



**Norfolk and Suffolk Police and Crime Commissioners and Chief Constables**

**3 Year Strategic Internal Audit Plan 2017/18 to 2019/20 and Annual Internal Audit Plan 2017/18**

**December 2016**

## Three Year Strategic Internal Audit Plan 2017/18 to 2019/20 and Annual Internal Audit Plan 2017/18

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### INTRODUCTION

This Three Year Strategic Internal Audit Plan is drawn up in accordance with the Terms of Reference of TIAA and the requirements of the Public Sector Internal Audit Standards (PSIAS).

### AUDIT STRATEGY

The internal audit programme of work, outlined in the Three Year Strategic Internal Audit Plan, is designed to determine the extent to which Norfolk and Suffolk Police's network of risk management, control and governance processes are adequate and operating in the designed manner.

#### Assessing the audit risk attached to each system

In order to obtain the best use of the internal audit resource it is necessary to assess the risk to Norfolk and Suffolk Police of a failure of the internal controls or absence of appropriate internal controls in each system. This is achieved by a risk analysis model, drawn up by TIAA, which has been used to determine the risk category for each system. The model considers the:

Norfolk and Suffolk Police identified major risks - The Norfolk and Suffolk Police's risk registers lists the business significant risks. Many of these risks relate to external factors where internal audit could have very limited impact. Major risks, which relate to internal factors, have been considered as part of the production of the Three Year Strategic Internal Audit Plan.

Audit risks - This element considers the control risks associated with the operation of an activity. The risk assessments make allowance for previous internal audit reviews carried out, though the extent of the allowance reduces as the elapsed time increases. The risk analysis model also makes allowance for assurances from other external reports e.g. financial

statements auditor. The highest risk areas identified are included in the Three Year Strategic Internal Audit Plan.

Public relations risks - The risk is not just the immediate financial loss that may arise but also the impact of the adverse publicity that may occur from a control failure. In the medium to longer term it is likely that the latter will have the greater adverse impact for Norfolk and Suffolk Police.

#### Determining the period over which all systems will be audited

The internal audit work to be planned over a three year cycle. A cyclical approach to audit work can be used if a system has been subject to an internal audit review, which has indicated that there are effective controls, as it is then not necessary to undertake detailed assurance reviews on that system in each year.

### THREE YEAR STRATEGIC INTERNAL AUDIT PLAN 2017/18 TO 2018/19 AND ANNUAL INTERNAL AUDIT PLAN 2017/18

Annex A sets out the overall template for the rolling review of Norfolk and Suffolk Police's systems of internal control over a three-year cycle. This Three Year Strategic Internal Audit Plan assumes that there is no significant change in the risk assessments or in the operations of Norfolk and Suffolk Police. It also assumes that no significant control weaknesses will be identified by the internal audit reviews. As a consequence TIAA will prepare an Annual Internal Audit Plan in each of the financial years which will modify the Three Year Strategic Internal Audit Plan to take into consideration all known changes.

An Annual Internal Audit Plan will be prepared prior to the start of each financial year (Annex B). The programme of work within the Annual Internal Audit Plan will be in accordance with the Three Year Strategic Internal Audit

Plan and any variations will be agreed with the senior staff at Norfolk and Suffolk Police and will be reported to the Audit Committees.

### **LIAISON WITH THE EXTERNAL AUDITOR**

We will liaise with the External Auditor for Norfolk and Suffolk Police. Any matters in the areas included in an Annual Internal Audit Plan that are identified by the External Auditor in their audit management letters will be included in the scope of the appropriate review.

### **LIMITATIONS AND RESPONSIBILITY**

Internal controls can only provide reasonable and not absolute assurance against misstatement or loss. The limitations on assurance include the possibility of one or more of the following situations, control activities being circumvented by the collusion of two or more persons, human error, or the overriding of controls by management. Additionally, no assurance can be provided that the internal controls will continue to operate effectively in future periods or that the controls will be adequate to mitigate all significant risks that may arise in future.

