

Warwickshire Joint Audit and Standards Committee Report Summary

Meeting Date: 29th November 2022

Subject: Internal Audit Update Report

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Purpose of the report:

This report summarises progress towards completion of the agreed Internal Audit plan 2022-23 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 2022 update, work has continued, largely to plan, delivering the agreed audit plan 2022/23. The final audit from 2021/22, on Information Governance (Force) has been finalised with a "Moderate" assurance opinion. Three further 2022/23 audits have been concluded with "Substantial" and "Full" opinions.

Analysis of the actions arising from Internal Audit work shows a generally positive position. The updates show that progress is being made on addressing most actions, although for a small number no update has been provided.

Internal Audit Update Report March 2022

Report by the Head of Internal Audit

Introduction

1. This report summarises the audit work progress since the July 2022 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

2021-22 Audits

2. 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. All work is now complete with the Information Governance report having progressed from draft to final.

2022-23 Audits

Appendix C shows progress against the 2022-23 Audit Plan. Five of the ten planned audits have been finalised and fieldwork is advancing well for two others. The completed audits are:

- Performance Management (Full assurance)
- Firearms Licensing (Substantial assurance)
- Control of firearms and tasers (Substantial assurance)
- Ministry of Justice - independent sign off of return

Overall there has been good progress on the 2022-23 work which puts us in a good position for delivery of the plan within the year.

Progress with Agreed Actions

3. 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.
4. Appendix D summarises the results of the latest monitoring exercise for the Force and PCC. 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 12 recommendations overdue. There are two recommendations which are more than 6 months overdue. These relate to Treasury Management and Fleet Management. The treasury Management action is expected to be complete by the end of December, whilst an update on progress is awaited on Fleet Management.

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
Information Governance (Force 2021-22)	<p>Our review identified some issues relating to Information Management Strategy, outdated policy and procedures, the completion of mandatory courses, the Information Systems register, Data Protection (DP) - previous recommendations not progressed.</p> <p>Our key findings were as follows:</p> <ul style="list-style-type: none"> • The Force does not have an Information Management Strategy (IMS) in place, with the risk that Force fails to comply with statutory legislation, codes, and guidelines. • The Information Assurance Policy makes it mandatory for employees to complete Data Protection Foundation and Managing Info Op/Non-op courses. 501 (22%) had not completed the Data Protection Foundation, and 613 (27%) had not completed Managing Info Op/Non-op; with the risk that the correct process is not followed due to lack of training/guidance. • The Force has an Information Systems/ Asset register in place, however full risk assessment has not been completed for circa 60 key applications that have yet to be fully assured; with the risk that data processing is not 	Moderate	0	4	5

Audit	Key findings	Opinion on level of assurance provided by controls	Number of recommendations		
			Fundamental	Significant	Merits Attention
	<p>compliant with legal and national information management requirements</p> <ul style="list-style-type: none"> A report submitted to the Information Assurance Board (IAB) in December 2020 identified 14 recommendations to support Data Protection compliance and best practice; satisfactory progress has not been made against 8 recommendations; with the risk of failure to comply with the Data Protection Act (DPA) and General Data Protection Regulation (GDPR). 				
Performance Management	<p>Our review identified only minor issues that we have highlighted verbally with management. We are pleased to note that we have identified no reportable control issues and there are no actions for management to consider.</p> <p>It is worth noting that whilst the Performance Management function has greatly improved during the last 18 months or so, the desire for information is always evolving. The business area should continue to keep the dialogue open between A&SI and data users to ensure the demands and needs continue to be met. Additional enhancements that could be made include the pulling together of documents into a more structured procedure type document so all information is held in one place along with the introduction of a rota showing analyst responsibilities each month. It is noted that analysts are given different areas to work on each month to ensure resilience within the team but a formal record of this would only guide and strengthen this even further.</p> <p>Areas of Good Practice</p>	Full	0	0	0

