



## STAFFORDSHIRE POLICE, FIRE AND CRIME COMMISSIONER & STAFFORDSHIRE POLICE

### Contract Management - Boeing (Governance arrangements)

**FINAL**

**Internal audit report: 2.19/20**  
**11 November 2019**

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# 1 EXECUTIVE SUMMARY

## 1.1 Background

The Force have a strategic partnership with Boeing Defence Systems UK (Boeing). The partnership arose following a procurement exercise undertaken in 2016 and is expected to last at least seven years with the option of extending the contract for a further three years.

Following our Data Quality – Niche Implementation (Governance) review (report 05.18/19 refers), we identified that there were some deficiencies in the Force's contract management governance processes which presented a risk that issues with the delivery of the contract by Boeing were not being appropriately escalated for remedial action. Following our original review, the Force have revised the governance structure and introduced a commercially focused team to ensure the operational governance processes between Boeing and the Force are transparent and effective.

This audit has considered the revised operational governance structure in place to manage and report upon the Boeing contract, together with the linkage to the strategic governance of the contract and to confirm whether there are mechanisms in place within the Force and PFCC to ensure the stipulations and agreed performance/requirements are incorporated appropriately.

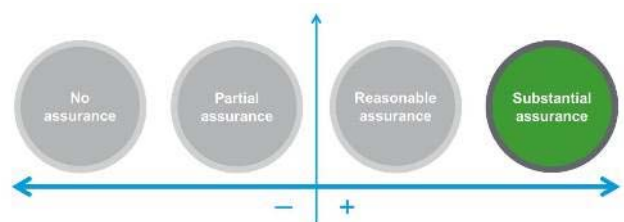
## 1.2 Conclusion

### Operational Governance

Improvements have been made in supporting the Commercial Team to discuss and scrutinise operational activity with Boeing on a regular basis to ensure that the operational work elements are being delivered in line with the Service Agreement. However, we have highlighted some further improvements that can be made specifically around the KPIs, documentation that needs updating and regular review of a specific operational IT risk register.

#### **Internal audit opinion:**

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



### Strategic Governance

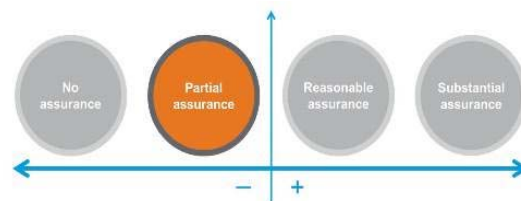
The Force should either re-introduce the Chief Technical Officer role (or ensure their duties are undertaken by another Officer) to provide for transparent and co-ordinated linkage (both strategic and technical) between the Technical Assurance Board and the Force Strategy and Strategic Governance Board. Furthermore, attendees at the Force Strategy Board should be reviewed to ensure that where there are third party attendees that they only attend for the agenda items that are applicable to their remit. Given the discussions and areas of business at such forums, there is a risk that such discussions are not appropriate for inclusion for third party representatives.

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**Internal audit opinion:**

Taking account of the issues identified, the Organisations can take partial assurance that the controls upon which the organisation relies to manage this area are suitably designed, 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 area(s).

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### 1.3 Key Findings

The key findings from this review are as follows:

- The Force has an IT Service Agreement in place with Boeing Defence Systems UK (Boeing), which outlines the provision of services deliverable by Boeing and additional areas, including governance groups to monitor the Strategic Partnership;
- Key Performance Indicators (KPIs) are in place to measure the performance of Boeing and are presented to the IT Service Delivery Working Group. However, these have not been updated since inception of the partnership. Furthermore, the data provided by Boeing to support their performance against the KPIs has not been scrutinised by the Force;
- Review of Contract Variations as part of the Service Agreement identified one case where the variation was not signed on behalf of Boeing;
- Post implementation reviews on an operational level take place where serious issues have taken place. The reviews are provided to the Service Assurance Manager at the Force for scrutiny, to ensure sufficient information is provided and any steps to be taken in the future are identified;
- A fixed governance structure is included in the IT Service Agreement, however we noted for one group (Technical Assurance Board), only one meeting had taken place since inception, in September 2018;
- Review of minutes for the IT Service Delivery Group identified that the IT Risk Register was not presented for review since June 2019. We also noted that actions discussed in the Group do not contain target completion dates to ensure that actions are completed in a timely manner;
- At the time of review, the Force does not have a Chief Technical Officer (or equivalent) in place to scrutinise work performed by Boeing and to provide that linkage through to the strategic governance level, within the Force;
- Review of the Force Strategy Board minutes confirmed that members of the Boeing delivery team attend Force Strategic Board meetings. At such meetings strategic decisions are being discussed and made that are confidential to the Force and the appropriateness of having a third-party representative in attendance may not necessarily reflect good governance.

