

**PUBLIC**

**AGENDA ITEM 7A**

**Police and Crime  
Commissioner  
North Yorkshire**



**JOINT INDEPENDENT AUDIT COMMITTEE**

**16 March 2015**

**REPORT OF HEAD OF AUDIT**

**INTERNAL AUDIT PROGRESS REPORT**

**1. PURPOSE OF REPORT**

1.1 The report sets out the progress made to date in achieving the Audit Plan for 2014/15 and also the Audit Plan for 2015/16.

**2. KEY INFORMATION**

2.1 This Progress Report monitors delivery of shared Internal Audit services. The service is shared with West Yorkshire Police and Commissioner’s Office and Humberside Police and Commissioner’s Office.

2.2 The 2014/15 Audit Plan is set out in Appendix A. Table 1 summarises the progress against the plan.

**Table 1: Summary of Progress**

<b>STATUS OF AUDITS</b>	<b>March 2015 2014/15 Plan</b>
Final Reports with Response Received	6
Final Reports – Response awaited	3
Final Reports – No Response Required	0
Draft Reports Stage	1
Work Completed	3
Audits in Progress	5
<b>TOTAL</b>	<b>18</b>

2.3 Four audits have been finalised and responded to since the last Committee: Payroll, Special Services Charging – Income, Stage II Transfer and Risk Management. These reports are included, in full, in Appendix C.

- 2.4 Work on Financial Systems, Administration of the Office of the Police and Crime Commissioner and Commissioning has progressed to final report stage, with management responses being produced.
- 2.5 A draft report has been issued on the Fraud Risk Assessment.
- 2.6 Progress is continuing on the rest of the plan, which will be substantially completed by the end of March. It is likely that the Local Mobile Phone Investigation will take place into 2015/16.

### **3. INTERNAL AUDIT PLAN 2015/16**

- 3.1 The Internal Audit plan was presented at the last meeting. It has been updated since that point, with input from the Joint Corporate Risk Group.
- 3.2 The plan covers the remaining 6 months of our engagement as Internal Auditors for the Organisation.

### **4 RECOMMENDATIONS**

- 4.1 That members monitor the progress made and note the Internal Audit Plan for 2015/16.

Neil Rickwood  
**Head of Audit**

#### **Supporting documentation**

Appendix A - Internal Audit Plan 2014/15  
Appendix B –Internal Audit Plan 2015/16  
Appendix C – Internal Audit Reports

**Appendix A: Internal Audit Plan 2014/15**

<i>Audit Status</i>	<i>Audit Rating</i>	<i>Audit Name</i>	<i>Description</i>
Removed: To be considered for 2015/16 plan. Final Report	-	Decision Making Processes	To consider the decision making process for both the Organisation the Commissioner and NYP. How it ensures that decisions are made on timely basis with sufficient information.
Final Report, with Management Responses Work Completed	2	Financial Systems Assurance Chief Officer Pay	Undertake financial systems testing of transactions relating to 2013/14, of those systems that have not been subject to evaluation during the year. To confirm that appropriate file management arrangements are in place and all elements of chief officer pay are appropriately documented.
Final Report, with Management Responses Work Completed	-	Annual Governance Statement Support	To assist the Head of Risk and Assurance in putting together the Annual Governance Statement for 2013/14. This would involve research into the practice of the wider public sector, in particular how the public are engaged and communication barriers are overcome.
Final Report, with Management Responses Work Completed	1	Cash Advances	To review the process for the allocation and accounting for cash advances for travel and subsistence.
Final Report, with Management Responses Final Report	-	Follow Up Audit, First Six Months Payroll	To follow up recommendations, reported as being implemented, and provide assurance that they have been implemented. To undertake a risk based review of the payroll system from new starter to leaver as well as permanent and temporary changes to pay.
Final Report, with Management Responses Work Completed	2	Commissioning	To continue to provide support to the Commissioners Office around proportionate controls for commissioning.
Final Report, with Management Responses Work Completed	1	Risk Management Review	To review the Organisations risk management arrangements and practice.
Final Report, with Management Responses Final Report	-	Expenses Claim Simplification	To assist NYP as they work through the risks and controls associated with the implementation of a self-service system for expenses claims, in order to develop alternatives which can achieve adequate control at a lower administrative cost.
Final Report, with Management Responses	2	Administration of the Commissioners Office Special Services Charging -Income	To consider the compliance with Organisational administrative procedures of the Office of the Commissioner. This would include: HR, Payroll, Vetting, IT Support, Data Sharing and Procurement procedures. To consider whether NYP makes the most of its opportunities to charge for special services and whether its methodology for doing so maximises income. This will be accomplished by

