

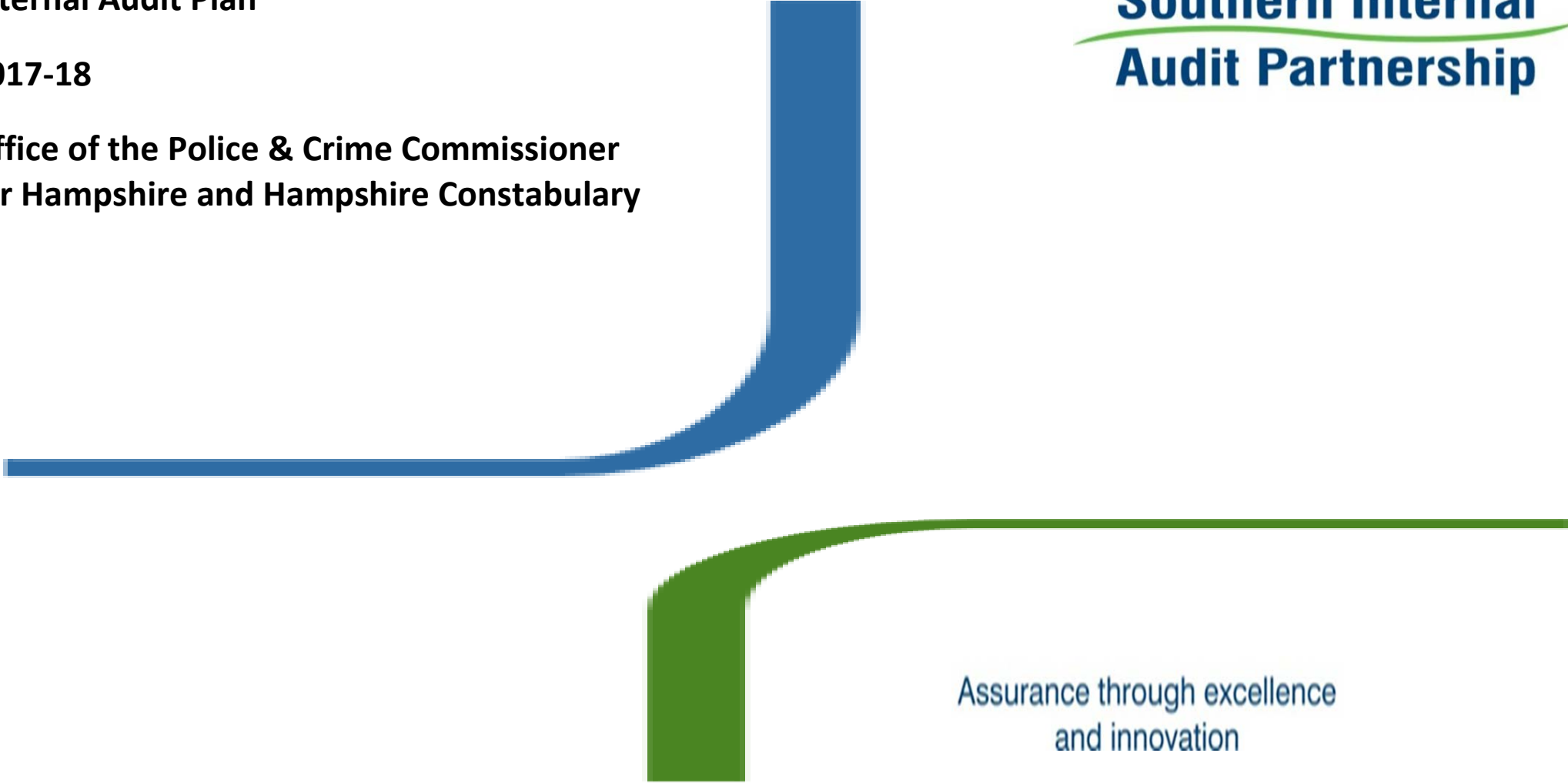
Internal Audit Plan

2017-18

**Office of the Police & Crime Commissioner
for Hampshire and Hampshire Constabulary**

**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation



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Introduction

The role of internal audit is that of an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisations operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

The Police and Crime Commissioner and Chief Constable are responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Police and Crime Commissioner and Chief Constable that these arrangements are in place and operating effectively.

