



Mersey Internal Audit Agency

Internal Audit Plan 2016/17
(Including Strategic Plan 2015-2018)
Police and Crime Commissioner and
Chief Constable for Cheshire

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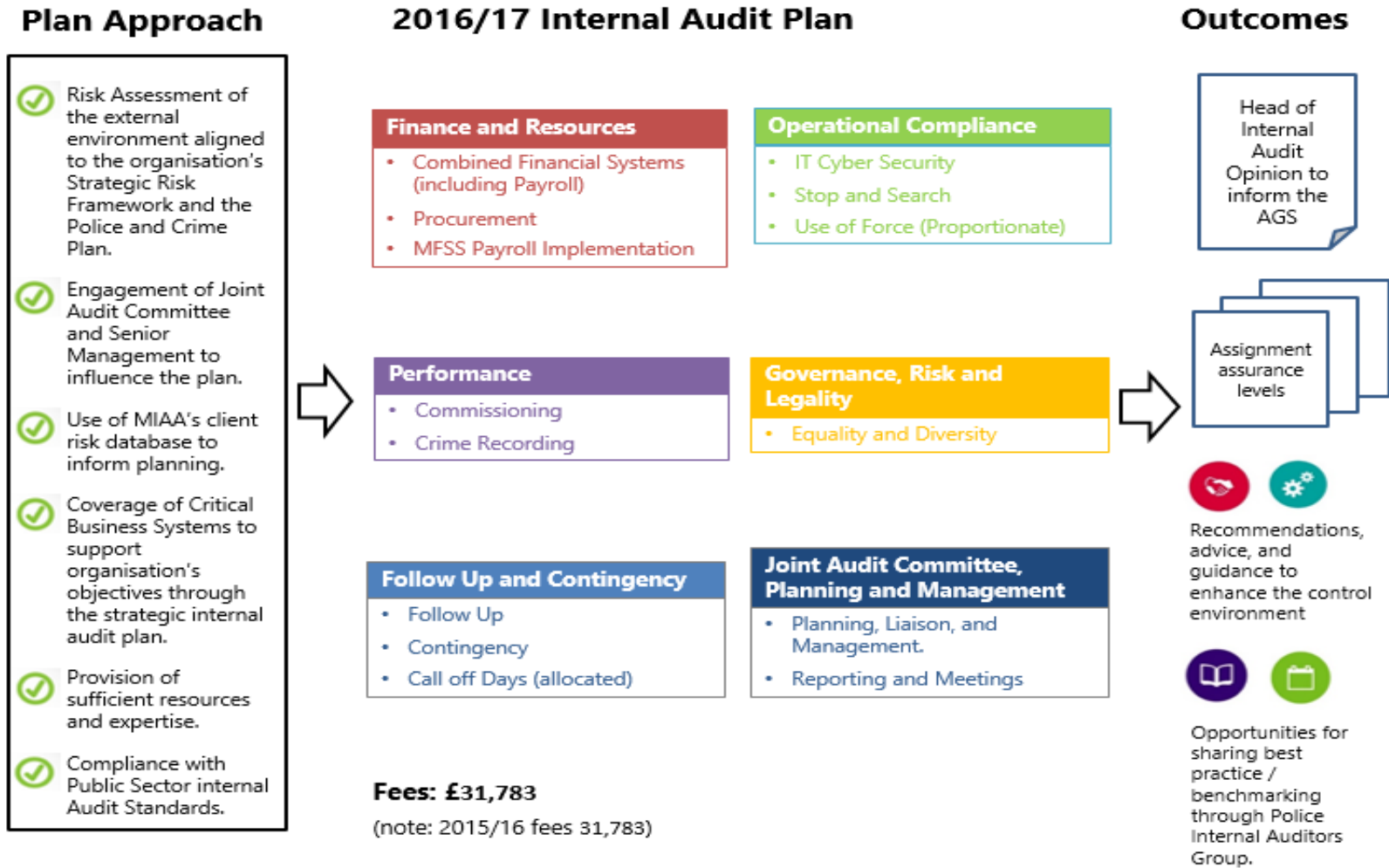
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1. Your Plan on a Page

This plan describes how your plan has been developed and how MIAA will deliver your internal audit services in 2016/17.




2. Your 3 Year Strategic Internal Audit Plan

The Internal Audit Plan approach ensures that you are provided with a comprehensive service that can support the Police and Crime Commissioner (PCC) and Chief Constable (CC) in discharging their governance responsibilities and the Joint Audit Advisory Committee in their advisory role. The Internal Audit Plan has been developed following a comprehensive risk assessment aligned to your strategic objectives. Our approach fully complies with the Public Sector Internal Audit Standards. During the establishment of the plan and through the prioritisation of coverage, we consider the audit resource requirements. Any impact on the integrity of the plan, including those relating to resources, will be brought to the attention of the PCC and CC and to the Joint Audit Advisory Committee.

