

Police and Crime Commissioner for Hampshire and Hampshire Constabulary

Item 9: Appendix A

Joint Audit Committee

24 September 2014

Internal Audit progress report 2014/15

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)	7(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)	4(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
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)	5(0)		1(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
				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)
Payroll	This was a full scope review.	15/4/14	CFO to the CC	Adequate	Adequate	4(0)	3(0)		1(0)	
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)			

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)
2014/15										
Firearms licensing	Full scope review.	20/6/14	DCC	Adequate	Adequate	4(0)	4(0)			

3. Internal audit performance

3.1 The 2014/15 internal audit plan was prepared in line with the internal audit charter. The plan totals 244 days and there have been no revisions to the plan. To date 23% of the total plan days have been delivered.

4. Rolling work programme

Audit title	Audit Sponsor	Audit Progress				
		Audit Outline issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued
2014/15 Audit Plan						
Seized and found property	DCC	✓	✓			
Firearms licensing	DCC	✓	✓	✓	✓	20/6/14
Commissioning	PCC Chief Exec	✓				
Estates strategy review	CFO to the PCC	Q3				
Change programme	DCC	Q4				
Risk management	DCC & PCC Chief Exec	Q4				
Decision making and accountability	DCC & PCC Chief Exec	Q3				
Development and delivery of the Police and Crime Plan	DCC & PCC Chief Exec	Q2				

Audit title	Audit Sponsor	Audit Progress				
		Audit Outline issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued
Financial management – Client side	CFO to the CC & CFO to the PCC	Q4				
Compliance unit	CFO to the CC	✓	✓	✓		
Insurance costs and compensation	CFO to the CC	✓	✓			
Joint H3 reviews	CFO to the CC & CFO to the PCC	See H3 audit plan below				
Pro-active fraud	Head of PSD	Q3				
National Fraud Initiative	CFO to the CC	n/a	n/a	n/a	n/a	n/a
2014/15 Collaboration audits						
ICT	Thames Valley	n/a	n/a	n/a	n/a	
H3 audit plan						
Governance arrangements		Q3				
ICT review - 1		Q3				
ICT review - 2		Q4				

Audit title	Audit Sponsor	Audit Progress				
		Audit Outline issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued
Recruitment and induction / manage positions and organisation hierarchy		Q3				
OHU / ESL		Q4				
Payroll		Q3				
Payroll technical		✓	✓			
Planning, budgeting and forecasting		Q3				
Accounts receivable		Q3				
Accounts payable		Q3				
Main accounting system (SAP)		✓				
Treasury management		✓	✓			
Procurement – category management		Q4				

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
PCC Chief Exec	Chief Executive of the Office of the Police and Crime Commissioner
Head of PSD	Head of Professional Standards Department