

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

Savings Programme (Part 2)

Final Internal audit report 7.19/20

30 January 2020

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EXECUTIVE SUMMARY

Why we completed this audit

An audit of the Savings Programme was undertaken as a part of our internal audit plan for 2019/20, to allow the Force and OPCC to take assurance that the framework set out in the Business Change – Governance Overview document has been implemented. We completed an advisory audit of the Savings Programme during 2018/19 that considered the framework in place and concluded that the framework, if applied, was robust and had clear governance reporting lines. The purpose of this audit was to confirm that the framework was effectively operating in practice.

The key phases of a successful Business Change are detailed in the Governance Overview document and split into the following:

- Identify;
- Evaluate;
- Implement; and
- Measure.

The Governance Overview document was approved in December 2018 by the Transformation Board and as there had only been 11 months since this approval, the process had not had time to fully embed (ie no Business Change had been through the full cycle under the new Business Change process).

Conclusion

Our opinion has been primarily impacted by the fact that the Business Change process had not been fully embedded at the time of the audit. Furthermore, we identified some inconsistencies between the Governance Overview document and the actual Business Change process. We have also identified some improvements to the Business Change Register and agreed actions where evidence was not provided to us in relation to the Programme Management Meeting minutes.

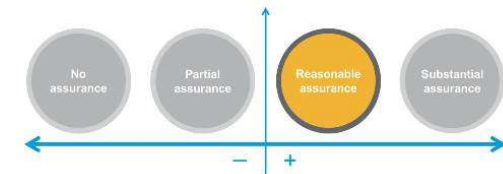
Overall there is a structure in place to manage the Savings Programme through the Business Change process at an operational governance level, but there needs to be a more consistent approach applied to demonstrate Directorates are complying with the requirements of the Business Change – Governance Overview processes and for appropriate oversight by the Project Management Office.

For the next four years there are planned savings of £8.889m. For 2019/20 there is a target of £5.275m and of this target as at 7 October 2019, £3.907m had been delivered. A further £943k was categorised as being delivered and £425k had been identified as not deliverable.

Internal audit opinion:

Taking account of the issues identified, the Force and OPCC can take reasonable assurance that the controls upon which the organisations rely to manage this area are suitably designed, consistently applied.

However, we have identified issues that that need to be addressed in order to ensure that the control framework is effective in managing this area.



Key findings



Whilst the Business Change process is comprehensively detailed in the Governance Overview document, there is no checklist/flowchart document, monitored by the Project Management Office (PMO) ensuring a consistent approach to Business Change and savings by all Directorates. The purpose of the checklist is to provide a mechanism

for the PMO to have assurance and oversight that the tasks delegated to the Directorates have been managed and completed as expected.



The Governance Overview document needs to be reviewed updated as necessary, taking into the account the PMO's restructure which will be effective as at 1 April 2020.



We were provided with various versions of the Business Change Register and identified that the information recorded is not consistent in all Business Change / Saving Programme lines. The lines also only recorded the Directorate Lead, however should include the PMO lead or Consultant Project Manager where a Work Package/Project approach has been agreed.



As we did not receive any of the bi weekly Project Management Meeting (PMM) minutes, we could not confirm that the savings were being regularly discussed and challenged. However, we did confirm that the Change PMM held on 7 October 2019 received a MTFS Savings Review which provided an accurate update on savings when compared to the MTFS savings tracker (updated on a monthly basis, by Finance).



The tabs of the PMM Action Log relating to the Decision Log were not in use. As the PMM has the responsibility to approve a case for change into the 'evaluate' stage, the decision log should be used for completion and to hold a central record of all decisions made by the PMM.

We have also included at Appendix A our follow up of the management actions that were included within our report 07.2018/19 Savings Programme. Within that report we had agreed three management actions and we have confirmed that one had been superseded, one was in the process of being implemented and one had not been implemented.

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.