## 2 ACTION PLAN

### 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/ 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.

The table below details the outcomes of all internal audit testing undertaken:

Ref	Findings (Implications are shown in section 3 below)	Action for management	Responsible owner and implementation date
<b>Risk: Failure to ensure accurate reporting of information</b>			
1	Discussions with the IT Project Manager (Boeing) and Commercial Business Partner (IT) identified that the KPIs included as part of the agreement had not been updated since the inception of the Strategic Partnership.  Discussions with the Commercial Business Partner (IT) identified that the data provided by Boeing was not subject to scrutiny through the use of the Force's analysis of the data provided.	The Commercial Team will ensure that KPIs are reviewed and updated on a regular basis to ensure that these are realistic in terms of the ability of Boeing to meet the performance targets and appropriate in terms of the KPIs being in line with the requirements of the contract to realise benefits for the Force.  Furthermore, the Commercial Team will ensure that KPI data provided by Boeing is scrutinised independently to confirm the accuracy of the data provided. This could be performed through sample testing of cases included in KPI reporting. <b>(Medium)</b>	Helen Holden, Head of Commercial Services  31 January 2020
2	Review of the two most recent change requests identified that these were made on 4 May and 28 September 2018.  For the 28 September change request, we noted that this was signed off by the Chief Executive on behalf of the Force	Where contract variations are created as part of the Service Agreement, the Commercial Team will ensure that signatures by representatives of both parties are included on supporting documentation. <b>(Low)</b>	Helen Holden, Head of Commercial Services  31 January 2020

Ref	Findings (Implications are shown in section 3 below)	Action for management	Responsible owner and implementation date
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**Risk: Failure to ensure accurate reporting of information**

	however there was no signature on file on behalf of Boeing.		
3	Review of the minutes for the IT Service Delivery Group meetings held on 7 June and 27 June 2019 did not identify the risk register which is to be presented by Boeing in line with Schedule 8.1, section 8.4 of the Service Agreement being presented or discussed.	The IT Risk Register (both Boeing and Force) will be presented by Boeing at each IT Service Delivery Group meeting to ensure that the Group has oversight of the risks present with the delivery of both operational and transformational work packages. <b>(Medium)</b>	Paul Aspel, IT Business Partner  Immediate
4	Review of the most recent action log (27 June 2019) identified that 16 actions were currently marked as ongoing.  As we noted that completion dates are not included on the log, we have included a low priority management action for the action log to be updated such that timelines for completions of the actions are included.	The IT Strategic Delivery Group will update the Action Log to ensure that all actions have a completion date attached. <b>(Low)</b>	Paul Aspel, IT Business Partner  Immediate
5	The Technical Assurance Board are accountable to the Strategic Governance Board for oversight of technology used by Boeing.  At the time of review, only one Technical Assurance Board meeting had taken place in September 2018.	Technical Assurance Board meetings will be formally resumed between the Force and Boeing to ensure that the Force are able to review the performance of Boeing's decisions in their provisions of IT services in line with the IT service agreement. <b>(High)</b>	Paul Aspel, IT Business Partner  31 January 2020
6	The Chairperson for the Technical Assurance Board, the Chief Technical Officer, has not been replaced since their departure in November 2018. Since their departure, no technical meetings between Boeing and the Force have taken place to scrutinise Boeing's delivery of the Service Agreement. Since their departure, informal discussions between the Boeing Project Manager and the Director of People and Resources have been taking place.	The Force will re-introduce / re-appoint a Chief Technical Officer (or equivalent to ensure scrutiny) who is responsible for discussions between Boeing and the Force and is able to scrutinise the performance of Boeing to ensure that the decisions being made by Boeing reflect value for money and are appropriate. <b>(High)</b>	Paul Aspel, IT Business Partner  Immediate

Ref	Findings (Implications are shown in section 3 below)	Action for management	Responsible owner and implementation date
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**Risk: Failure to ensure accurate reporting of information**

