

WEST MIDLANDS POLICE AND CRIME COMMISSIONER
NON-CONFIDENTIAL

NOTICE OF DECISION

XX/2014

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Title : Internal Audit Strategic Plan 2014/17

EXECUTIVE SUMMARY

The purpose this report is to approve the Internal Audit Strategic Plan for 2014/17, from which, the annual plan for 2014/15 is also drawn.

DECISION

I approve the Internal Audit Strategic Plan for 2014/17, together with the annual plan for 2014/15, as set out in **Appendix 1**

West Midlands Police and Crime Commissioner

I confirm that I do not have any disclosable pecuniary interests in this decision and take the decision in compliance with the Code of Conduct for the West Midlands Office for Policing and Crime. Any interests are indicated below.

Signature.....

Date.....

NON - CONFIDENTIAL FACTS AND ADVICE TO THE POLICE AND CRIME COMMISSIONER

INTRODUCTION AND BACKGROUND

1. The Joint Audit Committee (JAC) and the Force's Command Team collectively have now been consulted with, relating to the planning methodology employed by Internal Audit in establishing a joint strategic Internal Audit plan for the period 2014-17.
2. At the JAC meeting in March 2014, it was resolved that the audit plan resulting from this process be agreed. This report now seeks similar agreement from the Strategic Policing and Crime Board to the draft Internal Audit plan as a whole for 2014-17 and the annual audit plan for 2014/15 drawn from it.
3. Attached at **Appendix A** is the draft plan referred to above, detailing the full Internal Audit coverage and is the document that will form the basis of demonstrating audit performance and enable management of the overall audit resource to ensure substantial completion of the plan by March 2015.
4. To better demonstrate audit coverage of the areas identified through the audit needs analysis, a summary is attached below at **Table 1** detailing audit resources allocated to each section within the audit plan.

Type	2014/15	%	2015/16	2016/17
Functional	500	38%	635	495
Non-productive days	245	19%	245	245
Management	119	9%	116	116
Departments	106	8%	111	106
Follow ups	100	8%	100	100
ICT	80	6%	80	80
Investigations	50	4%	50	50
LPU	50	4%	50	55
VFM	50	4%	50	50
Grand Total	1300	100%	1437	1297

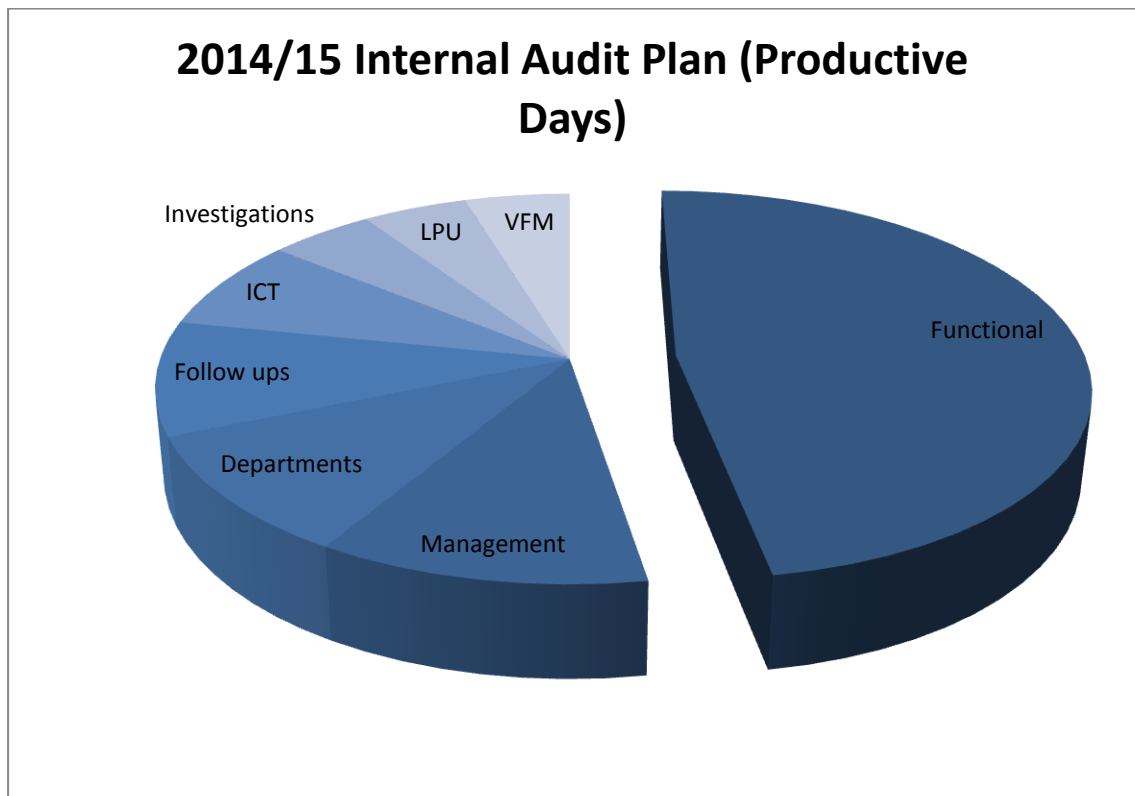
Table 1

5. A similar analysis is attached at Table 2, but which excludes non-productive days, which includes staff annual leave and bank holiday entitlements. This net allocation amounts to the total of productive days available.

