

# POLICE AND CRIME COMMISSIONER FOR CAMBRIDGESHIRE AND CAMBRIDGESHIRE CONSTABULARY

## Internal Audit Progress Report

**13 August 2021**

This report is solely for the use of the persons to whom it is addressed.  
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.

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# 1 Introduction

The internal audit plan for 2021/22 was approved by the Joint Audit Committee at the April 2021 meeting. This report provides an update on progress against that plans and summarises the results of our work to date. The Executive Summary and Key Findings of the assignments below in **bold** are attached to this progress report.

We have finalised **two** Cambridgeshire only reports since the last meeting.

## 2 Reports

### 2.1 Progress against the internal audit plan 2021/22 Cambridgeshire only

Assignment	Status / Opinion issued	Actions agreed			Target timing as per plan
		Low	Medium	High	
Estates – Project Management	<b>Final Report Reasonable Assurance</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>Q1</b>
Risk Management (OPCC & Constabulary)	<b>Final Report Reasonable Assurance (Constabulary)</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>Q2</b>
	<b>Substantial Assurance (OPCC)</b>	<b>3</b>	<b>0</b>	<b>0</b>	
Budgetary Control*	Planned 06 August 2021				Q3
Capital Accounting & Fixed Assets	Planned 24 September 2021				Q3

Assignment	Status / Opinion issued	Actions agreed			Target timing as per plan
		Low	Medium	High	
Covert Human Intelligence Source (CHIS) Payments and Covert Accounts	Planned 01 November 2021				Q3
Governance (OPCC)*	Planned 17 November 2021				Q2
Seized/Lost Property and Controlled Drugs	Planned 22 November 2021				Q3
Follow Up	Planned 28 February 2021				Q4

\*Please see appendix A

## 2.2 Progress against the internal audit plan 2021/22 Bedfordshire, Cambridgeshire and Hertfordshire Collaborative

Assignment and Organisation Lead		Status / Opinion issued	Actions agreed			Target start date (As per Audit Plan)
			Low	Medium	High	
Remote Working*	Hertfordshire	In Progress				N/A
ICT – Distribution of Assets	Hertfordshire	In Progress				Q2
Proceeds of Crime	Bedfordshire	Planned 05 September 2021				Q2

Procurement Follow up	Cambridgeshire	Planned 13 September 2021	Q3
Emergency Services Network (ESN)	Hertfordshire	Planned 11 October 2021	Q3
Payroll including overtime	Cambridgeshire	Planned 08 October 2021	Q3
Corporate Review – BCH Governance *	Cambridgeshire	Planned 01 November 2021	Q1/2
ICT Risk Assessment	Hertfordshire	TBC	Q3

\* Please see appendix A

## Appendix A – Other matters

### Changes to the 2021/22 audit plan

Since the last Committee, we have agreed the following change to the audit plan.

Note	Auditable area	Reason for change
1	Corporate Review – BCH Governance	Planned start date moved from Q1/2 to Q3 due to PCC elections
2	Budget Control	Brought forward at the request of Management as the key finance staff will be starting to focus in on the MTFP and budget setting in Nov / Dec
3	Governance (OPCC)	Pushed back at the request of Management to enable the new PCC time to review the current framework.

We have reported the following changes to the JAC previously:

Note	Auditable area	Reason for change
1	BCH - Remote Working	We have now agreed the scope and questionnaire for this additional review on remote working. Due to the timing of the work to be completed, we will include this in the audit plan for 2021/22.

### Annual Opinion 2021/22

The JAC should note that the assurances given in our audit assignments are included within our Annual Assurance report. In particular the JAC should note that any negative assurance opinions will need to be noted in the annual report and may result in a qualified or negative annual opinion. We have not finalised any negative opinions to date.

## Added value work

We have issued the following client briefing since the last Joint Audit Committee:

- Client briefing – managing risk in a changing environment – analysis of police risk registers; and,
- Emergency services news briefing June 2021

## Quality assurance and continual improvement

To ensure that RSM remains compliant with the IIA standards and the financial services recommendations for Internal Audit 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 being used to inform the training needs of our audit teams.

The Quality Assurance Team is made up of; the Head of the Quality Assurance Department (FCA qualified) and an Associate Director (FCCA qualified), with support from other team members across the department.

This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.

## Appendix B – Executive summaries and action plans from finalised reports

## EXECUTIVE SUMMARY – ESTATES PROJECT MANAGEMENT OF THE NEW SOUTHERN POLICE STATION

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 and provide you with the assurances you require. It is these exceptional circumstances which mean that 100 per cent of our audit has been conducted remotely. Based on the information provided by you, we have been able to sample test, or complete full population testing using data analytics tools.

