

To: Joint Audit Committee

Date: 28 April 2021

By: Chief Internal Auditor

Title: Internal Audit Update Report 2020-21

Purpose of Report:

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.

The Terms of Reference for the independent Joint Audit Committee of the Surrey Police & Crime Commissioner & the Chief Constable require that the adequacy and effectiveness of internal controls are being monitored and that appropriate and timely action is being taken to address any areas of weakness.

The report covers the audit work completed from April 2020 to date in accordance with the internal audit strategy and plan for 2020-21.

Requirement of the JAC

Members of the Committee are asked to:

Consider and make recommendations as appropriate on the progress of internal audit work for the 2020-21 internal audit plan and gain assurance from Officers that key issues raised are being addressed.

Executive Summary

1. Introduction

1.1 Under the Accounts and Audit (England) Regulations 2015, 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.

1.2 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.

- 1.3 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.
- 1.4 A summary of progress made for 2020-21 is attached at appendix 1. Key issues to highlight at this stage of the year are as follows:
- As previously reported, SIAP staff continue to work remotely, and although the impacts of the COVID-19 pandemic resulted in a slow start to the 2020/21 plan delivery, significant progress has been made. At the time of writing, we have delivered 100% of the Surrey plan and 95% of the joint plan with Sussex Police.
 - Monthly meetings are taking place with the Head of Strategic Systems (IT) and Head of Client Services to aid communication and timeliness of response to IT reviews.
 - We remain on track to provide an internal audit opinion for 2020/21. Fieldwork for all remaining 2020/21 reviews has either been completed or is well advanced and in progress.

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APPENDICES

Appendix 1 = Internal Audit progress report 2020/21.

Internal Audit Progress Report (April 2021)

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

Office of the Police and Crime
Commissioner for Surrey



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

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1. Purpose of report

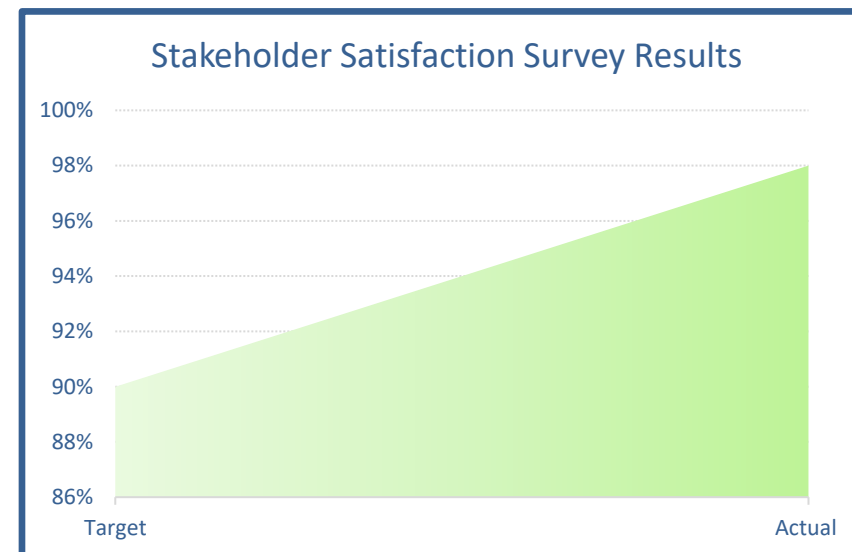
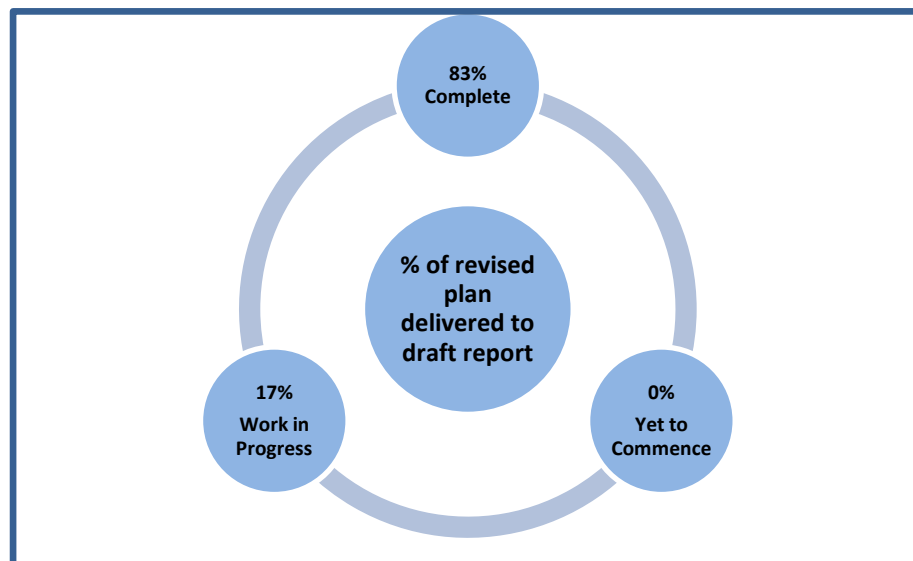
Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review.

