

RSM Tenon

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Cleveland Police Authority

Follow Up of Previous Internal Audit Recommendations

Internal Audit Report 11.10/11
June 2011

FINAL

CONTENTS

SECTION		Page
1	Executive Summary	1
2	Findings and Recommendations	3
Appendix A	Definitions for Progress Made	14
Appendix B	Data to Support our Opinion	15

Debrief meeting	NA	Auditors	Ian Wallace, Director
Draft report issued	31 May 2011		Susan Turner, Senior Manager
Responses received	01 June 2011		Martin McDonagh, Senior Auditor Phil Church, Senior Auditor
Final report issued	V1: 03 June 2011	Client sponsor	Ann Hall, ACO, Finance & Commissioning
	V2: 29 September 2011	Distribution	Kate Rowntree, Executive Staff Officer



This review has been performed using RSM Tenon's bespoke internal audit methodology, **i-RIS**.

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 EXECUTIVE SUMMARY

1.1 INTRODUCTION

As part of the approved internal audit periodic plan for 2010/11 we have undertaken a review to follow up progress made by Cleveland Police Authority to implement previous internal audit recommendations. Recommendations with dates for implementation not yet due will be followed up as part of the 2011/12 follow up work.

The audits considered as part of the follow up review were:

- Service Continuity Planning
- Corporate Planning 09/10;
- Digital Imaging Services 09/10;
- Use of Internet & Email Services 09/10;
- Key Financial Controls & Petty Cash 09/10;
- Network Security 09/10;
- Risk Maturity 09/10;
- Vetting 09/10; and
- Follow Up 09/10.

The 26 recommendations considered in this review comprised solely of those classified as 'significant' recommendations.

In addition, we gained assurance from management that the recommendations included with the HR Policies and Procedures Report and the Data Quality Report are being addressed. Further detailed testing will be undertaken on both of these reports during 2011/12.

Staff members responsible for the implementation of recommendations were interviewed to determine the status of agreed actions. Where appropriate, audit testing has been completed to assess the level of compliance with this status and the controls in place.

1.2 CONCLUSION

Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion Cleveland Police Authority has demonstrated reasonable progress in implementing actions agreed to address internal audit recommendations.

There are no significant recommendations that we consider to be receiving inadequate management attention.

1.3 LIMITATIONS TO THE SCOPE OF THE AUDIT

This review only covered audit recommendations previously made and did not review the whole control framework of the areas listed above. Therefore, we are not providing assurance on the entire risk and control framework of those areas.

This follow up review has covered only those recommendations rated as significant; there were no fundamental recommendation made during 2009/10 or outstanding from previous years..

Where testing has been undertaken, our samples have been selected over the period since actions were implemented or controls enhanced.

Our work does not provide any guarantee or absolute assurance against material errors, loss or fraud.

1.4 RECOMMENDATION TRACKING

Recommendation tracking enhances an organisation's risk management and governance processes. It provides management with a method to record the implementation status of recommendations made by assurance providers, whilst allowing the Audit and Internal Control Panel to monitor actions taken by management.

2 FINDINGS AND RECOMMENDATIONS

Each recommendation followed up has been categorised in line with the following:

Status	Detail
1	The entire recommendation has been fully implemented.
2	The recommendation has been partly though not yet fully implemented.
3	The recommendation has not been implemented.
4	The recommendation has been superseded and is no longer applicable.
5	The agreed date for implementing the recommendation has not yet been reached.

3.1 SERVICE CONTINUITY PLANNING [13.09/10]		FINDINGS				
Ref	Original Recommendation	Original Category	Original Impl'n Date	Manager Responsible	Status	Comments / Implications / Recommendations