### Why we completed this audit

An audit of Estates – Project Management of the New Southern Police Station was undertaken as part of the 2021/22 Internal Audit Plan. The objective of the review was to assess the controls in place relating to the project management of the new station and whether these are operating effectively.

The Cambridgeshire Southern Police Station (CSPS) project was approved by the Force Executive Board in 2017 to provide a new policing hub for the south of the county on the outskirts of Cambridge, to replace the existing city centre station at Parkside. As part of the project, a police presence will remain within the city centre at a new site.

The CSPS Project Board is accountable for the success of the project and is responsible for providing overall guidance and direction of the project. The Project Board reports on progress into the Business Co-ordination Board and the Force Executive Board.

The Constabulary has appointed design and build contractors, Wates, and construction consultants, Pick Everard. Representatives from both groups are members of the CSPS Project Team, a group that sits below the Project Board.

Planning permission for the new station was approved in March 2021 and construction of the station is expected to commence in December 2021. As part of the review we have undertaken interviews with members of the Project Board to ascertain their views on the progress of the project, as well as the activities of the Board. A summary of the interview results can be found in Appendix A.

### Conclusion

Overall, we consider the Constabulary's control framework in respect of the project management of the station to be well designed, with a robust governance framework in place and financial arrangements which are monitored closely and regularly. Additionally, the development of the City Centre Police Station as a sub project is ongoing, with regular updates provided throughout the Constabulary's governance structure.

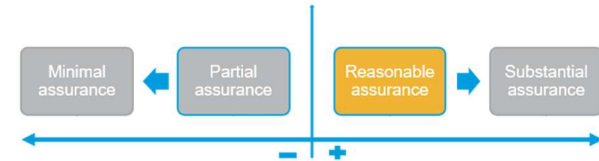
However, we have found areas of weakness including action tracking at both Project Board and Project Team level. We have also found that the Risk Register monitored by the Project Team has weaknesses in its design and the Project Board Terms of Reference has not been reviewed since the Board's inception in 2017.

Overall, we have agreed four medium and one low priority management action, which has formed our opinion below.

**Internal audit opinion:**

Taking account of the issues identified, the OPCC and Constabulary can take reasonable assurance that the controls upon which the organisation 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(s).

**Key findings****We identified the following weaknesses:****Project Team Risk Register**

Through review of the Project Team Risk Register from May 2021, we identified issues with its design, highlighting that while risks had been scored pre-mitigation, the register did not document post mitigation scores. Furthermore, the register had been designed so that mitigations and updates for each risk were documented within the same section resulting in a lack of clarity between mitigations already in place and subsequent updates made to the risks.

We also found that action owners were assigned, but only to the Constabulary or to Wates and not specific individuals, resulting in the potential for uncertainty or disagreement surrounding the responsibility for actions, which could lead to delays. Additionally, we found that some risk descriptions and impacts did not adequately describe the risks that were actually posed and the effects they would have in the event they materialised.

Discussions with the Estates Project Manager highlighted that issues with the Risk Register had been raised with Wates previously as it did not align with the Constabulary's structure and moving forward, they would prefer to have the register more aligned with their own framework.

If risks and their impacts are not adequately described, there is a risk that sufficient controls and mitigating actions are not put in place to prevent risks from materialising. Additionally, if risks are not assigned to specific individuals and updates are not provided on a regular basis, there is a risk that adequate oversight is not being applied to the risks. Collectively, this could result in an increased likelihood of risks materialising. **(Medium)**

**Project Team Action Tracker**

Through review of the action trackers for the previous two interim bi-weekly meetings held on 14 and 25 May, we found that all actions had been assigned an action owner and had been clearly worded, however we noted two occasions where actions had passed their deadlines where no updates or comments had been recorded regarding progress. Additionally, we were informed by the Estates Project Manager that actions set through the formal monthly meetings were not documented within an action log but instead tracked through the minutes.

However, through review of the May minutes, we found that while they noted actions had been reviewed, they did not identify specific updates for all actions, nor had deadlines been set for the completion of the actions.

If actions set at meetings do not have updates provided and are not followed up, or are not tracked through an action tracker, there is a risk that they may not be implemented and that action owners are not held accountable. **(Medium)**



### **Construction Phase Project Management Arrangements**

Through discussions with the Director of Finance and Resources and the Director of Estates, we were informed that whilst conversations had taken place regarding on site project management arrangements when the project had moved into the construction phase, this had not yet been formally agreed.

