

STAFFORDSHIRE POLICE, FIRE AND CRIME COMMISSIONER & STAFFORDSHIRE POLICE

Follow Up

FINAL

Internal audit report: 3.19/20

15 October 2019

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1. EXECUTIVE SUMMARY

Background

We have undertaken a review to follow up and confirm that those management actions reported as implemented to the Ethics, Transparency and Audit Panel (ETAP) have actually been implemented. For those actions that are prioritised as low we have accepted management confirmation. For those recommendations prioritised as high and medium we have obtained evidence to confirm their implementation.

As such there are 22 recommendations and/or management actions considered in this review comprised of five 'high' and 17 'medium' priority actions.

Conclusion

Taking account of the issues identified in the remainder of the report, the Organisation has demonstrated **good progress** in implementing agreed management actions.

We have confirmed that those actions that have been reported as implemented have been confirmed as implemented or superseded. Those actions that have been categorised as superseded relate to some of those actions that were made in the previous internal audit report around Procurement and Contract Management whereby the original recommendation has either been addressed in a different way or the recommendation has been incorporated within our recent reports around Contract Management Boeing (Governance) and Procurement (Kier) reports.

Details of all the implemented and superseded actions are included at Appendix A to the report.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 management action priority	Number of actions agreed	Status of management actions			
		Implemented (1)	Implementation ongoing (2)	Not implemented (3)	Superseded (4)
Medium	17	10	0	0	7
High	5	5	0	0	0
Total	22	15	0	0	7

APPENDIX A: ACTIONS COMPLETED OR SUPERSEDED

From the testing conducted during this review we have found the following actions to have been fully implemented and superseded.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
Procurement and Contract Management (2017)	Superseded Checklists to be developed in order to clarify documentation and information required from commissioners, budget holders or service leads before procurements can take place. Dependent upon structure of contract management, a further checklist could be developed to pass from procurement to contract management. Medium
	Implemented Contract Management and Procurement structure to be defined. Medium
	Superseded Contract Management tool to be developed and completed. Medium
	Implemented Review of structure within the contract and procurement function to take place in order to identify resource for contract management. Medium
	Implemented Contract Management function to be clarified within the structure. Job descriptions to be reviewed at that point. Medium
	Implemented Financial and contract Management delegations to be defined. Use of PO to review invoices in line with Regulations and Standing Orders. Medium
	Superseded Performance framework to be incorporated into the Contract Management Policy. Medium

Assignment title	Management actions
	<p>Superseded Data validation forms part of the regular activity reviews in contracts and invoice reconciliations. Performance and activity data validation to form part of the key trigger points within Contract Management Tool. Contract tiering will define frequency of reviews Medium</p> <hr/> <p>Superseded Review KPIs in contracts to include the confirmation of contract levers to be used i.e Incentives, Remedial action Plans, Service Credits. Benchmark against national standards. Benchmark against national standards when Service Leads propose KPIs as part of future procurements to ensure appropriate targets. Medium</p> <hr/> <p>Superseded Contract Review Meetings to include opportunities for improvement as a standard agenda item. This will be incorporated into the contract management tool kit. Medium</p> <hr/> <p>Superseded Benefits Realisation process to be developed and incorporated into the Contract Management Policy and Tool. Medium</p>
Financial Management (8.18/19)	<p>Implemented</p> <p>The Financial Regulations will be reviewed by the new Financial Accountant in conjunction with the Chief Finance Officer.</p> <p>Once this process has been completed, the document will be updated to include version control, an annual review requirement, and the group responsible for the approval.</p> <p>The Financial Regulations will be ratified by the Strategic Governance Board prior to issue to all staff, and evidence of ratification will be retained in a central location.</p> <p>We will ensure that key staff involved with aspects of financial management have received, read and understood the relevant aspects of the Financial Regulations.</p> <p>Medium</p>

