



Agenda Item 09

**JOINT AUDIT COMMITTEE**  
**28<sup>th</sup> September 2017**

**INTERNAL AUDIT ACTIVITY REPORT**

**1. PURPOSE OF REPORT**

- 1.1 To inform the Committee of the progress of Internal Audit activity and summarise the key control issues arising for those audits undertaken for the period June 2017 to date.
- 1.2 To update the Committee on progress in addressing the action plan arising from the self - assessment against the Public Sector Internal Audit Standards (PSIAS).

**2. BACKGROUND**

- 2.1 The Committee's Terms of Reference include a requirement to receive progress reports on the activity of Internal Audit. This report is submitted in accordance with this requirement.
- 2.2 This Activity Report attached at Appendix A also provides the following for members:
  - Summaries of key findings;
  - Recommendations analysis;
  - A performance update; and
  - A progress update on the PSIAS action plan.

**3. RECOMMENDATIONS**

- 3.1 The Committee to consider and note the material findings of the attached Internal Audit Activity Report relating to the 2017/18 Internal Audit Plan.

**CONTACT OFFICER**

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Title: Internal Audit Manager

**BACKGROUND DOCUMENTS**

None

28<sup>TH</sup> September 2017

## **INTERNAL AUDIT ACTIVITY REPORT 2017/18**

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## Introduction

1. The role of the Internal Audit Team is to provide members and managers with independent assurance on the effectiveness of controls that are in place to ensure that the Police and Crime Commissioner and Chief Constable's objectives are achieved. The work of the Team should be directed to those areas and risk which will most impact upon the Police and Crime Commissioner and Chief Constable's ability to achieve these objectives.
2. Upon completion of an audit, an assurance opinion is given on the soundness of the controls in place. The results of the entire audit programme of work are then summarised in an opinion in the Annual Internal Audit Report on the effectiveness of controls within the organisation.
3. This Activity report provides members of the Joint Audit Committee with a summary of the Internal Audit work undertaken, together with a summary of audit opinions, during the period 1<sup>st</sup> June 2017 to date.
4. The audit report also summarises the key findings from those reviews where an audit opinion of "Minimal" or "Limited" Assurance has been assigned. Explanations of the levels of assurance are given in **Appendix 1**.

## Progress Summary

5. An audit opinion is provided as part of each Internal Audit report. It is derived from the work undertaken during the audit review and is intended to provide assurance about the internal controls in place in that system or particular Force/OPCC activity. **Table 1** details those audits that have been finalised since the previous report to the Committee in June 2017.

**Table 1: Assurance Work Completed in the period June 2017 to August 2017**

No.	Audit Review	Assurance Opinion
01	Assurances over key HR data	Limited
02	Risk Management (Force Arrangements)	Limited
03	Civil Contingencies Act	Reasonable
04	New Financial Systems - Data Migration, UAT and Interfaces	Reasonable
05	Vetting	Minimal

6. Summaries of key findings from the finalised reports issued from those reviews where an audit opinion of "Minimal" or "Limited" has been assigned are provided in **Appendix 2**.
7. Attached at **Appendix 3** is a summary of progress against planned activity for 2017/18, providing details of the status of each audit review and the level of assurance awarded where applicable. 9 reviews have been completed to either final or draft stage for the period to 1<sup>st</sup> April to 31<sup>st</sup> August 2017.
8. The following audits are nearing completion with draft reports issued and management comments awaited:
  - IIP Performance Management
  - Cybercrime
  - Tally Ho
  - Fuel Card Management
9. In addition to the above, 25 follow-up reviews have been completed since the previous report to Committee in June 2017. Further detail on these is provided in the next section.



## Recommendations Analysis

10. Internal Audit follow-up recommendations to ensure they have been implemented. This is based on reviewing the initial actions agreed by management. To date during 2017/18, the outstanding recommendations relating to 25 audits have been followed up. An analysis of progress to date in implementing the outstanding actions is summarised in **Table 2** below.

**Table 2 – Analysis of Follow-Up Audits undertaken during 2017/18**

	Follow-Up Audit	Total Recs	Implemented	Partially Implemented	Open/Not Implemented
01	Special Constabulary	3	1		2
02	Recruitment	1		1	
03	Solihull NPU	2	2		
04	UK PPS	5	4		1
05	Criminal Justice Service	6	6		
06	Windsor review	1	1		
07	Occupational Health	7	1		6
08	IT & Digital	3	2		1
09	Central Secure Stores	5	4		1
10	Travel and Expenses	2	2		
11	Management of Police Information	2	1		1
12	Birmingham East LPU	2	2		
13	WMP2020 Risk Management	7	2		5
14	Force Contact	3	2		1
15	Corporate Communications	4	4		
16	Assisting Offenders Unit	3	3		
17	Dedicated Source Unit	3	3		
18	Learning and Development dept.	2	2		
19	Asset Registers	2	1	1	
20	Corporate HR	2			2
21	Forensic Services	2	2		
22	Building Maintenance	4	2	1	1
23	Procurement	5	2		3
24	Police Probationer Training	1			1
25	BACSTEL	5	4		1
	<b>Total</b>	<b>68</b>	<b>53</b>	<b>3</b>	<b>26</b>