The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.

Reliance will be placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

The matters raised in the audit reports will be only those that come to the attention of the auditor during the course of the internal audit reviews and are not necessarily a comprehensive statement of all the weaknesses that

exist or all the improvements that might be made. The audit reports are prepared solely for management's use and are not prepared for any other purpose.

### **REPORTING**

**Assignment Reports:** A separate report will be prepared for each review carried out. Each report will be prepared in accordance with the arrangements contained in the Terms of Reference agreed with TIAA and which accord with the requirements of the Public Sector Internal Audit Standards (PSIAS).

**Progress Reports:** Progress reports will be prepared for each Audit Committee meeting. Each report will detail progress achieved to date against the agreed annual plan.

**Annual Report:** An Annual Report will be prepared for each year in accordance with the requirements set out in the PSIAS. The Annual Report will include our opinion of the overall adequacy and effectiveness of Norfolk and Suffolk Police's risk management, control and governance processes.

### **ASSESSMENT OF THE KEY RISK CONTROL OBJECTIVES**

For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks will be provided. The assurance mapping process is set out in Annex C.

### **AUDIT REMIT**

The Audit Remit (Annex D) formally defines internal audit's purpose, authority and responsibility. It establishes internal audit's position within Norfolk and Suffolk Police and defines the scope of internal audit activities.

### **COUNTER FRAUD**

Due consideration is given to the risk of fraud and a number of audits include pro-active counter fraud work. E.g. proceeds of crime, reviewing changes to bank accounts as part of the accounts payable audit, expenses audit.

Therefore a specific allocation of time has not been included within the plan.

**RELEASE OF REPORT**

The table below sets out the history of this plan.

Date plan issued:	December 2016
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## Internal Audit Strategic Plan – 2017/18 – 2019/20

System	Type of	Notes	2016/17	2017/18	2018/19	2019/20
	review					
<b>Strategic</b>						
Governance – Strategic Control, Corporate Governance and Ethics	Assurance			12		10
Governance – Performance Management	Assurance		15		15	
Governance – Transformation and Strategic Planning	Assurance				10	
Governance – Assurance Framework	Assurance		10			
<b>Risk</b>						
Risk Management – Strategy / Policy OPCCs	Assurance		10			
Risk Management – Mitigating Controls	Assurance		15		10	
Risk Management – Business Continuity	Assurance					10
Risk Management – RAID log	Assurance					
<b>ICT</b>						
ICT – Cyber Security	Assurance					12
ICT – ERP / Athena	Assurance			12		
ICT – Exchange 2010/email Archiving	Assurance		12			
ICT – Data Assurance (scope to be determined)	Assurance				12	12
ICT – Website Content	Assurance			12		
ICT – Mobile Device Management (body worn video)	Assurance			12		
ICT – Firewall	Assurance		12			12
ICT – IT Governance	Assurance			12		
ICT – Disaster Recovery	Assurance		12			12
	<b>Type of</b>	<b>Notes</b>				

System	review		2016/17	2017/18	2018/19	2019/20
ICT – Business Continuity	Assurance				12	
ICT - ERP Second/third line support	Assurance		12			
ICT – Software Licensing	Assurance				12	
<b>Finance</b>						
Key Financial Controls (2017/18 - Accounts Receivable, General Ledger, Budgetary Control, Treasury Management, Pensions, Fixed Assets)	Assurance	Financial systems combined for key control testing	30	30	30	30
Payroll, including ERP Reporting	Assurance		10	10		10
Accounts Payable	Assurance			10		10
Accounts Receivable	Assurance				10	
Purchase Ordering	Assurance			10		
Purchase Cards	Assurance		12	10		
General Ledger	Assurance					
Treasury Management	Assurance					
Capital Expenditure	Assurance				10	10
Budgetary Control	Assurance		12			10
Fixed Assets	Assurance				10	
Pensions Administration	Assurance		10			
Overtime, Expenses and Additional Payments	Assurance		16	16	16	
<b>Operational</b>						
Estates Management - Strategy	Assurance				12	
Estates Management – Duty of Care / Cost Allocations	Assurance		12			
Estates Management – Health and Safety	Assurance		12			12
Estates Management – 3i Property Database	Assurance			4		
Estates Management – Facilities / (Catering Suffolk only)	Assurance		6 (Suffolk)		12	