1. Policy and Procedures		Assessment	
Control	The Business Change – Governance Overview document details the Governance Framework for the PMO and Business Change process, stipulates the savings programme assessment framework and contains the following four key stages which must be satisfied for a Business Change to achieve the benefit / savings identified: 1. Identify; 2. Evaluate; 3. Implement; and 4. Measure.	Design	✓
		Compliance	×
Findings / Implications	<p>In a meeting with the Business Change Lead and Head of Corporate Planning & Business Change, we were informed that the Business Change – Governance Overview (Governance Overview document), which has been treated as the main Policy for the PMO, is currently under review. There will be a number of amendments to the way that Business Change process functions. One of which is the production of a set of templates, available to all relevant staff and programme leads, who are assigned based on whether the Work Package is considered ‘Business Change’ or ‘Business as Usual’. It is our understanding that the definition of these terms is to be included in the updated version of the Governance Overview document.</p> <p>Our audit identified a need to demonstrate consistently across the Directorates that the Governance Overview document is being consistently applied. As such it would be beneficial to implement a checklist document, underpinned by a set of template documents, for completion by relevant Directorate Leads for every Business Change, to ensure a consistent approach to Programme Management.</p> <p>The Governance Overview document defines business as usual and business change as the following:</p> <ul style="list-style-type: none"> • Business as usual – work conducted as part of the standard operation of the force. This includes the normal day-to-day work across the directorates; and • Business change – work conducted to change the way the Force carries out its business as usual. This is usually aimed at reducing the cost of performing work but can include changes that have other benefits. <p>Once a Business Case has been approved by the Transformation Board, the business change can be implemented into the Force to achieve the stated benefits. The implementation will take one of two forms:</p>		

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1. Work package (WP): a programme structure is formed around the business change to implement it. Delivery resource will be allocated from the owning directorate and this will be supported by the PMO. The programme performance will also be monitored by the PMO to ensure delivery is on cost and schedule; or
 2. Business-As-Usual (BAU): where the business change does not require a programme structure to facilitate its implementation, it will be delivered through the existing teams as part of their BAU. This work will still need to be planned by (Directorates) it will not be monitored or supported by the PMO.

The Business Change Register is a database of all Business Change which includes the following information (this list is not exhaustive):

- ID (unique identifier in the format: BC1234)
- Title;
- Estimate v Actual Completion Dates;
- Description;
- Owner (Directorate assigned owner);
- Directorate;
- Type (WP, Minor, Other);
- Phase (Evaluate, Measure, Implement);
- Phase New (as above, plus a number of others);
- Priority (Savings, National/Regional, Other);
- RAG; and
- Investment (Yes/No and detail of investment).

We identified that the 'Phase New' column relates to a recent change in the PMO which is currently being updated in the Governance Overview document. It is our understanding that the new version will include an updated Programme Management Governance Framework, which changes the way in which the 'phases' are defined, as such our audit has come whilst the department is in a change period. Figure 2-1 Governance Framework in the Governance Overview document is of a flowchart which shows a single change register, central to the governance framework, administered by the PMO, containing all of the opportunities and business changes that are either identified, being analysed, being implemented or that have been implemented.

We also identified that there is no column for the Project Lead from the PMO. As the Business Change Register is used as the main database in the PMO, there should be a record of the relevant member of the PMO's name, who will be the main contact for Directorates to request assistance or direction from. We were also informed that the PMO will be downsizing in April 2020 from ten members to four, with one qualified Project Manager. Considering that there were 64 open entries on the Business Change Register as at 16 May 2019 and two Project Managers will be departing, leaving only one, there is a risk that the level of service provided by the PMO will decrease.

Further review of the Business Change Register v3 confirmed that the 'Type' column had not been completed for any of the lines on the Register. The 'Type' of Business Change is a key indicator (Business as Usual or Work Package) ensuring the correct project framework

for the Business Change and should be recorded for each line in the Business Change Register, as this dictates whether a project resource will be allocated from the PMO team, or if the Business Change will be completely 'Directorate led'.

The Business Change Register has no clear version control and therefore when looking at screenshots of the Business Change Register, we could not ascertain when the Business Change Register was from, and that it was in fact the most recent version. Where there is no version control, there is a risk that staff will use out of date version of the Business Change Register, which will provide incorrect information and mean that time may be wasted, duplicating efforts.

