

## **Agenda Item 5**

**To: Joint Audit Committee**

**Date: 20 October 2021**

**By: Chief Internal Auditor**

**Title: Internal Audit Update Report 2021-22**

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### **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 2021 to date in accordance with the internal audit strategy and plan for 2021-22.

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### **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 2021-22 internal audit plan and gain assurance from Officers that key issues raised are being addressed.

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### **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 2021-22 is attached at appendix 1. Key issues to highlight at this stage of the year are as follows:
- All reviews relating to 2020-21 have now been finalised and were included in the 2020-21 annual report and opinion.
  - Following consultation with management, the planned 2021-22 work has been spread across the year. Work is ongoing to complete the reviews assigned to quarters 1 and 2 and quarter 3 reviews have been allocated and scoping commenced.

Karen Shaw  
Chief Internal Auditor  
Deputy Head of Southern Internal Audit Partnership  
Tel. 07784265138 or e-mail [karen.shaw@hants.gov.uk](mailto:karen.shaw@hants.gov.uk)

#### APPENDICES

*Appendix 1* = Internal Audit progress report 2021-22.

## Internal Audit Progress Report (October 2021)

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

Office of the Police and Crime  
Commissioner for Surrey



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**Southern Internal  
Audit Partnership**

Assurance through excellence  
and innovation

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## 1. Purpose of report

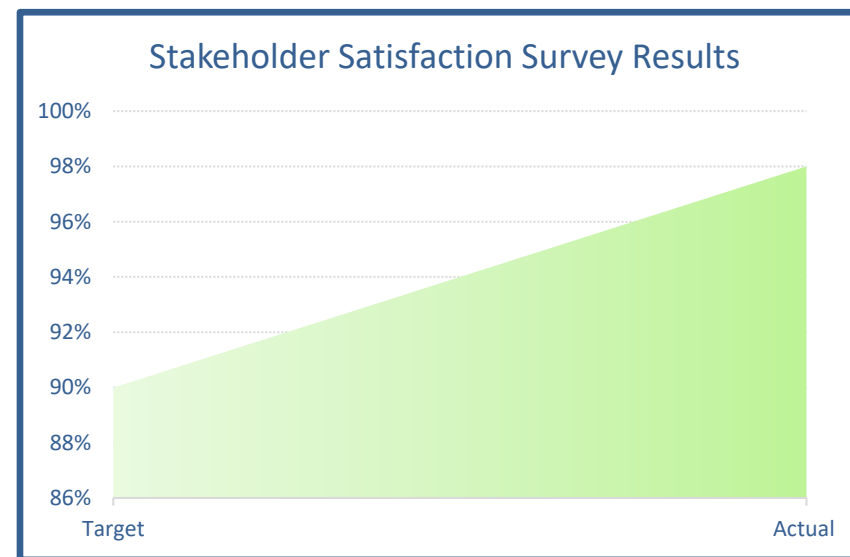
Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review.

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. The assurance opinions are categorised as follows:

<b>Substantial</b>	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.
<b>Reasonable</b>	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.
<b>Limited</b>	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.
<b>No</b>	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 2021/22 plan	Joint Sussex and Surrey 2021/22 plan
Original Plan Days	120	311
Revised Plan Days	130	323
Days delivered	48	99
Percentage of revised plan delivered	37%	31%

*In addition, 44 days were spent completing the 2020/21 plan in the first quarter.*

**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/Retired**	Overdue		
								L	M	H
Benefits Realisation from Investment	10.01.20	CFO OPCC & EDCFS	Adequate	4	0	0	2		2	
IT Capacity and Performance Management	21.05.20	CDIO	Limited	8	0	1	7			
IT Data Storage and Back Up	21.05.20	CDIO	Limited	11	0	0	9		1	1
Commercial Unit*	08.09.20	CFO & EDCFS	Limited	14	0	0	14			
Joint Procurement*	13.11.20	CFO OPCC & EDCFS	Reasonable	6	0	0	6			
Estates Management*	07.01.20	CFO OPCC & EDCFS	Limited	9	0	0	9			
IT Business Continuity and Disaster Recovery Planning	11.01.21	CDIO	Limited	10	0	0	7		3	
Business Continuity*	19.01.21	CFO OPCC & EDCFS	Reasonable	4	0	0	4			
Fraud Proactive – Procurement Cards*	21.01.21	CFO OPCC & EDCFS	N/A	10	0	0	10			
Organisational Risk Management (Force)	13.04.21	CFO OPCC & EDCFS	Limited	13	0	0	6		6	1
Systems Lifecycle Support and Planning	10.05.21	CDIO	Reasonable	8	0	4	1		3	
Pensions Arrangements*	28.05.21	CFO OPCC & EDCFS	Reasonable	9	0	0	9			
IT Security Controls	08.06.21	CDIO	Reasonable	7	0	5	0	2		
IT Asset Management	01.07.21	CDIO	Limited	12	0	9	3			



