



Agenda Item 08

**JOINT AUDIT COMMITTEE**  
**30<sup>th</sup> November 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 October 2017 to date.
- 1.2 To seek approval from the Committee to proposed revisions to the 2017/18 internal audit work plan.

**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; and
  - A performance update.

**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.
- 3.2 The Committee approved the proposed revisions to the 2017/18 internal audit work plan.

**CONTACT OFFICER**

Name: Lynn Joyce  
Title: Internal Audit Manager

**BACKGROUND DOCUMENTS**

None

30<sup>TH</sup> November 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 October 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 September 2017.

**Table 1: Assurance Work Completed in the period October 2017 to November 2017**

No.	Audit Review	Assurance Opinion
01	IIP Performance Management	Reasonable
02	Cybercrime	Limited
03	Tally Ho	Limited
04	Fuel Card Management	Reasonable
05	Active Citizens Fund	Reasonable
06	Overtime	Limited

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. 14 reviews have been completed to either final or draft stage for the period to 1<sup>st</sup> April 2017 to date.
8. The following audits are nearing completion with draft reports issued and management comments awaited:
  - Payroll
  - Victims Code Compliance
  - Contract Management
  - Body Worn Video
9. In addition to the above, 5 follow-up reviews have been completed since the previous report to Committee in September 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. All recommendations are followed up six months following the date the final audit report is issued to establish progress in implementing audit recommendations. Any recommendations that remain outstanding following the six month follow-up review continue to be followed-up every three months until confirmation is received of implementation.
11. To date during 2017/18, the outstanding recommendations relating to 30 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 (x2)	5	4		1
05	Criminal Justice Service	6	6		
06	Windsor review	1	1		
07	Occupational Health	7	1		6
08	IT & Digital (x2)	3	3		
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
26	Birmingham North	1	1		
27	Training (Internal/External)	3	3		
28	Property Services (2 <sup>nd</sup> Follow-up)	4	3		1
29	Interpreters	7	2		5
30	ROCU – Regional Undercover unit	1	1		
	<b>Total</b>	98	64	3	31

12. 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.
13. 11 follow up reviews are currently in progress, pending management feedback and supporting evidence confirming implementation of significant recommendations. These are as follows:
- Detained Property
  - Stores (2nd follow up)
  - Special Services Income
  - WMP2020 Project Management



- Recruitment
- Occupational Health
- Seized Monies
- Attendance Management
- Body Worn Video Benefits Realisation
- WMP2020 Risk Management
- Value for Money Grants

14. **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.
15. 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	2
Significant	58	19	19	Medium	29
Moderate	115	75	103	Low	25
Low	30	19	29		
<b>Total</b>	203	113	151	<b>Total</b>	56

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

16. 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/High/Medium Recommendations**

	2014/15	2015/16	2016/17	2017/18	Total
Total Number	19	19	58	31	127
Total not yet due to be Followed-up	0	0	31	31	62
Total Followed-up To Date	19	19	27	0	65
<i>Of Which:-</i>					
Total Implemented	17	13	18	0	48
Total Redundant*		2	2		4
Total Outstanding after follow-up ( <b>App 5 refers</b> )	2	4	7	0	13

\*Redundant are recommendations that are no longer relevant or recommendations have been superseded by a later audit

Of the 65 significant recommendations followed-up to date, 48 (74%) have been implemented. Full details of the 13 recommendations that remain outstanding at the time of follow-up are detailed in **Appendix 5**.

## Other Areas of Activity

17. 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. The last meeting of the Board was held on 31 October and confirmed that good progress has been made in establishing a robust mechanisms for monitoring and recording the recovery of overpayments.

## Performance

18. 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 October 2017.

**Table 5 – KPI Update**

KPI Description	Narrative	Annual Target	Actual to date
<b>Output Indicators:</b>			
Audit Coverage*	% of Audit Plan Delivered.	90%	54%
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%	92%

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

19. This highlights broadly positive performance. At this stage of the financial year, Audit Plan delivery is below target on a pro-rata basis. Progress to date has been effected by a long term absence within the team, and proposals to address this are discussed in the following section of this report.

## Proposed Revisions to the Internal Audit Plan for 2017/18

20. Progress in completing the agreed audit plan has been effected by a long term absence within the internal audit team. A projected forecast outturn undertaken at end September, the mid-year

point, determined the likely shortfall to be in the region of 70 days. A proposal to reduce the number of audits to accommodate this shortfall has been supported by the senior management team and we are now seeking approval from the Joint Audit Committee, to defer the following audits to the 2018/19 audit plan.