CIPFA have recommended standardising the terminology and definitions used in internal audit engagements across the whole of the public sector and have published 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 have adopted the standard definitions for our 2020/21 work and moving forwards. The assurance opinions are categorised as follows:

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 Annex 1 on page 11.*

2. Performance dashboard



Days Delivered

	Surrey 2020/21 plan	Joint Sussex and Surrey 2020/21 plan
Original Plan Days	130	292
Revised Plan Days	98	272
Days delivered	98	244
Percentage of revised plan delivered	100%	95%

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.'

3. Analysis of 'Live' audit reviews

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Action(s)	Not Accepted	Not Yet Due	Complete	Overdue		
								L	M	H
Project and Programme Management (non IT)*	11.09.19	CD&IO	Adequate	3	0	0	3			
Benefits Realisation from Investment	10.01.20	CFO OPCC & EDCFS	Adequate	4	0	0	2		2	
Data Centre	06.05.20	CFO OPCC & EDCFS	Limited	8	0	0	7	1		
IT Capacity and Performance Management	21.05.20	CIO	Limited	7	0	1	4		1	1
IT Data Storage and Back Up	21.05.20	CIO	Limited	11	0	0	8		1	2
IT Resource Management	23.06.20	CIO	Limited	16	0	0	12		1	3
IT Follow Up	07.07.20	CIO	N/A	8	0	0	4		1	3
Pensions Administration*	08.09.20	CFO & EDCFS	Limited	17	0	0	17			
Commercial Unit	08.09.20	CFO & EDCFS	Limited	14	0	0	2		4	8
Cyber Security	07.10.20	CIO	Limited/Adequate	5	0	0	3		2	
Joint Procurement	13.11.20	CFO OPCC & EDCFS	Reasonable	6	0	0	5			1
Estates Management	07.01.20	CFO OPCC & EDCFS	Limited	9	0	0	3		2	4
IT Business Continuity and Disaster Recovery Planning	11.01.21	CIO	Limited	10	0	0	2		8	
Business Continuity	19.01.21	CFO OPCC & EDCFS	Reasonable	4	0	2	1		1	
Fraud Proactive – Procurement Cards	21.01.21	CFO OPCC & EDCFS	N/A	10	0	0	8		2	

Information Governance – Data Sharing Agreements*	21.01.21	CFO OPCC & EDCFS	Reasonable	2	0	0	2			
IT Follow Up	05.03.21	CIO	N/A	0	0	0	0			
OPCC Risk Management	11.03.21	CFO OPCC	Reasonable	3	0	3	0			
Main Accounting	15.03.21	CFO OPCC & EDCFS	Reasonable	8	0	3	5			
Payroll*	23.03.21	CFO OPCC & EDCFS	Substantial	1	0	0	1			
Accounts Receivable	09.04.21	CFO OPCC & EDCFS	Substantial	0	0	0	0			
Organisational Risk Management (Force)	13.04.21	CFO OPCC & EDCFS	Limited	13	0	13	0			
Total								1	25	22

* 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.

