



THE POLICE, FIRE & CRIME COMMISSIONER OF STAFFORDSHIRE

Governance

Item 5 (iii)

Internal audit report 6.21/22

Final

2 February 2022

This report is solely for the use of the persons to whom it is addressed.

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.

1. EXECUTIVE SUMMARY

Why we completed this audit

An audit of Governance was undertaken as part of the approved internal audit plan for 2021/22 in order to allow the Police, Fire and Crime Commissioner (the Commissioner, PFCC) of Staffordshire to take assurance that a clear governance structure is in place which provides the Commissioner with oversight of operational areas whilst minimising duplication of effort.

The Staffordshire Commissioners Office (SCO) governance arrangements and internal control and escalation structure were revised in August 2021 following the commencement of the new PFCC. This led to the removal of the Police Performance and Assurance Board, the development of a new Strategic Joint Estates Board and revised SCO representative at Police and Fire Board Level. The internal Force and Service arrangements are currently under review after the appointment of a new Chief Constable and Chief Fire Officer respectively. They are due to be implemented after the Strategic Governance Board Meetings in January 2022 and will be reviewed in a separate audit.

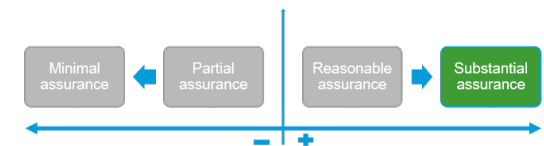
The new Governance Internal Control Structure and Governance Escalation Structure can be found in Appendix A and B, respectively.

Conclusion

Our review has confirmed that the Staffordshire Commissioners Office has well-designed controls in place. We noted that a Terms of Reference (ToR) template is used for each forum and that the ToR's clearly define the purpose and duties. However, we identified that timescales are not being recorded for actions raised during certain meetings, and therefore one 'Low' priority action has been agreed with management, further details are outlined in Section 2, below.

Internal audit opinion:

Taking account of the issues identified, the Commissioner can take substantial assurance that the controls upon which the organisation relies to manage the identified area are suitably designed, consistently applied and operating effectively.



Key findings

We identified the following key findings:



ToR have been established and approved for all forums listed in Appendix A that are chaired by the SCO. A standard ToR template was used for each forum and contained the following key information: purpose; aim; meeting responsibilities; meeting frequency; agenda and; membership (including quoracy).



Our review of a sample of minutes and agendas from each forum confirmed that the ToR were fulfilled and did not duplicate the roles assigned to other forums.



A Governance Internal Control Structure (Appendix A) has been produced following the revision of the governance arrangements. This document is supported by the Escalation Governance Structure (Appendix B) that outlines the process for escalating issues and how accountability and scrutiny are addressed at each forum.



The delegation of authority is outlined in the ToR for each forum, stating where issues are escalated for each forum and whether the forum can receive agenda items from other forums.



Our review of a sample of meetings from each forum confirmed that an action log is used for all, which outlines the meeting date, action detail and responsible owner(s). Actions are updated as they progress.



Key Decision Forms are completed by the SCO to ensure any decisions made are transparent and the forum remain accountable. Our sample of meetings did not contain any key decisions, instead we selected a sample of five Key Decision Forms uploaded to the Staffordshire PFCC website and confirmed they detailed the following information: date and signature of Staffordshire Commissioner confirming approval; decision number; decision report and advice to the Staffordshire Commissioner; report implications; and originating officer declaration.

2. 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 internal audit testing undertaken.

