



Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies

Internal Audit Annual Report

2017/18

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INTRODUCTION

This is the 2017/18 Internal Audit Annual Report by TIAA on the internal control environment at the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies. 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 management in making its annual governance statement.

HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

TIAA is satisfied that, for the areas reviewed during the year, the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies have reasonable and effective risk management, control and governance processes in place. Also, there was evidence to support the achievement of value for money with regard to economy, efficiency or effectiveness of the systems reviewed. This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability which must be obtained by the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies from its various sources of assurance.

INTERNAL AUDIT PLANNED COVERAGE AND OUTPUT

The 2017/18 Annual Audit Plan endorsed by the Audit Committee was for 330 days of internal audit coverage in the year. During the year there were six changes to the Audit Plan and these changes were endorsed by the Audit Committee.

All the planned 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.

ASSURANCE

TIAA carried out 28 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 the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies 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 A and B, a summary is set out below.

Assurance Assessments	Number of Reviews	Previous Year
Substantial Assurance	5	8
Reasonable Assurance	15	12
Limited Assurance	8	5
No Assurance	0	0
Total Reviews	28	25

The areas on which the assurance assessments have been given can only give 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 2017/18. The full details of these are included in Annex C.

Year	Urgent	Important	Routine
2017/18	4	71	39
2016/17	2	54	36
2015/16	3	50	27

AUDIT SUMMARY

Control weaknesses: There were 8 areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' assurance'. Recommendations were made to further strengthen the control environment in these areas and the management responses indicated that the recommendations had been accepted. It is noted that management directed internal audit to the weak areas, to assess the controls and support the organisations to improve on these areas. Action has already commenced on improvements to the control areas, which reduced the overall number of urgent recommendations and supports a positive overall opinion.

Recommendations Made: We have analysed our findings/recommendations by risk area and these are summarised below.

Risk Area	Total	Urgent	Important	Routine
Directed	58	4	29	25

Compliance	51	4	34	13
Operational	5		5	
Reputational				

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.

Year	Operational	No of Audits
2017/18	23	28
2016/17	24	25
2015/16	25	21

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%	96%
Compliance with Public Sector Internal Audit Standards	100%	100%

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 2016 and in particular to meet the requirement of an independent five 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:	15 th May 2018
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Annexes

Annex A

Actual against planned Internal Audit Work 2017/18

System	Type	Planned Days	Actual Days	Audit Committee Reporting	Assurance Assessment	Comments
ICT Mobile Devices	Assurance	10	10	December 2017	Reasonable	
IM Audit Team Assessment	Assurance	8	8	September 2017	Substantial	
Ill Health Retirement	Assurance	8	8	March 2018	Reasonable	
Transport – Use of Vehicles	Assurance	10	10	September 2017	Reasonable	
Estates – Contract Management	Assurance	10	10	September 2017	Substantial	
Purchase Ordering	Assurance	10	10	September 2017	Reasonable	
Temporary Recruitment	Assurance	7	9	March 2018	Reasonable	
CSO Compliance and Single Tender Actions	Assurance	17	17	September 2017	Reasonable	
Business Interests	Assurance	8	8	July 2018	Reasonable	
ICT Governance	Assurance	12	12	May 2018	Reasonable	
IM Data Quality (Athena)	Assurance	12	12	December 2017	Limited	
MOPI Project	Assurance	10	10	July 2018	Limited	

System	Type	Planned Days	Actual Days	Audit Committee Reporting	Assurance Assessment	Comments
Joint PFI – Police Investigation Centres	Assurance	14	14	December 2017	Substantial	
Norfolk PFI (Norfolk only)	Assurance	14	14	December 2017	Substantial	
Overtime, Expenses and Additional Payments	Assurance	14	14	July 2018	Limited	
HR Absence Management	Assurance	12	12	March 2018	Limited	
Purchase Cards (Suffolk)	Assurance	5	5	March 2018	Reasonable	
Purchase Cards (Norfolk)	Assurance	5	5	March 2018	Limited	
Payroll	Assurance	10	10	May 2018	Limited	
Accounts Payable	Assurance	10	10	March 2018	Reasonable	
Corporate Policies	Assurance	10	10	May 2018	Limited	
Learning and Development - Skills	Assurance	12	10	July 2018	Limited	Increase in days for extended scope
Learning and Development – Student Officer Training	Assurance	-	10	July 2018	Reasonable	
Risk Management	Assurance	11	11	May 2018	Reasonable	
Safeguarding and Investigations	Assurance	10	10	July 2018	Reasonable	
Commissioners Grants (Suffolk only)	Assurance	18	13	July 2018	Reasonable	Days decreased as only Suffolk reviewed
Key Financials	Assurance	30	30	July 2018	Substantial	

