days Delivered**

|  |  |  |
| --- | --- | --- |
|  | **Surrey 2020/21 plan** | **Joint Sussex and Surrey 2020/21 plan** |
| Original Plan Days | 130 | 292 |
| Revised Plan Days | 121 | 312 |
| Days delivered | 62 | 78 |
| Percentage of revised plan delivered | 51% | 25% |

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| **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 2020.  The report concluded:  ‘*The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles.*  *It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles.*  *We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN).*  *We are pleased to report that SIAP conform with all relevant, associated elements.’* |

1. **Analysis of ‘Live’ audit reviews**

| **Audit Review** | **Report Date** | **Audit Sponsor** | **Assurance Opinion** | **Total Management Action(s)** | **Not Accepted** | **Not Yet Due** | **Complete** | **Overdue** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Project and Programme management (non IT) | 11.09.19 | CD&IO | Adequate | 3 | 0 | 0 | 1 |  | **2** |  |
| Benefits Realisation from Investment | 10.01.20 | CFO OPCC & EDCFS | Adequate | 4 | 0 | 0 | 1 |  | **3** |  |
| Proactive fraud review – Procurement Cards | 16.01.20 | CFO OPCC & EDCFS | No evidence of fraudulent activity found | 8 | 0 | 0 | 7 |  |  | **1** |
| Data Centre | 06.05.20 | CFO OPCC & EDCFS | Limited | 8 | 0 | 1 | 2 | **4** | **1** |  |
| IT Capacity and Performance Management | 21.05.20 | CIO | Limited | 7 | 0 | 3 | 3 |  | **1** |  |
| IT Data Storage and Back Up | 21.05.20 | CIO | Limited | 11 | 0 | 1 | 4 |  | **3** | **3** |
| Main Accounting | 22.05.20 | CFO OPCC & EDCFS | Adequate | 6 | 0 | 1 | 2 |  | **3** |  |
| IT Resource Management | 23.06.20 | CIO | Limited | 16 | 0 | 0 | 0 |  | **1** | **15** |
| IT Follow Up | 07.07.20 | CIO | N/A | 8 | 0 | 0 | 5 |  | **1** | **2** |
| Force Strategic Financial Planning | 08.07.20 | CFO OPCC & EDCFS | Adequate | 3 | 0 | 0 | 1 | **2** |  |  |
| OPCC Data Protection\* | 07.08.20 | CFO | Reasonable | 8 | 0 | 0 | 8 |  |  |  |
| Pensions Administration | 08.09.20 | CFO & EDCFS | Limited | 17 | 0 | 7 | 10 |  |  |  |
| Commercial Unit | 08.09.20 | CFO & EDCFS | Limited | 14 | 0 | 14 | 0 |  |  |  |
| Cyber Security | 07.10.20 | CIO | Limited/Adequate | 5 | 0 | 5 | 0 |  |  |  |

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| --- | --- | --- | --- |
| **Total** | **6** | **15** | **21** |

\* Denotes audits where all actions have been completed since the last progress report

More detailed information regarding overdue management actions is contained in the management report from the Executive Director Finance and Commercial Services.

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| **Audit Sponsor (Director)** |  |
| Chief Finance Officer, Surrey OPCC | CFO |
| Executive Director for Commercial & Financial Services | EDCFS |
| Chief Information Officer | CIO |

