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| **The Police and Crime Commissioner for Cleveland and the Chief Constable Cleveland Police** |
| **Internal Audit Annual Report**  **2017/18** |

**Internal Audit Annual Report**

**INTRODUCTION**

This is the 2017/18 Annual Report by TIAA on the internal control environment at Cleveland Police. The annual internal audit report summaries the outcomes of the reviews we have carried out on the organisation’s framework of governance, risk management and control. This report is designed to assist the Board in making its annual governance statement.

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| **HEAD OF INTERNAL AUDIT’S ANNUAL OPINION**  **TIAA is satisfied that for the areas reviewed during the year that The Police and Crime Commissioner has reasonable and effective risk management, control and governance processes in place.** |

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| **HEAD OF INTERNAL AUDIT’S ANNUAL OPINION**  **TIAA is satisfied that for the areas reviewed during the year that The Chief Constable has reasonable and effective risk management, control and governance processes in place.** |

**INTERNAL AUDIT PLANNED COVERAGE AND OUTPUT**

The 2017/18 Annual Audit Plan approved by the Joint Audit Committee was for 110 days of internal audit coverage in the year. During the year there were no changes to the Audit Plan.

All the planned work has been carried out and the reports have been issued (Annex A).

There was no work carried out which was in addition to the work set out in the Annual Audit Plan.

**ASSURANCE**

TIAA carried out 14 reviews, which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve the Force’s objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Details of these are provided in Annex A and a summary is set out below.

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| **Assurance Assessments** | **Number of Reviews** |
| **Substantial Assurance** | **5** |
| **Reasonable Assurance** | **8** |
| **Limited Assurance** | **1** |
| **No Assurance** | **0** |

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented.

We made the following total number of recommendations on our audit work carried out in 2017/18.

|  |  |  |
| --- | --- | --- |
| **Urgent** | **Important** | **Routine** |
| **1** | **23** | **21** |

**AUDIT SUMMARY**

**Control weaknesses:** There was one area reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided ‘limited assurance’. Recommendations were made to further strengthen the control environment in these areas and the management responses indicated that the recommendations had been accepted.

**Recommendations Made:** We have analysed our findings/recommendations by risk area and these are summarised below.

|  |  |  |  |
| --- | --- | --- | --- |
| **Risk Area** | **Urgent** | **Important** | **Routine** |
| **Directed** | **0** | **3** | **5** |
| **Compliance** | **1** | **20** | **13** |
| **Operational** | **0** | **0** | **3** |
| **Reputational** | **0** | **0** | **0** |

**Operational Effectiveness Opportunities:** One of the roles of internal audit is to add value and during the financial year we provided advice on opportunities to enhance the operational effectiveness of the areas reviewed and the number of these opportunities is summarised below.

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| --- |
| **Operational** |
| **14** |

**INDEPENDENCE AND OBJECTIVITY OF INTERNAL AUDIT**

There were no limitations or restrictions placed on the internal audit service which impaired either the independence or objectivity of the service provided.

**PERFORMANCE AND QUALITY ASSURANCE**

The following Performance Targets were used to measure the performance of internal audit in delivering the Annual Plan.

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| --- | --- | --- | --- |
| **Performance Measure** | **Target** | **Attained** | |
| Completion of Planned Audits | 100% | 100% | |
| Audits Completed in Time Allocation | 100% | 100% | |
| Final report issued within 10 working days of receipt of responses | 95% | 86% | |
| Compliance with Public Sector Internal Audit Standards | 100% | 100% |

Ongoing quality assurance work was carried out throughout the year and we continue to comply with ISO 9001 standards. An independent external review was carried out of our compliance of the Public Sector Internal Audit Standards (PSIAS) in 2016 and in particular to meet the requirement of an independent five year review, the outcome confirmed full compliance with all the standards. Our work also complies with the IIA-UK Professional Standards.

**RELEASE OF REPORT**

The table below sets out the history of this Annual Report.

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| **Date draft report issued:** | 8th May 2018 |
| **Date final report issued:** | 10th May 2018 |

**Annexes**

**Annex A**

## Actual against planned Internal Audit Work 2017/18

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **System** | | **Type** | **Planned Days** | **Actual Days** | **Assurance Assessment** | **Comments** |
| Purchase Cards | | Assurance | 4 | 4 | Reasonable | Final report issued |
| ICT – Cyber Security | | Assurance | 7 | 7 | Reasonable | Final report issued |
| Estates Management - Strategy | | Appraisal | 6 | 6 | Substantial | Final report issued |
| Governance – Strategic Control and Corporate Governance | | Assurance | 6 | 6 | Reasonable | Final report issued |
| Key Financial Controls | | Assurance | 8 | 8 | Reasonable | Final report issued |
| Budgetary Control | | Assurance | 8 | 8 | Substantial | Final report issued |
| Fleet Management – Maintenance, Repairs, Disposal and Fuel Use | | Assurance | 8 | 8 | Reasonable | Final report issued |
| HR Management – Absence Management and Occupational Health | | Assurance | 8 | 8 | Reasonable | Final report issued |
| FOI/Data Protection and Document Security | | Assurance | 8 | 8 | Limited | Final report issued |
| Risk Management – Business Continuity | | Assurance | 6 | 6 | Substantial | Final report issued |
| Payroll | | Assurance | 8 | 8 | Substantial | Final report issued |
| ICT – Business Continuity | | Assurance | 6 | 6 | Reasonable | Final report issued |
| Seized Cash | | Compliance | 4 | 4 | Reasonable | Final report issued |
| Corporate Communications | | Appraisal | 7 | 7 | Substantial | Final report issued |
| Follow Up | | F/Up | 4 | 4 | - | Final report issued |
| Strategic Plan and Annual Plan | | - | 2 | 2 | - | Final report issued |
| 2017/18 Annual Report | | - | 2 | 2 | - | Final report issued |
| Management, Quality Assurance and Support | |  | 8 | 8 |  |  |
|  | **Total Days** | **110** | **110** |  |  |