11. Table 2 identifies a 68% implementation rate (fully and partially) for those recommendations followed-up to date during 2017/18. The recommendations still outstanding will continue to be monitored in line with agreed processes.
12. Seven follow up reviews are currently in progress, pending management feedback and supporting evidence confirming implementation of significant recommendations. These are as follows:
- Creditors
  - Birmingham North
  - Detained Property
  - Stores (2<sup>nd</sup> follow up)
  - Special Operations Unit (Regional Undercover Unit)
  - Training (internal / external)
  - Property Services (2<sup>nd</sup> follow up)
13. **Appendix 4** summarises the status of recommendations of those audits completed in 2016/17 and 2017/18. Some recommendations are not yet due for follow-up, and an indication of the proposed follow-up dates is provided. There are currently 23 recommendations outstanding from prior to 2016/17 also included. These will continue to be follow-up and reported to Committee until such a time they are deemed implemented.



14. A summary of the recommendations agreed with management analysed by year is provided in **Table 3**. The rating of audit recommendations changed with effect from 1st April 2017, removing the emphasis on materiality that previously existed. The new simplified ratings of High, Medium and Low, place greater emphasis around risk and organisational objectives.

**Table 3 – Breakdown of Recommendations 2014/15 to 2017/18**

Rating	Number agreed			Rating	Number agreed
	2016/17	2015/16	2014/15		
Major	0	0	0	High	1
Significant	58	19	19	Medium	14
Moderate	115	75	103	Low	12
Low	30	19	29		
<b>Total</b>	203	113	151	<b>Total</b>	27

### On-Going Status of Major/Significant Recommendations

15. All Significant, Medium and High recommendations, along with the current position of these recommendations is summarised in **Table 4** below. The majority of the recommendations made during 2016/17 and 2017/18 are yet to be followed up.

**Table 4 – Status of Significant Recommendations**

	2014/15	2015/16	2016/17	2017/18	Total
Total Number	19	19	58	15	111
Total not yet due to be Followed-up	0	0	39	15	54
Total Followed-up To Date	19	19	19	0	57
<i>Of Which:-</i>					
Total Implemented	17	13	11	0	41
Total Outstanding after follow-up ( <b>App 5 refers</b> )	2	6	8	0	16

Of the 57 significant recommendations followed-up to date, 41 have been implemented. Full details of the 16 recommendations that remain outstanding at the time of follow-up are detailed in **Appendix 5**.

### Other Areas of Activity

16. In addition to planned Internal Audit work that require assurance levels to be assessed, other planned work relates to those areas of work / activity that support and underpin the overall concept of internal control rather than individual control systems. These include proactive advice work. During the period covered by this activity report, the following advice work has been undertaken:



- **Payroll Governance Board**

Audit continues to attend the Payroll Governance Board which reviews payroll overpayments, investigates why they occurred and proactively identify solutions, some of which may result in process changes. Internal Audit is represented on this Group to ensure any process changes proposed are sound.

- **Cadets**

Meetings have been held with the Cadet Scheme Implementation Manager to discuss potential risks and controls for the new cadet scheme. Initial contact included a number of areas discussed for consideration, e.g. collection and storage of personal information, obtaining parental consents, recruitment/selection process, professional standards of behaviour, uniform requirements, safeguarding policies, financial arrangements, risk assessment/events planning. The project was in its infancy when these discussions were held.

A recent update meeting indicates that positive progress is being made with aims to commence a pilot scheme in later this year. A full audit of arrangements will be undertaken early in the new calendar year to review the controls established.

## Performance

17. The performance of the Internal Audit Team is measured against a set of Key Performance Indicators. The performance indicators for 2017/18 are set out in **Table 5** along with actuals to date as at end August 2017.

**Table 5 – KPI Update**

KPI Description	Narrative	Annual Target	Actual to date
<b>Output Indicators:</b>			
Audit Coverage*	% of Audit Plan Delivered.	90%	36%
Report Production	Completion of Draft Audit Report within 10 working days.	95%	100%
Report Production	Completion of Final Report within 5 days of agreement of the draft.	95%	100%
Audit Recommendations	Recommendations accepted v made.	100%	100%
<b>Quality Indicators:</b>			
Client Satisfaction	% of Post Audit Questionnaires in which management have responded as "Very Good" or "Good".	95%	86%

*\*This figure include the follow-up reviews due to date*

18. This highlights broadly positive performance. At this stage of the financial year, Audit Plan delivery is slightly below target on a pro-rata basis, which is not out of the ordinary, the performance around customer satisfaction also becomes more meaningful as more surveys are received.
19. Progress to date has been effected by a long term absence within the team. A projected forecast outturn will be undertaken at end September, the mid-year point, to determine any likely shortfall. Discussions will be held with senior management on the options available to address any shortfall, with the Committee also being consulted.