1. **Rolling Work Programme**

| **Audit Review** | **Sponsor** | **Scoping** | **Audit Outline** | **Fieldwork** | **Draft Report** | **Final Report** | **Assurance Opinion** | **Comment** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2019-20 Joint Plan** |  |  |  |  |  |  |  |  |
| Commercial Unit | CFO OPCC & EDCFS |  |  |  | 08.07.20 | 08.09.20 | Limited |  |
| Cyber Security  (also includes planned reviews of security controls and network security and access) | CFO OPCC & EDCFS |  |  |  | 18.09.20 | 07.10.20 | Limited/Adequate |  |
| Application Management | CFO OPCC & EDCFS |  |  |  | 13.08.20 |  |  | Management response received – draft final issued |
| IT Business Continuity/Disaster Recovery Planning | CFO OPCC & EDCFS |  |  |  |  |  |  | Close meeting booked for 15.10.20 |
| **2020-21** |  |  |  |  |  |  |  |  |
| **Surrey Plan** |  |  |  |  |  |  |  |  |
| JAC Contingency | CFO OPCC & EDCFS |  |  |  |  |  |  | Moved to Q4 |
| Data Protection OPCC | CFO |  |  |  | 23.07.20 | 07.08.20 | Reasonable |  |
| Independent Custody Visitors | CFO |  |  |  | 01.07.20 | 03.07.20 | Substantial |  |
| Risk Management | CFO OPCC & EDCFS |  |  |  |  |  |  |  |
| Pro-active Fraud – procurement card | CFO OPCC & EDCFS |  |  |  |  |  |  |  |
| Estates Management | CFO OPCC & EDCFS |  |  |  |  |  |  | Close meeting 09.10.20 |
| Estates Strategy and Disposals | CFO OPCC & EDCFS |  |  |  |  |  |  | Moved to Q4 |
| **Surrey Police Shared Audit Plan 2020-21** |  |  |  |  |  |  |  |  |
| ERP Pre go-live review of control maps | CFO OPCC & EDCFS |  |  |  |  |  |  | Q1 Delayed - awaiting update on project plans |
| ERP Transition Readiness | CFO OPCC & EDCFS |  |  |  |  |  |  | Q2 Delayed - awaiting update on project plans |
| Main Accounting System | CFO OPCC & EDCFS |  |  |  |  |  |  | Moved forward to Q3 from Q4 |
| Imprest Accounts | CFO OPCC & EDCFS |  |  |  |  |  |  | Planned for Q1. Delayed due to Covid. To report separately. |
| Accounts Receivable | CFO OPCC & EDCFS |  |  |  |  |  |  | Q4 |
| Accounts Payable | CFO OPCC & EDCFS |  |  |  |  |  |  | Moved forward to Q3 from Q4 |
| Pensions | CFO OPCC & EDCFS |  |  |  |  |  |  | Q4 |
| Payroll | CFO OPCC & EDCFS |  |  |  |  |  |  | Q4 |
| Recruitment | CFO OPCC & EDCFS |  |  |  |  |  |  |  |
| Business Continuity | CFO OPCC & EDCFS |  |  |  |  |  |  | New audit |
| Joint Procurement | CFO OPCC & EDCFS |  |  |  | 29.09.20 |  |  |  |
| Governance of Collaborative Arrangements | CFO OPCC & EDCFS |  |  |  |  |  |  |  |
| Firearms Licencing | CFO OPCC & EDCFS |  |  |  |  |  |  | Moved to Q4 |
| Assurance Mapping | CFO OPCC & EDCFS |  |  |  |  |  |  | Advice work as needed |
| Information Governance/GDPR | CFO OPCC & EDCFS |  |  |  |  |  |  |  |
| Monitoring, Assurance and Compliance (IT) | CIO |  |  |  |  |  |  |  |
| IT Asset Management | CIO |  |  |  |  |  |  |  |
| Security Controls | CIO |  |  |  |  |  |  | Q3 - was planned for Q2 but delayed due to need to review third party assurance in this area to determine scope |
| Data Classification/Data Governance | CIO |  |  |  |  |  |  | Q3 |
| Systems Lifecycle Support and Planning | CIO |  |  |  |  |  |  | Q2 – was planned for Q3 but brought forward |

The following variations have been made to the 2020/21 internal audit plan since it was presented to the Joint Audit Committee in July 2020.

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| --- | --- |
| **Audit reviews removed from the plan** |  |
| Project Management Practices, Reviews and Project Controls | Removed from plan as follow up work was effectively carried out as part of the 2019/20 resource management` review. Time will be used for increased IT follow up activity |

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| **Audit reviews added to the plan** |  |
| Business Continuity | Originally a Sussex only review, this has been moved into the shared plan as activity is jointly managed. |

**Annexe 1 - Assurance opinions and definitions used by SIAP prior to adoption of the CIPFA standard definitions**

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| --- | --- |
| Substantial | A sound framework of internal control is in place and 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 weaknesses identified in the framework of internal control or the framework is ineffective or absent with significant risk to the achievement of system objectives. |