



Norfolk & Suffolk Police and Crime Commissioners and Chief Constables

Preparing the Internal Audit Work Programme for 2015/16 Onwards

June 2015

Internal Audit Annual Planning Process

INTRODUCTION

This document sets out the internal audit planning process, which has been agreed following discussions with the Chief Finance Officers (CFOs) of the Police and Crime Commissioners (PCC) and Chief Constables for Norfolk and Suffolk.

PROPOSED AUDIT MANAGEMENT

Andrew Townsend the Managing Director for TIAA will act as the Contract Director while Chris Harris, a TIAA Director, will be the Head of Audit for Norfolk and Suffolk PCCs and Chief Constables.

INTERNAL AUDIT PLANNING PROCESS

During the first quarter of 2015/16 Chris Harris (Head of Audit) will liaise with the Chief Finance Officers and others and prepare the following:

Audit Charter: A joint Audit Charter for the Norfolk and Suffolk PCCs and Chief Constables will be prepared. This Charter will set out the roles and responsibilities of internal audit and will include:

- Reporting arrangements;
- Arrangements for sharing of data between the Norfolk and Suffolk PCCs and Chief Constables;
- Content of the Summary Internal Controls Assurance reports for the Chief Finance Officers and the Audit Committees; and
- Any local variations in arrangements required by either Norfolk or Suffolk.

(The Charter is on the Agenda)

Contract Compliance Manual: This Manual will incorporate the specific requirements set out in the Specification and the Terms and Conditions

issued by Norfolk and Suffolk PCCs and Chief Constables. This Manual underpins the Audit Charter by setting out the arrangements by which the undertakings set out in the Audit Charter will be delivered. The Manual will be used the CFOs to assist with contract management and will include:

- Monitoring and reporting on Key Performance Indicators;
- Payment arrangements – particularly in relation to reviews carried out jointly across Norfolk and Suffolk;
- Arrangements for agreement of any changes to the Annual Plan by either Norfolk or Suffolk;
- Reporting arrangements - particularly in relation to reviews carried out jointly across Norfolk and Suffolk;

Audit Protocol: The Head of Audit will liaise with the Audit Partner at EY to agree in principle a joint protocol with the external auditor to avoid any duplication of work. The Protocol will include confirming that:

- Any matters raised in the external auditor's management letters and/or audit highlights memorandum (or similar) are included appropriately in the scope of our reviews;
- Where appropriate sample sizes are agreed with external audit to enable them to place reliance upon our work;
- Regular liaison meetings will be held with the external auditor; and
- Timings of reviews are discussed, and planned at the optimum time for mutual reliance.

(The Protocol will be presented to a future meeting of the Committee)

Handover from incumbent internal auditors: The Head of Audit will liaise with the two Heads of Audit for the previous providers of the internal audit service to the Norfolk and Suffolk PCCs and Chief Constables. Our objective

is to build upon the previous internal audit work, rather than start again. Our approach includes:

- review of previous internal audit work to identify areas of weakness;
- receipt of systems documentation notes and similar; and
- an auditor letter will be issued by TIAA to the previous internal audit providers asking them to identify any matters we should be aware of.

Three Year Strategic Audit Plan & Annual Internal Audit Plan for 2015/16: A combined risk-based audit strategy will be developed to cover the Norfolk and Suffolk PCCs and Chief Constables. The Strategy will include the detailed Annual Internal Audit Plan for 2015/16. As agreed with the Chief Finance Officers, delivery of the Annual Internal Audit Plan for 2015/16 will commence on 1st July 2015 following approval of the Three Year Strategic Plan and Annual Internal Audit Plan for 2015/16 by the respective Audit Committees. We can confirm that we have sufficient resources to complete the Annual Internal Audit Plan for 2015/16 in a nine-month period. The Audit Plan will include:

- Assurance gradings which will be provided;
- Prioritisation of audit recommendations; and
- Identification of Operational Effectiveness Matters.

A copy of the Three Year Strategic Audit Plan 2015/16 to 2017/18 and Annual Internal Audit Plan for 2015/16 is on the Agenda.

Follow up: We will review all of the previous internal audit recommendations that have not been cleared at the time of handover. This ensures we take full ownership of these recommendations. The work will include:

- Reviewing the outstanding previous audit recommendations and carrying out work to assess whether they are still relevant and fit for purpose or require amending to fit the current needs of the PCC and/or Chief Constable;

- With the prior approval of the relevant Chief Finance Officer formally removing any recommendations which are no longer valid;
- Providing a conversion grading for each of the uncleared recommendations which are compatible with our gradings; and
- Input of the recommendations which remain outstanding to the On-line Recommendation Tracker.

Client Portal: The Head of Audit will liaise with the Chief Finance Officers on the arrangements for access and use of the Client Portal.

RELEASE OF REPORT

The table below sets out the history of this report document.

Date report issued:	11 June 2015
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