



Agenda Item 05

JOINT AUDIT COMMITTEE
31 March 2022

**INTERNAL AUDIT STRATEGY AND
INTERNAL AUDIT WORK PROGRAMME FOR 2022/23**

1. **PURPOSE OF REPORT**

1.1 The purpose of this document is to provide the Joint Audit Committee with:

- An understanding of Internal Audit's risk-based approach to developing its Strategy and Plan
- The proposed Internal Audit Work Plan for 2022/23.

2. **BACKGROUND**

2.1 The overall objective of internal audit is to provide an opinion on the adequacy and effectiveness of the organisation's control systems. To do this, audit work during the year needs to be planned to cover the significant risks facing the Police and Crime Commissioner and West Midlands Police Force. Internal Audit Professional Standards require this strategy/plan to be considered by the Joint Audit Committee. The proposed Strategy for 2022/23 is provided at Appendix A.

2.2 Following review of risk registers and extensive discussions with senior officers, a new draft plan has been prepared for 2022/23 and is also attached at Appendix B for endorsement by the Committee. The available days is considered sufficient to cover the higher level reviews and a significant number of those categorised as medium, and therefore will allow appropriate coverage on which to provide an assurance opinion. Also provided at Appendix D is a summary of audit coverage against the key risks of both the Force and Police and Crime Commissioner.

2.3 An Audit Charter is a requirement of the Public Sector Internal Audit Standards and sets out the purpose, authority and responsibility of internal audit. It has to be formally agreed and approved by the organisation and periodically reviewed. The Charter establishes the internal audit activity's position within the organisation, including the nature of the service's functional reporting relationship; authorises access to records, personnel and physical properties relevant to the performance of engagements and defines the scope of internal audit activities. The Internal Audit Work Plan for 2022/23 has been prepared in accordance with the Charter.

2.4 In accordance with best practice the existing Audit Charter, considered by the Joint Audit Committee in March 2021, has been reviewed to ensure it remains appropriate. There

are no changes required to the Charter at this time. The Charter is attached at Appendix E for information.

3 RECOMMENDATIONS

- 3.1 The Committee approves the proposed Internal Audit Strategy and Internal Audit Work Programme for 2022/23.
- 3.2 Note that no changes are required to the Internal Audit Charter.

CONTACT OFFICER

Name: Lynn Joyce Title: Head of Internal Audit

BACKGROUND DOCUMENTS

None

Internal Audit Strategy

This document sets out the Internal Audit Strategy 2022/23 for the Police and Crime Commissioner and West Midlands Police Force. These services are provided by the Joint Internal Audit Service. This document complements the Audit Charter.

Services

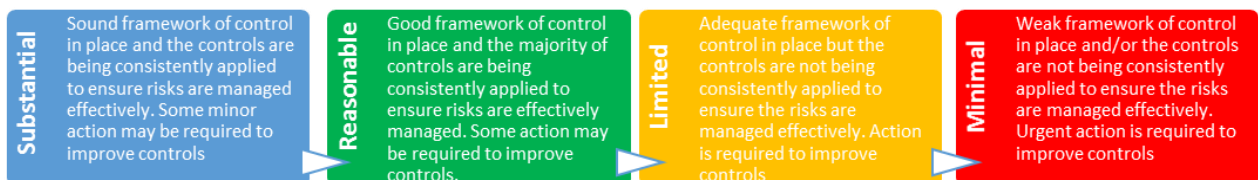
All organisations face risks in every aspect of their work: policy making, decision taking, action and implementation, regulation and spending. The different types of risk are varied and commonly include financial risks, IT risks, operational risks, physical risks to people and damage to the organisations reputation. The key to an organisations success is to manage these risks effectively.

The management of risks is the responsibility of every manager – the role of the Joint Internal Audit Service is to support managers by providing the following services:

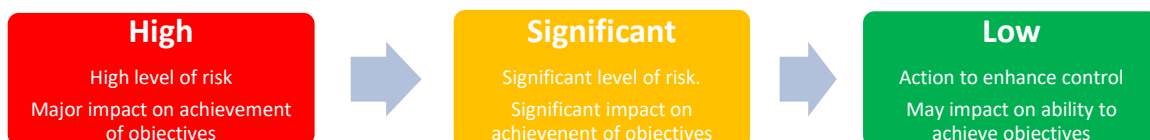
Assurance

We develop and then deliver a programme of internal audits to provide independent assurance to senior management and the Joint Audit Committee members that significant risks are being addressed. To do this, we will evaluate the quality of risk management processes, systems of financial, management and operational control and governance processes and report this directly and independently to senior management.

In accordance with regulatory requirements a risk based audit approach is applied to most individual assurance assignments. We give an opinion on how much assurance systems give that significant risks are addressed. We will use four categories of opinion in 2022/23:



A report, incorporating an agreed action plan, will be issued for every audit, the results of which are also reported to the Joint Audit Committee. To assist managers in addressing areas for improvement, recommendations will be made, which are classified as:



Advice

The organisation¹ will continue to face major changes in systems, processes and procedures over the coming years and we are able to support the organisation and provide advice, where required, on the control implications of these changes. The role of the internal audit service is to act as a critical friend and challenge the design of processes to reduce the risk of failure. It

¹ Organisation throughout refers to the Police and Crime Commissioner and West Midlands Police Force

is more constructive for us to advise on design of processes during the change process rather than identify problems after the event when often it is too late to make a difference. By doing this we are able to challenge current practice and champion best practice, so that the organisation as a whole achieves the objectives set in the Police and Crime Plan and Force's This Work Matters Strategy.

Irregularities

It is the responsibility of every manager to have systems in place to prevent and detect irregularities. The service liaises with the Professional Standards Department in respect of the investigations into allegations of fraud and corruption. Whilst investigations will predominantly be undertaken by the Professional Standards Department, the relevant senior manager/ member of Executive Team, in consultation with the Head of Internal Audit, should take all necessary steps to prevent further loss and, if necessary, to secure records and documentation against removal or alteration. This service helps foster the anti-fraud approach of the organisation.

Counter Fraud

The service also undertakes specific counter fraud work, which involves checking large numbers of transactions, for example, travel claims, credit card expenditure, fuel card usage, to identify errors and potential frauds. This is time-consuming work and thus the number of exercises that can be undertaken is very limited.

The service also leads on the organisations participation in the National Fraud Initiative, which is an exercise based upon the exchange and comparison of information with other public sector bodies and agencies. It identifies possible fraudulent activity across a range of areas, including payroll, pensions and creditor payments.

Context

The Accounts and Audit Regulations 2015 require organisations to have a sound system of internal control which:

- facilitates the effective exercise of their functions and the achievement of its aims and objectives;
- ensures that the financial and operational management of the authority is effective; and
- includes effective arrangements for the management of risk.

The Regulations require accounting systems to include measures to ensure that risk is appropriately managed. The requirement for an internal audit function is also contained in the Regulations which requires the organisation to:

“undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”

The Police and Crime Commissioner and Chief Constable has delegated responsibilities for internal audit to the Head of Internal Audit.

Definition of Internal Auditing:

“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

The role of audit is to provide assurance to the organisation (Managers, Heads of Service, Assistant Directors, Executive Team, Chief Constable, PCC and the Joint Audit Committee) that the organisation maintains an effective control environment that enables it to manage its significant risks effectively. We help the organisation achieve its objectives by providing assurance that effective and efficient operations are maintained.

The assurance work culminates in an annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control environment which feeds into the Annual Governance Statement.

Vision, purpose and values

The mission of the Internal Audit Service is *“to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.”*

To deliver on our mission we will:-

- demonstrate integrity and promote appropriate ethics and values within the organisation;
- provide independent and objective risk based assurance;
- be proactive and forward thinking;
- continually improve the quality of our services and promote organisational improvements through our work;
- continue to demonstrate competence and due professional care and develop internal audit staff to ensure we are fully equipped to respond to the organisations demands;
- add value by aligning our work with the strategies and objectives of the organisation focusing our resources on the most significant risks;
- communicate effectively and work with managers to improve controls and performance generally; and
- be appropriately positioned and adequately resourced and consider, where necessary and appropriate to do so, obtaining competent advice and assistance if there is a lack of knowledge, skills or other competencies needed to perform all or part of an engagement.

Our customers will continue to be affected by a variety of local and national issues, including:-

- The increasing use of technology to deliver services;
- Agile working and the introduction of new ways of working;
- Changes in legislation, policing requirements and operational practices;
- Implementation of new systems;
- Increased demand on services with reduced resources;
- Pressure to reduce costs while improving quality/ effectiveness; and
- Increase in partnerships/collaboration.

These, and other developments, require a responsive and flexible Internal Audit Service to review existing systems and provide advice on new systems.

