

Item 3 (ii)



CHIEF CONSTABLE OF STAFFORDSHIRE POLICE

**Financial Management (including Follow Up of
report 01.2018/19)**

FINAL Internal audit report: 8.18/19

21 March 2019

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|----------------------------|---------------|----------------------------|---|
| Debrief held | 11 March 2019 | Internal audit team | Daniel Harris - Head of Internal Audit Angela Ward - Senior Manager Jay Desai – Assistant Manager |
| Draft report issued | 15 March 2019 | | |
| Responses received | 21 March 2019 | | |
| Final report issued | 21 March 2019 | Client sponsor | John Bloomer - Chief Finance Officer & Section 151 Officer |
| | | Distribution | John Bloomer - Chief Finance Officer & Section 151 Officer |

1 EXECUTIVE SUMMARY

1.1 Background

We have undertaken a further review of Financial Management for the Chief Constable of Staffordshire as part of our annual internal audit plan for 2018/19. The purpose of our review was to provide an update on the latest position of the internal control processes and governance structures around financial management have been improved since our previous review which was undertaken during August and September 2018 (report 01.2018/19 refers).

Since our previous review, numerous organisational changes have taken place including changes to the Finance Team structure which is now supported by Chief Finance Officer & Section 151 Officer, Head of Finance Business Partnering & Deputy Section 151 Officer and four Finance Business Partners

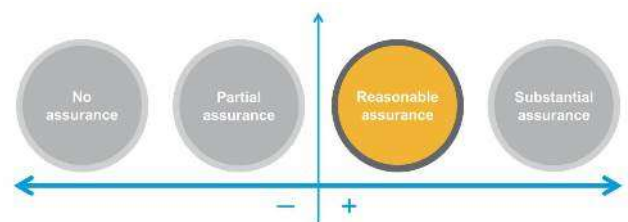
The period nine Finance Report identified the group (Force & OPCC) revenue financial outturn forecast to be £183.755m against a budget of £183.448m. This represents an overspend of £0.307m or 0.17% against the revenue budget. The forecast, as at period 5 (our previous review), showed a group overspend of £1.401m, with an outline plan of those areas of where the overspend can be managed.

1.2 Conclusion

We can confirm that there have been significant improvements made in relation to the control framework in place for Financial Management at Staffordshire Police when compared with our previous audit, finalised in September 2018. However there are still some steps to be taken to continue to strengthen the controls in place around financial regulations, reporting timetables, savings risks and assumptions, reporting procedures and journal controls.

Internal audit opinion:

Taking account of the issues identified, the Chief Constable for Staffordshire can take reasonable assurance that the controls in place to manage this risk are suitably designed and consistently applied. However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).



1.3 Key findings

The following key findings resulted in **five medium priority** management actions:

Financial Regulations

The organisation's Financial Regulations were in the process of being updated and were scheduled to be presented to the Strategic Governance Board in March 2019. The Financial Regulations document had been revised since our last review in August 2018. However, we were informed by the Chief Finance Officer that this would be completed when the Financial Regulations would be updated to integrate the Fire and Rescue Service during the 2019/20 financial year and therefore will require a revision later in the year. However, in the interim a draft Financial Regulations document will be presented to the SGB for information. **(Medium)**

Financial Reporting Timetable

The organisation does not have a financial reporting timetable including responsibilities for key tasks and reporting deadlines. We noted that although there was a significant improvement in the timeliness of the reporting undertaken as recent data was being presented to groups, there was no underlying timetable which outlined who would be responsible for producing key data and information for financial reporting. This could create a risk that financial reporting is not undertaken in a timely and efficient manner, which is a key requirement given the current financial position of the organisation. **(Medium)**

Savings Plans

As part of the move towards a directorate structure the delivery of the change programme (all planned savings, investments and capital projects) has been devolved down to directorates. We were able to confirm that key information was captured within the Medium Term Financial Plan (MTFP) in relation to savings such as; SRO, savings type, description of savings to be made and when they would be delivered. We did however note that there was limited evidence available to confirm that the risks and assumptions had been considered for the delivery of the savings plan and the impact on the delivery and the quality of service had been formally documented and agreed by the FSB. If the risks and assumptions have not been formally communicated to the FSB, those approving the Savings plans may not be fully aware of the assumptions and risks faced when delivering the savings. It is appreciated that the impact of savings to services is not something that would or should be reported publicly, but there should be a mechanism internally to appropriately report and track. **(Medium)**