We were further informed that the Constabulary had procured an on-site team through a professional services contract with Pick Everard to act in the Constabulary's interest in regard to quality and timeliness of the project, however no further on-site governance arrangements were in place.

If an on-site project management structure is not agreed and implemented ahead of the construction phase of the project, there is a risk that the project will not be adequately monitored and managed which could lead to delays or increased costs in the event that issues arise during construction. **(Medium)**

**We noted the following controls to be adequately designed and operating effectively:**



### **Project Methodology**

Through review of the project programme and reports made to the Project Board and Business Co-ordination Board, we found that the project was being managed through the Royal Institute of British Architects (RIBA) Plan and work methodology. The RIBA design and build process follows six stages. Through review of the Project Board minutes for April 2021, we found that RIBA Stage 3 (Developed Design) was planned to be signed off by the end of July 2021, with RIBA Stage 4 (Technical Design) taking place between July and November 2021.



### **Business Co-ordination Board (BCB)**

Through review of the BCB meeting minutes for September 2020 and March 2021, we found that project updates had been provided to the Board by the Director of Finance and Resources and the Director of Estates, with recent focus on the planning application for the station. We found that scrutiny of both papers by members of the BCB had been applied at both meetings and both papers had been noted by the Board.

Through review of the BCB meeting minutes for February and April 2021 we also confirmed that verbal updates were provided to the Board regarding progress of the project.



### **Resources Group**

Through review of the Resources Group meetings held in February, March and April 2021, we found that financial updates surrounding the project had been provided at each, including details regarding the contract costs and potential dates for it being signed and the financial implications that delays could cause, along with updates to the BCB regarding the planning application and awarding of consultancy services through an NHS framework resulting in a £100k cost saving.



### **Force Executive Board**

Through review of the Force Executive Board meeting minutes for February, March and April 2021, we found that updates regarding the project had been provided at each via the Director of Estates.

We found that the updates focused on the status of the planning application and forecast cost of the project overall, with on-site work planned to commence in December 2021, if the planning application was approved. Updates were also provided on the potential site for the new city centre police station.



### **Project Team**

Through review of the Terms of Reference (ToR) and accompanying Communication Plan, we found that membership, meeting frequency and responsibilities of the group had been documented. Project Team meetings resumed in April 2021, following the successful planning application and through review of meeting minutes for April and May 2021, we found the group was meeting its responsibilities with planning of stage three of the project, updates provided regarding the budget and risks of the project being managed. We further found that technical aspects of the project were being overseen including design of the station.



### **Delegated Authorities**

Through review of the update paper presented to the Business Co-ordination Board in March 2021, we found that it contained requested delegation to the Section 151 Officer (Chief Finance Officer) for the award of a Pre-Construction Services Delivery Agreement (PCSDA) to the construction company for design fees, for the awarding of consultancy services and to amend or exercise the option to purchase the land.

Through review of the minutes, we found that the paper had been noted by the Board and confirmed the decision notice that had been signed by the Acting Cambridgeshire PCC and found that the three delegations to the Section 151 Officer had been approved. This included for the Project Team to progress through the next stages of design and development following Secretary of State approval.



### **Project Programme**

We confirmed that a project programme was in place and through review we found that it detailed each stage of the project along with sub-stages of each project. We found that for each stage, the expected duration in days had been documented, along with planned start and finish dates. The programme also identified where stages required the completion of previous stages in order for them to commence.



### **Financial Monitoring Reports**

Through review of the Project Board meeting minutes for January, February and April 2021, we found that Financial Monitoring reports had been presented and discussed by the Board on each occasion. Through review of the reports we found that spend to date against the yearly budgets along with any variances had been reported, along with the project cost breakdown. Commentary had also been provided within each of the reports where variances had been noted.

We found scrutiny had been applied by Board members where significant variances had been noted and where differences in costs to reports from the consultants had been identified. We found that the project was within budget and no issues regarding overspend had been noted.

### **Highlight Reports**



Through review of the Project Board meeting minutes for January, February and April 2021, we found that highlight and progress reports produced by the contractor and consultant had been presented and discussed by the Board on each occasion. We found that no issues had been identified with regards to progress of the project and the project was due to enter RIBA stage 4 in the second half of 2021.

We also found that ICT Highlight Reports had also been reviewed at the last three Project Board meetings. Through review of the reports, we found that they documented planned work achieved and not achieved in the period, any issues and risks associated with the project and budget updates.



