



STAFFORDSHIRE POLICE, FIRE & CRIME COMMISSIONER

Governance and Risk Management

Internal audit report 1.20/21

Item 9 (iii)

Final

22 October 2020

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1. EXECUTIVE SUMMARY

With the use of secure portals for the transfer of information, and through electronic communication means, remote working has meant that we have been able to complete our audit. It is these exceptional circumstances which mean that 100 per cent of our audit has been conducted remotely.

Background

A review of Governance and Risk Management was undertaken for Staffordshire Police, Fire & Crime Commissioner as part of the approved internal audit periodic plan for 2020/21. The purpose of the review was to review the Commissioners role in the governance structure to allow them to hold the Chief Constables to account in delivery of the Police and Crime Plan. In addition, we have incorporated a high-level review of risk management to ensure that there is oversight and reporting in place.

Specifically, in light of the COVID-19 pandemic, it is important to consider how governance and risk management have been undertaken and maintained during such unprecedented times.

The Staffordshire Commissioner has a number of Boards, Panels and Groups to support the delivery of services with members who are able to make strategic and operational decisions to ensure continuous improvement. These Boards include:

- Ethics, Transparency and Audit Panel (ETAP);
- Performance Assurance Board (PAB);
- Staffordshire Commissioners Office (SCO) Senior Management Meeting;
- Strategic Governance Board Collaboration (SGBC); and
- Strategic Governance Board Police (SGBP).

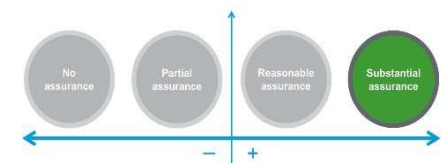
Monthly Senior Review Meetings (SRM) are held between the Staffordshire Commissioner, Chief Executive SCO, Chief Constable and Deputy Chief Constable of Staffordshire Police. This is an integral governance structure to provide for open dialogue at senior level to discuss strategic and operational policing.

Conclusion

There is an appropriate control framework in place for governance and risk management. Our review concluded that key controls were also being applied adequately and effectively. We identified no issues that required us to comment upon or to agree management actions that would require further improvements to be introduced.


Internal audit opinion:

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





Key findings


The key findings from this review are as follows:


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The Office of the Police, Fire and Crime Commissioner (OPFCC) has multiple committees and Boards providing linkage to the Force and to provide a formal mechanism to hold the Chief Constable to account for the delivery of the Police and Crime Plan. All of these forums are interlinked and have clear reporting lines and structures in place to feed into one another for effective decision making and clarity of communication.

A Governance Internal Control Structure for Policing and Fire and Rescue is also in place outlining this reporting and governing within the OPFCC.
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Terms of Reference (TOR) are in place for all key boards within the OPFCC. These clearly outline and define the remit of the Board to deliver their duties effectively. This was confirmed through review of each TOR. We identified some require updating as their review date has passed (the original review date of the documents tied in with the planned election of the Commissioner in May 2020). Clearly, this did not take place and it was agreed by the Board to update the TOR following the election of the Commissioner in May 2021.
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There is no undue overlap of content and duplication of coverage based on the review of TOR that we performed. Board responsibilities are outlined and detailed within the TOR and minutes demonstrate the areas of coverage. On review of reports, minutes and TOR we confirmed that there is no undue overlap of content and this structure and design therefore provides for an effective and efficient process.
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The Strategic Governing Board meetings are a central part of the governance structure with multiple Boards and panels feeding into the meetings to allow the Chief Constable a clear line of sight on all areas and to ensure the OPFCC receive sufficient updates and oversight on key areas. Review of the minutes from this Board confirmed regular attendance by the Commissioner, Deputy Commissioner, Chief Constable and Deputy Chief Constable. This ensures they are receiving regular updates and are fully sighted of the changes and decisions requiring to be made.
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The Police, Fire & Crime Commissioner plays an active role in the governance structure by attending most Boards and this includes chairing certain Boards. On a monthly basis, Senior Review Meetings (SRM) are held between the Commissioner and the Chief Constable which provides the mechanism for the Commissioner to hold the Chief Constable to account. Meetings have taken place for every month in 2020.
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As a result of COVID-19, governance meetings have continued remotely in line with expectation and frequencies where possible, and the key areas of coverage and content have been maintained.



The OPFCC risk register (excel based) is updated on an ongoing basis with it being reported bi-monthly to the SCO Senior Management Meeting as per the TOR. A standardised scoring methodology is used based on likelihood and impact and transferred and clearly reported within the register. The risk scores are then compared to the risk appetite per risk and any assurances, mitigation strategies and further actions are also documented for follow up and action tracking. Throughout the year emphasis on COVID-19 risks and other strategic risks were regularly discussed and review of Board minutes identified risk is routinely referred to when discussing key decisions and topics.



Due to COVID-19 pandemic, additional measures such as the completion of risk assessments and adaptations to the office environment were put in place. Furthermore, discussions within Boards provide focus and governance around COVID-19 and the responses to the changes.

APPENDIX A: 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 Management Actions		
					Low	Medium	High
Governance and Risk Management	0	(8)	0	(8)	0	0	0
Total					0	0	0

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

APPENDIX B: SCOPE

Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to the following risks:

Objective of the area under review

The OPFCC's role in the governance structure allows him to hold the Chief Constable to account for delivery of his Police and Crime Plan.

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

- We will map the structure of boards within the OPFCC, linking to the Force.
- We will consider whether Terms of Reference adequately define boards' remit.
- We will identify whether there is duplication and overlap between boards both within their Terms of Reference and in what business is actually covered by the board.
- We will consider whether there are any gaps in the structure.
- Whether each board feeds into the SGB meetings and to the OPFCC as intended (whether the Chief Constable is sighted on all areas and the OPFCC receives sufficient updates to allow its oversight of key areas included within the Police and Crime Plan).
- We will review the PFCC's role in the governance structure and how he holds the Chief Constable to account for delivery of his Police and Crime Plan. This will involve a review of the relevant PFCC/CC meetings.
- In light of the COVID-19 pandemic, we will consider how governance has been undertaken including whether forums met as frequently as before the pandemic, whether the content of discussions was in line with the Terms of Reference since the end of March 2020 up to the date of the review, quality and timeliness of papers, etc.
- Specifically for Risk Management, we will consider how the OPFCC Risk Register is reviewed, monitored and updated and reported within the governance structure.

Limitations to the scope of the audit assignment:

- Any testing undertaken as part of this audit will be compliance based and sample testing only.
- We will not provide an opinion on whether the structure adopted is the most appropriate or that it will allow it to achieve its objectives.
- Our work does not provide any guarantee against material errors, loss or fraud or provide an absolute assurance that material error, loss or fraud does not exist.
- Due to COVID-19 our work will be completed remotely and solely based on the evidence provided and the communications held remotely.
- The results of our work are reliant on the quality and completeness of the information provided to us.
- Testing will be undertaken on a sample basis only and therefore we will not provide assurance that procedures are followed at all times across the whole organisation.

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	8 October 2020
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Responses received	21 October 2020
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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 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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