

# Progress Report

**Aug 2009**

Cleveland Police Authority

Audit 2008/09

Date

---

# Contents

<b>Introduction</b>	<b>3</b>
<b>2008/09 audit</b>	<b>4</b>
<b>2009/10 audit</b>	<b>6</b>
<b>Other developments</b>	<b>7</b>
<b>The Audit Commission</b>	<b>9</b>

---

## Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
  - any third party.
-

# Introduction

- 1 This report provides a summary to inform the Audit and Internal Control Panel of progress against the 2008/09 audit programme to date and also an update on 2009/10 planning.
- 2 This update also seeks to highlight key emerging national issues and developments which may be of interest to the members of the Panel.
- 3 If you require any additional information regarding the issues included within this briefing, please feel free to contact your Audit Manager (Catherine Andrew) or District Auditor (Lynne Snowball).

## 2008/09 audit

- 4 We agreed our 2008/09 audit plan with the Audit and Internal Control Panel in March 2008. We prepared two documents to explain our audit approach in more detail, the external audit opinion plan was presented to the Audit and Internal Control Panel in January and the use of resources report was presented to the Policy and Resources Panel in May.
- 5 We are progressing the following agreed work from the plan:
- Pre statements opinion work is complete, including our three year review of internal audit. There are no issues arising to raise with the Panel;
  - The audit of the financial statements started on 1 June, well in advance of the statutory deadline for producing the statements of 30 June. The work is substantially complete and our annual governance report is included on the agenda;
  - Use of resources work is ongoing, we reviewed evidence submitted by the Authority and Force, provided a gap analysis to show more evidence was needed and reviewed the additional evidence provided. Proposed scores are currently going through national moderation and will be released to the Authority on 14 September.
- 6 Progress on specific risks in the 2008/09 plan are detailed below:

Planned work	Position
Review financial management arrangements with particular focus on planned efficiency savings, taking into account work completed by Internal Audit	Overall financial management arrangements have been reviewed as part of use of resources, including achievement of planned efficiency savings
Review of governance arrangements, including the use of the Audit Commission good governance diagnostic	Overall governance arrangements have been reviewed as part of use of resources. A project brief for the good governance diagnostic work has been discussed with officers and the survey is planned for September 2009
Review arrangements in place to assess the effectiveness of partnerships including use of: <ul style="list-style-type: none"> <li>• Nationally developed partnership assessment toolkit</li> <li>• Procurement through partnership audit guide</li> <li>• Ongoing monitoring of progress on LAAs</li> </ul>	<p>The new use of resources assessment includes more of a focus on partnerships and the national toolkit has not yet been published.</p> <p>The procurement through partnership audit guide is being applied to the IT outsourcing contract.</p> <p>Ongoing monitoring of LAAs is being done through the review of the minutes of</p>

## 2008/09 audit

	Panels and Authority
Early review of arrangements in place for workforce planning	Workforce planning arrangements have been reviewed as part of use of resources
Review of use of information for performance management across the organisation, including arrangements to ensure agreed action plans are monitored	A draft project brief for the use of information work is being discussed with officers

## 2009/10 audit

- 7 Our approach to planning has changed for 2009/10 and instead of producing a full audit plan a number of months in advance of starting any work, we now prepare a letter at the beginning of the audit year, with a detailed plan to follow later.
- 8 We issued our draft 2009/10 fee letter to the Chief Executive on 3 April 2009 and this was discussed at a meeting on 29 April with officers and the Chair of the Audit and Internal Control Panel.

# Other developments

- 9 Since the Audit and Internal Control Panel last met, the following developments have occurred that are relevant to the Authority.

---

### Audit Commission national reports

- 10 The Audit Commission's report 'Risk and Return' was published, looking at treasury management in local authorities, including Police Authorities against the background of the collapse of the Icelandic banks. The report was based on information submitted by appointed auditors, visits to local authorities and review of local and national treasury management guidance. The report concluded that treasury management is of variable quality and made a number of recommendations to be followed up locally by auditors.
- 11 The Audit Commission's report 'Working better together, managing local strategic partnerships' (LSPs) reviews arrangements for performance, resource management and governance. The report identifies LSPs as evolving and maturing, local and national partners still need to recognise the key dynamics that support partnership working.
- 12 The Audit Commission's report 'Room for Improvement' reviews local authority asset management and concludes that few councils are managing strategically their £250billion of assets and warns that, in the current economic climate, councils will need to do far better to achieve expected savings and maintain services in the coming years.
- 13 The Audit Commission's report 'Is there something I should know?' looks at how councils use information to make decisions. It encourages Chief Executives, senior officers and lead members to be more demanding about the information they seek and use when making decisions.
- 14 The Audit Commission has launched a new risk management diagnostic tool for use across all sectors which focuses on risk leadership, partnership risk management and risk related outcomes. 'Risk it to make it' is based on tried and tested frameworks devised by HM Treasury and contains information on what represents excellent and strongly improving performance through integrated risk management.

---

### Police Authority inspection

- 15 Following extensive consultation the Audit Commission and HMIC published the framework for Police Authority inspection in July 2009.
- 16 Police Authority inspections will:
- Evaluate the impact that a police authority has in holding its force to account in delivering policing priorities in an area and, in doing so, identify how the police authority makes a difference in ensuring that the priorities are delivered;

- Probe the effectiveness of the police authority's management of both its own and its force's performance, leadership and scrutiny; how it manages the use of its own and its force's resources and people efficiently and effectively and provides value for money; how it works in collaboration with communities and partners to build capacity; and how it ensures the delivery of outcomes and improvements that matter to local people.

---

### CIPFA publications

- 17 The local authority accounting panel (LAAP) of CIPFA issues bulletins to assist practitioners with the application of accounting guidance. LAAP bulletin 80 issued in March gives guidance on the implementation of international financial reporting standards, including an outline project plan. LAAP bulletin 81 issued in April included guidance on closure of accounts 2008/09.

# The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

---

## Copies of this report

If you require further copies of this report, or a copy in large print, in Braille, on tape, or in a language other than English, please call 0844 798 7070.

© Audit Commission 2008

For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 0844 798 1212 Fax: 0844 798 2945 Textphone (minicom): 0844 798 2946

[www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

---