### **Project Board Risk Register (PBRR)**

Through review of the January, February and April 2021 Project Board meeting minutes, we confirmed that the Risk Register was a standing item on the agenda and had been reviewed at each meeting. Through review of the February 2021 PBRR, we found that all risk owners, risk causes and effects, risk scores, countermeasures and mitigations and regular updates were in place and had been documented regularly.

We found that the Strategic and Corporate Risk Registers did not include any specific risks associated with the project. Through discussions with the Risk Controller, we were informed that if risks were deemed severe enough by the Project Board they would be escalated to the Corporate Risk Register where they would be reviewed by the Risk Review Board, however no current risks associated with the project warranted this. We confirmed this through review of the April 2021 Project Board Risk Register which documented no high-level risks.



### Sub-Project Development

Through review of BCB papers in September 2020, we confirmed that a public consultation regarding the proposals for the new station, along with a new city centre site, had taken place in July 2020, with further press releases also made and a website set up to provide stakeholders with information regarding the consultation.

Through review of the BCB papers for March 2021, we found that it detailed discussions with public service partners to identify potential city centre locations with six locations identified and the plans to evaluate them to find the most suitable location. Through discussions with the Director of Estates, we were informed that a report detailing the evaluation was due to go to Project Board in early July 2021.

Through discussions with the Chief Finance Officer and Director of Resources we were informed that a change management process was planned on being developed once the city centre location had been decided on.

In addition, we have identified a further weakness resulting in the agreement of **two low** priority management action which is included in the 'Detailed Findings' section of this report.

## 2. 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.

### Area: Project Team Action Tracker

<b>Control</b>	<p>Below the Project Board sits the Project Team which is responsible for overseeing the technical aspects of the project such as prices of materials and the effects of external factors on the project such as COVID-19 and Brexit.</p> <p>The Team initially had a ToR in place documented within the PID that covered its responsibilities and membership arrangements, however this has been superseded by a Communication Plan that details meeting arrangements, frequency, Chair and method of recording meetings (e.g. minutes). The Team escalates any decisions required to the Project Board.</p> <p>Due to its responsibility for overseeing technical aspects of the project, the Team stood down during the planning application process, however meetings resumed in April 2021 following the successful planning application of the station and meets formally on a monthly basis. It also has interim bi-weekly meetings where action points are tracked and monitored.</p> <p>Representatives from the building and design contractors are members of the Project Team.</p>	<p><b>Assessment:</b></p> <p><b>Design</b> ✓</p> <p><b>Compliance</b> ×</p>
<b>Findings / Implications</b>	<p>Through review of the action trackers for the two interim bi-weekly meetings held on 14 and 25 May, we found that while all actions had been assigned an action owner and had been clearly worded, we found that there were two occasions where actions had passed their deadlines but no updates or comments had been recorded regarding progress of the action.</p> <p>Through review of the April and May 2021 Project Team meeting minutes we found that actions had been assigned to individuals, however we were informed by the Estates Project Manager that actions set through the formal monthly meetings were not documented within an action log but instead tracked through the minutes. We noted through review of the May 2021 minutes that actions from the previous meeting had been reviewed, however as no action tracker was in place we were unable to confirm that updates for all actions had been provided, or that deadlines had been set for completion of the actions.</p> <p>If actions set at meetings do not have updates provided, are not followed up on, or are not tracked through an action tracker there is a risk that they may not be implemented and that action owners are not held accountable.</p>	
<b>Management Action 3</b>	<p>Actions set at the monthly formal Project Team meetings will be tracked through an action tracker, which documents action owners, deadlines and progress updates.</p>	<p><b>Responsible Owner:</b> Colin Luscombe, Director of Estates</p> <p><b>Date:</b> 10 August 2021</p> <p><b>Priority:</b> Medium</p>

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Actions recorded within the bi-weekly meeting action tracker that have exceeded the deadline date will have progress updates documented.

