

Warwickshire Joint Audit and Standards Committee Report Summary

Meeting Date: 26th September 2023

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 2023-24 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 2023 update, work has continued to deliver the agreed audit plan for 2023/24 and the plan remains on track.

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 September 2023

Report by the Head of Internal Audit

Introduction

1. This report summarises the audit work progress since the July 23 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 2023-24 Plan

Appendix A provides summaries of the audits completed since the last update in July 2023. These are:

- Award and management of grants
- Ministry of Justice - independent sign off of return

Appendix B shows progress against the 2023-24 audit plan and we are in a good position for delivery of the plan within the year. Progress against the plan remains on track with planning and fieldwork progressing well for the following audits:

- Procurement and contract management (Force) – fieldwork work for has been completed and a draft report has been issued.
- Business continuity for Warwickshire Police and the OPCC - the terms of reference have been agreed and is planned to commence at the end of September 2023.
- Recruitment and retention (Force) – terms of reference are at draft stage.

Progress with Agreed Actions

2. 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, along with updates from the OPCC.
3. Appendix C 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 17 recommendations overdue. There is 14 recommendations which are more than 6 months overdue, so this aspect requires attention. The 8 actions relating to the Information Governance audit are currently being reviewed now that a new Head of Information Governance is in post.

Previous audit work on partnerships

4. The committee has requested information on Internal Audit work reviewing partnerships prior to 2022/23. There have been two audits related to this theme:
 - Partnerships – This was an audit during the period of the Alliance and was concluded in 2019. The outcome was Limited assurance and the actions were tracked and reported as completed with the exception of one which was deemed to be superseded by the changed circumstances following termination of the Alliance.
 - Warwickshire Police Alliance Termination and Future Collaboration Arrangements – Report issued July 2020. The focus at the time of the audit was on the termination, with some assurance on the immediate future collaborations. The opinion was of Substantial assurance. The actions have been reported as completed.

It is over three years since an audit was undertaken covering partnership governance and since then there has been a number of changes which mean that the context for decisions and implementation are likely to have changed. It may therefore be an area on which further assurance would be of value and should be considered for a future audit plan.

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
Award and Management of Grants (OPCC)	<p>The OPCC allocates funding to the annual grant scheme. To improve access, the OPCC has implemented a successful online application submission process (SMART SURVEY) for grant recipients to submit applications. We identified areas for improvements relating to performance reporting as part of the grant life cycle. During the 2023/24 grant cycle, performance reporting is to be limited to two grant returns, at mid-October 2023 and year end (March 2024). From review of OPCC Grant reports, we identified there is no narrative or an over-arching statement on how grant funding has achieved value for money. Whilst the post of the Commissioning and Grants Officer has been advertised, there remains the risk that the annual grant process of performance monitoring for the current year could be missed if the appointment is delayed or not made.</p> <p>Other observations related to the need to formalise end to end processes for the timeline of events during the evaluation process identifying which PCP requirement was being achieved, roles and responsibilities and performance reporting.</p>	Substantial	0	2	4
Ministry of Justice Return	As part of The Ministry of Justice (MoJ) annual grant allocation to the OPCC there is a requirement for the OPCC to collate the actual financial spend and a range of quantitative data on the MoJ Victims' services core grant return for submission to the MoJ. The OPCC has simplified the management and collation of service providers submissions; this has improved the overall	Not applicable	0	0	0

Audit	Key findings	Opinion on level of assurance provided by controls	Number of recommendations		
			Fundamental	Significant	Merits Attention
	process and streamlined our review. As part of the return Internal Audit has validated the sign-off the 2022/23 MoJ Victims' services core grant return. Our review proposed and the OPCC Treasurer has agreed that for greater transparency future service providers will be required to complete a detailed schedule of expenditure supporting their financial submission.				

Appendix B: Status of Internal Audit Workplan 2023/24 as at 12/09/2023

Original Plan Topic	Original Planned days	Actual Days to 12/9/2023	Current Status	Assurance level	Notes
OPCC AUDITS					
Business Continuity (OPCC and Force)	20	8	In progress		Q2/3
Award and management of grants	14	14	Completed	Substantial	Planned Q1/2
Ministry of Justice - independent sign off of return	2	2	Completed	N/A	Planned Q1/2
FORCE AUDITS					
Key financial systems	22				Q3/4 cyclical review of key systems, (detail to be agreed, but likely to include budget management and payroll)
Procurement and contract management	25	22	Draft report		Q2
VFM Practice review	15				Q4
Fleet management	25	4	Planning		Q3
Recruitment and retention	22		In progress		Q3/4
Business Continuity (OPCC and Force)					Combined audit (see OPCC above)
Management, committee reporting etc.	25	14			
TOTAL	170	64			

Appendix C: Audits with recommendations outstanding

Audit	Number of Recommendations								
	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				1(M)	Y
Estates	6			5				1(M)	Y
Information Governance	9			1				8(3M)	Y
Learning, development and training	4					1	2(2M)	1	Y
Firearms Licensing	2				2				Y
Firearms and Tasers	4			2				2	Y
	34	0	0	16	2	1	2	13	
PCC Office									
Publication Compliance	6			5				1	Y
Information Governance	4				4				Y
Award and Management of Grants	6				6				Y
	16			5	10			1	