

Leicestershire Police Authority

Internal Audit Progress Report

Audit Committee Meeting – 3rd February 2009



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1. Introduction

- 1.1 The periodic internal audit plan for 2008/09 was approved by the Audit Committee on 21st February 2008. This report summarises the outcome of work completed to 31st January 2009 against that plan, and Appendix A provides cumulative data in support of internal audit performance.

2. Final Reports Issued

- 2.1 We have finalised 5 reports since our last report; these were in the area of:
- Budget Setting & Control
 - General Ledger
 - Creditors
 - Debtors
 - Cash Bank and Treasury Management

3. Key Findings from Internal Audit Work

- 3.1 We have found no issues in our work to date that will effect our annual opinion

Work in Progress or Planned

- 3.2 The HR (Training) audit is in progress. The following reports are at draft report stage:
- Fixed Assets
Absence Management Follow up
Risk Maturity

4. Liaison with Management and External Audit

- 4.1 On going liaison is continuing with your external auditors to ensure our work can be relied upon and there is no duplication of work. Regular liaison meetings are held with the Police Authority.

5. Changes to our Plan

5.1 The approved audit plan for 2008/09 had an allocation of 18 days for Contingency work, and following discussions a further 4 days has been added as a result of the agreement to cancel the planned audit of Transport, giving a total allocation of 22 days. To date in consultation with the Authority we have agreed that the days will be utilised as follows:

Training for Members

Consultancy assistance on the implementation of the new payroll bureau service

In depth follow up work on our 07/08 review of absence management (5 days)

Additional Management days agreed (4 days)

Additional payroll work in relation to the resilience of the Payroll transfer

Appendix A: Operational Plan Performance 2008/09

Detailed below is a summary of the work undertaken in 2008/09 to date, showing the levels of assurance given and the number of recommendations arising. Reports being considered at this Committee are shown in italics. Definitions with regard to the levels of assurance and the classification of recommendations are provided overleaf.

Auditable Area	Start Date	Debrief date	Draft report issued	Responses received	Final report issued	Audit Committee	Audit approach	Days	Assurance level given	Number of Recommendations Made					
						Actual (Planned)		Actual (Planned)		F	S	MA	In Total	Agreed	
Work completed to date															
Assurance	Governance	19/5/08	21/5/08	11/6/08	25/6/08	26/6/08	Aug 08	Checklist	5	Substantial	0	1	5	6	6
	HR - Recruitment	9/5/08	22/5/08	9/1/08	22/7/08	25/7/08	Aug 08	Systematic	4	Substantial	0	0	5	5	5
	Covert Human Intelligence payments	9/6/08	11/6/08	7/7/08	11/7/08	18/7/08	Aug 08	Key Control	4	Substantial	0	1	1	2	2
	Health and safety	8/9/08	15/9/08	15/10/08	22/10/08	23/10/08	Nov 08	Systematic	5	Substantial	0	0	2	2	2
– s	Grant Verification	1/6/08	n/a	n/a	n/a	n/a	n/a	Advisory	1	N/A	-	-	-	-	-
	<i>Budget Setting and Control</i>	<i>Oct 08</i>	<i>1/9/08</i>	<i>15/10/08</i>	<i>20.01.09</i>	<i>20.01.09</i>	<i>Feb 09</i>	<i>Systematic</i>	7	Substantial	0	0	0	0	0
	<i>General Ledger</i>	<i>Oct 08</i>	<i>1/9/08</i>	<i>15/10/08</i>	<i>20.01.09</i>	<i>20.01.09</i>	<i>Feb 09</i>	<i>Key Control</i>	4	Substantial	0	0	0	0	0
	<i>Creditors</i>	<i>Oct 08</i>	<i>1/9/08</i>	<i>15/10/08</i>	<i>20.01.09</i>	<i>20.01.09</i>	<i>Feb 09</i>	<i>Systematic</i>	6	Substantial	0	0	2	2	2
	<i>Debtors</i>	<i>Oct 08</i>	<i>1/9/08</i>	<i>15/10/08</i>	<i>20.01.09</i>	<i>20.01.09</i>	<i>Feb 09</i>	<i>Systematic</i>	6	Substantial	0	0	0	0	0
	<i>Cash and Banking</i>	<i>Oct 08</i>	<i>1/9/08</i>	<i>15/10/08</i>	<i>20.01.09</i>	<i>20.01.09</i>	<i>Feb 09</i>	<i>Key Control</i>	4	Substantial	0	0	1	1	1
	Audit Management								13						
Totals to date:									59		0	2	19	21	21
Work in progress or yet to start (including reports still in draft)															
	Fixed Assets	Oct 08	1/9/08	15/10/08			Feb 09	Key Controls	4						
	Payroll (including Pensions)	Feb 09					(July 09)	Systematic	(7)						
	HR - Training	Nov 08					(Apr 09)	Systematic	(5)						