System	Type of	Notes	2016/17	2017/18	2018/19	2019/20
	review					
Estates Management – Building Access and Vehicle Security	Assurance				12	
Estates – Contract management	Assurance			10		
Transport Management - Strategy	Assurance				10	
Transport Management - Procurement	Assurance				10	
Transport Management – Maintenance, Repair, Disposal and Fuel Usage	Assurance		15			15
Transport Management – Use of vehicles	Assurance			8		
HR – Absence Management	Assurance			12		10
HR - Strategy	Assurance		10			
HR – Recruitment	Assurance		12		12	
HR – Learning and Development	Assurance			12		12
HR - ill Health Retirement	Assurance			8		
IM – Audit Team Assessment	Assurance			8		
IM - Data Quality	Assurance			12	12	12
IM - Specified Information Order	Assurance					10
IM - Records Management	Assurance				10	
IM - Freedom of Information / Data Protection / Document Security Management	Assurance		15			12
IM – MOPI Project Implementation	Assurance			10		
Procurement – Single Tender Actions and temporary recruitment	Assurance			10		
Procurement – Compliance with contract standing orders within departments	Assurance			14		12
Complaints	Assurance		10			10
Duty Management System	Assurance		15	8		12
Custody Administration	Assurance			14		
Corporate Communications	Assurance		12			10
Business Interests	Assurance			8		
Collaborations	Assurance		10			10
Firearms Management / Certificates	Assurance		12		12	

	Type of	Notes	2016/17	2017/18	2018/19	
<b>System</b>	review					
<b>Commissioners Grants – (10) Norfolk only / 18 Both</b>	Assurance		10	18	10	10
<b>Proceeds of Crime</b>	Assurance				12	
<b>Safeguarding and investigations</b>	Assurance			10		
<b>Police Stations</b>	Assurance					12
<b>Lone Working</b>	Assurance			10		
<b>Other</b>						
<b>Contingency c/fwd / (b/fwd)</b>	C/fwd	(69)	30	(22)	14	(17)
<b>Follow Up</b>			10	10	10	10
<b>Audit Management (to include: audit planning, client liaison, external audit, annual report, Audit Committee)</b>			20	20	20	20
<b>Totals</b>			399	330	330	330



## Internal Audit Annual Plan – 2017/18

Quarter	Audit	Type	Days	Scope
Q1	Governance – Corporate Governance and Ethics	Assurance	12	<p><u>Scope</u> The review will focus on compliance with CIPFAs new code of corporate governance, issued during 2016/17. Incorporating delivering good governance and embedding governance across the organisations.</p> <p><u>Rationale</u> The PCCs and Constabulary’s are required to comply with new code of corporate governance.</p> <p><u>Lead Officers</u> PCCs and Chief Constables</p>
Q2	ICT ERP / Athena	Assurance	12	<p><u>Scope</u> The focus of the review will be confirmed as the plan develops. This will include process improvements affecting the systems. Possible review of project implementation, key stages and lessons learnt.</p> <p><u>Rationale</u> Key risk area across the organisations.</p> <p><u>Lead Officers</u> Head of ICT</p>
Q1	ICT Website Content	Assurance	12	<p><u>Scope</u> The focus of this review will be confirmed as the plan develops.</p> <p><u>Rationale</u> Key area of risk.</p> <p><u>Lead Officers</u> PCC and Head of ICT</p>