Management Action 1	<p>Once the Business Change – Governance Overview document has been updated, the Programme Management Office will create a checklist type document, underpinned by a set of template documents, for completion by relevant Directorate Leads for every Business Change, to ensure a consistent approach to Programme Management. The checklist will include (this list is not exhaustive):</p> <ul style="list-style-type: none"> • Clearly define the Force's expectations of Directorates for each of the four phases in the Governance Framework (Identify, Evaluate, Implement, Measure [or equivalent]); • Specify all of the required stages and relevant templates (ie case for change, business case, progress updates); and • Specify the Committee(s) and/or Board(s) which will need to approve the Business Change's progression to the next phase. 	<p>Paul Ross, Head of Corporate Planning and Business Change Sarah Wakefield, Business Change Lead</p>	30 June 2020	Medium	
<p>The Checklist will be underpinned by a set of templates for completion by the relevant Directorate and Project Leads. The purpose of the checklist is to provide a mechanism for the Programme Management Office to have assurance and oversight that the tasks delegated to the Directorates have been managed and completed as expected.</p>	Management Action 2	<p>The Business Change – Governance Overview document will be updated to reflect the way the PMO will work, going forward, considering the reduction in staffing which is set to be achieved as at 1 April 2019.</p>	<p>Paul Ross, Head of Corporate Planning and Business Change Sarah Wakefield, Business Change Lead</p>	31 March 2020	Low

Management Action 3	<p>The Business Change Register will be updated to include the following:</p> <ul style="list-style-type: none"> • Version control showing at least when the Register was most recently updated; • The 'Type' column will be completed for every line on the Business Change Register; • A column for 'Work Package' or 'Business as Usual', to be filled in once agreed in the PMM; and • Where programmes proceed with the 'Work Package' programme structure, the Business Change Register must also record the relevant PMO Project Lead or consultant Project Manager's name, not only the Directorate Lead. 	<p>Paul Ross, Head of Corporate Planning and Business Change</p> <p>Sarah Wakefield, Business Change Lead</p>	31 March 2020	Low
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2. Roles and Responsibilities		Assessment	
Control	<p>There is a clear structure in place which outlines the roles and responsibilities of each member of the Business Change Team.</p>	Design	✓
	<p>Savings are monitored by the Finance Team in the MTFs Savings Tracker which is a shared document, available to Finance and the PMO.</p>	Compliance	×
Findings / Implications	<p>As the Team is currently going through a restructure, which will be finalised on 1 April 2020, there is some uncertainty about exactly how the Team will proceed and what will happen to the level of service.</p> <p>We were provided with the following four Role Profiles:</p> <ul style="list-style-type: none"> • Business Analyst; • Business Change Lead; • Head of Corporate Planning and Business Change; and • Programme Manager. <p>Review of the Role Profiles confirmed that the Business Change Lead and Programme Manager positions required some form of Programme Management Qualification and all role profiles were confirmed to contain a 'Role Purpose' and a 'Key Tasks and Responsibilities' sections which contained clear, concise information and guidance on what the positions responsibilities will be in relation to the Programme Management Office and Business Change Process. We were informed that the Business Change Lead has a suitable qualification and the Programme Manager that will be in post following the restructure is also suitably qualified.</p>		

We also obtained a copy of the Programme Management Office's Business Change Structure, which shows the current full team and the redundancies that will be happening in April 2020. The Team is moving from ten staff to four and the new structure shows a clear reporting framework, leading up to the Business Change Lead and Head of Corporate Planning & Business Change.

The Governance Overview document also states the following for 'Work Packages': *'the programme performance will also be monitored by the PMO to ensure delivery is on cost and schedule'*.

In meetings with both the Head of Corporate Planning and Business Change and the Chief Finance Officer (Force), we were informed that the projected savings figures are all produced by the relevant Directorate Lead, with the help of the PMO, where requested. Once the Business Case has been approved by the Transformation Board to be moved into the 'Implement' stage, the MTFS Savings Tracker spreadsheet is updated to include the budgeted savings identified. These figures are monitored by Finance and shared with the PMO team on a monthly basis. The Business Change Register also records the Business Case savings to assist the PMO to monitor savings against progress updates and raise, monitor and complete actions where savings are not being achieved. Review of May 2019's PMM Action Log confirmed that there were regular updates against each action from each PMM detailed within, however as we did not receive the PMM minutes or Action Log from a more recent meeting, we could not confirm that this was ongoing.