To help achieve our mission and to ensure we are best placed to meet the challenges facing the service, we invest heavily in continued professional development. There are a number of staff within the team holding or studying for professional qualifications:

- The Head of Internal Audit is a qualified member of the Chartered Institute of Public Finance and Accountancy (CIPFA).
- One Principal Auditor is a Chartered Internal Auditor with the Institute of Internal Auditors (IIA), and has an Advanced IT Auditing Certificate also with the IIA and has recently qualified as a Certified Information Systems Auditor (CISA) with the Information Systems Audit and Control Association (ISACA).
- Another Principal Auditor has a Certified Internal Audit qualification with the IIA and is currently studying for Chartered status.
- One Auditor is qualified as a Certified Internal Auditor with the IIA.

Support for professional training will continue during 2022/23. In addition, relevant ad-hoc training will be provided during the year on relevant subjects to maintain Continued Professional Development. Examples of ad-hoc training include, attendance at annual audit conferences, Annual Police Audit Group Conference and relevant 'hot topic' sessions and webinars provided by the professional bodies. We also participate in wider training provided by the Office of the Police and Crime Commissioner in areas such as trauma informed practice and anti-racist practice and safeguarding processes.

Our approach for 2022/23

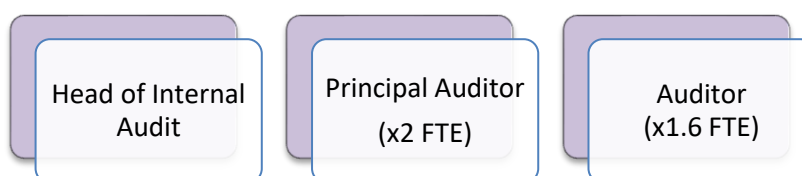
The plan covers one year, although it will remain flexible to cover changes in the risk profile of the organisation and will be revised at key stages throughout the year. The focus of the plan is primarily on the high risk areas, areas of significant change and key organisational processes. Audits of this nature are a more effective use of limited resources and are key to providing the appropriate assurance to the organisation that its overall governance arrangements remain effective.

As far as possible, our work is aligned with the organisations risk base by reviewing both the Force and Police and Crime Commissioner's risk register and consulting extensively with senior management to identify other risk areas for review where management require assurance that systems of control are adequate and operating effectively. The consultation process for devising the Audit Plan included the following:

- Individual meetings with the Deputy Chief Constable, all Assistant Chief Constables and Directors, a selection of Assistant Directors and Head of Service and the Police and Crime Commissioner's (PCC) Chief Executive, Deputy Chief Executive and Chief Finance Officer.
- Review of the Police and Crime Plan, the Force's three year strategy 'This Work Matters', Force Corporate Risk Register and the PCC's Risk Register.
- Review of other sources of information including national and local strategies and policies, organisational changes, HMICFRS reports and consideration of collaborative arrangements in place.

In addition, the Head of Internal Audit has access to various professional networks such as the National Police Audit Group which highlight wider issues affecting internal audit, which have also been considered when determining the programme of work.

The Internal Audit Service consists of five members of staff (4.6 FTEs). The team consists of:



When taking account of any avoidable days, e.g. Annual leave, bank holidays, training, administration time, planned absences etc., this provides a total of 805 productive audit days. The breakdown of days against each of the key activities is provided below:

Category	Days	% of days
Assurance; including contingency	675	84%
Advisory; incl. contingency for ad-hoc advice	25	3%
Counter Fraud/Investigation contingency	30	4%
Management; incl. JAC facilitation and reporting, External Audit Liaison, Audit Planning, Senior Management Liaison etc.	75	9%
Total Productive days available for audit	805	100%

As in previous years, the number of potential audit areas exceeds the days available this year, and a number of topics cannot therefore be accommodated within the resources available. This is not unusual across most audit services and therefore the work plan has to be prioritised to identify those audits with the highest risk. The work plan has been prioritised based on the following criteria:

- Links with the objectives in the Police and Crime Plan and the Force's This Work Matters Strategy;
- Links to the Force and PCC risk register;
- Previous known issues that highlight potential control weaknesses (from HMICFRS, Internal Audit, External Audit, reports to Strategic Policing and Crime Board etc.);
- Other scrutiny and assurance processes in place;
- Key new system or service priorities
- Time since last review.

Based on these criteria, the audits have been scored and prioritised as Very high, high, medium and low and we will focus resource on those areas with the highest score. There will be exceptions to this where the review is required to maximise objectives and is time limited. One example of this in the 2022/23 audit plan is the Commonwealth Games Legacy Audit, whereby it's not considered high risk but to maximise effectiveness the review would be better undertaken in 2022/23 following conclusion of the Games.

To minimise duplication and make the best use of limited resources we aim to rely or build on work undertaken by other assurance providers rather than undertake our own detailed checks. For example, if the Information Management function undertakes compliance checks on information management and security policies, we will evaluate their approach and if it is sound then future audit work on the topics covered can be limited. A further example is Forensics Services which is ISO registered and has its own compliance team, we therefore rely on the ISO registration.

A detailed list of topics forming the 2022/23 work plan is shown in Appendix B. The available days is considered sufficient to cover the higher level reviews and a significant number of those categorised as medium, and therefore will allow appropriate coverage on which to provide an assurance opinion.

An illustrative list of topics that we are not planning to audit based on the existing level of resource is also provided at Appendix C. The illustrative topics consists of suggestions received through the annual planning exercise and is not a complete list of potential auditable topics (the audit universe). Being transparent about topics that cannot be audited is a key requirement of the Public Sector Internal Audit Standards. Some of the illustrative topics are in mid change and are therefore more suitable subjects for future years. Others are low level or already have scrutiny arrangements in place. The audit universe will continue to change and be developed and refined during future planning exercises as risk profiles change.

Priority has been given to those areas of activity with links to the key risks identified in the strategic risk registers. A summary of existing risks and the audit coverage in previous years and planned for 2022/23 is summarised at Appendix D.

There will inevitably be circumstances where the Head of Internal Audit may have to amend the work plan, e.g. when risks change or a specific project becomes a matter of priority. There may be cases where individual lower priority audits have to be rescheduled because of competing priorities. Also, as a number of the areas in the work plan are new areas, estimating time on individual audits can be difficult. As a result, throughout the year the plan will be closely monitored and updated to ensure it remains relevant. In year changes to the plan to reflect such variances are accepted as best practice. This plan, therefore, is not set in stone and will be revised as circumstances change. The Joint Audit Committee will be consulted on any such changes and will be provided with regular updates on progress.

2022/23 Draft Internal Audit Work Plan

Portfolio	Area	Description (CRR – Links to Force Risk register)	PCC/Force or Both	Police and Crime Plan	This Work Matters Strategy	Priority	Assurance	Advice	Investigations	Counter fraud	Management
Crime	Organisational Learning - Child Abuse - Learning from Inspection reports	There have been a number of inspections into recent failing in a child abuse case. This review will determine how the Force is taking forward the recommendations and learning from these inspections, including national review, led by the National Child Safeguarding Practice Review Panel, into the abuse of Arthur Labinjo-Hughes and the Governments commissioned Joint Targeted Area Inspection review. CRR01 Vulnerability and Hidden Crimes	Force	Learning from incidents	A whole-system approach to prevention with external partners	VH	✓				
Crime	Rape and Serious Sexual Offences (RASSO)	The Force has received consultancy advice from PWC on RASSO investigations and this piece of work is due to conclude in March 2022, leaving the Force with a 100-day plan to improve arrangements. This review will follow up on progress with the 100-day plan as well as confirming progress in implementing the recommendations arising from the minimal assurance opinion audit that reported in August 2021. CRR 08 Investigative and Criminal Justice Process and Outcome	Force	Bringing Offenders to Justice	A whole-system approach to prevention with external partners	M	✓				
Crime	Stop and Search - Focus on strip search	This review will focus on the policies and processes in place for conducting strip searches ensuring compliance with guidance and appropriate governance and oversight.	Force	Safer detention Stop and Search		M	✓				
POD	Training	Training has been massively impacted by the Pandemic and as a result key training courses have not progressed leaving a critical risk around officers' core skills. This review will cover how the Force is addressing the backlog of training to ensure staff receive skills training in essential areas. The review will also assess the commissioning approach to training to determine how training is assessed prioritised and provided to maximise benefits in this area. CRR 18 Core Skills Resilience & Training Risk CRR 03 Operational Training and Embedded Learning	Force	Performance management of officers and staff	Refresh how learning and development is delivered, and assessed	H	✓				
POD	Wellbeing	Many organisations are evolving as a result of numerous changes brought about by aspects such as Covid Pandemic, green agenda, changing demographics etc. This review will consider how the wellbeing offer to staff and officers is changing as a result, considering how the Organisation supports staff through the different stages of their time with the organisation. This will include how the Force identifies and supports officers in roles where they are exposed to constant trauma. CRR 06 Corporate Health, Safety and Wellbeing	Both	Supporting the workforce, organisational change and new technology: Performance management of officers and staff	Invest in the health and wellbeing of our people	H	✓				

