

**Warwickshire and West Mercia Police and Crime Commissioners
Warwickshire and West Mercia Chief Constables**

**Joint Audit Committee
21 January 2019**

Progress against 2018/19 Internal Audit Plan

Report by the Head of Internal Audit

Summary

This report summarises progress against the agreed Internal Audit plan and proposes changes to the plan as a result of unplanned work, and other issues, arising during the year.

Recommendation

The Committee is requested to note the report.

1. This brief report summarises the audit work undertaken since the last meeting of the Committee on 17 October 2018 compared to the plans agreed by the Committee and proposes changes to the agreed plan as a result of the work on Telematics which was reported to that meeting.
2. It should however be noted that the Internal Audit plan that is presented to the Committee at the start of the year is only an indicative one as it has to be responsive to changes in risks and hence the individual jobs may vary from the original plan and new jobs may need to be added or jobs deleted or amended.
3. Since the last meeting of the Committee priority has been given to completing the outstanding 2017/18 work, finalising the report on the Telematics Project and progressing the 2018/19 plan.

2017/18 Audits

- At the time of the last meeting the audit team had substantially completed the remaining 2017/18 work and were waiting for management responses to finalise the reports.
- Responses have been received for a number of the draft reports and as a result the following audits have now been finalised:
 - a) Payroll
 - b) Bank Reconciliation
 - c) Payroll self service
 - d) Fleet Management
 - e) Payroll budget forecasting

f) Firearms and Tasers

g) Crime Property

Apart from Fleet Management and Forecasting the details of these audits were reported to the Committee in the 2017/18 Annual Report whilst in draft. The two audits not previously reported in detail are outlined in Appendix A.

- Responses have been received in respect of the Victim Support audit and is awaiting final clearance.
- Unfortunately despite reminders responses have not been received for the following audits:
 - a) IT Active Directory
 - b) IT Database Administration
 - c) Partnerships

The Committee is asked to consider what further action it wishes to take against the managers concerned.

2018/19 Audits

- The unplanned work on the Telematics project is now largely completed. Following the discussion at the last meeting a response has been received from the deputy chief constables. The findings have been agreed but further discussions are needed on the action plan before the report can be finalised. This audit has raised significant issues around projects and contract management generally and necessitates changes to audit plan priorities.
 - An unplanned audit of the accounts of the Police Community Fund has been completed with no issues identified. This audit was required to comply with charity accounting requirements.
 - The audit team has made progress against the 2018/19 plan; Draft Reports for audit work completed on Crime Data Integrity, Medium Term Financial Plan and Regional Organised Crime Unit have been prepared and at the time of writing are in the process of being reviewed and will be issued as drafts before the Committee meeting.
4. An analysis of the time spent during 2018/19 to date is shown at Appendix B. After 8 months, some 221 audit days have been delivered, compared with the annual budget of 365 days, and we are on track to deliver the budgeted days by the end of the financial year.
5. The time spent on jobs brought forward from 2017/18 is higher than planned and of course the telematics audit was unplanned with the total time spent on that job alone exceeding the contingency allocation included in the original plan. On the basis that the audit budget will not be increased priorities have been reassessed and a revised audit plan has been prepared and is included in Appendix B. This is based upon further work being required on significant projects and that the Telematics audit has covered some of the scope of a number of other audits. The revised plan amounts to 367.5 days which is slightly over the budget but there will inevitably be some jobs in progress in at year end, further unplanned work and savings on some jobs may be achievable. On balance we are aiming to deliver the budgeted days in total and for carry forwards to be significantly lower than at 31st March 2018 but this is dependent upon receiving co-operation from management. The announcement on the future of the Alliance means that the plan for the remainder of this year needs to be flexible and further changes in priorities may be required once the position is clearer. Any such changes will be agreed with the Chair.

6. I am aiming to produce a proposed plan for 2019/20 for consideration by the Alliance Governance Group on 13th February 2019 and by this Committee at the 18th March meeting. In view of the long lead in times for the Committee meeting and the uncertainties around the Alliance the plan is likely to require revising in the new financial year.
7. Responsibility for implementing agreed recommendations rests with the chief executives and chief constables who have implemented monitoring arrangements to establish progress on implementing audit recommendations. ASI regularly ask managers for a status update and provide information for inclusion in this report. Appendix C summarises the results of the latest monitoring exercise. The table shows all those audits which have recommendations which have still to be implemented. Based upon the original target date agreed with management there are 6 recommendations overdue none of which are classed as fundamental. Overall the picture on implementing recommendations remains positive.

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December 2018

Appendix A: Summary of audits completed since previous report.

