

ETAP Governance Highlight Report

Office of the Chief Constable

Author: D Wilne	Organisation: Staffordshire Police
Contact: 01785 232284 deborah.wilne@staffordshire.pnn.police.uk	Date of meeting 10 December 2018

Introduction

This report is intended to provide information and assurance to ETAP on the actions being taken around the following:

1. HMICFRS reports and recommendations
2. Internal audit reports and recommendations
3. External audit report and recommendations
4. ETAP reports and recommendations
5. Strategic Risk, Issue and Opportunity (RIO) management

An overview of the above areas is provided, with a focus on those matters that have been considered to represent higher level risks to the organisation or which ETAP have requested a specific update on.

Recommendation to ETAP

That the information within this report be noted for information / discussion.

That any matters requiring more detailed scrutiny be raised for inclusion in the next Chief Constable's report to ETAP.

Overview of Current Position

1 Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) Reports and Recommendations

Please see appendix 1 for detail of open actions

Table 1: Live HMICFRS Force Inspection report action plans

	Inspection	Date of report	Causes for Concern	Recs	Areas for Imp	Overall Judgment	Comments (see appendix 1 for detail of open actions)
1	2016 PEEL: Legitimacy	December 2016	0	0	3	Good	As reported in October, 2 AFI's remain open.
2	2016 PEEL: Effectiveness	March 2017	0	0	13	Requires Improvement	4 actions are open as reported in October.
3	2017 Unannounced Custody inspection visit to police custody suites in Staffordshire	1 August 2017	0	6	26	No Judgement, however 1 Best Practice identified	4 actions remain open as reported in October. <i>At PEEL Board 19 November it was requested that the next Custody Steering Group (February 2019) review the entire plan and provide an overview report back to March PEEL Board.</i>
4	2017 PEEL: Police Efficiency (including Leadership)	9 November 2017	0	0	2	Good	2 action remain open. <i>This includes an additional action that was requested via PEEL Board on 19.11.18 to be re-opened relating to cost savings and service provision (2)</i>
5	2017 PEEL: Police Legitimacy (including Leadership)	12 December 2017	0	0	6	Good	4 actions are open as reported in October. <i>At PEEL Board 19 November a comprehensive update was presented in relation to the use of force (actions 1 to 3) by CI level force lead. Actions 2 and 3 will be formally completed ahead of the next ETAP report. The other action (6) relating to vetting is set to deliver within the due date.</i>



6	2017 PEEL: Effectiveness	22 March 2018	0	0	7	Good	6 actions remain open as reported in October. <i>At PEEL Board 19 November a number of actions were set in relation to the remaining AFIs which will be reflected in the next ETAP update paper.</i>
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(PEEL – Police Efficiency, Effectiveness and Legitimacy)

In addition to the above, in late October HMICFRS made available via their website Value for Money profiles for each force. The force is currently undertaking further analysis around this information as this will be used by the force and directorates and will link directly into the production of the second Force Management Statement.

All force and national publications can be accessed:

<http://www.justiceinspectorates.gov.uk/hmicfrs/publications/>

2 Internal Audit Reports and Recommendations

Please see appendix 2 for detail of open actions

Table 2: Summary of live Internal Audit action plans

	Audit	Date of final report	High risk Recs	Med risk Recs	Low risk recs	Overall Judgment	Comments (see appendix 2 for detail of open actions)
1	2016 Procure to Pay Including Credit Cards	27 January 2016	1	4	2	Satisfactory	As reported in October, 1 medium priority remains open linked to the on-going systems and team review.
2	2017 Accounts Receivable	16 January 2017	0	2	10	Adequate	As reported in October, 1 low priority remains open.
4	2016/17 Procure to Pay	28 February 2017	1	7	4	Satisfactory	As reported in October, 1 medium priority remains open linked to the on-going systems and team review.
3	2017 Police Payroll Processing Procedures	24 March 2017	0	2	2	Substantial	As reported in October, 1 medium priority remains open.
5	2017 Procurement and Contract Management	17 May 2017		11	10	Limited	1 low priority remains open.