Portfolio	Area	Description (CRR – Links to Force Risk register)	PCC/Force or Both	Police and Crime Plan	This Work Matters Strategy	Priority	Assurance	Advice	Investigations	Counter fraud	Management
POD	Recruitment	This review will assess the robustness of recruitment and onboarding procedures in place and consider whether these are being complied with and that recruitment and onboarding is being undertaken in the most efficient and staff are recruited in a timely manner and aligned with the strategic workforce planning requirements. CRR 09 Recruitment & Retention/Uplift	Force	Police Recruitment Supporting the workforce, organisational change and new technology A police force that represents the best of the West Midlands	Deliver on our diversity commitment and build specialist capabilities	H	✓				
POD	Expenses	To assess, review and provide assurances that the procedures and operating protocols in place for the payment of employee expenses are efficient and effective. This will include fraud prevention aspects.	Both	Financial Probity	Invest in the health and wellbeing of our people	M	✓				
POD	Pensions	This review will assess the procedures and operating protocols in place within the Pensions Department to ensure they are efficient and effective. The latest position with the McCloud ruling will also be determined to determine how the Force is preparing for this.	Force	Financial Probity Police Officer and Police Staff pay	Invest in the health and wellbeing of our people	M	✓				
Local Policing	Local policing response to Serious Youth Violence (U25s)	This review will have specific focus on the local policing contribution to responding to the Youth Violence agenda to confirm the strategy is being delivered and there is evidence to confirm the input is having the anticipated impact. CRR 02 Serious Violence in Under 25s	Force	Serious Violence Strategies Vulnerability, exploitation and abuse	A whole-system approach to prevention with external partners	H	✓				
Local Policing	Citizen's Experience	This cross-cutting review will consider citizen's experience and confidence in policing assessing the way in which the Force obtains feedback from victims and witnesses and determining whether effective victim and care strategies are in place and operating across the Force. The review will assess the data gathered from public contact and assess how this is being used to inform delivery etc.	Force	Understanding, measuring and improving public confidence in policing and satisfaction with service	Improve the public's experience and be clearer on expectations	M	✓				
Local Policing	Impact Areas (NPU Learning)	Impact Areas have been identified within neighbourhoods where there is a disproportionate amount of crime, demand, deprivation and harm. The Force work with partners and communities in these areas to solve problems in the long term. This review will consider how the learning from positive results are shared widely across other Impact Areas and	Force	Rebuilding Community Policing	Get better at understanding what matters most to our communities	M	✓				

Portfolio	Area	Description (CRR – Links to Force Risk register)	PCC/Force or Both	Police and Crime Plan	This Work Matters Strategy	Priority	Assurance	Advice	Investigations	Counter fraud	Management
		beyond. The review will also consider arrangements for prioritising and tasking across impact areas.									
Security	ROCU Tasking	The Regional Organised Crime Unit (ROCU) receives funding from a variety of streams to deliver different objectives. This review will aim to provide assurance that the Force is using its resources in the right way. The review provide assurance on the governance of regional tasking arrangements and ensure consistency in tasking based on threat, risk and harm. <i>ROCU forms part of a Section 22a arrangement and findings will be made available to the other Forces within the collaboration.</i> CRR 15 S22 Governance	Force	Serious and Organised Crime	A whole-system approach to prevention with external partners	H	✓				
Security	Hidden Crimes	This review planned for later in the year cuts across Crime and security portfolios and will consider the operating protocols for the new SOCEX hub and how embedded this now is in the investigative process and whether benefits have been achieved. <i>This audit was postponed from 2021/22 audit plan</i>	Force	Reducing Violence	A whole-system approach to prevention with external partners	H	✓				
Security	Special Branch	WMCTU took over governance of Special Branch function in Staffordshire, Warwickshire and West Mercia. This review will ensure the operations within Special Branch are robust and consistent and where any inconsistent practices have arisen development plans are in place to harmonise processes. <i>WMCTU forms part of a Section 22a arrangement and findings will be made available to the other Forces within the collaboration.</i> CRR 15 S22 Governance	Force	Counter Terrorism	A whole-system approach to prevention with external partners	M	✓				
Security	Organisational Learning - Manchester Arena Bombing	This review will consider the learning from the Manchester Arena bombings and determine how the Force is taking forward the learning and recommendations from independent reports ensuring the recommendations are being tracked and implemented and any changes to processes as a result are robust and subject to appropriate governance. CRR 17 Organisational Learning	Force	Preparing for emergencies and critical incidents	A whole-system approach to prevention with external partners	H	✓				
Operations	Operations Resilience Unit / Civil Contingencies	This review will provide assurance that the Force is complying with the Civil Contingency Act and that adequate arrangements are in place to ensure that the 6 key duties are being fulfilled. The review will focus on the work of the Operations Resilience Unit. CRR 03 Operational Training and Embedded Learning	Force	Strategic Policing Requirement Preparing for emergencies and critical incidents	A whole-system approach to prevention with external partners	H	✓				

Portfolio	Area	Description (CRR – Links to Force Risk register)	PCC/Force or Both	Police and Crime Plan	This Work Matters Strategy	Priority	Assurance	Advice	Investigations	Counter fraud	Management
Operations	Body Worn Video	New body worn cameras are being rolled out across the Force. This review will consider the allocation, management and use of body worn camera as well as the plans and testing around enhanced functionality offered by the cameras, such as livestreaming.	Force	Stop and Search Police Use of force	Continue to modernise and ensure a sustainable WMP	M	✓				
Operations	Airport Insider Threat	PND Wash project is a new process established to enhance airport security by determining insider threat from those who have access to land side/air side critical areas. The review will determine the robustness of the new processes established for identifying intelligence relating to individuals and how this is disclosed and the threat, harm, risk is assessed.	Force	Airport Policing	A whole-system approach to prevention with external partners	M	✓				
Commercial Services (IM)	Parole Board Disclosures	Parole boards routinely request police information to assist with prison recall or parole decisions. These disclosures were originally managed by Probation but are now received directly in the Force. This review will ensure the arrangements established by the Force for sharing information with the parole boards is robust and follows a consistent process that ensure disclosures are not excessive. CRR 20 Probation Data Sharing & Disclosure	Force	Preventing and reducing crime	A whole-system approach to prevention with external partners	H	✓				
Commercial Services (F&P)	Budgetary controls / Priority Based Budget	Review of arrangements in place for budget setting, budget monitoring, forecasting, virements, variances monitoring, management of financial saving plans etc. the review will also consider how the outcomes from the ongoing priority based budget reviews are considered in wider budgeting process CRR 10 Financial Management	Both	Financial Probity	More effective working across our departments – one team	M	✓				
Commercial Services (F&P)	Procurement	Recent events such as the Pandemic and Brexit have prompted organisations to assess the risks around supply chains. This review will consider the arrangements across the organisation to identify key suppliers and ensure supplier risks are appropriately identified and assessed. The review will also consider whether the procurement strategy and supporting procedures are followed for new procurement exercises.	Force	Financial Probity Social Value and Corporate Social Responsibility	More effective working across our departments – one team	M	✓				
Commercial Services (IT&D)	IT&D Business Continuity and Disaster recovery	Effectiveness of planning to protect the Force from the effects of significant negative events, allowing the Force to maintain or quickly resume critical functions following a disaster. This will be essential leading up to and during the Commonwealth Games. This will include processes in place to understand a systems ability to withstand a major disruption (including identification of single points of failure) within acceptable parameters and to recover within an acceptable time. CRR 13 Cybersecurity	Force			M	✓				
Commercial Services (IT&D)	Change Management (including	This review will provide assurance that policies and procedures used for the efficient and effective handling of all IT changes are complied with, to minimise the impact of change-related incidents upon service quality.	Force	Financial planning Supporting the	Continue to modernise and ensure a sustainable WMP	M	✓				