Quarter	Audit	Type	Days	Scope
Q1	ICT Mobile Device Management (body worn video)	Assurance	12	<p><u>Scope</u> The scope of the review will be confirmed as the plan develops.</p> <p><u>Rationale</u> Key area of risk for the business.</p> <p><u>Lead Officers</u> Head of ICT</p>
Q1	ICT Governance	Assurance	12	<p><u>Scope</u> The scope of the review will be confirmed as the plan develops.</p> <p><u>Rationale</u> Key are of risk for the business.</p> <p><u>Lead Officers</u> Head of ICT</p>
Q4	Key Financial Controls (Accounts Receivable, General Ledger, Budgetary Control, Treasury Management, Pensions, Fixed Assets)	Assurance	30	<p><u>Scope</u> The review considers the arrangements for key controls operating within the following systems; Accounts Receivable, General Ledger, Treasury Management, Budgetary Control, Fixed Assets and Pensions.</p> <p><u>Rationale</u> The full audits for the financial systems will be undertaken on a systematic basis.</p> <p><u>Lead Officers</u> Chief Finance Officers</p>
Q3	Payroll, including ERP Reporting	Assurance	10	<p><u>Scope</u> The review will focus on providing assurance around the payroll system, including data input for starters, leavers, changes and ERP reporting.</p> <p><u>Rationale</u> Payroll is a key risk area, with reporting and data assurance being of high risk.</p> <p><u>Lead Officers</u> Chief Finance Officers</p>

Quarter	Audit	Type	Days	Scope
Q3	Accounts Payable	Assurance	10	<p><u>Scope</u> The audit will focus on processing and payment of invoices.</p> <p><u>Rationale</u> This is a key area of risk for the organisations.</p> <p><u>Lead Officers</u> Chief Finance Officers</p>
Q2	Purchase Ordering	Assurance	10	<p><u>Scope</u> The review will focus on open orders, closing down issues, partially completed orders and legacy orders. To verify that internal controls are in place and working to manage the purchase ordering procedures</p> <p><u>Rationale</u> Purchasing can be a vulnerable area prone to risk</p> <p><u>Lead Officers</u> Chief Finance Officers</p>
Q3	Purchase Cards	Assurance	10	<p><u>Scope</u> To examine a number of orders placed to confirm compliance with the Constabularies Purchasing card procedures when goods and/or services are procured. Ensure compliance with operating procedures for Purchasing.</p> <p><u>Rationale</u> A vulnerable area for the Constabulary. Agreed with the CFOs</p> <p><u>Lead Officers</u> Chief Finance Officers</p>
Q2	Overtime, Expenses and Additional Payments	Assurance	16	<p><u>Scope</u> The review considers the arrangements for overtime, expenses and additional payment transactions through CAPITA, DMS, links with ERP, for compliance with policy and procedures. These will include overtime, mileage, car parking, meals, train travel and accommodation.</p> <p><u>Rationale</u> Key Audit risk area.</p>

Quarter	Audit	Type	Days	Scope
				<u>Lead Officers</u> Chief Finance Officers
Q1	Estates – 3i Property Database	Assurance	4	<u>Scope</u> The audit will focus on the implementation of the 3i database. This will incorporate information management. <u>Rationale</u> The new property database is currently being implemented, with information transfer and retention being considered. <u>Lead Officers</u> Head of Estates
Q1	Estates – Contract Management	Assurance	10	<u>Scope</u> The review will focus on the management of estates contracts, including utilities bureau service and bill validation services. <u>Rationale</u> Changes within the estates department increase the risk of continuity in managing contracts. <u>Lead Officers</u> Head of Estates
Q1	Transport Services – Use of Vehicles	Assurance	8	<u>Scope</u> The audit will appraise compliance with policy on the use of vehicles. This will include policy, processes for communicating policy and monitoring compliance. <u>Rationale</u> Vehicles may not be used in accordance with policy. <u>Lead Officers</u> Head of Transport