## Public Sector Internal Audit Standards Update

20. A self-assessment against the Public Sector Internal Audit Standards was undertaken and presented to Committee in June 2017. Although this assessment was positive, it identified some aspects of the Standards which were less than fully compliant. An Action Plan has been prepared to address those areas where development and/or evidence of compliance are required. This latest position is detailed in **Appendix 6**. A number of the actions are ongoing or in planning stages. The Action Plan will continue to be part of the means by which the Committee monitors the effectiveness and quality of the service.








## APPENDIX 1 - Audit Opinions

Rating	Definition
Substantial	There is a sound framework of control in place and the controls are being consistently applied to ensure risks are managed effectively.  Some minor action may be required to improve controls.
Reasonable	There is a good framework of control in place and the majority of controls are being consistently applied to ensure risks are effectively managed.  Some action may be required to improve controls.
Limited	There is an adequate framework of control in place but the controls are not being consistently applied to ensure the risks are managed effectively  Action is required to improve controls
Minimal	There is a weak framework of control in place and/or the controls are not being consistently applied to ensure the risks are managed effectively.  Urgent action is required to improve controls

### 2017/18 Recommendation Ratings and Definitions

Grade	Status	Definition
	<b>High</b>	Action that is considered essential to ensure that the organisation is not exposed to unacceptably high level of risk. If not addressed there will be major adverse impact on achievement of organisation's objectives.
	<b>Medium</b>	Action that is considered necessary to avoid exposing the organisation to significant risk. If not addressed there will be significant impact on achievement of organisation's objectives.
	<b>Low</b>	Action that is required to enhanced control. If not addressed it may impact on the ability of a system or unit to achieve its objectives.



## **APPENDIX 2 - Summaries of Completed Audits with Limited or Minimal opinion**

### **1 Assurances over Key HR Data**

1.1 The purpose of the review was to provide management assurance that adequate arrangements are in place for maintaining and updating HR data.

1.2 The main issues arising are as follows:

- Inconsistent methods are used by Departments / NPU's to update Shared Services with HR changes. In addition, there is no documented guidance available clearly defining what is to be completed, or the roles and responsibilities of those involved in recording and processing the changes on Force systems.
- No training is provided to officers when they are promoted to enable them to understand their roles and responsibilities for HR data maintenance.
- Local establishment and strength records are being maintained due to the lack of detailed reports provided.
- There is no corporate approach and reporting ability to record temporary abstractions / deployment decisions to reflect the actual deployable strength within each Team. This plays a critical part in making decisions on HR movements and is also part of the reasons why local records are maintained.
- No HR support is provided at local Workforce Strategy meetings to provide advice and support, which can significantly delay decisions being made.
- Performance in respect of HR areas, i.e. attendance levels per Department, NPU and per employee type, are not being reviewed as part of the local Workforce Strategy meetings. There is a lack of awareness and use of the information on the Performance Portal.

### **2 Risk Management**

2.1 The purpose of this review was to provide assurances that adequate risk management arrangements are in operation within the Force.

2.2 A number of the findings made during the audit have a common root cause, which can largely be addressed through a series of training and refresher training, taking the opportunity to relaunch risk management under the new governance arrangements.

2.3 The key findings of the review are as follows:

- There has been a delay in the risk management training proposed to be provided to local senior officers and staff across the Force and the training dates are yet to be determined. This, coupled with the level of change within WMP as a result of TS1 / WMP2020 and the movement and promotion of officers who have received little or no training on risk management, has negatively impacted on local risk management practices across WMP. Issues locally include the following:



- The frequency by which risk registers are reviewed and updates provided to the Organisational Learning and Risk Senior Manager could not be determined for some Departments and NPU's.
- The latest risk register templates and documents are not always being used.
- Formal review dates are not always being determined and recorded.
- Risks identified via internal / external assurance functions are being managed outside local risk management processes.
- A potential resilience issue was highlighted in regard to the management and co-ordination of risk management arrangements for WMP as currently all corporate risk management activities are undertaken by one member of staff.

### 3 Vetting

- 3.1 The purpose of this review was to provide assurances that adequate vetting arrangements are in operation within the Force.
- 3.2 An extract from HMIC's third PEEL assessment states that "Vetting processes are mostly compliant with national guidance." Internal Audit would largely agree with this statement for new recruits into the Force, however there are improvements that are required in other areas, which were highlighted during the review.
- 3.3 The key findings of the review are as follows:
- The current Force Vetting Policy is out of date and was scheduled to be reviewed in February 2016. Throughout the course of this review it has been identified that processes, as documented in the policy, are not fully being complied with. For example, the appeals process is not being adhered to and business interests are not being reviewed annually in accordance with the policy.
  - For a high proportion of individuals sample tested during this review, it was found that their recruitment and management vetting was out of date. This corroborates figures recently reported to HMIC which show that 65% of the overall workforce do not hold up to date security clearance. Additional resources have been allocated to the Professional Standards Department to address this backlog.
  - No formal process operates whereby the Vetting Section are made aware of promotions, which may impact an individual's vetting, in particular, where the new post may require higher management vetting.
  - During testing, isolated instances were identified where staff had commenced employment before their vetting application had been completed. This includes individuals transferring in from other forces and returning from career breaks. There were also a small number of occasions where there was no evidence of the Vetting Section being informed of an individual's return from secondment or career break resulting in the individuals not being re-vetted.
  - All individuals within the Vetting Section, along with the Reputation and Risk Manager, have full access to the Core-vet system allowing them to create new user accounts. Ideally access to such system administration roles should be restricted as



far as possible. Also, the list of users able to access the Core-vet system is not subject to regular review to ensure the individuals are still employed by WMP and require access to the system.