Financial Reporting Procedures

We noted that the financial reporting processes had been simplified since our last review and there was a clear process being completed to reach the data produced on a monthly basis. We completed walkthrough testing of the processes completed which results in the data used within the finance reports, produced for the Finance Panel, FSB and SGB. We did however note the process was predominantly being completed by the Head of Finance Business Partnering & Deputy Section 151 Officer and there were no procedure notes which identified how the data reported was produced.

There is a risk that without a clearly documented procedure which identifies how the data is produced for the Finance Reports, that data may not be produced for a period of time should the Head of Finance Business Partnering & Deputy Section 151 Officer not be available. **(Medium)**

Journal Processing

We previously used IDEA to output a sample of manual journals for further testing, relating to those account codes demonstrating unusually large balance changes over the financial year. Whilst we were able to confirm that appropriate supporting documentation was in place for each journal, and that each journal had been appropriately coded based on the nature of the supporting documentation, we noted in discussion with the Financial Accountant that there was no process at the organisation for the authorisation of journals prior to posting to the system.

We discussed the processes being completed as at February 2019 and noted that there were no significant changes made except for the processes completed for Virements which now required a form to be signed off prior to the postings.

Whilst we recognise that the authorisation of all journals may create a significant resource burden, without a process for authorising journals above certain thresholds, there is a greatly increased risk of inaccurate or inappropriate journals being posted. **(Medium)**

We found the following controls adequately designed and complied with:

Training of Budget Holders

Financial Management training was put in place to support the budget holders in preparing, understanding and reviewing key financial reporting information being reported within the Finance Reports. The training was delivered by CIPFA and was titled Finance for Non-Financial Managers. The aim of the course was to allow for budget holders and senior police officers who have financial accountability to understand their budgets, terminology and key public sector financial management principles.

Budget Setting Timetable, Process and Approval

We obtained the budget setting timetable for the delegated budgets and were able to confirm that it clearly indicated the timeframes and the individuals whom were involved in the delegated budget setting templates. We confirmed that the timetable was shared with all Chief Superintendents in September 2018 and the requirements and deadlines were made clear. We also obtained the detailed budget setting timetable which identified the various steps of the budget setting process, owners, SROs and deadlines for the following activities.

The budget setting process for 2019/20 included involvement of budget holders in the budget setting process and the engagement of budget holders in the setting and accountability of the budgets. Budget holder meetings were held by Finance Business Partners who provide support and analysis to the Chief Superintendents and Executives who are the budget holders within the Organisation.

Budget Papers were prepared by the Chief Finance Officer at the Force and Director of Finance and Performance at the OPCC. The Strategic Governance Board which is chaired by the Police and Crime Commissioner is responsible for approving the grouped budget and this is completed in January 2019. Once the Strategic Governance Board has approved the grouped budget, this then requires final approval from the Police and Crime Panel. We confirmed the involvement of the Force Strategic Board in the development of the MTFP.

Financial Reporting

Finance papers were prepared and presented to the Finance Panel, Force Strategy Board and the Strategic Governance Board on a regular basis. We were able to evidence through review of meeting minutes and finance papers that reports were being provided in a timely manner and there was clear evidence of discussion and review.

1.4 Additional information to support our conclusion

The following table highlights the number and categories of management actions made. The detailed findings section lists the specific actions agreed with management to implement.

| Risk | Control design not effective* | | Non Compliance with controls* | | Agreed actions | | |
|---|-------------------------------|-----|-------------------------------|-----|----------------|----------|----------|
| | | | | | Low | Medium | High |
| Failure to meet financial and operational commitments | 1 | (9) | 4 | (9) | 0 | 5 | 0 |
| Total | | | | | 0 | 5 | 0 |

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

1.5 Progress made with previous audit findings

| Date of previous audit | Low | Medium | High |
|--|-----|--------|------|
| Number of actions agreed during previous audit | 1 | 6 | 6 |
| Number of actions implemented/ superseded | 1 | 4 | 4 |
| Actions not yet fully implemented: | 0 | 2 | 2 |

Of the six 'high', six 'medium' and one 'low' priority agreed management actions followed up, we confirmed that nine have been implemented in full and four are still in progress. Of the four remaining management actions, two were originally recorded as high priority actions, and sufficient evidence has been provided which supports the risk mitigation and therefore we have reconsidered the priorities of our management actions whilst completing the follow up process. Further details are included within the main body of the report and within Appendix B and Appendix C.

