



RSM Tenon

LEICESTERSHIRE POLICE AUTHORITY

INTERNAL AUDIT PROGRESS REPORT

MARCH 2010

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The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

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1. INTRODUCTION

- 1.1 You may be aware from recent press coverage that we merged with Tenon Group Plc on 30th December 2009.
- 1.2 As you may know, before this merger Tenon was a large, established national practice with excellent audit and advisory teams and a significant strength in public sector audit and advisory work. The firm, which is now called RSM Tenon, will remain the UK's largest provider of internal audit and risk management services to the public sector providing a comprehensive range of governance, audit, anti fraud, forensic, consultancy and software solutions. The deal was completed on December 30th. But, other than a different name, letterhead and some changes to our livery, our people, our communication mechanisms and our service delivery to our clients will remain unchanged.
- 1.3 The periodic internal audit plan for 2009/10 was approved by the Audit Committee on 15th April 2009. This report summarises the outcome of work completed against the 2009/10 plan since the last Committee meeting, and Appendix A provides cumulative data in support of internal audit performance.

2. FINAL REPORTS ISSUED

2.1 We have finalised nine reports since the last Committee meeting; these are in the areas of:

- Payroll Provider Review (4.09/10);
- Cash, Banking & Treasury Management (10.09/10)
- Budgetary Control (11.09/10);
- ITIL Self Assessment Review (12.09/10);
- Performance Management (13.09/10);
- Payroll (14.09/10);
- Business Continuity – Absence Management (15.09/10);
- Health and Safety – Governance (16.09/10); and
- Workforce Planning (17.09/10).

3. KEY FINDINGS FROM INTERNAL AUDIT WORK

3.1 We have found no issues in our work to date that will affect our annual opinion.

4. WORK IN PROGRESS OR PLANNED

- 4.1 There are no reports at draft stage

5. LIAISON WITH MANAGEMENT AND EXTERNAL AUDIT

- 5.1 We have met with management since the last Audit Committee to discuss the Internal Audit Plan for 2010/11. In addition, we have discussed with the External Audit our working together to ensure that this is as efficient as possible.

6. CHANGES TO OUR PLAN

- 6.1 At the last Committee we reported that the Transport audit had been removed, however, following discussions with management it was decided that this should be introduced back into the Internal Audit Plan, and is due to be completed in March 2010.

APPENDIX A: OPERATIONAL PLAN PERFORMANCE 2009/10

Detailed below is a summary of the work undertaken in 2009/10 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
Contingency Grant Verification	-	-	25/06/09	-	-	-	-	1 (1)						
Follow Up (1.09/10)	June 09	June 09	23/06/09	06/07/09	06/07/09 & 07/07/09	November 2009	Follow Up	2 (4)	Good Progress	0	0	2	2	2
Overtime (2.09/10)	26/05/09	29/05/09	25/06/09	29/07/09	29/07/09	November 2009	Systematic	5 (5)	Substantial	0	0	2	2	2
Business & Strategic Planning (3.09/10)	25/06/09	13/07/09	31/07/09	24/8/09	24/8/09	November 2009	Systematic	5 (5)	Substantial	0	0	2	2	2
Police Pensions Injury Awards (5.09/10)	21/09/09	23/09/09	28/09/09	23/10/09	23/10/09	November 2009	Systematic	5 (5)	Adequate	0	3	5	8	8
General Ledger (6.09/10)	28/09/09	02/10/09	12/10/09	23/10/09	23/10/09	November 2009	Key Controls	4 (4)	Substantial	0	1	0	1	1
Fixed Assets (7.09/10)	01/10/09	02/10/09	12/10/09	23/10/09	23/10/09	November 2009	Key Controls	4 (4)	Substantial	0	0	2	2	2
Debtors (8.09/10)	24/09/09	02/10/09	12/10/09	23/10/09	23/10/09	November 2009	Key Controls	5 (5)	Substantial	0	1	0	1	1
Creditor Payments (9.09/10)	21/09/09	02/10/09	15/10/09	23/10/09	23/10/09	November 2009	Key Controls	5 (5)	Adequate	0	1	3	4	4
<i>Payroll Provider Review (4.09/10)</i>	<i>19/11/09</i>	<i>29/07/09</i>	<i>14/08/09</i>	<i>7/12/09</i>	<i>9/12/09</i>	<i>March 2010</i>	<i>Key Controls</i>	<i>4 (4)</i>	<i>Adequate</i>	<i>0</i>	<i>3</i>	<i>5</i>	<i>8</i>	<i>8</i>
<i>Cash and Banking (10.09/10)</i>	<i>28/09/09</i>	<i>02/10/09</i>	<i>23/10/09</i>	<i>7/12/09</i>	<i>7/12/09</i>	<i>March 2010</i>	<i>Key Controls</i>	<i>5 (5)</i>	<i>Substantial</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>1</i>	<i>1</i>
<i>Budgetary Control</i>	<i>27/10/09</i>	<i>29/10/09</i>	<i>13/11/09</i>	<i>16/12/09</i>	<i>16/12/09</i>	<i>March 2010</i>	<i>Key Controls</i>	<i>5 (5)</i>	<i>Substantial</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>1</i>	<i>1</i>