Review of the Business Change Register identified that it only includes columns for the projected savings and not the actuals (for comparison), as this information is already monitored by Finance in the MTFS Savings Tracker, there is no need to duplicate and add these savings to the Business Change Register, however, the PMO and Directorate Leads must work closely with Finance to ensure that the most up to date figures are held by both departments (See Management Action 4).

Management Action 4	The PMO and Finance will consider ways that the MTFS Savings Tracker and Business Change Register can be amalgamated to allow simultaneous use of one live document ensuring that savings figures being reported by each are accurate and up to date.	Paul Ross, Head of Corporate Planning and Business Change John Bloomer, Chief Finance Officer (Police)	31 March 2020	Low
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3. Identify

		Assessment	
Control	When the PMO are made aware of a case for change, the Business Analyst triage's the case in order to ascertain whether the case would require 'Business as Usual' (BAU) or a full programme Work Package and a Programme Manager assigned from the PMO.	Design	✓
	Where a case for change has been submitted, the PMM facilitates discussion and challenge leading to a formal decision being made on whether to progress the business change idea to the 'Evaluate' stage. The PMM has the responsibility to:	Compliance	x
	<ul style="list-style-type: none"> Approve the transition of viable business change opportunities into the evaluate phase; 		

- Approve the expenditure of resource to conduct further analysis on the business change opportunity; and
- If required, approve the request of RFC(s) (and associated cost) to obtain detailed pricing information from suppliers.

Findings / Implications

We selected a sample of five lines from the Business Change Register as at 28 October 2019. For us to test the 'Identify' phase of savings programmes, we requested the minutes of the programme management meeting showing approval for each of our sample, to ensure that the Business Change had been discussed, challenged and confirmed the decision to move forward.

Testing identified the following exceptions:

- In three cases the Business Change related to work packages predating the PMO, therefore they had already been progressed past the 'Identify' stage. We did however confirm (from the Business Change Register) that these work packages had been added to the Business Change Register and had been discussed at the first meeting of the PMM on 28 January 2019, therefore no action was considered necessary;
- In one case we could identify no evidence of a 'Case for Change' or a 'Work Package Proposal' style document which included the proposed details, reasons and key information for the business change (See Management Action 1); and
- Although requested, in none of the cases were we provided with the PMM minutes evidencing discussion of the Business Change, this information had been noted in the 'comments section' of the Business Change Register. In one case we were provided with an Agenda document which stated 'BC0077 – Emergency Demand – approved', however this was not considered to evidence discussion. (See Management Action 3 in Appendix A).

We were also provided with the PMM 'Action Log' as at 20 May 2019. We confirmed that there is a standing agenda item in the PMM that ensures actions from the previous meeting are monitored and updates from each meeting are provided in the 'update' column. Further review of this document identified that the Decision Log tabs were not being used. The Governance Overview document states that the PMM has the authority to 'approve the progression of opportunities from the Identify phase to the Evaluate phase'. As the Programme Management Meeting acts as the gateway between the 'Identify' and 'Evaluate' stages of a Business Change the decisions taken are key and should be clearly evidenced. (See Management Action 5)

Management Action

See Management Action 3 in Appendix A.

Management Action 5

The Programme Management Office will ensure that the Programme Management Meeting Action Log is fully updated at every meeting, including the Decision Log tabs, to evidence whether each Business Change has been 'approved' to move to the 'Evaluate' stage.