- No formal performance targets are currently in place for monitoring individuals' performance or that of the Department as a whole. Internal Audit acknowledge that this is a work in progress at the moment. There is an informal target timespan in place for completion of a vetting application (14 days); however, testing identified that this is not being achieved.

We recognise the steps management are taking to address the significant aftercare backlog, which should continue to be monitored to ensure the measures taken are effective; however, due to the number of significant recommendations made Internal Audit feel that currently, only minimal assurance can be given regarding the existing control framework. A number of the issues identified throughout this audit corroborated those identified in the PEEL Legitimacy Assessment 2016 and are likely to continue unless controls are instigated to address the gaps.



**APPENDIX 3 - 2016/17 – Audits completion during 2017/18 (included in 2016/17 annual opinion)**

Audit	Status	Comments
Social Media Risk Management	Final	
WMP2020 and IT Procurement	Final	
Body Worn Video Benefits Realisation	Final	
WMP2020 Project Management	Final	
Fleet Management	Final	
Health and Safety	Final	
Cash Office	Final	
Property Services Follow-up	Final	
Intelligence Follow-up	Final	
Operations Department Follow-up	Final	

**2017/18 Internal Audit Plan – Status / Assurance Summary**

Audit	Status	Opinion	Comments
Civil Contingencies	Final	Reasonable	
Force Risk Management	Final	Limited	
Assurances Over Key HR Data	Final	Limited	
Vetting	Final	Minimal	
Public Protection Unit			
Application of THRIVE			
Cybercrime	Draft		
Victims Code Compliance	WIP		
Custody - Money, Property, Healthcare			
Performance Management			
Fuel Card Management	Draft		
Fleet telematics			
Uniform allocation			
Overtime	WIP		
Payroll Governance Board	WIP		Advisory capacity
New financial systems			Advisory capacity
Budgetary Control			
Contract Management	WIP		
Replacement Finance and systems (UAT; Data Migration, Interfaces)	Final	Reasonable	
Key Financial systems (following go live)			Systems live July 2017 – audits to commence Q3



Audit	Status	Opinion	Comments
Payroll	WIP		
IR35 compliance			Advisory work commenced. Audit later in year
Use of Consultants / agency staff	WIP		
Workforce demographics/ planning			
Access and Usage of systems(Follow-Up)			
Information Management and Ownership			
Information Sharing Agreements			Request to postpone to Sept 2017
Mobility	WIP		
IT Business Continuity & Disaster Recovery			
Intelligence Management & Tasking			Request to postpone until Sept 2017
Body Worn Video	WIP		
Force Response			
Cadets Scheme Advisory	WIP		
Cadets Scheme			Pilot scheme to launch Q3. Audit to commence Q4
Active Citizens	WIP		
Section 22a agreements	WIP		
IIP Performance Management	Draft		
Tally Ho	Draft		
NFI	WIP		Work is ongoing to investigate data matches

#### APPENDIX 4 - Analysis of progress in implementing recommendations (by year)

Good progress (>75% implemented)
Reasonable progress (>25 and <75% implemented)
Limited progress (<25% implemented)

2017/18 Internal Audit Plan	Progress	Made	Implemented	Risk Accepted	Redundant	Not yet implemented	Not yet followed Up	Follow-up due
Assurances over Key HR Management Information		9					9	Dec-17
Force Risk Management Arrangements		4					4	Jan-18
Civil Contingencies		3					3	Feb-18
New Financial Systems - Data Migration, UAT and Interfaces		2					2	Feb-18
Vetting		9					9	Mar-18
<b>Totals for 2017/18</b>		<b>27</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27</b>	

2016/17 Internal Audit Plan	Progress	Made	Implemented	Risk Accepted	Redundant	Not yet implemented	Not yet followed Up	Follow-up due
Birmingham East		2					2	In progress
Corporate Communications		4	4					
Corporate HR		2				2		Dec -17 Significant restructuring has taken place in HR with a new People and Organisational Development Department being formed. The Governance processes to cover the delivery and risk for business partnering are yet to be developed.
Coventry		1			1			
Criminal Justice Services		6	6					

