



POLICE AND CRIME COMMISSIONER  
FOR NORTH YORKSHIRE AND CHIEF  
CONSTABLE OF NORTH YORKSHIRE

**Internal Audit Progress Report**

**20<sup>th</sup> September 2016**

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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made.

Recommendations for improvements should be assessed by you for their full impact before they are implemented. This report, or our work, should not be taken as a substitute for management’s responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

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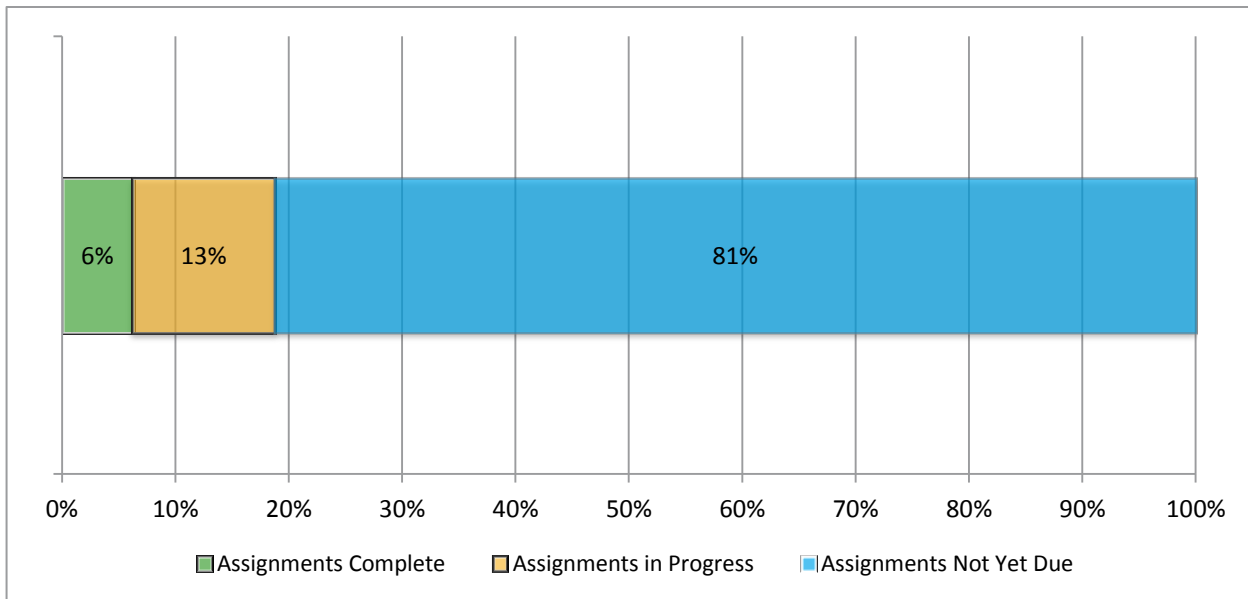
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We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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# 1 INTRODUCTION

The internal audit plan for 2016/17 was approved by the Joint Independent Audit Committee on 15<sup>th</sup> March 2016. Please see the chart below for current progress against the plan.



## 2 REPORTS CONSIDERED AT THIS JOINT INDEPENDENT AUDIT COMMITTEE

This table informs of the audit assignments that have been completed and the impacts of those findings since the last Joint Independent Audit Committee held.

Assignments	Status	Opinion issued	Actions agreed		
			L	M	H
HR Training (2016/17)	Final		0	3	0
Governance – Structure, Reporting, Challenge and Decision Making (2015/16)	Final		2	6	0
IT Network Security and Disaster Recovery (2016/17)	Final		2	2	0
Follow Up of Previous Internal Audit and HIMC Recommendations (2016/17)	Final	Reasonable Progress	1	5	0

### 2.1 Impact of findings to date

Our reviews of the arrangements for dealing with **HR Training, IT Network Security and Disaster Recovery** and **Governance – Structure, Reporting, Challenge and Decision Making** audits confirmed the organisation can take **reasonable assurance** that the controls upon which it relies to manage the identified risk or area were suitably designed, consistently applied and operating effectively.



