



## THE POLICE, FIRE AND CRIME COMMISSIONER OF STAFFORDSHIRE AND THE CHIEF CONSTABLE OF STAFFORDSHIRE

### Income Generation

FINAL Internal Audit Report: 7.25/26

2 March 2026

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# AUDIT OUTCOME OVERVIEW

In line with our scope, included at Appendix C, the overview of our findings is detailed below.

**Background:** We have undertaken a review of Income Generation for Staffordshire Police and Crime Commissioner as part of our agreed annual internal audit plan for 2025/26. This was a review of systems in place to ensure all income is identified, collected and recorded in a timely manner, with a focus on areas of significant income generation, especially firearms licensing and driver training. A Fees and Charges Handbook is in place which is updated at least annually and formally approved through the Executive Management Board (EMB). The document includes both local and national fees and charges, though some fees such as those for driver training courses are documented and approved separately.

With respect to Firearms Licensing, a collaboration agreement is in place between the Chief Constables of West Midlands Police and Staffordshire Police, and the Police (Fire) and Crime Commissioners for West Midlands and Staffordshire, for the provision of firearms and explosives licensing services. The cost of the service incurred by Staffordshire Police is recharged on a quarterly basis. Fees for license applications are charged per the national fees as recorded in the Fees and Charges Handbook. Provision of driver training courses is invoiced to customers in line with a local schedule of course fees.

As of the 2025-26 Q3 Revenue Finance report to EMB, the organisation was reporting YTD Sales, Fees & Charges income of £2.3m against a budget of £1.8m. YTD Reimbursements were £5.4m against a budget of £5.7m. Firearms Licensing services are recharged at approximately £180k each quarter. As of the time of audit, the Driver Training Income Tracker reported actual YTD income of £335k.

**Conclusion:** A Fees and Charges Handbook is in place and reviewed annually to ensure local and national fees and charges are kept up to date. We confirmed a sample of national fees in the Handbook agreed to NPCC guidance. While we confirmed that the Handbook had been subject to annual formal approval by the EMB, a significant interim update in late January 2025 was not approved, for which we have agreed a medium priority management action.

Appropriate arrangements are in place for forecasting and monitoring of income, and for the identification and recording of any risk that may arise with respect to income generation. Partnership agreements are in place where applicable, and an appropriate process is in place for recharging costs incurred.

Data analytics testing for duplicate and zero value income transactions identified no issues. At the time of audit, we do not have sufficient evidence that driver training course fees are approved, for which we have agreed a medium priority management action.

**Internal audit opinion:**



**Minimal Assurance**



**Partial Assurance**



**Reasonable Assurance**



**Substantial Assurance**

Taking account of the issues identified, the board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

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).

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**Audit themes:****Fees and charges: interim approvals**

While we confirmed that the initial version of the January 2025 Fees and Charges Handbook was formally approved by the EMB, a subsequent significant amendment at the end of January was not formally reviewed and approved. **(Medium)**

**Driver Training Course Fees**

Driver training course fees are maintained and approved separately from the Fees and Charges Handbook. We were advised they are approved by the Head of Learning and Development; however, at the time of audit we do not have evidence that the latest fees had been approved. **(Medium)**

**Income registers**

We noted in discussion with the Service Director - Finance that the organisation does not maintain a central consolidated income register. It relies on a number of sources, including a grant register, area specific income listings, and routine forecast monitoring to track income sources. We do note, however, that central income registers are rare in the Police sector, and that the level of risk is largely mitigated through the relatively stable collection of income streams. As such, we have not agreed a management action.

**Forecasting and monitoring**

We selected a sample of 20 income transactions for DBS, Driver Training, Firearms Licensing and Safer Road, and attempted to agree the postings to supporting invoices and related documentation. We agreed all to source documentation without exception. We additionally confirmed that all transactions had been coded to an appropriate cost centre code based on the transaction description and source documentation.

**Fees and charges**

We confirmed that Staffordshire Police had a Fees and Charges Handbook in place recording local and national fees and charges for a range of areas including firearms licensing, explosives, fingerprint fees, accident reports, and so on. For each area, the handbook lists specific fee schedules including previous year's charges and the current year's charges. We confirmed the Handbook is reviewed at least annually through inspection of the 2025 version of the document. We compared a sample of ten fees as recorded in the 2026 Handbook to national NPCC guidance, confirming the fees agreed with national guidance in each instance. We confirmed through review of the EMB minutes for December 2025 that the current Handbook had been formally reviewed and approved. We confirmed through review of the organisation intranet that the document was shared across the organisation.

