

Warwickshire Joint Audit and Standards Committee Report Summary

Meeting Date: 27th March 2024

Subject: Internal Audit Strategy and Plan 2024/25

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Purpose of the report:

This report introduces the proposed Internal Audit Strategy and Plan for 2024/25 which is set out in Appendix 1. The Strategy is supported by the Internal Audit Charter, which is almost unchanged and the Service Level Agreement which covers the working and financial arrangements of the service.

Recommendation:

The Committee is requested to:

1. approve the proposed strategy and plan,
2. approve the audit charter.
3. approve the Service Level Agreement

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 to annually review the internal audit charter and resources and to review the internal audit plan.

Executive summary:

The proposed Internal Audit Plan 2024/25 has been compiled following a review of force and OPCC risks, consideration of sources of assurance and consultation with managers in the force and OPCC. The Plan is for 165 days which in my view is just sufficient to provide an evidence based annual opinion.

Warwickshire Police and Crime Commissioner
Warwickshire Chief Constable
Joint Audit and Standards Committee
27 March 2024

Internal Audit Strategy and Plan 2024/25

Report by the Head of Audit

1. Police and Crime Commissioners (PCCs) and Chief Constables have a duty to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account relevant auditing standards.
2. The role of internal audit is primarily to provide reasonable assurance to the organisation (including managers, the Chief Constable, the PCC and the Joint Audit and Standards Committee) and ultimately the taxpayers that the two policing bodies maintain an effective control environment that enables them to manage its significant business risks. Internal Audit does this by providing risk-based and objective assurance, advice and insight. In addition to providing assurance the audit service also undertakes consultancy and advisory work designed to add value and offer insights that will improve the effectiveness of risk management, control and governance processes e.g. acting as a critical friend when process changes are being developed.
3. To ensure the best use of limited audit resources audit work needs to be carefully planned. In accordance with best practice the audit committee's role is to review and approve the annual internal audit work 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 / Alliance risk register or which when last audited received a low opinion. This year there are a number of important issues including final elements of transition from the Alliance arrangements between Warwickshire and West Mercia and the high profile of police culture on the national stage. In particular this is seen in the need for assurance around ICT and training and development.
4. The plan attached (**Appendix 1**) incorporates a description and diagram of the sources of assurance. The list of potential topics arising from the planning process, was considered by Force and PCC management. The aim is to give a high-level overview of audit areas noting that the detailed scope of some audits will need to be refined during the year. The Committee will also note that as usual it will not be possible to audit each possible topic and some audits will focus on selected key risk areas as there isn't time to cover all aspects. The Committee is able to accept a plan on this basis, provided this matches its "risk appetite" for independent assurance, also recognising that management have the prime accountability for managing processes and risks (and therefore assurances can be obtained directly from them where necessary).
5. Good practice requires us to recognise that the plan should be responsive to changes in risks during the year. Proposed changes and the rationale for these will be reported to the committee through update reports.

6. An Audit Charter is a requirement of the Public Sector Internal Audit Standards and sets out the purpose, authority and responsibility of internal audit. It has to be formally agreed and approved by the organisation and periodically reviewed. The Charter establishes the internal audit activity's position within the organisation, including the nature of the service's functional reporting relationship; authorises access to records, personnel and physical properties relevant to the performance of engagements and defines the scope of internal audit activities. In accordance with best practice the existing Audit Charter has been reviewed to ensure it remains appropriate. It has simply been updated to reflect the external review undertaken by CIPFA in 2023 which confirmed our compliance to the Public Sector Internal Audit Standards (PSIAS). The document is attached for reference (**Appendix 2**).
7. The Internal Audit service is provided through a Service Level Agreement (SLA). The existing document with amendments to reflect changes in budget is attached (**Appendix 3**).

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March 2024