

CUMBRIA POLICE AUTHORITY GOVERNANCE COMMITTEE	Paper No. 9a
Meeting Date: 14 SEPTEMBER 2010	
From: HEAD OF MANAGEMENT AUDIT	

MANAGEMENT AUDIT UNIT PROGRESS REPORT ON AUDIT PLAN 2010/11

1.0 EXECUTIVE SUMMARY

- 1.1 This report summarises internal audit work carried out for Cumbria Police Authority in 2010/11 in the period April 2010 to August 2010. At the end of August, approximately 18% of the plan had been completed.

2010/11 PLAN DAYS	ACCREDITED DAYS	% PLAN ACHIEVED
140	25	18

- 1.2 The plan is slightly behind schedule as it was originally envisaged that one of the VFM reviews would be completed during the summer, but this has not been possible as the review subjects are not yet agreed.
- 1.3 Follow up work on both IT and partnerships work has also had to be rescheduled. For IT this was at the request of the IT Department but for partnerships this was as a result of resources in MAU. (These follow up reviews are now scheduled to take place in September and October)
- 1.4 Section 3 summarises assignments completed to date. Section 4 shows any outstanding Grade 1 recommendations and progress against these. Section 5 outlines planned work in the next period and any general issues arising. In the case of both IT and partnerships some preliminary work has commenced.

2.0 RECOMMENDATION

- 2.1 The Governance Committee is recommended to receive this report.

3.0 SUMMARY OF WORK COMPLETED

3.1 The following table summarises the total number of audit evaluations made during 2010/11.

	Total	%
Good	1	100
Satisfactory		
Fair		
Weak		
Total to date	1	100

3.2 The summary below gives a brief outline of the audit assignments undertaken to date from the 2010/11 plan.

Assignments	Main Points	Assessment	Current Status
Annual report 09/10 Annual plan 10/11	Agreed at Governance Committee 18 May 2010.	N/A	Complete
Annual Governance Statement 09/10	Agreed at Governance Committee 30 June 09.	N/A	Complete
Risk management	Review of new Constabulary arrangements following approval of revised risk management policy.	Good	To Governance Committee 14 Sept 2010
Annual plan 10/11 – additional report on options for VFM work	Development of options for VFM work.	N/A	To Governance Committee 14 Sept 2010

4.0 **GRADE 1 RECOMMENDATIONS – PROGRESS ON OUTSTANDING AGREED ACTIONS**

- 4.1 There are two outstanding Grade 1 recommendations in relation to the internal audit review of partnerships. Internal audit will follow up the implementation of the agreed action plan for partnerships, including the Grade 1 recommendations, in the next quarter.

5.0 **WORK PLANNED FOR NEXT PERIOD**

- 5.1 Work is scheduled as follows:

Work for 23 November 2010 Governance Committee

Assignment	Provisional date	Audit contact	Current Status
Partnerships – follow up	September or October 2010	J Sauntson/ J Johnstone	Preliminary information obtained
IT audit – follow up of data security & network security reviews completed in 2009/10	October 2010	S Kirkpatrick/ J Corbishley	Preliminary meeting held with IT – will follow up following IT Dept's self-assessment to this Committee.
Payroll & pensions	Sept/Oct 2010	A Dobinson	To be agreed
Treasury management	Sept/Oct 2010	M Bellis	
BCU financial reviews	Sept/Oct 2010	Various	

Work for 1 March 2011 Governance Committee

Assignment	Provisional date	Audit contact	Current Status
Main accounting system	Jan/Feb 2011	R Marshall/M Bellis	To be agreed
Creditors			
Debtors			
Budgetary control			
Capital programme/asset register	January 2011		
HQ Imprest account	Jan/Feb 2011		

- 5.2 In addition to the above there will be two VFM reviews to carry out. Specific scopes and timing for these pieces of work need to be agreed – see separate item on VFM reviews to this Committee. As agreed at the May meeting, MAU will also be involved in supporting financial systems developments when these arise. The Constabulary has advised that these are more likely to be towards the end of the financial year.

Cumbria County Council Management Audit Unit

Internal Audit Plan 2010/11 – additional areas

1. Recommendation

- 1.1 The Committee is requested to review the options set out in the Appendix and agree the use of the remaining unallocated 20 days in the internal audit plan.**

2. Background

- 2.1 The Governance Committee agreed an audit plan of 140 days at its May meeting and within this there were 20 unallocated days. It was initially proposed that 2 of 3 specific reviews (training, absence management, and staff time off in lieu of overtime) were carried out. In discussion Members requested that further consideration be given to how these days should be used, particularly in the light of the Deputy Chief Constable's observations.
- 2.2 There has been further consultation with Police Authority (Treasurer) and Constabulary (DCC and Director of Finance & Resources) staff and details of areas considered are attached in the appendix to this report. Some additional topics were suggested as a result of attendance at the Police Audit Group where ongoing value for money work was highlighted. The priority areas for the Constabulary are a review of telephone usage and costs (mobile & landline) and the use of hire cars. These topics were both suggested by DCC Hyde. Given the relatively small spend, it may be possible to combine these in a single audit looking at procurement/contracting issues which would enable a further value-for-money audit to be undertaken. The attached schedule provides an analysis of options for the Committee to consider.