7	<p>Review of the three most recent meeting minutes for the Force Strategy Board confirmed that the IT Programme Manager (Boeing) was present for the duration of each of the three meetings.</p> <p>Where third parties are attending internal meetings, there is a risk that commercially sensitive information is being shared outside of the Force.</p>	<p>The Force should ensure that third party representatives attend the strategic internal meetings for only the relevant agenda items that affect their area of business. <b>(High)</b></p>	<p>Justine Kenny, Director of People and Resources</p> <p>31 January 2020</p>
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## 3 DETAILED FINDINGS

### 3.1 Contractual Arrangements

#### Service Agreement

The Force have a strategic partnership with Boeing Defence Systems UK (Boeing). The partnership arose following a procurement exercise undertaken in 2016 and is expected to last at least seven years with the option of extending the contract for a further three years. The contractual agreement between the Force and Boeing is in the form of a Service Agreement for the provision of services relating to the transition, implementation and service delivery in respect of the 3006 IT Transformation Programme – the programme in respect of the transition, implementation and service delivery of the Day 1 Services, the Transition Services, the Target Environment and the Work in Progress (WIP).

Review of the Service Agreement held by the Force for the provision of services by Boeing identified that the following sections are included:

- Preliminaries;
- The Services;
- Payment, Taxation and Value for Money Provisions;
- Contract Governance;
- Supplier Personnel and Supply Chain;
- Intellectual Property, Data and Confidentiality;
- Liabilities, Indemnity and Insurance;
- Remedies and Relief;
- Termination and Exit Management; and
- Miscellaneous and Governing Law.

There are also 12 schedules in the contract which cover the following:

- Definitions;
- Service Requirements;
- Commissioner's Responsibilities;
- Supplier Matters;
- Software;
- Implementation and Testing;
- Financial Matters;
- Governance;
- Employment;
- Guarantee;
- Accession Agreement; and
- Partnering Association.



Clause 14.2 of the Service Agreement states that each Party shall have a representative for the duration of the Agreement who shall have the authority to act on behalf of their respective Party on the matters set out in, or in connection with the Agreement. The initial Supplier Representative shall be the person named as such in Schedule 9.2 (Key Personnel).

We confirmed through discussions with the Commercial Business Partner (IT) that the responsible parties per the agreement are the Commercial Business Partner (IT) for the Force and IT Programme Manager (Staffordshire Blue Light Services) for Boeing.

### Key Performance Indicators

Schedule 2.2 of the Service Agreement includes 21 Key Performance Indicators which are used to monitor the delivery of the contract. The agreement states that the KPIs will apply 16 weeks from the Operational Services Commencement Date. The KPIs cover the following areas:

- Server, Storage and Core Infrastructure; Service Delivery; Networks; Security; and Change Management.

Reporting on KPIs is delivered on a monthly basis, via the IT Service Delivery Working Group. Review of the minutes of the most recent meeting identified that the attendee list includes the following:

- IT Programme Manager (Boeing);
- Information Technology Manager (Boeing x3);
- Project Portfolio Lead (Boeing);
- Head of Commercial Services (Force);
- IT Business Partner (Force);
- Commercial Business Partner (Force); and
- Service Assurance Manager (Force).

Review of the most recent KPI report showed that 18 of the 21 KPIs were met by Boeing. Of the three KPIs that were not being met by Boeing, one KPI contained a dedicated slide in the reporting pack with supporting data of why the KPI was not met.

For each of the three meetings reviewed, an action plan was presented by Boeing to show the areas of improvement to meet the KPI requirement in future periods. Discussions with the IT Project Manager (Boeing) and Commercial Business Partner (IT) identified that the KPIs included as part of the agreement had not been updated since inception of the Strategic Partnership. Where KPIs are not reviewed and updated, there is a risk that the original reporting metrics become no longer fit for purpose or compliance against the original KPIs do not accurately reflect the performance of the overall agreement against the requirements for the Force.

Discussions with the Commercial Business Partner (IT) identified that the data provided by Boeing was not subject to scrutiny through the use of the Force's analysis of the data provided. Where this is not undertaken, there is a risk that the Force does not identify discrepancies in the data presented by Boeing which leads to overreliance on supplier-provided data and no remedial actions being taken by the Force to ensure that Boeing are meeting the required levels to deliver all areas of the Contract.