**Risk management**

We noted in discussion with the Service Director that there is currently no risk identified, assessed or recorded in relation to income generation. If a risk were to arise, it would be recorded on the Finance Risk Register and escalated through management reporting.

As such, we reviewed a sample of three months of finance reporting into the EMB for November and December 2025, and January 2026, to assess whether there were adequate mechanisms in place to pick up risks to income should they arise. We did note that a finance report was presented at each meeting, including a detailed analysis of the revenue position. The reports for November and January also included a risks and opportunities section, amongst which a risk to the Neighbourhood Policing Grant was recorded. This was in narrative format and there was no assessment of the risk in terms of likelihood and impact, or documentation of any mitigations in place. However, through subsequent review of the documented Finance Risk Register, we confirmed an appropriate process was in place to capture, assess, and record mitigations for finance-related risks. As such, we have not raised a management action in this instance.

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## Partnerships

We confirmed a collaboration agreement for the provision of firearms and explosives licensing services was in place between the Chief Constables and Police and Crime Commissioners for West Midlands Police and Staffordshire Police. Schedule IV of the collaboration agreement included a clear cost allocation model covering financial contributions, staffing and other costs and service costs. Our sample testing of income transactions referred to elsewhere in this report included cost recharges for the firearms licensing service, and we have confirmed the cost allocation method is being applied as per the partnership agreement.

We reviewed the firearms licensing recharge schedule against the collaboration agreement, and did not identify any costs per the agreement which are not being recharged.

For driver training, we noted the arrangement was based on simple recharge of training course fees. There was no other documentation suggesting there were any costs that were not being recharged.

## Data analytics

We used data analytics testing to review the full population of Driver Training, Firearms Licensing, DBS and Safer Roads income transactions between January 2025 and January 2026.

We attempted to identify and investigate an potential duplicate transactions. We initially identified two groups of potential duplicate invoices; however, through inspection of the related invoice documentation, we confirmed these were not true duplicates and related to distinct income transactions. We additionally attempted to isolate and invoice transactions with zero or negative amounts, finding no such transactions in the listing provided.



# SUMMARY OF MANAGEMENT ACTIONS

The action priorities are defined as\*:

## High

Immediate management attention is necessary.

## Medium

Timely management attention is necessary.

## Low

There is scope for enhancing control or improving efficiency.

Ref	Action	Priority	Responsible Owner	Date
1	We will ensure that there is a process in place for approving any bespoke charges for things such as training courses, and that evidence of approval is retained.	Medium	Service Director – Finance	End April 2026
2	We will ensure that significant interim amendments to the Fees and Charges Handbook are formally approved through the Executive Management Board, with evidence of approval recorded in meeting minutes.	Medium	Service Director – Finance	Effective immediately - as required.

\* Refer to Appendix B for more detail

# Detailed Findings and Actions

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## DETAILED FINDINGS AND ACTIONS