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

4. 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	20.10.20	Limited	
IT Business Continuity/Disaster Recovery Planning	CFO OPCC & EDCFS	✓	✓	✓	06.11.20	11.01.21	Limited	
2020-21								
Surrey Plan								
Data Protection OPCC	CFO	✓	✓	✓	23.07.20	07.08.20	Reasonable	
Independent Custody Visitors	CFO	✓	✓	✓	01.07.20	03.07.20	Substantial	
Risk Management - OPCC	EDCFS	✓	✓	✓	10.03.21	11.03.21	Reasonable	
Risk Management - Force	CFO OPCC	✓	✓	✓	09.02.21	13.04.21	Limited	
Pro-active Fraud – procurement cards	CFO OPCC & EDCFS	✓	✓	✓	11.12.20	21.01.21	N/A	
Estates Management	CFO OPCC & EDCFS	✓	✓	✓	21.10.20	07.01.20	Limited	
Surrey Police Shared Audit Plan 2020-21								
Main Accounting System	CFO OPCC & EDCFS	✓	✓	✓	25.01.21	15.03.21	Reasonable	
Imprest Accounts	CFO OPCC & EDCFS	✓	✓	✓	06.11.20	16.11.20	Substantial	

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Accounts Receivable	CFO OPCC & EDCFS	✓	✓	✓	06.04.21	09.04.21	Substantial	
Accounts Payable	CFO OPCC & EDCFS	✓	✓	✓	06.04.21			
Pensions	CFO OPCC & EDCFS	✓	✓	✓				Q4
Payroll	CFO OPCC & EDCFS	✓	✓	✓	09.03.21	23.03.21	Substantial	
Recruitment	CFO OPCC & EDCFS	✓	✓	✓	22.10.20	01.12.20	Reasonable	
Business Continuity	CFO OPCC & EDCFS	✓	✓	✓	22.12.20	19.01.21	Reasonable	
Joint Procurement	CFO OPCC & EDCFS	✓	✓	✓	29.09.20	13.11.20	Reasonable	
Governance of Collaborative Arrangements	CFO OPCC & EDCFS	✓	✓	✓	25.11.20	01.12.20	Substantial	
Follow Up (Commercial Unit 19/20)	CFO OPCC & EDCFS	N/A	N/A	✓				
Assurance Mapping	CFO OPCC & EDCFS							Advice work as needed
Information Governance/GDPR	CFO OPCC & EDCFS	✓	✓	✓	28.10.20	21.01.21	Reasonable	Draft Reissued 9.12.20
Monitoring, Assurance and Compliance (IT)	CIO	✓	✓	✓				Q4
IT Asset Management	CIO	✓	✓	✓	30.03.21			Q2 – Delays in receiving information required to finish the fieldwork but draft report now issued
Security Controls	CIO	✓	✓	✓				Q3 – Fieldwork complete. Delay in

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
								close meeting due to annual leave.
Data Classification/Data Governance	CIO	✓	✓	✓				Q3 – Fieldwork complete. Close planned for mid to late April
Systems Lifecycle Support and Planning	CIO	✓	✓	✓	12.03.21			Q2 –planned for Q3 but brought forward
Follow up of 2019/20 IT reviews	CIO	✓	✓	✓	22.02.21	05.03.21	N/A	

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.

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
Firearms Licencing	Moved into the 2020/21 plan due to a new system being implemented.
ERP Pre go-live review of control maps	Varied out of the plan due to delays in the programme.
ERP Transition Readiness	Varied out of the plan due to delays in the programme.
Estates Strategy and Disposals	Moved to 2021/22 plan to better align timing with stages in the Building for the Future Project.
Contingency Time	Unable to carry out the proposed review remotely.

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.

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

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.