#### **Management Action 1**

The Commercial Team will ensure that KPIs are reviewed and updated on a regular basis to ensure that these are realistic in terms of the ability of Boeing to meet the performance targets and appropriate in terms of the KPIs being in line with the requirements of the contract to realise benefits for the Force. Furthermore, the Commercial Team will ensure that KPI data provided by Boeing is scrutinised independently to confirm the accuracy of data provided. This could be performed through sample testing of cases included in KPI reporting to identify whether these have been correctly recorded. **(Medium)**

## Contract Variations

Clause 16.1 of the Service Agreement states:

*“Any requirement for a Contract Change shall be subject to the Change Control Procedure. Any requirement for a Non-Adaptive Change or an Adaptive Change shall be in accordance with the provisions of Appendix 4 of Schedule 8.1 (Governance)”.*

We were informed by the Commercial Business Partner (IT) that contract variations take place on a quarterly basis and follow the Change Control Procedure, as detailed above. Review of the Change Control Procedure identified that the following areas are included:

- General Principles of the Change Control Procedure; Costs; Change Request; Impact Assessment; Authority's Right of Approval; Supplier's Right of Rejection; Fast-Track Changes; Communications; Change Request Form (Appendix 1); and Change Authorisation Note (Appendix 2).

Review of the two most recent Change Requests identified that one was signed off by the Chief Executive on behalf of the Force and the Business Commercial Lead on behalf of Boeing. For the second change request, we noted that this was signed off by the Chief Executive on behalf of the Force, however there was no signature on file on behalf of Boeing.

### **Management Action 2**

Where contract variations are created as part of the Service Agreement, the Commercial Team will ensure that signatures by representatives of both parties are included on supporting documentation (**Low**).

## Declarations (Gifts and Gratuities)

A Gifts and Gratuities register is maintained to show any declarations made by staff (for all activities, not just those associated to Boeing). The register is updated at each Ethics, Transparency and Audit Panel (ETAP) meeting, where required.

An annual report listing all gifts and gratuities was presented at the ETAP meeting which took place on 24 July 2019 by the Chief Finance Officers for the Force and the OPFCC. The report discloses each of the expenses occurred by senior members of the Force and the OPFCC. The report also includes the Gift and Gratuities register and compares the reporting period against the previous report, for Panel consideration. Review of the register from April 2018 to March 2019 identified 74 entries of which 26 were accepted. Two declarations on the register related to Boeing, of which both were accepted.

## Post-Implementation Review

Operational service work raised to Boeing through the service helpdesk is graded in impact from priority 5 (lowest) to priority 1 (highest). Where issues are graded priority 1 or 2, a Major Incident Report is presented to the Force as a 'top-line' review of the issue raised. The reports are created and approved internally by Boeing before being sent to the Service Assurance Manager at the Force. Review of an example Major Incident Report identified that the following areas are included:

- Service Contract; Incident Reference Number; Service Impacted; Service Banding (Incident Severity); Open Date and Time; Resolved Date and Time; Outage Start; Outage End; Executive Summary; Incident Resolution; Root Cause (where known); Issues/Lessons Identified/Observations; Corrective Actions; Owner; and Due Date.

Definitions of each of the priority levels are included in Schedule 2.2 of the Service Agreement.

We were informed by the Service Assurance Manager that reports presented to date have not included a sufficient level of detail to identify the issues that have taken place to cause the issue and remedial actions taken by Boeing to rectify the issue. This has been raised to the Boeing Service Manager as part of the weekly informal meetings. We were informed that this has already been marked as an area of improvement for future Major Incident Reports.

Following the completion of a transformational work package, Boeing would provide the Force with a copy of an After-Action Review (AAR) report which appraises the implementation of work packages and includes lessons learned to be used in the implementation of future work packages. Discussions with the Commercial Business Partner (IT) identified that no transformational work packages to be delivered by Boeing had been completed yet. As a result, no testing was undertaken to confirm whether the reviews were on file and had been performed in a timely manner.