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### Area: Project Team Risk Register

<b>Control</b>	<p>A risk register in place for the Project Team, which is maintained by the design and build contractor Wates.</p> <p>The register details risks by description and impact and each risk is scored using a 5x5 risk matrix based on probability and impact. The register is reviewed at each Project Team meeting and updates are documented within the register accordingly.</p> <p>Risks are assigned a completion date and owner, which is either the Constabulary, Wates or Pick Everard.</p>	<p><b>Assessment:</b></p> <p><b>Design</b> ×</p> <p><b>Compliance</b> N/A</p>	
<b>Findings / Implications</b>	<p>We obtained the Project Team Risk Register dated May 2021 and through review we found that risks had been identified and pre-mitigation risk scores had been given to all risks recorded, however we noted that the register did not include post mitigation risk scores.</p> <p>Additionally, we found that while owners had been assigned for all risks, these were only assigned either the Constabulary or the design and build contractor, Wates and not to specific individuals.</p> <p>We also found that some of the risk descriptions and impacts did not adequately describe the risks that were actually posed and the effects they would have in the event they materialised. Examples of this include risks titled 'Ecological Findings', 'Archaeological Findings', and 'Market Conditions and Political Uncertainty'.</p> <p>Furthermore, we found that while mitigations and actions had been documented for risks, the register had been designed so these were included within the same section resulting in a lack of clarity between mitigations already in place and subsequent updates made to the risks.</p> <p>Through discussions with the Estates Project Manager we were informed that issues with the Risk Register had been raised with Wates as it did not align with the Constabulary's structure and moving forward, they would prefer to have the register more aligned with their own framework.</p> <p>If risks and their impacts are not adequately described there is a risk that sufficient controls are mitigating actions are put in place to prevent risks from materialising. Additionally, if risks are not assigned to specific individuals and updates are not provided on a regular basis, there is a risk that adequate oversight is not being applied to the risks. Collectively, this could result in an increased likelihood of risks materialising.</p>		
<b>Management Action 4</b>	Further discussions with Wates will be held over the status of the Project Team Risk Register in order to align it with the Constabulary's other risk registers.	<p><b>Responsible Owner:</b></p> <p>Colin Luscombe, Director of Estates</p>	<p><b>Date:</b></p> <p>30 September 2021</p> <p><b>Priority:</b></p> <p>Medium</p>

### Area: Construction Phase Project Management Arrangements

<b>Control</b>	<p>Following completion of stage four of the project and a contract price in place for the cost of construction, the project will move to its construction phase.</p> <p>Project management arrangements when in the construction phase have not yet been agreed, however the Project Board is likely to no longer meet on a monthly basis and will focus its attention on budget monitoring, delivery and change management.</p>	<p><b>Assessment:</b></p> <p><b>Design</b> ×</p> <p><b>Compliance</b> N/A</p>
<b>Findings / Implications</b>	<p>Through discussions with the Director of Finance and Resources and the Director of Estates, we were informed that no structure had been agreed regarding on site project management arrangements when the project had moved into the construction phase.</p> <p>We were informed that conversations had taken place between the two Directors regarding the arrangements that needed to be in place, with key focus on how assurances on delivery of the project are achieved in terms of timescales and budget and making sure the right people are in place to enable this. We were informed by the Director of Finance and Resources that Project Board members had been asked to feed back in September 2021 regarding this, with further feedback also expected from the project consultants who have more experience in this area.</p> <p>We were further informed through the discussions that the Constabulary had procured its own team consisting of a Project Manager, Quantity Surveyor Cost Management, Health and Safety Advisor and New Engineering Contract Supervisor that will be on site to act in the Constabulary's interest in regards to quality and timeliness of the project. The team was procured under a professional services contract with consultants Pick Everard.</p> <p>If an on-site project management structure is not agreed and implemented ahead of the construction phase of the project, there is a risk that the project will not be adequately monitored and managed which could lead to delays or increased costs in the event that issues arise during construction.</p>	
<b>Management Action 5</b>	<p>On-site project management arrangements that feed into the overall governance structure of the project will be agreed ahead of the project moving into the construction phase.</p>	<p><b>Responsible Owner:</b> Jon Lee, Chief Finance Officer and Director of Resources</p> <p><b>Date:</b> 26 October 2021</p> <p><b>Priority:</b> Medium</p>

## APPENDIX A: ACTIVITIES OF THE PROJECT BOARD AND PROGRESS OF THE PROJECT INTERVIEW FINDINGS

As part of the review, we undertook a series of interviews with six members of the Project Board to ascertain their views on the activities of the Board and the overall progress of the project.

The interviews consisted of a series of seven statements in the form of questions which we requested the interviewees respond to with one of the following: strongly agree, agree, disagree, strongly disagree, improvement was required or don't know. Additionally, the interviewees provided narrative where they felt it was necessary to justify the answers they had given to certain questions.