6	2017 Police - IT Governance Final Audit Report	11 October 2017			3	Substantial	As reported in October, all 3 recommendations remain open. Evidence of work in progress linked to broader review of governance arrangements for this area of business.
7	2017 Proceeds of Crime Act (POCA)	19 January 2018		1	1	Substantial	1 action remains open linked to the on-going systems and team review.
8	2018 Payroll Processing Procedures	30 January 2018		1	4	Substantial	As reported in October, 1 recommendation remains open.
9	2018 Management of Property	8 May 2018		5	2	Adequate	1 actions remains open (with a recommendation to submit for approval as complete to PEEL Board). A further 1 action has been completed since October (linked to approval for a single property store site). .
10	2018 Police - Financial Ledger and Bank Accounts, and Finance Follow up	11 May 2018		2	6	Satisfactory	1 action remains open which is now no longer applicable to the force.
11	Capital Programme and Fixed Assets	23 May 2018	1			Adequate	The action remains open linked to the on-going systems and team review.
12	Risk Management Framework and Strategy	9 October 2018		1		Substantial	1 action is ongoing.
13	Financial Management	9 October 2018	6	6	1	Partial	The recommendations contained within the report are in the main acknowledged as in progress. It is therefore proposed and has been accepted that the audit will be revisited in Q4 to inform the final audit opinion of the internal auditors for the year. All recommendations were already known and are currently being implemented locally by the CC's CFO. A detailed update report will be provided in relation to the Q4 findings.

3 External Audit Reports and Recommendations

Please see appendix 3 for detail of open actions

3.1 Year ended 31 March 2016

As reported in October, 16 actions have been marked as complete with restructuring of finance team remaining ongoing and due for completion by January 2019.

3.2 Year ended 31 March 2017

8 actions have been completed to date with the remaining 3 (1 medium, 2 high) due for completion by 31 March 2019. This is the same position as reported in October.

3.3 Year ended 31 March 2018

6 recommendations have been identified which have been recorded onto the force's action plan system to allow appropriate scrutiny and oversight. As ETAP has not received a specific update in relation to these previously, all 6 are featured in appendix 3 on this occasion including 3 that have been marked as complete.

4 ETAP Audits and Recommendations overview

	ETAP Audit	Date of final report	High risk Recs	Med risk Recs	Low risk recs	Comments (see appendix 2 for detail of open actions)
1	Temporary Promotions	19 September 2018	0	0	4	All actions are being progressed
2	Out of Court Disposals	1 November 2018	0	4	3	All actions are being progressed
3	Hotel and Travel Bookings	4 December 2018				4 recommendations have been made in total which will be update accordingly.

Please note each report and the associated recommendations / actions will be reviewed at the next appropriate Directorate Board. A more detailed update will be presented thereafter at the February ETAP.

5 Force Strategy Board - Strategic Risk Issue and Opportunity Management

The newly agreed bi-monthly Strategic Risk Management Board has met once since the last ETAP report. The force strategic risk register currently has 3 risks and 2 issues as listed below and reported in October. Each risk and issue is subject to a full review at the board including effectiveness of controls measures in place and risk/issue scores:

Risks:

- **Finance Capital:** Risk that capital programme is insufficient to enable investments required to meet business outcomes.
- **Cultural Change:** Risk that the force is unable to achieve the cultural and behavioural changes required to deliver priorities.
- **IT failure:** Risk that IT technical failures may impact on delivery of operational and support activities.

Issues:

- **Weaknesses in the arrangements for planning finances effectively:** Requirement to enhance availability of information to inform decision making and make clear links to financial impacts.
- **Data quality:** Requirement to address inaccurate and incomplete information held across systems.

In addition to the above, at Finance Panel meeting 19 December, an action was set for the force to supply ETAP risk champions with a Directorate level RIO overview and understanding. This followed a discussion where the number of risks and issues at strategic level was challenged.

As each directorate lead is required to provide a directorate level update to the Strategic Risk Management Board, the latest position papers will be shared with ETAP champions when these are available along with any other relevant documentation. The next Board is set for 13 December 2018.

Key matters for ETAP December 2018 report

1. Update against ongoing HMICFRS, Internal and external audit actions
2. Update against any new internal audit recommendations
3. Update against ETAP recommendations
4. Update around Risk, Issue and Opportunity management