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

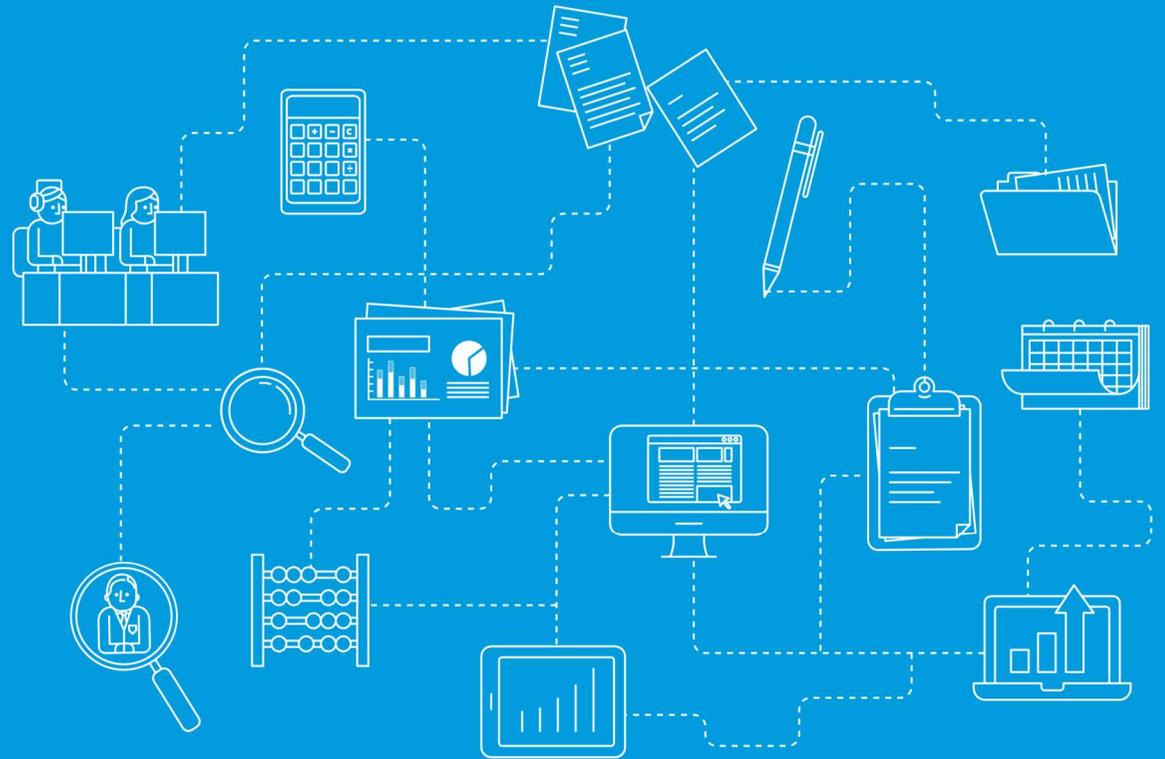
Fees and charges				
<b>Control</b>	The Finance function maintains a Fees and Charges Handbook which includes national charges from the National Police Chiefs Council and any local charges. The handbook is updated annually following the January NPCC update and is published on the public website.	<b>Assessment:</b>		
		<b>Design</b>		✓
	The EMB approves the updated schedule, with approval evidenced in meeting minutes. Operational teams apply the published rates when raising income requests.	<b>Compliance</b>		×
<b>Findings / Implications</b>	<p>We selected a sample of 20 income transactions, consisting of five for fingerprint costs reimbursement, five for delivery of driver training, eight related to firearms licensing, and two relating to recharges for the Safer Roads Partnership.</p> <p>Of these, we agreed the charges for the five fingerprint transactions to the fees and charges handbook.</p> <p>Five of the eight firearms licensing transactions were agreed to a schedule of Home Office rates for licenses. Two of the remaining firearms transactions were recharges based on the partnership agreement. We agreed these to the underlying recharge schedule and the cost allocation split as documented in the partnership agreement. The final firearms transaction was reimbursement of salary costs for an individual employed under the firearms licensing cost centre.</p> <p>For the five driver training transactions, we agreed the invoiced value to supporting recharge schedules. We noted that the individual course fees are recorded in the schedule itself as opposed to the fees and charges handbook. Upon query we were advised that the course fees are approved by the Head of Learning and Development. However, we do not at this time have evidence of this approval, leading to a risk that course fees have not been reviewed and approved at an appropriate level of the organisation.</p> <p>We agreed the two Safer Road Partnership invoice amounts to supporting recharge schedules.</p>			
<b>Management Action 1</b>	We will ensure that there is a process in place for approving any bespoke charges for things such as training courses, and that evidence of approval is retained.	<b>Responsible Owner:</b>	<b>Date:</b>	<b>Priority:</b>
		Service Director – Finance	End of April 2026	Medium

## Review and approval of fees and charges

<b>Control</b>	<p>The Finance Manager prepares the annual update of the Fees and Charges Handbook after receipt of national guidance.</p> <p>The document is routed through the internal governance process to the Executive Management Board for approval, with publication on the website once approved and with approval recorded in Board minutes.</p> <p>Any in-year change is presented to the Executive Management Board for approval with documentary evidence retained.</p>	<p><b>Assessment:</b></p> <p><b>Design</b> ✓</p> <p><b>Compliance</b> ×</p>
<b>Findings / Implications</b>	<p>We noted that the initial version of the January 2025 Fees and Charges Handbook was updated at the end of January 2025 to reflect updates to Firearms Licensing fees. However, while we confirmed version 1 had been approved through the annual EMB approval process, we did not have evidence that the later update had been formally approved. We were advised that this formal approval did not occur.</p> <p>There may be some risk that unapproved or inaccurate fee levels are published or applied.</p>	
<b>Management Action 2</b>	<p>We will ensure that significant interim amendments to the Fees and Charges Handbook are formally approved through the Executive Management Board, with evidence of approval recorded in meeting minutes.</p>	<p><b>Responsible Owner:</b> Service Director – Finance</p> <p><b>Date:</b> Effective immediately – as required.</p> <p><b>Priority:</b> Medium</p>

# Appendices

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## APPENDIX A: CATEGORISATION OF FINDINGS

### Categorisation of internal audit findings

#### Low

There is scope for enhancing control or improving efficiency.

