



Police and Crime Commissioner for Norfolk and Suffolk and Chief Constable of Norfolk and Suffolk Constabularies

Annual Assurance Report 2015/16

Norfolk PCC and CC – Audit Committee: 23 June 2016

Suffolk PCC and CC – Audit Committee: 24 June 2016

June 2016

Internal Audit Annual Report

INTRODUCTION

This is the 2015/16 Annual Report by TIAA on the internal control environment at Norfolk and Suffolk Police and Crime Commissioners (PCCs) and Chief Constables. The annual internal audit report summarises the outcomes of the reviews we have carried out on the organisation's framework of governance, risk management and control. This report is designed to assist the PCCs and Chief Constables in making its annual statement on internal controls assurance.

HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

I am satisfied that sufficient internal audit work has been undertaken to allow me to draw a positive conclusion as to the adequacy and effectiveness of Norfolk and Suffolk Police and Crime Commissioners and Chief Constables risk management, control and governance processes. In my opinion, Norfolk and Suffolk Police and Crime Commissioners and Chief Constables have adequate and effective management, control and governance processes in place to manage the achievement of their objectives.

INTERNAL AUDIT PLANNED COVERAGE AND OUTPUT

The 2015/16 Annual Audit Plan approved by the Audit Committees was for 330 days of internal audit coverage in the year. During the year there were several changes to the Audit Plan and these changes were approved by the Audit Committee.

Of the original planned work four audits were postponed, all other work has been carried out and the reports have been issued (Annex A).

There was no work carried out which was in addition to the work set out in the Annual Audit Plan.

OPERATIONAL ASSURANCE

TIAA carried out 23 reviews, which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve Norfolk and Suffolk Police and Crime Commissioners and Chief Constables objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Details of these are provided in Annex B and a summary is set out below.

Assurance Assessments	Number of Reviews
Substantial Assurance	7
Reasonable Assurance	11
Limited Assurance	3
No Assurance	0

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented.

We made the following total number of recommendations on our audit work carried out in 2015/16. The number in brackets refers to the number of these recommendations which had not been cleared by the year end.

Urgent	Important	Routine
3	50	27

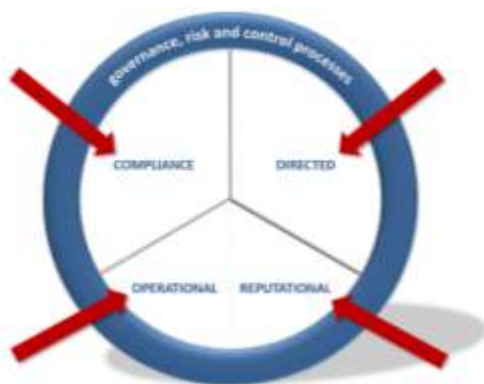
AUDIT SUMMARY

Control weaknesses: There were three areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' or 'no assurance'. Recommendations were made to further strengthen the control environment in these areas and the management responses indicated that the recommendations had been accepted.

Direction of Travel: We have analysed our findings/recommendations by risk area and these are summarised below.

Urgent	Important	Routine
2	27	18

Urgent	Important	Routine
0	17	5



Urgent	Important	Routine
1	6	4

Urgent	Important	Routine
0	0	0

Operational Effectiveness Opportunities: One of the roles of internal audit is to add value and during the financial year we provided advice on opportunities to enhance the operational effectiveness of the areas reviewed and the number of these opportunities is summarised below.

Operational
25

INDEPENDENCE AND OBJECTIVITY OF INTERNAL AUDIT

There were no limitations or restrictions placed on the internal audit service which impaired either the independence or objectivity of the service provided.

PERFORMANCE AND QUALITY ASSURANCE

The following Performance Targets were used to measure the performance of internal audit in delivering the Annual Plan.

Performance Measure	Target	Attained
Completion of Planned Audits	100%	100%*
Audits Completed in Time Allocation	100%	100%
Final report issued within 10 working days of receipt of responses	95%	100%
Compliance with Public Sector Internal Audit Standards	100%	100%

*Four audits postponed to 2016/17 due to client systems implementation

Ongoing quality assurance work was carried out throughout the year and we continue to comply with ISO 9001 standards. An independent external review was carried out of our compliance of the Public Sector Internal Audit Standards (PSIAS) in 2015/16 and in particular to meet the requirement of an independent 5 year review, the outcome confirmed full compliance with all the standards. Our work also complies with the IIA-UK Professional Standards.

RELEASE OF REPORT



The table below sets out the history of this Annual Report.

Date Report issued:	10 June 2016
---------------------	--------------

Annexes

Annex A

Actual against planned Internal Audit Work 2015/16

System	Type	Planned Days	Actual Days	Comments
Records Management Follow Up	Follow up	0	4	
Contract Review	Assurance	12	12	
Police Stations	Assurance	7	7	
Proceeds of Crime	Assurance	15	15	
Estate Management – Maintenance and Repair	Assurance	8	8	
Risk Management – Embedding (the risk culture)	Assurance	12	12	
Risk Management – Risk, Assurance, Issues, Dependencies (RAID) log	Assurance	15	15	
ICT – Cyber Security	Assurance	10	10	
Mobile Devices	Assurance	15	15	
Accounts Payable	Assurance	10	10	
Accounts Receivable	Assurance	10	10	
Purchasing Ordering	Assurance	12	12	
Purchase Cards	Assurance	10	10	
General Ledger	Assurance	10	10	
Information Technology Infrastructure Library (ITIL) Framework Gap Analysis	Assurance	10	10	
ICT – Network Security	Assurance	12	0	Postponed to 2016/17

Governance – Ethical Standards	Assurance	12	12	
HR – Absence Management	Assurance	10	10	
HR - Recruitment	Assurance	12	0	Postponed to 2016/17
Duty Management System	Assurance	15	0	Postponed to 2016/17
Treasury Management	Assurance	10	10	
Capital Expenditure	Assurance	10	10	
Payroll	Assurance	10	10	
Governance – Performance Management	Assurance	15	0	Postponed to 2016/17
ICT – t-Police	Assurance	12	12	
Commissioners Grants/PCC Commissioning	Assurance	18	9	
Follow Up Work	Follow up	8	8	
Contingency		10		
Management of Contract		20	20	
	Total Days	330	261	

Assurance Assessments 2015/16

System	Substantial Assurance	Reasonable Assurance	Limited Assurance	No Assurance
Records Management Follow Up	N/A	N/A	N/A	N/A
Contract Review		✓		
Police Stations		✓		
Proceeds of Crime			✓	
Estate Management – Maintenance and Repair		✓		
Risk Management – Embedding (the risk culture)		✓		
Risk Management – Risk, Assurance, Issues, Dependencies (RAID) log	✓			
ICT – Cyber Security		✓		
Mobile Devices	✓			
Accounts Payable		✓		
Accounts Receivable		✓		
Purchasing Ordering		✓		
Purchase Cards			✓	
General Ledger	✓			
Information Technology Infrastructure Library (ITIL) Framework Gap Analysis		✓		
Governance – Ethical Standards		✓		
HR – Absence Management	✓			
Treasury Management	✓			
Capital Expenditure	✓			
Payroll			✓	

ICT – t-Police		✓		
Commissioners Grants/PCC Commissioning	✓			
Follow Up Work	N/A	N/A	N/A	N/A