Paul Ross, Head of Corporate Planning and Business Change

Immediate

Low

4. Evaluate – Business Case and Transformation Board Approval		Assessment	
Control	<p>Once approved by the PMM, the relevant Directorate Lead prepares the Business Case document, using the Force wide template. The Business Case includes the costs, benefits and change risks associated to the implementation of each work programme, which is presented to the Transformation Board in order for them to:</p> <ul style="list-style-type: none"> • Approve the transition of fully scoped work streams into the implement phase; • Approve the anticipated benefits that will be delivered; • Approve the delivery mechanism (Business as Usual or Work package); and • Approve the overall budget for the implementation. 	Design	✓
		Compliance	✓
Findings / Implications	<p>For the sample of five Programmes selected above, we requested the Business Cases and supporting documentation for each, to confirm that they:</p> <ul style="list-style-type: none"> • Include consideration of costs, benefits and risk; and • have been approved by the Transformation Board or Force Strategy Board. <p>Our testing identified the following exceptions:</p> <ul style="list-style-type: none"> • In four cases we were not provided with Transformation Board minutes, evidencing approval to the ‘Implement’ stage, however the Business Change Register noted details and dates of approval/discussion, therefore we have not raised an action. <p>Whilst we concluded that the supporting documents contained evidence of consideration of costs, benefits and risk, we identified that there were various formats of documents being used by each Directorate in the Business Change process (Case for change, risk analysis). No issues were identified, however, considering the size of the Force and the various working locations, the PMO should structure the Business Change process to ensure it is treated consistently throughout the Force and Directorates.</p>		
Management Action	See Management Action 1 above.		
5. Business Change Structure		Assessment	
Control	<p>Once approved by the Transformation Board, the business change can be implemented into the Force to achieve the stated benefits. The implementation will take one of two forms:</p> <p>1. Work package (WP): a programme structure is formed around the business change to implement it. Delivery resource will be allocated from the owning directorate and this will be supported by the PMO. The programme performance will also be monitored by the PMO to ensure delivery is on cost and schedule.</p>	Design	✓
		Compliance	×

2. Business-As-Usual (BAU): where the business change does not require a programme structure to facilitate its implementation, it will be delivered through the existing teams as part of their BAU. This work will still need to be planned by it will not be monitored or supported by the PMO.

The implementation of the business changes should follow the programme management and business analysis best practice, defined by the PMO, to ensure that the delivery is as effective as possible.

Findings / Implications

The decision of whether a Business Change is being delivered as a Work Package or BAU is to be decided by the PMM and recorded in the Business Change Register. Review of the Business Change Register 16 May 2019 confirmed that the 'Type' column included the following three entries:

- WP (Work Package);
- Minor (Business as Usual); and
- Other.

We could not confirm what 'Other' meant in terms of a Business Change, however as there was only one entry in the Register and this related to 'a regionally led programme', no action has been considered necessary.

For our sample of five Business Changes selected above, we were provided with screenshots of the Business Change Register from the PMO which confirmed that all of our samples were 'Type – BC'. However, we also obtained a copy of 'Change Register v3' which contained update comments as recent as 28 October 2019. Review of Change Register v3 confirmed that the 'Type' column was not being used as, out of 85 lines, only one had text in. We understand that many of the Business Changes on the Register predate the Governance Overview document, however, as the Business Change Register is central to the whole Governance Framework supporting the Business Change process and acting as a database, all cells should be consistently updated to include the key information as specified in the Governance Overview document (See Management Action 3).

Management Action

See Management Action 3 above

6. Implement

Control

Subsequent to the structure of the programme being agreed, the programme will be implemented by the Directorate, with additional assistance from the PMO or consultant Programme Managers. The Programme Lead presents progress updates to relevant committee(s) (Transformation Board, Modern Policing and Enabling Board [MPEB] or higher regional panels) dependant on the scale of the programme and the area/directorate which it relates to.