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
(11.09/10)															
Information Systems – ITIL Self Assessment Review (12.09/10)	09/11/09	18/11/09	2/12/09	21/12/09	22/12/09	March 2010	Advisory	12 (12)	N/A	0	2	3	5	5	
Performance Management (13.09/10)	10/11/09	16/11/09	4/12/09	10/12/09	10/12/09	March 2010	Systematic	6 (6)	Substantial	0	0	0	0	0	
Payroll (14.09/10)	19/11/09	27/11/09	16/12/09	8/2/10	9/2/10	March 2010	Key Controls	9 (9)	Adequate	0	3	5	8	8	
Business Continuity Planning (15.09.10)	08/12.09	14/12/09	5/1/10	8/2/10	8/2/10	March 2010	Systematic	5 (5)	Substantial	0	0	5	5	5	
Health & Safety Governance Thematic Review (16.09/10)	12/10/09	3/11/09	8/1/10	8/2/10	8/2/10	March 2010	Advisory	5 (5)	N/A	0	3	4	7	7	
Workforce Planning Thematic Review(17.09/10)	04/08/09	27/10/09	17/11/09	8/2/10	8/2/10	March 2010	Advisory	11.5 (10)	N/A	0	0	5	5	5	
Transport	03/03/10							(6)							
Governance	08/03/10							(5)							
Risk Maturity	09/03/10							(5)							
Audit Management								12.5 (15)							
TOTAL								111 (130)		0	17	45	62	62	

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	Control Design	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 TO 2009/10

