

The Police, Fire and Crime Commissioner for Staffordshire and the Chief Constable of Staffordshire

Internal Audit Progress Report

9 December 2020

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1 Introduction

The internal audit plan for 2020/21 was approved by the Ethics, Transparency & Audit Panel on 5 February 2020.



Fieldwork dates have been agreed with management for the internal audits scheduled for 2020/21. Planning meetings have been held and assignment planning sheets issued for the audits planned for January and February 2021.



Regular catch up meetings have been held between RSM and management in order to provide updates in relation to changes within the organisation, impact to operations and audit from the Pandemic, and also to discuss sector wide issues that may have an impact on the internal audit plan.



Two reports have been issued in final format since the last meeting, Key Finance Controls and Asset Management & Tracking, details of which are provided in Section 2 below.

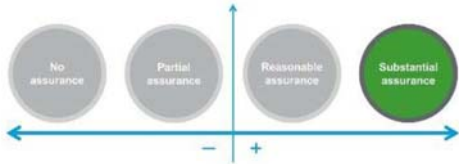


We have shared with management a number of briefings which are outlined in Appendix B below.

2 Reports

2.1 Summary of final reports being presented to this committee

This section summarises the reports that have been finalised since the last meeting. We have finalised two reports since the previous meeting and these are detailed below:

Assignment	Opinion issued	Actions agreed		
		L	M	H
<p>Key Finance Controls (04.2020/21)</p> <p>There is an appropriate control framework in place for governing Key Finance Controls across the Force. Our work confirmed that there are adequate controls in place which are being consistently applied.</p>	<p>Substantial Assurance</p> 	0	1	0
<p>Asset Management & Asset Tracking (02.2020/21)</p> <p>The Force were aware that asset management was a particular area where accountability and improved oversight was required / needed to be strengthened. As such our audit has focused specifically on a few key areas and has provided the Force and the Commissioner with a roadmap to make improvements and to incorporate actions within the internal project.</p> <p>Ultimately, the Asset Management Framework and Asset Register should be supported by a defined governance framework to ensure the Force and Commissioner are clear what assets they own and their location(s). In addition, we have identified a number of key elements which should be adopted and incorporated within the internal project group. Furthermore, a number of areas have been highlighted which will improve the efficacy of the detail recorded within any supporting Asset Management Framework and also areas where supporting evidence should be linked and / or improved to provide robust supporting registers.</p>	Advisory	7	11	2



Assignment	Opinion issued	Actions agreed		
<p>It is acknowledged that given the volume and type of assets involved, that one single Asset Register will not be the most appropriate solution and to make the use of existing systems or spreadsheets (particularly where there are specific nuances) is an appropriate way forward. However, an Asset Management framework should be in place that provides that overarching linkage to the separate asset registers in place across the organisations. The overarching register could include hyperlinks or system links to the location of those departmental registers.</p> <p>As with any process or system, it is fundamental that the data recorded is accurate and that there are routine checks in place to validate and substantiate the data that is included in the asset registers. This needs to become routine practice and across the wider public sector there are requirements for oversight and assurance to boards and committees that there is an up to date Asset Register in place and this may also be something to consider introducing.</p>		L	M	H

Appendix A – Progress against the internal audit plan 2020/2021

The current Covid-19 situation means that our clients and internal audit are working differently. We understand and recognise the organisations' strategic / primary objectives, and that the developments around Covid-19 will continue to impact on all areas of the organisations' risk profile. We will work closely with management to deliver an internal audit programme which remains flexible and agile to ensure it meets your needs in the current circumstances.

