



RSM Tenon

CLEVELAND POLICE AUTHORITY

Internal Audit Progress Report

January 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 The periodic internal audit plan for 2009/10 was approved by the Audit Panel on 28 May 2009. This report summarises the outcome of work completed to date against that plan, and Appendix A provides cumulative data in support of internal audit performance.

2. FINAL REPORTS ISSUED

- 2.1 We have finalised one report since the last Panel meeting; this is in the area of:

- Payroll and Expenses

3. KEY FINDINGS FROM INTERNAL AUDIT WORK

- 3.1 There are no issues arising from our work for the year to date that will have a negative impact upon our opinion for 2009/10.

4. WORK IN PROGRESS OR PLANNED

- 4.1 The table at Appendix A shows the work planned and undertaken to date for 2009/10. Progress is in line with the audit plan as agreed at the Audit Panel meeting on 28 May 2009.

5. LIAISON WITH MANAGEMENT AND EXTERNAL AUDIT

- 5.1 Regular liaison meetings are held with the Authority and the Force to discuss developments within the organisation and the scoping of individual audits. The most recent meeting with the Chief Executive, members of the Audit Panel and Police staff took place on 2nd December 2009. The next scheduled quarterly meeting is due to take place 4th February 2010.

6. CHANGES TO OUR PLAN

- 6.1 There have been no changes to the audit plan since the last meeting.

7. SECTOR GUIDANCE

- 7.1 There has been one relevant client briefings issued since the last Audit Committee. This is included at Appendix B.

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)	F	S	MA	In Total
Assurance	Corporate Governance	10/08/09	14/08/09	17/08/09	14/09/09	14/09/09	Nov 09	Compliance	7 (7)	Substantial	0	0	3	3	3
	Vetting / Disclosure	13/07/09	13/08/09	14/08/09	28/08/09	01/09/09	Nov 09	Systematic	6 (6)	Adequate	-	2	2	4	4
	Partnerships	Sept 09							4 (7)						
	Key Financial Controls	07/09/09	23/10/09	03/11/09	17/11/09	17/11/09	Nov 09	Key Control	8 (8)	Substantial	0	1	1	2	2
	Digital Imaging Services Note 1	07/09/09	23/10/09	06/11/09	17/11/09	17/11/09	Nov 09	Key Control	7	Adequate	0	5	0	5	5
	<i>Payroll and Expenses</i>	<i>12/10/09</i>	<i>2/10/09</i>	<i>06/11/09</i>	<i>17/11/09</i>	<i>18/12/09</i>	<i>Jan 10</i>	<i>IDEA Testing</i>	<i>7 (7)</i>	<i>Substantial</i>	<i>0</i>	<i>0</i>	<i>3</i>	<i>3</i>	<i>2</i>
	Risk Maturity	12/10/09							6 (6)						
	Business Continuity Planning	Feb 2010							1 (10)						
	Purchasing and Payments	11/01/10							0.5 (7)						
	HR Management	Feb 2010							(5)						
	Procurement Transformation Project	14/12/09							1 (6)						
	Corporate and Financial Planning	Feb 2010							1 (14)						
	Health and Safety	Feb 2010							(5)						
	Network Security	15/03/10							0.5 (6)						
	Internet and E-mail	01/02/10							0.5 (6)						

	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)		F	S	MA	In Total	Agreed
Advisory	Counter Fraud Arrangements Thematic Review	3/11/09	5/11/09	17/11/09					7 (7)	-	-	-	-	13	13
Other	Follow Up	Feb 2010						Follow Up	1 (5)						
	Audit Management	-	-	-	-	-	-	-	11 (15)	-	-	-	-	-	-
	Pure and Annual Governance Statement (AGS) Group								(4)	-	-	-	-	-	-
	Contingency	-	-	-	-	-	-	-	(11)	-	-	-	-	-	-
Totals to date:									68.5 (142)						

Note 1: The Digital Imaging Services audit has been completed using days from the agreed contingency.

Note 2: The original 12 days allocated to PFI Stations has been split as follows:

Procurement Transformation Project 6 Days

Contingency 6 Days

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: CLIENT BRIEFINGS

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