

Police and Crime Commissioner for Hampshire and Hampshire Constabulary

Item 9, Appendix A

Joint Audit Committee

4 December 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
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)	6(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
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)	
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)	4(0)		4(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
				Risk management	Full scope review of risk management arrangements over 2013/14.	17/6/14	DCC	Adequate	Adequate	5(1)

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 to date 45% of the total plan days (excluding H3 work) have been delivered. Although there have been no changes to the overall days the following revisions to the 2014/15 plan have previously been reported to the JAC and approved by the PCC and Chief Constable:

- A new review of OPCC Procurement as requested by the OPCC to ensure compliance with standing orders.
- A new review of the processes surrounding the change of financial and HR systems to SAP under H3 to give assurance over the accuracy of data transfer.

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	✓				
Change programme	DCC	Q4				
Risk management	DCC & PCC Chief Exec	Q4				
Decision making and accountability	DCC & PCC Chief Exec	✓	✓			
Development and delivery of the Police and Crime Plan	DCC & PCC Chief Exec	✓	✓			

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
OPCC Procurement	CFO to the PCC	✓	✓			
Data transfer – to new systems HR/Finance/Payroll	CFO to the CC	✓	✓			
2014/15 Collaboration audits						
ICT	Thames Valley	n/a	n/a	n/a	n/a	
H3 audit plan						
Governance arrangements		Q3				
ICT review - 1		✓	✓	✓		

Audit title	Audit Sponsor	Audit Progress				
		Audit Outline issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued
ICT review - 2		Q4				
Recruitment and induction / manage positions and organisation hierarchy		Q3				
OHU / ESL		Q4				
Payroll		✓	✓			
Payroll technical		✓	✓	✓	✓	
Planning, budgeting and forecasting		✓	✓			
Accounts receivable		Q3				
Accounts payable		✓	✓			
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