



Devon & Cornwall Police Authority

Annual Internal Audit Report - 2007/08 (Final)

Introduction

Internal audit, along with the Treasurer, external audit and the Corporate Governance Committee comprise the overarching assurance framework. This is designed collectively to provide assurance over the whole control environment. It is one of the primary sources of evidence to support the preparation of the Annual Governance Statement.

Ongoing support and consultancy have been provided to the Force and Authority on developing risk management, providing our opinion on the effectiveness of internal control leading to the preparation of the Annual Governance Statement (AGS), and advising on the Corporate Governance responsibilities of this Committee. This report for 2007-08 summarises work not previously reported, gives an insight on background activity and an overall opinion on the adequacy of the control environment.

Contents

1. Executive Summary
2. Summary 2007/08 Internal Audit Plan
3. Audit Commission Review of Internal Audit
4. Arval Fuel Cards
5. Covert Accounts
6. Anti-Fraud & Corruption
7. Key Financial Systems
 - 7.1. VAT
 - 7.2. Creditors
 - 7.3. Payroll
 - 7.4. Continuous Auditing of Payroll System
 - 7.5. Bank Reconciliation
 - 7.6. Balance Transfers & Journals
 - 7.7. Debtors
8. ACPO Information Security Audit
9. Equality & Diversity
10. South West Police Audit Group (SWPAG)
11. Meetings
12. Summary & Conclusions

Appendix 1

1. Executive Summary

The Force has continued to improve during 2007/08 with enhancements being made to the control environment across the spectrum of financial and non-financial risk. Force performance is on a steeply improving curve. The journey toward a fully embedded risk management culture is gathering momentum. It is pleasing to report that the majority of the recommendations in audit report on the Post Implementation Review (PIR) have been implemented. The interdependence of Authority and Force risk registers is better understood and closer linkage between Force and Authority mid-term plans has been achieved through a formal process of cross-referencing of risk registers. The level of engagement between the Chief Executive, the Treasurer and the Policy Officer (Risk) for the Police Authority and the Chief Officer Group on matters of risk management is continuously improving.

However, a clearer focus on objectives and outcomes when determining the threats to their achievement is needed. There is still a perceived disconnect between risk evaluation and performance analysis. It is reassuring to note that some progress is being made to identify common risk and performance indicators to demonstrate to risk managers how effective and proportionate control measures can reduce the risk of under-performance. Internal audit commits to deliver a Powerpoint presentation illustrating the types, attributes, dimensions, nature and comparative costs of internal control to this Committee. Once approved, this presentation will be rolled out to risk practitioners and managers across the Force and Authority.

Opportunity management (and consequent risk) is a less mature process than risk management, a process which is now embedded in "business as usual" across the Force. The Home Secretary's response to the Flanagan report confirms the resolve of the police service to move away from a culture of risk aversion. The emphasis is on finding leaner, more efficient, technology driven processes to deliver more and better frontline policing. The reduction of back-office activity will require risks to be taken and a carefully re-engineered control infrastructure will be need to be designed so that it is effective and efficient but proportionate to the risks faced.

The Force Development Programme presents massive opportunity to transform the way the organisation conducts its business. On the other hand, it will also present the highest risks to the Authority and Force for some time. Reputation, human resources and finances are all at stake. The scale and complexity of change will be very difficult to manage. Therefore, the Business Change Unit will need a sophisticated programme risk register to manage a diverse host of new, imminent or unexpected risks. It will be a challenge to Management to identify, evaluate and envision the nature, volume and complexity of risks and to manage responses to them using current methodology. Internal audit offers its support to the programme and resource is set aside in the internal audit plan for 2008/09 to assist where appropriate.

Financial control is generally very robust, greatly enhanced by continuing progress toward the integration of FIMS. Agresso Version 5.5 will provide a more enabled platform for the future development of the Finance, HR, asset and inventory management modules, including the

absorption of fleet management following the de-commissioning of Transform at the end of March 2008.

Great credit must go to the payroll team for managing by far the highest financial risk the Authority faces. Their workload has been unrelenting and changes to pension, staff handbook payments, and travel ticket contributions have been demanding and have added far greater complexity to monthly and annual routines. Very few errors in proportion to the volume of payroll transactions are made, and when they are, corrective controls are efficient and reliable. Emphasis is placed on preventative controls which detect errors before payment is made. Internal audit supports the payroll team by sharing the results of analysis from continuous auditing.