2 DETAILED FINDINGS

Categorisation of internal audit findings

| Priority | Definition |
|----------|---|
| Low | There is scope for enhancing control or improving efficiency and quality. |
| Medium | Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible regulatory scrutiny/reputational damage, negative publicity in local or regional media. |
| High | Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, regulatory scrutiny, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines. |

This report has been prepared by exception. Therefore, we have included in this section, only those risks of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

| Ref | Control | Adequate control design (yes/no) | Controls complied with (yes/no) | Audit findings and implications | Actions for management and priority | Responsible owner and implementation date |
|-----|--|----------------------------------|---------------------------------|--|---|---|
| 1 | <p>Staffordshire Police have Financial Regulations in place which outline the roles and responsibilities in relation to Financial Management. The key responsibilities in relation to Financial Management are held by the:</p> <ul style="list-style-type: none"> • The Police and Crime Commissioner; • The Chief Constable; • The Ethics, Transparency and Audit Panel (ETAP); • Director of Finance and Performance; and • Chief Finance Officer. <p>The Financial Regulations outline the duties and responsibilities of the</p> | Yes | Partly | <p>We obtained the Financial Regulations which were in draft at the time of review and confirmed that they were in the process of being updated. We were able to evidence the changes made in relation to the layout and content of the documents.</p> <p>We were informed that a draft version of the Financial Regulations would be presented at the Strategic Governance Board meeting in March 2019. The Financial Regulations will require a further review during 2019/20 to reflect structural changes and roles and responsibilities.</p> <p>We obtained the role profiles for the new Finance Business Partners which have been brought into post since our last review in August 2018. We noted that the role profiles were clear to identify the purpose of the role and responsibilities, as well as the skills and characteristics required to fulfil the role.</p> | <p>The Financial Regulations will be subject to revision for the new structure during the 2019/20 financial year and will be updated and formally approved later in 2019/20.</p> <p>Medium</p> <p>A Timetable/Reporting schedule will be developed for 2019/20 which identifies the responsibilities of key staff and when they are required to perform certain activities for the production, monitoring,</p> | <p>John Bloomer, Chief Finance Officer</p> <p>30 April 2019</p> <p>John Bloomer, Chief Finance Officer</p> <p>31 May 2019</p> |

| Ref | Control | Adequate control design (yes/no) | Controls complied with (yes/no) | Audit findings and implications | Actions for management and priority | Responsible owner and implementation date |
|-----|---|----------------------------------|---------------------------------|---|--|---|
| | <p>individuals noted above as at April 2017 however, the Organisation began a Finance restructure process on 21 May 2018, with a Collective Consultation meeting on 21 May 2018. The new restructure will include the employment of four new positions of Finance Business Partners.</p> <p>Job Roles Profiles have been developed and have been used to recruit for the posts within the new structure.</p> <p>There is no timetable which outlines the responsibilities of key staff and when they are required to perform certain activities for the production, monitoring, review and reporting of the financial information that is being produced and reported on a monthly basis.</p> | | | <p>We confirmed that the responsibilities of the Finance Business Partners were clearly communicated within the role descriptors and noted that one of the key responsibilities was to ensure that they have constant liaison with Heads of Service and Senior Managers to ensure the financial plans for Directorates are clearly linked to operational activity, ensuring value for money is achieved and that spend against budgets is accurately recorded and reported.</p> <p>We were informed that the relationships between the Finance Business Partners and the Heads of Service and Senior Managers were strengthening and there would be a clear transparent support function in place for the 2019/20 financial year to ensure that the budget holders receive the required support and have access to the expertise they require for the 2019/20 financial year.</p> <p>On review of the organisation chart, we were able to confirm the new finance team structure. Through discussions with the Chief Finance Officer and Head of Finance, we were able to confirm that all four posts had been filled. We confirmed that three of the four positions were filled from November 2018 and a fourth finance business partner had been more recently recruited to the organisation.</p> <p>We did however note that there was no guidance or timetable in place which defined responsibilities of key staff and when they are required to perform certain activities for the production, monitoring, review and reporting of the financial information that is being produced and reported on a monthly basis.</p> <p>Through discussions with the Chief Finance Officer and Head of Finance we were able to confirm that the Force would be putting a timetable in place for the 2019/20 financial year to define the roles and responsibility and</p> | <p>review and reporting of the financial information.</p> <p>Medium</p> | |