Monitoring, Assurance and Compliance	27.07.21	CDIO	Reasonable	4	0	4	0			
Apprentice Levy	04.10.21	CFO OPCC & EDCFS	Reasonable	6	0	6	0			
<b>Total</b>								<b>2</b>	<b>15</b>	<b>2</b>

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

<b>Audit Sponsor (Director)</b>	
Chief Finance Officer, Surrey OPCC	CFO
Executive Director for Commercial & Financial Services	EDCFS
Chief Digital Information Officer	CDIO

#### 4. Rolling Work Programme

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Comment
<b>2020/21 Shared Plan carry forward (all included in the 2020/21 annual internal audit report and opinion)</b>								
Monitoring, Assurance and Compliance (IT)	CIO	✓	✓	✓	22.06.21	27.07.21	Reasonable	
<b>Audit Plan 2021/22</b>								
<b>Surrey Police Plan</b>								
Estates Management follow Up	EDCFS	✓	✓	✓	28.09.21	04.10.21	N/A	
Police Officer Allowances	EDCFS	✓	✓	✓				Q2
Building for the Future – Programme Management Arrangements	EDCFS	✓	✓	✓				Q2 – Fieldwork complete
Safeguarding	EDCFS	✓	✓	✓				Q2
Savings plans – project and programme management	EDCFS	✓	✓					Q2 - testing at end of quarter at client request
Main Accounting System	EDCFS							Q3
Freedom of Information Requests	EDCFS							Q3
Payroll	EDCFS							Q4
Duty Resource Planning	EDCFS							Q4
<b>Shared Plan with Sussex Police</b>								

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Comment
ERP Contingency	CFO (OPCC) CFO (CC)							To be used if need arises
Pensions	EDCFS							Q4
Apprentice Levy	EDCFS	✓	✓	✓	04.08.21	04.10.21	Reasonable	
Strategy and arrangements for delivery of training to meet future need	EDCFS							Q3
Transport - Fleet	EDCFS							Q3
Local Procurement	EDCFS	✓	✓	✓	05.10.21			Q1
Joint Force Vetting Unit	EDCFS							Q4
Insurance Claims	EDCFS	✓	✓	✓	17.09.21	05.10.21	Substantial	
Health and Safety	EDCFS							Q3
Uniform	EDCFS	✓	✓	✓				Q2 Testing complete
Information management – remote / working from home	EDCFS	✓	✓	✓				Q2
Operations Command	EDCFS							TBA
Firearms Licencing	EDCFS	✓	✓					Q2/3
Use of Tasers	EDCFS							Q4
Seized and found property and cash	EDCFS							Q3
Register of Interests, Gifts and Hospitality	EDCFS	✓	✓	✓				Q2
IT Follow up	CD&IO	N/A	✓	✓	27.5.21	30.6.21	N/A	Q1

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Comment
Security (User Access)	CIO	✓	✓	✓				Q2
Application Management (Niche)	CIO	✓						Q3 Draft AO Issued
Network Infrastructure Management and Monitoring	CIO							Q3 Scoping 11.10.21
Virtualisation	CIO							Q3 Scoping 12.10.21
Database Management	CIO							Q4
Operating Systems Management	CIO							Q4

The following variations have been made to the 2021/22 internal audit plan since it was presented to the Joint Audit Committee in January 2021.

<b>Audit reviews removed from the plan</b>	
None	
<b>Audit reviews added to the plan</b>	
Register of Interests, Gifts and Hospitality	Moved from the Sussex plan into the shared plan at client request
Freedom of Information Requests	Added at client request to Surrey plan

**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.