2.1 Risk Assessment

A key focus of the risk assessment is understanding your vision and ensuring that the Internal Audit Plan contributes to your objectives. This in turn ensures that the assurances provided are built around your risks. The high level risk assessment of the Authority is provided below.



- Assurance built around your risk areas:
- To deliver high quality services in a challenging financial environment.
- Ensure effective operational control, compliance with statutory responsibilities, and quality of reporting.
- Effectively commission services that contribute to improved outcomes.
- Working in partnership with communities and a wide range of partners locally and nationally to deliver the service.
- Achieve objectives within the Police and Crime Plan.
- Demonstrate value for money, effective performance management.
- To implement the blue light collaboration with Cheshire Fire and to identify further opportunities for collaboration and integration with public sector and other blue light services.

2.2 Strategic Internal Audit Plan Coverage

This section sets out the proposed strategic 3 year Internal Audit Plan which is based on the full risk assessment and prioritises coverage on a combination of risk rating, organisational impact and recognition of the organisation's wider assurance mechanisms. The risk source references the utilisation of your Strategic Risk Register, Police and Crime Plan and other key documents, discussions with key officers, along with our knowledge and experience of the challenges facing the sector. The Strategic Internal Audit Plan is subject to risk assessment each year, or more frequently as the need arises.

A detailed operational plan for 2016/17 demonstrating the risk source in relation to each output is provided in Appendix A.

2.2 Proposed Internal Audit Plan Coverage

The following sets out the strategic three year Internal Audit Plan which is based on the full risk assessment and aims to prioritise coverage on a combination of risk rating, organisational impact and recognition of the organisation's wider assurance mechanisms. The strategic internal audit plan will be subject to risk assessment each year. A detailed operational plan for 2016/17 demonstrating the risk source in relation to each output is provided in Appendix A.

CORE AUDIT PLAN OUTPUTS	2015/16	2016/17	2017/18	Risk Source
FINANCE & RESOURCES				
Combined Financial Systems	✓	✓	✓	Audit Risk Assessment
MFSS Payroll Implementation (carry forward from 2015/16)		✓		Management Discussions
Procurement / Estates	✓	✓		Audit Risk Assessment / Police and Crime Plan
Overtime			✓	
PERFORMANCE				
Absence Management			✓	
Commissioning		✓		Police and Crime Plan

CORE AUDIT PLAN OUTPUTS	2015/16	2016/17	2017/18	Risk Source
Crime Recording	✓	✓		Police and Crime Plan / Audit Risk Assessment
Delivery of Police and Crime Plan: Scrutiny of Performance			✓	
Firearm Licensing	✓			
Mobile Data			✓	
Partnership Arrangements			✓	
OPERATIONAL COMPLIANCE				
IT Critical Applications (Niche)	✓			
IT Cyber Security		✓		Audit Risk Assessment
Property: Crime, Lost/Found			✓	
Receipt, Handling and Disposal of Firearms/Other Weapons, Drugs and Cash	✓			
Stop and Search		✓		Police and Crime Plan / Audit Risk Assessment
Successful Interventions in Custody			✓	
Use of Force (Proportionate)		✓		Police and Crime Plan / Audit Risk Assessment
Victim Care Services			✓	
GOVERNANCE, RISK & LEGALITY				
Integrity Review	✓			
Use of Taser / Stinger	✓			
Equality and Diversity (Recruitment)		✓		Police and Crime Plan
Health and Safety			✓	
Gifts and Hospitality			✓	
FOLLOW UP & CONTINGENCY				
Follow-up	✓	✓	✓	✓

CORE AUDIT PLAN OUTPUTS	2015/16	2016/17	2017/18	Risk Source
Contingency	✓	✓	✓	✓
COMMITTEE, PLANNING & MANAGEMENT				
Planning liaison and management	✓	✓	✓	✓
Reporting and meetings	✓	✓	✓	✓

We will continuously update our understanding of the risks facing the service through National insights, our regular liaison meetings with staff and keeping an oversight of Board agendas. We recognise that we may need to update the audit plan during the year as different risks emerge, and we will naturally keep you informed about any proposed changes to the plan. Any changes will be discussed with management, reported to the Joint Audit Advisory Committee in their advisory role and approved by the PCC and CC.

Appendix A: 2016/17 Detailed Operational Plan

The 2016/17 operational plan is provided below, and includes the Chief Officer Lead and proposed timing of each assignment. The assignments will reflect review and consideration of your Strategic Risk Register, Police and Crime Plan and other key documents, discussions with key officers, along with our knowledge and experience of the challenges facing the sector.