For the first time, the Police Use of Resources (PURE) review conducted by the Audit Commission will examine the environmental impact of policing activity. In preparation for this, the Force Environmental Group has made solid progress in its mission to reduce CO₂ emissions year on year. A draft report on the CO₂ footprint baseline calculation for the Force, prepared under the supervision of the Carbon Trust, has been delivered and is undergoing quality assurance. An accurate baseline is essential to the joint Authority and Force Environmental Mission Statement and Strategy as it forms the top of the graph against which incremental reductions will be plotted.

The take-up of interest within the Force is remarkable with over forty Green Ambassadors now appointed across the Force. The ideas and suggestions flowing from them are being analysed for their potential. The Force and Authority are gaining some recognition for their engagement with the environmental agenda. Both were represented at the prestigious Mayday summits and the launch of the Environmental Strategy at the Eden Project in November 2007 was a key event. This activity underpins its reputation in the environmental stewardship element of organisational Corporate Social Responsibility.

2. Progress against the 2007/08 Internal Audit Plan

The audit plan has been subject to change to reflect changing priorities. Where changes have been made and planned work postponed or cancelled, these has been approved by the Treasurer and the Corporate Governance Committee. The table at Appendix 1 indicates progress against the components of the internal audit plan for 2007/08.

3. Audit Commission Review of Internal Audit

During December 2007, a review of internal audit under the new Police Authority audit arrangements was carried out by the Audit Commission. Full co-operation was provided and evidence of compliance with regulation and good audit practice was shared with the auditor. A number of useful pointers were obtained during the course of the review and a new internal audit strategy has been developed which addresses some of the issues raised. The pre-draft report was presented to the Head of Audit for discussion. Following a meeting with the External Audit Manager for the Authority during which the findings of the report were discussed in detail, an official draft report will be issued to the Head of Audit, Treasurer and the Corporate Governance Committee in June 2008.

The Authority's internal audit strategy was formally adopted by the Corporate Governance Committee at its April meeting. The foreword from the Treasurer and Chair of the Corporate Governance Committee was signed in the presence of the Committee. The strategy will be reviewed at least annually to ensure it remains compliant with modern audit practice

4. Arval Fuel Cards

Work to reduce the number of fuel cards in circulation from the current level of 2004 is nearing completion. An ad-hoc audit review confirmed that the controls and monitoring arrangements were inadequate to prevent or detect fraud, error or misuse.

All 2004 cards currently issued expired this month which presents an opportunity to re-engineer the control infrastructure. The Resources Development Group (RDG) is on course to ensure cards are reissued based on need rather than convenience. The audit and control requirements for future arrangements were agreed at the last meeting of the RDG in April 2008.

A number of covert company names and aliases were identified amongst normal monthly billing. For security reasons, internal audit recommended that these should be billed and reported separately in future to protect the interests and security of covert units. These terms have been agreed with Arval. Internal audit will follow progress during 2008/09 to ensure the expected benefits are realised.

5. Covert Accounts

The work on retrospective VAT claims for covert activity is now complete. An audit of underlying accounting records, spreadsheets and vouchers was conducted in February 2008.

Many claims were supported by original VAT invoices and receipts. However, other allowable expenditure was well evidenced but unsupported. Dispensation by Her Majesty's Revenue and Customs (HMRC) was granted in these special circumstances and in excess of £10k has been reclaimed to cover 2004/5 to 2007/8. Arrangements for reclaiming VAT on all allowable expenditure in future claims are now in place.

The opportunity to maximise VAT recovery, lost in previous years, was hampered by inadequate admin support. The audit conclusion is that, following recent staffing changes, administrative and finance arrangements for covert accounts are now good and improving.

Bi-annual review of covert accounts is built into the 2008/09 internal audit plan pending a reduction of risk to an acceptable level. The exercise has helped to establish closer links between internal audit, Crime Department Management and its finance unit, the VAT co-ordinator and HMRC.

6. Anti-Fraud & Corruption

A meeting with the head of Professional Standards was held in January to review the progress on the Force's Confidential Reporting Policy (formerly known as the "Whistleblowing Policy"). The draft has been signed off by staff associations and unions and is with the Commander, Professional Standards and Performance for final approval. Internal Audit have obtained assurances that the re-launch will be supported by a marketing campaign consisting of posters, screensavers, details of contact numbers etc. The Authority's policy has been provided to the Force to ensure a common set of principles are embodied.

