

**POLICE AND CRIME COMMISSIONER FOR HAMPSHIRE AND
HAMPSHIRE CONSTABULARY**

JOINT AUDIT COMMITTEE – 30 JUNE 2014

INTERNAL AUDIT CHARTER AND INTERNAL AUDIT PLAN 2014/15

REPORT OF THE CHIEF INTERNAL AUDITOR

1. PURPOSE

- 1.1 The purpose of this paper is to provide the Joint Audit Committee with a copy of the Internal Audit Charter, which has been updated to reflect the revised terms of reference for the Committee, and the proposed 2014/15 internal audit plan for the Office of the Police and Crime Commissioner (OPCC) and Hampshire Constabulary. These are attached as appendices.

2. RECOMMENDATIONS

This report recommends that:

- 2.1 The Joint Audit Committee considers and makes recommendations as appropriate on the revised Internal Audit Charter and the 2014/15 internal audit plan for the OPCC and Hampshire Constabulary.

3. INTERNAL AUDIT CHARTER

- 3.1 An Internal Audit Charter, meeting the requirements of the Public Sector Internal Audit Standards, was first considered by the Joint Audit Committee and approved by the Police and Crime Commissioner and Chief Constable, in May 2013. It was then revised and re-approved in September 2013 to reflect the change in understanding of the Committee's responsibilities following a review of the relevant statutory documents.
- 3.2 In light of the recent guidance published by the Chartered Institute of Public Finance and Accountancy regarding the operation of audit committees in local authorities and police bodies and the proposals for revisions to the Committee's terms of reference, the Internal Audit Charter has once again been reviewed to ensure consistency.
- 3.3 The updated Internal Audit Charter, with proposed changes marked, is attached as appendix A for consideration.

4. INTERNAL AUDIT PLAN

- 4.1 The internal audit plan for 2014/15, which has been prepared in accordance with the Internal Audit Charter and discussed at joint

liaison meetings with the OPCC and Hampshire Constabulary, is attached at appendix B for consideration. Since that time further discussion about the delivery of the 2013/14 internal audit plan has also resulted in a proposal for 15 days to be carried forward to review the governance arrangements for the Constabulary's change programme and this is also reflected in the 2014/15 plan.

- 4.2 A full list of all the changes to the 2014/15 plan compared to the three year plan reported last year is also attached as appendix C for information. The key changes to the plan compared to previous years arise from the joint working arrangements that Hampshire Constabulary has entered into with Hampshire County Council and Hampshire Fire and Rescue Service. To avoid duplication of effort it is proposed that all three organisations contribute audit days to a joint plan that will provide assurance over the shared arrangements to all parties. This plan is attached at Appendix D for information.
- 4.3 It is also proposed that a generic financial management review is included within the plan each year to review the areas that are still under the direct control of Hampshire Constabulary staff.
- 4.4 The plan also includes a summary of internal audit work planned by the lead Force for each of the current collaborative arrangements. An internal audit protocol for this work was prepared by the Chief Internal Auditors for each Force and approved by the Regional and Bi-Lateral governance boards to avoid duplication of work and ensure that the lead Force provides internal audit assurance to each of the collaborative partners.

5. External Audit Liaison

- 5.1 In the past we have had liaison meetings with the external auditors to discuss national and local audit issues, ensure that duplication is minimised and that reporting to committee is co-ordinated as far as possible and we propose that this arrangement continues in 2014/15 and beyond.

6. Significant Risks

- 6.1 The risk based approach to internal audit work ensures that audit work is directed to key risk areas with individual audit assignments focussing on the key business risks in the area under review.

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APPENDICIES:

Appendix A – Internal Audit Charter

Appendix B – Internal Audit Plan 2014/15

Appendix C – Explanation of changes to the 2014/15 plan

Appendix D – H3 Internal Audit Plan 2014/14