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2016/17 Internal Audit Plan	Progress	Made	Implemented	Risk Accepted	Redundant	Not yet implemented	Not yet followed Up	Follow-up due
Executive Team	Green	0						
Force CID	Green	2	2					
Force Contact	Yellow	3	2			1		Nov 17
Intelligence	Green	1	1					
IT & Digital	Yellow	3	2			1		Sep-17
Learning and Development	Green	2	2					
Office of Policing and Crime	Green	3	3					
Operations	Green	4	4					
Property Services	Yellow	4	3			1		In progress
Public Protection Unit	Green	0						
Access and Usage of Intelligence Systems		8					8	Full audit to be undertaken Q4 17/18
Social Media Risk Management		8					8	Nov-17
IT Change Control		2					2	Sep-17
Creditors		11					11	In progress
Detained Property		8					8	In progress
Forensic Support	Green	3	3					
Major Investigation Team (Homicide Team)	Green	1	1					
Police Probationer Training	Red	1				1		Next review Jan 18 – Outstanding recommendation relates to updating electronic CPD records.
Procurement	Yellow	5	2			3		Jan-18
ROCU – UK PPS	Green	5	4			1		Sep-17
Shared Services – Overtime Policy & Processing		10					10	Ongoing audit
Training – Internal / External		3					3	In progress





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2016/17 Internal Audit Plan	Progress	Made	Implemented	Risk Accepted	Redundant	Not yet implemented	Not yet followed Up	Follow-up due
Treasury Management	█	0						
Value for Money - Grants		6					6	Aug-17
Assisting Offenders Unit	█	3	3					
Attendance Mgt & Management of Sickness absence		6					6	Sep-17
BACSTEL	█	5	4			1		Jan-18
Building Maintenance	█	4	2			2		Jan-18
Cash Office		4					4	Nov-17
Central Secure Stores	█	5	4			1		Sep-17
Dedicated Source Unit	█	3	3					
Fleet Management		2					2	Nov-17
Health & Safety		5					5	Nov-17
Interpreters		7					7	Sep-17
Inventory - Asset Registers	█	2	1			1		Dec-17
ICT Change Control		2					2	Sep-17
Seized Monies		7					7	Sep-17
Shared Service Centre - Payroll Variations		6					6	Ongoing payroll audit
Spec Services Income		4					4	Sep-17
Special Operations Unit (Regional Undercover Unit)		1					1	In progress
WMP 2020 Risk Management	█	7	2			5		Nov-17
WMP 2020 Project Reviews		7					7	Nov-17
WMP 2020 Procurement/ICT procurement		2					2	Nov-17
WMP 2020 Body Worn Video		4					4	Nov-17

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2016/17 Internal Audit Plan	Progress	Made	Implemented	Risk Accepted	Redundant	Not yet implemented	Not yet followed Up	Follow-up due
Tally Ho! Sports Club Accounts		9					9	Progress being reviewed as part of 17/18 audit (in draft awaiting management response)
<b>Totals for 2016/17</b>		<b>203</b>	<b>61</b>	<b>0</b>	<b>1</b>	<b>17</b>	<b>124</b>	<b>8 of the 17 recs not yet implemented are significant and are summarised in Appendix 5</b>

Audits with outstanding recommendations from 2014/15 and 2015/16	Progress	Made	Implemented	Risk Accepted	Redundant	Not yet implemented	Follow-up due
<b>2014/15</b>							
Energy Conservation		2				2	The Strategy is currently being finalised, which will then be reported to Force Exec Team for approval.
Events Management		5	2			3	In progress
<b>2015/16</b>							
Business Continuity		6	4			2	As part of planned audit 2017/18
Recruitment		5	4			1	Follow-up on progress now due
Payroll		8	5			3	As part of ongoing audit
General Stores		9	6			3	In progress
Management of Police Information		2	1			1	Sep-17
Occupational Health		7	1			6	Next review due Sep-17 –Most outstanding recommendations are to be addressed by the new systems which is reported to be going live in Dec 17. Delays have been experienced recruiting new staff, which was underway at the time of the previous follow-up review.
Special Constables		6	2	2		2	Nov-17
<b>Totals</b>		<b>50</b>	<b>25</b>	<b>2</b>	<b>0</b>	<b>23</b>	<b>8 of the 23 recs not yet implemented are significant and are summarised in Appendix 5</b>



