

Police and Crime Commissioner for Hampshire and Hampshire Constabulary	Item 12: Appendix A
Joint Audit Committee	
30 June 2014	
Internal Audit progress report 2013/14	
Report of the Chief Internal Auditor	

1. Opinion definitions

Opinion	Framework of governance, risk management and management control
Substantial assurance	A sound framework of internal control is in place and is operating effectively. No risks to the achievement of system objectives have been identified.
Adequate Assurance	Basically a sound framework of internal control with opportunities to improve controls and/or compliance with the control framework. No significant risks to the achievement of system objectives have been identified.
Limited assurance	Significant weakness identified in the framework of internal control and/or compliance with the control framework which could place the achievement of system objectives at risk.
No assurance	Fundamental weakness identified in the framework of internal control or the framework is ineffective or absent with significant risks to the achievement of system objectives.

2. Status of 'live' reports and those cleared since the last progress report

Audit title	Audit scope	Report date	Audit Sponsor	Audit Assessment		Management Actions (of which are 'high' priority)				
				Original	Current	Reported	Cleared	Pending	Overdue	Not accepted by HC
2012/13										
Firearms licensing	Full scope review – assessment of applications, granting of licences, review and revocation.	23/07/12	DCC	Adequate	Adequate	7(0)	6(0)		1(0)	

Audit title	Audit scope	Report date	Audit Sponsor	Audit Assessment		Management Actions (of which are 'high' priority)				
				Original	Current	Reported	Cleared	Pending	Overdue	Not accepted by HC
				Risk management	Review of arrangements in place for the Strategic Risk Register and those at the level below this. This review did not cover operational police work.	2/05/13	DCC	Limited	Adequate	8(3)
				<i>Testing found that the processes in place for strategic risk management were sound, however issues were identified with the level below this where area reorganisation had left potential gaps.</i>						

Audit title	Audit scope	Report date	Audit Sponsor	Audit Assessment		Management Actions (of which are 'high' priority)				
				Original	Current	Reported	Cleared	Pending	Overdue	Not accepted by HC
Business continuity part two	Follow up of previous report's actions – focused on BC within stations and the roll out of new Emergency Response Boards. This review did not cover operational police work.	27/08/13	DCC	Limited	Limited	4(0)	3(0)		1(0)	
Scientific services (Joint with Hampshire County Council)	Implementation and management of the shared forensic service with HCC.	10/09/13	DCC	Adequate	Adequate	6(6)	6(6)			

Audit title	Audit scope	Report date	Audit Sponsor	Audit Assessment		Management Actions (of which are 'high' priority)				
				Original	Current	Reported	Cleared	Pending	Overdue	Not accepted by HC
2013/14										
Revenue contracts	This audit focused on spend which was under the main tender threshold of £50,000.	26/11/13	CFO to the CC	Adequate	Adequate	6(0)	3(0)	2(0)	1(0)	
Service centre	This audit focused on actions from the previous audit and any system changes.	16/12/13	DCC	Adequate	Adequate	2(0)	2(0)			
Recruitment, pre-employment checks and leavers	This audit covered the recruitment of both police officers and police staff.	17/12/13	Dir of HR	Adequate	Adequate	3(0)	2(0)		1(0)	

Audit title	Audit scope	Report date	Audit Sponsor	Audit Assessment		Management Actions (of which are 'high' priority)				
				Original	Current	Reported	Cleared	Pending	Overdue	Not accepted by HC
Cash collection and banking	The audit looked at cash collection through seized money and over the counter payments within stations along with firearms licensing income. Banking arrangements were also reviewed.	19/12/13	CFO to the CC	Limited	Adequate	12(0)	12(0)			

Audit title	Audit scope	Report date	Audit Sponsor	Audit Assessment		Management Actions (of which are 'high' priority)				
				Original	Current	Reported	Cleared	Pending	Overdue	Not accepted by HC
Supply chain management	This audit consisted of testing to ensure that contracts entered into since April 2013 have been let in accordance with Hampshire Constabulary standing orders.	6/3/14	DCC & CFO to the CC	Substantial	Substantial	0(0)				
Stage 2 transfer	This audit focused on the production of the Stage 2 transfer request submitted to the Home Office.	19/3/14	CFOs to the CC and PCC	Adequate	Adequate	6(3)	6(3)			

Audit title	Audit scope	Report date	Audit Sponsor	Audit Assessment		Management Actions (of which are 'high' priority)				
				Original	Current	Reported	Cleared	Pending	Overdue	Not accepted by HC
Accounts payable	Full scope review – including payments to suppliers and vendor details management.	9/4/14	CFO to the CC	Adequate	Adequate	4(0)	4(0)			
Health and safety	Full scope review – including arrangements for, and review and monitoring of, health and safety.	9/4/14	DCC	Adequate	Adequate	8(0)	1(0)	5(0)	2(0)	
Payroll	This was a full scope review.	15/4/14	CFO to the CC	Adequate	Adequate	4(0)	3(0)		1(0)	