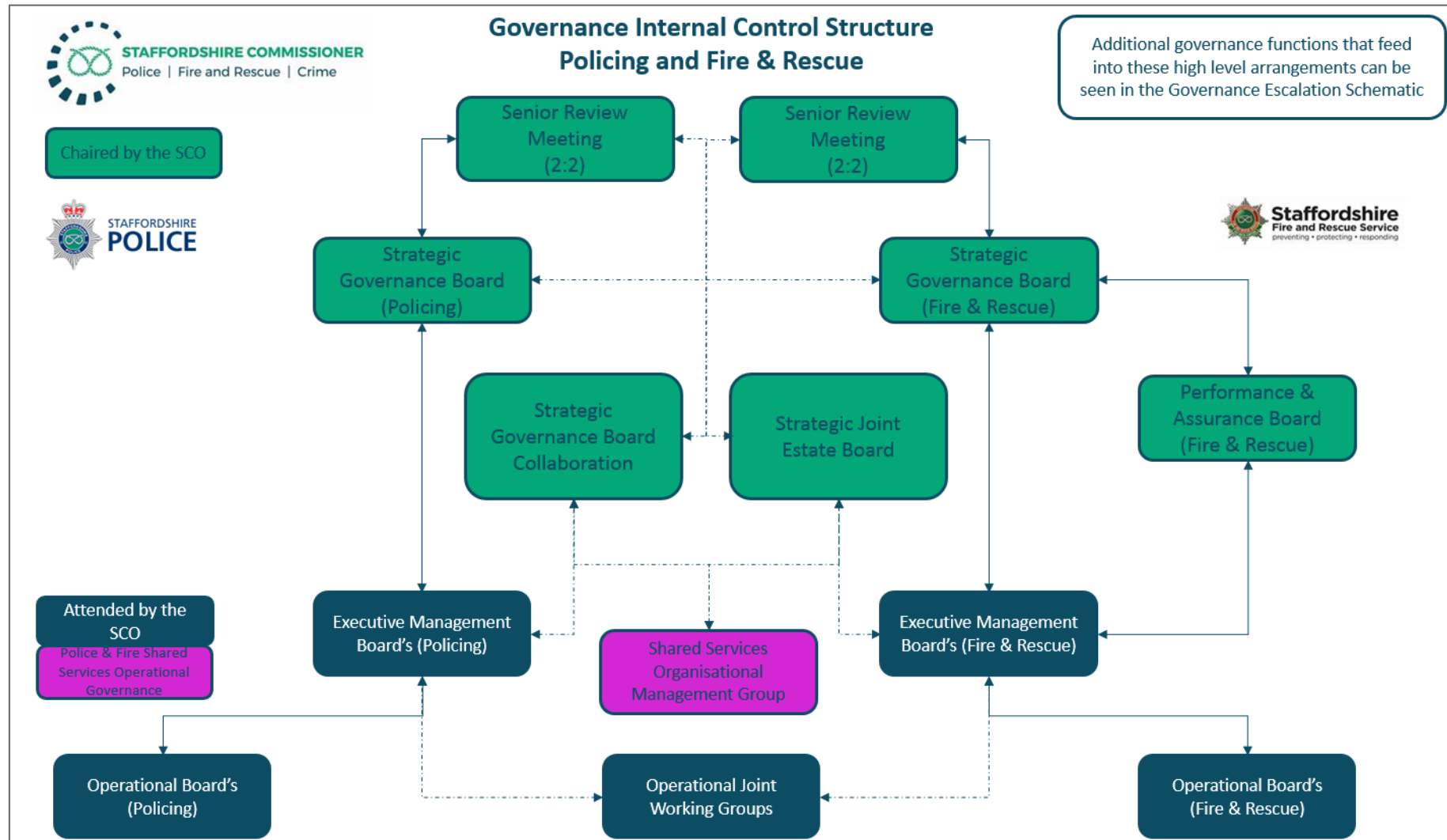
Area: Action logs				
Control	Issues identified within reports and minutes are recorded in an action log and followed up in future meetings. The actions are escalated to senior forums where necessary.		Assessment:	
			Design	✓
			Compliance	Partly
Findings / Implications	<p>We reviewed a sample of minutes from the following forums and confirmed that actions had been logged for all:</p> <ul style="list-style-type: none"> • Senior Review Meeting – Police; • Senior Review Meeting – Fire & Rescue; • Strategic Governance Board Police (SGBP); • Strategic Governance Board Fire (SGBF); • Strategic Governance Board Collaboration (SGBC); • Strategic Joint Estates Board (SJEB); • Performance & Assurance Board (PAB) Fire; and • SCO Senior Management Meeting. <p>Each action had a meeting date, action detail and responsible owner. However, we identified that the following forums did not have a timeframe for the logged actions:</p> <ul style="list-style-type: none"> • Senior Review Meeting (Fire and Police); • Strategic Governance Board (Police, Fire and Collaboration); and • Strategic Joint Estates Board. <p>If timeframes for actions are not recorded, then there is an increased risk of an action not being completed timely.</p>			
Management Action 1	Timeframes for actions should be detailed in the minutes / action log of each forum.	Responsible Owner:	Date:	Priority:
	For those action logs that do not currently have a timeframe column, the template will be amended to include one.	Head of Governance and Assurance	31 March 2022	Low

Area: Action logs

Where actions are not completed by the required timeframe, the action owner must detail the reason for the delay and how the action will be completed.

