



Strategic Alliance – Police and the Offices of the Police & Crime Commissioner

Report of Internal Audit Activity
Plan Progress 2017/18 - October 2017

Executive Summary

The Assistant Director is required to provide an annual opinion to support the Annual Governance Statement.

As part of our plan progress reports, we will provide an ongoing opinion to support the end of year annual opinion.

We will also provide details of any significant risks that we have identified in our work, along with the progress of mitigating outstanding Priority 4 & 5 recommendations.



Audit Opinion and Summary of Significant Risks

Audit Opinion:

Overall, based on the work completed to date for the 2017/18 financial year, I can report that risks are reasonably well managed and the systems of internal control are working effectively.

Management respond positively to internal audit suggestions for improvements and corrective action is often taken quickly, wherever this is possible or practical.

Significant Risks:

In the 2017/18 audit reports issued to date, there have been no Significant 'High' Risks identified in our work.

Where audit reviews have resulted in a 'Partial' or 'None' assurance rating, a summary of the key findings from these reviews have been summarised on **Appendix C**.

Outstanding Recommendations:

A schedule of outstanding Priority 4 & 5 recommendations is maintained at **Appendix D**. Updates are currently sought by the force Senior Audit & Assurance Officer, from the appropriate responsible officers prior to each Committee. It should be noted that SWAP currently rely on the confirmations provided by officers, and do not independently verify the implementation of these actions.

These items will remain on this schedule for monitoring by the Committee until the appropriate confirmations have been provided that the risks have been appropriately mitigated/ addressed.

Internal Audit Plan Progress 2017/2018

Summary of Audit Opinions

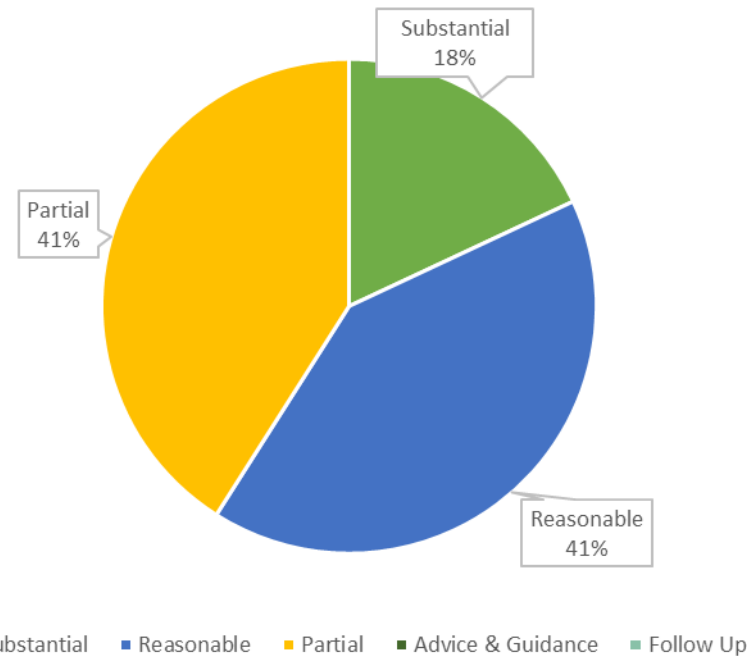
At the conclusion of audit assignment work each review is awarded a "Control Assurance", a summary of the assurance levels is as follows:

- **Substantial** – Well controlled and risks well managed.
- **Reasonable** – Adequately controlled and risks reasonably well managed.
- **Partial** – Systems require control improvements and some key risks are not well managed.
- **None** – Inadequately controlled and risks are not well managed.



Summary of Control Assurance

Control Assurance by Category - Work Completed
2017/18 to date



Internal Audit Plan Progress 2017/2018

The Executive Director for SWAP reports performance on a regular basis to the SWAP Management and Partnership Boards.



SWAP Performance

SWAP now provides the Internal Audit service for 21 Partners and also many other subsidiary bodies. SWAP performance is subject to regular monitoring review by both the Board and the Member Meetings. The respective outturn performance results for the Strategic Alliance for the 2017/18 year (as at 31st October) are as follows;

Performance Target	Performance
<u>Audit Plan – Percentage Progress</u> Final, Draft and Discussion Document In progress Not Yet Started	30% 55% 15%
<u>Draft Reports</u> Issued within 5 working days	75% (Average Days of 5)
<u>Final Reports</u> Issued within 10 working days of discussion of draft report	80% (Average Days of 9)
<u>Quality of Audit Work</u> Customer Satisfaction Questionnaire	97%

Internal Audit Plan Progress 2017/2018

We keep our audit plans under regular review so as to ensure that we auditing the right things at the right time.



Approved Changes to the Audit Plan

The Strategic Alliance Audit Plan is reported under **Appendix A** and is subject to change to meet the requirements and emerging risks of the Strategic Alliance.