A review of the anti-fraud and corruption strategies, policies and financial regulations is in progress and will be presented to the June meeting of this Committee.

The Head of Professional Standards has requested an audit of the implementation of the recommendations from the Taylor Report. This report commented on the lack of proportionality in responses to police complaints referred to Professional Standards. This request was accommodated in the 2008/09 draft audit plan set before and approved by this Committee. Work is likely to commence in the third quarter of the year.

The Memorandum of Understanding (MOU) between internal audit and Professional Standards has been in place for nearly a year and has resulted in improvements to information sharing protocols. Regular dialogue between the Head of Audit and the Head of Professional Standards has now been established. The Treasurer is informed of all significant issues referred to Professional Standards. He shares this information with the Head of Audit who scans the reports for evidence of fraudulent or corrupt activity, and any weaknesses in or failures of the control environment that may have been contributory.

7. Key Financial Systems

The workplan for 2007/08 is complete. Devon Audit Services have worked jointly with the Audit Commission in conducting their work on key financial systems. The points raised are generally of a minor nature and the recommendations designed to improve and streamline controls are widely accepted by management.

Our overall opinion is that sound and effective financial systems are in place to pay staff and creditors, collect funds due and to effectively manage cash and cash balances. The financial systems provide good information to management to aid in the effective control of budgets and to provide the key information required by law and as required by accounting regulations. The staff involved in financial management displayed a good knowledge of technical requirements and demonstrated good practical understanding of the systems in operation.

Reports have been issued in respect of VAT, Creditors, Payroll Bank Reconciliation, Main Accounting System Balance Transfers & Journals and Debtors. These are summarised below:-

7.1 VAT

VAT training to finance staff around the Force has been more reactive than proactive in the recent past. This issue will be addressed, along with updating and marketing of the VAT manual and the various appropriate SOPS (Standard Operating Procedures)

Overall we concluded that sound and effective controls are in place to ensure that claims are submitted promptly. However there are a few issues, all currently being addressed, that have an impact on the accuracy and completeness of the return. These include the clearing of a year-end balance (£8,700 overclaim), which the Corporate Finance Manager is currently reviewing; VAT being charged on internal orders, which then needs to be manually removed from the claim; and covert accounts where VAT reclaims are allowed by HMRC without back up data, however claims have not been provided by the unit in the recent past, and, as a consequence the VAT reclaim has been understated. (see Covert Accounts)

7.2 Creditors

The level of non-order invoicing still remains high, although the efforts made by the Force in reducing these numbers should be recognised. However, further action will be required to make further inroads in this area.

Order invoices are matched by FIMS to the authorised order (within 2.5% of value); other order-invoices are electronically notified to budget holders via FIMS Invoice Manager for authorisation. Non-order invoice copies are signed by the budget holder as approved; however, of the sample tested, authorisation of a small number of non-order invoices was not in evidence.

The authorisation limits in FIMS had not been formally reviewed on a regular basis. As part of good housekeeping arrangements, a regular review should be considered. However, a new scheme of delegation with clear authority limits, coupled with a revised set of Financial Regulations will be reflected in the next stage of development of FIMS, in particular the transition to Agresso 5.5 so critical to the success of Resource Development Project.

During the first 12 months or so of the implementation of Invoice Manager in FIMS, resources have, quite rightly in our opinion, been focused upon making the new arrangements work in an accurate and effective manner. The feeling now is that the team is well versed in the operation of this system and in the next six months or so will be ready to develop the information side of the product. Management have introduced a "wish list" for frontline and processing staff providing a forum where key changes / enhancements in information provision and / or processes can be suggested.

We found that Force has been most successful in minimising the number of cheques being raised, with the majority of creditor payments being made by BACS.

A simple review of FIMS indicated that no minimum order value appears to be operating, however, with the advent of MarketPlace (the e-ordering system), processing costs should reduce through leaner, more streamlined procurement processes. In particular, low value / high volume transactions, where levels of control should be more proportionate to the low financial exposure.