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<i>Audit Status</i>	<i>Audit Rating</i>	<i>Audit Name</i>	<i>Description</i>
		Generation	making comparisons with the practice of other police forces.
Final Report, with Management Responses	2	Stage II Transfer	To review the approach taken to prioritising, developing and revising policies as part of the Stage II Transfer process.
In Progress		Follow Up Audit, Second Six Months	To follow up recommendations, reported as being implemented, and provide assurance that they have been implemented.
Removed: HMIC scrutiny of this area.	-	Data Recording Standards	To review the action plans in place to address this strategic risk and consider evidence that the risk is being satisfactorily managed. This risk appears on the risk register directly(5400) a review of it would also be relevant to the strategic risk regarding inadequate recording of warning signals (reference 5810)
Draft Report		Organisational Fraud Risk Assessment	To assess the Organisations controls to deter, detect and prevent fraud in respect of the chief risks of fraud that it faces. The audit would bring together information from across the Organisation about the risk of fraud and determine the organisations vulnerability. The audit would offer an opinion whether the Organisation is over controlling its risk or whether there are important gaps.
In Progress		Victim Care	Compliance with the Victims Code. The audit would review how victims are kept informed by North Yorkshire Police. Supporting the achievement of the Policing Plan to put the best support possible in place for victims, the audit would consider the role of the Force's response to the Victims Code.
In Progress		Appropriate Use of Place of Safety	S.136 of the Mental Health Act allows a constable to remove a mentally disordered person from a public place to a place of safety. Rather than use a custody suite the NHS has recently established other places of safety that NYP can use. With places of safety in place in Scarborough and York, the review would look at how these are being used by Custody and whether this risk is being managed as planned (risk register reference 5510)
In Progress		Exhibit Handling	Attendance at the Exhibits Steering Group in order to contribute towards the review of exhibits handling procedures in NYP.
Added: Management Request – In Progress		Local Mobile Phone Investigation	To consider the investigation of mobile phones and determine whether local practice manages the risks associated with the proper retrieval and safe storage of retrieved information.

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**Appendix B: Internal Audit Plan 2015/16**

<i>Ref</i>	<i>Days</i>	<i>Type of Audit</i>	<i>Audit Name</i>	<i>Description</i>	<i>Rationale</i>
1	22	Governance	Decision Making Processes	To consider the decision making process for both the Organisation the Commissioner and NYP. How it ensures that decisions are made on a timely basis with sufficient information.	Reliable and responsive decision making at the top of the organisation is vital to meeting its objectives. New arrangements are being put in place for joint decision making of the Commissioner and Chief Constable. The audit was postponed from 2014/15, to allow for the new arrangements to be put into place.
2	10	Financial Systems	Financial Systems Testing	To cover key financial systems not already covered and transactions covering, Oct 2014 to Sept 2015.	To provide assurance over the core financial systems.
3	10	Risk	Mobile Phone Examination	To consider the investigation of mobile phones and determine whether local practice manages the risks associated with the proper retrieval and safe storage of retrieved information.	Undertaken at request of management, carried forward from 14/15.
4	8	Risk	Clothing Store	Review the processes for managing the Organisation's Clothing Store.	Change of process in the operation of stores.
5	10	Risk	Delegated Authority - Procurement	Review the changes in the delegated authority levels designed to minimise bureaucracy and to empower people.	Changes are being made to the organisations internal controls to allow more empowerment whilst maintaining a sufficient level of control. Internal Audit will provide an opinion on the success of the changes.
6	8	Follow Up	Follow Up	To follow up recommendations, reported as being implemented, and provide assurance that they have.	In order that the Organisation can gain assurance that identified risks are being managed.
7	22	Risk	Exhibits Handling	Review compliance with controls in place for the handling of exhibits across the Force. Based on	Risk Register ref: 6331. The audit is in the 2014/15 audit plan but is not likely to start

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<i>Ref</i>	<i>Days</i>	<i>Type of Audit</i>	<i>Audit Name</i>	<i>Description</i>	<i>Rationale</i>
				perceived weaknesses identified in handling cash in particular, there is a need to give assurance that new arrangements address the risks in this area.	until next year.
8	12	Risk	Information Security	To undertake a high level assessment as to how the organisation addresses information security risk, including determining how well the requirements of information security are understood throughout the organisation.	Requested by the JCRG based on the difficulty in controlling this risk.
9	18	-	Audit Management	Provision of advice, audit planning, committee reporting, attendance at JCRG, progress meetings, external audit liaison, internal control evaluation and annual opinion drafting.	-

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