



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

[Annual internal audit report 2022/23](#)

25 July 2023

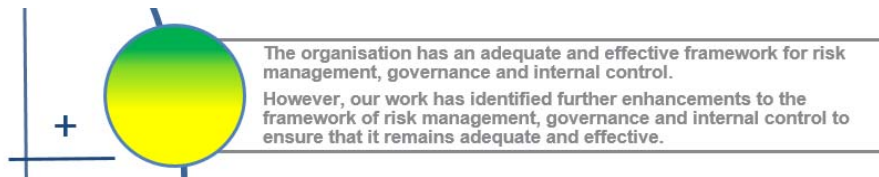
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THE ANNUAL INTERNAL AUDIT OPINION

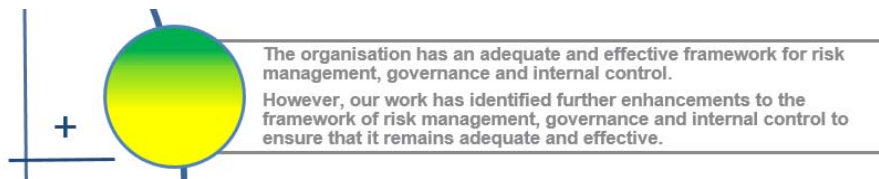
This report provides an annual internal audit opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. The opinion should contribute to the organisation's annual governance reporting.

The opinion

For the 12 months ended 31 March 2023, the Head of Internal Audit opinion for Staffordshire Police, Fire and Crime Commissioner of Staffordshire (SPFCC) is as follows:



For the 12 months ended 31 March 2023, the Head of Internal Audit opinion for the Chief Constable of Staffordshire is as follows:




Please see appendix A for the full range of annual opinions available to us in preparing this report and opinion.

It remains management's responsibility to develop and maintain a sound system of risk management, internal control and governance, and for the prevention and detection of material errors, loss or fraud. The work of internal audit should not be a substitute for management responsibility around the design and effective operation of these systems.

Scope and limitations of our work

The formation of our opinions is achieved through a risk-based plan of work, agreed with management and approved by the Ethics, Transparency and Audit Panel (ETAP), our opinions are subject to inherent limitations, as detailed below:

- internal audit has not reviewed all risks and assurances relating to the organisations;
- the opinions are substantially derived from the conduct of risk-based plans generated from a robust and organisation-led assurance framework. The assurance framework is one component that the Chief Constable and SPFCC take into account in making its annual governance statement (AGS);

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- the opinions are based on the findings and conclusions from the work undertaken, the scope of which has been agreed with management / lead individual;
 - where strong levels of control have been identified, there are still instances where these may not always be effective. This may be due to human error, incorrect management judgement, management override, controls being by-passed or a reduction in compliance; and
 - due to the limited scope of our audits, there may be weaknesses in the control system which we are not aware of, or which were not brought to our attention.

FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINION

Based on the work we have undertaken on the systems of governance, risk management and internal control across the organisations, together with our cumulative knowledge, our opinions on governance, risk management and control have been informed by the following:

Governance

The Governance element of our opinions have been informed by our specific governance related review regarding the governance framework to manage the recommendations following the HMICFRS inspection, together with our reviews that incorporated both operational and strategic governance aspects, for example Corporate Resources Unit, Fleet Management, Pay Progression Standard and Health & Safety Employer Responsibilities. We did identify some governance weaknesses in the fleet management and health and safety reports, both of which concluded with partial assurance opinions.

Risk

Our Risk Management opinions have been informed by our risk-based approach to individual assignments, as well as attendance at the ETAP, where risk management and the risk registers for both organisations are considered and appropriately challenged by members.

Control

We have undertaken nine audits of the control environment that resulted in formal assurance opinions. Of those:

- four reports concluded that 'substantial' assurance could be taken;
- one report concluded that 'good progress' had been made to implement previously agreed management actions;
- one report concluded that 'reasonable' assurance could be taken;
- two reports concluded that 'partial' assurance could be taken;
- one report concluded that 'minimal' assurance could be taken.