Assignment	Status / Opinion issued	Actions agreed			Target Audit and Governance Committee (as per IA plan)	Actual Audit and Governance Committee
		L	M	H		
Governance & Risk Management	Final issued – Substantial Assurance	0	0	0	December 2020 (now October 2020)	October 2020
Collaboration Governance and Savings <i>(Refer to comments at Appendix B)</i>	Advisory – Position Statement	3 advisory actions agreed (not categorised)			October 2020	October 2020
Asset Management	Final issued - Advisory	7	11	2	October 2020 (will now be December 2020)	December 2020
Key Finance Controls	Final report issued – Substantial Assurance	0	1	0	February 2021 (will now be December 2020)	December 2020
Data Migration	Discussion Draft report issued				October 2020 (will now be February 2021)	



Assignment	Status / Opinion issued	Actions agreed			Target Audit and Governance Committee (as per IA plan)	Actual Audit and Governance Committee
		L	M	H		
Finance Systems	Scope being developed – Advisory				July 2020 (will now be December or February 2021)	
Payroll	Scope issued – date to be agreed - January 2021				July 2020 (will now be February 2021)	
Fleet Utilisation	Work in Progress				December 2020 (will now be February 2021)	
Estates	Work in Progress				February 2021	
Follow Up of Previous Internal Audit Recommendations	Scope to be issued in due course				February 2021	
Property Store	See note below at Appendix B				-	-
Corporate Planning – Project Management	See note below at Appendix B					

Appendix B – Other matters

Changes to the audit plan

Our approach to working with you is to respond to your changing assurance needs. By employing an 'agile' or a 'flexible' approach to our service delivery, we are able to change the focus of audits / audit delivery. As a result, some changes to the timing of the audit coverage have been made (as included at Appendix A) and included below are the changes to the audit plan:

Note	Auditable area	Reason for change
1	Property Store	In discussion with Management it was established that it would be more advantageous to include an audit allocation of the Property Store within the internal audit programme for 2021/22. The Property Store is moving to Watling Street and incorporates a new build, new location and therefore new and different risks will apply. The allocation has been used to complete the Collaboration, Governance and Savings audit.
2	Corporate Planning – Project Management	A separate report will not be issued, instead we have considered the project management arrangements within both the Asset Management and Data Migration audits.
3	Contingency	Part of this allocation will be used to complete the NFI work/matching. The remaining allocation will be determined in the coming weeks and will include discussions around a number of areas including Commissioning

Annual Opinion 2020/21

The ETAP should note that the assurances given in our audit assignments are included within our Annual Assurance report. In particular, the ETAP should note that any negative assurance opinions will need to be noted in the annual report and may result in a qualified or negative annual opinion. We have finalised four reports to date, two of these were assurance reviews and one an advisory review which didn't identify any significant weaknesses being identified. The Asset Management did identify a number of weaknesses that will impact, but will not quality the year end opinions. We will provide further updates throughout the year.



Quality assurance and continual improvement

To ensure that RSM remains compliant with the IIA standards and the financial services recommendations for Internal Audit we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews being used to inform the training needs of our audit teams.

The Quality Assurance Team is made up of; the Head of the Quality Assurance Department (FCA qualified) and an Associate Director (FCCA qualified), with support from other team members across the department. This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.

Post assignment surveys

We are committed to delivering an excellent client experience every time we work with you. Your feedback helps us to improve the quality of the service we deliver to you. Currently, following the completion of each product we deliver we attach a brief survey for the client lead to complete. The results of these surveys will be shared at each ETAP.

Updates and briefings

We have provided the following information and briefings to management and members since the last meeting:

- Emergency Service New Briefing – December 2020

Appendix C - Key performance indicators (KPIs)

	Delivery			Quality	
	Target	Actual		Target	Actual
Draft reports issued within 10 days of debrief meeting	10 days	6 days (average)	Conformance with PSIAS and IIA Standards	Yes	Yes
			Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	As and when required
Final report issued within 3 days of management response	3 days	1 day (average)	Response time for all general enquiries for assistance	2 working days	2 working days (average)
			Response for emergencies and potential fraud	1 working day	-



For more information contact

Dan Harris, Head of Internal Audit

Daniel.Harris@rsmuk.com

Tel: 07792 948767

rsmuk.com

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of **The Police, Fire and Crime Commissioner for Staffordshire and the Chief Constable of Staffordshire** and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

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Emergency Services News briefing

December 2020



In this edition of our news briefing, we draw attention to some of the key developments and publications affecting the sector, with particular focus on the government's efforts to support police forces during the pandemic and the latest Home Office statistics on fire and rescue incidents and fires attended by services.