SERVICE CONTINUITY PLANNING [13.09/10]						FINDINGS
Ref	Original Recommendation	Original Category	Original Impl'n Date	Manager Responsible	Status	Comments / Implications / Recommendations
1	Service unit plans are fully completed as soon as practical to ensure all relevant information is available and aligned to the needs of the Force should a business critical situation occur.	Significant	March 2011	Service Continuity Manager	2	<p>A refreshed policy was approved at SDG on 01/03/10 setting out purpose and roles.</p> <p>Service unit baseline assessments were completed by 30/04/10 using a scoring range of 1 (insignificant) to 5 (catastrophic). Service continuity plans being developed for impact scores of 5 to 3 by the service continuity manager and for scores of 3 and below by local management reviewed by the service continuity manager.</p> <p>Progress in high impact areas is as follows:</p> <ul style="list-style-type: none"> • Loss of premises-Complete • Loss of Custody-Almost complete-awaiting development of arrest options • Loss of ICT-Steria have drafted recovery plan for review based on agreed system critically recovery time objectives. • Loss of Staff-Plans developed for flu pandemic in place. <p>A detailed delivery plan for the ongoing completion and testing of ongoing service continuity plans is being prepared in readiness for the transfer of the ROPS function to Steria from 01/09/11.</p>
2	The Force should ensure that a mechanism is in place to follow non attendance at relevant training sessions.	Significant	December 2010	Chief Inspector Training	1	<p>A policy has been written and is currently undergoing EIA but was presented to RMG in April for approval in principle which was given. The Policy 'fines' Districts/ SUMs the sum of £100 per non attendee (unless certain conditions apply i.e. Operational Reason). The 'fines' began in January of this year and there has been a significant drop in the non attendance figures which are presented to RMG on a monthly basis.</p>

3.2		CORPORATE PLANNING [15.09/10]				FINDINGS	
Ref	Original Recommendation	Original Category	Original Impl'n Date	Manager Responsible	Status	Comments / Implications / Recommendations	
1	The Force should develop a Corporate Plan bringing together the organizational assessment and level 1, 2 & 3 intelligence assessments. There should be an explicit link between the Corporate Plan, Financial Plan and risk management.	Significant	Commence June 2010	Head of Corporate Planning & Governance	1	<p>Integrated process/timetable in place:</p> <ul style="list-style-type: none"> ▪ Corporate Assessment ▪ Level 1 Assessment ▪ Level 2/3 Strategic Assessment <p>November Strategic Planning Day incorporated Control Strategy, Tasking & Co-ordination.</p> <p>The Corporate Plan was completed by end of February 2011.</p>	
2	A gap analysis is completed between the Policing Plan and the strategies currently in place to identify a comprehensive list of key strategies that are missing. Once this has been completed key strategies should be prepared, approved and monitored.	Significant	Commence May 2010	Head of Corporate Planning & Governance	2	<p>The review of strategy was placed on hold pending the comprehensive spending review in November 2010. The review will recommence in June 2011. Completed strategies will be consulted upon and approved in line with the corporate planning cycle in October/November 2011.</p> <p>Work on the development/refresh of corporate strategies has commenced in preparation for the 2012/13 planning cycle.</p>	
3	Targets included within Service Unit / District Business Plans should be specific to ensure they are measurable and time bound. There should be clear linkages between the text in the plans and the targets to enable a trail to be evidenced of where they come from.	Significant	January 2011	Head of Corporate Planning & Governance	1	<p>The business plan guidance states that targets should be specific, measurable and time bound.</p> <p>Service Unit Business plans were completed by the end of February 2011.</p>	

3.3		DIGITAL IMAGING SERVICES [03.09/10]				FINDINGS	
Ref	Original Recommendation	Original Category	Original Imp'n Date	Manager Responsible	Status	Comments / Implications / Recommendations	
1	The Force clarifies the legality of continuing to utilise the spare resource within DIS to deliver a reprographics service to staff, external bodies and the general public. In addition, decisions of this nature should be formally approved and documented.	Significant	March 2010	Head of Central Business Unit	1	Service clarified as legal at the time, however DIS service to staff and the general public had already ceased. The DIS facility is now outsourced to Steria.	
2	A formal review of the pricing structure incorporating all direct and indirect costs should be undertaken and an appropriate mark-up value adopted on all services. This review should be led by the Finance Team and revisited at least annually.	Significant	End of next financial year	Head of Corporate Finance	1	This was undertaken and the service is now delivered by Steria.	
3	A supervisory post should be created within DIS with responsibility for day to day staffing issues and operational management.	Significant	January 2010	Head of Central Business Unit	1	A new structure now exists within Steria.	
4	There should be a separation of duties in place to ensure that one member of the Team cannot take an order and complete the work. This could be achieved by directing all orders through the supervisory post discussed at point 3 above.	Significant	January 2010	Head of Central Business Unit	1	All DIS orders are placed by a central admin team within Steria.	
5	A formal policy should be documented summarising the responsibilities and regulations surrounding the use of equipment. Once created, this policy should be disseminated to all members of staff and periodic spot checks undertaken to ensure the policy is being complied with.	Significant	April 2010	Head of Central Business Unit	1	This was undertaken, and the process is now provided by Steria as part of the outsourcing arrangement above,	