7.3 Payroll

One of the Force's current priorities is a reduction in staffing costs. The staffing establishment is monitored on a frequent basis at all levels of the organisation. Monitoring is undertaken using bespoke reports in FIMS, which are available to management on demand. Review of these reports indicated a minority of positions with a positive variance (although the net figure for the whole Force was a reduction). It was confirmed that the FIMS system does not prevent the number of positions going over the establishment limit nor does it currently alert management when recruitment activity will do so.

Payroll control accounts are reconciled by the Corporate Finance team on a monthly basis, but the time taken to complete this task has meant that this timescale has not always been achieved. The more significant control accounts (tax and NI) do not appear to be reviewed in depth, rather the expectation is that all balances will be cleared in the following month. The value of the imbalances being created is small, but it would appear that detailed understanding of the problem, and subsequent resolution of the cause, is not taking place. The current approach to writing off small balances confirms this.

We understand that the Force will be introducing supplementary payroll runs that will help to reduce the number of manual adjustments being made. In the longer term limiting the level of manual intervention will only help to ensure system resilience is maintained and administrative costs are minimised.

7.4 Continuous Auditing of Payroll System

Close working arrangements with the FIMS team and Payroll Manager were strengthened during the audit year. Analysis of raw pay data prior to the payrun enabled internal audit to provide assurance that major changes, for example, pay awards, staff handbook shift payments, and the new pension scheme, have been correctly applied.

Police Officers were paid backpay on their 2.5% award to December 2007 in January 2008. The number of officers showing exceptions to expected basic pay calculated resulted in 4% variance. These were reported in detail to the Payroll Manager and FIMS team for investigation prior to payment on 15th January. Corrective action was taken on unexpected variances where appropriate. Analysis of the exceptions indicated no evidence of fraudulent or unusual practices. There have been very few pay queries from officers since the award was paid.

Analysis of the February pay award of 2.5% to staff, backdated to September 2007 indicated a higher level of variance due to the five month calculation of basic pay arrears. All exceptions in excess of £1 reported to the Payroll Manager for investigation were actioned accordingly.

Continuous auditing helped to provide assurance on the implementation of the Staff Handbook. Projections were based on a snapshot of shift payments made in April 2007 from which date the implementation of the handbook takes effect. The pattern of payments for shift working were reviewed and revealed a relatively flat line between April and December 2007. These payroll lines will continue to be monitored post-implementation to measure the financial impact of new working and shift rotas. The net increase in payments as expected, and changes to shift payment patterns, are clearly visible in the graphs.

The continuous auditing process is ready and prepared to monitor the effects of change. Internal audit will seek to provide early warning of unexpected trends across all pay lines, but materiality and level of risk will be considered when prioritising the review. Time has been allocated in the draft internal plan to enhance the process and extend it into other areas of expenditure or high-risk activity. A presentation was given to the Corporate Governance Committee in March 2008 to illustrate the key features and benefits of this audit product.

The system of continuous auditing of payroll is unique in the South-West police region.

7.5 Bank Reconciliation

We spent some time with the Accounts Assistant reviewing in some detail the current process. Some issues came to light that, in our opinion, should be considered for future review. For example there are no formal process notes to follow (although the Accounts Assistant has produced reasonably detailed handwritten notes) and the process is complex requiring access of the bank system; importing of bank statements; execution of routines to match cheque and BACS payments etc. We recommend that management should consider how the process could be more streamlined.

An unreconciled amount of £157k was selected for review. It would appear that due to a failing in the BACS process, duplicate payments were issued to a number of suppliers. Force staff are currently recovering these sums and at the date of this report, £122k had been recovered. We recommend that progress should be reviewed at year-end to ensure that the bank account and FIMS can be fully reconciled.

7.6 Balance Transfers & Journals - Final

Our work confirmed that adequate arrangements are in place to ensure agreed closing balances are accurately and completely transferred into the new financial year; however, this process was somewhat delayed in 2007-08. A standard operating procedure (SOP) has now been put in place to ensure that this task happens as soon as is practicable after year end, expected to be around the end of May each year.

Our review of journal transfers confirmed that processing is accurate, complete and appropriate. We found that over 8,000 journal lines had been made between April and October. It may be beneficial for the Force to undertake a review of journal transfers, to consider the volume of transactions being made and to compare the cost of generating journals against the benefit in improved accuracy of management information and final accounts.