Auditable Area	Start Date	Debrief date	Draft report issued	Responses received	Final report issued	Audit Committee	Audit approach	Days	Assurance level given	Number of Recommendations Made				
						Actual (Planned)		Actual (Planned)		F	S	MA	In Total	Agreed
Transport	Cancelled													
Risk Management	Dec 08	23/12/08	12/01/09			(Apl 09)	Thematic	5						
Police Property Fund	Dec 08					(Apl 09)	Key Control	(5)						
Divisional Reviews	Jan 09					(July 09)	Systematic	(12)						
IT Healthcheck	Jan 09					(July 09)	Healthcheck	(15)						
Audit Management								(3)						
Contingency								(17)						
Contingency Absence Management Follow Up Members Training		8/10/08	27/10/08					5 1						

Recommendation Categorisation

Our findings and recommendations are categorised as follows:

Fundamental (F): *action is imperative to ensure that the objectives for the area under review are met*

Significant (S): *requires action to avoid exposure to significant risks in achieving the objectives for the area under review.*

Merits Attention (MA): *action advised to enhance control or improve operational efficiency*

Opinions

Risk Based Internal Audit Assignments

The definitions for the level of assurance that can be given are:

	Level	System Adequacy	Control Application
(positive opinions)	Substantial Assurance	Robust framework of controls ensures objectives are likely to be achieved.	Controls are applied continuously or with minor lapses.
	Adequate Assurance	Sufficient framework of key controls for objectives to be achieved but, control framework could be stronger.	Controls are applied but with some lapses.
(negative opinion)	Limited Assurance	Risk of objectives not being achieved due to the absence of key internal controls.	Significant breakdown in the application of controls.

Follow Up Reviews

Our opinions reflect the progress made in implementing previous internal audit recommendations:

(positive opinions)	Good Progress
	Reasonable Progress
(negative opinion)	Little Progress

APPENDIX B – OPERATIONAL PLAN – 2007/08 AND 2008/09

AUDITS	ACTUAL DAYS 2007/08	PLANNED DAYS 2008/09	ACTUAL DAYS 2008/09	AUDIT COMMITTEE PRESENTATION DATE
Change Management	6	N/A	N/A	17 September 2007
Risk Management	5	5	To Follow	21 February 2008
Governance	5	5	5	8 November 2007 & 28 August 2008
Business Continuity Planning (Non-IT)	6	N/A	N/A	10 June 2008
Collaborative Working (EMSOU)	5	N/A	N/A	17 April 2008
Physical and Environmental Security (IT)	5	N/A	N/A	21 February 2008
Crime Application review	5	N/A	N/A	17 April 2008
HR - Establishment	5	N/A	N/A	8 November 2007
HR – Recruitment	N/A	4	4	28 August 2008
HR – Absence Management	5	N/A	N/A	10 June 2008
HR - Training	N/A	5	To follow	To follow
Budget Setting and Control	7	7	7	3 February 2009
Follow Up	3	3	To follow	28 August 2008
Payroll, Expenses and Pensions (separate report for Expenses in 2007/08)	11	7	To follow	21 February 2008
Creditors	6	6	6	3 February 2009
Debtors	6	6	6	3 February 2009
General Ledger	4	4	4	3 February 2009
Fixed Assets	4	4	4	3 February 2009
Cash and Banking	6	4	4	3 February 2009
Divisional Reviews	15	12	To follow	10 June 2008
Estates Management	6	N/A	N/A	8 November 2007
Management Information (MOPI)	6	N/A	N/A	8 November 2007
Strategic/Business Planning	6	N/A	N/A	21 February 2008
Covert Human Intelligence Payments	N/A	4	4	28 August 2008
Health & Safety	N/A	5	5	13 November 2008
Police Property Fund	N/A	5	To follow	To follow
IT Audit	N/A	15	To follow	To follow
Grant Verification	1	1	1	N/A
Audit Management	18	16	To follow	N/A
Contingency	5	18	To follow	N/A
TOTALS	151	140	To follow	