3.4		USE OF INTERNET AND EMAIL SERVICES [09/10]				FINDINGS	
Ref	Original Recommendation	Original Category	Original Impl'n Date	Manager Responsible	Status	Comments / Implications / Recommendations	
1	<p>Management should ensure that the Corporate Information Access Policy and the Use of Electronic Mail Policy are reviewed and subject to regular version control.</p> <p>Once reviewed and approved the updated policies should be communicated to all users via Sharepoint.</p>	Significant	30 th September 2010	Corporate Information Access Policy – Information Security Officer Use of E-mail Policy – Head of ICT	2	'Sophos' monitoring software has now been acquired by the force ICT Business Partner (Steria). There is still a requirement on behalf of the partner to develop and agree a systems maintenance protocol. Force policy will be developed around the system once all outstanding matters are agreed.	
2	<p>Management should ensure that Internet Security Guidelines and the Use of Electronic Mail Policy are communicated to all users and potential users of these resources to the extent that evidence of such should be available.</p> <p>An acceptable use form covering these resources should include a general acceptance to be signed by the user acknowledging managements intent to monitor activity and the users understanding of their privacy expectations when using these resources.</p>	Significant	31 st December 2010	Information Security Officer	2	As above. Once the monitoring arrangements and policy is finalised and agreed it will be included in the Corporate Governance intranet site.	

3.5		KEY FINANCIAL CONTROLS & PETTY CASH [04.09/10]				FINDINGS	
Ref	Original Recommendation	Original Category	Original Impl'n Date	Manager Responsible	Status	Comments / Implications / Recommendations	
1	<p>The procedures detailed in the Accounting Instructions should be followed. This includes the following:</p> <ul style="list-style-type: none"> • items over £50 should be processed through e-procurement; and • a full explanation of reasons for the claim should be recorded on the sundry expenses pro-forma. <p>We recognise that operational activities can warrant transactions to be processed through petty cash that are above the £50 limit included in the accounting instructions. In these cases the accounting instructions should be expanded to allow this with the appropriate controls in place around authorisation of expenditure.</p>	Significant	April 2010	Head of Corporate Finance	1	<p>The Petty Cash procedures are followed and requests are issued to the Head of Finance where they deviate from the approved procedures for operational reasons.</p> <p>Petty cash is now an area dealt with by Steria on a day to day basis.</p>	

3.6		NETWORK SECURITY [09/10]				FINDINGS	
Ref	Original Recommendation	Original Category	Original Impl'n Date	Manager Responsible	Status	Comments / Implications / Recommendations	
1	The IT department should introduce a proactive review procedure for user accounts to ensure that any inactive accounts which may no longer be required are identified, investigated and where necessary disabled at the earliest opportunity.	Significant	30.09.2010	Information Systems Manager	2	Under the Steria partnership this process will be administered through Active Directory and the timelines for this have been identified as late 2011.	
2	The IT Manager should review the event log settings for key servers and ensure that events are not overwritten before they can be archived to maintain a history with which to detect and investigate potential security breaches and anomalous events or system messages. An archive strategy and proactive management review of the logs should be introduced to compliment the above.	Significant	30.09.2010	Information Systems Manager/ Senior Systems Administrator	2	Initial work has been undertaken in this area and it is possible that additional storage will be required to facilitate this. An exploration of the facilities offered by the Confidential Environment is also being reviewed.	
3	IT should consider the control framework required to ensure remote connections by third parties are only active when authorised and only remain active for the duration of the service activity. A log should be maintained of remote access connections to allow this access to be monitored and reviewed.	Significant	30.09.2010	Information Systems Manager/ Senior Systems Administrator	2	Work on this is in progress.	