Assessment

Design ✓

Compliance ×

Findings / Implications

Testing of our sample of five Business Changes identified the following exceptions:

- In three cases, we could not be provided with any evidence of the Business Change's approval to the 'Measure' stage, however we were informed that none of these cases were in the 'Measure' stage, which was confirmed by review of the Business Change Register screenshots, therefore no action has been raised; and
- In one case, the Business Change Register detailed that the programme had moved into the 'Measure' stage but then had been put back into the 'Implement' stage. We reviewed the 'Strategic Early Intervention Prevention' (Business Case) document presented to the Transformation Board on 10 October 2019 and confirmed that the Business Change Register noted that it had been approved and the staff consultation exercise should begin. As the staff consultation was considered part of the 'Implement' stage, the decision to bring it back from 'Measure' was taken. However, there was no evidence on file to confirm that the Modern Policing and Enabling Board or equivalent had approved the programme to the Measure stage, prior to this. We identified discussion of the programme at Force Strategy Board on 11 April 2019, however no formal decision was documented (See Management Action 6).

In a meeting with the Business Change Lead and Head of Corporate Planning and Business Change we were informed that as the Governance Overview document has only been in place for one year, most of the programmes currently underway either started before the implementation of the new process or have not yet progressed all the way through the process described in the Governance Overview document.

Management Action 6	All Business Change documentation will be saved (electronically) in a location available to the PMO and relevant Directorate Leads which will contain all documents required by the checklist (See Management Action 1). The PMO will periodically select a sample of Business Changes to confirm that Directorates are following the checklists and evidencing each relevant step required.	Paul Ross, Head of Corporate Planning and Business Change	30 June 2020	Low
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7. Measure		Assessment	
Control	The PMMs provide a platform for the discussion of the performance and savings of each Business Change subsequent to its implementation.	Design	✓
		Compliance	×
Findings / Implications	<p>We were provided with a copy of the Change PMM – Business/Budget Planning 2020/21 minutes, which took place on 7 October 2019. We confirmed that the following had been discussed at the meeting:</p> <ul style="list-style-type: none"> • State of the Nation – Strategic Context; • Emergency Resourcing Content; • Corporate Planning and Budget Timetable; 		

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- Existing Programme – Review/Challenge Session; and
 - Directorate Updates.

The MTFS Review Update was presented for the 'Existing Programme' agenda item. Review of the MTFS Review update confirmed that it contained monitoring of all Directorate savings and a breakdown of each of the Savings Programmes within each Directorate. The Directorate saving amounts were also broken down by their 'Delivery Risk' of Delivered, Low, Medium, High or Undeliverable, reporting that of the total projected savings of £8,889m, £2,215m was considered 'undeliverable'. £1,577m of the undeliverable savings related to the People and Resources Directorate (mainly from the Collaboration Business Case and Fleet savings). The remaining £638k was spread over the DCC, Contact and Response and Operations directorates.

The content discussed at the meeting is mainly strategic and is part of the annual process for setting budgets. We were not able to review any of the more regular PMMs, as, subject to two requests, we did not receive any evidence of minutes and approval. We did however receive a copy of the PMM Action Log, which included the following details, through two tabs showing the 'ongoing' and 'closed' actions:

- Action Number;
- Date of Meeting(s);
- Description of Action;
- Owner;
- Type of Update Required (Action Log or Change Register);
- Board/Delivery Date;
- Status; and
- Updates.

We also identified two 'Decision Log' tabs for 'Pending' and 'Closed', where required decisions and their details could be held centrally including the outcome of each decision made in the Programme Management Meeting, however these were not used by the PMO as the Terms of Reference (ToR) to the PMM stated that it is not a decision making body. However, the Governance Overview document states that the PMM hold the responsibility to 'Approve the progression of opportunities from the Identify phase to the Evaluate phase' (See Management Action 5).

Further review of the PMM Action Log confirmed that it included savings related actions and evidenced regular updates of discussion from each PMM for all 'Ongoing' actions. As we were provided with the Action Log from May 2019, it was not possible to confirm if any actions had been identified at the 7 October meeting.

As we have not been able to review any minutes from the Programme Management Meeting, we could not confirm that all meetings have been minuted. An action relating to this was raised in the 'Savings Programme (7.18/19)' Internal Audit report which has been updated in Appendix A below. We were also not able to confirm whether the individual savings are being discussed and monitored on a regular basis, however we did confirm that the MTFS Savings Tracker is monitored and updated by Finance on a monthly basis. We were also informed

by the Head of Corporate Planning and Business Change that the MTFS Savings Tracker is used to inform all project updates to the PMM.