CORE AUDIT PLAN OUTPUTS	Chief Officer Lead	Proposed Timing
FINANCE & RESOURCES		
<p>Combined Financial Systems - Assurance will be provided in respect of key controls within the main financial systems. The scope of the review will be restricted to the key controls supplemented where required with analytical review and surveys. Discussions will be held with External Audit to confirm coverage.</p> <p>The review will also include HR/Payroll specifically looking at processes governing starters, leavers and amendments to pay (excluding expenses and overtime).</p>	ACO	Q3-4
<p>MFSS Payroll Implementation – The review will evaluate the design and effectiveness of controls and processes in advance of the implementation of Oracle Payroll.</p>	ACO	Q1
<p>Procurement / Estates Strategy – An opinion on the effectiveness of the systems and processes in place to support the Procurement / Estate Strategy and achievement of best value.</p>	ACO	Q4
PERFORMANCE		
<p>Commissioning – In 2016/17, the Police and Crime Commissioners approach to commissioning will continue to focus on victims of crime with the aim of preventing people becoming victims in the first place and ensuring that appropriate services are in place for those unfortunate enough to become victims of crime. This includes funding for Cheshire's Community Safety Partnerships, substance misuse services and Cheshire's Youth Offending Teams. The funding allocated should include setting clear outcomes focused on victims to be achieved and continue to promote greater joint working amongst the four Community Safety Partnerships.</p> <p>The Commissioner is intending to allocate funding to Participatory Budgeting initiatives following the successful projects across each of the borough council areas in 2015/16. This is aimed at supporting a further four initiatives, one in each borough.</p> <p>The review will specifically look at the arrangements in place to ensure that clear outcomes have been set in accordance with the</p>	Chief Finance Officer (OPCC)	Q2

CORE AUDIT PLAN OUTPUTS	Chief Officer Lead	Proposed Timing
commissioning objectives and the effectiveness of the framework in place to monitor whether expected outcomes are being delivered.		
<p>Crime Recording – NCRS is the National Crime Recording Standard and HOCR is the Home Office Counting Rules for recorded crime. NCRS has twin aims of being victim focused and maintaining consistency of recording across all forces. It is based on applying legal definitions of crime to victim’s reports. HOCR stipulate what type and how many offences in any particular incident should be recorded by police and notified to the Home Office.</p> <p>The review will evaluate a sample of crime related incidents in order to ascertain the level of compliance with NCRS / HOCR. The incident(s) types will be determined based on risk assessment and in discussion with management.</p>	ACC Investigations	Q3
OPERATIONAL COMPLIANCE		
<p>IT Cyber Security – To provide an assessment of the effectiveness and coverage of the fundamental controls being operated to protect the OPCC and Constabulary from the most common forms of cyber-attack.</p>	ACO	Q1
<p>Stop and Search – The police have a right and a duty to stop and talk to members of the public and in certain circumstances to search them. This is done in order to help keep the public safe, and is used to tackle crime and anti-social behaviour, and to prevent terrorism. Under most circumstances police need grounds to search a member of the public, but some stop and search powers allow members of the public to be searched without grounds, for example, if in an area where there is a risk of serious violence or disorder. Stop and searches can take place anywhere and at any time.</p> <p>The police must follow the rules set out in the Police and Criminal Evidence (PACE) codes, which outline how the Constabulary have to treat individuals in these circumstances, and their rights. The review will evaluate the recording of Stop and Search and provide assurance as to the Constabulary’s compliance with this code.</p>	ACC Local Policing	Q2
<p>Use of Force (Proportionate) – The law recognises that there are situations where police officers may be required to use force. The primary responsibility for using force rests with individual officers, who are answerable to the law. The Criminal Law Act 1967, the Police and Criminal Evidence Act 1984, Common Law and the Criminal Justice and Immigration Act 2008 and the rights and freedoms contained within the European Court of Human Rights govern the police use of force.</p> <p>Where use of force has been applied the Constabulary record this in order to assist in measuring the use of Force by Officers and to ensure it is being applied in accordance with law. The ‘Use of Force’ form should be completed when an injury is caused to any Police Officer, Special Constable, Police Staff member, subject or a third party, the use / drawing of baton / spray / firearm / Taser</p>	DCC	Q2