| Ref | Control | Adequate control design (yes/no) | Controls complied with (yes/no) | Audit findings and implications | Actions for management and priority | Responsible owner and implementation date |
|-----|---|----------------------------------|---------------------------------|---|---|---|
| | | | | key deadlines for activities of those within the finance team. This will ensure that the financial information produced and reported on a monthly basis is completed in an effective and efficient manner. | | |
| 2 | <p>The Force has implemented a new Policing model, culminating in a new directorate structure that went live during 2018/19. As part of the ongoing move to delivery through directorates the MTFP sets out budgets on a directorate, service and unit level.</p> <p>As part of the move towards a directorate structure the delivery of the change programme (all planned savings, investments and capital projects) has been devolved down to directorates.</p> <p>The focus on devising savings proposals has been first to focus on areas of efficiency and income generation, and in particular a review of all non-pay costs before considering reductions in pay costs. The detailed savings plans are outlined within the MTFP within an appendix, on a directorate by directorate basis with each savings line allocated an SRO. Progress reporting against each savings line is to be undertaken on a bi-weekly</p> | Yes | Partly | <p>We obtained the MTFP and confirmed that the Force has moved to a directorate structure through a delivery of the change programme (all planned savings, investments and capital projects) had been devolved down to directorates.</p> <p>Through review of the MTFP we were able to confirm that the Savings Proposals were identified by Directorates and each directorate plan identified the following information:</p> <ul style="list-style-type: none"> • Service; • SRO; • Savings Type; • Description; and • When the savings would be delivered. <p>We confirmed that for all savings presented within the MTFP at the FSB meeting in February 2019, the above fields were complete, and no gaps remained with Senior Responsible Owners.</p> <p>We were also able to confirm that the MTFP appendices outlined a summary of the total savings proposals which were £5.47m for 2019/20. We confirmed these matched directly with the savings proposals identified within the report to the Police, Fire and Crime Panel in January 2019.</p> <p>We did however note that there was limited evidence available to confirm that the risks and assumptions had been considered for the delivery of the savings plan</p> | <p>The risks and assumptions associated with the delivery of the Savings Plans will be clearly documented and monitored and reported upon internally, as part of the governance framework.</p> <p>Medium</p> | <p>John Bloomer, Chief Finance Officer</p> <p>30 April 2019</p> |

| Ref | Control | Adequate control design (yes/no) | Controls complied with (yes/no) | Audit findings and implications | Actions for management and priority | Responsible owner and implementation date |
|-----|--|----------------------------------|---------------------------------|---|---|---|
| | <p>basis lead by the Deputy Chief Constable.</p> <p>The Savings are tracked by the Project Management Office under a business change tracker which identifies by the description of the saving/change, an SRO and a RAG rating. This was a document which had been developed but was going to come into full use for 2019/20.</p> <p>The risks and assumptions had not been approved and documented for the delivery of the savings plan and the impact on the delivery and the quality of service.</p> | | | <p>and the impact on the delivery and the quality of service had been formally documented and agreed by the FSB.</p> <p>There is a risk that if the risks and assumptions have not been formally communicated to the FSB those approving the Savings plans may not be fully aware of the assumptions and risks faced when delivering the plans. This may impact decision making.</p> | | |
| 3 | <p>A clear reporting process was in place which allowed for the expenditure in each month to be reconciled by code to the budget through a series of pivot tables.</p> <p>The Finance Business Partners are involved in the process as they receive the data which is initially pulled together by the Head of Finance Business Partnering & Deputy Section 151 Officer. The Finance Business Partners analyse the data and add comments where appropriate, this data is then communicated with the directorates by working day six.</p> | Yes | Yes | <p>We noted that the financial reporting processes had been simplified since our last review and there was a clear process being completed to reach the data produced on a monthly basis.</p> <p>We completed walkthrough testing of the processes completed to reach the data which is used within the finance reports produced for the Finance Panel, FSB and SGB.</p> <p>In addition, there was clear involvement of Finance Business Partners and Budget Holders in the processes to ensure that the correct expenditure is allocated to the correct code and a clear comparison can be completed of the actual's vs the budget.</p> <p>We did however note that most of the process was being completed by the Head of Finance Business Partnering & Deputy Section 151 Officer and there were</p> | <p>The Force will develop procedures which identify how the financial information is extracted, analysed and reported.</p> <p>The Force will also ensure there are multiple individuals who are able to complete the processes completed by the Head of Finance Business Partnering & Deputy Section 151 Officer.</p> <p>Furthermore, despite the efficiencies brought in to the monthly reporting, the Force will continue to consider the</p> | <p>John Bloomer, Chief Finance Officer</p> <p>30 September 2019</p> |