Almost 6,000 new officers join police forces

Police forces hired almost 6,000 officers in the first year of the government's recruitment drive to sign up an additional 20,000 officers by 2023. The overall provisional headcount of officers in England and Wales is now 134,885, according to Home Office figures to the end of September. This includes 5,824 hired within the first year since the campaign was launched, suggesting that the recruitment drive is on track to meet its first-year target of 6,000 by March 2021.

[Read more](#)

Covid-19 enforcement boosted with £60m surge funding

Police forces and local councils will receive an equal share of an additional £60m fund from the government to 'step up their enforcement' of Covid-19 regulations as part of the government's plans to tackle the rise in infections. The funding will allow police to increase patrols in town centres and ensure that people are complying with the restrictions that are in place, particularly in those areas of high-risk. Police forces will also provide more support to local authorities and NHS Test and Trace to enforce self-isolation requirements.

[Read more](#)

Income loss recovery scheme for police forces

The Home Office has published guidance for Police and Crime Commissioners on how to access the income loss recovery scheme for lost sales, fees and charges as a result of Covid-19. This 'new one-off income loss scheme' will compensate for irrecoverable and unavoidable losses from sales, fees and charges income generated in the delivery of services in the financial year 2020/21.

[Read more](#)

New police covenant to protect officers and staff

Following the [consultation outcome](#) on a police covenant for England and Wales, Priti Patel, Home Secretary, has confirmed that a police covenant aimed at boosting protection and support for officers and staff will be created. The consultation, which received responses from police groups and the public, showed that over 90 per cent supported the introduction of a covenant. The police covenant will offer physical protection, help for health and wellbeing and support for officers' families and will require the Home Secretary to report annually on its progress to Parliament.

[Read more](#)

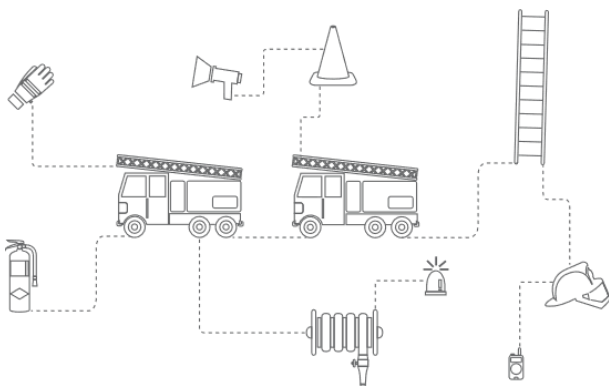
IOPC Impact report 2019/20

The Independent Office for Police Conduct's (IOPC) second annual 'Impact report' shows how its work is making a difference by influencing improvements in policing practice and reducing future risks. The IOPC oversees the police complaints system in England and Wales and aims to improve public confidence in policing by ensuring the police are accountable for their actions and lessons are learnt.

The report sets out the IOPC's impact in four priority areas; police accountability, using learning, working with others, and being an effective organisation. The report highlights that between 1 April 2019 and 31 March 2020, the IOPC:

- dealt with 2,838 valid complaint appeals;
- completed 718 independent investigations, of which 35 per cent of investigations were completed within six months and 79 per cent within 12 months; and
- made 105 formal organisational learning recommendations including those in relation to local police forces, policy or guidance, training for police officers and staff, or legislation, amongst other matters.

[Read more](#)



Fire

Fire and rescue incident statistics

The Home Office has published statistics in fires, casualties, false alarms and non-fire incidents attended by fire and rescue services in England for the year ending June 2020.

[Read more](#)

Analysis of fires attended by fire and rescue services

The Home Office has published detailed statistics on fires attended by fire and rescue services across England, and fire-related fatalities and non-fatal casualties in those fires between April 2019 to March 2020.