- **Access and Usage of Intel Systems** – Since the 2017/18 audit plan was approved, access and usage has been fully discussed at Joint Audit Committee as well as the Strategic Police and Crime Board. A further update report showing the vulnerabilities within each system and the level of risk the Force was accepting was presented to the September meeting of the Committee where it was concluded that the Committee felt assured by the progress made.
- **Fleet Telematics** – As at end September 2017, User Acceptance Testing of the equipment was still being undertaken. It was estimated at that time that ‘soft’ implementation would be around end October. As a result, there is limited progress against which we could usefully review and auditing this process too early following implementation would not add little value.
- **Budgetary Controls** – There are a number of financial systems reviews planned during 2017/18, which provide the foundations to support accurate budgets. Priority should therefore be given to these core financial systems, debtors, creditors etc, to ensure the data feeding the budget management process is accurate. This audit would however be a priority for early 2018/19.
- **Force Response** – A Smarter Responding project has commenced led by Accenture (approved by Design Authority in July 2017) to review Force Response, building on the foundations of TS1. This project incorporates aspects such as crewing policies, demand and shift patterns, command structures, mobility in order to maximise efficiencies. The Project commenced in August 2017 and ends in June 2018. It is therefore proposed to postpone this audit until the conclusion of this project.



## 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 Cybercrime

This review was to assess the effectiveness of arrangements for preventing, detecting and managing incidents of cybercrime and raising awareness of cybercrime amongst the people and businesses of West Midlands.

The review concluded that there is capability and robust processes within WMROCU to manage serious cybercrime incidents and some of the cyber-enabled incidents are managed through the force's Economic Crime Unit. However, this needs to be developed further to ensure that at force level, cybercrime can be reduced where possible and that the force has sufficient capability to pursue all types of cybercrime.

Changes have been introduced to the governance structure and a WMP2020 Cybercrime project has recently commenced to further increase capability and capacity to manage all types and levels of cybercrime. Whilst these arrangements are in their infancy, the foundations have been established to provide a more robust and co-ordinated approach, and we believe that once time is given to embed these recently established processes across the force, this should help move towards a Reasonable assurance opinion. The key findings of the review were as follows:

- Subgroups based on the four P's approach (Prepare, Protect, Prevent and Pursue) have been set up to enhance the governance structure for managing cybercrime at force level. However, the terms of reference for each group have not been developed and only three of the four action plans were at initial draft stage. No work has been done in relation to the 'prepare' strand. We acknowledge that there is no specific team dedicated to managing cybercrime and that the delays in progressing this have resulted from officers' managing cybercrime on top of their day-to-day tasks with limited resources.
- The draft action plans developed to date are based on high level deliverables that link to the Cybercrime Strategy. The plans do not specifically include operational actions detailing how the deliverables will be achieved. The action plans contain RAG statuses for each deliverable; however, they do not contain any target dates for actions and there were only updates recorded against some, not all, the deliverables to evidence actions completed. The action plans reviewed also lacked details of how the subgroups intend to work with other WMP departments and external agencies to ensure collaboration and avoid duplication. We understand that these plans are still work in progress and are being developed further.
- There was evidence that some progress had been made to complete actions from the three draft action plans, for example, the Digital PCSO has been appointed and a cybercrime strategy has been developed, however, progress on action plans needs to be monitored closely by the Strategic Governance Group to ensure that there is no slippage and that progress made is effective.
- The force has been very active in delivering cybercrime awareness sessions to individuals and businesses. The only feedback that is currently obtained from these initiatives is through the 'WMPDigitalPCSO' twitter account or if individuals/businesses email comments/compliments. Whilst it may not be practical to obtain feedback from attendees' at large festivals/events, feedback should be obtained where possible to help assess the success of events and sessions and identify any areas for improvement.

## 2 Tally Ho

This review was an honorary audit of the Tally Ho! Sports and Social Club accounts for 2016/17, which are produced by an external Accountancy firm. Despite weaknesses being identified the records and transactions from the main club were verified as accurate. The key findings of the review are as follows:

- There is a lack of adequate documentation to support some of the transactions through the clubs bank account, with transfers from the account being paid on the basis of an email request rather than an official invoice or seeking a supporting receipt.
- A new expenses policy and form were introduced in November 2016, however the policy is not being consistently applied.
- The main sports and social club provide funding to local clubs to run sports and social events for affiliated members, however there is a very inconsistent approach to the running of the clubs with some clubs providing a wide range of events for individuals to partake, to clubs which spend very little of their funding or clubs which spend their funding on specific sports which may not appeal to all members affiliated to the club.
- Transparency could be improved as currently minutes and decisions are not readily available to members, which could be published on the clubs website.
- Local clubs should provide the main club with details of their expenditure and supporting documentation; however, the main club struggle to obtain all the relevant documentation and there were some inconsistencies in the accounts that require further investigation by the Executive Committee, the Management Committee or the Club Director.
- Access to benefits on the club website and entrance into the clubs lottery draw are determined automatically by the website from uploads of payroll information from the Force; however, Internal Audit identified a number of discrepancies which suggests the routines within the software are not running as they should.