- HR Training – the report contained three ‘medium’ priority management actions in relation to:
  - Return on Investment had not been developed;
  - Training role profiles had not been fully developed for all roles; and
  - Training delivered by third parties had not been recorded on the Training Administration System database in a timely manner.
- IT Network Security and Disaster Recovery – the report contained two ‘medium’ priority management actions in relation to:

- A formal patch management strategy had not been articulated; and
  - The ICT Business Continuity Plan did not include a section on how the plan will be tested.
- Governance – Structure, Reporting, Challenge and Decision Making – the report contained six ‘medium’ priority management actions in relation to:
    - Documents had not been submitted to the Chief Executive’s office within the required timeframe prior to the Executive Board meeting;
    - Decisions/reports approved in principle required further amendments prior to upload to the PCC’s website;
    - The Joint Independent Audit Committee’s Terms of Reference had not been reviewed on an annual basis;
    - The membership of the Joint Independent Audit Committee did not meet the requirements of the Financial Management Code of Practice;
    - There was some duplication in attendance identified at the Joint Corporate Risk Group; and
    - The organisation’s performance had not been explicitly reported to the Joint Corporate Risk Group.

In addition, we reviewed previously closed fundamental and significant internal audit recommendations and a sample of HMIC actions on ARM. We identified that the organisation had made reasonable progress towards implementing the recommendations; however, we identified six significant recommendations that had been closed on ARM when the original action had not been fully implemented.

### 3 LOOKING AHEAD

Assignment area	Timing per approved IA plan 2016/17	Status	Target Joint Independent Audit Committee per the IA Plan 2016/17
Overtime, Bonus and Honorarium Payments	May 2016	Fieldwork completed week commencing the 8 <sup>th</sup> August	September 2016
Data Quality (including Governance)	September 2016	Fieldwork planned for week commencing the 5 <sup>th</sup> September  Planning approved by the JCRG	December 2016
Seized Cash Spot Checks	September 2016	Fieldwork planned for week commencing the 12 <sup>th</sup> September  Planning approved by the JCRG	December 2016
Commissioning	September 2016	Fieldwork planned for week commencing the 12 <sup>th</sup> September  Planning approved by the JCRG	December 2016
Management of Police Information	September 2016	Fieldwork planned for week commencing the 26 <sup>th</sup> September  Planning approved by the JCRG	December 2016
Collaboration	October 2016	Fieldwork planned for week commencing the 3 <sup>rd</sup> October  Planning document has been issued to	December 2016

		the audit lead for sign off	
Risk Management – Assurance Framework	November 2016	Fieldwork planned for week commencing the 21 <sup>st</sup> November	March 2017
		Planning document has been issued to the audit lead for sign off	
Complaints	November 2016	Fieldwork planned for week commencing the 21 <sup>st</sup> November	March 2017
Key Financial Controls	December 2016	Fieldwork planned for week commencing the 5 <sup>th</sup> December	March 2017
		Planning document has been issued to the audit lead for sign off	
Proceeds of Crime – Management of Sensitive Property	January 2017	Fieldwork planned for week commencing the 9 <sup>th</sup> January	March 2017
Seized Cash Spot Checks	January 2017	Fieldwork planned for week commencing the 9 <sup>th</sup> January	March 2017
		Planning approved by the JCRG	
Annual Petty Cash Check	March 2017	Fieldwork planned for week commencing the 9 <sup>th</sup> January	June 2017
Follow Up of Previous Internal Audit and HMIC Recommendations	January 2017	Fieldwork planned for week commencing the 16 <sup>th</sup> January	March 2017
		Planning approved by the JCRG	

## 4 OTHER MATTERS

### 4.1 Key performance indicators (KPIs)

Delivery	Quality		Quality	Quality	
	Target	Actual		Target	Actual
Audits commenced in line with original timescales	Yes	<i>No</i> <sup>1</sup>	Conformance with PSIAS and IIA Standards	Yes	Yes
Draft reports issued within ten days of debrief meeting	100%	<i>5 days (average)</i>	Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit.	Yes	Yes
			% of staff with CCAB/CMIIA qualifications	>50%	67%
Final report issued within three days of management response	100%	<i>1 day (average)</i>	Turnover rate of staff	<10%	<i>No turnover of staff</i>
Audit reports presented to agreed Joint Independent Audit Committee meetings	Yes	<i>No</i> <sup>1</sup>	Response time for all general enquiries for assistance	2 working days	100%
% of Fundamental & Significant recommendations followed up	100%	100%	Response for emergencies and potential fraud	1 working days	N/A

#### Notes

<sup>1</sup> The Overtime, Bonus and Honorarium Payments audit was scheduled to take place in May 2016. However, discussions with the executive lead and due to the minimum number of transactions available for review at the start of the financial year the decision was agreed to perform the audit in August 2016. This was reported to the Joint Independent Audit Committee at the June 2016 meeting.



# FOR FURTHER INFORMATION CONTACT

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