7.7 Debtors

One minor weakness was observed. Narrative on some debtor invoices is insufficient to ensure that the nature of service or commodity is clearly identified. Improvements to narrative will be of benefit to both debtor and administrator. Correct "first time" coding will reduce the likelihood of error and the cost of correction via journals and administrative intervention.

8. ACPO Community Security Policy (CSP) Audit

Internal Audit were requested to review the annual Community Security Policy (CSP) return made to the National Policing Improvement Agency (NPIA). Our review of the CSP was carried out between the 21st and 25th April 2008.

The audited version of the Community Security Policy scores a 69% level of compliance (1% higher than the unaudited version).

The monthly Force Information Management & Security Board presents an opportunity for stakeholders to discuss information and security matters, however currently there is no nominated representative from Estates.

ICT use Centennial as a discovery agent. Centennial sweeps the network regularly for both new and known devices. However, the Chief Constable's Audit highlighted that despite these systems there are a significant number of Force laptops and standalone computers which remain unaccounted for.

During the week of this audit review, there were two occasions where lost 'core keys' were found on site. It is clear from this evidence, and that identified by the Chief's Report that the 'core key' system can be compromised and would benefit from re-evaluation. It is understood that the Constabulary has now chosen to review in full the 'core key' system with a view to replacing it. This decision is fully supported by Internal Audit.

Internal audit were invited to accompany the Force Information Assurance Manager (FIAM) on a compliance assessment of the HQ site (25/04/08), and it was disappointing to note the number of potential security lapses concerning open or unlocked accesses. It should be noted that all of these lapses were reported by the FIAM.

The Chief Constable's Audit highlights that the Force network had a number of user accounts for users who had left the Force. In addition, there were some inappropriate levels of 'administrator' access for employees with insufficient vetting.

The Chief Constable's Audit also highlighted that backups of the servers are not being universally run or the resulting tapes stored securely across the Force

There is an opportunity for the Force to consolidate the current business continuity knowledge gained in identifying core IT systems by implementing a rolling program of review that adapts and adjusts alongside risk management to ensure that Business Continuity Management (BCM) Plans remain relevant and reliable.

There is the potential to implement a consolidated central vetting/ID badge/user profile process across the Force (as suggested by the Force Vetting Manager and agreed by the Force Information Assurance Manager). This would increase security by centrally controlling vetting, the issue of shoulder numbers, and the setting up of user accounts.

IT Health Checks carried out by BT and Eschelon in 2007 revealed a number of weaknesses, some recorded as high risk. Action plans have been put into place since; however it is yet to be confirmed if all issues have been addressed.

9. Equality & Diversity

The objective of this audit was to provide assurance that the Force has sufficiently recognised the risks associated with Equality and Diversity and has policies and processes in place taking account of governmental directives and legislation.

The review took cognisance of the findings from the Diversity Thematic Review conducted in August 2007 by the Force's Review and Inspection Team, and a high level assessment carried out by the Police Authority from July to September 2007.

The Director of the Equality and Diversity Unit joined the Force four years ago and over this time has developed a corporate policy framework to drive forward a greater awareness of diversity in the Force. She is supported by a small team of four staff. In the last few weeks she has been given management responsibility for the Diverse Community Teams set up in the BCUs twelve months ago. This should cement the structures put in place and provide better cohesion.

Following the change in Executive management, some twelve months ago, a number of new high level steering groups have been established. These include the Equality and Diversity Panel and the Organisational Development Group, which give diversity a higher profile and help to monitor the progress of initiatives being taken forward within the Force.

This higher profile for diversity is shortly to be reinforced by a recent move by the Police Authority to re-establish a working group for diversity. The Chairperson for this group will attend the quarterly Equality and Diversity Panel meetings, which will assist the Authority to take a more proactive role in ensuring that the Force complies with current governmental directives and legislation.

The review revealed that the implementation of a corporate framework for diversity is almost complete. Measures are in hand to draft an integrated equality scheme. An area which requires further refinement is the formalisation of communication channels and linkages between the Equality and Diversity Unit (E&D Unit) and other departments such as HR and Legal Services.