Portfolio	Area	Description (CRR – Links to Force Risk register)	PCC/Force or Both	Police and Crime Plan	This Work Matters Strategy	Priority	Assurance	Advice	Investigations	Counter fraud	Management
	configuration, release and patch management processes)			workforce, organisational change and new technology							
Commercial Services (CAMS)	Uniform Service	This review will assess the robustness of the arrangements in place for ordering, receipt, invoicing and distribution of uniform. Also considered will be arrangements for secure disposal of uniform and governance arrangements as part of the National Uniform Managed service.	Force		More effective working across our departments – one team	M	✓				
Commercial Services (CAMS)	Environmental Strategy	The Force are in the process of formalising an Environmental Strategy agenda. This review will be planned in Q3/4 to determine the delivery planning arrangements for taking forward the strategy.	Both	A greener West Midlands Police	Continue to modernise and ensure a sustainable WMP	M	✓				
CWG	CWG Legacy assurance	The Commonwealth Games take place in Summer 2022 and a significant focus is on legacy benefits. A legacy strategy has been developed but the Force. This review will determine how the Force is delivering against the strategy	Force	Supporting a friendly, safe and secure Commonwealth Games	Pursue collaboration with policing partners	L	✓				
Force	Fairness and Belonging	This review will determine how the strategy is being embedded across the Force and how the three strands 'communities, partners and people' are being delivered and governed to ensure the strategy is delivered. CRR 07 WMP Demographics and Representation	Force	Fairness and Belonging Programme	Deliver on our diversity commitment and build specialist capabilities	M	✓				
Force	Force Governance	High level review of the force governance arrangements to ensure effective governance and decision-making processes in place, including terms of reference, clarity of roles, decision making regimes, interdependencies, risk enabling, links to delivery of This Work Matters Strategy etc.	Force	Good Governance	More effective working across our departments – one team	M	✓				
OPCC	OPCC – Police and Crime Plan Delivery	This review will provide assurance on the monitoring mechanisms in place for the delivery of the Police and Crime Plan including management oversight, impact of activities on budget and understanding and utilising data available to monitor performance.	OPCC	All aspects of plan	N/A	M	✓				
OPCC	Custody Visiting Scheme	Advisory piece on proposed changes to the Custody Visiting Scheme to apply a risk-based approach to vulnerability.	OPCC	Safer detention	N/A	L		✓			
Mandatory	Contingency for assurance work	Due to uncertainty in the time required for some jobs - contingency established to be allocated to audits that merit further allocation of time.	Both	N/A	N/A	N/A	✓				
Mandatory	Management	Includes Audit Committee planning, reporting and attendance, Audit Planning and ongoing liaison, effectiveness review, general management etc.	N/A	N/A	N/A	N/A					✓
Mandatory	Contingency for investigations	Includes liaison with PSD on ad-hoc investigation	Both	N/A	N/A	N/A			✓		

Portfolio	Area	Description (CRR – Links to Force Risk register)	PCC/Force or Both	Police and Crime Plan	This Work Matters Strategy	Priority	Assurance	Advice	Investigations	Counter fraud	Management
Mandatory	Contingency for Ad-hoc advice	Small amount of time to provide advice on request that is not already included as part of this plan. This includes Internal Audit representation at Information Assurance Working Group and Strategic Information Management Boards	Both	N/A	N/A	N/A		✓			
Mandatory	Follow-ups	Time allocation to follow-up on audit recommendations to confirm implementation	Both	N/A	N/A	N/A	✓				
Mandatory	NFI	Providing data downloads to Cabinet Office and investigating matches and subsequent investigation of matches reported	Both	N/A	N/A	N/A				✓	

Illustration of Auditable Topics (not planned for 2022/23)

In addition to the audit work plan above, the Public Sector Internal Audit Standards requires the strategy to be transparent about those audit areas not covered in 2022/23. Based upon the planning discussions with senior management and subsequent communication around proposed audit areas, Internal Audit's professional judgement and the results of previous audits, the following topics are **not** planned for 2022/23. However, should any of the planned audits not take place this list will be used to substitute, in consultation with Senior Management and Joint Audit Committee. The audit universe will continue to be developed and refined during future planning exercises and liaison meetings.

Portfolio	Area	Description (CRR – Links to Force Risk register)	PCC/Force or Both	Police and Crime Plan	This Work Matters Strategy	Priority	Comments
POD	Performance Management - Officers and staff	This review will focus on the arrangements across the Force for managing the performance of staff and officers. The WMP Conversations process was introduced in 2018 and is now an embedded part of managing staff performance. In January 2022 a new staff rating process was introduced as part of WMP conversations and this review will assess how this new process is being adopted and embedded and the plans to use the process to provide praise and recognition as well as supporting development.	Force	Performance management of officers and staff	A workforce empowered to learn quickly and improve performance	M	
POD (SS)	Overtime	This review will provide assurance that the arrangements for claiming and paying overtime to staff and officers is robust ensuring appropriate approvals and due diligence checks on payments.	Force	Financial Probity	More effective working across our departments – one team	M	Advisory work ongoing on new Overtime App
POD (SS)	Debtors	To provide assurance that the processes and systems in place for the raising of debtor invoices and subsequent recovery of debts are effective	Both	Financial Probity	More effective working across our departments – one team	L	
Security	ROCU Business Support	This review will consider the robustness of business support processes operating within ROCU.	Force	Serious and Organised Crime	A whole-system approach to prevention with external partners	M	
Security	Intelligence – Specific focus on Threat to Life scenarios	This themed audit will determine whether the processes in place for categorising Threats to Life (TTL) as high, medium and low are robust. The review will confirm the guidance is clear and consistently applied.	Force			L	
Local Policing	Volunteers	The Force relies on its volunteer workforce but sustaining volunteers longer term can be	Force	Equality and Human Rights	Make it easier for the public to help us build	M	

Portfolio	Area	Description (CRR – Links to Force Risk register)	PCC/Force or Both	Police and Crime Plan	This Work Matters Strategy	Priority	Comments
		challenging. This review will consider how the Force is working towards sustaining its pool of volunteers. The review will consider shared learning from across the pool of volunteers.			safer communities		
Commercial Services (IM)	Information Sharing Agreements	A review of the Information Sharing Agreements across the Force to ensure policies, standards and procedures for sharing information between partners and other third parties are being complied and data is shared in a safe and secure way.	Force	Serious and Organised Crime Preventing and reducing crime Reducing Violence (Analysis and data)	A whole-system approach to prevention with external partners	L	Compliance with ISA agreements will be addressed through individual audits where ISA agreements are in place
Commercial Services (F&P)	General ledger	This audit will seek to give assurances that the general ledger accurately reflects the financial transactions of the Force and PCC. The review will include aspects such as account code maintenance, management of suspense accounts, reconciliation of ledger balances, reliability and integrity of transactions and records. CRR 10 Financial Management	Both	Financial Probity	More effective working across our departments – one team	M	
Commercial Services (F&P)	Priority Based Budget approach	The Force is reviewing its budgeting arrangements to respond to the budget cuts from Government. This review will determine how the Force is driving forward those plans to deliver priority based budgets. CRR 10 Financial Management	Force	Financial Planning	A workforce empowered to learn quickly and improve performance	M	Aspects of priority based budget will be incorporated into planned budget management audit
Commercial Services	POCA – Proceeds of Crime Act	This review will ensure that the processes for administering proceeds of crime monies are operating effectively to maximise amounts received by the Force	Force	Proceeds of Crime Act		M	
Commercial Services (F&P)	Income Generation	This review will consider the arrangements across the Force for generating income, including how the Force is managing its income sources and exploring opportunities for new income streams.	Force	Financial Planning		M	
Commercial Services (IT&D)	Robotics	The use of robotics and automation solutions are becoming more widespread. This review will determine the roadmap for the use of	Force	Financial planning Supporting the workforce,	Ethically apply the use of machines to improve our effectiveness	L	Aspects of processes that utilise robotics will be reviewed as part of individual audits

Portfolio	Area	Description (CRR – Links to Force Risk register)	PCC/Force or Both	Police and Crime Plan	This Work Matters Strategy	Priority	Comments
		robotic solutions across the Force and will assess the processes used for determining, prioritising, programme parameters, access to parameters, change control processes etc. The review will also test a sample of processes that use robotics to ensure they operate as intended.		organisational change and new technology:			
Commercial Services (IT&D)	IT Development Plan / Strategy	This review the adequacy and effectiveness of the governance, processes and key controls over the delivery of the IT strategy to help the Force meet its objectives. The review will consider the readiness for delivering key local and national system developments.	Force	Supporting the workforce, organisational change and new technology:	Ethically apply the use of machines to improve our effectiveness	L	New IT Synergy Strategy being developed. Defer to 2023/24 to assess delivery.
Commercial Services (IT&D)	Mobile devices	Due to the vast increase in number of mobile devices this review will assess how well the Force is managing mobile devices, e.g. issue, losses, stolen device management, standard set up, systems access, tracking staff moves, security policies, disposal and destruction, usage policies etc.	Force	Organisational change, national programmes, other new technologies	Continue to modernise and ensure a sustainable WMP	L	
Commercial Services (IT&D)	Software Licencing	This review will provide assurance around the adequacy, effectiveness and completeness of monitoring of software licenses across the Force.	Force			L	
Crime	Children through the Custody Process	This review will provide assurance that a trauma informed approach is applied when managing children through the custody process. The review will ensure compliance with established processes.	Force	Recognising trauma in victims and offenders Children in custody		M	
Crime	Use of Civil Orders	This covers areas such as Domestic Abuse, Stalking and Harassment, DVPO, injunctions etc. The rate of use of civil orders by WMP is lower than other forces. This review will consider compliance with best practice for issuing civil notices.	Force	Preventing and reducing crime		M	Some aspects such as DVPO/DVPNs reviewed as part of recent Domestic Abuse audit
Crime	Forensics - Biometrics	This review would provide assurance that the samples taken from FCID and PPU from victims and witnesses are managed properly and comply with required standards. These arrangements fall outside of Forensics Services and their ISO regime.	Force		Expand use of data and technologies to define our interventions	L	