Management Action See Management Action 3 in Appendix A.

APPENDIX A: FOLLOW UP FROM PREVIOUS AUDIT

The following is a summary of findings from our analytical work which we have discussed with management.

1. Savings Programme (7.18/19)				
Original management action / priority	<p>The Business Change Governance Overview Document will be saved (electronically) in a location which is accessible by all Directorate Leads and other staff members it relates to. Once the location of the document has been decided, the file name path will be circulated to all staff.</p> <p>The document will be encrypted to remove the risk of unauthorised changes being made and only the owners of the document will have editable rights.</p>			
Audit finding / status	<p>Not implemented</p> <p>We obtained a screenshot of the Force's action plan for which the following comment had been added on 15 October 2019: <i>'Work has been on-going between the change and Communications team to identify a practical/pragmatic way of making this available. The proposal is to achieve this via publishing within a 'business change' section of the forces Intranet. It is envisaged that this will be achieved by the end of the year.'</i></p> <p>In a meeting with the Head of Corporate Planning and Business Change we were informed that this action should be completed by the end of December 2019 and had not already been fully implemented as the intranet page for Business Change needed to be set up in order for the document to be uploaded.</p>			
Management Action 1	Management action	Responsible Owner:	Date:	Priority:
	<p>The Business Change Governance Overview Document will be saved (electronically) in a location which is accessible by all Directorate Leads and other staff members it relates to. Once the location of the document has been decided, the file name path will be circulated to all staff.</p> <p>The document will be encrypted to remove the risk of unauthorised changes being made and only the owners of the document will have editable rights.</p>	Paul Ross	30 June 2020	Advisory

2. Savings Programme (7.18/19)

Original management action / priority Formal training will be implemented and all Directorate Leads who have a responsibility to comply with the Business Change Governance Overview will receive training. The training will assist in a consistent message being delivered and needs to be priority and specific to the expectations and the purpose and delivery of the Business Change document and processes. All Directorate Leads will attend the training.

Furthermore, the training will be provided to any new starters who will have a responsibility to comply with the Business Change Governance Overview.

(Advisory)

Audit finding / status **Superseded / Amended**

We obtained a screenshot of the Force's action plan which the following comment had been added on 15 October 2019:

'The current Directorate Leads are still those that were involved in the original design and development of the Business Change Process and associated governance, which is comprehensive setting out force process, individual responsibilities/accountabilities and governance and reporting structures. Relevant training/awareness sessions will be delivered to new Directorate and Executive leads. In addition training packages are being developed to deliver skill-transfer re specific 'change' tools & techniques for those directly involved in Directorate led programmes. The team is also delivering a business change segment on the force's ASPIRE development programme (first session scheduled for mid-November) which is open to all interested staff. A standard suite of programme documentation/templates is in-train, referenced to the force programme cycle at each stage. The Business Change Process document is also being updated to reflect organisational learning over the last year and will be signed off with the Directorate Leads in PMM.'

In a meeting with the Head of Corporate Planning and Business Change and Business Change Lead we were informed that as the 'Directorate Leads' mentioned in the action are all the same members of staff that designed the Business Change - Governance document and framework for the Business Change Team, it was therefore not considered necessary by the Force to duplicate the information which they were already aware of. However as lower level members of staff have not received training on the Business Change – Governance processes, the action has been reworded to address this issue.

As any member of staff can raise a case for change to the Business Change team, it is imperative for them to be aware of the process and approaching all savings programmes in a consistent manner, particularly how to raise a case for change or propose a new work programme / savings scheme.

Management Action 2	Management action (AMENDED)	Responsible Owner:	Date:	Priority:
	Formal training will be implemented to ensure that all operational members of staff who have a responsibility to comply with the Business Change Governance Overview document (including Directorate operational staff) will receive training. The training will assist in providing a consistent message to all relevant staff and needs to be specific to the	Paul Ross, Head of Corporate Planning and Business Change	30 June 2020	Medium

2. Savings Programme (7.18/19)

expectations, purpose and delivery of the Business Change process outlined in the Business Change Governance document.