We have also completed our advisory work surrounding the Finance System - Upgrade. The output of which has been based on both a critical friend and collaborative approach to assist the organisations in their progress in upgrading the finance system, with the intention of completing an assurance audit in this area during 2023/24.

Furthermore, the implementation of agreed management actions agreed during the year are an important contributing factor when assessing the overall opinions on control. We have performed one Follow Up review during the year which concluded in **good progress** (positive opinion) had been made towards the implementation of those actions agreed.

Details of the three negative assurance reports are detailed below. A '**partial assurance**' opinion was provided for the following assignment reports:

[Health and Safety \(H&S\) – Employer Responsibilities \(Including Remote Working\)](#)

A review of H&S - Employer Responsibilities (Including Remote Working) was undertaken at the Force as part of the approved Internal Audit Plan for 2022/23. The audit focused on the following three key areas: Incidents, Risk Assessments and Flexible Working. Our review noted a number of areas for improvement in the current framework. Strengthening of controls around risk assessments was needed to ensure risks facing the Force and Officers are being adequately captured and mitigated.

[Fleet Management](#)

Our review concluded there was a framework in place for governing Fleet Management. However, a number of areas of weakness were identified which resulted in the agreement of three 'medium' and three 'high' priority management actions. The agreed high priority actions related to Data Accuracy Checks, a Replacement Strategy Reconciliation and Vehicle Location and Data Integrity improvements. This review demonstrates the slow pace of change / improvements following a previous partial assurance opinion in this area. Furthermore, as a result of the weaknesses identified, assurance could not be taken that all Fleet vehicles are recorded, tracked and appropriately monitored.

A '**minimal assurance**' opinion was provided for the following assignment report:

[Property Store](#)

Previously, the Force operated on a three location Property Store model, with one Store in the North (Hanley) and two store locations in the South (Burton and Cannock). The Force is moving to a centralised store model which will involve a single Store located in Watling Street. The relocation, audit and allocation of store property commenced in May 2022 and is due to be completed by the end of the 2023 calendar year.

We identified that there were effective processes in place for the management of the Force Property Store relating to process documents for the updating of the NICHE system, access to safes, access to Temporary Property Stores, out of hours breaches to the Stores, and the process for checking items out to Police Officers and to nominated individuals. However, issues were identified that required immediate management attention.

A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

Topics judged relevant for consideration as part of the annual governance statement

For the final reports issued, we have issued one minimal assurance (negative) and two partial (negative) assurance opinions in 2022/23.

The organisations should therefore consider the minimal and partial assurance opinions given for Property Store, Fleet Management and Health and Safety (H&S) – Employer Responsibilities (Including Remote Working) when completing their annual governance statements, together with any actions already taken and action planned by management to address the actions agreed.

Management should also continue to pay particular attention to the action tracking process in place and ensure that the actions from the negative assurance reviews are tracked (as in previous years), to ensure these weaknesses identified are addressed in a timely manner.

Within the original approved audit plan there was an allocation for Asset Management and Follow Up - Firearms storage and destruction which have both been deferred until the 2023/24 audit plan, due to changes for the responsibilities within those areas and other wider operational model changes.

We have previously completed work in both of these areas (during 2020/21) and agreed a number of management actions to address weaknesses identified. As such, given the delay in the completion of assurance-based work in these areas, there is a risk that progress has not been made as quickly as intended and therefore, Management should consider their risk exposure and whether reference to these areas needs to be included within the AGS for 2022/23.

THE BASIS OF OUR INTERNAL AUDIT OPINION

As well as those headlines previously discussed, the following areas have helped to inform our opinion. A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

Acceptance of internal audit management actions

Management have agreed actions to address all the findings reported by the internal audit service during 2022/23. Two reviews are still in progress.