## 3.2 Governance Structure

### Contract Structure

Review of Schedule 8.1 of the Terms and Conditions of the Service Agreement identified that the following governance structure is included for the monitoring of performance of the agreement:



We were informed that the Partnership Association Steering Committee had been disbanded and a Strategic Development Executive Board had been included. For consistency, each of the groups in the structure have been renamed as follows:

- Strategic Executive Group – Strategic Governance Board
- Partnering Association Steering Committee - unchanged
- Digital Strategy Board – unchanged
- Technical Assurance Board – unchanged
- Service Review Board – IT Service Delivery Group
- Change Management Board (Boeing-led) – Operational Change Advisory Board

Roles and responsibilities for four of the groups (Operational Change Advisory Board, IT Service Delivery Group, Technical Assurance Board and Digital Strategy Board) is included in Schedule 8.1 of the Service Agreement, covering the responsibilities of each of the groups and the chairperson for each of the meetings. The schedule also includes quoracy requirements for board meetings.

#### Localised Meetings

Discussions with the Service Assurance Manager and the Commercial Business Partner (IT) confirmed that the following informal meetings take place outside of the contractual arrangements with Boeing representatives to discuss any operational issues:

- Weekly meetings between the Service Assurance Manager and the Boeing Service Manager to discuss the number of operational issues that have been raised to the Boeing helpdesk; and
- Weekly 'Triage' meetings between the Service Assurance Manager, Commercial Business Partner (IT) and Commercial Services Officer on behalf of the Force and Boeing Service Managers on behalf of Boeing to identify any issues that have been raised to Boeing which require any additional funding to complete.

These meetings allow members of the Commercial Team to discuss any operational issues taking place with Boeing Service Managers and raise issues where required. Examples of issues raised in these meetings include the quality and timing concerns for Major Incident Reports issued by Boeing, which has resulted in an informal agreement to the timeliness of the reports being issues to the Force.

#### Operational Change Advisory Board (OCAB) (Formerly Change Management Board)

Schedule 8.1 of the Service Agreement includes the following role for the OCAB:

*"The OCAB shall be responsible for the technical and financial authorisation of Non-Adaptive Changes and Adaptive Changes to the live environment and shall:*

- *ensure all such changes are appropriately categorised and impact assessed; and*
- *provide an auditable documentation of the formal authorisation for changes to proceed to design, build and test (Release Management)".*

Review of the three most recent minutes for the OCAB (3, 10 and 17 July 2019) identified that meeting minutes follow a consistent structure showing attendees, change requests for review, emergency change requests and any other business. The Service Assurance Manager had only attended the meeting on 17 July 2019, however we were informed their attendance to these meetings had just started and will continue for future meetings.

Review of the changes in the last three meetings identified that two adaptive and four sustainment changes were made. Each change contains the following details:

- Service Affected; Requester; Tech Lead; Background; Deliverables; Scheduled Start and End; Planned Outage(s); and Implemented By.

For each of the changes included for the three most recent meeting minutes, two individuals approving the change was on file.

#### IT Service Delivery Group (IT SDG) (Formerly Service Review Board)

Schedule 8.1 of the Service Agreement includes the following responsibilities for the Board:

- To review and report to the Commissioner (through the Technical Assurance Board (TAB)) on service management co-ordination of individual projects and any integration issues;
- Identify the risks to be reported to the Commissioner (through the Intelligent Client Function) via the regular reports; and
- To be accountable to the Commissions (through the TAB) for comprehensive oversight of the services.

Section 8.4 also includes that the risk register shall be updated by the Supplier and submitted for review by the IT SDG.

Review of the minutes for meetings held on 7 June and 27 June 2019 did not identify the risk register being presented or discussed. Following request, we were unable to obtain a copy of the Risk Register prepared by the IT SDG. (We are aware that IT is featured as a risk within the Force Strategic Risk Register). However, where the IT risk register is not presented to the delivery group for discussion on a regular basis, there is a risk that operational level risks are not presented for discussion in the group and actions to reduce these risks to an acceptable level are not undertaken.

#### Management Action 3

The IT Risk Register will be presented by Boeing at each IT Service Delivery Group meeting to ensure that the Group has oversight of the risks present with the delivery of both operational and transformational work packages. **(Medium)**.

We obtained and reviewed meeting minutes for the IT Service Delivery Group meetings held on 7 June and 27 June 2019 and found that the attendee list included the following:

- IT Programme Manager (Boeing);
- Information Technology Manager (Boeing x3);
- Project Portfolio Lead (Boeing)
- Head of Commercial Services (Force);
- IT Business Partner (Force);
- Commercial Business Partner (Force); and
- Service Assurance Manager (Force).

Review of minutes and papers identified that progress on each of the Transformational work packages to date, supported by a RAG rating for both time and cost. Where work packages are not rated 'Green', an action plan with the steps required to be taken is in place. The action log includes the following columns; Action Number; Title of Meeting; Description of Action; Owner; Status; and Update.