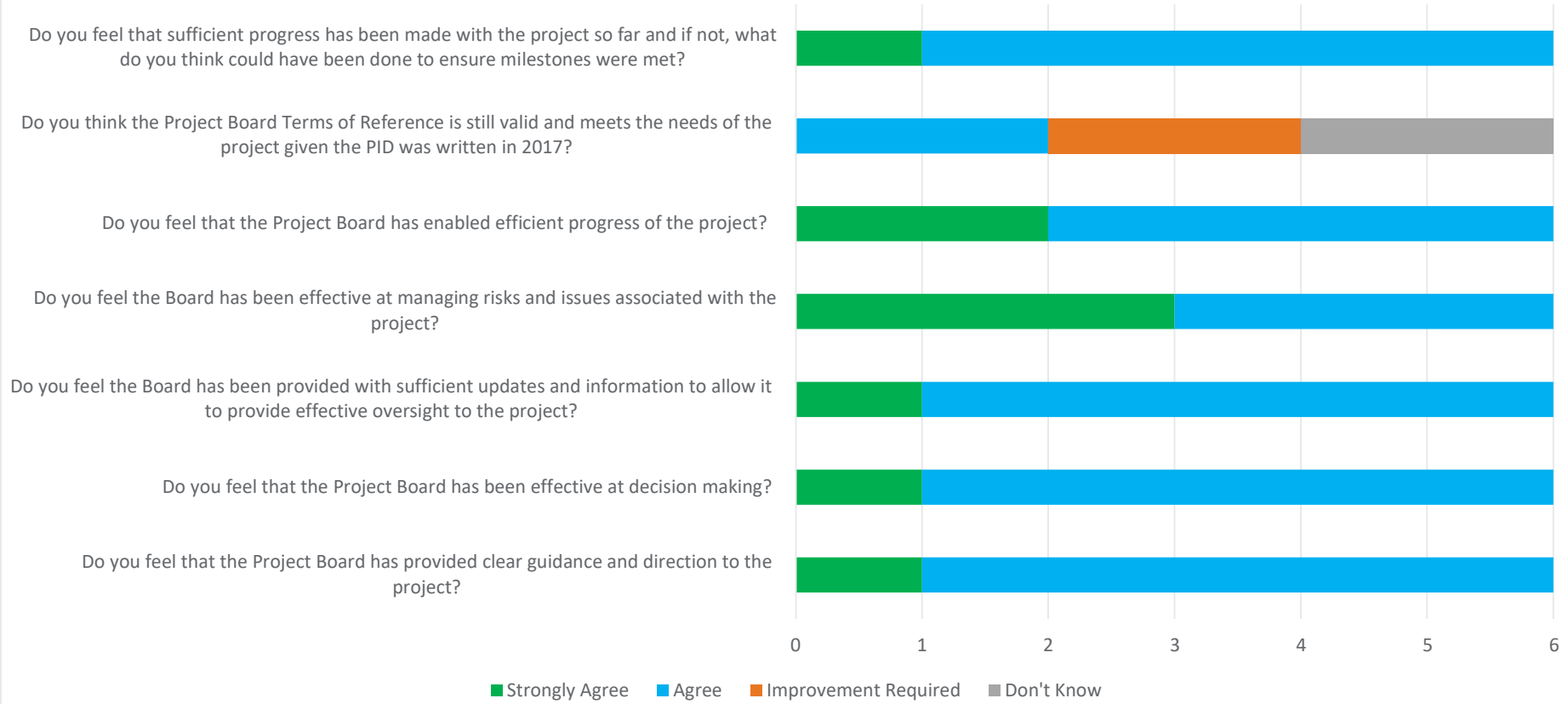
Generally, the responses to each of the questions were positive from all interviewees, with no statements being disagreed or strongly disagreed with, and the majority either agreed or strongly agreed, however two of the interviewees identified an area where they felt improvement was needed.

We have included a summary of key comments based on the additional narrative to the questions provided by interviewees below:

### Key comments from the interviews to consider:

- We noted that interviewees felt that the direction and guidance provided by the Project Board had been clear and well organised and had allowed smooth progress of the project. It was felt that this had also improved within the previous two years of the project.
- With regards to decision making, we noted that interviewees felt the Board had been effective with the Board becoming more decisive and effective since the start of the project due to having greater focus and key milestones in place.
- In respect of updates and information provided to the Board, interviewees felt that these were clear an encompassing of all aspects of the project and enabled any decision making that was required.
- We found that interviewees felt that the Board had been effective at managing risks, with the risk register detailing the risks in place thoroughly and being regularly updated. However, some interviewees felt that risks were sometimes understated, especially in regards to financial risks surrounding the project, and that although no major issues had arisen so far, high profile risks needed to be brought more to light.
- We noted that interviewees felt the Project Board had enabled efficient progress of the project, with significant progress occurring in 2019 and 2020 despite the impact of external factors such as COVID-19. We further noted that interviewees felt that setting out the operational needs for the project aided with this.
- With regards to the Project Board Terms of Reference and whether it met the needs of the project, we noted that interviewees generally felt that this required updating given that the construction phase was due to begin in the second half of the year. We noted that this included becoming more task focused in terms of delivery of the building and consequence management of the transition process from the current station to the new station.
- Finally, we noted that interviewees felt that in moving forward, the Project Board needed to consider the impact the construction and move will have on its own teams and to ensure the right expertise is in place as the project moves into the construction phase to ensure 'business as usual' continues as well as effective project management.

### CSPS Project Board Member Interview Responses



*\*Note: no responses to the above statements were answered either 'strongly disagree' or 'disagree'. As a result, the Constabulary and OPCC can take assurance from these responses regarding the effectiveness of the Project Board.*

# EXECUTIVE SUMMARY – RISK MANAGEMENT

## Why we completed this audit

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 and provide you with the assurances you require. It is these exceptional circumstances which mean that 100 per cent of our audit has been conducted remotely. Based on the information provided by you, we have been able to sample test, or complete full population testing using data analytics tools

A review on Risk Management was undertaken as part of the internal audit plan 2021/22, to allow the Constabulary and the OPCC to take assurance over the effectiveness of risk management processes and to assess whether these have been embedded throughout both organisations.

Both the OPCC and Constabulary have in place a Joint Strategic Risk Register (JSRR) that includes the strategic risks spanning the two organisations linked to the objectives within the Police and Crime Plan. The Constabulary have their own Risk Register held on the 4Risk software system, that is managed by the Constabulary Risk Controller who liaises with individual risk owners to ensure 4Risk is accurately and regularly updated, and subsequently is responsible for reporting on the risks and associated actions.

For the OPCC, the Joint Strategic Risk Register is managed through a word document, with this maintained by the Strategic Accountant in conjunction with Senior Leadership of the OPCC.

There is a well-defined governance structure in place that includes the Risk Review Board (RRB) and the Force Executive Board (FEB), both of which scrutinise the Constabulary risks, and an overarching governance structure to monitor risk at both the Constabulary and the OPCC, which is made up of the Business Co-ordination Board (BCB) and the Joint Audit Committee (JAC).

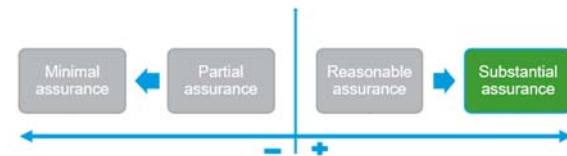
## Conclusion

Our review confirmed that controls were well designed and complied with regarding the risk management process across both organisations, which included the Risk Management Strategy, policy and procedure documents. We noted that there was consistency across the content of Strategic Risk Registers and Departmental Risk Registers, with adequate detail recorded. We also confirmed regular review and monitoring of risks across the Constabulary and OPCC governance structure through to the JAC.

We have agreed one medium and four low priority management actions.

### OPCC Internal Audit Opinion:

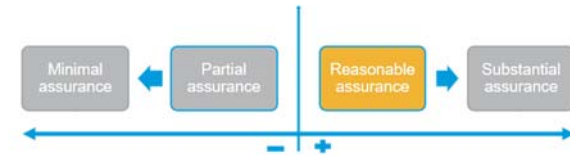
Taking account of the issues identified, the OPCC can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.



### Constabulary Internal Audit Opinion:

Taking account of the issues identified, the Constabulary can take reasonable assurance that the controls upon which the organisation 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(s).



## Key findings

We identified the following weakness resulting in a medium priority management action:

### Risk Assurances

We performed a 'deep dive' of three risks from 4Risk. Whilst we obtained evidence to substantiate that each of the documented controls were in place, we identified inconsistencies around the way assurances were being documented.



Specifically, we noted that the source of assurance were not consistently documented (17 out of 21 control assurances) and that the level of assurance was rarely justified within the comments noted under the assurance (16 out of 21 control assurances). Our review of the RIO Policy identified that there was an absence of clear guidance around how staff should document assurances, potentially explaining the inconsistencies identified above.

