



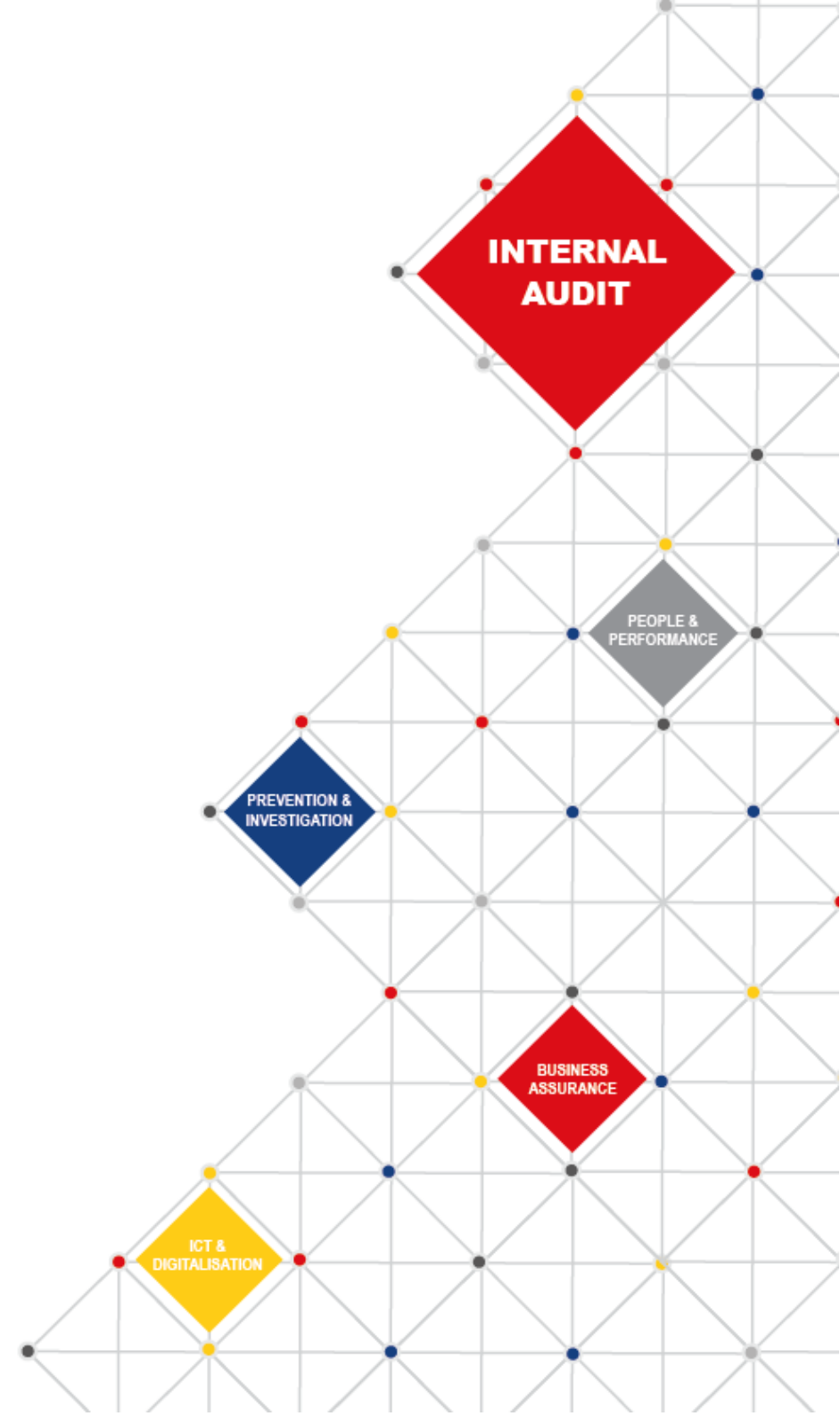
**Police and Crime Commissioners for
Norfolk and Suffolk and Chief Constables
of Norfolk and Suffolk Constabularies**

Internal Audit Annual Report

April 2019

FINAL

2018/19



Internal Audit Annual Report

INTRODUCTION

This is the 2018/19 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 summaries the outcomes of the reviews we have carried out on the organisations frameworks of governance, risk management and control. This report is designed to assist the Constabularies in making their annual governance statements.

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 has reasonable and effective risk management, control and governance processes in place.

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 or your ability to meet financial obligations 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 2018/19 Annual Audit Plan approved by the Audit Committees 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 approved by management and the Audit Committees.