10. South West Police Audit Group (SWPAG)

In January the first meeting of the internal audit providers for the South West region was convened at Avon & Somerset HQ, Portishead. A clearer picture of the costs of provision and current arrangements in place at each Authority was obtained. The discussions resulted in a number of proposals for future collaboration. Feedback from the respective Treasurers to the outline proposals put forward would be welcomed. The Police Authority Treasurers Society (PATS) will consider the principles of regional collaboration for internal audit at their national meeting in May. The next meeting of SWPAG will be on 10 June 2008 in Exeter to develop the proposals.

11. Meetings

Continued attendance at and provision of audit consultancy to the Resources Development Group, the Finance and Resources Group and the Force Environmental Group have resulted in ad-hoc requests for an audit opinion on a range of matters that have contributed to progress across a range of Force-wide initiatives.

12. Summary & Conclusions

Overall, it is pleasing to be able to report that the majority of systems and areas examined generally have well developed and sound control processes in place and staff are committed to ensuring that suitable processes and procedures are followed. Management demonstrate a high level of commitment to ensuring adequate or good systems are in place or, where they are not, are working towards enhancements to systems and controls.

The audit plan, apart from a number of postponed or deferred audit assignments was completed on time. Priority was given to a number of emergent risks which displaced planned activities. This approach is entirely consistent with the principles of Risk Based Internal Auditing to which the Authority is fully committed. The mechanisms, established by the Force for tracking the implementation of agreed recommendations, are now well established and provide high assurance that the control weaknesses identified by internal audit reports are being addressed.

We welcome the “open” approach adopted by the both the Force and Authority enabling the work of internal audit to be completed effectively, and ensures that internal audit resources continue to be employed appropriately. Members and Senior Managers can be assured that generally, the systems operated within Devon & Cornwall Constabulary that we have examined, contain a satisfactory level of control and are being operated effectively. Examples of control weaknesses need to be seen in the context of an organisation which is generally well managed.

Finally we would like to use this report to thank all of the staff who have worked with us to deliver the audit programme and for their willingness to engage positively in the audit process.

For further information, please contact:-
Ed Wardle
Internal Audit Manager

01392 268312

ed.wardle@devonandcornwall.pnn.police.uk

Appendix 1

Item	Internal Audit Activity	% Complete	Report/Activity Status
Asset Management	<p>A forcewide survey of assets and inventories was conducted by Internal Audit in November 2007. The systems and processes in place to control these assets and the relative risks were outlined. The findings of and information contained in the report were presented to the Head of Technical Accounting for consideration. The requirements of Statement of Recommended Practice (SORP) and the effective use of resources were considered when conducting the audit survey.</p> <p>Support to the project will continue to be provided.</p>	100%	Final
FIMS Payroll	<p>See item 3 – Continuous Auditing</p> <p>See also Devon Audit Services Internal Audit Report on Payroll controls.</p>	100%	Continued assurance
Human Resources Module	<p>The implementation of Agresso Version 5.5 is critical to the integration of Finance & Human Resource (HR) resource management. The project initiation document (PID) is in final draft. Review of residual risk following implementation of the HR module is planned.</p> <p>Consultation with FIMS HR team re impact of IA recommendations relating to risk management and payroll.</p> <p>Close support to implementation of staff handbook.</p>	Ongoing support	Work in progress – progress to be monitored in 2008/09.
FIMS Invoice Manager PIR	<p>System support for implementation of invoice manager provided via Resources Development Group (RDG). Monthly review of progress and actions agreed by group. Budgetary decisions referred to Finance & Resources Group and via Finance and Resources Group (FRG) to Chief Officers Group (COG)</p> <p>Also covered by Devon Audit Services Internal Audit of Debtors and Creditors</p>	100%	<p>Audit consultation evidenced in minutes, papers and reports.</p> <p>Debtors – Final draft Creditors – Final draft</p>