Assignment title	Management actions
	<p>Implemented</p> <p>The Organisation will develop a timetable, which will include flash reporting which clearly outlines the responsibilities of key staff.</p> <p>This will detail when they are required to perform monthly reporting activities for the production, monitoring, review and reporting of the financial information presented to the SGB, FSB and Finance Panel.</p> <p>High</p>
	<p>Implemented</p> <p>The Force Chief Finance Officer will implement, as planned, a formal requirement for budget holder training which will be implemented once the finance restructure has been fully completed.</p> <p>Medium</p>
	<p>Implemented</p> <p>The budget setting timetable for 2019/20 will be developed confirming the exact target dates for requirements to be completed and the individuals responsible for the components of budget setting for the Force.</p> <p>This will include:</p> <ol style="list-style-type: none"> 1. timescales for completion of initial budget holder meetings; 2. agreement and sign-off of individual budgets for each budget holder; 3. agreement of the Force's budgets; 4. approval by the Strategic Governance Board (includes PCC); and 5. the final sign off by the Police and Crime Panel. <p>High</p>
	<p>Implemented</p> <p>The Force will ensure that a sufficient support mechanism is developed and maintained for the Superintendents and Executives of the Force through the employment of Finance Business Partners who will provide support and analysis to aid the decisions being made.</p> <p>High</p>

Assignment title	Management actions
	<p>Implemented</p> <p>The Force will ensure, following development of a new planning timetable, that the FSB jointly agree to the budget allocations identified as per its Terms of Reference and this is formally captured within meeting minutes.</p> <p>High</p>
	<p>Implemented</p> <p>The Chief Finance Officer will ensure a full audit trail is retained for the 2019/20 budget, through the use of working papers, which identifies movements within the categories recorded within the budget.</p> <p>Medium</p>
	<p>Implemented</p> <p>The Force will seek clarity from the PCC regarding the allocations to the Force for the proposed annual budget.</p> <p>Medium</p>
	<p>Implemented</p> <p>Staffordshire Police will consider implementing a reporting tool which will reduce the amount of manual intervention and risk of inconsistencies occurring between the data held within the finance system and the data being reported within the finance reports.</p> <p>High</p>
	<p>Implemented</p> <p>The Force will agree a process for sample testing high-value journals to test the accuracy and appropriateness of journals being posted.</p> <p>Medium</p>
<p>2018: Risk Management Framework and Strategy</p>	<p>Implemented</p> <p>The assurances that are included within the Risk Register will be expanded further to record the outcome of the assurance that has been received together with any further required actions.</p> <p>Medium</p>

APPENDIX B: DEFINITIONS FOR PROGRESS MADE

The following opinions are given on the progress made in implementing actions. This opinion relates solely to the implementation of those actions followed up and does not reflect an opinion on the entire control environment

Progress in implementing actions	Overall number of actions fully implemented	Consideration of high actions	Consideration of medium actions	Consideration of low actions
Good	> 75 percent	None outstanding	None outstanding	All low actions outstanding are in the process of being implemented
Reasonable	51 – 75 percent	None outstanding	75 percent of medium actions made are in the process of being implemented	75 percent of low actions made are in the process of being implemented
Little	30 – 50 percent	All high actions outstanding are in the process of being implemented	50 percent of medium actions made are in the process of being implemented	50 percent of low actions made are in the process of being implemented
Poor	< 30 percent	Unsatisfactory progress has been made to implement high actions	Unsatisfactory progress has been made to implement medium actions	Unsatisfactory progress has been made to implement low actions

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 have introduced effective systems for the monitoring of implementation of recommendations and recommendations agreed are implemented in line with the agreed timescales.

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

To assess the degree of implementation achieved of the actions reported to the ETAP as implemented.

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 only review those recommendations due for implementation at the time of the review and we will only review those categorised as high and medium priority.

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 to confirm this. Where testing has been undertaken, our samples have been selected over the period since actions were implemented or controls enhanced. Our work does not provide any guarantee or absolute assurance against material and/or other errors, loss or fraud.

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.

Our work does not provide 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 during the audit. If the requested information and staff are not available we may have to reduce the scope of our work and/or increase the audit budget. If this is necessary we will agree this with the client sponsor during the audit.

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