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 23 assurance 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 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 a summary is set out below.

| Assurance Assessments | Number of Reviews | Previous Year |
|-----------------------|-------------------|---------------|
| Substantial Assurance | 2 | 5 |
| Reasonable Assurance | 19 | 15 |
| Limited Assurance | 2 | 8* |
| No Assurance | 0 | 0 |
| Total | 23 | 28 |

*Note: this is a joint report, 8 limited assurances for Norfolk, 7 limited assurances for Suffolk.

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 2018/19.

| Urgent | Important | Routine |
|--------|-----------|---------|
| 1 | 52 | 34 |

AUDIT SUMMARY

Control weaknesses: There were two 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.

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.

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% | 95% |
| 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 9001:2015 standards. An independent external review was carried out of our compliance of the Public Sector Internal Audit Standards (PSIAS) in 2017 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: | April 2019 |
|---------------------|------------|

Annexes

Annex A

Actual against planned Internal Audit Work 2018/19

| System | Type | Planned Days | Actual Days | Assurance Assessment | Comments |
|--|-------------|--------------|-------------|----------------------|---------------------------|
| Strategic Control, Corporate Governance – Conflicts of Interest and Whistleblowing (NSC1901) | Assurance | 10 | 10 | Reasonable | |
| GDPR (NSC1907) | Compliance | 18 | 18 | N/A | Position Statement Issued |
| Fixed Assets (NSC1911) | Assurance | 10 | 10 | Substantial | |
| Allowances (NSC1912) | Assurance | 14 | 14 | Limited | |
| Duty Management System (NSC1916) | Assurance | 14 | 14 | Limited | |
| Vetting (NSC1917) | Assurance | 10 | 10 | Reasonable | |
| Stations, including building access and vehicle security (NSC1922) | Assurance | 14 | 14 | Reasonable | |
| Proceeds of Crime (NSC1927) | Assurance | 10 | 10 | Reasonable | |
| Lone Working (NSC1929) | Assurance | 10 | 10 | Reasonable | |
| Capital Programme (NSC1910) | Assurance | 10 | 10 | Reasonable | |
| Establishment, Capacity, Recruitment and Retention (NSC1915) | Assurance | 15 | 15 | Reasonable | |
| Enact Replacement Project (NSC1906) | Assurance | 12 | 12 | Reasonable | |
| Estates Strategy and Policies (NSC1921) | Assurance | 6 | 6 | Reasonable | |
| Ethical Standards (Relationships Conduct) (NSC1930) | Assurance | 10 | 10 | Reasonable | |
| Risk Management – Embedding/Development (NSC1903) | Assurance | 10 | 12 | Reasonable | |
| Commissioners Grants (NSC1904) | Assurance | 18 | 18 | Substantial | |
| ERP Disaster Recovery (NSC1913) | Operational | 0 | 12 | N/A | Position Statement Issued |
| Transport Strategy (NSC1918) | Assurance | 6 | 6 | Reasonable | |

| | | | | | |
|---|-------------------|-------------|-------------|------------|--|
| Transport Procurement (NSC1919) | Assurance | 9 | 9 | Reasonable | |
| Purchase Cards (NNSC1923) Norfolk only | Assurance | 6 | 6 | Reasonable | |
| Control Room (NSC1924) Norfolk only | Assurance | 14 | 14 | Reasonable | |
| Control Room (NSC1925) Suffolk only | Assurance | 14 | 14 | Reasonable | |
| Key Financial Systems (NSC1909) | Assurance | 30 | 30 | Reasonable | |
| Telematics and Fuel Usage (NSC1920) | Assurance | 12 | 16 | Reasonable | |
| Recovered Property (NSC1928) | Assurance | 10 | 10 | Reasonable | |
| Website Content / Cad Grazing | | 12 | 0 | N/A | |
| MOPI Project Implementation follow up | | 4 | 0 | N/A | |
| Transformation & Strategic Planning with Business Cases | | 12 | 0 | N/A | |
| Custody Administration | | 14 | 0 | N/A | |
| Cyber Security – Maturity Assessment | | 10 | 0 | N/A | |
| Records Management | | 12 | 0 | N/A | |
| Follow up of previous recommendations | | 12 | 12 | | |
| Management | | 20 | 20 | | |
| Total Days Planned | | 388 | 342 | | |
| Annual Plan Days | | 330 | 330 | | |
| Contingency b/fwd | | 58 | 58 | | |
| Contingency (c/fwd) | | (34) | (46) | | |
| | Total Days | 330 | 330 | | |