AUDITS	DATE LAST AUDITED	ACTUAL DAYS 2007/08	ACTUAL DAYS 2008/09	PLANNED DAYS 2009/10	ACTUAL DAYS 2009/10	AUDIT COMMITTEE PRESENTATION DATE
Change Management	July 2007	6	N/A	N/A	-	17 September 2007
Risk Management	January 2009	5	5	5		15 April 2009
Governance	June 2008	5	5	5		8 November 2007 & 28 August 2008
Business Continuity Planning (Non-IT)	April 2008	6	N/A	5	5	10 June 2008
Collaborative Working (EMSOU)	December 2007	5	N/A	N/A	-	17 April 2008
Physical and Environmental Security (IT)	November 2007	5	N/A	N/A	-	21 February 2008
Crime Application review	February 2008	5	N/A	N/A	-	17 April 2008
HR - Establishment	July 2007	5	N/A	N/A	-	8 November 2007
HR – Recruitment	June 2008	N/A	4	N/A	-	28 August 2008
HR – Absence Management	December 2007	5	N/A	N/A	-	10 June 2008
HR – Training	April 2009	N/A	5	N/A	-	2 July 2009
Budget Setting and Control	October 2008	7	7	5	5	3 February 2009
Follow Up	April 2008	3	4	4	2	28 August 2008
Payroll, Expenses and Pensions (separate report for Expenses in 2007/08)	April 2009	11	11	9	9	02 July 2009
Creditors	October 2008	6	6	5	5	3 February 2009
Debtors	October 2008	6	6	5	5	3 February 2009
General Ledger	October 2008	4	4	4	4	3 February 2009
Fixed Assets	October 2008	4	4	4	4	3 February 2009
Cash and Banking	October 2008	6	4	5	5	3 February 2009
Divisional Reviews	March 2009	15	12	N/A	-	02 July 2009
Estates Management	July 2007	6	N/A	N/A	-	8 November 2007
Management Information (MOPI)	August 2007	6	N/A	N/A	-	8 November 2007
Strategic/Business Planning	August 2007	6	N/A	5	5	21 February 2008
Covert Human Intelligence Payments	July 2008	N/A	4	N/A	-	28 August 2008
Health & Safety	October	N/A	5	5 – Thematic	4.5	13 November

AUDITS	DATE LAST AUDITED	ACTUAL DAYS 2007/08	ACTUAL DAYS 2008/09	PLANNED DAYS 2009/10	ACTUAL DAYS 2009/10	AUDIT COMMITTEE PRESENTATION DATE
	2008					2008
Transport	N/A	N/A	N/A	6		
Police Property Fund	March 2009	N/A	5	N/A	-	02 July 2009
IT Audit	April 2009	N/A	15	12	12	02 July 2009
Performance Management	N/A	N/A	N/A	6	6	
Overtime	N/A	N/A	N/A	5	5	
Police Pension Injury Ward	N/A	N/A	N/A	5	5	
Workforce Planning	N/A	N/A	N/A	10	11.5	
Grant Verification	-	1	1	1	1	N/A
Audit Management	-	18	16	15	12.5	N/A
Contingency – Payroll Provider	-	5		4	4	N/A
TOTALS		151		130	110.5	

RSM Bentley Jennison joins forces with Tenon

4 January 2010

Client Briefing – Gen 01.10



RSM Tenon

You are probably aware, from recent press coverage that we merged with Tenon Group Plc on 30 December 2009.

As you may know, before this merger Tenon was a large, established national practice with excellent audit and advisory teams and a significant strength in public sector audit and advisory work. Like us, Tenon was a modern, dynamic and successful practice, pursuing an aggressive growth strategy through acquisition as well as strong organic development. This merger has created a new and significant force in professional services, since both practices have a clear and consistent vision to become the leading UK adviser to the public and not for profit sector by focusing on providing flexible and innovative customer-focused solutions.

The firm, which is now called RSM Tenon, will remain the UK's largest provider of internal audit and risk management services to the public sector providing a comprehensive range of governance, audit, anti fraud, forensic, consultancy and software solutions. RSM Tenon will now provide services to an even larger public sector client base increasing the opportunities for sharing best practice and facilitating benchmarking among our clients.

As a PLC with more than 3,000 staff and locations throughout the UK, the business as a whole will have significant financial strength and a support infrastructure, around key areas such as Technical support, HR (including training) and IT, to match.

The deal was completed on 30 December 2009. But, other than a different name, letterhead and some changes to our livery, our people, our communication mechanisms and our service delivery to our clients will remain unchanged.

However, we can say with certainty that this merger will bring you added benefits. You will have an even larger team to draw resources from, more public sector technical experts at your disposal, substantially increased investment in technical and sector based training, and the further development of best-practice methodologies.

Given that this merger can only bring positive benefits to our clients we look forward to continuing to work closely with you under our new name RSM Tenon.