| Ref | Control | Adequate control design (yes/no) | Controls complied with (yes/no) | Audit findings and implications | Actions for management and priority | Responsible owner and implementation date |
|-----|--|----------------------------------|---------------------------------|---|--|---|
| | A consolidation is undertaken by the Head of Finance Business Partnering & Deputy Section 151 Officer on working day seven during which a group summary is produced, finance reports are produced, and narrative is prepared for any significant variances. | | | no procedure notes which identified how the data reported was produced. There is a risk that without a clearly documented procedure which identifies how the data is produced for the Finance Reports, there is a risk that data may not be produced for a period of time, in the event of the Head of Finance Business Partnering & Deputy Section 151 Officer not being available. | implementation of reporting tool which will reduce the level of manual intervention even further. Medium | |
| 4 | <p>There is no process at the organisation for authorisation of journals prior to posting to the system.</p> <p>Staffordshire Police have developed a Budget Virement Authorisation Form which is used for all Virements being processed. A Virement cannot be posted unless this form is completed.</p> <p>The Virement forms require sign-off from the following key individuals:</p> <ul style="list-style-type: none"> • Budget Holder; • Directorate Lead; • Finance Business Partner; and • Section 151 Officer. | Partly | N/A | <p>As part of our previous audit of Financial Management, we used IDEA to output a sample of manual journals for further testing, relating to those account codes demonstrating unusually large balance changes over the financial year. We were able to confirm that appropriate supporting documentation was in place for each journal, and that each journal had been appropriately coded based on the nature of the supporting documentation.</p> <p>We discussed the processes being completed as at February 2019 and noted that there were no significant changes made to the process, with the exception of the introduction of a Virement form that needs to be signed prior to the posting.</p> <p>While we recognise that the authorisation of all journals may create a significant resource burden, without a process for authorising journals above certain thresholds, there is a greatly increased risk of inaccurate or inappropriate journals being posted.</p> | <p>The Force will agree a process for sample testing high-value journals to test the accuracy and appropriateness of journals being posted from the 2019/20 financial year.</p> <p>Medium</p> | <p>John Bloomer, Chief Finance Officer</p> <p>31 May 2019</p> |

APPENDIX A: SCOPE

Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to the following risks:

| Objective of the risk under review | Risks relevant to the scope of the review | Risk source |
|---|---|---------------|
| Financial data is prepared, reviewed and challenged on an efficient, effective and timely basis to ensure key decisions can be made on current data | Failure to meet financial and operational commitments | Risk Register |

When planning the audit the following areas for consideration and limitations were agreed:

- We will ascertain the structure in place, roles and responsibilities for the production, monitoring, review and reporting of the financial information that is produced and reported on a monthly basis;
- We will provide assurance that there is appropriate training in place across the Organisation around budget information and understand how key officers ensure they are kept up to date with any key financial reporting changes as a result of regulatory or legislation amendments;
- We will review the arrangements that are in place to ensure budgets are appropriately forecast, set, managed, revised and reported throughout the Organisation in order to ensure financial reports are produced timely, accurately and are reflective of key data/updates;
- We will review the internal governance that is in place that particularly provides focus on the review, challenge and scrutiny of the financial data that is produced and reported to both Management and Board;
- We will review the financial reports for June 2018 and understand how the reports are produced and reviewed. We will select a sample of budget lines and verify the data that is reported back to system and/or supporting working papers including journals. We will provide assurance that for a sample of items that they have been coded correctly and timely. We will consider the format of the financial reports and ensure that they are in a format that is understood by its users; and
- Throughout the audit we will consider the effectiveness and efficiencies of the processes reviewed and provide any best practice to assist the Organisation moving forward, as appropriate.