(Advisory)

3. Savings Programme (7.18/19)

Original management action / priority

The PMM will be minuted to ensure that key decisions are documented, to ensure there is a structure, actions are driven forward, measurement of performance are clearly document and the ownership is clearly stated.

(Advisory)

Audit finding / status

Part Implemented

We obtained a screenshot of the Force's action plan which the following comment had been added on 15 October 2019:

'PMM minutes are now documented (and reviewed by the chair) together with actions. However PMM is not a decision making body which is referenced in the TOR. Change highlight reports are also now presented and considered at Force Strategy Board (Transformation Board) together with Directorate updates - this is the decision making forum for force business change.'

Review of the most recent three PMM's minutes confirmed that this action had been fully implemented.

We also identified that whilst the comment notes that the 'PMM is not a decision making body', the Governance Overview document states that *'This forum also acts as the gate for opportunities to transition from the Identify phase to the Evaluate phase'* which may carry some financial commitment and therefore it should be formally documented when a case for change, is approved into the 'Evaluate' phase.

Management Action 3

Management action (AMENDED)

The Programme Management Meeting will be minuted to ensure that key decisions are documented, to ensure there is a structure, actions are driven forward, measurement of performance are clearly document and the ownership is clearly stated.

(Advisory)

Responsible Owner:

Paul Ross, Head of Corporate Planning and Business Change

Date:

31 March 2020

Priority:

Medium

APPENDIX B: 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	Low	Medium	High	
To review the process in place for the delivery of savings schemes including the recording of savings, the impact and compliance with internal processes.	1	(7)	7	(7)	5	3	0
Total					5	3	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 C: SCOPE

1.1 Objectives and risks relevant to the scope of the review

The internal audit assignment has been scoped to provide assurance on how Staffordshire Police, Fire & Crime Commissioner and the Chief Constable of Staffordshire manages the following risk:

Objective of the area under review	Risks relevant to the scope of the review	Risk source
To review the process in place for the delivery of savings schemes including the recording of savings, the impact and compliance with internal processes.	Linked to OPCC Risk Objective: To ensure there are sufficient revenue reserves to meet foreseeable revenue requirements and risks	OPCC Risk Objective

1.2 Additional management concerns

None identified

1.3 Scope of the review

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

Following our advisory review during 2018/19 where the review considered the framework in place for the identification and tracking of savings, the audit will be assurance based and will provide comfort that the framework is being consistently applied and is effective.

The focus of the review will be to consider:

- Compliance with the savings programme framework in place. To understand the responsibilities assigned for physically updating and collating the savings plan and ensuring that any potential duplication is minimised.
- Ensuring that the financial savings are being recorded accurately in the finance ledger.
- To ensure that there are clear responsibilities assigned within the Force for managing and oversight of the savings plan. It is our understanding that there is a Project Management Team assigned with responsibility to oversee, collate and report on the savings plan. We will ensure that there is clear reporting from the Team and that responsibilities are clearly defined.

- Where savings are off track, there is a remedial plan in place.
- Directorates are working closely together to avoid any duplication.
- How the impact that savings schemes are having on quality and performance are being considered, reported and taken in to account.
- Reporting around the savings is being communicated at all appropriate levels throughout the governance structure.

We will follow up the management action detailed within appendix A.

The following limitations apply to the scope of our work:

- We will not provide an assessment as to whether the Force's savings targets for 2019/20 are likely to be delivered, we will only focus on the design of the processes in place.
- We will not consider the collaboration savings identified as this is subject to a separate audit.
- We will not comment on whether all possible savings have been identified.
- Testing will be undertaken on a sample basis.

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.

Debrief held
Discussion Draft report issued 13 December 2019
Draft Report issued 19 December 2019
Responses received 28 January 2020

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Final report issued 30 January 2020

Client sponsor John Bloomer - Chief Finance Officer (Force)
 David Greensmith - Chief Finance Officer (OPFC)

Distribution John Bloomer - Chief Finance Officer (Force)
 David Greensmith - Chief Finance Officer (OPFC)

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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 the 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 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 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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