

PUBLIC

AGENDA ITEM 8

Police and Crime
Commissioner
North Yorkshire



JOINT INDEPENDENT AUDIT COMMITTEE

22 September 2014

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.

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 2013/14 Audit Plan is set out in Appendix A. The audit responses to audits from the 2013/14 plan have been received and that audit plan has been concluded. The 2014/15 Audit Plan is set out in Appendix B. The plan was for a six month period and additional audit work has now been added to the plan to cover the rest of the year. Table 1 summarises the progress against these plans.

Table 1: Summary of Progress

STATUS OF AUDITS	June 2014	
	2013/14 Plan	2014/15 Plan
Final Reports with Response Received	16	0
Final Reports – Response awaited	0	1
Final Reports – No Response Required	1	0
Draft Reports Stage	0	0
Work Completed	0	2
Audits in Progress	0	8
TOTAL	17	11

- 2.3 Two audits have been finalised and responded to since the last Committee: Procurement Compliance and the High Tech Crime Unit.

These reports are included, in full, in Appendix C. We have also completed work on the Annual Governance Statement and the First Six Months Follow Up. In respect of the Annual Governance Statement, research was undertaken and shared with the Head of Organisation and Development. No report has been produced for the Follow Up exercise as no qualifying recommendations existed to follow up. We still undertook the part of the audit where we pursue outstanding recommendations and supplied these updates to the Risk and Assurance Unit.

- 2.4 Following discussions with management we have removed the audit considering Decision Making Processes from this years plan. It will be considered for 2015/16. The Organisation is currently undergoing its own detailed review of its decision making process and once this has been implemented we can provide assurance on the way it works.
- 2.5 Following a mid year review, based on discussion with stakeholders and a review of the Risk Register, we have set out the audits for the remainder of the year and added these to the Audit Plan.

3 RECOMMENDATIONS

- 3.1 That members monitor the progress made and to note the additions to the Audit Plan.

Neil Rickwood
Head of Audit

Supporting documentation

Appendix A - Internal Audit Plan 2013/14
Appendix B – Internal Audit Plan 2014/15
Appendix C – Internal Audit Reports

Appendix A: Internal Audit Plan 2013/14

<i>Audit Status</i>	<i>Audit Name</i>	<i>Description</i>
Final Report, with Response Received	Treasury Management	Cash flow systems to be mapped and transactional compliance testing undertaken
Final Report, with Response Received	Financial Systems of the OPCC Testing	Establishing standard testing of financial transactions of the OPCC and undertake them.
Final Report, with Response Received	Financial Systems of CC Testing	Creditors/ Pensions/ Banking/ Payroll testing of NYP.
Final Report, with Response Received	Follow Up Exercise One	To follow up recommendations, reported as being implemented, and provide assurance that they have.
Final Report, with Response Received	Implementing Winsor	To look at how NYP implements elements of the Winsor proposals. Work was undertaken to consider On Call Allowances.
Final Report, with Response Received	Managing Police Officer RDIL and TOIL	Consider how Time off in Lieu and Rest Days in Lieu are accrued, recorded and used, whilst minimising the impact on front line policing.
Final Report, with Response Received	Equality & Diversity Update	Completing an assessment of NYP's developing approach to equality & diversity.
Final Report, with Response Received	Niche Handling of Exhibits Pilot	This audit has been added at the request of management: to review the processes used in the pilot to book exhibits onto Niche, tracking them through the temporary store to the permanent store, to their removal, transfer, return to owner, sale or destruction
Final Report - no Response Required	Complaints Handling Survey	Completing the Complaints Handling Audit.
Final Report, with Response Received	Cash handling processes	Consider cash and banking arrangements. Trace cash to bank for receipts of any kind.
Final Report, with Response Received	Sickness Reporting	A review of the completeness and accuracy of the reporting of sickness absence from HR to Payroll.
Final Report, with Response Received	Debt collection	Debt Collection activity including debt write off.
Final Report, with Response Received	Follow Up Exercise Two	
Final Report, with Response Received	CHIS Payments	Considering the assurances over the probity of payments to covert human intelligence sources. A compliance audit based on previous coverage.
Final Report, with Response Received	Property Handling - Drugs	Based on weaknesses found in the Property Compliance audit, this audit will focus on the systems for drugs seizure, handling, moving, recording, storage and destruction.

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<i>Audit Status</i>	<i>Audit Name</i>	<i>Description</i>
Added: Final Report, with Response Received.	High Tech Crime Unit	Working with the HTCUCU to look at the establishment of a triage procedure.
To be completed in 2014/15 plan.	Commissioning	Working in concert with the Office of the Police and Crime Commissioner to assist in the production of a commissioning framework. Advice will be given on the setting up proportionate controls.
Final Report, with Response Received	Procurement Compliance	Review evidence of tenders and quotes for expenditure.
Removed: HMIC Coverage	Strategic Policing Requirement	Consider the evidence that the CC bases their view on, regarding compliance with the SPP.
Delayed: Until 2014/15	Decision Making Process	Decision Making and associated governance processes.

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Appendix B: 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.		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.
In Progress		Financial Systems Assurance	Develop and apply indicators to assess financial systems performance rather than the range of testing that we typically undertake.
Final Report		Chief Officer Pay	To confirm that appropriate file management arrangements are in place and all elements of chief officer pay are appropriately documented.
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.
In Progress		Cash Advances	To review the process for the allocation and accounting for cash advances for travel and subsistence.
Work Completed		Follow Up Audit, First Six Months	To follow up recommendations, reported as being implemented, and provide assurance that they have been implemented.
In Progress		Payroll	To undertake a risk based review of the payroll system from new starter to leaver as well as permanent and temporary changes to pay.
In Progress		Commissioning	To continue to provide support to the Commissioners Office around proportionate controls for commissioning.
In Progress		Risk Management Review	To review the Organisations risk management arrangements and practice.
In Progress		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.
		Administration of the Commissioners Office	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.
In Progress		Special Services	To consider whether NYP makes the most of its opportunities to charge for special services

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<i>Audit Status</i>	<i>Audit Rating</i>	<i>Audit Name</i>	<i>Description</i>
		Charging -Income Generation	and whether its methodology for doing so maximises income. This will be accomplished by making comparisons with the practice of other police forces.
Added: In Progress		Stage II Transfer	To review the approach taken to prioritising, developing and revising policies as part of the Stage II Transfer process.
Added: Mid Year Review		Follow Up Audit, Second Six Months	To follow up recommendations, reported as being implemented, and provide assurance that they have been implemented.
Added: Mid Year Review		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)
Added: Mid Year Review		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.
Added: Mid Year Review		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.
Added: Mid Year Review		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)
Added: Mid Year Review		Exhibit Handling	Review compliance with controls in place for the handling of exhibits across the Force. Based on perceived weaknesses identified in handling cash in particular, there is a need to give assurance that new arrangements address the risks in this area.

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