Limitations to the scope of the audit assignment:

- The testing around the control framework for the key finance systems has been completed as part of the key finance controls audit that was completed in November 2018;
- We will not re-perform activities undertaken as part of the month end process;
- We will not re-perform control or suspense account reconciliations;
- All testing will be performed on a sample basis; this sample will be chosen at the discretion of the Auditor.

Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

APPENDIX B: ACTIONS COMPLETED

From the testing conducted during this review we have found the following actions (reported in our Financial Management report 01.2018/19) to have been deemed as fully implemented or superseded and are now closed:

Management actions

The Force Chief Finance Officer will ensure that all finance reports produced are in line with the format of the 2018 Quarter One Finance Report.

For 2019/20 financial reporting, the format of the budget papers will be utilised for monitoring to support the transparency and clarity of the group's financial reporting. (Low)

The Force Chief Finance Officer will implement, as planned, a formal requirement for budget holder training which will be implemented once the finance restructure has been fully completed. (Medium)

The budget setting timetable for 2019/20 will be developed confirming the exact target dates for requirements to be completed and the individuals responsible for the components of budget setting for the Force.

This will include:

1. timescales for completion of initial budget holder meetings;
2. agreement and sign-off of individual budgets for each budget holder;
3. agreement of the Force's budgets;
4. approval by the Strategic Governance Board (includes PCC); and
5. the final sign off by the Police and Crime Panel.

(High)

The Force will ensure that a sufficient support mechanism is developed and maintained for the Superintendents and Executives of the Force through the employment of Finance Business Partners who will provide support and analysis to aid the decisions being made. (High)

The Force will ensure, following development of a new planning timetable, that the FSB jointly agree to the budget allocations identified as per its Terms of Reference and this is formally captured within meeting minutes. (High)

The Chief Finance Officer will ensure a full audit trail is retained for the 2019/20 budget, through the use of working papers, which identifies movements within the categories recorded within the budget. (Medium)

The Force will seek clarity from the PCC regarding the allocations to the Force for the proposed annual budget. (Medium)

APPENDIX C: ACTIONS BEING IMPLEMENTED

From the testing conducted during this review we have found the following actions (reported in our Financial Management report 01.2018/19) to have been deemed as fully implemented or superseded and are now closed:

Management actions

The Financial Regulations will be reviewed by the new Financial Accountant in conjunction with the Chief Finance Officer.

Once this process has been completed, the document will be updated to include version control, an annual review requirement, and the group responsible for the approval.

The Financial Regulations will be ratified by the Strategic Governance Board prior to issue to all staff, and evidence of ratification will be retained in a central location.

We will ensure that key staff involved with aspects of financial management have received, read and understood the relevant aspects of the Financial Regulations. (Medium)

Action is reiterated as management action number 1 within the main body of the report.

The Organisation will develop a timetable, which will include flash reporting which clearly outlines the responsibilities of key staff.

This will detail when they are required to perform monthly reporting activities for the production, monitoring, review and reporting of the financial information presented to the SGB, FSB and Finance Panel. (Medium)

Action is reiterated as management action number 1 within the main body of the report

Staffordshire Police will consider implementing a reporting tool which will reduce the amount of manual intervention and risk of inconsistencies occurring between the data held within the finance system and the data being reported within the finance reports. (High)

Action is reiterated as management action number 3 within the main body of the report

The Force will agree a process for sample testing high-value journals to test the accuracy and appropriateness of journals being posted. (Medium)

Action is reiterated as management action number 4 within the main body of the report

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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 Staffordshire Police & Crime Commissioner, 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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We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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