

Warwickshire Joint Audit and Standards Committee Report Summary

Meeting Date: 28th September 2021

Subject: Internal Audit Update Report

Contact details: Paul Clarke – Head of Audit

Tel: 01926 412897

Email: paulclarkere@warwickshire.gov.uk

Purpose of the report:

This report summarises progress towards completion of the agreed Internal Audit plan 2021/22 and provides an update on the implementation of agreed recommendations.

Recommendation:

The Committee is requested to note the report.

Background:

Paragraphs 13-20 of the JASC Terms of Reference, set out the Committee's responsibilities in relation to Internal Audit. In particular this includes consideration of the progress of internal audit activity against the audit plan and the level of assurance it can give over corporate governance arrangements.

Executive summary:

Since the July 2021 update, and the substantial completion of the remaining 2020/21 audits, work has commenced on the delivery of the agreed audit plan 2021/22. This is following a schedule which has been agreed for the completion of 2021-22 work over the remainder of the year.

Analysis of the overdue actions arising from Internal Audit work shows some progress in completing long outstanding items relating to IT controls. It will be important to ensure that as the new IT provision is put in place robust controls are included in the design and then implemented.

Internal Audit Update Report September 2021

Report by the Head of Internal Audit

Introduction

1. This report summarises the audit work progress since the July 2021 update report. The key outcome of each audit is an overall opinion on the level of assurance provided by the controls within the area audited. Audits are given one of four levels depending on the strength of controls and the operation of those controls. The four categories ranging from the lowest to highest are Limited, Moderate, Substantial and Full. The opinion reflects both the design of the control environment and the operation of controls.

Work Progress

2020/21 Audits

2. Work has been finalised on the following:

- Use of consultants – Evolve programme

Appendix A provides an overview of the above completed audit, showing the key findings and data on the recommendations.

The final audit which is Treasury Management has been issued in draft and will be finalised once the management response has been received and the action plan is agreed.

2021/22 Audits

3. Appendix B shows the progress against the agreed plan and shows all coverage including both the PCC and the force. An analysis of the time spent is shown in the Appendix.
4. A total of 59 audit days have been delivered to the end of August. Whilst most time was directed to 2020/21 work in Q1, the focus is now on delivery of the agreed plan for 2021/22. Work is progressing based on the indicative quarterly plan as summarised below.

Q2 (July – September)

- PCC – Commissioned Services
- PCC – MoJ sign off
- Force – Budget management
- Force – Business continuity

Q3 (October – December)

- PCC – Complaints
- Force – Key financial systems
- Force – Estates

Q4 (January – March)

- Force – Information governance
- Force – Performance management

The review of 'Change Programme Governance' is intended to continue to look at this throughout the year providing real time assurance in a critical friend capacity.

Progress with Agreed Actions

5. Responsibility for implementing agreed recommendations rests with the Chief Executive and Chief Constable who have implemented monitoring arrangements to establish progress on implementing audit recommendations. Analysis and Service Improvement (ASI) regularly ask managers for a status update and provide information for inclusion in this report.
6. Appendix C summarises the results of the latest monitoring exercise. The table shows all those audits that have recommendations which are still to be implemented. Based upon the target date agreed with management there are 6 recommendations overdue. There are 4 recommendations which are more than 6 months overdue. It is pleasing to note that some progress has been made since the last report in completing outstanding actions relating to IT systems. The process of separating the former Alliance IT systems continues and the responses and updates indicate that a number of actions have been completed and the remaining actions are gradually being addressed.

Appendix A: Summary of audits completed since previous report.

Audit	Key findings	Opinion on level of assurance provided by controls	Number of recommendations		
			Fundamental	Significant	Merits Attention
Use of Consultants – Evolve Programme	<p>The audit focus was on the use of consultants engaged on the Evolve programme rather than an assessment of the performance or financial management of the programme.</p> <p>Our review has identified some issues relating to the monitoring of consultant's costs, outdated terms and conditions, mandatory training not completed, on-boarding procedure and the Project Management Process, and we have provided moderate assurance. An action plan was agreed and three of the five actions have now been reported as completed, with others in progress.</p>	Moderate	0	2	3

Appendix B: Status of Internal Audit Workplan 2021/22 as at 31/8/21

Original Plan Topic	Original Planned days	Actual Days to 31/8/2021	Current Status	Assurance level	Notes
OPCC AUDITS					
Commissioned services	15	2.8	Planning		Draft TOR submitted
Oversight of complaints	10	0			
Ministry of Justice - independent sign off of return	2	0.7	In progress		
FORCE AUDITS					
Key financial systems	20	0			
Budget management	15	7	Fieldwork underway		
Change programme governance, including ICT	20	2.7	Planning		TOR in discussion
Estates - new internal function	20	0			
Information governance - Force	15	0			
Performance management	15	0			
Business continuity	15	2	Planning		

2020/21 Audits					
Risk Management		1.8	Completed		
Payroll		3.9	Completed		
Human Resources Management		3.7	Completed		
Payroll - Overtime		5.9	Completed		
Treasury Management		10.7	Draft		Awaiting response
Use of Consultants - Evolve		13.1	Completed		
Management and planning	25	5			
TOTAL	172	59.3			

Appendix C: Audits with recommendations outstanding

	Number of Recommendations								
Audit	Made	Risk Accepted	Redundant	Implemented	Not yet due to be implemented	Overdue (Months)			Response Rec'd Y/N
						0 to 3	3 to 6	Over 6	
Police Fleet (2018)	9			8				1M	Y
ICT Active Directory	8			6				2M	Y
Accounts Payable 2019/20	7			6				1M	N
Payroll - Overtime	3			1	1M. 1L				Y
Use of consultants – Evolve programme	5			3		1M, 1L			Y
	32	0	0	24	2	2	0	4	