Audit title	Audit scope	Report date	Audit Sponsor	Audit Assessment		Management Actions (of which are 'high' priority)				
				Original	Current	Reported	Cleared	Pending	Overdue	Not accepted by HC
Pro-active fraud work	Substantive testing to confirm that changes to supplier bank details were appropriately supported and actioned.	18/5/14	Head of PSD	No fraud issues identified		2(0)		2(0)		
Shared Services	A joint review with HCC and HFRS focusing on the implementation project for the Integrated Business Centre.	16/5/14	DCC	Substantial	Substantial	0(0)				

Audit title	Audit scope	Report date	Audit Sponsor	Audit Assessment		Management Actions (of which are 'high' priority)				
				Original	Current	Reported	Cleared	Pending	Overdue	Not accepted by HC
Risk management	Full scope review of risk management arrangements over 2013/14.	17/6/14	DCC	Adequate	Adequate	5(1)		5(1)		
Police and Crime Plan	This audit focused on the production and monitoring of the Police and Crime Plan and provision of grants under the Community Safety Fund 2013-14 and the Protecting People and Places Fund 2013-14.	18/6/14	PCC	Substantial	Substantial	0(0)				

3. Internal audit performance

- 3.1 The 2013/14 internal audit plan was prepared in line with the internal audit charter. The original plan totalled 244 days and was revised to 229 days during the year. The revised plan has been delivered in full.
- 3.2 The following revisions to the 2013/14 plan have previously been reported to the JAC and approved by the PCC and Chief Constable:
- new reviews included of the Police and Crime Plan and Stage 2 transfer
 - removal of the Estates Strategy and Risk Management reviews due to the ongoing work being undertaken by the OPCC and CC in these areas. It was agreed that reviews of these areas in 2014/15 would be more appropriate. The planned review of HR Modernisation was also removed from the plan - this was due to cover the new ITrent system, however further roll out of this system has been superseded by the plans in place for Joint Working.
 - due to subsequent concerns over the delays in implementing the new joint approach to risk management in the OPCC and Hampshire Constabulary a decision was taken in December 2013 to reinstate the review of risk management for delivery towards the end of 2013/14.
 - postponement of the Decision Making and Accountability review until 2014/15 to allow time for the significant changes in governance to become embedded within the OPCC and Hampshire Constabulary. Fifteen days have been carried forward to the 2014/15 plan to accommodate this.

4. Rolling work programme

Audit title	Audit Sponsor	Audit Progress				
		Audit Outline issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued
2013/14 Audit Plan						
Health and safety arrangements	DCC	✓	✓	✓	✓	9/4/14
Accounts payable	CFO to the CC	✓	✓	✓	✓	9/4/14
Cash collection and banking (themed review)	CFO to the CC	✓	✓	✓	✓	19/12/13
Treasury management	CFO to the CC	✓	✓	✓	✓	11/8/13
Revenue contracts	CFO to the CC	✓	✓	✓	✓	26/11/13
Recruitment, pre-employment checks and leavers	Dir of HR	✓	✓	✓	✓	17/12/13
Collaboration arrangements – Joint operations	DCC	✓	✓	✓	✓	28/11/13
Service centre	DCC	✓	✓	✓	✓	16/12/13
Shared services (with non-police bodies – Hampshire County Council and Hampshire Fire and Rescue Authority)	DCC	✓	✓	✓	✓	16/5/14
Pro-active fraud work	Head of PSD	✓	✓	✓	✓	18/5/14
Payroll	CFO to the CC	✓	✓	✓	✓	15/4/14

Audit title	Audit Sponsor	Audit Progress				
		Audit Outline issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued
Stage 2 transfer	CFOs to the CC and PCC	✓	✓	✓	✓	19/3/14
Supply chain management	DCC & CFO to the CC	✓	✓	✓	✓	6/3/14
Decision making and accountability	DCC	Postponed to 2014/15				
HR Modernisation/self-service	Dir of HR	Removed from 2013/14 plan				
Police and Crime Plan (scope to include grants to Community Safety Partnerships)	PCC	✓	✓	✓	✓	18/6/14
Estates strategy review	CFO to the CC	Postponed to 2014/15				
Risk management	DCC	✓	✓	✓	✓	17/6/14
National Fraud Initiative	CFO to the CC	N/A	✓	✓	n/a	n/a
2013/14 Collaboration audits						
Information management	Thames Valley	Risk assessed out of Thames Valley plan				
ICT change management	Thames Valley					April 14
ICT collaboration arrangements follow up	Thames Valley					April 14

Audit title	Audit Sponsor	Audit Progress				
		Audit Outline issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued
South East Regional Organised Crime Unit (SEROUCU) collaboration programme governance	Thames Valley					June 2014
South East Regional Organised Crime Unit (SEROUCU)	Sussex	-	-	-	-	Nov 2013

Key to sponsors

PCC	Police and Crime Commissioner
DCC	Deputy Chief Constable
Dir of HR	Director of Human Resources
CFO to the CC	Chief Finance Officer to the Chief Constable
CFO to the PCC	Chief Finance Officer to the Police and Crime Commissioner
Head of PSD	Head of Professional Standards Department