Assurance Assessments 2018/19

| System | Substantial Assurance | Reasonable Assurance | Limited Assurance | No Assurance |
|--|-----------------------|----------------------|-------------------|--------------|
| Strategic Control, Corporate Governance – Conflicts of Interest and Whistleblowing (NSC1901) | | √ | | |
| GDPR (NSC1907) | | | | |
| Fixed Assets (NSC1911) | √ | | | |
| Allowances (NSC1912) | | | √ | |
| Duty Management System (NSC1916) | | | √ | |
| Vetting (NSC1917) | | √ | | |
| Stations, including building access and vehicle security (NSC1922) | | √ | | |
| Proceeds of Crime (NSC1927) | | √ | | |
| Lone Working (NSC1929) | | √ | | |
| Capital Programme (NSC1910) | | √ | | |
| Establishment, Capacity, Recruitment and Retention (NSC1915) | | √ | | |
| Enact Replacement Project (NSC1906) | | √ | | |
| Estates Strategy and Policies (NSC1921) | | √ | | |
| Ethical Standards (Relationships Conduct) (NSC1930) | | √ | | |
| Risk Management – Embedding/Development (NSC1903) | | √ | | |
| Commissioners Grants (NSC1904) | √ | | | |
| ERP Disaster Recovery (NSC1913) | | | | |
| Transport Strategy (NSC1918) | | √ | | |
| Transport Procurement (NSC1919) | | √ | | |
| Purchase Cards (NNSC1923) Norfolk only | | √ | | |
| Control Room (NSC1924) Norfolk only | | √ | | |
| Control Room (NSC1925) Suffolk only | | √ | | |
| Key Financial Systems (NSC1909) | | √ | | |

| System | Substantial Assurance | Reasonable Assurance | Limited Assurance | No Assurance |
|-------------------------------------|-----------------------|----------------------|-------------------|--------------|
| Telematics and Fuel Usage (NSC1920) | | √ | | |
| Recovered Property (NSC1928) | | √ | | |
| Total | 2 | 19 | 2 | 0 |

Annex C

Recommendations 2018/19

| System | Priority 1 Urgent | Priority 2 Important | Priority 3 Routine | OEM |
|--|-------------------|----------------------|--------------------|-----|
| Strategic Control, Corporate Governance – Conflicts of Interest and Whistleblowing (NSC1901) | 0 | 4 | 0 | 3 |
| GDPR (NSC1907) | - | - | - | - |
| Fixed Assets (NSC1911) | 0 | 0 | 0 | 0 |
| Allowances (NSC1912) | 1 | 2 | 0 | 0 |
| Duty Management System (NSC1916) | 0 | 9 | 2 | 0 |
| Vetting (NSC1917) | 0 | 4 | 2 | 0 |
| Stations, including building access and vehicle security (NSC1922) | 0 | 5 | 6 | 3 |
| Proceeds of Crime (NSC1927) | 0 | 3 | 2 | 0 |
| Lone Working (NSC1929) | 0 | 3 | 5 | 0 |
| Capital Programme (NSC1910) | 0 | 1 | 2 | 0 |
| Establishment, Capacity, Recruitment and Retention (NSC1915) | 0 | 4 | 5 | 7 |
| Enact Replacement Project (NSC1906) | 0 | 2 | 1 | 1 |
| Estates Strategy and Policies (NSC1921) | 0 | 1 | 1 | 0 |
| Ethical Standards (Relationships Conduct) (NSC1930) | 0 | 3 | 0 | 0 |
| Risk Management – Embedding/Development (NSC1903) | 0 | 0 | 0 | 0 |
| Commissioners Grants (NSC1904) | 0 | 0 | 3 | 2 |
| ERP Disaster Recovery (NSC1913) | - | - | - | - |
| Transport Strategy (NSC1918) | 0 | 2 | 2 | 7 |
| Transport Procurement (NSC1919) | 0 | 1 | 1 | 0 |
| Purchase Cards (NNSC1923) Norfolk only | 0 | 0 | 0 | 0 |
| Control Room (NSC1924) Norfolk only | 0 | 2 | 0 | 2 |
| Control Room (NSC1925) Suffolk only | 0 | 2 | 0 | 2 |
| Key Financial Systems (NSC1909) | 0 | 3 | 1 | 0 |

| System | Priority 1 Urgent | Priority 2 Important | Priority 3 Routine | OEM |
|---|-------------------|----------------------|--------------------|-----------|
| Telematics and Fuel Usage (NSC1920) | 0 | 1 | 1 | 1 |
| Recovered Property (NSC1928) – report still to be finalised, client delay | - | - | - | - |
| Total | 1 | 52 | 34 | 25 |