Implementation of internal audit management actions

Where actions have been agreed by management, these have been monitored by management.

During the year progress has been reported to the ETAP, with the validation of the action status confirmed by our Management Tracking - Follow Up review, concluding in **'good' progress** opinion.

Working with other assurance providers

In forming our opinion we have not placed any direct reliance on other assurance providers

OUR PERFORMANCE

Wider value adding delivery

As part of our client service commitment, during 2022/23, we have issued four emergency services sector briefings within our progress reports presented to the ETAP, detailed below. We will continue to share our briefings with you during 2023/24.

Area of work	How has this added value?
Emergency Services – Sector Update: June 2022	<p>The briefing paper provides a useful source of insight into recent developments and publications affecting the sector and provided further insight into the following areas:</p> <ul style="list-style-type: none">• State of policing;• An inspection of the service provided to victims of crime;• Impact of the pandemic on the Criminal Justice System; and• National Stop and Search learning report.
Emergency Services – Sector Update: September 2022	<p>The briefing paper provides a useful source of insight into recent developments and publications affecting the sector and provided further insight into the following areas:</p> <ul style="list-style-type: none">• The police uplift programme;• Police uplift programme new recruits onboarding survey;• The police response to burglary, robbery and other acquisitive crime; and• How effective is the National Crime Agency at protecting vulnerable people?
Emergency Services – Sector Update: December 2022	<p>The briefing paper provides a useful source of insight into recent developments and publications affecting the sector and provided further insight into the following areas:</p> <ul style="list-style-type: none">• Police dismissals to be reviewed;• Fore management statement template and guidance; and• An inspection of vetting, misconduct, and misogyny in the police service.
Emergency Services – Sector Update: March 2023	<p>The briefing paper provides a useful source of insight into recent developments and publications affecting the sector and provided further insight into the following areas:</p> <ul style="list-style-type: none">• An inspection into how well the police and other agencies use digital forensics in their investigations;• Police requests for third part material;• Review of police dismissal launched;• Policing receives up to £287m funding boost next year;• Safer Streets Fund is building confidence in the police;• Government supports a new public sexual harassment office; and• Police Officer Uplift, quarterly update to December 2022.

Area of work	How has this added value?
Best Practice	<ul style="list-style-type: none"> <li data-bbox="685 209 1413 233">• Shared best practice across the sector through our work.
Sector Experience	We have also made suggestions throughout our audit reports based on our knowledge and experience in the emergency services sector to provide areas for consideration.
Briefings	Issued non-sector specific briefings to all of our clients, including Staffordshire Police and OPFCC.
The NED Network	The role of the Non-Executive Director is crucial. Whilst not typically involved in the day-to-day operations of a firm, they should be influencing policy, culture and accountability. RSM launched The NED network to help non-executive directors stay abreast of key issues, networking with peers and share ideas. Non-executive directors are invited to join free of charge. We have delivered an annual programme of events, along with supporting insights, articles and blogs designed specifically for our NED community.

Conflicts of interest

RSM has provided some advisory services to support the Force IT team with the ongoing implementation of the IT Strategy. This work has been undertaken through a separate letter of engagement, reporting lines and separate engagement partners, with the Head of Internal Audit and IA team having no involvement or oversight in these engagements. Therefore, we do not consider any of these engagements to constitute a conflict of interest and we have actively managed any potential self-review threat ahead of accepting any of these engagements.

RSM has not therefore undertaken any work or activity during 2022/2023 that would lead us to declare any conflict of interest.

Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS).

Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2021 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice, as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA, on which PSIAS is based.

The external review concluded that RSM 'generally conforms*' to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'.

