



STAFFORDSHIRE POLICE, FIRE & CRIME COMMISSIONER AND CHIEF CONSTABLE OF STAFFORDSHIRE

Management Action Tracking

FINAL

Internal audit report: 10.21/22

14 March 2022

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1. EXECUTIVE SUMMARY

Background

As part of the approved internal audit plan for 2021/22, a follow up review was undertaken to confirm that those management actions reported as completed by Staffordshire Police (the Force) and the Commissioner's Office to the Ethics, Transparency and Audit Panel (ETAP) have been fully implemented.

As part of this review, five management actions were followed up for the Force from the following assignment reports:

- Police Payroll Processing Procedures 16/17; and
- Key Financial Controls 4.20/21.

Additionally, six management actions were followed up for the Commissioner's Office from the following assignment reports:

- Governance – Transition of Fire Authority 3.18/19; and
- Collaboration Governance and Savings 3.20/21.

For those actions that have been categorised as low priority, we have accepted management confirmation regarding their implementation. For those actions categorised as high and medium priority, we have obtained and validated supporting evidence to confirm their implementation.

Conclusion

Taking account of the issues identified in the remainder of the report, the Organisations have demonstrated **good progress** in implementing agreed management actions. We have confirmed that all 11 management actions reviewed have been implemented (nine) or superseded (two) and therefore validate that their completed status is accurate.

Details of all the implemented and superseded actions are included at Appendix A to the report.

Progress on actions

The following table includes details of the status of each management action.

Implementation status by review	Number of actions agreed	Status of management actions					Completed or no longer necessary (1)+(4)
		Implemented (1)	Implementation ongoing (2)	Not implemented (3)	Superseded (4)	Not yet due (5)	
Police Payroll Processing Procedures 16/17	4	4	0	0	0	0	4
Key Financial Controls 4.20/21	1	1	0	0	0	0	1
Governance – Transition of Fire Authority 3.18/19	2	2	0	0	0	0	2
Collaboration Governance and Savings 3.20/21	4	2	0	0	2	0	4
Total	11	9	0	0	2	0	11

APPENDIX A: ACTIONS COMPLETED OR SUPERSEDED

From the testing conducted during this review we have found the following actions to have been fully implemented and superseded.

Assignment title	Management actions
<u>Police Payroll Processing Procedures 16/17</u>	Implemented As a custodian of public money Staffordshire Police should ensure that; -Attempts are made to recover all overpayments. -A centralised record of overpayments identified, and action taken e.g. reminder letter sent should be created. -Invoices should be raised to account for outstanding debt. Medium
	Implemented Payroll should ensure that key processes are documented and kept in a central location accessible to all appropriate staff. Payroll Manager plans to document all relevant processes over the next 9 months. Medium
	Implemented System changes should be tested, documented and a record retained centrally. Medium
	Implemented New user accounts should only be created following receipt of an appropriately authorised request. Medium
<u>Key Financial Controls 4.20/21</u>	Implemented The Force will ensure that a NCR1 and NCR2 Form is fully completed and maintained on file prior to the setting up of new suppliers. Any amendments that are made to the supplier standing data will be checked and independently verified. Medium
<u>Governance – Transition of Fire Authority 3.18/19</u>	Implemented The Staffordshire Commissioner will ensure that the inclusion of declarations/ conflicts of interests are incorporated at both Performance Assurance Board and Strategic Governance Board specifically to capture any conflicts around the transition. Medium
	Implemented

Assignment title	Management actions
	<p>The Staffordshire Commissioner and Chief Fire Officer will ensure that the Staff Consultation and Communications Forum Terms of Reference is updated to include its reporting lines and routes of escalation.</p> <p>Low</p>
<u>Collaboration Governance and Savings 3.20/21</u>	<p>Superseded</p> <p>A benefits management strategy should be produced and agreed by the relevant Board. The strategy should:</p> <ul style="list-style-type: none"> • Detail how benefits will be quantified and measured; • Define what the combined set of benefits looks like; • Document what systems and processes will be used to track progress; • Explain how benefits realisation will be achieved; and • Describe what governance arrangements will be put in place. <p>(This action has now been superseded. A post-benefit review was completed of the project as part of the Enabling Services Closure Report. The Force Programme Manager confirmed that a bespoke approach for setting out the methods for benefits realisation will now be drafted and agreed at the outset for other new projects).</p>
	<p>Superseded</p> <p>For the Estates service, a post-implementation review should be undertaken to identify any benefits realised following the transition to a combined service, including benefits from any new ways of working. The review should also consider whether there are any future benefits to be realised and reasons why any benefits planned to take place in the original plan were not realised. The review should then be presented to the Shared Services Operational Management Group for oversight. We will ensure that this action is incorporated within the estates internal audit due to take place in December 2020.</p> <p>(This action has now been superseded as it was incorporated as part of the Estates – Post Benefit Realisation 21/22 audit. The Estates Strategy is currently under review and will incorporate realised benefits to date and future ways of working based on a collaborative model between the Force and Fire Service).</p>
	<p>Implemented</p> <p>Policies, procedures and method statements should be produced for the Estate Service.</p>
	<p>Implemented</p> <p>The Service Management Board is solely a meeting for the SFRS and doesn't involve commissioner led decisions, however as the Finance Update Report is presented for an informational update, this should be consistently presented in both organisations.</p>

APPENDIX B: SCOPE

Scope of the review

This document sets out the key information relating to the internal audit assignment, including the dates and agreed deadlines, the internal audit team and client staff to be involved, and most importantly the scope of the assignment, including the limitations to the scope.

Objective of the area under review

Management has introduced effective systems for the monitoring of implementation of agreed management actions and ensuring that these are implemented in line with the agreed timescales.

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

The following areas will be considered as part of the review:

This follow up review will include the 11 management actions agreed in the following assignment reports which have been reported as completed to ETAP:

- Police Payroll Processing Procedures 16/17 (Force); and
- Key Financial Controls 4.20/21 (Force).
- Governance – Transition of Fire Authority 3.18/19 (Commissioner's Office); and
- Collaboration Governance and Savings 3.20/21 (Commissioner's Office).

The following limitations apply to the scope of our work:

- The review only covers audit recommendations previously made and does not review the whole control framework of the areas listed above, therefore we are not providing assurance on the entire risk and control framework.
- We will ascertain the status of recommendations through discussion with management and review of the most recent recommendation tracking report presented to the ETAP. Where the indication is that recommendations have been implemented, we will undertake limited testing/seek supporting evidence to confirm this. Where testing has been undertaken, our samples have been selected over the period since actions were implemented or controls enhanced.
- Where relevant to the recommendation being followed up, we will ascertain whether policies / procedures / documentation have been established but we have not assessed whether these are fit for purpose.
- The results of our work are reliant on the quality and completeness of the information provided to us.
- Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

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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, Fire & Crime Commissioner and 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 UK 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 UK 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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