CORE AUDIT PLAN OUTPUTS	Chief Officer Lead	Proposed Timing
<p>and any physical use of force (excluding tactical communication, compliant handcuffing, escort position). This does not negate the need for Police Officers to record and justify their use of force in their PNB's and / or statements.</p> <p>The review will provide assurance that 'use of force' forms are being completed and approved in line with agreed procedures and to review the processes in place to ensure that forms are being used where use of force has been applied.</p>		
GOVERNANCE, RISK & LEGALITY		
<p>Equality and Diversity – The Equality Act 2010 introduced the Public Sector Equality Duty, also referred to as the General Equality Duty, which came into effect on the 5th of April 2011. The General Equality Duty has three aims. It requires public bodies, including the Constabulary, to have due regard to the need to: -</p> <ul style="list-style-type: none"> • Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act • Advance equality of opportunity between people who share a protected characteristic and people who do not share it • Foster good relations between people who share a protected characteristic and people who do not share it. <p>One of the key objectives of Cheshire Constabulary is to ensure the workforce is representative of the communities they serve. The review will look at the Constabulary's strategy and processes to demonstrate compliance with the Equality Act and the steps taken to deliver on this key objective.</p>	ACO	Q1
FOLLOW UP & CONTINGENCY		
<p>Follow-up – This will be conducted throughout the year to provide the Joint Audit Advisory Committee with assurance regarding management's implementation of agreed actions.</p>		Throughout the Year
<p>Contingency – This element of the plan allows the flexibility to respond to management requests in order to meet specific client needs during the course of the financial year.</p>		Throughout the Year
JOINT AUDIT ADVISORY COMMITTEE, PLANNING & MANAGEMENT		
<p>In providing an internal audit service an allocation of time is required for the management of the contract:</p>		
<ul style="list-style-type: none"> ▪ Planning liaison and management - Incorporating preparation and attendance at Joint Audit Advisory Committee; completion of risk assessment and planning; liaison with the client and organisation of the audit reviews. 		Throughout the Year
<ul style="list-style-type: none"> ▪ Reporting and meetings - Key reports will be provided to support this, such as the Director of Audit Opinion and Annual Report, Annual Plan and Interim Update Reports. 		

Following agreement of the plan a schedule of the timing for the audit reviews will be provided in the Internal Audit Progress Report. Liaison with your External Auditors will take place to ensure maximum benefit is derived from your total audit resource.



Appendix B: Your Team

In the delivery of our range of services we maintain a balance between having consistency in the staff working on your contract whilst introducing new staff with experience of working in other organisations. We have found this to be a very effective method of operating which has enabled our staff to develop familiarity and experience of your financial systems and the specific issues you face and has provided your staff with recognised points of contact with whom they can discuss audit issues.



Tim Crowley
(CPFA)

Director

Tel: 07768 131789

tim.crowley@miaa.nhs.uk

Tim has worked in senior audit, assurance and governance roles in the health sector for over 30 years. As Director of MIAA he leads an organization with a national reputation for the delivery of audit and assurance services to the NHS. In particular, he has a track record of achievements in the areas of standard setting and development; assurance design; and board engagement on audit and assurance matters. Tim is an active member of the Public Sector Internal Audit Standards Board, leading the work on professional standard setting.



Steve Connor
(CPFA, MBA)

Commercial Director

Tel: 07768 131785

steve.connor@miaa.nhs.uk

Steve has overall responsibility for MIAA business development along with the delivery, performance and resource management across all of MIAA's clients. This includes keeping MIAA at the forefront in terms of Internal Audit practice and supporting NHS organisations and their Audit Committees in all aspects of Audit and Governance.





Karan Wheatcroft
(CPFA)

Operations Director

Tel: 07887 855462

karan.wheatcroft@miaa.nhs.uk

Karan has significant experience of managing the delivery and development of internal audit and assurance services. During her many years of experience of NHS Internal Audit she has built important relationships and systems knowledge across health care organisations, including primary and secondary care, former Strategic Health Authority and third sector providers.



Kevin Lloyd
(CPFA)

Assistant Director

Tel: 0161-743-2029 / 07585 401639

Kevin.lloyd@miaa.nhs.uk

Kevin joined MIAA from Merseyside PCC (formerly Merseyside Police Authority) where he had spent over 10 years working as part of their Internal Audit team.

During his time at Merseyside PCC/Police Authority Kevin was responsible for leading on a range of risk based internal audits covering corporate governance and risk management, performance, value for money, procurement, financial systems, special investigations and partnership arrangements. Kevin will be the client lead for the audit contract.



Michael Nulty
(CPFA)

Audit Manager

Tel: 0161 743 2028

michael.nulty@miaa.nhs.uk

Michael has over 10 years of experience of working in the public sector in both Internal and External Audit.

Michael has worked for MIAA for over 6 years and has excellent experience on leading on a range of audit and advisory assignments across CCG's, Foundation and Community Trusts. As the CCG's Internal Audit Manager, Michael is a key contact for the audit contract.



Dave Orme
(CISA)

Senior IM&T Manager

Tel: 07917 156425

david.orme@miaa.nhs.uk

Dave has significant cross sector experience, initially in mainframe operations, technical management and operational roles, and then within internal computer audit, providing technical support, consultancy, data analysis and technical auditing. Dave has strong knowledge of NHS Information systems, providing advice and guidance on security best practice and using this to develop risk based audit plans.