

Warwickshire Joint Audit and Standards Committee Report Summary

Meeting Date: 23rd January 2024

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 September 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 January 2024

Report by the Head of Internal Audit

Introduction

1. This report summarises the audit work progress since the January 24 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 September 2023. These are:

- Procurement and contract management (Force)
- Business continuity for Warwickshire Police and the OPCC

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:

- Recruitment and retention (Force) – at draft report stage
- Fleet Management (Force)- fieldwork near completion
- VFM practice review (Force) – following the planning meeting 20th December 2023 the Terms of Reference is being developed.
- Key Financial Systems (Force) - planning meeting to be arranged to agree scope of review.

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.

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 9 recommendations overdue. There re 6 recommendations which are more than 6 months overdue, so this aspect requires attention. There are 6 actions relating to the Information Governance audit that are currently being reviewed by the Head of Information Governance with a revised implementation date of March 2024.

Planning - 2024-25 Internal Audit Plan

4. We have commenced our planning process for developing the 2024-25 Internal Audit Plan. The plan is developed in consultation with senior managers and takes account of the organisation's aims, strategies, key objectives, associated risks, and risk management processes (as required by the Public Sector Internal Audit Standards). It also takes into account those topics which have not recently been audited or which feature in the PCC / Force risk register or which when last audited received a low opinion. The JASC may wish to suggest areas where it is felt that Internal Audit assurance would be beneficial. A draft plan will be presented at the March 2024 committee.

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
Procurement and Contract Management (Force)	<p>Contracts & Procurement (C&P) undertake to obtain the services, goods, works, or commodities required by an organisation. In early in 2023 C&P implemented the Home Office's <i>Bluelight Commercial (BLC)</i> model; which requires commercial contracts to be risk 'scored'; and subsequently determines the level of contract monitoring and reporting that will be applied.</p> <p>The audit recognised that substantial progress has been made by C&P introducing the BLC Model and engaging with contract managers across the organisation. Whilst all the 16 contracts sampled, that where necessary, appropriate, commercial oversight, governance, consideration of value for money; and market engagement had been undertaken. The Head of Contract & Procurement advised audit that there is not yet consistency in how contract management activities are conducted, and management information shared. As a consequence, there remains the risk of inconsistent application of controls until all business areas are fully onboarded with the process.</p>	Substantial	0	1	0
<i>Business Continuity</i>	<i>The audit identified that there are some critical systems which are shared by the Force and the OPCC; such as financial and payroll systems. We have noted the commitment by both to collaborate and share learning on their</i>	<i>Moderate</i>	<i>0</i>	<i>2</i>	<i>8</i>

Audit	Key findings	Opinion on level of assurance provided by controls	Number of recommendations		
			Fundamental	Significant	Merits Attention
(OPCC and Force)	BCM processes to the benefit of both organisations. Whilst foundational elements of a robust BCM process exist, further support is required from the Programme Management Board to develop and approve a framework to fully embed BCM. Our review has identified issues relating to: a significant number of documents supporting the BCM process not being completed, and a lack of succession planning for the Emergency Planning Officer (EPO) role.				

Appendix B: Status of Internal Audit Workplan 2023/24 as at 12/01/2024

Original Plan Topic	Original Planned days	Actual Days to 12/01/2024	Current Status	Assurance level	Notes
OPCC AUDITS					
Business Continuity (OPCC and Force)	20	20	Completed	Moderate	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	4	Planning		Q3/4 cyclical review of key systems, (detail to be agreed, but likely to include budget management and payroll)
Procurement and contract management	25	25	Completed	Substantial	Q2
VFM Practice review	15	2	Planning		Q4
Fleet management	25	19	In progress		Q3
Recruitment and retention	22	16	In progress		Q3/4
Business Continuity (OPCC and Force)					Combined audit (see OPCC above)
Management, committee reporting etc.	25	18			
TOTAL	170	120			

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	
FORCE									
Police Fleet (2018)	9			8				1(M)	Y
Estates	6			5				1(M)	Y
Information Governance	9			3	6				Y
Learning, development and training	4					1	2(2M)	1	Y
Firearms Licensing	2				2				Y
Firearms and Tasers	4			2				2	Y
Procurement and Contract Management	1			1					
	35	0	0	19	8	1	2	5	
PCC Office									
Publication Compliance	6			6					Y
Information Governance	4					4			Y
Award and Management of Grants	6			5	1				Y
	16			11	1	4	0	0	