

## **Agenda Item 8**

### **NORTHUMBRIA POLICE**

#### **JOINT INDEPENDENT AUDIT COMMITTEE:**

**15 SEPTEMBER 2014**

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### **PROGRESS AGAINST THE UK PUBLIC SECTOR INTERNAL AUDIT STANDARDS (UKPSIAS)**

#### **REPORT OF THE CHIEF INTERNAL AUDITOR**

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#### **1 Purpose of the Report**

- 1.1 To inform the Committee of progress against the UK Public Sector Internal Audit Standards (UKPSIAS) action plan.

#### **2 Background**

- 2.1 The UKPSIAS were introduced in April 2013.
- 2.2 An assessment of internal audit against the UKPSIAS was carried out and an action plan was derived for improvements. This formed part of the review of the effectiveness of internal audit reported to the Committee on 16 June 2014. Actions arising from the self assessment included:
- Bribery Act training to be delivered to all Internal Audit staff;
  - Develop expertise in specific areas of contract auditing and computer assisted audit techniques;
  - Undertake a full review of the Local Audit Manual for auditors;
  - Development of a formal approach for auditors when undertaking consultancy engagements;
  - Develop and implement retention requirements for all types of audit records and a policy on the release of audit findings and communications to outside parties.

#### **3. Progress against the UKPSIAS**

- 3.1 Progress against the action plan has included bribery act training, computer assisted audit techniques training, update of the Audit Manual and a the development of a draft consultancy protocol.

#### **4 Bribery Act training**

- 4.1 Bribery Act training was conducted for all internal audit staff at the July 2014 internal audit team meeting by the Chief Internal Auditor. This

utilised a module which has been built on Knowledge Net (a computer based training tool).

## **5 Development of expertise in contract auditing and computer assisted audit techniques**

- 5.1 A meeting has taken place with the Director of Corporate Commissioning and Procurement Support to discuss a partnering approach to contract auditing. A presentation has been arranged to be delivered at the next quarterly Internal Audit team meeting scheduled for 22 October.
- 5.2 A session on computer assisted audit techniques was delivered by an IT specialist auditor at the July 2014 internal audit team meeting.

## **6 Audit Manual**

- 6.1 The Audit Manual has been updated and is currently going through a quality review process.

## **7 Development of a Consultancy Protocol**

- 7.1 A draft Internal Audit Consultancy Protocol has been developed and is attached at Appendix A for comment. This policy formalises the arrangements in place for internal audit consultancy work and outlines that terms of reference are to be agreed prior to the commencement of any consultancy work by Internal Audit.

## **8 Development of a Retention Policy/Release and Communications Policy**

- 8.1 Work is ongoing on the retention policy specific to Internal Audit records.
- 8.2 The release on audit findings and communications policy will be based on the principles of the public interest tests under guidance related to the Freedom of Information Act.
- 8.3 Further progress reports will be outlined in future committee reports.

## **9 Equal opportunities implications**

- 9.1 It is considered that there are no equal opportunities implications arising from the report.

## **10 Human rights implications**

- 10.1 It is considered that there are no human rights implications arising from the report.

## **11 Risk Management implications**

- 11.1 The actions undertaken will maintain an effective system of internal audit which will positively contribute to the management and mitigation of risk.

## **12 Financial implications**

- 12.1 There are no financial implications directly arising from this report

## **13 Recommendation**

- 13.1 The Committee is requested to note the contents of this report and progress against the action plan.