Quarter	Audit	Type	Days	Scope
Q2	HR – Sickness and Absence Management	Assurance	12	<p><u>Scope</u> The review will appraise the management of sickness and absence across the organisations.</p> <p><u>Rationale</u> This is a key risk area.</p> <p><u>Lead Officers</u> Head of HR</p>
Q1	HR – Learning and Development	Assurance	12	<p><u>Scope</u> The review will focus on learning and development across the organisations. This will include planning, development, record keeping, training, specialist training.</p> <p><u>Rationale</u> This is a key risk area.</p> <p><u>Lead Officers</u> Head of HR</p>
Q1	HR – ill Health Retirement	Assurance	8	<p><u>Scope</u> The audit will appraise the systems in place for managing and processing ill health retirement cases. This will include policy, processes, responsibilities, payments and approvals.</p> <p><u>Rationale</u> There has been an increase in ill health retirement.</p> <p><u>Lead Officers</u> Chief Finance Officers</p>
Q1	Information Management – Audit Team Assessment	Assurance	8	<p><u>Scope</u> The review will appraise the policy and processes in place for the information management audit team. This will include planning, documenting, assessment, review, reporting and implementation of improvements.</p> <p><u>Rationale</u> The audit team has been in operation and would benefit from a peer review of systems and controls.</p> <p><u>Lead Officers</u></p>

Quarter	Audit	Type	Days	Scope
				Head of Information
Q2	Information Management – Data Quality	Assurance	12	<p><u>Scope</u></p> <p>The review will focus on the quality of data across areas of the organisations. This will include data recording and retention on central systems and stand-alone systems, quality of input, focusing initially on data quality for priority reporting systems.</p> <p><u>Rationale</u></p> <p>Data quality is a key area of risk, with new IT systems introduced and numerous data entry points.</p> <p><u>Lead Officers</u></p> <p>Head of Information</p>
Q1	Information Management – MOPI Project Implementation	Assurance	10	<p><u>Scope</u></p> <p>The audit will assess the MOPI project implementation.</p> <p><u>Rationale</u></p> <p>Key area for risk</p> <p><u>Lead Officers</u></p> <p>Head of Information</p>
Q1	Procurement – Single Tender Actions and Temporary Recruitment	Assurance	10	<p><u>Scope</u></p> <p>The audit will focus on single tender actions and temporary recruitment, including use of specialists, in accordance with contract standing orders.</p> <p><u>Rationale</u></p> <p>Key area for risk</p> <p><u>Lead Officers</u></p> <p>Head of Procurement</p>

Quarter	Audit	Type	Days	Scope
Q2	Procurement – Compliance with CSO within departments	Assurance	14	<p><u>Scope</u> The review will assess the procurement processes within departments, compliance with contract standing orders.</p> <p><u>Rationale</u> Key area of risk.</p> <p><u>Lead Officers</u> Head of Procurement</p>
Q1	Duty Management System	Assurance	8	<p><u>Scope</u> The review will follow up on the previous audit, with detailed testing to appraise the effectiveness of the duty resource management system.</p> <p><u>Rationale</u> An important system for the Constabularies</p> <p><u>Lead Officers</u> Director of HR</p>
Q1	Custody Administration	Assurance	14	<p><u>Scope</u> The audit will focus on the processes, coding and systems in operation to manage custody in accordance with protocols.</p> <p><u>Rationale</u> A key area of risk.</p> <p><u>Lead Officers</u> TBA</p>
Q2	Business Interests	Assurance	8	<p><u>Scope</u> The review will assess the policy and processes in place for managing conflicting business interests.</p> <p><u>Rationale</u> Conflicts may arise that impact on service delivery for the constabularies.</p> <p><u>Lead Officers</u> PSD / Chief Finance Officers</p>

