



Mersey Internal Audit Agency

Internal Audit Plan 2017/18
(Including Strategic Plan 2016-2019)
Police and Crime Commissioner and
Chief Constable for Cheshire

Contents

1. Your Plan on a Page
2. Your 3 Year Strategic Internal Audit Plan

Appendix A: Your 2017/18 Detailed Operational Plan

Appendix B: Your Team



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 2017/18.




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 PCC and CC 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 2017/18 demonstrating the risk source in relation to each output is provided in Appendix A.

CORE AUDIT PLAN OUTPUTS	2016/17	2017/18	2018/19	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
Government Purchasing Cards		✓		Audit Risk Assessment
Bluelight Collaboration (Additional to Audit Plan)		✓		Police and Crime Plan
PERFORMANCE				
Commissioning			✓	Police and Crime Plan
Crime Recording	✓			Police and Crime Plan / Audit Risk Assessment
Recruitment		✓		Police and Crime Plan / Audit Risk Assessment
Absence Management		✓		Police and Crime Plan / Audit Risk Assessment
Mobile Data			✓	Police and Crime Plan
Partnership Arrangements			✓	Police and Crime Plan
OPERATIONAL COMPLIANCE				

CORE AUDIT PLAN OUTPUTS	2016/17	2017/18	2018/19	Risk Source
IT Cyber Security	✓			Audit Risk Assessment
Use of Force	✓			Police and Crime Plan / Audit Risk Assessment
Proceeds of Crime Act: Cash		✓		Audit Risk Assessment
Successful Interventions in Custody		✓		Audit Risk Assessment
Vehicle Seizures		✓		Audit Risk Assessment
IT Critical Applications			✓	Audit Risk Assessment
Integrated Offender Management			✓	Audit Risk Assessment
Victim Care Services	✓		✓	Police and Crime Plan
GOVERNANCE, RISK & LEGALITY				
Equality and Diversity (Recruitment)	✓			Police and Crime Plan
Health and Safety	✓			Audit Risk Assessment
Gifts and Hospitality		✓		Audit Risk Assessment
Abuse of Authority			✓	Audit Risk Assessment
FOLLOW UP & CONTINGENCY				
Follow-up	✓	✓	✓	✓
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.

The following risk areas were identified as part of the strategic risk assessment and are not currently prioritised within the Internal Audit Plan coverage in 2017/18.

- Abuse of Authority
- Community Safety Fund
- Mobile Data
- Partnerships – Constabulary
- Crime Recording
- Overtime
- Delivery of Police and Crime Plan:
Scrutiny of Performance
- Integrated Offender Management
- Property



Appendix A: 2017/18 Detailed Operational Plan

The 2017/18 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 / Days
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. The Systems to be reviewed will be discussed and agreed with management. Discussions will be held with External Audit to confirm coverage.</p>	ACO	Q3 (12 Days)
<p>Government Purchasing Cards – The Government Purchasing Card (GPC) is to be used by Cheshire Constabulary and Office of the Police and Crime Commissioner as the preferred method of paying for relatively low value purchases. The GPC offers the opportunity to improve both the focus and flexibility of purchasing procedures, whilst reducing the volume of purchase orders, invoices and associated paperwork for these low value purchases. Cards are issued to Cardholders on the basis of their organisational role. Should a Cardholder’s role change, then the Card may be withdrawn and card usage is subject to the rules set out within the GPC Procedure Manual.</p> <p>The review will provide assurance that cards are issued to appropriate officers, following approval, are being used in accordance with agreed procedures and that there are appropriate controls in place to monitor their usage.</p>	ACO	Q1 (10 Days)
<p>Blue Light Collaboration - The review will provide assurance around governance, including decision-making, information exchange, risk mapping/sharing, handling of conflicts, holding of assets and service levels and performance. To review practical arrangements helping the organisations to move through programme delivery to fully functioning joint teams.</p> <p>The detailed scope, timings and input requirement is to be agreed with management.</p>	ACO	TBD (Additional to Plan)
PERFORMANCE		
<p>Recruitment – As part of the Constabulary’s People Strategy, one of the key priorities relates to the successful implementation of organisational change programmes through effective work force planning matching resources with finances. This will be measured</p>	ACO	Q2 (10 Days)