Appendix 1

Item	Internal Audit Activity	% Complete	Report/Activity Status
Risk Management & Corporate Governance	<p>Ongoing support to Force & Authority in refining processes by which identified and evaluated. Regular meetings with Treasurer Chief Executive and Chair of Corporate Governance. Regular contact with the Principal Analyst, Senior Business Analyst (Risk) and Commander Professional Standards and Performance. Attendance at Risk Review Group, presentation on post implementation review (PIR) of risk management to risk practitioners.</p> <p>Ongoing support and annual review planned.</p>	100%	<p>Evidenced in minutes of the Force and Authority and supported by email correspondence, informal reports and presentations.</p> <p>Planned training presentation on internal control in 08/09 budget</p>
Firearms asset management	<p>Follow-up of recommendations from earlier reviews. Internal Audit continues to provide support for implementation of suitable firearms management and tracking system. Demonstration of Quartermaster Radio Frequency Identification (RFID) firearm tracking technology in February.</p> <p>Consultation underway with other audit partners (Avon & Somerset, Dorset and Gloucestershire) in Region to identify best practice. Potential for collaborative audit identified.</p>	100% but ongoing support for future dev't.	Evidenced by restricted correspondence
Fleet Management	<p>System support for implementation of FIMS Fleet Manager provided via Resource Development Group (RDG). Monthly review of progress and actions agreed by group. Budgetary decisions referred to Finance & Resources Group and/or Chief Officers Group for final sign-off.</p> <p>Work on fleet reduction, controls over fuel cards, usage of hire and fleet vehicles, environmental issues relating to vehicle usage conducted through RDG.</p> <p>A review of vehicle disposals was conducted to ensure income has been maximised during the fleet reduction programme.</p>	100%	<p>Audit input confirmed in minutes, emails, papers to the group.</p> <p>Projections of cost savings to be confirmed. Likely to be substantial in 07/08 with more in 08/09</p> <p>Reported to DoF and Treasurer</p>

Appendix 1

Item	Internal Audit Activity	% Complete	Report/Activity Status
Orders and Payments Processing	<p>Devon Audit Services Internal Audit Report on creditor systems makes a number of recommendations to enhance control.</p> <p>Support provided on development of Marketplace and Bluelight services</p> <p>Frequent consultation with Head of Procurement and Police Authority on the conduct of individual tenders.</p>	<p>100%</p> <p>100%</p> <p>100%</p>	<p>Draft</p> <p>All evidenced on Police Authority tender directories and folders.</p>
Post Implementation Review (PIR) of Socrates Forensics System	<p>Interdependence with regional forensics project. Postponement was recommended pending outcomes of regional procurement contract negotiations.</p> <p>New Head of Scientific Support appointed in January 2008.</p>	Postponed	Pending emergence of residual risks from project implementation.
IT Infrastructure Resilience	Insufficient audit resource to complete. The Authority has commissioned an independent review of information technology risks. Outcomes to be considered in 08/09 audit plan via corporate risk registers.	Cancelled	10 days specialist computer audit resource secured within budget for 2008/09
Equality & Diversity	The Terms of Reference (ToR) for this audit were agreed with the key stakeholders, principally the Deputy Chief Constable and Director of E&D. The outputs from consultation with the lead Members, the Policy Officer and Assistant Chief Executive of the Authority were fed into the terms of reference. The fieldwork is complete and the final report issued. A briefing was given to the Equality and Diversity Board in April 2008.	100%	Draft report issued March 2008 – pending responses
Business Change	<p>Postponed on advice of Commander of Professional Standards and Performance.</p> <p>Outcomes of Gateway review of business change activity to be absorbed. Business Change Department undergoing major re-structure. New appointment of Director of Business Change. Believed that audit would not add value at this time.</p>	Postponed	TBA
Partnerships	Early consultation with Audit Commission, regional audit partners, Force managers, analysts and planners. Work to be commenced September 2008	Postponed to Sept 2008	Principal guidance documents identified and obtained.

Appendix 1

Item	Internal Audit Activity	% Complete	Report/Activity Status
IT Facilities Management Contract	Insufficient internal audit resource to complete. The Authority has commissioned an independent review of IT risks. Review of outcomes will determine internal audit needs. These needs are partially addressed in the 2008/09 audit plan.	Cancelled	10 days specialist computer audit resource secured within budget for 2008/09
Sustainability (Environmental)	Support to Authority in formation and approval of its environmental mission statement and strategy.	100%	Provision for environmental audit in 08/09
	Active involvement in environmental group. Preparing ground for future environmental audit activity.	100%	Environmental Risk Workshop planned early 2008.
	Training in calculation of carbon footprint received at Carbon Trust workshop. Identification of future audit needs to monitor the effect and potential cost savings of various carbon reduction initiatives.	100%	Provision for environmental audit training in 08/09 IA budget.
Anti Fraud & Corruption Arrangements	See item 7 above	80%	Work-in-progress