The Police and Crime Commissioner and Chief Constable’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation’s objectives.

The aim of internal audit’s work programme is to provide independent and objective assurance to management, in relation to the business, activities, systems or processes under review that:

- the framework of internal control, risk management and governance is appropriate and operating effectively; and
- risk to the achievement of the organisation’s objectives is identified, assessed and managed to a defined acceptable level.

The internal audit plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of internal audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements.

Internal Audit focus should be proportionate and appropriately aligned. The plan will remain fluid and subject to on-going review and amendment, in consultation with the Joint Audit Committee and delegated representatives of the Police and Crime Commissioner and Chief Constable to ensure it continues to reflect the needs of the organisation. Amendments to the plan will be identified through the Southern Internal Audit Partnership’s continued contact and liaison with those responsible for the governance of the Constabulary and Office of the Police and Crime Commissioner and reported to the Joint Audit Committee in the regular progress reports.

Your Internal Audit Team

Your internal audit service is provided by the Southern Internal Audit Partnership. The team will be led by Karen Shaw, Deputy Head of Southern Internal Audit Partnership, supported by Liz Foster, Audit Manager.

Conformance with internal auditing standards

The Southern Internal Audit Partnership service is designed to conform to the Public Sector Internal Audit Standards (PSIAS). Under the PSIAS there is a requirement for audit services to have an external quality assessment every five years. In September 2015 the Institute of Internal Auditors were commissioned to complete an external quality assessment of the Southern Internal Audit Partnership against the PSIAS, Local Government Application Note and the International Professional Practices Framework.

In selecting the Institute of Internal Auditors (IIA) a conscious effort was taken to ensure the external assessment was undertaken by the most credible source. As the authors of the Standards and the leading Internal Audit authority nationally and internationally the IIA were excellently positioned to undertake the external assessment.

In considering all sources of evidence the external assessment team concluded:

'It is our view that the Southern Internal Audit Partnership (SIAP) service generally conforms to all of these principles. This performance is within the top decile of EQA reviews we have performed. This is a notable achievement given the breadth of these Standards and the operational environment faced by SIAP.'

'There are no instances across these standards where we determined a standard below "generally conforms", and 4 instances where the standard is assessed as "not applicable" due to the nature of SIAP's remit.'

Conflicts of Interest

We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under internal auditing standards.

Organisation Risk

The OPCC and Constabulary have a clear framework and approach to risk management. The strategic risks assessed by the organisations are a key focus of our planning for the year to ensure the internal audit plan meets the organisation's assurance needs and contributes to the achievement of organisation objectives. We will monitor the strategic risk register closely over the course of the year to ensure our plan remains agile to the rapidly changing landscape.

Developing the internal audit plan 2017/18

We have used various sources of information and discussed priorities for internal audit with the following:

- James Payne – Interim OPCC Chief Executive
- Carolyn Williamson – OPCC Chief Finance Officer
- Deputy Chief Constable Sara Glen
- Richard Croucher – Chief Finance Officer to the Constabulary
- Clare Simkin – Head of Organisational Learning, Hampshire Constabulary

Based on these conversations with key stakeholders, review of key corporate documents and our understanding of the organisations the Southern Internal Audit Partnership have developed an annual audit plan for the coming year.

The OPCC and Constabulary are reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not seek to cover all risks and processes. We will however continue to work closely with other assurance providers to ensure that duplication is minimised and a suitable breadth of assurance is obtained.