CORE AUDIT PLAN OUTPUTS	Chief Officer Lead	Proposed Timing / Days
<p>against the delivery of planned recruitment to vacancies and planned structural changes within timeframes. As a consequence a measure of success will be reduced unplanned underspends, owing to staff vacancies.</p> <p>This review will provide assurance on the delivery of this key priority within the People Strategy. This will be through an assessment of the systems of controls in place to ensure planned structural changes are managed in accordance with agreed timeframes and recruitment processes are operating in line with agreed policies and procedures for both police officers and police staff. In addition, the review will assess the timescales for completing the key stages of the recruitment process to identify if there are any elements that may be causing unnecessary delays.</p>		
<p>Absence Management – Cheshire Constabulary has a high expectation of its workforce and recognise that staff are the most valuable asset. In order to achieve these expectations the Constabulary’s Managing Attendance procedure aims at ensuring all staff are able to attend work and are properly supported and valued by caring managers so that Cheshire Constabulary has minimal levels of sickness absence and has a workforce that is performing to optimum level. Throughout the procedure staff can expect to be treated fairly and be supported by the constabulary in a manner appropriate to their own circumstances.</p> <p>The overall objective of the review will be to provide assurance that this procedure is being applied consistently across the Force to ensure that there is an effective system for recording, managing and monitoring sickness occurrences and the governance arrangements in order to support the success of improving attendance figures across the organisation.</p>	ACO	Q2 (10 Days)
OPERATIONAL COMPLIANCE		
<p>Proceeds of Crime Act (POCA): Cash –</p> <p>Section 294 of Proceeds of Crime Act 2002 allows that:</p> <ul style="list-style-type: none"> • A Constable or accredited Financial Investigator may seize any cash if they have reasonable grounds for suspecting that it is– <ul style="list-style-type: none"> (a) recoverable property, or (b) intended by any person for use in unlawful conduct. <p>The objective of this review is to evaluate the processes and controls in place for the receipt, recording, handling and depositing of crime exhibit cash to ensure they are robust and in accordance with the Constabulary’s cash seizure procedure. In addition, the</p>	ACC Investigations	Q4 (10 Days)

CORE AUDIT PLAN OUTPUTS	Chief Officer Lead	Proposed Timing / Days
review will provide assurance that these processes and internal controls are being complied with consistently.		
<p>Vehicle Seizures –</p> <p>The Constabulary may recover a vehicle if it has been:</p> <ul style="list-style-type: none"> • involved in a collision or has broken down and is causing an obstruction or hazard; • abandoned and is causing an obstruction; • potentially used in a crime; • stolen; • driven by an uninsured driver; • used anti socially; or • left uninsured. <p>There is then a process in place whereby vehicles can be reclaimed/disclaimed depending on the circumstances. Where vehicles are reclaimed there is a fee which must be paid prior to the vehicle being reclaimed. For disclaimed vehicles the Constabulary will then organise disposal of the vehicle which in the case of selling the vehicles will involve the use of an auctioneer.</p> <p>The objective of the review is to provide assurance that the processes and internal controls for vehicle seizures is being complied with and to consider how the Constabulary ensure they are receiving value for money for the vehicles that are sold at Auction.</p>	ACC Local Policing / ACO	Q2 (10 Days)
<p>Successful Interventions in Custody – The Police and Criminal Evidence Act 1984 and the associated Codes of Practice set out the legislative framework for dealing with persons who come into police contact. These are complemented by the Guidance on the Safer Detention and Handling of Persons in Police Custody 2012.</p> <p>A Successful intervention is defined as any incident which, if allowed to continue to its ultimate conclusion, would have resulted in the death, serious injury or harm to any person.</p> <p>The Constabulary has compiled detailed guidance 'The Safer Detention and Handling of Persons in Police Custody which is aimed primarily to minimise deaths and reduce the number of successful interventions while people are in custody. The guidance also sets out the key steps that must be followed should the requirement for intervention arise.</p> <p>The review will provide assurance that where the requirement for intervention arises that the Constabulary complies with the key</p>	DCC	Q4 (10 Days)

CORE AUDIT PLAN OUTPUTS	Chief Officer Lead	Proposed Timing / Days
requirements stipulated within this policy and that any lessons or positive outcomes are disseminated.		
GOVERNANCE, RISK & LEGALITY		
<p>Gifts and Hospitality – The Constabulary and Office of the Police and Crime Commissioner has a duty to ensure and inspire public confidence in its officers and staff through the adoption and maintenance of high standards of professional behaviour, particularly those relating personal integrity.</p> <p>The review will provide assurance on the processes and controls in place at both the Office of the Police and Crime Commissioner and Constabulary and their compliance with the requirements of the gifts and hospitality policy and procedures.</p>	Chief Finance Officer (OPCC) / DCC	Q1 (10 Days)
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 (4 Days)
<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>		(4 Days)
JOINT AUDIT ADVISORY COMMITTEE, PLANNING & MANAGEMENT		
In providing an internal audit service an allocation of time is required for the management of the contract:		
<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 (10 Days)
<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. 		

Total Plan 100 Days

Blue Light Collaboration Review: Days / Fee to be agreed.



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 the Public Sector. 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.