* The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

Quality assurance and continual improvement

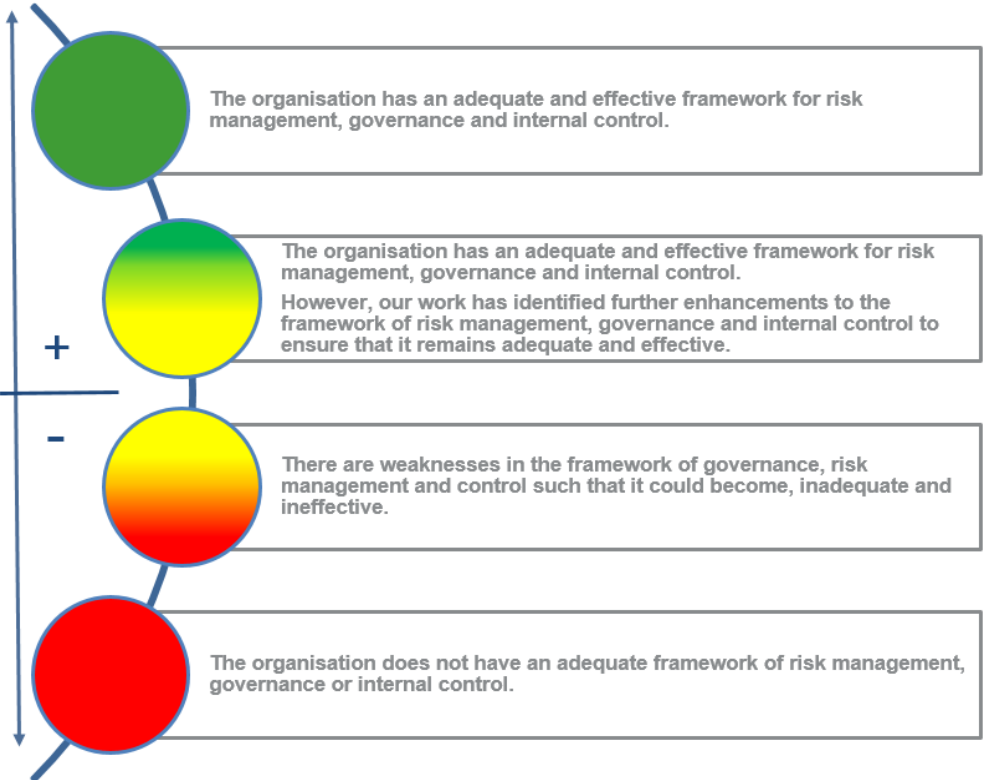
To ensure that RSM remains compliant with the PSIAS framework we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews are used to inform the training needs of our audit teams.

Resulting from the programme in 2022/23, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

In addition to this, any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments is also taken into consideration to continually improve the service we provide and inform any training requirements.

APPENDIX A: ANNUAL OPINIONS

The following shows the full range of opinions available to us within our internal audit methodology to provide you with context regarding your annual internal audit opinion.

Annual opinions	Factors influencing our opinion
 <p>The organisation has an adequate and effective framework for risk management, governance and internal control.</p> <p>The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.</p> <p>There are weaknesses in the framework of governance, risk management and control such that it could become, inadequate and ineffective.</p> <p>The organisation does not have an adequate framework of risk management, governance or internal control.</p>	<p>The factors which are considered when influencing our opinion are:</p> <ul style="list-style-type: none"> • inherent risk in the area being audited; • limitations in the individual audit assignments; • the adequacy and effectiveness of the risk management and / or governance control framework; • the impact of weakness identified; • the level of risk exposure; and • the response to management actions raised and timeliness of actions taken.

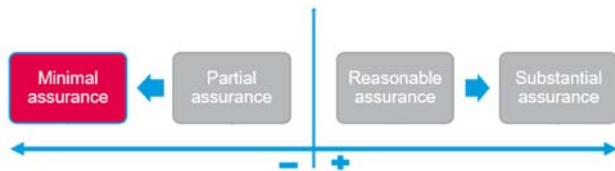
APPENDIX B: SUMMARY OF INTERNAL AUDIT WORK COMPLETED 2022/23

All of the assurance levels and outcomes provided above should be considered in the context of the scope, and the limitation of scope, set out in the individual assignment report.

Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
Framework for Compliance with Legal and Regulatory Requirements: Freedom of Information	John Bloomer, Director of Resources/ Assistant Chief Officer (Force), David Greensmith, Director of Finance (OPFCC)	Substantial Assurance [●]	2	0	0
Corporate Resourcing Unit	John Bloomer, Director of Resources/ Assistant Chief Officer (Force)	Substantial Assurance [●]	0	1	0
Pay Progression Standard – Preparedness Review	John Bloomer, Director of Resources/ Assistant Chief Officer (Force)	Reasonable Assurance [●]	0	1	1
Health and Safety (H&S) – Employer Responsibilities (Including Remote Working)	John Bloomer, Director of Resources/ Assistant Chief Officer (Force)	Partial Assurance [●]	0	2	3
Property Store	John Bloomer, Director of Resources/ Assistant Chief Officer (Force)	Minimal Assurance [●]	2	8	8
Fleet Management	John Bloomer, Director of Resources/ Assistant Chief Officer (Force), David Greensmith, Director of Finance (OPFCC)	Partial Assurance [●]	0	3	3
Management Actions - Follow Up	John Bloomer, Director of Resources/ Assistant Chief Officer (Force), David Greensmith, Director of Finance (OPFCC)	Good Progress [●]	0	0	0
HMICFRS Governance	John Bloomer, Director of Resources/ Assistant Chief Officer (Force), David Greensmith, Director of Finance (OPFCC)	Substantial Assurance [●]	0	0	0
Firearms Licensing	John Bloomer, Director of Resources/ Assistant Chief Officer (Force)	Substantial Assurance [●]	0	0	0

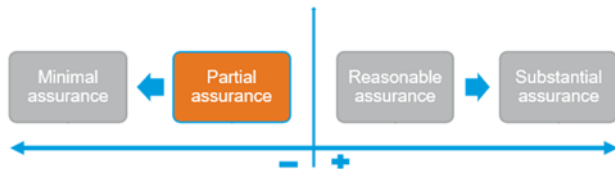
APPENDIX C: OPINION CLASSIFICATION

We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the Police, Fire and Crime Commissioner and Chief Constable can take:



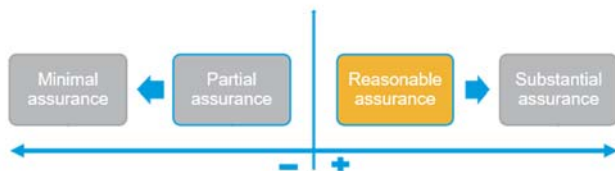
Taking account of the issues identified, the Police, Fire and Crime Commissioner and the Chief Constable can take **minimal assurance** that the controls upon which the organisations relies to manage this risk are suitably designed, consistently applied or effective.

Urgent action is needed to strengthen the control framework to manage the identified risk.



Taking account of the issues identified, the Police, Fire and Crime Commissioner and the Chief Constable can take **partial assurance** that the controls upon which the organisations relies to manage this risk are suitably designed, consistently applied or effective.

Action is needed to strengthen the control framework to manage the identified risk.



Taking account of the issues identified, the Police, Fire and Crime Commissioner and the Chief Constable can take **reasonable assurance** that the controls upon which the organisations relies to manage this risk are suitably designed, consistently applied and effective.

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



Taking account of the issues identified, the Police, Fire and Crime Commissioner and the Chief Constable can take **substantial assurance** that the controls upon which the organisations relies to manage this risk are suitably designed, consistently applied and effective.

YOUR INTERNAL AUDIT TEAM

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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of the **Staffordshire Police, Fire and Crime Commissioner and Chief Constable of Staffordshire**, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

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

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