

Agenda item:

West Mercia Joint Audit and Standards Committee Report Summary

Meeting Date: 27 September 2022

Subject: Internal Audit Progress Report

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Purpose of the Report:

This report summarises progress against the agreed Internal Audit plan to the end of August 2022.

Recommendation:

The Committee is requested to

- a. note the report.**

Internal Audit Progress Report

Report by the Head of Internal Audit

Introduction

1. This report summarises the audit work against the 2022-23 Audit Plan, agreed by the Joint Audit and Standards Committee on 28 March 2022.
2. 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.

Audit Plan Review and Amendment

3. 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.
4. The Audit Plan is 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 provides information on each audit completed since the previous update report. Appendix B shows the progress as at the end of August against the plan agreed at the Committee's meeting on 28 March 2022 and shows all coverage including both the Force and OPCC.

Work Progress

5. Good progress is being made against the plan with two audits complete and another eight at planning and fieldwork stages. An analysis of the time spent during 2022/23 to date is shown in Appendix B. To the end of August a total of 124.5 audit days have been delivered, compared with the annual plan of 232 days and we are on track to deliver the budgeted days by the end of the financial year.
6. The following final reports have been issued since the last Committee meeting:
 - Gifts and Hospitality
 - Corporate Governance (DRAFT)

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 at the end of August. The table shows all those audits, which have recommendations still to be implemented. Based upon the target date agreed with management there are 11 recommendations overdue. One of these is classed as "Fundamental" High (H), 6 are "Significant" Medium (M) and 4 "Merits Attention" Low (L). There are 2 "Significant" Medium (M) priority recommendations, which are more than 6 months overdue.

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
2022/23					
Gifts and Hospitality	<p>The scope of this audit included:</p> <ul style="list-style-type: none">• Policies, procedures and processes for declaring Gifts and Hospitality, including those that are not accepted.• The extent to which roles and responsibilities are clearly defined.• Arrangements for collecting, processing and reporting declared interests, gifts and hospitality.• Communication and training across the organisation.• Governance and management of reported information. <p>The audit found:</p> <ul style="list-style-type: none">• The separate approval arrangements for approving and retaining items could be made clearer in the Policy and Procedure documents to avoid confusion.• The audit trail in respect of situations where individuals have been instructed to either return items or pass them on for charitable donations requires strengthening. At present, whilst decisions are detailed on the Register, emails sent to the recipients of items are not always retained.	Substantial	0	2	1

Appendix B: Status of Internal Audit Workplan 2022/2023 as at 27/05/2022

Original Plan Topic	Plan agreed at JASC on 28.03.2022	Actual Days to 02.09.22	Revised Indicative days full year	Current Status	Assurance level	Notes
Cashiers/Cash Handling	10	10.3	10	In Progress		
Consultants (Force)	15	0	15			Limited Opinion in 2021/22
Corporate Governance - Trust and Confidence	20	20	20	Draft Report		
Covert Funds	10	0.2	10	In Progress		
Custody	20	5.6	20	In Progress		
Estates	25	16.5	25	In Progress		This audit was deferred from 2021/22
Firearms Licensing	15	8.7	15	In Progress		
Firearms and Tasers	15	14.7	15	In Progress		
Gifts and Hospitality	10	10.3	10	Complete		
HR Management	15	0.7	15	In Progress		

Original Plan Topic	Plan agreed at JASC on 28.03.2022	Actual Days to 02.09.22	Revised Indicative days full year	Current Status	Assurance level	Notes
ICT - Service desk operation	15	0	15			
Information governance	12	0	12			
Major Projects - Business Operations	20	12	20	In Progress		
Management and planning	30	13.2	30			
Previous years:						
Bank reconciliation		0.5	0.5	Complete		
Contract Management		5.2	5.2	Complete		
Debtors		3.2	3.2	Complete		
Establishment Control		1.9	1.9	Complete		
Information Management - Data Protection Compliance		0.8	0.8	Complete		
Treasury Management		0.7	0.7	Complete		
TOTAL	232	124.5	244.3			

Appendix C: Audits with recommendations outstanding

	Number of Recommendations								
Audit	Made	Risk Accepted	Redundant	Implemented	Not yet due to be implemented	Overdue			Response Rec'd Y/N
						0 to 3	3 to 6	Over 6	
POLICE WEST MERCIA									
Audits completed during 2021/2022									
Fleet Management	2	0	0	1	1	0	0	0	Y
Consultants	5	0	0	0	2	3 (1H 2M)	0	0	Y
Establishment Control	4	0	0	1	3	0	0	0	Y
Bank Reconciliation	3	0	0	2	0	1 (1L)	0	0	Y
Contract Management	6	0	0	1	5	0	0	0	Y
Treasury Management	6	0	0	3	0	3 (3L)	0	0	Y
Debtors	6	0	0	4	0	2 (M)	0	0	Y
Audits completed Prior to 2021/2022									
Seized Property	1	0	0	0	0	0	0	1 (1M)	Y
ICT – Active Directory	7	0	0	6	0	0	0	1 (1M)	Y
Total	40	0	0	18	11	9	0	2	

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