Quarter	Audit	Type	Days	Scope
Q2	Safeguarding and Investigations	Assurance	9	<p><u>Scope</u> The audit will assess the policy, procedures and processes operating.</p> <p><u>Rationale</u> Key area of reputational risk.</p> <p><u>Lead Officer</u> TBA</p>
Q2	Lone Working	Assurance	9	<p><u>Scope</u> The review will assess the policy, procedures and processes operating.</p> <p><u>Rationale</u> Key are of reputational risk.</p> <p><u>Lead Officers</u> TBA</p>
Q4	Commissioners Grants – Norfolk and Suffolk	Assurance	18	<p><u>Scope</u> The review will consider the arrangements for the assessing, awarding and compliance monitoring process for the grants issued by the Commissioners.</p> <p><u>Rationale</u> An important area requiring high levels of governance and probity.</p> <p><u>Lead Officers</u> Chief Executives (OPCC)</p>
	Contingency b/fwd		(30)	Only to be used with the express permission of the Chief Finance Officers
Q2 / Q4	Follow up work		10	The review ascertains whether management action has been taken to address the Priority 1 and 2 recommendations arising from internal audit work carried out in the financial year.
1-4	Audit Management		20	This time includes planning, annual report, attendance at Audit Committee meetings, client meetings and overall contract management.
		<b>Total days 2017/18</b>	<b>330</b>	



## Assurance Mapping

### Corporate assurance risks

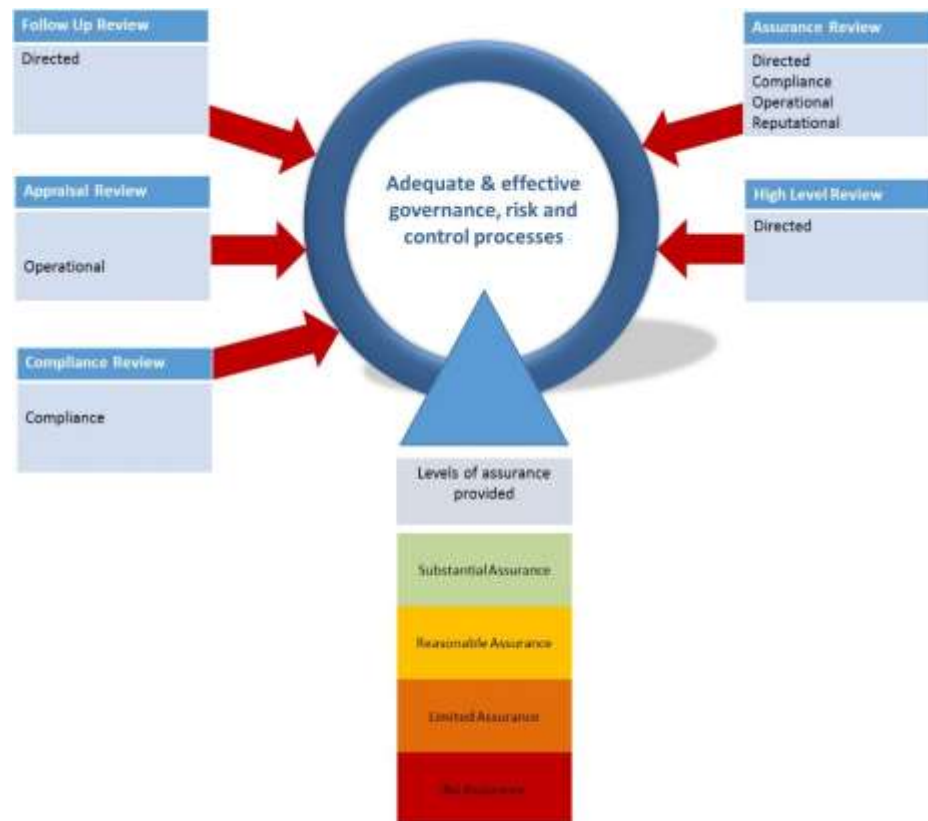
We consider four corporate assurance risks; directed; compliance; operational and reputational. The outcomes of our work on these corporate assurance risks informs both the individual assignment assurance assessment and also the annual assurance opinion statement. Detailed explanations of these assurance assessments are set out in full in each audit report.