Portfolio	Area	Description (CRR – Links to Force Risk register)	PCC/Force or Both	Police and Crime Plan	This Work Matters Strategy	Priority	Comments
Crime	Mental Health	This review will assess changes in policies and processes since the previous audit of mental health in 2018/19 with specific focus on S135 and S136 which relies heavily on support from partners.	Force	Rebuilding Community Policing Mental Health	A whole-system approach to prevention with external partners	L	
Operations	Digital Evidence Store	Digital Evidence Store is a system to manage and store digital evidence from point of collection through to disposal. This review will assess how the digital evidence store is being implemented across the Force following its initial pilot to capture evidence from BWV and members of the public and how it is being utilised to speed up the investigation process resulting in quicker charging decisions and allowing more collaborative working	Force	Organisational change, national programmes, other new technologies	Continue to modernise and ensure a sustainable WMP	M	Process currently being piloted with wider roll out expected later in year – defer to 2023/24
Operations	Strategic Protests	This review will consider how threat, harm, risk is assessed and intelligence information shared in relation to strategic protests.	Force	Strategic Policing Requirement		L	

Audit Coverage of Key Risk Areas

This table summarises the previous and planned audit coverage against current risks within the Force and PCC Risk Registers

<i>Risk ID</i>	<i>Risk Name</i>	<i>Description</i>	<i>Residual Risk Rating</i>	<i>Previous audit coverage (18/19 to 2021/22)</i>	<i>Proposed Internal Audit 2022/23</i>
CRR18	Core Skills Resilience & Training Risk	There has been a drop in Police Officers trained in core skill areas, this has partly been due to COVID and self-isolation measures. This has led to a reduction in the percentage numbers and resilience of Police Officers trained in core skills such as Personal Safety Training, Driver Training, Public Order Skills and Taser. The reduced capacity has also led to a reduced offer from L&D.	Critical	<ul style="list-style-type: none"> • Training 	<ul style="list-style-type: none"> • Training
CRR20	Probation Data Sharing & Disclosure	There is a risk that the Force does not have the appropriate oversight and a centralised process to deal with and record the information requests made by the Parole Board.	Critical		<ul style="list-style-type: none"> • Parole Board Disclosures
CRR03	Operational Training and Embedded Learning	<p>Op Plato Embedding There is a risk that Operational Officers fail to adopt the national Joint Operating Principles introduced to WMP in December 2020 in a timely manner. A new challenge with this risk is the lack of ownership locally now that ORU have rolled out the training to keep this an annual refresher on CPD days within departments.</p> <p>JESIP Command Training Limited roll out of the JESIP re-accreditation courses. This has been caused by insufficient access to training venues and JESIP trainers amongst the tri-service and could lead to a delay in re-accreditation of the JESIP Commanders and upskilling new staff.</p>	High	<ul style="list-style-type: none"> • Marauding Terrorist Attacks 	<ul style="list-style-type: none"> • Civil Contingencies
CRR15	S22 Governance	<p>ROCU - If the current model - ARIS (Asset Recovery Incentivisation Scheme) is altered and assets seized were distributed across the region e.g. as per the current funding formula WMP OPCC would stand to lose 47% of current ARIS funding. There is a risk that if ARIS funding is not provided to other forces they may withdraw resource from the ROCUWM as they are not seeing equitable benefits from the regional agreement.</p> <p>CTU - There are two proposed options for the method of transferring Special Branch funding into CT Policing as part of the national SB Reform project. There is a risk that if Option 1 is chosen the transfer of SB funding into CT Grant will result in a 'top slice' from forces across the region that is not consistent with the actual spend of Special Branch. Option 2 would be a one-time adjustment. Based on this information, there is a risk that WMP will see their budget reduced by more than the actual cost of Special Branch.</p>	High		<ul style="list-style-type: none"> • Special Branch • ROCU Tasking
CRR09	Recruitment & Retention/Uplift	<p>There is a risk of being unable to recruit staff across the Force in a timely manner and aligned with the strategic workforce planning requirements.</p> <p>The uplift targets and their associated entry routes (e.g. PEQF) create significant additional demand on WMP. The failure to meet recruitment targets will impact on the force's resilience and may potentially affect future funding from the Home Office.</p> <p>There is a risk that a number of student officers have been identified as potentially being at risk of dismissal due to repeated failures of university modules.</p>	High	<ul style="list-style-type: none"> • Workforce Planning • Diversity and inclusion • Uplift Programme 	<ul style="list-style-type: none"> • Recruitment
CRR13	Cybersecurity	Failure of the Force's IT&D systems (due to cyber-attack, hardware failure, loss of IT systems via IT services provider or other data security breaches) will lead to severe disruption to service delivery and response.	High	<ul style="list-style-type: none"> • Cybersecurity 	<ul style="list-style-type: none"> • IT Business Continuity and Disaster recovery

Risk ID	Risk Name	Description	Residual Risk Rating	Previous audit coverage (18/19 to 2021/22)	Proposed Internal Audit 2022/23
CRR06	Corporate Health, Safety and Wellbeing	<ul style="list-style-type: none"> - There may be an increase in employee related mental health and wellbeing issues which impacts WMP's ability to deliver and recover operational services during the post pandemic environment. - There is a risk of post-Traumatic Stress Disorder to forensic services staff caused through constant exposure to trauma, death, violence and sexual scenes and evidence and the subsequent raw emotion of victims and families. 	High	<ul style="list-style-type: none"> • Occupational health 	<ul style="list-style-type: none"> • Wellbeing
CRR01	Vulnerability and Hidden Crimes	There is a risk that the increased identification of vulnerability in demand, and hidden crimes (includes child exploitation, modern day slavery, human trafficking, domestic abuse, missing people) poses a challenge to the Force to manage its complexity. The risk could also impact the response levels provided impacting the delivery of an effective service to those in need.	High	<ul style="list-style-type: none"> • Thrive+ • Vulnerability - focus on delivery plan and domestic abuse • Vulnerability - Governance arrangements • Domestic Abuse Serial Perpetrators • Vulnerability in Calls/THRIVE+ • Missing Persons • Domestic Abuse Case Management • Hidden Crimes • Rape and Serious Sexual Offences 	<ul style="list-style-type: none"> • Rape and Serious Sexual Offences
CRR02	Serious Violence in Under 25s	There is a risk that interventions to address multiple risk factors/indicators are not impactful or effective. The increase in volume of serious youth crime and serious violence (gun and knife crime) in the under 25s could lead to the cumulative risk around community safety. There could be a perceived failure that the Force is not responding adequately to prevent and respond to crime involving young people.	High	<ul style="list-style-type: none"> • Serious Violence in Under 25s • Violence Reduction Unit 	<ul style="list-style-type: none"> • Serious Violence in Under 25s - Local Policing aspects
CRR05	Demand Management	There is a risk that the Force fails to respond to and manage the effective and efficient policing requirements of the region as a result of the increased volume and complexity in demand. The nature of the rise requires an increasing level of sophistication to understand how it moved through the system and may be compounded by resourcing constraints.	High	<ul style="list-style-type: none"> • Force Response • Thrive+ • Intelligence Management & Tasking • Data Driven Insight • Use of Intelligence 	
CRR17	Organisational Learning	<p>Organisational learning is obtained across the force via its various learning hotspots (i.e., IA / HMIC recommendations, debriefs, inquiries (Manchester Arena bombings), IOPC reports etc). There is no integrated organisational learning structure across the force to ensure once learning is identified, it is evaluated and shared across the Force to positively impact policy practise and outcomes.</p> <p>There is a risk that WMP lacks the oversight required to analyse strategic, cross cutting and/or operational organisational learning to ensure risks and opportunities are managed and evaluated in showing learning and ideas have a route to action including integration into operational practice.</p>	High	<ul style="list-style-type: none"> • Covid - Organisational Learning 	<ul style="list-style-type: none"> • Organisational Learning - Manchester Arena Bombing • Organisational Learning - Child Abuse - Learning from Inspection reports
CRR04	CONNECT Legacy/BRC Data	Data migration into CONNECT could lead to loss of relevant information transferring over from legacy systems into CONNECT. Data loss/gaps could lead to the Force being unable to accurately access historic audit data.	High	<ul style="list-style-type: none"> • Connect Case Management • Connect Benefits realisation 	
CRR08	Investigative and Criminal	- There is a risk that the case backlog that exists due to COVID may result in victims and witnesses losing faith in the Criminal Justice system. The backlog also puts at risk the cost recovery from Police Led Prosecutions. There is	High	<ul style="list-style-type: none"> • Bail Management 	

