

**Agenda item:**

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

**Meeting Date: 22 January 2024**

**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 December 2023.**

**Recommendation:**

**The Committee is requested to:**

- a. Note the report**
- b. Approve the deferment of the MTFP and Vetting audits**
- c. Approve the inclusion of the Accounts Payable – Creditors audit**

## **Internal Audit Progress Report**

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

#### **Introduction**

1. This report summarises the audit work against the 2023-24 Audit Plan, agreed by the Joint Audit and Standards Committee on 21 March 2023.
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 will 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 December 2023, against the plan agreed by the Committee on 21 March 2023 and shows all coverage including both the Force and OPCC.

#### **Work Progress**

5. Good progress is being made against the 2023/24 plan with five audits completed, one audit at draft report stage and five audits in progress. An analysis of the time spent during 2023/24 to date is shown in Appendix B. To the end of December a total of 158 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. Requests have been received to defer two of the audits in this year's plan, MTFP and Vetting. It has been suggested that MTFP will be replaced by an audit of Accounts Payable.
7. The following final reports have been issued since the last Committee meeting:
  - Absence Management
  - Asset Management – Advisory
  - Business Continuity
  - Force Risk Management
  - PCC Risk Management

### **Progress with Agreed Actions**

8. 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 December. The table shows all those audits, which have overdue recommendations still to be implemented. Based upon the target date agreed with management there are 15 recommendations overdue. None of these are classed as “Fundamental” High (H), however there are 3 “Significant” Medium (M) priority recommendations, which are more than six 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
2023/24					
Absence Management	<p>The scope of the audit includes the following areas:</p> <ul style="list-style-type: none"><li>Governance, Policies &amp; Procedure</li><li>Compliance with Policies &amp; Procedures, including the timeliness of interventions</li><li>Sickness Absence Triggers, identification and action</li><li>Performance Reporting</li></ul> <p>The audit found:</p> <ul style="list-style-type: none"><li>Whilst a review of a sample of 10 absences showed a robust audit trail was in place demonstrating timely and appropriate contact between the absentee and their line manager, there was an exception for a long-term absence. In this case, there was a lack of an audit trail to demonstrate that contact had been made on a frequent basis or that the interventions have had any positive effect. Whilst it is understood there had been an occupational health referral and a home visit, there was no record of this on Origin.</li><li>An instance was noted where an attendance meeting had not been conducted, despite a trigger being reached. In addition, for the case concerned it was understood a support plan was in place, but this was not available during the audit and there was no reference to it in Origin.</li></ul>	Substantial	0	2	1

Audit	Key findings	Opinion on level of assurance provided by controls	Number of recommendations		
			Fundamental	Significant	Merits Attention
Business Continuity	<p>The scope of this audit included:</p> <ul style="list-style-type: none"> <li>• Governance, strategy, policy and procedures</li> <li>• Identification and prioritisation of critical services</li> <li>• Production and testing of strategic and operational plans</li> <li>• Assurance on third party arrangements</li> <li>• Performance monitoring and reporting</li> <li>• Follow Up on Previous Recommendations</li> </ul> <p>The opinion since the last audit of this area in 2019 has improved from Moderate to Substantial, mainly due to the implementation of the previous recommendations and there now being a dedicated team in place to facilitate the programme management of the Business Continuity function and monitor performance.</p> <p>The audit found:</p> <ul style="list-style-type: none"> <li>• The Business Continuity Plan for OPCC Estates has not yet been completed even though progress is routinely reported to and chased by Crisis Management Team</li> <li>• Third Parties are not fully identified, nor are their methods for ensuring effective Business Continuity</li> </ul>	Substantial	0	2	5
Force Risk Management	<p>The scope of the audit included, but was not limited to the following areas:</p> <ul style="list-style-type: none"> <li>• Strategy, Policies and Procedures</li> <li>• Training and support for responsible officers</li> <li>• Identification and evaluation of risks</li> <li>• Management of identified risks</li> <li>• Governance and reporting arrangements</li> </ul>	Substantial	0	0	4