## APPENDIX 5 – High/Medium Recommendations Outstanding after Follow-Up

Ref	Original Report to JAC	Audit	Recommendation	Action to be Taken to Implement Recommendation	Planned Implementation Date	Latest position based on responses provided by management
1	25 July 2014	Energy Conservation Follow Up (2)	A strategic energy management strategy should be developed and approved at Command Team level which incorporates performance measures and targets for better energy management. Responsibility for implementing the policy across the force should be assigned to a chief/command team level officer. A process of regular reporting to the responsible officer of performance against targets should be established.	A draft strategy has been developed and implementation has been planned taking into account maternity leave considerations. The Director of Resources is the responsible chief officer and performance is reported to the Property Board on a regular basis.	31 March 2015	As at Sept 2017: Draft Strategy is in the process of being finalised following comments from Director of Commercial Services. The Strategy will then be presented to Force Executive Team for formal approval.
2	25 July 2014	Energy Conservation Follow Up (2)	A set of performance indicators should be established for energy management which can be used to determine meaningful trends and comparisons and for investigation of any disparities. Performance against targets should be reported on a regular basis to the Chief/Command Team level officer assigned responsibility for delivery of the energy strategy.		31 March 2015	This will then lead to an action plan which will contain performance indicators and the method for monitoring/governing.
3	24 September 2015	Business Continuity	Planned Testing should be carried out in accordance with the type of testing defined within Force Policy and should incorporate a review to ensure that training is satisfactory for Officers with particular roles within the plan. Failure to achieve testing of all critical function plans should be reported to the Force Resilience Forum for inclusion on the Business Continuity Risk Register.	As per report identified, in addition to desktop reviews carried out of functions, walkthroughs of Very High functions will be conducted following review of Depts. / LPU.  A Staff BC awareness PowerPoint presentation is currently being developed with an initial 'go live' date of March / April 2016 starting with Operations Dept.	31 July 2016	As at September 2016 - The Force Policy on Business Continuity was in the process of being reviewed. The Business Continuity Team produced a powerpoint presentation which has been rolled out to a number of LPU's/Departments and will continue to be included as part of the rolling programme when meeting LPU's/Departments to discuss their Business Continuity plans.  It was agreed to undertake a full review of IT business continuity arrangements in 2017/18 to determine progress with planned testing, which is currently in planning stages.



Internal Audit Activity Report

Ref	Original Report to JAC	Audit	Recommendation	Action to be Taken to Implement Recommendation	Planned Implementation Date	Latest position based on responses provided by management
4	30 June 2016	Business Continuity	Business Continuity Plans should be drawn up to ensure resilience for critical ICT applications across the Force.	Meeting held on 07/07/15 where it was identified ICT need to write Disaster Recovery Plans to ensure resilience of ICT applications. Information held by ICT not formatted into a recognised DR plan. ICT currently in process of recruiting into posts with responsibility for Disaster Recovery / ICT resilience	31 May 2016	<p>As at September 2016 - Implementation has been impacted by the previous officer responsible leaving the organisation.</p> <p>Internal Audit has met with the new Transition and Compliance Manager, who has initially prioritised the most business critical systems for Disaster Recovery Plans to be reviewed and tested. Plans are in place to continue reviewing the critical ICT applications.</p> <p>It was agreed to undertake a full review of IT business continuity arrangements in 2017/18 to determine progress with planned testing, which is currently in planning stages.</p>
5	3 December 2015	Recruitment	<p>i/ A Recruitment policy should be developed which defines roles and objectives of all parties involved the force recruitment and selection processes</p> <p>ii/ A recruitment pack should also be developed for recruiting managers to provide instruction on the correct procedures to follow and ensure that short-listing and interviewing processes are being carried out in a consistent manner across the Force and to ensure compliance with equality and diversity legislation.</p> <p>iii/ To provide assurance that Force processes are compliant with legislation, consideration should be given to the recruitment team dip sampling documentation completed by recruiting managers to support their selection and interview processes.</p>	<p>i/ Recruitment Policy/guidance to be completed.</p> <p>ii/ Upon introduction of a recruitment policy a recruitment pack will be devised as per the recommendation and will be distributed to the recruiting manager and/or provided online. This will include recommended time scales for the recruitment process.</p> <p>iii/ As part of the recruitment pack a check list will be included detailing the specific paperwork that should be completed and retained locally as well as what documents should be returned for inclusion on personal files (e.g. signed copy of ID). The recruiting manager will sign to verify that each element has been completed and will return this form to Shared Services.</p>	<p>29 February 2016</p> <p>ii) &amp; iii) Two months following the introduction of the recruitment policy.</p>	<p>As at May 17 – In-depth guidance is available for guiding line managers through every stage of the recruitment process. The current recruitment guidance and management checklist that was implemented may be subject to change as Taleo, a new automated recruitment system was implemented in July 2017.</p> <p>This is to be revisited by audit during Q3 to determine progress</p>