Risk ID	Risk Name	Description	Residual Risk Rating	Previous audit coverage (18/19 to 2021/22)	Proposed Internal Audit 2022/23
	Justice Process and Outcome	also the risk of an additional strain on CJS resources, particularly in Witness Care, due to the new court listings process. - Updates to the Attorney General's Guidelines on Disclosure which sits alongside the Criminal Procedure and Investigations Act ("CPIA") 1996, has an impact on the working practices of investigations officers and staff, with a short turnaround time for adhering to the guidance.		<ul style="list-style-type: none"> Management of Suspects including Release Pending investigation 	
CRR14	Alarms Management	There is a risk that alarm notifications may fail at Force Control C3 due to the unreliability of receiver equipment and delays in replacing it.	High		
CRR16	Police Cadet Leaders - Safeguarding	There is a risk that WMP Police Cadets policies, procedures and process fail to comply with the National Safety and Safeguarding guidelines (UKYSSF). The guidelines are set out by the National VPC who advises that WMP aligns its practice to the UK Youth Safer Spaces Framework (UKSSF) backed by the NPCC Enforcement.	Medium		
CRR21	Mutual Aid & Resourcing	There is a risk that significant resources abstractions (police officers and staff) will be required from operational business and duties during the operational period of the Commonwealth Games. There is a risk that a local, regional or national critical incident could see Mutual Aid and / or WMP officers and / or vehicles abstracted to resource the incident response.	Medium	<ul style="list-style-type: none"> CWG resourcing CWG Volunteer Strategy 	
CRR07	WMP Demographics and Representation	There is a risk that a failure to attract, recruit and retain a diverse and representative workforce across the force that is less representative of the communities we serve could create risk to public confidence. Failure to attract and retain a diverse and representative workforce (both officers and staff) required at every level of the Force to deliver our services to our diverse communities.	Medium	<ul style="list-style-type: none"> Workforce Planning Diversity and Inclusion Uplift Programme 	<ul style="list-style-type: none"> Fairness and Belonging
CRR10	Financial Management	i.- There is a risk that WMP's finances are not sustainable over the medium term and/or efficiency savings required may adversely impact the operational services. Whilst the police grant has increased for 22/23 to fund increase in officer numbers, there are still unfunded inflationary pressures. ii - There is also a risk that as mandated/national initiatives develop (e.g. ESMCP, National Enabling Programme), the actual costs for delivery far exceed the estimated costs within the affordability envelope.	Medium	<ul style="list-style-type: none"> Budget Management General Ledger Treasury Management 	<ul style="list-style-type: none"> Budget Management/ Priority Based Budget
CRR11	Safeguarding - Local Policing	There is a risk that the Force fails follow safeguarding processes to protect the needs of the most vulnerable members of our community. There is also a risk that the Force fails to fully understand the safeguarding needs and experiences of citizens - young and old due to increased demand pressures and the challenging range of commissioned and partner-driven arrangements operating across the region.	Medium	<ul style="list-style-type: none"> Safeguarding Safeguarding Boards 	

PCC Risk Register

Risk ID	Risk Description and cause	Current Score	Previous audit coverage (18/19 to 21/22)	Proposed Audits 2022/23
1	Arrangements in place do not secure an efficient and effective police force for the West Midlands	High	<ul style="list-style-type: none"> Financial systems audits 	<ul style="list-style-type: none"> Force governance Financial Systems audits
2	The PCC does not hold West Midlands Police to account effectively	Medium	<ul style="list-style-type: none"> Police and Crime Plan 	<ul style="list-style-type: none"> Police and Crime plan delivery
4	The priorities and actions of the Police and Crime Plan are not delivered	Medium	<ul style="list-style-type: none"> Commissioning 	<ul style="list-style-type: none"> Police and Crime plan delivery
5	The resources of the PCC are not sufficient to deliver the police and crime plan and for West Midlands Police to operate	High	<ul style="list-style-type: none"> Uplift Budget Monitoring Financial system audits 	<ul style="list-style-type: none"> Recruitment/Uplift Budget Management/Priority Based Budget Police and Crime plan delivery

Risk ID	Risk Description and cause	Current Score	Previous audit coverage (18/19 to 21/22)	Proposed Audits 2022/23
6	West Midlands Police does not contribute to national and international policing capabilities	Medium	<ul style="list-style-type: none"> • Marauding Terrorist Attacks • Terrorist Offender Management • CTU Covert Funds • S22A Governance • NPAS 	
7	Lack of effective partnerships	High	<ul style="list-style-type: none"> • Commissioning • Section 22A Governance • Violence reduction Unit • Aspects also in individual audits 	<ul style="list-style-type: none"> • Partnership arrangements reviewed as part of individual audits where applicable.
Themed	Partnership - Diversion, violence reduction, roads, children in custody, criminal justice	High	<ul style="list-style-type: none"> • Violence Reduction Unit • Serious Violence U25s • Integrated Offender Management 	<ul style="list-style-type: none"> • Serious Violence in Under 25s - Local Policing aspects
Themed	Disproportionality in policing – Achieving a target of 1,000 officers extra from underrepresented groups by 2025. Also, retention and progression of workforce	High	<ul style="list-style-type: none"> • Uplift 	<ul style="list-style-type: none"> • Recruitment
Themed	Accessing police services - Calls for service and publishing of stop and search information	High	<ul style="list-style-type: none"> • Contact service levels 	<ul style="list-style-type: none"> • Citizens experience
Themed	Stop and search - Performance target relating to stop and search	High		<ul style="list-style-type: none"> • Stop and Search - Focus on strip search
Themed	WMP police officer and staff welfare - Understanding of activities currently being undertaken through WMP's People Strategy. Introduction of the Police Covenant.	High	<ul style="list-style-type: none"> • Occupational health 	<ul style="list-style-type: none"> • Wellbeing
Themed	Performance management of officers and staff - Understanding WMP's plans around performance management of officers and staff	High		
Themed	Resources - Long term funding for the Violence Reduction Unit, introduction of green agenda, funding crime prevention activities	High	<ul style="list-style-type: none"> • Violence Reduction Unit 	<ul style="list-style-type: none"> • Environmental Strategy
Themed	Supporting Victims and Witnesses – Mechanisms for victims feedback. Includes referral pathways based on need including mental health support	High	<ul style="list-style-type: none"> • Victims Satisfaction 	<ul style="list-style-type: none"> • Citizens Experience



Commissioner / Chief Constable Joint Internal Audit Charter



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1 Introduction

- 1.1 The Police and Crime Commissioner West Midlands (PCC) and the Chief Constable (CC) are both responsible for maintaining an effective Internal Audit function under the Accounts and Audit Regulations 2015. These regulations specifically require that a *“relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal audit standards or guidance.”*
- 1.2 This Charter defines the purpose, authority and responsibility of the Internal Audit service and is consistent with the Public Sector Internal Audit Standards (2017), which are mandatory.
- 1.3 The Charter is periodically reviewed and approved by senior management and the relevant board (definitions provided in Section 2 below.)

2 Definitions

2.1 Internal Auditing

The definition of Internal Auditing is a mandatory part of the PSIAS and is as follows:

“Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

2.2 Assurance

Assurance activity is defined as *‘An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management and control processes for the organisation. Examples may include financial, performance, compliance, system security and due diligence engagements.’*

2.3 Consultancy

Consultancy activity is defined as *‘Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organisation’s governance, risk management and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training.’*

2.4 Independence

The PSIAS define independence as *‘the freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner. To achieve the degree of independence necessary to effectively carry out the responsibilities of the internal audit activity requires the head of the activity to have direct and unrestricted access to senior management and the board. This can be achieved through a dual-reporting relationship. Threats to independence must be managed at the individual auditor, engagement, functional and organisational levels’.*

2.5 Objectivity

The PSIAS define objectivity as *‘an unbiased mental attitude that allows internal auditors to perform engagements in such a manner that they believe in their work product and that no quality compromises are made. Objectivity requires that internal auditors do not subordinate their judgment on audit matters to others. Threats to objectivity must be managed at the individual auditor, engagement, functional and organisational levels’*.

2.6 The Chief Audit Executive

The PSIAS describes the role of Chief Audit Executive as *‘a person in a senior position responsible for effectively managing the internal audit activity in accordance with the internal audit charter and the mandatory elements of the International Professional Practices Framework.’*

The specific responsibilities of the Chief Audit Executive are undertaken by the Head of Internal Audit. Within this Charter, all references from here on are to the Head of Internal Audit.

2.7 The Board

The PSIAS informs that the Board *‘...may refer to an audit committee to which the governing body has delegated certain functions’*.

The Joint Audit Committee will perform the function of the Board. Within this Charter, all references from here on are to the Joint Audit Committee.

