

To: Joint Audit Committee

Date: 27 April 2022

By: Chief Internal Auditor

Title: Internal Audit Update Report 2021-22

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.

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.

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 remaining reviews for 2021/22 are resourced for completion in time for our annual report, however, as previously reported, progress with IT related reviews continues to be slow due to delays caused by client resource availability and communication difficulties.
 - Scoping meetings are being planned to commence work on the audit reviews assigned to quarter 1 in the 2022/23 internal audit plan.

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

APPENDICES

Appendix 1 = Internal Audit progress report 2021-22.

Internal Audit Progress Report (April 2022)

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

Contents:

1.	Purpose of report	3
2.	Performance dashboard	4
3.	Analysis of 'Live' audit reviews	6
4.	Rolling work programme	8
Annexe 1	Pre 2020-21 Audit Opinion Definitions	11

1. Purpose of report

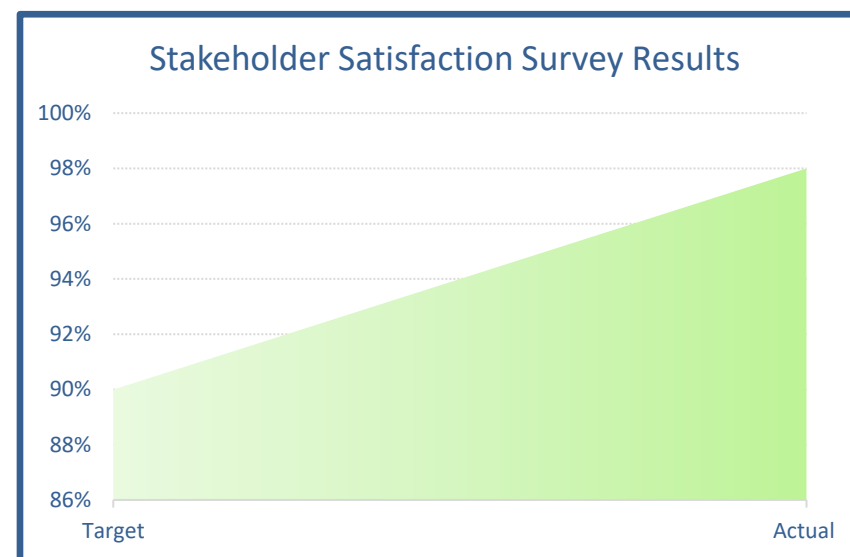
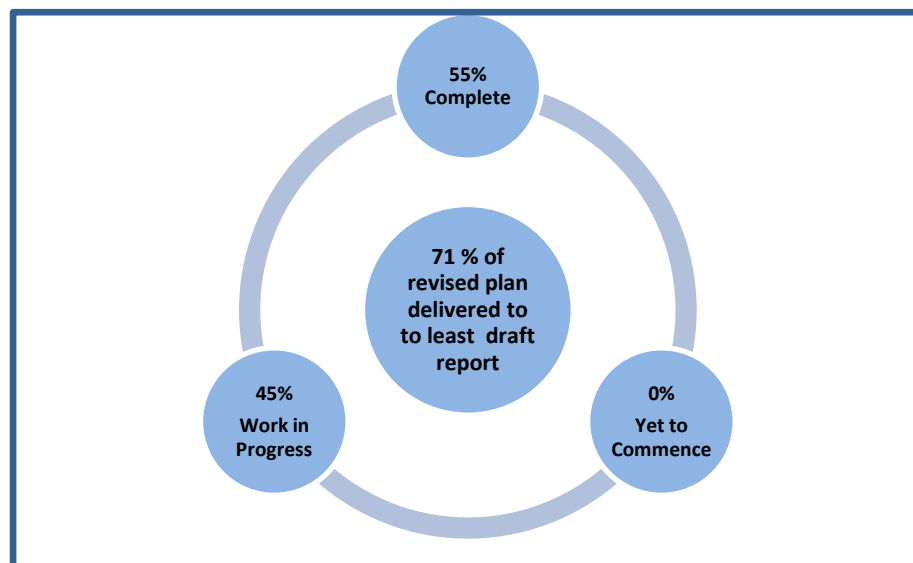
Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review.