### Assurance assessment gradings

We use four levels of assurance assessment: substantial; reasonable, limited and no. Detailed explanations of these assurance assessments are set out in full in each audit report.

### Types of audit review

The Annual Internal Audit Plan includes a range of types of audit review. The different types of review focus on a one or more of the corporate assurance risks. This approach enables more in-depth work to be carried out in the individual assignments than would be possible if all four assurance risks were considered in every review. The suite of audit reviews and how they individually and collectively enable us to inform our overall opinion on the adequacy and effectiveness of the governance, risk and control arrangements is set out in the assurance mapping diagram.



**Directed Risk: Failure to direct the process through approved policy & procedures.**

**Compliance Risk: Failure to comply with approved policy and procedure leads to potential losses.**

**Operational Risk: Failure to identify opportunities to operate more efficiently or to be prepared for forthcoming changes.**

**Reputational Risk: Failure to deliver in a manner that meets the expectations of the organisation.**

## Audit Remit

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### Role

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the Norfolk and Suffolk Police's framework of governance, risk management and control. TIAA is responsible for giving assurance to Norfolk and Suffolk Police's Audit Committees on the adequacy and effectiveness of Norfolk and Suffolk Police's risk management, control and governance processes.

### Scope

All Norfolk and Suffolk Police's activities fall within the remit of TIAA. TIAA may consider the adequacy of controls necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that Norfolk and Suffolk Police's management has taken the necessary steps to achieve these objectives and manage the associated risks. It is not within the remit of TIAA to question the appropriateness of policy decisions. However, TIAA is required to examine the arrangements by which such decisions are made, monitored and reviewed.

TIAA may also conduct any special reviews requested by senior management, audit committee or the nominated officer (being the post responsible for the day to day liaison with the TIAA), provided such reviews do not compromise the audit service's objectivity or independence, or the achievement of the approved audit plan.

### Standards and Approach

TIAA's work will be performed with due professional care, in accordance with the requirements of the PSIAS.

### Access

TIAA has unrestricted access to all documents, records, assets, personnel and premises of Norfolk and Suffolk Police and is authorised to obtain such information and explanations as they consider necessary to form their opinion.

### Independence

TIAA has no executive role, nor does it have any responsibility for the development, implementation or operation of systems. However, it may provide independent and objective advice on risk management, control, governance processes and related matters, subject to resource constraints. For day to day administrative purposes only, TIAA reports to a nominated officer within Norfolk and Suffolk Police and the reporting arrangements must take account of the nature of audit work undertaken. TIAA has a right of direct access to the chair of the Audit Committee and the responsible accounting officer (being the post charged with financial responsibility).

To preserve the objectivity and impartiality of TIAA's professional judgement, responsibility for implementing audit recommendations rests with Norfolk and Suffolk Police's management.

Consultancy activities are only undertaken with distinct regard for potential conflict of interest. In this role we will act in an advisory capacity and the nature and scope of the work will be agreed in advance and strictly adhered to. The objective of any consultancy work is to add value and improve governance, risk management and control processes. Internal audit will never take or assume management responsibility.

### Irregularities, Including Fraud and Corruption

TIAA will without delay report any, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2003 to the nominated officer.

TIAA will be informed when evidence of potential irregularity, including fraud, corruption or any impropriety, is discovered so that he or she can consider the adequacy of the relevant controls, evaluate the implication of the fraud on the risk management, control and governance processes and consider making recommendations as appropriate. The role of TIAA is not to investigate the irregularity unless commissioned to do so.