2.8 Senior Management

The PSIAS does not provide a definition of ‘senior management’ however it does require that the Head of Internal Audit *‘consults with senior management and the board and obtains an understanding of the organisation’s strategies, key business objectives, associated risks and risk management processes’* when developing the risk based plan. It also states the Head of internal Audit *‘has direct and unrestricted access to senior management and the board.’*

For the purposes of this Charter, Senior Management consists of the Chief Executive, the Chief Finance Officer (PCC), the Force Director of Commercial Services and the Deputy Chief Constable.

3 Internal Audit Mission, Core Principles and Objectives

3.1 The mission of the service is

“to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.”

In order to achieve this mission, Internal Audit must demonstrate achievement of the following core principles:

- Demonstrate integrity.
- Demonstrate competence and due professional care.
- Be objective and free from undue influence (independent).
- Align with the strategies, objectives, and risks of the organisation.

- Be appropriately positioned and adequately resourced.
 - Demonstrate quality and continuous improvement.
 - Communicate effectively.
 - Provide risk-based assurance.
 - Be insightful, proactive, and future-focused.
 - Promote organisational improvement.
- 3.2 The Internal Audit service evaluates the adequacy and effectiveness of controls in responding to risks within the PCC and CC's governance and operation systems regarding the:
- achievement of the organisations' strategic objectives;
 - adequacy of risk management, identification, assessment and mitigation;
 - reliability and integrity of financial and operational information;
 - effectiveness and efficiency of operations and programmes
 - safeguarding of assets; and
 - compliance with laws, regulations, policies, procedures and contracts.
- 3.3 In addition, the other objectives of the function are to:
- support the PCCs and Forces Section 151 officers in discharging their statutory duties for ensuring proper administration of the PCCWM / CC's financial affairs;
 - provide appropriate input to the Annual Governance Statements or other assurance processes of the PCC and CC;
 - support management to understand their exposure to risks and advise on risk management principles / methods;
 - supporting the Joint Audit Committee in fulfilling its governance responsibilities;
 - promote a counter fraud culture across the Office of the PCC and Force, through the effective implementation of the Anti-Fraud, Bribery and Corruption Policy; and
 - undertake consultancy type reviews and provide advice as requested by senior management of the PCC and Force.
- 3.4 Internal Audit will incorporate knowledge of controls gained from consulting engagements into evaluation of the organisation's control processes.

4 Scope of Internal Audit

- 4.1 The Internal Audit service role applies to all functions and services for which the PCC and CC is responsible. Internal Audit has unrestricted coverage of both organisations activities and unrestricted access to all records and assets which is necessary for it to effectively fulfil its responsibilities, however and wherever these are held. This includes information which is held or managed by third parties on the PCC and CC's behalf.
- 4.2 The Head of Internal Audit has direct access, as appropriate to:
- All levels of management, including the PCC, the CC, the Chief Executive, the Chief Financial Officer (CFO) and the Force Chief Financial Officer (FCFO);
 - The Chair of the Joint Audit Committee and its members;
 - Employees of both organisations;

- Agents of both organisations.
- 4.3 The Head of Internal Audit can report directly to the Joint Audit Committee and officers at any level.
- 4.4 The Internal Audit service is required (by the PSIAS) to be sufficiently independent of the activities it audits such that it can make impartial and effective professional judgements and recommendations. Independence is achieved through a combination of:
- the organisational status of the service;
 - the objectivity of Internal Auditors and ensuring no conflicts of interest;
 - reporting in own name;
 - the freedom to report directly to the Joint Audit Committee; and
 - being free from direct responsibility for the development, implementation or operation of systems and procedures.
- 4.5 Should the independence or objectivity of the Internal Audit service be impaired in fact or appearance, the Head of Internal Audit will disclose details of the impairment to the CFO and /or the Chair of the Joint Audit Committee depending upon the nature of the impairment.
- 4.6 Internal Audit activity evaluates and contributes to the improvement of governance, risk management and control processes using a systematic and disciplined approach. Internal Audit assesses and makes appropriate recommendations for improving the governance process in its accomplishment of the following objectives:
- promoting appropriate ethics and values within the organisation;
 - ensuring effective organisational performance management and accountability;
 - communicating risk and control information to appropriate areas of the organisation; and
 - co-ordinating the activities of and communicating information among the Joint Audit Committee, External and Internal Audit and management.
- 4.7 Internal Audit activity reviews the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities. It also assesses whether the information technology governance within the organisation supports the organisation's strategies and objectives.
- 4.8 Internal Audit activity also evaluates the potential for the occurrence of fraud and how the organisations manage fraud risk.

5 INTERNAL AUDIT STAFFING

- 5.1 The Head of Internal Audit will be professionally qualified (CMIIA, CCAB or equivalent) and will be suitably experienced.
- 5.2 The responsibility regarding the appointment and removal of the Head of Internal Audit is with the CFO. The CFO will review the performance appraisal of the Head of Internal Audit and feedback will also be sought from the Chair of the Joint Audit Committee.
- 5.3 The Head of Internal Audit ensures that Internal Audit resources are appropriate, sufficient and effectively deployed to achieve the approved plans.

- 5.4 Internal Audit will be appropriately staffed in terms of number, grade, qualification levels and experience to enable the Audit plan to be delivered effectively. This will be achieved through the recruitment of staff suitably skilled and experienced for the post appointed to and through the performance appraisal and development programme.
- 5.5 Internal Auditors will possess the knowledge, skills and other competencies needed to perform their individual responsibilities. Internal Auditors will enhance their knowledge, skills and other competencies through continuing professional development. The Head of Internal Audit will obtain competent advice and assistance if there is a lack the knowledge, skills or other competencies needed to perform all or part of an engagement.
- 5.6 Internal Auditors will have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by both organisations, but will not all have the expertise of a person whose primary responsibility is detecting and investigating fraud. The responsibility for the investigation of fraud is set out in the Anti-Fraud, Bribery and Corruption Policy.
- 5.7 Internal Auditors will have sufficient knowledge of key information technology risks and controls and available technology-based audit techniques to perform their assigned work.
- 5.8 The Head of Internal Audit will decline a consulting engagement or obtain competent advice and assistance if the internal auditors lack the knowledge, skills or other competencies needed to perform all or part of the engagement.
- 5.9 Staff will apply the care and skill expected of a reasonably prudent and competent Internal Auditor.
- 5.10 The Head of Internal Audit ensures that resources are sufficient by matching the staffing levels to the requirements of the approved plans.
- 5.11 The Internal Audit service is not responsible for services outside of the delivery of Internal Audit. Where staff transfer internally to Internal Audit, the Head of Internal Audit will ensure they do not audit activities they were previously responsible for, for at least 18 months. This includes transfers after periods of secondment whilst undertaking professional training.

6 RESPONSIBILITIES OF MANAGEMENT

- 6.1 All levels of management have a role to identify key risks to their service and to ensure these risks are effectively mitigated to an adequate degree in accordance with both organisations' stated risk appetites. Management is also responsible for ensuring that staff are aware of the processes and procedures required to operate the internal control systems.
- 6.2 All managers can assist the process of Internal Audit by:
- providing access at all reasonable times to premises, personnel, documents and assets that the Internal Auditors consider necessary for the purposes of their work;
 - giving information and explanations that are sought by the Internal Auditors in the course of their work;

- providing input to both the audit plans and the Terms of Reference for each review, to ensure attention is focused on areas of greatest risk;
- early notification to Internal Audit of plans for change, including new operational systems and processes;
- implementing agreed actions arising from audit recommendations in a timely and effective manner;
- immediately notifying the Head of Professional Standards / Head of Internal Audit of all suspicions of fraud, theft, or other irregularity, in accordance with the Anti-Fraud, Bribery and Corruption Policy. Pending investigation and reporting, the relevant senior manager/ member of Executive Team, in consultation with the Head of Internal Audit, should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration;
- ensuring that where key systems are managed by an external organisation that contractual documentation identifies, in consultation with the Head of Internal Audit, the Internal Audit arrangements for those key systems.

6.3 When the Head of Internal Audit concludes that management has accepted a level of risk that may be unacceptable to the organisation, he/she will discuss the matter with senior management. If the Head of Internal Audit determines that the matter has not been resolved, he /she will communicate the matter to the Joint Audit Committee. It is not the responsibility of the Head of Internal Audit to resolve the risk.

7 RESPONSIBILITIES OF THE JOINT AUDIT COMMITTEE

7.1 The role of the Joint Audit Committee in relation to Internal Audit include:

- To ensure its independence, objectivity and professionalism;
- To support the effectiveness of the internal audit process;
- To promote the effective use of internal audit within the assurance framework;
- To advise the PCC and the CC on appropriate arrangements for Internal Audit;
- To endorse the Internal Audit Plan; and
- To consider progress reports and receive the annual opinion on the internal control environment.