3.7		RISK MATURITY [09.09/10]				FINDINGS	
Ref	Original Recommendation	Original Category	Original Impl'n Date	Manager Responsible	Status	Comments / Implications / Recommendations	
1	Once the risk management software is installed the opportunity to link risks to the Corporate Objectives set out in the Policing Plan should be progressed.	Significant	April 2010	RSM Tenon; Risk Champions	1	Complete.	
2	Ensure the Risk Management Policy and Strategy is updated to include the following: <ul style="list-style-type: none"> • A link to how risk issues are to be considered at each level of business planning. • A definition of the Force's risk appetite. Once updated, the Policy should be formally approved.	Significant	January & February 2010	Head of CP&G	1	A refreshed policy was approved at SDG on 01/03/10 setting out purpose and roles. The risk matrix contained sets the Force's risk appetite. The Risk Management Policy and Strategy was reported for information to the Audit and Internal Control Panel and approved by the Leadership Panel on 18 th May 2010.	

3.8		VETTING [01.09/10]				FINDINGS	
Ref	Original Recommendation	Original Category	Original Impl'n Date	Manager Responsible	Status	Comments / Implications / Recommendations	
1	In order to ensure that a streamlined procedure is in place and that the same procedure is followed across all areas, consideration should be given to having one point of contact in place with overall responsibility for vetting. One possibility could be the appointment of a Force Vetting Officer.	Significant	Dependent on outcome of business case. Decision due in October 2009.	Norma Stott	1	A Vetting Officer is now in place.	
2	Once the ACPO National Vetting Policy has been updated and published, ensure the 'Cleveland Police Security Clearance and Vetting Policy' is updated and fully reflects the requirements of the ACPO policy. Ensure that the 'Cleveland Police Security Clearance and Vetting Policy' contains details of the 're-vet' period required for each vetting level.	Significant	Ongoing – dependent upon the ACPO policy being published and the recruitment of Force Vetting Officer	Norma Stott	1	The Force policy has now been completed based on ACPO guidelines. This is awaiting acceptance from the Information Security Board.	

3.9		FOLLOW UP [14.09/10]				FINDINGS	
Ref	Original Recommendation	Original Category	Original Impl'n Date	Manager Responsible	Status	Comments / Implications / Recommendations	
1	<p>SUCCESSION PLANNING 08/09</p> <p>Copies of succession plans should be retained centrally within P&OD and a gap analysis performed to identify any missing plans. Missing documents should be followed up to ensure compliance with requirements.</p>	Significant	April 2009	Head of PO&D	2	<p>Formal department succession plans are currently being introduced during the next quarter following a pilot in the Crime Service Unit. Priority areas for this are Crime, SO&C, CJU followed by the four districts. The departmental succession plans will focus on the next 12 months and are a living document.</p> <p>On a corporate level succession plans are in place in respect of rank structure and directly linked to the Police Officer promotion processes, thus ensuring there are sufficient numbers of officers at all ranks to backfill posts as and when officers retire.</p> <p>In addition to this succession information is also incorporated into service unit MPR's, the review processes of officers on the 30+ scheme and officers under consideration for ill health retirement. This has also now extended into the Reg A19 process.</p> <p>Succession plans will be a set of 'live' documents to ensure they can accommodate the rapid changes which are currently underway in regard to dept structures and are incorporated in the workforce planning model.</p>	
2	<p>SUCCESSION PLANNING 08/09</p> <p>Performance against the Succession Plans should be monitored on a quarterly basis by the plan owner and Head of Training to ensure the development needs of the successor are being met.</p>	Significant	April 2009	Head of PO&D	2	<p>Following the recent outsourcing of HR & Training both functions are currently undergoing a restructure. As a result there will be new HR Business Partner roles introduced that will have responsibility along with Service Unit Managers to produce, review and update the departmental succession plans. This information will then identify gaps in respect of recruitment and training requirements which will be incorporated into the Force Recruitment Plan and Corporate Training Plan.</p>	
3	<p>INVENTORIES 08/09</p> <p>The Accounting Instruction should be reviewed and incorporated into current SF1's. The procedure should be disseminated to relevant staff, and training / guidance provided if required, to ensure a consistent approach is adopted across the organisation.</p>	Significant	September 2009	Head of Corporate Finance	1	<p>An annual stock count is completed and processes have been built into the design of the new Oracle system.</p> <p>The count itself now sits with Steria.</p>	