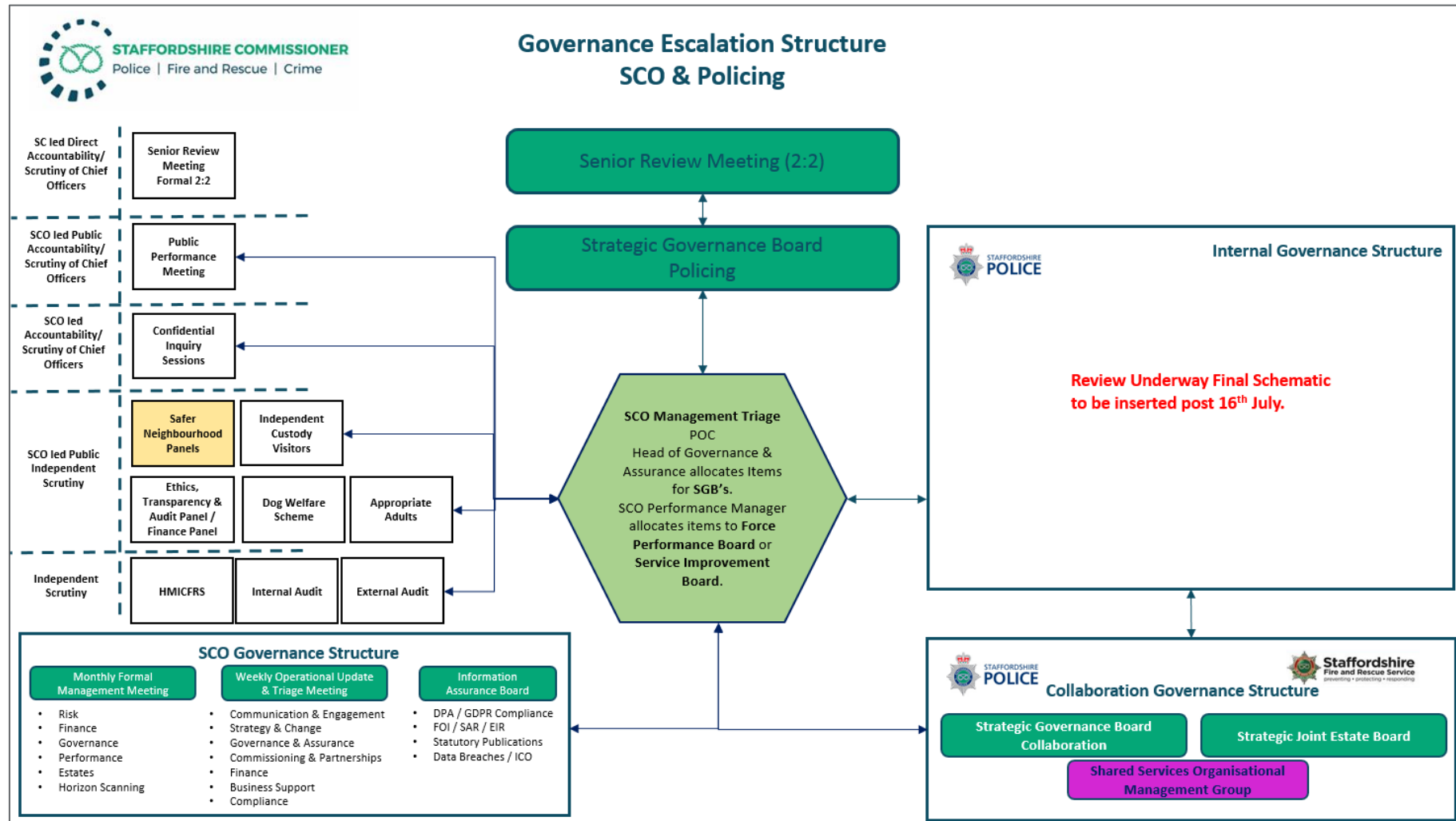
APPENDIX A: GOVERNANCE INTERNAL CONTROL STRUCTURE

