

# CBSL

## Summary Internal Audit Progress Report

**Police and Crime Commissioner for Wiltshire  
and Chief Constable of Wiltshire Police**



June 2013

2013/14

## Summary Internal Audit Progress Report

## Summary Internal Audit Controls Assurance Report June 2013

### INTRODUCTION

1. This Summary Internal Controls Assurance Report for the Police and Crime Commissioner and the Chief Constable is based on the internal audit work carried out by CBSL and management representations that have been received.

### PROGRESS AGAINST THE 2013/14 ANNUAL PLAN FOR THE OFFICE OF THE POLICE AND CRIME COMMISSIONER AND THE POLICE FORCE

2. The table below (figure 1) shows the progress with the Plan.

Figure 1- Annual Audit Plan – June 2013

Review	Planned Qtr	Days	Category	Current Status
Governance-E-Commerce	1	3	Internal control	Planned start date July 2013
Risk Management-New Commissioning	1	5	Internal control	Fieldwork commenced 30 <sup>th</sup> May 2013
Segregation of Duties	1	6	Internal control	Scope in discussion
ICT-Disaster Recovery	1	4	Internal control	Draft report issued May 2013
Security of found, seized and held property	2	6	Internal control	Planned start date June 2013
Covert Funds	2	6	Internal control	Fieldwork commenced 17 <sup>th</sup> June 2013
Follow Up - 1	2	2	Internal control	Planned start date July 2013
Asset Management	2	4	Internal control	Planned start date July 2013
Budgetary Control	3	4	Internal control	Planned start date October 2013
Creditor Payments	3	4	Internal control	Planned start date December 2013
Debtors	3	4	Internal control	Planned start date December 2013
Payroll	3	5	Internal control	Planned start date December 2013
Treasury and Banking	3	4	Internal control	Planned start date December 2013
General Ledger	3	3	Internal control	Planned start date December 2013
Stock and Stores	3	3	Internal control	Planned start date December 2013
Pensions	3	5	Internal control	Planned start date November 2013
Supplies Management	4	5	Internal control	Planned start date January 2014
Follow Up - 2	4	2	Internal control	Planned start date February 2014

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## AUDITS COMPLETED SINCE THE PREVIOUS SICA REPORT

3. The table below sets out details of audits completed since the previous meeting of the Audit Committee.

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OE
Travel & Subsistence	Reasonable	February 2013	March 2013	March 2013	0	1	0	1
Treasury & Banking	Reasonable	April 2013	May 2013	May 2013	0	6	2	0
Payroll	Reasonable	March 2013	May 2013	May 2013	0	2	1	0
Pensions	Reasonable	April 2013	May 2013	May 2013	0	1	2	0
Creditor Payments	Reasonable	April 2013	May 2013	May 2013	0	4	2	2
Stores & Stock	Limited	April 2013	June 2013	June 2013	2	3	4	1
General Ledger	Reasonable	March 2013	June 2013	June 2013	0	2	0	1

## INTERNAL CONTROL FRAMEWORK

4. We have previously highlighted there had been a number of changes in last eighteen months including the implementation of the new finance system and the centralisation of the corporate resources systems that had impacted on the effectiveness of the internal control arrangements. The internal audit work undertaken has established that there has been an improvement in the control framework and the embedding of the new financial systems and processes. The review of the Stock and Stores system showed that there were still issues with the new system and the full report is to be discussed elsewhere on the Agenda. There are no new matters to raise in this SICA. These emerging matters are not necessarily all the control related risks facing the organisation at this time.

## LIAISON

5. **Liaison with external audit:** We have provided Grant Thornton, the new External Auditors, with requested information relating to the staff working on the internal audit contract and our views on the risks of fraud within the organisation. We have provided copies of 2013/14 internal audit plan, all final reports issued to date during the year and details of the work completed on the move to the new financial ledger at the beginning of the 2012/13. We have prepared an Audit Protocol for Internal/External Audit which has been provided in draft to Grant Thornton for comment.
6. **Liaison with the Police Audit Group:** We are liaising with the Police Audit Group (the body which represents internal audit for police services) to establish best practice for delivering an effective internal audit service.

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**PROPOSED CHANGES TO THE ANNUAL PLAN 2013/14**

7. The following matters are proposed as a result of the normal process of a new governance structure settling in and are not as a result of any identified deterioration in the internal audit controls framework. The Police and Crime Commissioner and the Chief Constable have been consulted on the proposed changes and their comments are shown against each of the proposed changes. Subject to the proposed changes being approved the reviews will be scheduled in to be completed in time for reporting to the September meeting of the Audit Committee.

**Proposed Reviews - additional to the 2013/14 Annual Plan**

8. The reviews listed below were included in the original Audit Plan as reviews we assessed as being required due to the changes in governance/operating arrangements which was presented to the Audit Committee in March 2013.

Review	Rationale	PCC and CC Comments
Partnership work with Wiltshire County Council - Overview stage	Joint working with the County is likely to commence in early 2013/14 - assurance that appropriate corporate governance, risk and control arrangements are in place prior to agreements being entered onto.	Agreed that the work is to be carried out and have requested that the Supplies Management Review be cancelled and the days used for this review.
PSD integrity	New arrangements in place as a result of the disbandment of the Authority reporting arrangements in place. Review would also consider the impact of the changes to role of the Independent Police Complaints Commission and the College of Policing on the governance and reporting arrangements.	Agreed that this work should be undertaken in 2014/15.

9. The following reviews were not included in the original Audit Plan, but have been identified through discussions with the Police and Crime Commissioner and our review of current developments and have arisen since the last meeting of the Audit Committee.

Review	Rationale	PCC and CC Comments
VFM from Partnerships	To establish whether the various partnerships/collaborations which are in place provide reasonable value for money and whether there are opportunities to transfer some of the costs to the partner organisations.	Agreed that this work should be undertaken in 2014/15.
Achieving VFM with the Strategic Integration with Wiltshire Council	The Home Office Code of Practice requires internal audit to satisfy the external auditor that the Police Fund is managed so as to secure value for money (VFM). The Strategic Integration with Wiltshire Council will be a very significant project and consequently an independent review to confirm the principles of achieving good VFM are imbedded in the process is imperative.	Agreed that this work should be undertaken in 2014/15.

**Proposed Reviews - change to the 2013/14 Annual Plan**

10. As Head of Audit I am proposing that the following change to one of the reviews in the approved Annual Audit Plan. The change is on emphasis with the review considering the extent to which the

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present high level financial control arrangements provide the appropriate assurance. The change will have no impact on the number of days required.

Review	Change
Segregation of duties	The title of the review is to be changes to "Strategic Control Arrangements" and the review will focus on the extent to which the Financial Regulations which were drawn up prior to the appointment of the PCC remain fit for purpose.

### PROPOSED CHANGES TO REPORTING ON AUDIT ASSIGNMENTS

- Following discussions I am proposing that management comments from the Police and Crime Commissioner in relation to Priority 1 audit recommendations made to the Force will be provided in the quarterly Summary Internal Controls Report, rather than in the individual audit reports. This will speed up the process of progressing draft reports to final reports.

### FRAUDS/IRREGULARITIES

- We have not been advised of any frauds or irregularities during the period.

### PROGRESS IN ACTIONING PRIORITY 1 RECOMMENDATIONS

- We have been advised that all Priority 1 recommendations made in finalised internal audit reports have been fully actioned.

### RESPONSIBILITY

- This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. CBSL and TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

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