Audit	Key findings	Opinion on level of assurance provided by controls	Number of recommendations		
			Fundamental	Significant	Merits Attention
	<ul style="list-style-type: none"> <li>Linkage to Annual Governance Statements or other reporting framework</li> </ul> <p>The audit found:</p> <ul style="list-style-type: none"> <li>Risk management is not fully embedded within the planning cycle or production of the Annual Governance Statement</li> <li>More detailed risk management information could be captured within the risk registers</li> </ul>				
OPCC Risk Management	<p>The scope of the audit included, but was not limited to the following areas:</p> <ul style="list-style-type: none"> <li>Strategy, Policies and Procedures</li> <li>Training and support for responsible officers</li> <li>Identification and evaluation of risks</li> <li>Management of identified risks</li> <li>Governance and reporting arrangements</li> <li>Linkage to Annual Governance Statements or AN Other external reporting framework</li> <li>Follow Up on previous recommendations</li> </ul> <p>The audit found:</p> <ul style="list-style-type: none"> <li>Risk management is not fully embedded within the planning cycle</li> <li>More detailed risk management information could be captured within the risk registers.</li> </ul>	Substantial	0	1	2



## Appendix B: Status of Internal Audit Workplan 2023/2024 as at 31/12/2023

Original Plan Topic	Plan agreed at JASC on 21.03.2023	Actual Days to 31.12.23	Revised Indicative days full year	Current Status	Assurance level	Notes
Absence Management	15	15.1	15.1	Complete	Substantial	
Asset Management (Advisory)	15	11.1	11.1	Complete	N/A	
Business Continuity	15	18.3	18	Complete	Substantial	
Force Risk Management	10	12.9	12.9	Complete	Substantial	
Information Governance (Annual)	12	0.2	12	In Progress		
Integrated Offender Management (MOSOVO)	20	15.3	20	In Progress		
*MTFP / Budget Setting	0	1.1	1.1	Defer		
*Accounts Payable - Creditors	15	1.4	15	In Progress		
Payroll inc. Overtime	20	21.4	22	Draft	Moderate	
PCC Grants inc Victim Support	20	11.7	20	In Progress		

Original Plan Topic	Plan agreed at JASC on 21.03.2023	Actual Days to 31.12.23	Revised Indicative days full year	Current Status	Assurance level	Notes
PCC Risk Management	10	10	10	Complete		
Performance Management	20	4.7	20	In Progress		
Vetting	15	1.2	1.2	Defer		
Workplace Adjustments	15	0.1	15			
<b>Management and planning</b>	30	10.9	30			
<b>Previous years:</b>						
Consultants		0.4	0.4	Complete	Moderate	
ICT - Service desk operation		14.5	14.5	Complete	Moderate	
Information Governance – Data Protection		0.9	0.9	Complete	Substantial	
Human Resource Management		6.8	6.8	Complete	Substantial	
<b>TOTAL</b>	<b>232</b>	<b>158</b>	<b>242.9</b>			

\* MTFP replaced with Accounts Payable - Creditors

### 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 Months	3 to 6 Months	Over 6 Months	
Audits completed during 2023/2024									
ICT Service Desk (2022/23)	8	0	0	1	5	1 (1M)	1(L)	0	Y
Absence Management	5	0	0	0	0	5(2M 3L)	0	0	Y
Use of Consultants (2022/23)	4	0	0	2	0	0	2(2M)	0	Y
Audits completed prior to 2023/2024									
ICT – Active Directory (2018/19)	7	0	0	6	0	0	0	1 (1M)	Y
Seized Property (2020/21)	1	0	0	0	0	0	0	1 (1L)	Y
Debtors (2021/22)	6	0	0	5	0	0	0	1 (1M)	Y
Fleet (2021/22)	2	0	0	1	0	0	0	1 (1M)	Y
Firearms Licensing	3	0	0	1	0	2(1M 1L)	0	0	Y
Total	36	0	0	16	5	8	3	4	

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