Audit	Key findings	Opinion on level of assurance provided by controls	Number of recommendations		
			Fundamental	Significant	Merits Attention
Fleet Management	<p>The objective of this audit was to provide an opinion on the arrangements within the Alliance for the management of the vehicle fleet. Our key concerns include:</p> <ul style="list-style-type: none"> • Formal agreements are not in place with all parties who provide, or are provided service(s) • Vehicle administration routines including checks and mileage sheets are not complied with • Motor Insurance Database is not fully up to date • Procedures for the booking and administration of Pool and Hire vehicles are not complied with 	Moderate	0	3	6
Forecasting	<p>A review of the process followed to prepare the Payroll elements of the Alliance budget and subsequent in year monitoring and forecasting was carried out.</p> <p>There is a robust and logical process in place to prepare the Police Officer and Staff budgets; data is extracted from the Alliance HR and Payroll systems to capture all budgeted posts and their corresponding salary scale points for each Force and adjustments to reflect additional costs or known amendments in year are included to calculate a total budget for Police Staff and Police Officer pay in the year. A number of advisory points made for consideration to enhance the process.</p>	N/A	0	0	0

Appendix B: Status of Internal Audit Workplan 2018/2019 as at end November 2018

Assignment	Original Proposal to AGG / JAC	Original risk rating	Plan agreed by JAC	Actual days to date	Current status	Opinion	Comments / proposed action	Days required to complete	Proposed revised plan - Nov 2018
Transformation Programme including e.g. SAAB, in car media.	25	H							
Transformation Programme advice	20	H	25	6.5	On hold	n/a	No further work as covered by Telematics and project work.		6.5
Athena post implementation review	20	H							
Corporate governance / decision making including ethics	20	H	20				Defer		
Budget Monitoring/ Management	20	H	20	2	In progress		Complete	18	20
Contract Management	20	H	20				Complete	20	20
Absence Management	20	H	20				Defer		
Crime Property	10	H	15	1.5	In progress		Complete	13.5	15
IT - Cyber security review	10	H							
Project health checks			20	2			Complete	28	30
IT - Mobile device data security review	10	H							
Cloud technology	10	H							
Medium Term Financial Plan	25	H	25	7.5	In progress	n/a	Defer in view of uncertainties following announcement on the Alliance but summarise findings to date.	0.5	8
Business Continuity	20	H	20	22	In progress		Complete	6	28
Vetting	20	H							
GDPR	15	H	15				Complete	15	15
Regional organised crime unit	2	H	3	1	In progress		Complete	1	2
HR	25	H	25				Defer		
Grants -advice	2	H							
Advice - disclosure	2	H							
Advice - Force Management Statement	2	H							
Accounts Payable	20	H	20				Defer		
Payroll	20	H	20				Defer		
Advice - Services to policing/ Alliance funding arrangements/ Fire collaboration	20	H							
Warwickshire - PCC admin process efficiency review	10	H							
Accounts Receivable	15	H	15				Defer		
Crime data integrity		L	15	15.5	In progress		Complete	0.5	16
Sub-total	383		298	58				102.5	160.5
Unplanned Audits									
General contingency			20						
Police community fund				7	Completed	n/a - certification		1	7.5

Telematics KCOM				50	Draft report issued	n/a - investigation	Complete	5 20	54.5 20
Sub-total	0		20	57				26	82
Brought forward audits									
Victim Support				17	Draft report issued	Moderate	}		
Crime Property				1	Final report issued	Substantial			
Financial Systems - Payroll				2	Final report issued	Limited			
Bank Reconciliation				5.5	Final report issued	Substantial			
Financial Systems - Self Service				0.5	Final report issued	Limited			
Fleet Management				20	Final report issued	Limited			
Forecasting				14	Final report issued	n/a - advice			
Firearms				0.5	Final report issued	Moderate			
IT Audit: Asset Management and Configuration				0	Defer				
IT Audit: Active Directory				1	Draft report issued	Moderate			
IT Audit: Database management				9	Draft report issued	Moderate			
Information Management				3	Final report issued	Moderate			
Firearms Licensing				0.5	Final report issued	Substantial			
Procurement				1	Final report issued	Moderate			
Partnerships (2016/17)				0	Draft report issued	Limited			
Provision to finalise all outstanding b/f jobs								3	3
Sub-total	0		0	75				3	78
Management	47		47	31	Required			16	47
	430		365	221				147.5	367.5

Appendix C: Audits with recommendations outstanding

	Number of Recommendations								
Audit	Made	Risk Accepted	Redundant	Implemented	Not yet due to be implemented	Overdue (Months)			Response Rec'd Y/N
						0 to 3	3 to 6	Over 6	
Chief Constables									
Police MASH	10	0	0	0	7	2	1	0	N
Information Management	3	0	0	2	0	0	1 (partly imp)	0	Y
Firearms	11	0	0	2	8 (1 Fundamental)	1	0	0	Y
Procurement	7	0	0	6	0	0	1	0	Y
Police Financial Systems – Self Service	4	0	0	3	1	0	0	0	Y
Police Financial Systems - Payroll	9	0	0	2	7	0	0	0	Y
Police Fleet	9	0	0	6	3	0	0	0	Y
	53	0	0	21	26	3	3	0	