3.9		FOLLOW UP [14.09/10]				FINDINGS	
Ref	Original Recommendation	Original Category	Original Impl'n Date	Manager Responsible	Status	Comments / Implications / Recommendations	
4	VAT 08/09 The Force must ensure that it has a written VAT efficient policy governing the use of its vehicles (particularly cars) to ensure that it is robust enough to rebut any challenge by HMRC that the policy in place presents an intention by the Force to make cars available for private use.	Significant	March 2009	Head of Corporate Finance	1	Only Executive vehicles are available for private use and the Fleet Team are aware that VAT should not be claimed on purchase or paid over on sale.	
5	SICKNESS & ABSENCE CONTROL 07/08 Once the process has been agreed this should be fully adopted by the Force and training provided to relevant staff.	Significant	July 2009	Head of PO&D	1	The revised Sickness Absence Policy was formally updated in November 2010 and uploaded onto the intranet. Training on attendance management has been included into the Leadership development programme and rolled out to all newly promoted Sgts & Inspectors. Over the next 2 years all existing Insp and Sgts will undertake the leadership programme and will therefore receive a refresher in respect of attendance management.	
6	SICKNESS & ABSENCE CONTROL 07/08 The suite of reports is developed as stated and they are included in MPR's to assist with monitoring of sickness absence.	Significant	July 2009	Head of PO&D	1	Revised reports were introduced into all service unit MPR's and rolled out by March 2010. Further improvements in absence reporting procedures are currently ongoing as a result of the ORACLE project which Steria are introducing. Both HR and Payroll systems will be fully integrated and as a result there will be further improvements in management information in regard to absence from July 2011.	
7	IT DISASTER RECOVERY 07/08 The overarching ICT DR plan is produced as planned and is made available to relevant employees.	Significant	Dependant on Project I	Head of ICT	2	Since October 2010 Steria have and will continue to add enhancements to the technical solution and infrastructure at Cleveland Police. Steria have a contractual obligation to provide a full DR solution by May 2012. This obligation also includes a testing schedule and enhanced BC Plan.	
8	IT DISASTER RECOVERY 07/08 Once the plan has been produced and approved a testing schedule should be prepared. The test plan and results should also be recorded to allow for a reappraisal of the plan.	Significant	Dependant on Project I	Head of ICT	2	Since October 2010 Steria have and will continue to add enhancements to the technical solution and infrastructure at Cleveland Police. Steria have a contractual obligation to provide a full DR solution by May 2012. This obligation also includes a testing schedule and enhanced BC Plan.	

APPENDIX A: DEFINITIONS FOR PROGRESS MADE

The following opinions are given on the progress made in implementing recommendations.

This opinion relates solely to the implementation of those recommendations followed up and not does not reflect an opinion on the entire control environment.

Progress in implementing recommendations	Overall number of recommendations implemented	Consideration of fundamental recommendations	Consideration of significant recommendations	Consideration of merits attention recommendations
Good	80% +	None outstanding	Those significant recommendations outstanding are in the process of being implemented	Those merits attention recommendations outstanding are in the process of being implemented
Reasonable	50 – 80%	Those fundamental recommendations outstanding are in the process of being implemented	Those significant recommendations outstanding are in the process of being implemented	Those merits attention recommendations are in the process of being implemented
Little	- 50%	Unsatisfactory progress has been made	Unsatisfactory progress has been made	Unsatisfactory progress has been made

APPENDIX B: DATA TO SUPPORT OUR OPINION

Review	Total No. of reccs agreed.	Status of Recommendation				Audit work confirmed as completed or no longer necessary (1)+(4)	No of reccs carried forward for follow up at next review (2)+(3)+(5)
		Reccs. not due for implementation (5)	Implemented (1)	Implementation Ongoing (2)	Not Implemented (3)		
Service Continuity Planning	2	0	1	1	0	1	1
Corporate Planning	3	0	2	1	0	2	1
Digital Imaging Services	5	0	5	0	0	5	0
Use of Internet & Email Services	2	0	0	2	0	0	2
Key Financial Controls & Petty Cash	1	0	1	0	0	1	0
Network Security	3	0	0	3	0	0	3
Risk Maturity	2	0	2	0	0	2	0
Vetting	2	0	2	0	0	2	0
Follow Up	8	0	4	4	0	4	4
Total	28	0	17	11	0	17	11
	100%		61%	39%		61%	39%