#### 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 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, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

The following table highlights the number and categories of management actions made as a result of this audit.

Area	Control design not effective*	Non-compliance with controls*	Agreed actions		
			Low	Medium	High
Income Generation	0 (6)	2 (6)	0	2	0
<b>Total</b>			<b>0</b>	<b>2</b>	<b>0</b>

\* 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.

## APPENDIX B: INTERNAL AUDIT ASSIGNMENT OPINIONS



### Minimal Assurance

Taking account of the issues identified, the board cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Urgent action is needed to strengthen the control framework to manage the identified risk(s).



### Reasonable Assurance

Taking account of the issues identified, the board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

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).



### Partial Assurance

Taking account of the issues identified, the board can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Action is needed to strengthen the control framework to manage the identified risk(s).



### Substantial Assurance

Taking account of the issues identified, the board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

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## APPENDIX C: SCOPE

The scope below is a copy of the original document issued.

### Scope of the review

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

#### Objective of the risk under review

This will review the systems in place to ensure all income is identified, collected and recorded in a timely manner, with a focus on areas of significant income generation and the learning and sharing of lessons for example driver training and firearms licensing.

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### When planning the audit, the following were agreed:

#### Areas for consideration:

- We will review the systems and processes in place to ensure all income streams are identified, accurately recorded, and collected in a timely manner. This will include a review of the completeness of income registers and timeliness of recording. We will also test whether income is correctly coded in financial systems and linked to supporting documentation.
- We will conduct sample testing to verify that fees and charges applied align with nationally set and locally determined rates. Where data is available, complete, and of an appropriate quality, we will use analytics to test this on a full-population basis.
- We will assess whether fee and charge schedules have been formally reviewed and approved through appropriate governance channels. We will confirm that any variations to local fee and charge schedules are correctly documented and approved.
- We will review the mechanisms in place for capturing learning and lessons for areas of significant income generation. This will include an assessment of how these are reviewed and disseminated across the organisation, and how they translate into SMART, completed actions.
- We will assess whether risks related to income generation have been identified and assessed, and that clear mitigation plans are in place to reduce the level of risk exposure.
- For services provided to partners, we will examine partnership agreements, invoices and cost allocation methods and test whether all costs are being fully recovered and charge.
- Where possible, we will compare Staffordshire Police's income generation practices against sector best practice and peer organisations.
- Where data is available and of an appropriate quality, we will undertake analytics testing to: detect and investigate duplicate invoices; detect and investigate invoice lines with zero or negative amounts.

### Limitations to the scope of the audit assignment:

- Football-related charging and cost recovery are excluded due to ongoing national sensitivity and legal precedents.
- Conclusions are contingent on timely access to complete and accurate data. Gaps or delays may limit coverage.
- Any benchmarking against peers, NPCC/Home Office materials, or RSM client insights is indicative only. Variations in local context, demand profiles, and charging authorities limit direct comparability. Where external benchmarks are not publicly available or are incomplete / out of date, our analysis will be constrained accordingly.
- Dip sampling will focus on high value / volume income areas.
- The results of our work are reliant on the quality and completeness of the information provided to us.
- Our work will not provide an absolute assurance that material errors, loss or fraud do not exist.

Please note that the full scope of the audit can only be completed within the audit budget if all the requested information is made available at the start of the audit and the necessary key staff are available to assist the audit process. Delays in meeting our information requirements may lead to delays in any proposed timetable, which in turn may cause us to incur additional costs; we reserve the right to raise a supplementary invoice for any such additional fees. We will notify you as soon as it is apparent that there are delays with meeting our information requirements and any consequent changes to the timetable.

To minimise the risk of data loss and to ensure data security of the information provided, we remind you that we only require the specific information requested. In instances where excess information is provided, this will be deleted, and the client sponsor will be informed.

<b>Debrief held</b>	6 February 2026	<b>Internal audit Contacts</b>	Daniel Harris, Head of Internal Audit Louise Davies, Managing Consultant
<b>Draft report issued</b>	16 February 2026		
<b>Responses received</b>	2 March 2026		
<b>Final report issued</b>	2 March 2026	<b>Client sponsor</b>	John Bloomer, Director of Resources ACC
		<b>Distribution</b>	John Bloomer, Director of Resources ACC Emma Cranidge, Service Director - Finance

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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.

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