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6	30 June 2016	Payroll	Any items appearing on the daily Bank Details Audit Report should be verified to the authorised documentation which supports the change. The report should be signed and dated to evidence that all items have been checked	Implemented Payroll Staff informed to action.	28 February 2016	Progress is being determined as part of full audit that is currently underway
7	30 June 2016	Payroll	<p>i) Daily audit reports should clearly show evidence of the entries having been checked, and by whom. The checking officer(s) should also date the report as evidence of when checks have been undertaken. Similarly all checks on control reports should be evidenced in the same way.</p> <p>ii) It should be ensured that the starter and leaver reports produced as part of the monthly control report process are run consecutively to ensure that they provide an effective control of any new additions or leavers from the payroll. The Employee Reconciliation Report should be produced and an evidenced reconciliation carried out each month for starters and leavers/numbers on the payroll.</p> <p>iii) All daily audit reports and monthly control reports should be scanned promptly onto Paperlite and a monthly review undertaken to ensure that all dates have been scanned onto the system.</p>	<p>i) Payroll Staff have been informed. Business Objects update was due 31st March but still outstanding due to technical issues. However, new report format when update completed, will improve identification of payroll changes.</p> <p>ii) Restrictions of iTrent only allow report to run 1-30th of month. Employee Reconciliation report will be produced and reconciled monthly.</p> <p>iii) Comprehensive scanning and review and agreement of file naming protocol to be undertaken to ensure traceability of information.</p>	<p>28 February 2016 / 30 June 2016 (for New Report format)</p> <p>31 May 2016</p> <p>30 June 2016</p>	Progress is being determined as part of full audit that is currently underway
8	30 June 2016	Payroll	To provide more effective and targeted reports for checking of the monthly payroll, exception reports should be developed to highlight payments against element codes which are outside of the normal expected parameters.	Review of availability and effectiveness of reports to be exported from iTrent for payroll monitoring	30 June 2016	Progress is being determined as part of full audit that is currently underway
9	15 September 2016	UK PPS (ROCU)	Management control checks should be undertaken on the imprest including regular reconciliations to its authorised level, review of reclaims, accurate recording of VAT and cross-charging between regions.	Reports will be requested from Transactional Team Leader – Covert and Service Lead as evidence that the management control checks are being undertaken, what issues are being identified and what action has been taken to address the issues.	30th September 2016	<p>As at May 2017 – Reconciliations up to the end of January 2017 had been fully completed and February's reconciliations were almost complete.</p> <p>2<sup>nd</sup> Follow-up is currently underway to determine latest position</p>



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Ref	Original Report to JAC	Audit	Recommendation	Action to be Taken to Implement Recommendation	Planned Implementation Date	Latest position based on responses provided by management
10	08 December 2016	General Stores	When write offs of significant value are considered then the Force should ensure that the Police and Crime Commissioner is formally informed of the proposal to allow the PCC to ensure that the public interest is served.	Garage Stores Statement of obsolete stock figures to be sent to PCC if over £2000.00  Clothing Stores Complete white report and submit as part of end of year close down.	01 April 2016	Follow up commenced to determine latest position
11	30 March 2017	WMP2020 – Risk Management	Both the risk management procedures and the approach to risk management document for the WMP2020 should be refreshed to reflect the current risk management arrangements operating, ensuring they are aligned to the corporate risk management arrangements in place. The strategy and supporting procedures should clearly outline scoring mechanisms, escalation routes and reporting lines for decision making purposes in relation to risk. This should include reporting requirements through Project, PORF, OCB, ORMB etc.	<ul style="list-style-type: none"> <li>Update procedure and strategy documents, ensuring changes tracked. Review to be documented within version control section of each document.</li> <li>Overview of document by the Corporate Risk Manager, PMO Manager and Head of change. Sign off through OCB</li> <li>Awareness session with PGM's and PM's to go through significant changes and refresh on escalation routes.</li> </ul>	By end of Dec 2016  By end of Jan 2017 for Jan OCB  By end of Q1 2017	As at June 2017: - Risk briefing is carried out with all new starters. - PGM risk briefings co-ordinated monthly - SLT briefing on proposed new Strategy was provided on 21/07  Currently awaiting OCB approval of the Strategy  Further follow up will be undertaken Nov 17 to determine progress
12	30 March 2017	WMP2020 – Risk Management	Ensure a clear management trail is maintained from Original Business case through to the master risk log to ensure all risks are captured and reported where necessary.	<ul style="list-style-type: none"> <li>Communication to all PMs and programme managers re: transfer of risk from OBC to risk log. Introduce a 'no longer relevant' category with notes annotated as to why</li> <li>NB Communication to go out to team with summary slide of findings and key mitigations</li> <li>Follow up with an assurance audit, carried out by risk manager and overseen by PM Manager.</li> <li>Use awareness session to further brief PMs accordingly</li> </ul>	By end of Dec 2016  By end of Dec 2016  By end of Q1 2017  By end of Q1 2017	As at June 2017: - Transition process included in the risk management strategy showing the conversion from commissioning to deliver. Currently awaiting OCB approval of the Strategy - Awareness sessions are carried out on an ad-hoc basis  Further follow up will be undertaken Nov 17 to determine progress



