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

INTRODUCTION

1. This summary report provides the Audit Committee with an update on the progress of our work at Police and Crime Commissioner for Cleveland and the Chief Constable Cleveland Police as at 1st September 2017.

# PROGRESS AGAINST THE 2017/18 ANNUAL PLAN

2. Our progress against the Annual Plan for 2017-18 is set out in Appendix A. The results of these reviews are summarised at Appendix B.

# EMERGING GOVERNANCE, RISK AND INTERNAL CONTROL RELATED ISSUES

3. We have identified no emerging risks which could impact on the overall effectiveness of the governance, risk and internal control framework of the organisation.

# AUDITS COMPLETED SINCE THE LAST REPORT TO COMMITTEE

4. The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Key Dates** | | | **Number of Recommendations** | | | |
| **Review** | **Evaluation** | **Draft issued** | **Responses Received** | **Final issued** | **1** | **2** | **3** | **OE** |
| **Purchasing Cards** | **Reasonable** | **20/07/2017** | **24/07/2017** | **25/07/2017** | **0** | **3** | **3** | **2** |

# CHANGES TO THE ANNUAL PLAN 2017/18

5. There are no changes proposed to the Annual Plan at this time.

## FRAUDS/IRREGULARITIES

6. We have not been advised of any frauds or irregularities in the period since the last summary report was issued.

**PROGRESS ACTIONING PRIORITY 1 RECOMMENDATIONS**

7. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) in the work completed.

## RESPONSIBILITY/DISCLAIMER

8. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

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**Appendix A**

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| **Progress against the Annual Plan for 2017/18** |

| **System** | **Strategic Risk Reference** | **Planned Quarter** | **Days** | **Current Status** | **Comments** |
| --- | --- | --- | --- | --- | --- |
| Purchase Cards |  | 1 | 4 | **Complete** |  |
| ICT – Cyber Security | 1451 | 2 | 7 | **Draft report issued** |  |
| Estates Management - Strategy | 1512 | 2 | 6 | **Planned Start Date: 6th September 2017** |  |
| Governance – Strategic Control and Corporate Governance |  | 3 | 6 | **Planned Start Date: 12th September 2017** |  |
| Key Financial Controls |  | 3 | 8 | **Planned Start Date: 2nd October 2017** |  |
| Budgetary Control |  | 3 | 8 | **Planned Start Date: 20th November 2017** |  |
| Fleet management – Maintenance, Repairs, Disposal and Fuel Use |  | 3 | 8 | **To be arranged** |  |
| HR Management – Absence Management and Occupational Health | 1439 | 3 | 8 | **Planned Start Date: 9th October 2017** |  |
| FOI/Data Protection and Document Security | 1451, 1449 | 3 | 8 | **Planned Start Date: 6th November 2017** |  |
| Risk Management – Business Continuity |  | 4 | 6 |  |  |
| Payroll |  | 4 | 8 |  |  |
| ICT – Business Continuity |  | 4 | 6 |  |  |
| Seized Cash |  | 4 | 4 |  |  |
| Corporate Communications |  | 4 | 7 |  |  |
| Follow Up |  | 4 | 2 |  |  |

**KEY:**

|  |  |  |
| --- | --- | --- |
|  | = | To be commenced |
|  | = | Site work commenced |
|  | = | Draft report issued |
|  | = | Final report issued |

# Appendix B

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| **Recommendations –All** |

**Audit Report: Purchasing Cards**

**Report Issued: 25th July 2017**

| **Rec.** | **Risk Area** | **Finding** | **Recommendation** | **Priority** | **Management**  **Comments** | **Implementation**  **Timetable**  **(dd/mm/yy)** | **Responsible**  **Officer**  **(Job Title)** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2 | Directed | There is no documented policy or guidance for the use of the NatWest Purchasing Cards. | The Corporate Credit Card Procedure be amended to include policy and guidance for the NatWest Purchasing Cards. | 2 | *A separate policy for purchasing card with an addendum for the card held within finance will be created* | *31/12/17* | *Anne-Marie Morris – Treasury Manager* |
| 3 | Compliance | The audit trail for the issue and receipt of card by cardholders was incomplete and inconsistent. | A standard pro-forma be introduced to record the issuing and receipt of credit cards, and the receipt of and the agreement to adhere to the requirements of the Corporate Credit Card Procedure. | 2 | *A pro-forma for the card holder to sign, confirming their understanding of the policies and procedures in place to be created. We will also create a checklist to ensure that all stages of issuing are completed.* | *31/12/17* | *Alison Firman – Treasury Manager* |
| 4 | Compliance | The submission of receipts was found to be untimely for a core of cardholders. Eight submissions were outstanding in each of the three months prior to the audit visit. | The requirement to submit the A05-50 Corporate Credit Card Expense Analysis form with receipts to support the expenditure incurred in a timely manner be reinforced with all card holders. | 2 | *Issues within the source team line management structure have led to delays in receiving the returns. Treasury staff will remind the card holders of their responsibility and the escalation routes will be used if required.* | *Completed July 2017* | *Alison Firman – Treasury Manager* |
| 1 | Directed | The list of credit card expenditure authorisers does not cover all of the roles of the current cardholders. | The Corporate Credit Card Procedure be updated to include the authoriser for all cardholder levels. | 3 | *The Credit card policy will be amended to reflect the current situation for the authorising officer of the PCC’s card* | *31/12/17* | *Alison Firman – Treasury Manager* |
| 5 | Compliance | The Excel spreadsheet used to record journal details did not hold the date of posting for the sample of journals reviewed. | The date of posting for journals be recorded on the Excel spreadsheet used to record the journal audit trail. | 3 | *The date of posting is recorded in the Oracle system and this will now be matched with the date entered on the bottom of the Journal spreadsheet.* | *Completed* | *Alison Firman – Treasury Manager* |
| 6 | Operational | Spend on seven of the credit cards that have limits in excess of the standard £1,000 did not exceed more than 26% of the limit set during the previous 12 months. | A review be undertaken to determine if the current issue of credit cards and their associated limits is appropriate and/or cost effective. | 3 | *A review of the credit card limits and their average spend over the last few years will be undertaken with a view to reduce limits if appropriate.* | *31/12/17* | *Alison Firman – Treasury Manager* |