Review of the most recent action log (27 June 2019) identified that 16 actions were currently marked as ongoing. As we noted that completion dates are not included on the log, we have included a low priority management action for the action log to be updated such that timelines for completions of the actions are included. This is to ensure that actions can be completed in a timely manner, and therefore aid Boeing with its requirement to deliver its projects in the agreed timescales.

#### Management Action 4

The IT Strategic Delivery Group will update the Action Log to ensure that all actions have a completion date attached, to ensure that actions allocated to members of the Group are completed in a timely manner. **(Low)**

### Technical Assurance Board (TAB)

Section seven of Schedule 8.1 of the Service Agreement includes the responsibility for the Board as follows:

*“The Technical Assurance Board shall be accountable to the SEG for oversight of the technology used in the Supplier Solution and ensuring that technological choices are made to maximise the long term value of the Supplier Solution as a business asset of the Commissioner”.*

To date, only one Technical Assurance Board meeting has taken place in September 2018. We were informed that this is due to the Chief Technical Officer (CTO) leaving the Force in November 2018 and no replacement for this role had been identified at the time of review. Schedule 8.1 of the agreement includes that the CTO should be the chairperson of the board. The frequency of the meetings is not clearly defined in the agreement as it is to be agreed between parties.

Following the departure of the CTO in November 2018, informal discussions began to take place between the Boeing IT Project Manager and the Director of People and Resources as a method of communication between Boeing and the Force. We noted that as these meetings are informal, no formal actions are raised as a result of these meetings. We were informed that to date, there have been no issues raised in the informal discussions. As a result, we were unable to review the areas of discussion in the meetings or issues raised as a result.

Review of the most recent meeting minutes from September 2018 identified the following attendees:

- Chief Technology Officer – Chairperson (Force);
- Desktop Support Manager (Force);
- Information Security Officer (Force);
- Digital Services Manager (Force);
- Business Relationship Manager (Force);
- Boeing Enterprise Architect;
- Information Security Manager (Boeing);
- Boeing Information Security;
- Programme Manager (Boeing);
- Boeing Supply Chain;

As there is no CTO currently in place at the Force and there have been no TAB meetings in the current financial year, there is a risk that the SEG are not receiving updates on Boeing's performance and actions that should be taken to ensure they are meeting the requirements of the Force. Since there has not been a CTO in place at the Force, the Director of People and Resources undertakes weekly informal catch-up sessions with the Project Manager for Boeing to discuss issues with the delivery of the contract.

We have agreed an action for the Force to re-introduce or re-assign a Chief Technical Officer who is responsible for discussions between Boeing and the Force and is able to scrutinise the performance of Boeing to ensure that the decisions being made by Boeing reflect value for money and are appropriate. The CTO should be reportable to the Director of People and Resources, chairperson for future TAB meetings and be able to present to the SGB on the performance of Boeing and any underlying issues, where required.

### Management Action 5

Technical Assurance Board meetings will be formally resumed between the Force and Boeing to ensure that the Force are able to review the performance of Boeing's decisions in their provisions of IT services in line with the IT service agreement. **(High)**

### Management Action 6

The Force will re-introduce / re-assign a Chief Technical Officer (or equivalent) who is responsible for discussions between Boeing and the Force and is able to scrutinise the performance of Boeing to ensure that the decisions being made by Boeing reflect value for money and are appropriate. **(High)**

#### Force Strategy Board

Issues requiring escalation from internal Force meetings are raised to the Force Strategy Board which meet bi-monthly. Review of the most recent minutes show the attendance and apologies list includes the following individuals:

- Chief Constable;
- Deputy Chief Constable;
- Assistant Chief Constable;
- Director of People and Resources;
- Head of Finance;
- Chief Technology Officer
- Head of Transformation and Technology;
- Head of People Services;
- Head of Estates and Services;
- PFCC Chief Executive;
- PFCC Head of Transformation;
- PFCC Head of Finance; and
- IT Programme Manager (Boeing)

Review of the three most recent meeting minutes identified that the IT Programme Manager (Boeing) was present for the duration of each of the three meetings. Where there are third party suppliers present for the duration of internal meetings where strategic decisions are being made, there is a risk that effective discussions between senior management staff are not as effective due to the presence of affected parties at these meetings. Furthermore, at such meetings strategic decisions are being discussed and made that are confidential to the Force and the appropriateness of having a third party representative in attendance may not necessarily reflect good governance.