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Ref	Original Report to JAC	Audit	Recommendation	Action to be Taken to Implement Recommendation	Planned Implementation Date	Latest position based on responses provided by management
13	30 March 2017	WMP2020 – Risk Management	<p>Ensure RAG ratings to be used are consistent, with the rating used being included in any guidance produced. All project Managers should be made aware of what the current requirements are for RAG ratings.</p> <p>All reported risks should reflect the pre and post exposure scores recorded within the master risk log.</p>	<ul style="list-style-type: none"> <li>Issue refreshed guidance, with examples, for RAG criteria</li> <li>DIP sample of risk log to test awareness of mitigating action</li> </ul>	<p>By end of Dec 2016</p> <p>By end of Q1 2017</p>	<p>As at June 2017:</p> <ul style="list-style-type: none"> <li>Guidance created and distributed among new starters during inductions</li> <li>Dip sampling has not been carried out yet. The criteria is being determined.</li> </ul> <p>Further follow up will be undertaken Nov 17 to determine progress</p>
14	30 March 2017	Building Maintenance	<p>All staff requesting jobs should be made aware of the need to confirm attendance times on job sheets and sign the job sheets accordingly.</p>	<p>Staff on site will be requested to sign job sheets by contractors, promotion through the Security group and Corporate Communications.</p>	23/01/17	<p>As at Sept 2017:</p> <p>Contractors Access Policy has been issued that identifies that local management have responsibility for security and access of contractors and nominate or single point of contact. The SPOC list is maintained by Health and Safety Team, This list will be requested from Health and Safety and forwarded to the contractors.</p> <p>A follow-up to determine further progress will be undertaken in Jan 2018</p>
15	30 March 2017	BACSTEL	<p>Shared Services in conjunction with IT &amp; Digital must explore the possibility of making Creditor and Payroll output files read only files to reduce the risk of files being able to be modified prior to transmission.</p>	<p>Shared Services with the support of IT&amp;D will explore the possibility of making the output files read only.</p>	30 March 2017	<p>As at Sept 2017:</p> <p>Automated file transfer direct upload from Oracle fusion AP/Expenses for all daily BACs invoice runs has been implemented. This file is not accessible by the person approving this payment.</p> <p>The Assistant Director of People and Organisational Development has confirmed his intention to have payroll files read only by the November Payroll.</p> <p>A follow-up to determine further progress will be undertaken in Jan 2018</p>



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Ref	Original Report to JAC	Audit	Recommendation	Action to be Taken to Implement Recommendation	Planned Implementation Date	Latest position based on responses provided by management
16	30 March 2017	Procurement	Increased monitoring of spend with individual suppliers needs to be undertaken to ensure that both standing orders and legislative requirements such as those required for European Tendering are being complied with and to identify if contracts arrangements need to be introduced or pre-existing arrangements amended. The omission of contracts for Viglen Ltd and CLSH Management should be investigated and contracts established, if not already in place.	Meaningful MI from the order system will be able to be produced when Oracle Fusion is launched however in the interim period value and supplier information for non-cat orders will be extracted from the system and analysed on a quarterly basis to identify if contract arrangements need to be amended/implemented. Where this is identified the detail will be fed into Contracts and Procurement to complete the required amendments or implement new contracts. This will ensure that standing orders and legislative requirements are met.	End Feb 17	<p>As at Sept 2017: When spend increases above contracted amount Contracts and Procurement are being alerted – however quarterly checks are being undertaken based on a report that will look across all spend. Given the extensive work involved in implementing the new Oracle system, Shared Services have not yet had the opportunity to provide the required information relating to the two named contracts to allow this review to be undertaken.</p> <p>A follow-up to determine further progress will be undertaken in Jan 2018</p>



## APPENDIX 6 - PSIAS Action Plan

Ref	Standard	Action	Date	Update
1110	<b>Organisational Independence</b> <i>Is feedback sought from the chair of the audit committee for the CAE's performance appraisal?</i>	Chief Finance Officer to seek feedback from the Joint Audit Committee Chair on the Internal Audit Managers performance appraisal.	09/17	CFO will seek feedback from the Chair of JAC in November 2017 to feed into objective setting appraisal.
1210	<b>Proficiency</b> <i>Does the CAE ensure that up-to-date job descriptions exist that reflect roles and responsibilities and that person specifications define the required qualifications, competencies, skills, experience and personal attributes?</i>	Internal Audit Manager to review and confirm that up-to-date job descriptions exist that reflect roles and responsibilities and that person specifications define the required qualifications, competencies, skills, experience and personal attributes.	10/17	Review of job descriptions has commenced
2010 & 2050	<b>Planning</b> <i>Does the risk-based plan take into account the organisation's assurance framework?</i>  <b>Co-ordination</b> <i>Has the CAE carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance?</i>	Internal Audit Manager to complete/update Assurance Mapping exercise in time to inform 2018/19 planning exercise reflecting changes in the Forces Governance framework.	01/18	No progress - Meetings to be arranged with Force Representatives to progress this exercise
2010 & 2110	<b>Planning</b> <i>In developing the risk-based plan, has the CAE also considered the requirement to use specialists, e.g. IT or contract and procurement auditors?</i>  <b>Audit Coverage – Governance</b> <i>The internal audit activity must assess whether the information technology governance of the organisation supports the organisation's strategies and objectives.</i>	Internal Audit Manager to assess whether the organisations' IT Governance supports the organisations' strategies and objectives.  Internal Audit Manager to fully explore the IT health check process to determine any potential gaps in the IT assurance framework.  If any identified gaps in the IT assurance framework cannot be undertaken internally within the Internal Audit team, consider buying-in support from external provider (in conjunction with the Chief Finance Officer)	12/17	A member of the Internal Audit team has commenced study for an IT Auditing Certificate with the Institute of Internal Auditors.  Assessment of this course will be undertaken following completion in November to determine future gaps.

Note - The term "Board" in this context is the Joint Audit Committee.

- The term 'CAE' is Chief Audit Executive, which in this context is the Internal Audit Manager.