The Joint Audit Committee at its meeting in December 2016 questioned the ongoing resource the internal audit team is providing in auditing the Tally Ho! Accounts, which is an external fund. The Club Director has been made aware that this will be the last year the service will be provided. Discussions will be held with the Club Director to determine ongoing arrangements.

## 3 Overtime

The objective of this audit was to provide assurances that robust procedures are in place to reduce the risk of fraudulent overtime claims and overpayments. The key findings of the review are as follows:

- A number of errors were identified on overtime cards and in overtime processing, however there were no consistent themes in the errors identified within the testing. Overall the testing highlighted that supervisors approving claims are not always applying the level of scrutiny required to reduce the risk of overpayment of overtime.
- When supervisors approve claims they should be confirming the actual hours worked by the claimant. From discussions with local supervisors there is a lack of scrutiny of overtime claims, and also from comparisons of overtime records to clock records, it is clear that some

supervisors will approve overtime without the relevant checks to ensure the overtime was approved in the first instance, was reasonable and was actually worked. Since the previous audit, Shared Services have undertaken promotional work and issued guidance to aid supervisors when approving overtime, however this has had minimal impact and there needs to be more challenge by Senior Management within the Force to ensure supervisors are held accountable when errors in the payments they are approving are identified.

- Testing identified that new processes established within the payroll team, in regard to the uploading of staff overtime data to the payroll system, give potential for staff within Payroll to misappropriate funds. Control checks therefore need to be introduced to reduce the risk of such activity.
- Issues have also been identified in overtime processing within Force Contact, such as lack of checks of approving signatures and lack of management control checks.



### APPENDIX 3 – Summary of Plan Position

#### 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	Final	Limited	
Victims Code Compliance	Draft		
Custody - Money, Property, Healthcare			
Performance Management			
Fuel Card Management	Final	Reasonable	
Fleet telematics			
Uniform allocation	WIP		Audit testing postponed to Jan 18 as implementation delayed to Sept 17
Overtime	Final	Limited	
Payroll Governance Board (Advisory)	WIP		
New financial systems (Advisory)	WIP		
Budgetary Control			
Contract Management	Draft		



Audit	Status	Opinion	Comments
Replacement Finance and systems (UAT; Data Migration, Interfaces)	Final	Reasonable	
Key Financial systems (following go live in July 17)			
- Creditors	WIP		
- Debtors	WIP		
- Bank reconciliation			
Payroll	Draft		
IR35 compliance	WIP		
Use of Consultants / agency staff	WIP		
Workforce demographics/ planning			
Access and Usage of systems(Follow-Up)			
Information Management and Ownership	WIP		
Information Sharing Agreements	WIP		
Mobility	WIP		
IT Business Continuity & Disaster Recovery	WIP		
Intelligence Management & Tasking	WIP		
Body Worn Video	Draft		
Force Response			
Cadets Scheme Advisory	Complete		
Cadets Scheme			Pilot scheme launched Oct 17. Agreed audit start date Jan 18
Active Citizens	Final	Reasonable	
Section 22a agreements	WIP		
IIP Performance Management	Final	Reasonable	
Tally Ho	Final	Limited	
NFI	WIP		

#### 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
Tally Ho		10					10	Apr-18
IIP Performance Management		2					2	Apr-18
Cybercrime		4					4	Apr-18
Fuel Card Management		4					4	Apr-18
Active Citizens Fund		3					3	Apr-18
Overtime		6					6	May 18
<b>Totals for 2017/18</b>		<b>56</b>					<b>56</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	1		1			
Corporate Communications		4	4					
Corporate HR		2				2		Dec -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
								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					
Executive Team		0						
Force CID		2	2					
Force Contact		3	2			1		In progress
Intelligence		1	1					
IT & Digital		3	3					
Learning and Development		2	2					
Office of Policing and Crime		3	3					
Operations		4	4					
Property Services		4	3			1		Jan 18
Public Protection Unit		0						
Access and Usage of Intelligence Systems		8					8	Full audit planned 17/18
Social Media Risk Management		8					8	Nov-17
IT Change Control		2	2					
Creditors		11					11	Full audit planned 17/18 – audit underway
Detained Property		8					8	In progress
Forensic Support		3	3					
Major Investigation Team (Homicide Team)		1	1					