Audit	Key findings	Opinion on level of assurance provided by controls	Number of recommendations		
			Fundamental	Significant	Merits Attention
	We are pleased to note that Analysis & Service Improvement (A & SI) is providing timely information that is appreciated by the two Steering Group Chairpersons contacted during the audit. Both are equally satisfied with the quality and timing of the information as well as the ability to request further information if needed. The data received is helping to have a positive impact on the performance overall and the timeliness is essential in achieving this.				
Firearms Licensing	We noted only one concern, a lack of formal policies and procedures, although there are the Home Office Guides and an APP (Authorised Professional Practise) is currently being produced by the team. We did note that there is an out of date policy on the web site that refers to the Alliance and have been advised that this will be removed.	Substantial	0	0	2
Control of firearms and tasers	We found that there are appropriate arrangements and controls in place with regard to the retention and issue of firearms and tasers, training and authorising officers for Warwickshire Police. Our review identified only some minor issues relating to outdated policy documents, use of the Chronicle system, use of the C88 book and reporting of training.	Substantial	0	1	3

Appendix B: Status of Internal Audit Workplan 2021/22 as at 28/10/22

Original Plan Topic	Original Planned days	Actual Days to 28/10/22	Current Status	Assurance level	Notes
OPCC AUDITS					
Commissioned services	15	15	Completed	Substantial	
Oversight of complaints	10	10	Completed	Moderate	
Ministry of Justice - independent sign off of return	2	2	Completed	N/A	Return certified
FORCE AUDITS					
Key financial systems	20	20	Completed	Moderate	
Budget management	15	15	Completed	Moderate	
Change programme governance, including ICT	20	13	Completed	N/A	Positive assessment against project governance criteria
Estates - new internal function	20	20	Completed	Substantial	
Information governance - Force	15	15	Completed	Moderate	
Performance management	15	0.5	Deferred		Due to availability of client and audit staff for this review, it is agreed to defer this audit.
Business continuity	15	12	Completed	Substantial	

Original Plan Topic	Original Planned days	Actual Days to 28/10/2022	Current Status	Assurance level	Notes
2020/21 Audits					
Risk Management		1.8	Completed	Moderate	2020/21 Opinion
Payroll		3.9	Completed	Substantial	2020/21 Opinion
Human Resources Management		3.7	Completed	Substantial	2020/21 Opinion
Payroll - Overtime		5.9	Completed	Substantial	2020/21 Opinion
Treasury Management		11.1	Completed	Substantial	Completed 2021-22
Use of Consultants - Evolve		13.1	Completed	Moderate	2020/21 Opinion
Management and planning	25	23			
TOTAL	172	185			

Appendix C: Status of Internal Audit Workplan 2022/23 as at 28/10/2022

Original Plan Topic	Original Planned days	Actual Days to 28/10/2022	Current Status	Assurance level	Notes
OPCC AUDITS					
GDPR/ Information governance	12	0.5	Q4		
Publication compliance review	15	15	Completed	Substantial	
Ministry of Justice - independent sign off of return	2	2.5	Completed	N/A	
FORCE AUDITS					
Key financial systems	22	0	Q4		
VFM practice review	15	9.5	In progress		
ICT Cyber security	15	0	Q4		
Performance management	15	15	Completed	Full	
Learning, development and training	20	13.5	In progress		
Firearms Licensing	15	16	Completed	Substantial	
Control of firearms and tasers	15	15	Completed	Substantial	
Management, committee reporting etc.	24	13			
TOTAL	170	100			

Appendix D: 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	
FORCE									
Police Fleet (2018)	9			8				1M	N
Budget Management	6			6					Y
Treasury Management	4			3			0	1	Y
Payroll & Pensions	6			5			1		Y
Estates	6			4	2				Y
Business Continuity	1					1M			Y
Information Governance	9				5	4 (2M)			Y
Key Financial Systems	9			7	1	1			Y
	50	0	0	33	8	6	1	2	
PCC Office									
Publication Compliance	6			2	1	3			Partial
GDPR	1				1				
MOJ Return	1				1				
	8			2	3	3			