### Management Action 7

The Force should ensure that third party representatives attend the strategic internal meetings for only the relevant agenda items that affect their area of business. **(High)**

#### Strategic Governance Board

The Strategic Governance Board (SGB) is the highest internal board available to the Force before external scrutiny. Review of the most recent approved minutes (30 May 2019) identified the following attendees for the SGB:

- Staffordshire Commissioner (Chair);
- Chief Constable;
- Assistant Chief Constable;
- Chief Executive;
- Director of People and Resources;
- Director of Finance;
- Chief Finance Officer;
- Head of Strategy and Change;



- Superintendent;
- Head of Commissioning and Partnerships;
- Head of Communications and Engagement;
- Head of Governance and Assurance;
- Joint Legal Services;
- Office Manager.

Apologies were received by 5 individuals across the Force and OPFCC.

Review of the three most recent approved minutes for the Strategic Governance Board (30 May 2019, 1 April 2019 and 28 February 2019), identified that discussions in relation to the Boeing IT Service agreement consisted of the following:

28 February 2019

No issues raised in relation to Boeing.

1 April 2019

A Decision Form was presented to the Board in relation to costings over the duration of the Boeing contract. Supporting the Decision Form was confirmation from the Chief Executive that a commercial conversation would follow with Boeing to ensure that current issues being experienced would not continue in the future.

30 May 2019

Discussions took place in relation to Boeing's service delivered to the Force and as a result, a date had been arranged for the Commissioner to meet with Boeing to discuss issues which were highlighted by the Chief Constable.



# 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:

Objective of the area under review
Public Confidence

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

We will review the governance structure that is in place at both an operational level and strategic level to manage and report upon the Boeing contract. We will ensure that there is clear linkage between the operational and strategic responsibilities. We will reconcile all aspects of the Boeing contract to a reporting point within the governance structure, to ensure that all aspects are appropriately covered.

We will review the contract that is in place and ensure that there are mechanisms in place within the Force and OPFCC to ensure the stipulations and agreed performance/requirements are incorporated within the governance structure.

We will ensure that there are clear escalation routes within the governance structure. We will ensure that any contractual meetings are minuted and actions are followed up on a timely basis.

Where there are any variations or amendments to the Boeing contract that there is an appropriately approved variation in place.

We will ensure that the responsibilities for the management/oversight of the contract have clear reporting lines within the governance structure.

The audit will ensure that there are clear mechanisms (both operational and reporting) in place for recording any declaration of interests, gifts and hospitality as a result of the contractual relationship.

That there is a post contract appraisal process in place for key elements of the contract.

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

We will not comment on the performance of the Boeing contract - only whether the governance structure in place is appropriate for monitoring the performance of the contract.

We will not comment on whether the contract is delivering value for money.

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

## APPENDIX B: FURTHER INFORMATION

### **Persons interviewed during the audit:**

- John Bloomer, Chief Finance Officer
- Justine Kenny, Director of People and Resources
- Helen Holden, Head of Commercial Services
- Samantha Hunt, Commercial Business Partner (IT)
- Gary Rolls, I.T Service Assurance Manager
- Steven Marsh, IT Programme Manager, Boeing Defence UK

### **Documentation reviewed during the audit:**

- 3006 IT Transformation Programme Service Contract Terms and Conditions v4.0;
- Team Structure – Staffordshire Blue Light Services Programme, June 2019;
- Team Structure – Finance Team, Staffordshire Police;
- Joint Governance Model;
- Major Incident Report (Incident Numbers: IM000354543, 347092, 350818, 351216, 353625, 354232, 354376, 354419, 355799, 354376);
- Joint Governance Model;
- Work Package Review, 25 June 2019;
- Gifts and Gratuity Report (March 2018 and March 2019);
- Technical Assurance Board Minutes (4 September 2018);
- Ethics, Transparency and Audit Panel (7 February, 27 March, 29 May 2019);
- Operational Change Advisory Board minutes (3, 10 and 17 July 2019);
- Force Strategic Board Minutes (14 February, 11 April and 13 June 2019);
- Strategic Governance Board Minutes (28 February, 1 April and 30 May 2019).

## FOR FURTHER INFORMATION CONTACT

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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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We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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