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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
Police Probationer Training		1				1		Next review Jan 18 – Outstanding recommendation relates to updating electronic CPD records.
Procurement		5	2			3		Jan-18
ROCU – UK PPS		5	4			1		Feb-18
Shared Services – Overtime Policy & Processing		10	10					
Training – Internal / External		3	3					
Treasury Management		0						
Value for Money - Grants		6					6	In progress
Assisting Offenders Unit		3	3					
Attendance Mgt & Management of Sickness absence		6					6	In progress
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		In progress
Dedicated Source Unit		3	3					
Fleet Management		2					2	Nov-17
Health & Safety		5					5	Nov-17
Interpreters		7	2			5		Feb 18
Inventory - Asset Registers		2	1			1		Dec-17
ICT Change Control		2	2					
Seized Monies		7					7	In progress
Shared Service Centre - Payroll Variations		6					6	In progress
Special Services Income		4					4	In progress

Internal Audit Activity Report

2016/17 Internal Audit Plan	Progress	Made	Implemented	Risk Accepted	Redundant	Not yet implemented	Not yet followed Up	Follow-up due
Special Operations Unit (Regional Undercover Unit)		1	1					
WMP 2020 Risk Management		7	2			5		In progress
WMP 2020 Project Reviews		7					7	In Progress
WMP 2020 Procurement/ICT procurement		2					2	Nov-17
WMP 2020 Body Worn Video		4					4	Nov-17
Tally Ho! Sports Club Accounts		9	3		6			Superseded by 2017/18 review
<b>Totals for 2016/17</b>		<b>203</b>	<b>83</b>	<b>0</b>	<b>8</b>	<b>24</b>	<b>88</b>	<b>7 of the 24 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	4	1			Risk accepted in respect of one low recommendation regarding Policy on Charging for Police Services. Executive Team opted not to change current approach in the short term.
<b>2015/16</b>							
Business Continuity		6	4			2	Planned audit 2017/18 – Audit underway
Recruitment		5	4			1	In progress
Payroll		8	5		3		Superseded by 2017/18 review
General Stores		9	6			3	In progress
Management of Police Information		2	1			1	Recommendation relates to Information Sharing Agreements – Audit currently underway



Internal Audit Activity Report

Audits with outstanding recommendations from 2014/15 and 2015/16	Progress	Made	Implemented	Risk Accepted	Redundant	Not yet implemented	Follow-up due
Occupational Health		7	1			6	In progress –Most outstanding recommendations are to be addressed by the new systems which is reported to be going live in Dec 17. Delays 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>27</b>	<b>3</b>	<b>3</b>	<b>17</b>	<b>6 of the 17 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.  Further progress update to be obtained Dec 17
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 underway.



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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	As at September 2016 - Implementation has been impacted by the previous officer responsible leaving the organisation.  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.  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 underway.
5	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	As at Nov 2017 – Reconciliations up to the end of July 2017 have been completed. An additional member of staff has joined the Covert Finance Team and has been assisting in the reconciliations  Further follow-up to be undertaken in Feb 17
6	3 December 2015	Recruitment	i/ A Recruitment policy should be developed which defines roles and objectives of all parties involved the force recruitment and selection processes 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.	i/ Recruitment Policy/guidance to be completed. 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. 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	29 February 2016  ii) & iii) Two months following the introduction of the recruitment policy.	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.  A further follow-up review is underway to



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			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.	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.		determine progress.
7	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  Clothing Stores Complete white report and submit as part of end of year close down.	01 April 2016	Follow up underway to determine latest position
8	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>	<p>By end of Dec 2016</p> <p>By end of Jan 2017 for Jan OCB</p> <p>By end of Q1 2017</p>	<p>As at June 2017:</p> <ul style="list-style-type: none"> <li>Risk briefing is carried out with all new starters.</li> <li>PGM risk briefings co-ordinated monthly</li> <li>SLT briefing on proposed new Strategy was provided on 21/07</li> </ul> <p>Currently awaiting OCB approval of the Strategy</p> <p>2<sup>nd</sup> follow-up underway to determine progress</p>
9	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> </ul>	<p>By end of Dec 2016</p> <p>By end of Dec 2016</p> <p>By end of Q1 2017</p> <p>By end of Q1 2017</p>	<p>As at June 2017:</p> <ul style="list-style-type: none"> <li>Transition process included in the risk management strategy showing the conversion from commissioning to deliver. Currently awaiting OCB approval of the Strategy</li> <li>Awareness sessions are carried out on an ad-hoc basis</li> </ul> <p>2<sup>nd</sup> follow-up underway to determine progress</p>



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				<ul style="list-style-type: none"> <li>Use awareness session to further brief PMs accordingly</li> </ul>		
10	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>2<sup>nd</sup> follow-up underway to determine progress</p>
11	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>
12	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</p>



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						Organisational Development has confirmed his intention to have payroll files read only by the November Payroll.  A follow-up to determine further progress will be undertaken in Jan 2018
13	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	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.  A follow-up to determine further progress will be undertaken in Jan 2018