

Agenda item:

Warwickshire Joint Audit and Standards Committee Report Summary

Meeting Date: 25th September 2024

Subject: Internal Audit Update Report

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Purpose of the report:

This report summarises progress of the agreed Internal Audit plan for 2024-25, and update on the implementation of agreed recommendations.

Recommendation:

The Committee is requested to note the report.

Background:

Paragraphs 13-20 of the JASC Terms of Reference, set out the Committee's responsibilities in relation to Internal Audit. In particular this includes consideration of the progress of internal audit activity against the audit plan and the level of assurance it can give over corporate governance arrangements.

Executive summary:

Since the July 2024 update, work has continued to complete delivery against the agreed audit plan for 2024/25, which is progressing well.

Analysis of the actions arising from Internal Audit work shows a generally positive position. The updates show that progress is being made on addressing most actions, although implementation in some cases is slower than anticipated.

The standards required for the governance and operation of Internal Audit are being revised. A draft document is due to be published by CIPFA in September 2024.

Internal Audit Update Report September 2024

Report by the Head of Internal Audit

Introduction

This report summarises the audit work progress since the July 2024 update report. The key outcome of each audit is an overall opinion on the level of assurance provided by the controls within the area audited. Audits are given one of four levels depending on the strength of controls and the operation of those controls. The four categories ranging from the lowest to highest are Limited, Moderate, Substantial and Full. The opinion reflects both the design of the control environment and the operation of controls.

Work Progress 2024-25 Plan

Appendix A provides summaries of the audits completed since the last update in July 2024. The following reviews have been completed against the 2024/25 Internal Audit Plan:

- Police Community Fund- certification
- Ministry of Justice- certification

Both of these certifications were completed with no changes required.

Fieldwork is underway for the following reviews:

- Overtime and the Expenses audits
- Key Financial Systems - to include Budgetary Control and Treasury management. Each review will be reported separately.

Discussions have been completed to agree the timings of the remainder of the plan, and are reflected in Appendix B. Overall we are on track to complete the work in the agreed Internal Audit Plan 2024-25.

Progress with Agreed Actions

Responsibility for implementing agreed recommendations rests with the Chief Executive and Chief Constable who have implemented monitoring arrangements to establish progress on implementing audit recommendations. Analysis and Service Improvement (ASI) regularly ask managers for a status update and provide information for inclusion in this report, along with updates from the OPCC.

Appendix C summarises the results of the latest monitoring exercise for the Force and OPCC. The table shows all those audits that have agreed actions which are still to be implemented. Based upon the target date agreed with management there are 9 recommendations overdue and a further 3 where a revised target date has been set. Actions related to Business Continuity are now 5 months beyond target dates, but positive progress is being made.

Revised Internal Audit Standards

The Institute of Internal Auditors published new Internal Audit Standards earlier this year. How these apply to Local Authorities including the Police in the UK is determined by CIPFA. CIPFA has said that it continues to work with the other UK public sector standard setters on the introduction of a replacement for the current Public Sector Internal Audit Standards. It is expected that the Internal Audit Standards Advisory Board (IASAB) will issue consultation by the end of September. At the same time CIPFA has announced that it intends to introduce a Code of Practice for the Governance of Internal Audit in UK Local Government. The draft documents have not yet been published but will be made available to Members when they are released for consultation.

Appendix A: Summary of audits completed since previous report (2024-25).

Audit	Key findings	Opinion on level of assurance provided by controls	Number of recommendations		
			Fundamental	Significant	Merits Attention
Police Community Fund	Independent sign off by Internal Audit of the Statement of Accounts Opinion of a true and fair view of the affairs of the Warwickshire Police Community Fund as at 31st March 2024.	N/A	0	0	0
Ministry of Justice certification	<p>There is a requirement for the OPCC to collate the actual financial spend and a range of quantitative data on the MoJ Victims' services core grant return for submission to the MoJ. Internal Audit were requested by the OPCC to verify and sign-off the 2023/24 MoJ Victims' services core grant return.</p> <p>The financial values recorded on the MoJ submission for 2023/24 reconciled to the OPCC general ledger. The performance values recorded on the MoJ submission for 2023/24 were supported by the services providers detailed submissions.</p>	N/A	0	0	0

Appendix B - 2024/25 as at 11/09/2024

Original Plan Topic	Original Planned days	Actual Days to 11/09/2024	Current Status	Assurance level	Notes
OPCC AUDITS					
Independent Custody Visitors	12				Planned Qtr 4
Ministry of Justice - independent sign off of return	2	2	Complete	N/A	Completed
FORCE AUDITS					
Key financial systems (Total 25 days)					
• Budgetary Control	10		Fieldwork		Planned Qtr 2 (Sept)
• Treasury Management	15		Fieldwork		
Overtime and expenses	20	12	Fieldwork		Planned Qtr 2 (Aug)
Seized property	20				Planned Qtr 3 (Oct)
Fixed penalty	20				Planned Qtr 3(Nov)
Collaborations	20				Planned Qtr 4 (Nov)
Information Governance	20				Planned Qtr 4 (Jan 2025)
Police Community Fund	1	1	Complete	N/A	Completed
Management, committee reporting etc.	25	3			
TOTAL	165				

Appendix C: Audits with recommendations outstanding

Audit	Number of Recommendations								
	Made	Risk Accepted	Redundant	Implemented	Not yet due to be implemented	Overdue (Months)			Response Rec'd Y/N
						0 to 3	3 to 6	Over 6	
FORCE									
Police Fleet (2018)	9			8	1*				Y
Fleet Management (2023/24)	5			2	3				Y
Estates	6			5		1**			Y
Firearms Licensing	2				2***				Y
Business Continuity (Force and OPCC)	8			1			7		Y
	30	0	0	16	6	1	7	0	
PCC Office									
Information Governance	4			3			1		Y
	4	0	0	3	0	0	1	0	
*	New Target date: Dec 2024 - Replacement program as part of 24/25 budget and is underway.								
**	New Target Date June 2024 - An Estates strategy is being formulated in line with the review of 2024/2025 budget planning program.								
***	New Target Date Nov 2024 - Waiting for deep dive to be completed prior to being able to complete recommendation								