Type	2014/15		2015/16	2016/17
Functional	500	47%	635	495
Management	119	11%	116	116
Departments	106	10%	111	106
Follow ups	100	9%	100	100
ICT	80	8%	80	80
Investigations	50	5%	50	50
LPU	50	5%	50	55
VFM	50	5%	50	50
Grand Total	1055	100%	1192	1052

Table 2

6. Examining this information further, demonstrates the relative allocations within each plan area, which is shown in the chart below.



7. The analyses above shows that we devote just fewer than 50% of productive resources to the classification of functional areas. These are those elements within the audit universe not directly associated with the bulk of the Force's operational deployment of officer strength, i.e. Departments or LPUs.
8. Drilling deeper into Functional areas, we can highlight the top risk areas and compare this coverage with the objectives highlighted in the updated Police and Crime Plan recently agreed in March 2014. The diagram below shows how these top risk scored areas can be mapped onto the plan's strategic objectives.

<u>Top 20 high risk IA plan areas</u>	<u>P&C Plan objectives March 2014</u>	
Special Operations Unit - Covert Operations Management of Police Information	Reducing crime and offending	
Sex Offender Management - PPU		
Police Officers & Staff - Induction of New Recruits Training (Internal-External) Police Probationer Training Compliance & Disclosure Unit	Improving the service the public receive from the police	
Business Continuity Estates Strategy Management Building Maintenance Inv - Asset Reg Firearms Unit Overtime Policy Bank Reconciliation Security Contract Stand Orders-Fin Regs Fuel Card Management Flex Time Review Expenses & Allowances		
		Delivering better value for money Improving public confidence in policing
	Developing greater local identity across the West Midlands	
	Demonstrating the Force's commitment to social responsibility	
	Supporting stronger communities	
	Ensuring an effective contribution to national policing	
	Creating stronger partnerships	

9. This diagram shows that all of the top risk areas directly map to the Police and Crime Plan. Not all objectives are covered but this is to be expected since only the top areas are in this analysis. If we were to consider the whole range of internal audit plan activities, then all Police and Crime Plan areas would be covered and whilst these would not all be a direct linkage, collectively all internal audit activity contributes towards an overall effective control environment, within which the Force and WMOPC can work towards the completion of the Police and Crime Plan objectives.
10. The first year of the strategic plan is the annual audit plan for 2014/15 and correlates to the available audit resource for the year. Subsequent years in the plan will be subject to change and a redistribution / adjustment of audit resources; the main drivers for this change will be developments arising from the IIP programme, the suite of projects bringing about new ways of working and the repositioning and reallocation of corporate resources to continue discharging required business functions within the overall objective of driving down the cost of overheads.
11. Finally, having defined the plan construction and analysed the outcomes of this process, what must be re-affirmed is the standard protocol employed in delivering the audit service to individual auditees.
12. The process begins by conducting a risk workshop on site. This contributes towards the production of an Audit Brief, which is agreed with the LPU Commander, Head of Department or relevant Policy Lead. This defines the nature of the review to be undertaken and what elements are to be included. Following this, the review is completed, on-site work finishing with a wash up interview, providing an initial set of verbal findings.
13. This is followed up in short order by a draft audit report, which includes a risk graded action plan. Auditees are asked to complete the action plan, in terms of agreeing to the recommendations, actions to be taken, when and by whom.
14. When this is returned, the final report is issued. This is the end of the initial stage insofar that the auditee is concerned. Alongside this protocol, a quarterly summary Internal Audit Activity Report is presented to the JAC, demonstrating progress with completing the audit plan and also publishing the current overall list of outstanding recommendations. This report is agreed with the Force through the Director of Resources who also attends the JAC and takes questions as required relating to such recommendations and the progress with their completion.
15. Finally, there is the discipline of following up recommendations. This is a two stage process, the first six months after the issuance of the final report. If upon the completion of the first follow up, no assurances can be obtained of effective implementation of accepted recommendations, they are re-issued and auditees are given a further three months within which to implement.

16. If after this period, still no effective progress has been made, the ultimate sanction would be to invite the LPU Commander, Head of Department or relevant Policy Lead to explain directly to the JAC the reasons for non-compliance.
17. In practice what happens is that if after the first follow up, no effective progress has been made, this is raised directly with the Director of Resources, whose support is sought to ensure effective actions take place. This direct line of access to the Director of Resources is also used to report significant findings ahead of the standard reporting process described above, if urgent remedial action is felt to be needed to prevent any further significant detrimental effects.

FINANCIAL IMPLICATIONS

18. There are no direct financial implications arising from this report.

LEGAL IMPLICATIONS

19. There are no direct legal implications arising from the contents of this report

EQUALITY IMPLICATIONS

5. There are no direct equalities implications arising from the contents of this report.

Public Access to Information

Information contained in this decision is subject to the Freedom of Information Act 2000 and other legislation. This decision will be made available on the Commissioner's website.