Internal Audit Plan 2017-18

Audit	Audit sponsor	Risk	Scope	Link to Strategic Risk Register	Proposed Timing
Police audit plan					
Office of the Police and Crime Commissioner – Commissioning	OPCC Chief Executive	Ineffective procedures in place for commissioning services from the OPCC budget resulting in strategic objectives not being met.	To review the processes in place for the new PCC's first commissioning round. This will cover grants, procurement processes and monitoring to ensure that services are delivered to contract specifications.	OPCC 24 OPCC 30	Q1
Workforce development strategy	Deputy Chief Constable	Recruitment and training and development is not in line with the requirements of the Constabulary resulting in a workforce which is not fit for purpose.	To consider whether the Constabulary has controls in place to ensure they are recruiting, training and retaining people with the correct skills to meet current objectives and changing crime profiles.	STR133	Q1
HR reassessment	Chief Finance Officer to the Chief Constable and Chief Finance Officer to the	Ineffectual processes are put in place which do not address the Constabulary's concerns and result in inefficiencies.	To review the changes being made to the Shared Services processes for the Constabulary. This will include a review of the programme governance as well as an early	STR125 STR126	Q3

Audit	Audit sponsor	Risk	Scope	Link to Strategic Risk Register	Proposed Timing
	Police and Crime Commissioner		review of live operations to ensure systems are operating as intended.		
Collaboration arrangements – Contact management	Deputy Chief Constable	Lack of appropriate project management and governance leading to failure of the project and reputational damage.	To review the project management arrangements - the lead for this project has recently moved to Hampshire from Thames Valley Police.		Q4
Risk management	Deputy Chief Constable	Organisational risks are not identified and managed appropriately leading to a failure to meet strategic objectives.	To review arrangements due to staffing changes and potential process changes in this area.		Q3
Procurement	Chief Finance Officer to the Chief Constable and Chief Finance Officer to the Police and Crime Commissioner	Non compliant / ineffective procurement processes exposing the organisation to reputational / financial risk.	To cover the end to end procurement process for OPCC and Constabulary. The scope of this review will also cover contract management arrangements.	STR129 OPCC 34	Q2
Pension auto-enrolment	Chief Finance Officer to the Chief	Ineffective arrangements are in place to prepare for pension auto-enrolment	To review preparedness for re-enrolment of police officers.		Q3

Audit	Audit sponsor	Risk	Scope	Link to Strategic Risk Register	Proposed Timing
	Constable and Chief Finance Officer to the Police and Crime Commissioner	resulting in inappropriate staff being enrolled.			
National Fraud Initiative (NFI)	Chief Finance Officer to the Chief Constable	National initiative which the organisation is statutorily obliged to undertake.	To facilitate NFI.		N/A
Pro-active fraud	Head of PSD	Ineffective procedures to detect / mitigate fraud and irregularity or to promote a zero tolerance culture.	Annual - scope to be agreed.		Q2
TOTAL DAYS	Includes time for Annual Report, planning, progress reports, liaison and advice, attendance at the Police Audit Group conference and contribution towards the Shared Services Audit Plan.			264	
	Days include 20 days carried forward from 2016/17.				

Shared Services Internal Audit Plan 2017-18

Audit	Risk	Scope
Financial Systems		
Payroll		
Payroll support		
Order to cash (OTC)		
Purchase to pay (P2P)		
Main Accounting System (SAP)	Coverage to meet external audit / regulatory requirements	
Treasury management		
Debt Collection		
BACS		
Governance & IT		
Governance arrangements	Compliance with legislative requirements and robust governance arrangements to support the management of information.	Follow up of the 2016/17 review of Information Governance.
Change Control	Uncontrolled / untested system change requests resulting in error or omission	Review of a sample of automated and manual change controls to ensure robust implementation and ongoing effectiveness

Audit	Risk	Scope
Statutory Checks	Non compliance with legislative requirements and safeguarding of staff and visitors	Review of processes in place to monitor and complete statutory health checks i.e. fire, legionella, asbestos etc.
HR		
Recruitment	Recruitment processes are not sufficiently robust and timely to meet recruitment needs or adequately safeguard the recruiting organisation.	Focus on the refined recruitment practices implemented in Q4 of 2016/17
Procurement		
Category management	Ineffective approach and management of product / service categories	Review of procurement categories each year on rotation.
Contract management	Ineffective management of contract performance and delivery	New contract(s) being procured in partnership with HCC, OPCC and HFRS. To review post procurement/ transitioning/ embedding.
Other		
ICT Contingency		
Management	Planning, liaison, reporting, action tracking, external audit liaison, advice	
Total Days		385 Including police plan contribution of 50 days