[Read more](#)

APCC Impact report 2019/20

The Association of Police and Crime Commissioners' (APCC) 'Impact report' demonstrates the breadth of work and impact of the Association against its five business priorities:

- funding, efficiency and transformation;
- supporting victims: developing local victims and criminal justice commissioning;
- communicating and engaging;
- sharing knowledge and good practice; and
- delivering a national policy portfolio structure.

[Read more](#)

Update on inspection programme

In March 2020, Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) suspended all inspection work requiring appreciable contributions from police forces and fire and rescue services, to enable them to focus on the Covid-19 response. HMICFRS resumed inspections in September and has prioritised new inspections of how forces and fire and rescue services are responding to the pandemic, as they continue to face challenges during this difficult period. In addition, HMICFRS has begun work on inspecting the policing of public protests, following a commission from the Home Secretary.

[Read more](#)

Other useful publications

Market exploration future policing

The Home Office and National Police Chiefs' Council (NPCC) are undertaking a market assessment of the availability of 'cutting-edge solutions and innovative concepts' in development that will transform UK policing and security over the following 10 to 20 years. The Defence and Security Accelerator (DASA) and the Defence Science and Technology Laboratory (Dstl) are exploring the technological landscape across a wide range of capabilities.

[Read more](#)

An inspection of the National Crime Agency's relationship with regional organised crime units

HMICFRS has published a report into the National Crime Agency's (NCA) relationship with the regional organised crime unit (ROCU) network. HMICFRS 'sought to establish how effectively the NCA works with one of its most important partners', the ROCU network, to tackle serious and organised crime. This was an inspection of the National Crime Agency not of the police or the ROCUs.

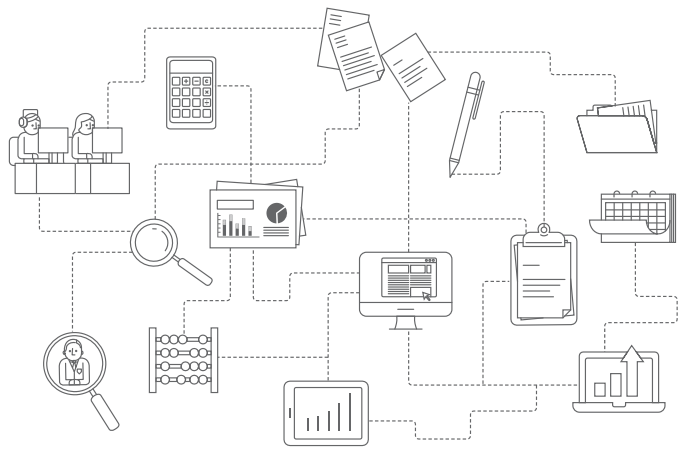
[Read more](#)

Independent review on local authority financial reporting and external audit

This independent review, led by Sir Tony Redmond, considered the effectiveness of external audit and transparency of financial reporting in local authorities. The review also includes 'the functions of police and fire services.'

The final report makes several recommendations in relation to transparency of financial reporting and smaller authorities audit regulation, including establishing a new regulatory body, 'the Office of Local Audit and Regulation', responsible for procurement, contract management, regulation and oversight of local audit. It is recognised that the new body will liaise with the Financial Reporting Council (FRC) regarding its role in setting auditing standards.

[Read more](#)



Audit quality review

The FRC has published its annual [individual firm](#) and [thematic inspections](#) reports, which summarise the results of its inspection activities. FRC also issue 'confidential reports on individual audits reviewed to the relevant audit firms and Audit Committee Chairs.'

[Read more](#)

Code of Audit Practice

The National Audit Office's (NAO) revised Code of Audit Practice, which came into effect in April 2020, sets out what local auditors of relevant local public bodies, including local authorities, police forces and fire services, amongst other local bodies, are required to do to fulfil their statutory responsibilities under the 'Local Audit and Accountability Act 2014.'

[Read more](#)



We hope you find this update a useful source of insight. If you have any queries, please get in touch with your RSM contact and we will be delighted to help.

Further information

Daniel Harris

National Head of Emergency Services and Local Government

M +44 (0)7792 948 767

E daniel.harris@rsmuk.com

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