8 AUDIT SERVICES & CONTEXT

8.1 The Head of Internal Audit is required to manage the provision of a complete audit service to both organisations. This includes:

- Preparing audit plans, including resource requirements, in consultation with senior management, for review and approval by senior management and the Joint Audit Committee. These plans will be prepared using a risk based approach, aligned to the Corporate Risk Register, taking account of the risk maturity of the organisation and any Assurance Frameworks. They will include a risk assessment and will explain the approach to using any other sources of assurance and any work required to place reliance upon those other sources. The risk-based plans will incorporate or be linked to a strategic or high level statement of how the Internal Audit service will be delivered in accordance with this Charter and how it links to the organisational objectives and priorities. The plan will also explain how Internal Audit's resource requirements have been assessed;

- Where the Head of Internal Audit believes that the level of agreed resources will impact adversely on the provision of the annual Internal Audit opinion, the consequences will be brought to the attention of the Joint Audit Committee;
 - Providing suitably skilled and experienced staff to undertake Internal Audit reviews;
 - Working in conjunction with the authorities' External Auditors, whereby external audit places reliance on the work of Internal Audit;
 - Undertaking Internal Audit reviews, including Value for Money reviews, in accordance with the approved Audit Plans and the Internal Audit Manual;
 - Agreeing any amendments to the Audit Plan, in response to both organisations' business needs, with senior management. Any such amendments will be reported to the Joint Audit Committee;
 - Considering accepting proposed consulting engagements based on the engagement's potential to improve management of risks, add value and improve the organisation's operations. Accepted engagements will be included in the plan;
 - Seeking approval from the Joint Audit Committee for any significant additional consulting services not already included in the audit plan, prior to accepting the engagement;
 - Assessing all requests for non-audit activity particularly where this activity may introduce a conflict of interest or impair independence. Where it is assessed that the non-audit activity does provide a potential conflict, the activity will not be performed unless appropriate mitigation activities are put in place to minimise the potential impact of the conflict;
 - Providing an audit opinion on each individual review undertaken together with an Annual Audit opinion on the adequacy of the internal control framework operating within both organisations;
 - Responding to requests for support, advice and guidance on implementing and/or improving control procedures for current and new systems.
- 8.2 The Joint Audit Committee will make appropriate enquiries of management and the Head of Internal Audit to determine whether there are inappropriate scope or resource limitations.
- 8.3 The Head of Internal Audit will also provide an audit opinion on each individual review undertaken for external clients together with an annual audit opinion on the adequacy of the internal control framework operating within those external organisations.
- 8.4 The Internal Audit service will be provided by an in-house service.

9 RISK MANAGEMENT

- 9.1 The Internal Audit team evaluate the effectiveness and contribute to the improvement of risk management processes through the internal auditor's assessment that:
- organisational objectives support and align with each organisation's mission;
 - significant risks are identified and assessed, including the risk of fraud;
 - appropriate risk responses are selected that align risks with the organisation's risk appetite; and

- relevant risk information is captured and communicated in a timely manner across the organisations, enabling staff, management, the PCC and the Joint Audit Committee to carry out their responsibilities.

9.2 Internal Audit will evaluate risk exposures relating to the organisation’s governance and operations systems regarding the:

- achievement of the organisations’ strategic objectives;
- reliability and integrity of financial and operational information;
- effectiveness and efficiency of operations and programmes;
- safeguarding of assets; and
- compliance with laws, regulations, policies, procedures and contracts.

9.3 During consulting engagements, Internal Auditors will address risk consistent with the engagement’s objectives and will be alert to the existence of other significant risks. Internal Auditors will incorporate knowledge of risks gained from consulting engagements into their evaluation of the organisation’s risk management processes.

9.4 When assisting management in establishing or improving risk management processes, Internal Auditors do not assume any management responsibility by actually managing risks.

10 AUDIT REPORTING FRAMEWORK

10.1 Internal Audit activity is undertaken to assist management fulfil their objectives of delivering services and contributing to overall strategic objectives. Outputs from Internal Audit work range from informal advice to formal written reports. The Internal Audit process allows management to have the opportunity to agree the factual accuracy of report content and to discuss the action plan.

10.2 Final reports are issued to management which include the engagement’s objectives and scope, applicable conclusions and identify agreed actions showing responsibilities and implementation dates.

10.3 Final reports also include an opinion regarding the level of assurance that can be given for the control environment of the system or unit being audited.

10.4 Final reports issued to parties outside the organisation include limitations on distribution and use of the results.

10.5 Regular liaison meetings are held with senior management to discuss at a summary level, any issues or themes arising and to agree the timing and content of planned work.

10.6 Audit recommendations are followed up six months after final audit reports are issued, and any that remain outstanding will continue to be followed up every three months. The results of this follow up process, including whether senior management has accepted the risk of not taking action, are reported to the Joint Audit Committee.

10.7 Internal Audit reports to the Joint Audit Committee in accordance with the reporting timetable agreed with the Committee. This includes quarterly progress reports and an annual audit report which incorporates the following:

- An Annual Audit Opinion;

- A summary of the work that supports the opinion;
- A statement on conformance with the UK Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.

10.8 The Annual Audit Opinion and report will be used to inform the Annual Governance Statement.

10.9 In addition, the Head of Internal Audit will provide a report annually to senior management and the Joint Audit Committee outlining the contents and any updates to the Internal Audit Charter, including the Definition of Internal Auditing, the Code of Ethics and the Standards.

11 QUALITY OF SERVICE

11.1 Internal Audit operates in accordance with the Public Sector Internal Audit Standards. These include specific reference to the Code of Ethics which Internal Auditors in UK public sector organisations must conform to. This Code of Ethics includes the following principles: Integrity, Objectivity, Confidentiality and Competency. Breaches of the Code of Ethics will be evaluated and administered according to the Institute of Internal Auditors' Disciplinary Procedures. Disciplinary procedures of other professional bodies and employing organisations may apply to breaches of the Code of Ethics. If individual Internal Auditors have membership of a professional body then he or she must also comply with the relevant requirements of that organisation.

11.2 Internal Auditors must have an impartial, unbiased attitude and avoid any conflict of interest. They must also have regard to the Committee on Standards of Public Life's *Seven Principles of Public Life*. Adherence to expected standards will be subject to management overview through actions 11.3 and 11.4 below.

11.3 Internal review of work standards is undertaken through a system of management review involving senior audit staff and the Head of Internal Audit. This incorporates review of all audit documentation and reports prior to release to the relevant manager. Appropriate evidence of review is documented and retained. The Head of Internal Audit is responsible for reviewing and approving the final audit report before it is issued and for deciding to whom and how it will be disseminated. If these duties are delegated, the Head of Internal Audit retains overall responsibility.

11.4 If not otherwise mandated by legal, statutory or regulatory requirements, prior to releasing results to parties outside the organisation, the Head of Internal Audit will:

- assess the potential risk to the organisation;
- consult with senior management and / or legal counsel as appropriate; and
- control dissemination by restricting the use of the results.

11.5 The Head of Internal Audit is responsible for communicating the final results of consulting engagements to clients. During consulting engagements, governance, risk management and control issues may be identified. Whenever these issues are significant to the organisation, they will be communicated to senior management and the Joint Audit Committee.

11.6 Quality questionnaires are issued to auditees at the end of each audit review. Completed questionnaires are recorded and monitored against Internal Audit's

Performance Indicator for Customer Satisfaction. Liaison meetings may also be held with senior management across both organisations to discuss quality issues.

- 11.7 A suite of performance indicators and targets has been developed to monitor the quality of the service provided. These indicators are subject to review by the Joint Audit Committee.
- 11.8 A Quality Assurance and Improvement Programme has been developed by the Head of Internal Audit, which includes both internal and external assessments and covers all aspects of the Internal Audit activity. Internal Auditors can report that their engagements are “conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*”, only if the results of the quality assurance and improvement programme support the statement.
- 11.9 Periodic self-assessments are conducted to evaluate conformance with the Definition of Internal Auditing, the Code of Ethics and the Standards. Any areas of non-compliance are reported to the Joint Audit Committee.
- 11.10 External review of the work of Internal Audit takes place through the following mechanisms:
- Regular contact is maintained with the organisations’ External Auditors and information will be shared as appropriate to inform its work as part of the statutory external audit of the accounts. External Audit will comment on how the work of internal audit contributes to an effective internal control environment.
 - The use of benchmarking to compare performance with other Police Services across the country.
 - External assessment of Internal Audit will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The Head of Internal Audit will agree the scope of external assessments with an appropriate sponsor, e.g. the CFO or Chair of the Joint Audit Committee as well as with the external assessor or assessment team. The external assessment may be in the form of a full external assessment, or a self-assessment with independent external validation.
- 11.11 The results of the Quality Assurance and Improvement Programme are reported by the Head of Internal Audit to senior management and the Joint Audit Committee in the annual report.

12 STRUCTURE AND LOCATION

- 12.1 The Internal Audit Service is within the Office of the Police and Crime Commissioner and is located at Lloyd House, Birmingham. Operationally and administratively, Internal Audit reports to the Chief Finance Officer.