

**Agenda item:**

**West Mercia Joint Audit and Standards Committee Report Summary**

**Meeting Date: 30 March 2021**

**Subject: Progress against 2020/21 Internal Audit Plan**

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**Purpose of the Report:**

**This report summarises progress against the agreed Internal Audit plan to the end of February.**

**Recommendation:**

**The Committee is requested to**

- a. note the report**

## **Progress against 2020/21 Internal Audit Plan**

### **Report by the Head of Internal Audit**

#### **Introduction**

1. This report summarises the audit work undertaken against the Audit Plan 2020/21 agreed by the Joint Audit and Standards Committee on 7 April 2020.

#### **Audit Plan Review and Amendment**

2. It should be noted that the Internal Audit plan agreed at the start of the year is only an indicative one as it has to be responsive to changes in risk and hence the individual jobs may vary from the original plan and new jobs may be added or jobs deleted or amended.
3. The Audit Plan was intended to deliver a programme of assurance audits which would enable end of year Head of Audit opinions to be delivered for West Mercia OPCC and West Mercia Police. Appendix A shows the progress as at the end of February against the plan agreed at the Committee's meeting on 7 April 2020 and shows all coverage including both the Force and OPCC. Despite the challenges faced by COVID 19, we have continued to undertake audits which provide assurance to both clients. Following the termination of the alliance arrangements, where shared services continue some joint testing may still be required.

#### **Work Progress**

4. Since the last report to Committee in November 2020, the 2019/20 planned work has been completed and significant progress has been made on the 2020/21 plan.

#### **2020/21 Audits**

Since the last report to committee, the following final reports have been issued:

- Accounts Payable – Creditors (Opinion: Substantial). It is pleasing to report that the opinion for this audit is Substantial. The latest report includes two action areas, both medium, including issues around removing old users from the system and updating guidance.
- IT Programme and Project Management: (Opinion: Substantial). It is pleasing to report that the opinion for this audit is Substantial. The latest report includes three action areas, two medium and one low, including issues around business cases required for all projects and appropriate processes for monitoring benefits.
- Medium Term Financial Plan (Opinion: Substantial). It is pleasing to report that the opinion for this audit is Substantial. The latest report includes four action areas, two medium and two low, including issues around documenting the scrutiny of the business plans and their approval.

5. A number of audits are in progress and an analysis of the time spent during 2020/21 to date is shown in Appendix A. To the end of February a total of 166.5 audit days have been delivered, compared with the annual plan of 233 days. The impact of COVID delayed the start of some audits in April, and with additional 'lockdowns' during the year, some flexibility has been needed. In order to complete audits without being able to visit the sites necessary, testing has been conducted remotely with officers providing evidence electronically. Audits have continued but these challenges have led to some understandable delays.
6. The key outcome of each audit is an overall opinion on the level of assurance provided by the controls within the area audited. Audits will be given one of four levels depending on the strength of controls and the operation of those controls. The four categories ranging from the lowest to highest are Limited, Moderate, Substantial and Full. The opinion reflects both the design of the control environment and the operation of controls.

### **Progress with Agreed Actions**

7. Responsibility for implementing agreed recommendations rests with the Chief Executive and Chief Constable who have implemented monitoring arrangements to establish progress on implementing audit recommendations. Audit, Risk and Compliance 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 target date agreed with management there are 27 recommendations overdue. Whilst none of these are classed as fundamental, there are 16 "Significant" Medium (M) priority recommendations which are more than 6 months overdue.

## Appendix A: Status of Internal Audit Workplan 2020/2021 as at 28/02/2021

Original Plan Topic	Plan agreed at JASC on 07.04.2020	Actual Days to 28.02.21	Revised Indicative days full year	Current Status	Assurance level	Notes
Absence Management	20	14.5	20	Audit in progress.		Draft report expected by end of March.
Accounts Payable – Creditors	15	12	12	Final Report Issued.	Substantial	
Budget Management	20	2	20	Audit in progress.		Draft report expected by end of March.
Business Continuity	15	15	15	Final Report Issued.	Moderate	
IT Programme and Project Management	15	17.5	17.5	Final Report Issued.	Substantial	Additional time required due the disruption caused by COVID and obtaining the required evidence.
Leadership Development within the Force	20	11	20	Audit in progress.		Draft report expected by end of March.
Payroll	15	9.5	15	Audit in progress.		Draft report expected by end of March.

Original Plan Topic	Plan agreed at JASC on 07.04.2020	Actual Days to 28.02.21	Revised Indicative days full year	Current Status	Assurance level	Notes
PCC Commissioning – Grants	15	3	15	Audit in progress.		Draft report expected by end of April.
PCC Risk Management	10	1	10	Planning		Draft report expected by end of April.
PCC Victim Support	15	4	15	Audit in progress.		Draft report expected by end of April.
Police Seized Property	15	8	15	Planning		Site visit arranged for April.
Strategic and Financial Planning – MTFP	20	16	16	Final Report Issued.	Substantial	
Treasury Management	8	1	1	Deferred to 2021/2022.		
<b>Management and planning</b>	30	25	30			
<b>Previous years:</b>						
Accounts Payable		4		Final Report Issued	Moderate	
Consultants		19		Final Report Issued	Limited	
Risk Management		4		Final Report Issued	Substantial	
	<b>233</b>	<b>166.5</b>	<b>221.5</b>			

### Appendix B: 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 Constable									
Police MASH	10	0	0	8	0	0	0	2 (2L)	Y
Partnerships	7	0	0	6	0	0	0	1 (M)	N
ICT Active Directory	7	0	0	1	0	0	0	6 (6 M)	N
ICT Database Admin and security	9	0	0	0	0	0	0	9(9 M)	N
HR Recruitment, pre employment checks	1	0	0	0	0	0	0	1 (L)	Y
Corporate Governance: Gifts & Hospitality and Declarations of Interests	5	0	0	4	0	0	0	1 (1L)	Y
Consultants	6	0	0	0	5 (4M 1L)	1 (1M)	0	0	
Accounts Payable (2019/20)	8	0	0	2	0	5 (1M 4L)	1 (1M)	0	Y

Audit	Number of Recommendations								
	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	
Business Continuity	7	0	0	0	7 (3M 4L)	0	0	0	N
IT Programme and Project Management	3	0	0	0	3 (2M 1L)	0	0	0	N
Medium Term Financial Plan	4	0	0	0	4 (2M 2L)	0	0	0	N
	<b>67</b>	<b>0</b>	<b>0</b>	<b>21</b>	<b>19</b>	<b>6</b>	<b>1</b>	<b>20</b>	

**Key:** Priority of recommendations, H=High, M= Medium, L=Low