Police and Crime Commissioner for Lincolnshire and Lincolnshire Police

Internal Audit Progress Report

Independent Audit Committee meeting 29 November 2013

Introduction

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 2013/14

Assignment *Reports considered today are shown in italics*	Status	Opinion	Actions Agreed (by priority)		
			High	Medium	Low
HR – Absence Management (1.13/14)	FINAL	GREEN	0	0	4
VfM – Resource Management (2.13/14)	**FINAL**	**GREEN**	**0**	**0**	**2**
Governance Framework (3.13/14)	**FINAL**	**GREEN**	**0**	**1**	**2**
Medium Term Financial Planning (4.13/14)	**FINAL**	**GREEN**	**0**	**0**	**0**
Service Expectations - Strategic Policing Requirement (5.13/14)	Draft Report 11 Oct 2013				
G4S – Processing Income and Expenditure (6.13/14)	Draft Report 11 Oct 2013				
Collaboration - Governance & Financial Framework (Joint 13/14) (completed as part of a joint review with the East Midlands)	Draft Report 11 Oct 2013				
Risk Management	(02/12/13)				
Payroll (including Pensions and Expenses)	(16/12/13)				
Cash, Banking & Treasury Management	(16/12/13)				
Follow Up	(24/02/14)				
Payments & Creditors	(24/02/14)				
Income and Debtors	(24/02/14)				
T-Police Implementation	(24/02/14)				
Capital Accounting & Fixed Assets	(03/03/14)				
General Ledger	(03/03/14)				
IT Audit	(24/03/14)				

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.

Since the introduction of the PCC & CC Corporations Sole the ways of working have evolved which has involved many discussions on who owns individual audit assignments within the PCC and / or CC and therefore who signs off the individual reports, this is resulted in a delay in gaining management responses and sign off to reports. As a result we have now implemented an Internal Audit tracker which clearly identified the key sponsor for each audit; this is included in the Appendix for information.

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.

Internal Audit Plan 2013/14 - Change Control:

Action	Date	Agreed By
Review timings of T-Police Implementation due to delay in implementing system.	July 2013	CFO (OPCC & CC)
Review timings of Financial Reviews due to delay in implementing the T-Police system.	September 2013	CFO (OPCC & CC)
Revised dates now agreed for all reviews as per summary above.	November 2013	CFO (OPCC & CC)

Internal Audit Plan 2013/14:

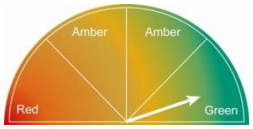
We have agreed in principle the audit dates for the year and are in the process of agreeing scopes of the audit work with management.

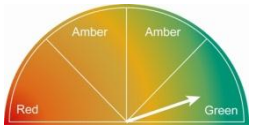
Information and Briefings: We have issued the following update electronically since the last Audit Committee:

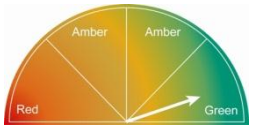
- GEN 5/13 Fraud Alert – Supplier Bank Details - September

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: VfM – Resource Management (2.13/14)		**Opinion: GREEN**	
Recommendation	Management Response	Date	Responsible Officer
No high or medium recommendations			

Assignment: Governance Framework (3.13/14)		**Opinion: GREEN**	
Recommendation	Management Response	Date	Responsible Officer
Rec 2 – Medium A joint code of corporate governance detailing the arrangements within both the PCC and CC and their shared operations should be developed.	A joint code will be developed and considered by the Independent Audit Committee.	March 2014	CFO/FCFO

Assignment: Medium Term Financial Planning (4.13/14)		**Opinion: GREEN**	
Recommendation	Management Response	Date	Responsible Officer
No high or medium recommendations			

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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