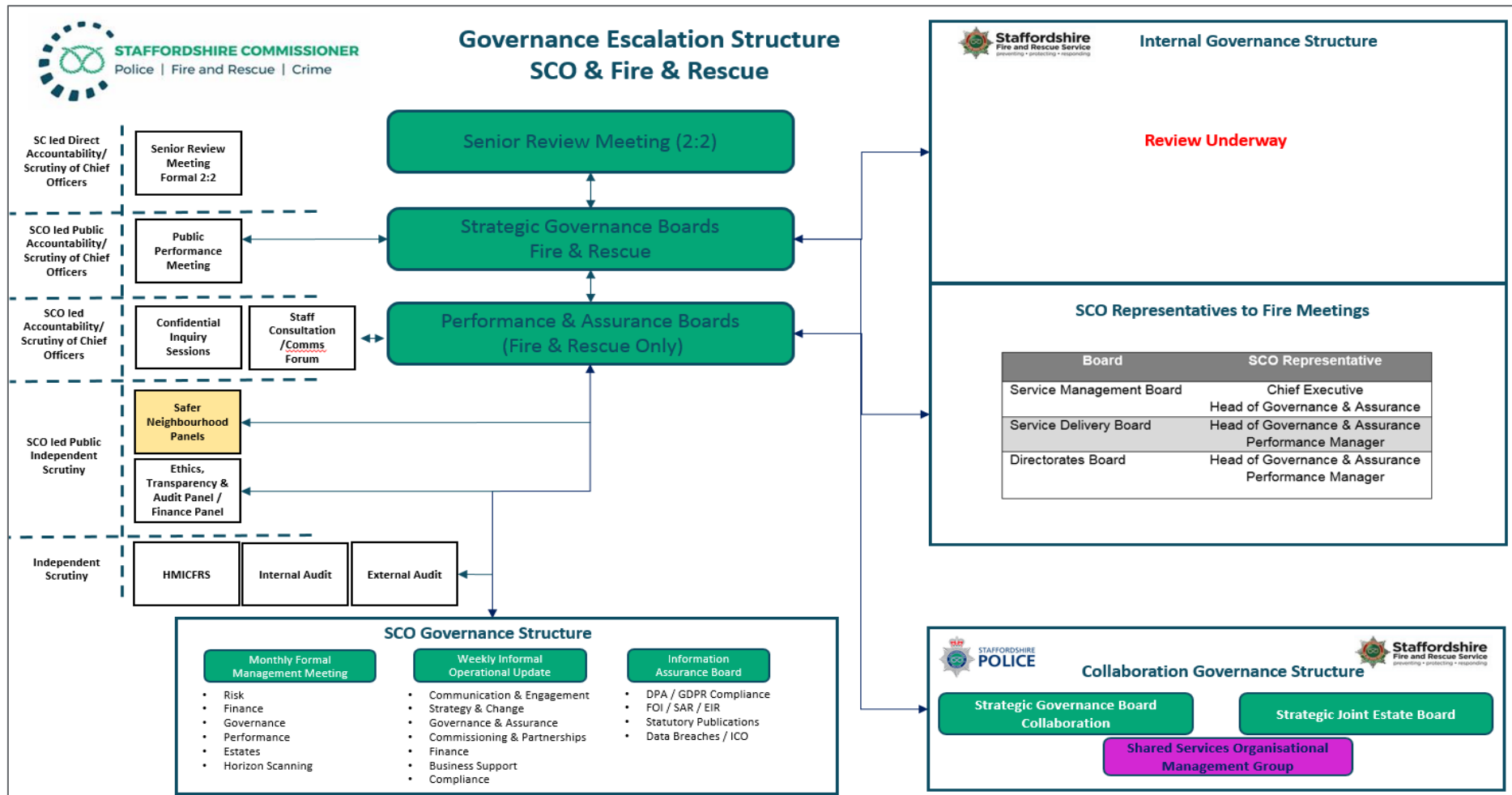
We have include below a copy of the formal governance internal control structure as of August 2021.



APPENDIX B: GOVERNANCE ESCALATION STRUCTURE

We have included below a diagram of the governance escalation structure for the SCO with the Force and the Service.





APPENDIX C: CATEGORISATION OF 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 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
Governance arrangements	0	(6)	1	(6)	1	0	0
Total					1	0	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.

APPENDIX D: 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 risks:

Objective of the risk under review

There is a sufficient governance structure to enable the organisations to meet their objectives and their responsibilities.

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

- Terms of Reference have been established and approved for Boards and Groups that clearly sets out its roles, responsibilities, meeting frequency and quoracy.
- Each forum demonstrates from its activities that it fulfils its terms of reference and does not duplicate the roles assigned to other groups.
- There are clear reporting processes and lines of accountability for each board and group to ensure the effective escalation of issues and risks, clear decision making and avoidance of duplication.
- The delegation of authority throughout the structure.
- The appropriateness and transparency of data reported through the structure, including whether information presented was suitable for it to fulfil its remit within the Terms of Reference. This includes risk, performance and financial reporting. (This will be further considered as part of the revised structure for Force and Fire and will be reported within the assignment report for Governance for Force and Fire).
- Where issues have been identified within minutes and reports, these have been logged within action notes, followed up and escalated to senior forums.
- Review of decisions in the current financial year and the process that they followed, including whether decisions made have been clear and transparent, and those present at meetings have a delegated authority to make those decisions.
- Delegated authority for approval decision making, confirming that this has happened in practice and the transparency of this.

Limitations to the scope of the audit assignment:

- Any testing undertaken as part of this audit will be compliance based and sample testing only.
- We will not provide an opinion on whether the governance structure adopted is the most appropriate.
- We will not provide assurance that the structure will allow it to achieve its objectives.
- Our work does not provide any guarantee against material errors, loss or fraud or provide an absolute assurance that material error, loss or fraud does not exist.

- Due to COVID-19 our work will be completed remotely and solely based on the evidence provided and the communications held remotely.
- The results of our work are reliant on the quality and completeness of the information provided to us.
- Testing will be undertaken on a sample basis only and therefore we will not provide assurance that procedures are followed at all times across the whole organisation.

Debrief held 11 January 2022
Draft report issued 17 January 2022
Responses received 2 February 2022

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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 The Police, Fire & Crime Commissioner 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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