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Police and Crime Commissioner for Lincolnshire and Lincolnshire Police

Internal Audit Progress Report

Independent Audit Committee Meeting: 27 June 2013

Introduction

The internal audit plan for 2012/13 was approved by the Audit Committee in March 2012. The internal audit plan for 2013/14 was approved by the Independent Audit Committee in March 2013. This report provides an update on progress against that plan and summarises the results of our work to date.

Summary of Progress against the Internal Audit Plan 2012/13

Assignment *Reports considered today are shown in italics*	Status	Opinion	Actions Agreed (by priority)		
			High	Medium	Low
MOPI – Management of Police Information (1.12/13)	Final	Green	0	0	0
Business Continuity / Disaster Recovery (Non IT) (2.12/13)	Final	Red	2	5	2
Service Expectations – Restorative Justice (3.12/13)	Final	Amber / Green	0	2	3
Benefits Realisation (4.12/13)	Final	Amber / Red	2	1	0
G4S Governance Arrangements (5.12/13)	Final	Green	0	0	0
Human Resources – Monitoring of Schedules & Workforce Planning (6.12/13)	Final	Green	0	0	1
Governance – Transition Advisory Review (7.12/13)	Final	Advisory	0	0	1
IT Disaster Recovery Arrangements for Force Control Room Systems (8.12/13)	Final	Amber / Green	0	3	1
Income & Debtors (9.12/13)	*Final*	*Green*	*0*	*0*	*0*
General Ledger (10.12/13)	*Final*	*Green*	*0*	*0*	*2*
Cash, Banking & Treasury Management (11.12/13)	*Final*	*Green*	*0*	*0*	*2*
Risk Management (12.12/13)	*Final*	*Green*	*0*	*1*	*2*
Budgetary Control (13.12/13)	*Final*	*Green*	*0*	*0*	*0*
Payments, Creditors & Procurement (14.12/13)	*07 May 2013*	*Green*	*0*	*1*	*4*
Payroll (including Pensions and Expenses) (15.12/13)	*29 April 2013*	*Green*	*0*	*0*	*1*
Asset Management (16.12/13)	Draft 12 Jun 13				

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Follow Up (17.12/13)	Draft 17 Jun 13				
Contingency	As required				

Other Matters

Planning and Liaison:

We have held regular updates with the Chief Finance Officer (PCC) and also regular Anti-Fraud meetings with PSD, HR and Finance to discuss any emerging issues which could impact on the control environment.

In agreement with the Chief Finance Officer, we have agreed to only include those recommendations within our report classified as High or Medium Priority.

The Audit Committee should note that the assurances given in our audit assignments are included within our Annual Assurance report. In particular the Audit Committee should note that any negative assurance opinions will need to be noted in the annual report and may result in a qualified or negative annual opinion.
Our Annual report is included as a separate agenda item in the papers presented to the Committee.

Internal Audit Plan 2012/13 - Change Control:

Action	Date	Agreed By
Key Financial Controls (EMSOU) – Added to plan across the East Midlands with 1 day contribution from each plan.	May 2012	Chief Finance Officer (and other Regional Treasurers)
Finance audits moved from November / December 2012 to January / February 2013	September 2012	Chief Finance Officer & Audit Commission
Delay in completion of the below reviews from July to August, September & October at the request of Management: • G4S Governance • HR • Governance Transition Arrangements	July / August 2012	Chief Finance Officer
Delay of finance reviews at the request of management due to the implementation of the new finance system.	February 2013	Chief Finance Officer Audit Committee External Audit

Internal Audit Plan 2013/14:

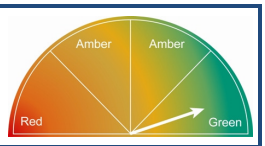
We have agreed in principle the audit dates for the year and are in the process of agreeing scopes of the audit work with management.

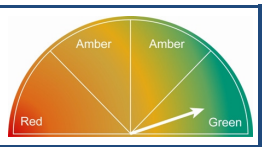
Information and Briefings: We have issued the following update electronically since the last Audit Committee:

- GEN 03/13 EU Late Payment Directive

Key Findings from Internal Audit Work (High and Medium Priority only)

We have only included detail of those High and Medium priority recommendations made. Management have been provided with detail of the Low Priority Recommendations.

Assignment: Risk Management (12.12/13)		Opinion: Green	
Recommendation	Management Response	Date	Responsible Officer
Rec F2 – Medium Work on the implementation of the ORCHID system roll out should continue, and the training on the use of the system should be expanded to include general risk management awareness training for all relevant staff in each department as the roll out occurs.	Not to be taken forward. The Deputy Chief Constable has directed that the Orchid risk recording system will not be rolled out as there are no tangible benefits. The current excel spreadsheet recording is fit for purpose and will continue to be used. General risk management training will be delivered as and when the need arises. **Internal Audit Response** We accept managements responses, however, the method for monitoring and reporting risks should continue to be monitored for effectiveness.	N/A	

Assignment: Payments, Creditors and Procurement (14.12/13)		Opinion: Green	
Recommendation	Management Response	Date	Responsible Officer
Rec 3 – Medium To ensure the correct approval is obtained and that verifications have been completed, the Purchase Ledger - Supplier Record Amendment form should be used in all instances when requesting amendments to supplier details. Staff processing changes should be instructed not to process change to bank details if the box for evidencing verification has not been signed. With the introduction of the T-Police system, management could take this opportunity to review the forms used for capturing supplier details, and could create an	A greater focus will be given to the task to this ensure that the current policy is followed to the letter. A periodic management review will ensure that the strict adherence to the policy is followed.	01/05/13	Exchequer Services Manager

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amalgamated form to be used for recording new suppliers and supplier detail amendments for both the Sales and Purchase ledgers, thereby eliminating errors that could occur by using the wrong form.			

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

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