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:

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 2021/22 plan	Joint Sussex and Surrey 2021/22 plan
Original Plan Days	120	311
Revised Plan Days	130	296
Days delivered	121	264
Percentage of revised plan delivered	93%	89%

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	0	8			
IT Data Storage and Back Up	21.05.20	CDIO	Limited	11	0	0	10			1
IT Business Continuity and Disaster Recovery Planning	11.01.21	CDIO	Limited	10	0	0	9		1	
Organisational Risk Management (Force)	13.04.21	CFO OPCC & EDCFS	Limited	13	0	0	12		1	
Systems Lifecycle Support and Planning	10.05.21	CDIO	Reasonable	8	0	0	1	3	4	
IT Security Controls	08.06.21	CDIO	Reasonable	7	0	4	3			
IT Asset Management	01.07.21	CDIO	Limited	12	0	0	11		1	
IT Monitoring, Assurance and Compliance*	27.07.21	CDIO	Reasonable	4	0	0	4			
Apprentice Levy*	04.10.21	CFO OPCC & EDCFS	Reasonable	6	0	0	6			
Local Procurement*	30.11.21	CFO OPCC & EDCFS	Reasonable	3	0	0	3			
Information Management – Remote Working	30.11.21	CFO OPCC & EDCFS	Reasonable	6	0	5	1			
Savings plans – project and programme management	14.01.22	CFO OPCC & EDCFS	Substantial	0	0	0	0			
Uniform Stores	08.02.22	CFO OPCC & EDCFS	Limited	18	0	10	8			

Transport - Fleet	24.02.22	CFO OPCC & EDCFS	Reasonable	6	0	6	0			
Main Accounting System	28.03.22	CFO OPCC & EDCFS	Limited	0	0	0	0			
Firearms licencing	12.04.22	CFO OPCC & EDCFS	Limited	9	0	3	6			
Health and Safety	12.04.22	CFO OPCC & EDCFS	Reasonable	0	0	0	0			
Freedom of Information	12.04.22	CFO OPCC & EDCFS	Reasonable	2	0	2	0			
Total								3	9	1

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

** Denotes where actions have been retired.

Audit Sponsor (Director)	
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
Audit Plan 2021/22								
Surrey Police Plan								
Estates Management follow Up	EDCFS	✓	✓	✓	28.09.21	04.10.21	N/A	
Police Officer Allowances	EDCFS	✓	✓	✓	10.11.21	02.11.21	Reasonable	
Building for the Future – Programme Management Arrangements	EDCFS	✓	✓	✓	14.10.21	26.10.21	Substantial	
Safeguarding Governance Arrangements	EDCFS	✓	✓	✓	10.11.21	22.11.21	Substantial	
Savings plans – project and programme management	EDCFS	✓	✓	✓	21.12.21	14.01.22	Substantial	
Main Accounting System	EDCFS	✓	✓	✓	17.03.22	28.03.22	Limited	
Freedom of Information Requests	EDCFS	✓	✓	✓	08.03.22	12.04.22	Reasonable	
Payroll	EDCFS	✓	✓	✓	12.04.22			Q4
Duty Resource Planning	EDCFS	✓	✓	✓				Q4
Shared Plan with Sussex Police								
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	✓	✓	✓	20.12.21	24.02.22	Reasonable	

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Comment
Local Procurement	EDCFS	✓	✓	✓	05.10.21	30.11.21	Reasonable	
Joint Force Vetting Unit	EDCFS	✓	✓	✓	31.03.22			Q4
Insurance Claims	EDCFS	✓	✓	✓	17.09.21	05.10.21	Substantial	
Health and Safety	EDCFS	✓	✓	✓	08.03.22	13.04.22	Reasonable	
Uniform	EDCFS	✓	✓	✓	13.10.21	08.02.22	Limited	
Information management – remote / working from home	EDCFS	✓	✓	✓	04.11.21	30.11.21	Reasonable	
Firearms Licencing	EDCFS	✓	✓	✓	17.02.22	12.04.22	Limited	
Use of Tasers	EDCFS	✓	✓	✓				Q4
Seized property and cash	EDCFS	✓	✓	✓				Q3 Delayed due to audit staff sickness
Business Interests, Gifts and Hospitality	EDCFS	✓	✓	✓	05.11.21	30.11.21	Reasonable	
IT Follow up	CD&IO	N/A	✓	✓	27.05.21	30.06.21	N/A	
Security (User Access)	CD&IO	✓	✓	✓	04.03.22			Q2
Application Management (Niche)	CD&IO	✓	✓	✓	29.03.22			Q3
Network Infrastructure Management and Monitoring	CD&IO	✓	✓	✓				Q3
Virtualisation	CD&IO	✓	✓	✓	20.02.22			Q3
Operating Systems Management	CD&IO	✓	✓	✓				Q4
ERP – Legacy IT Risks SAP	CD&IO	✓	✓	✓				Q4
ERP – Legacy IT Risks Oracle People Solutions	CD&IO	✓	✓	✓				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.

Audit reviews removed from the plan	
Operations Command	Removed from plan as not required
Database Management	Moved to Q1 22/23 to manage demand in DDaT alongside the addition of the legacy IT risks work.
Audit reviews added to the plan	
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
ERP – Legacy IT Risks SAP	Added at client request to shared plan using ERP contingency time
ERP – Legacy IT Risks Oracle People Solutions	Added at client request to shared plan using ERP contingency time

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.