Since reporting to the last Committee, the following audits have been removed from the 2017/18 Joint Internal Audit Plan:

- DP&DCP: Shared Use of Property

Additional audits allocated and included in the 2017/18 Joint Internal Audit Plan:

- DCP: OPCC Loan Arrangements
- DP&DCP: Fuel Cards in Fleet Services
- DP&DCP: Health & Safety Arrangements
- DP: Welfare Fund Accounts

	Audit Area	Audit Partner	Quarter	Status	Opinion	No of Recs	5 = Major ↔ 1 = Minor				
							Recommendation				
							5	4	3	2	1
Audits at Report Stage											
Operational	D&C Sports Centre	DCP	1	Final	Reasonable	6	-	-	6	-	-
Operational	Force Dogs and In-House Breeding	DP & DCP	1	Final	Reasonable	3	-	-	3	-	-
Governance	Cash Handling Review	DCP	2	Final	Partial	2	-	1	1	-	-
Operational	Litigation with Morrisons	DCP	1	Final	Reasonable	2	-	-	2	-	-
Operational	Use of Force	DP & DCP	1	Final	Reasonable	1			1		
Operational	Property Stores	DCP	2	Final	Partial	7	-	5	2	-	-
Governance	Chief's Charities (Chief's Foundation)	DP & DCP	1	Final	Partial	3	-	-	3	-	-
Operational	Property Stores	DP	2	Final	Reasonable	3	-	1	2	-	-
Operational	Fleet Services	DP & DCP	1	Draft	Partial	4	-	2	2	-	-
Governance	Procurement Process Review	DCP	2	Final	Partial	3	-	2	1	-	-
Governance	Welfare Fund Accounts	DP	2	Final	Substantial	0	-	-	-	-	-
Operational	Ministry of Justice Grant Claim	DCP	3	Draft	Substantial	3	-	-	3	-	-
In Progress											
Key Control	Payroll	DP & DCP	2	In Progress	-	-					

	Audit Area	Audit Partner	Quarter	Status	Opinion	No of Recs	5 = Major ↔ 1 = Minor				
							Recommendation				
							5	4	3	2	1
Key Control	Treasury Management	DP & DCP	2	In Progress	-	-					
Key Control	Agresso - HMRC Payments	DP & DCP	2	In Progress	-	-					
Governance	Workforce Plan	DP & DCP	2	In Progress	-	-					
Governance	Strategic Review of Joint Policies: Financial Regs & Standing Orders Scheme of Delegation	DP & DCP	2	In Progress	-	-					
ICT	ICT Vulnerability	DCP	3	In Progress	-	-					
ICT	ICT Audits - Convergence Plan	DP & DCP	3	In Progress	-	-					
Key Control	Creditors	DP & DCP	3	In Progress	-	-					
Key Control	Debtors	DP & DCP	3	In Progress	-	-					
Key Control	Agresso – VAT	DP & DCP	3	In Progress	-	-					
Operational	Commissioning Arrangements	DP	3	In Progress	-	-					
Governance	Health & Safety Arrangements	DP & DCP	3	In Progress	-	-					
Governance	OPCC Loan Arrangements	DCP	3	In Progress	-	-					
Operational	Fuel Cards in Fleet Services	DP & DCP	3	In Progress	-	-					
Operational	Data Quality	DP & DCP	3	In Progress	-	-					
Key Control	Main Accounting & Bank Reconciliations	DP & DCP	3	In Progress	-	-					

	Audit Area	Audit Partner	Quarter	Status	Opinion	No of Recs	5 = Major ↔ 1 = Minor				
							Recommendation				
							5	4	3	2	1
Operational	Review of Small Grant Scheme	DP	3	In Progress	-	-					
Operational	Police Transformation Fund Grant Claim	DCP	3	In Progress	-	-					
Compliance	New EU Data Protection Regulations	DP & DCP	3	In Progress	-	-					
Key Control	Agresso - Budgets	DP & DCP	3	In Progress	-	-					
Key Control	Budgetary Control	DP & DCP	3	In Progress	-	-					
Operational	Job Evaluation	DP & DCP	3	In Progress	-	-					
To be Completed											
Operational	Strategic Alliance - People Strategy	DP & DCP	4	Not Started	-	-					
Key Control	Agresso Stock Control	DP & DCP	4	Not Started	-	-					
Key Control	Pensions	DP & DCP	4	Not Started	-	-					
Operational	Automated Time on Card Payments	DP & DCP	4	Not Started	-	-					
Operational	Fighting Fraud Locally	DP & DCP	4	Not Started	-	-					
Operational	Risk Management	DP & DCP	4	Not Started	-	-					

At the conclusion of audit assignment work each review is awarded a “Control Assurance Definition”;

- Substantial
- Reasonable
- Partial
- None



Audit Framework Definitions

Control Assurance Definitions

Substantial	▲ ★ ★ ★	I am able to offer substantial assurance as the areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.
Reasonable	▲ ★ ★ ★	I am able to offer reasonable assurance as most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Partial	▲ ★ ★ ★	I am able to offer Partial assurance in relation to the areas reviewed and the controls found to be in place. Some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
None	▲ ★ ★ ★	I am not able to offer any assurance. The areas reviewed were found to be inadequately controlled. Risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

Categorisation of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors; however, the definitions imply the importance.

We score our recommendations on a



Recommendation Priority Definitions

scale of 1 to 5, where 5 is the highest priority and 1 is the lowest priority.

- Priority 5: Findings that are fundamental to the integrity of the unit’s business processes and require the immediate attention of management.
- Priority 4: Important findings that need to be resolved by management.
- Priority 3: The accuracy of records is at risk and requires attention.
- Priority 2: Minor control issues have been identified which nevertheless need to be addressed.
- Priority 1: Administrative errors identified that should be corrected. Simple, no-cost measures would serve to enhance an existing control.

Definitions of Risk

Risk	Reporting Implications
Low	Issues of a minor nature or best practice where some improvement can be made.
Medium	Issues which should be addressed by management in their areas of responsibility.
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.