**Management Audit Unit
September 2010**

Options for remaining 20 days in 2010 11 plan

Subject	Source	Scope/issues	Priority/relevance	Approximate spend 2009/10	Estimated time (days)
Training	Audit planning mtg	Request from Chair of Governance Committee: Concerns about high level of non-attendance at training courses and cost/reasons for this.	Constabulary considers that this area subject to sufficient internal scrutiny. The Constabulary Training Manager advised that regular reports are provided to Police managers and Police Authority Members and that non-attendance at training courses is not seen as a problem.	Management Accounts figure for Training spend is £641k. In addition the cost of the internal training function (Trainers & Admin) is approximately £2.5million	10
Sickness management	Audit planning mtg	Identified as a key strategic risk - proposed scope of audit was to confirm operation of controls in place to address this, such as the attendance policy, training of managers & monitoring of performance.	The Deputy Chief Constable reported to the 18 May Governance Committee that "The Constabulary had spent a great deal of time trying to reduce sickness to a level which it is virtually impossible to lower any further". Therefore limited value in further review of this area.	Total employee costs around £100 million	10

Options for remaining 20 days in 2010 11 plan

Subject	Source	Scope/issues	Priority/relevance	Approximate spend 2009/10	Estimated time (days)
TOIL - Police staff	Audit planning mtg	Request from Chair of Governance Committee: Issues from previous audit had been referred to Personnel Committee.	Agreed that this area best left until new payroll system is introduced as TOIL for staff may operate differently from current manual system.	Police staff pay & allowances around £27 million	10
Rail Travel costs	Stuart Hyde		Now centrally controlled so should be able to control better. Relatively low value.	£104k	d e p e n d e n t s c o o p e s p e c i f i c
Internal Mileage costs	Stuart Hyde	£201k relates to use of private vehicles (Mileage & Car Allowance)		£201k	
Hire Car costs	Stuart Hyde	Police Audit Group - Metropolitan Police review of hire cars had resulted in savings	This could complement Constabulary's own work. Since Fleet was reduced, hire car costs have increased.	£267k	
Accommodation outside the force area	Stuart Hyde	Cost for 2009/10 relates to hotels	Now centrally controlled so should be able to control better. Relatively low value.	£181k	
Power/utility usage	Stuart Hyde	Costs for 2009/10 comprise power £943k and water £150k	Unit costs are lower since new contracts let following input from energy consultant. Delegated consumption targets agreed as part of Green initiative so monitoring system in place.	£1.09 million	

Options for remaining 20 days in 2010 11 plan

Subject	Source	Scope/issues	Priority/relevance	Approximate spend 2009/10	Estimated time (days)
Office phone costs	Stuart Hyde		Review of usage may be useful but telephony infrastructure is already under review and may change.	£407k	dependent on specific scope
Tariffs for mobile phones	Stuart Hyde			£112k	
Value for money approach	Internal Audit/ Police Audit Group	Use of VfM comparator data eg Audit Commission VfM Profiles by Constabulary and action taken as a result of benchmarking etc	Constabulary has already carried out comparative reviews and is following up above average spend on IT and administration.	Total gross operating expenditure £121 million	3
Efficiency	Internal Audit/ Police Audit Group	Review of Constabulary plans to make savings (& efficiencies), eg on IT and general procurement as Home Office expectation that these areas will yield big savings. Governance around this in terms of agreement and monitoring/reporting on progress.	Constabulary already has monitoring arrangements in place via the Finance & Change Management Working Group.	Efficiency Plan 2010-11 amounts to £3.1million. £1.6 million of which relates to budget savings, the rest productivity savings.	10

Options for remaining 20 days in 2010 11 plan

Subject	Source	Scope/issues	Priority/relevance	Approximate spend 2009/10	Estimated time (days)
Project review process	Internal Audit/ Police Audit Group	Look at Constabulary strategy for post major project/programme evaluation. Evidence of what has been carried out and outputs from this.	In the longer term there are expected to be fewer projects plus independent consultants have already reviewed this area.	Capital programme spend £4 million (£11.6 million estimated in 2010/11)	10
Overtime management of uniformed officers	Internal Audit/ Police Audit Group	Review system for approval of overtime and cost effectiveness of decisions made. Analysis of reasons for overtime, comparisons across areas etc	Latest benchmarking data indicated Cumbria had relatively low levels of officer overtime so not seen as an issue locally. However expenditure has significantly exceeded budget in recent years.	Overtime of £1.359 million (budget of £879.9k)	10
Note:- 20 days are currently unallocated in plan					