System	Type	Planned Days	Actual Days	Audit Committee Reporting	Assurance Assessment	Comments
Accounts Receivable Elements of Key Financials	Assurance	--	--	July 2018	Reasonable	
Governance and Ethics	Assurance	12	0	n/a	n/a	Postponed until 2018/19
ICT Data Assurance (GDPR)	Assurance	12	0	n/a	n/a	Postponed until 2018/19
Estates 3i Property Database	Assurance	4	--	n/a	n/a	Cancelled as 3i Database not implemented
ERP / Athena	Assurance	12	--	n/a	n/a	Postponed until 2018/19
Recovered Property	Assurance	10	--			Postponed until 2018/19 due to reorganisation
Follow Up Work	2 / 4	12	12			
Audit Management	1-4	20	20			
Contingency b/fwd		(62)	(62)			
Contingency c/fwd			58			
	Total Days	330	330			

Annex B

Assurance Assessments 2017/18

System	Substantial Assurance	Reasonable Assurance	Limited Assurance	No Assurance
ICT Mobile Devices		√		
IM Audit Team Assessment	√			
Ill Health Retirement		√		
Transport – Use of Vehicles		√		
Estates – Contract Management	√			
Purchase Ordering		√		
Temporary Recruitment		√		
CSO Compliance and Single Tender Actions		√		
Business Interests		√		
ICT Governance		√		
IM Data Quality (Athena)			√	
MOPI Project			√	
Joint PFI – Police Investigation Centres	√			
Norfolk PFI (Norfolk only)	√			
Overtime, Expenses and Additional Payments			√	

System	Substantial Assurance	Reasonable Assurance	Limited Assurance	No Assurance
HR Absence Management			√	
Purchase Cards (Suffolk)		√		
Purchase Cards (Norfolk)			√	
Payroll			√	
Accounts Payable		√		
Corporate Policies			√	
Learning and Development – Skills			√	
Learning and Development – Student Officer Training		√		
Risk Management		√		
Safeguarding and Investigations		√		
Commissioners Grants (Suffolk only)		√		
Key Financials	√			
Accounts Receivable Elements of Key Financials		√		
Total	5	15	8	0

Annex C

Recommendations 2017/18

System	Priority 1 Urgent	Priority 2 Important	Priority 3 Routine	OEM
ICT Mobile Devices	-	4	1	1
IM Audit Team Assessment	-	-	3	2
Ill Health Retirement	-	2	-	-
Transport – Use of Vehicles	-	4	5	2
Estates – Contract Management	-	-	3	2
Purchase Ordering	-	1	-	-
Temporary Recruitment	-	3	4	-
CSO Compliance and Single Tender Actions	-	4	1	2
Business Interests	-	7	1	2
ICT Governance	-	1	-	-
IM Data Quality (Athena)	-	3	1	2
MOPI Project	1	4	-	-
Joint PFI – Police Investigation Centres	-	-	2	-
Norfolk PFI (Norfolk only)	-	-	3	-
Overtime, Expenses and Additional Payments	-	3	1	-

System	Priority 1 Urgent	Priority 2 Important	Priority 3 Routine	OEM
HR Absence Management	1	3	1	1
Purchase Cards (Suffolk)	-	1	1	-
Purchase Cards (Norfolk)	-	4	1	-
Payroll	1	3	0	1
Accounts Payable	-	1	2	-
Corporate Policies	-	4	3	2
Learning and Development - Skills	1	6	-	2
Learning and Development – Student Officer Training	-	2	-	1
Risk Management	-	4	1	-
Safeguarding and Investigations	-	2	1	1
Commissioners Grants (Suffolk only)	-	3	1	1
Key Financials	-	-	2	-
Accounts Receivable Elements of Key Financials	-	2	1	1
Total	4	71	39	23