Failure to comprehensively document control assurances restricts the Force's ability to dynamically report on the effectiveness of controls in place, meaning changes in risk scores may not arise where control effectiveness changes. There is a risk that this may lead to inappropriate action being taken when risks are not scored as appropriate. **(Medium)**

We noted the following controls to be adequately designed and operating effectively:

### OPCC



### Risk Management Strategy

We obtained a copy of the OPCC Risk Management Strategy, dated March 2021 and through review, we confirmed this clearly documented the risk management process to be adopted as well as the relationship between the Constabulary and the OPCC in managing risk. As per the strategy, the Joint Audit Committee (JAC) is responsible for monitoring the effective development and operation of risk management and making recommendations as appropriate through reviewing the Strategic Risk Register bi-annually.

We also identified that the risk appetite had been clearly documented, noting that the OPCC gives priority to mitigate all 'High' and 'Very High' risks to a lower level as soon as practicable. We noted that there are also some activities of the Commissioner where a higher risk might be acceptable, for example to support innovation. However, a low risk appetite exists where matters of public confidence are concerned.

Our review also identified that the Strategy had been approved by the JAC and the BCB in April 2021 and is available to staff via shared drive.

### **Strategic Risk Register (SRR)**



We noted during review of the SRR presented to the JAC in April 2021, that each of the 15 documented risks included a:

- Unique reference number;
- Risk description, including the risk, cause and effect;
- Controls which describe the activity that mitigates the risk;
- Control assurances in place, with these linked to initial controls;
- Future actions and activity to further mitigate the risk;
- Date the risks were last reviewed and updated (with each of these within the last quarter); and
- Link to objectives within the Police and Crime Plan.

Our review of the register also identified that risks were clearly described by cause and effect, risk scores were based on the 5x5 matrix of both inherent (before controls were in place) and current (after considering controls and assurances) scores, and that there was also a future target score based on the implementation of actions.

The Strategic Accountant (OPCC) advised that the Constabulary Risk Register on 4Risk is used to inform the SRR although risks are not directly taken into the SRR (for example, based on priority), rather they are considered on the basis of how they may impact on the Commissioners priorities, with these link to the Police Reform and Responsibility Act 2011.

### **Business Coordination Board (BCB)**



The Strategic Accountant is responsible for maintaining and updating the Joint Strategic Risk Register on a quarterly basis, before it is reported at the BCB meetings and to the JAC every six months.

From a review of the meetings of the BCB, we confirmed that the Joint Strategic Risk Register was presented in October 2020 and April 2021. Following review of the accompanying minutes and reports, we were able to confirm that they evidenced discussion of red and amber rated risks, as well as consideration over actions taken to mitigate these risks.

## **Constabulary**



### **Policy and Procedures**

The Constabulary has in place the Risk, Issue & Opportunity (RIO) Procedure and Guide (accessible to the Force Risk Controller) and the Force RIO Policy (available to staff via the intranet, following formal approval by the Risk Review Board in January 2021).

Our review of the guidance confirms these set out at the Constabulary's approach and responsibilities for risk management at a strategic level and defines the risk recording structure, the Constabulary risk tolerance level, a high-level overview of the governance structure and the risk scoring methodology.

In addition, through review, we found that the content clearly set out the risk approach and expected processes, including the risk management cycle and that it contained a full user guide on the utilisation of 4Risk. The document fully defined the key responsibilities, the governance structure and reporting lines for risks.



### **Risk Appetite**

Appended to the RIO Policy was a copy of the Constabulary's Risk Appetite Statement, which had been approved as part of the RIO Policy by the Risk Review Board in January 2021. Review of the statement identified that the Constabulary had defined the various levels of appetite, ranging from averse, cautions, moderate, flexible to progressive, with this based on the Authorised Professional Practice's (APP) 10 principles of risk. Further review identified that the Constabulary have mapped these appetite ratings against themes, including operational matters such as armed incidents and drugs, terrorism and road policing, among a number of others.



### **Departmental Risk**

Departmental risks are those which are the departments' principal risks which may not have a widespread impact on the Constabulary as a whole but do have a considerable actual or potential effect on the individual department and are managed through excel template registers. We sampled five registers and confirmed that a consistent format had been utilised for each department, with each risk given:

- A reference number;
- A title giving a description of the risk, the risk owner and date of last review;
- A cause and effect description including how the risk could arise and the consequential impact;
- An initial risk score based on the 5x5 matrix as set out in the procedure;
- A control, describing what activities take place to mitigate the risk;
- Current scores after consideration of the controls; and
- Actions and a review date and risk owner.



### **4Risk**

Risks that are owned by and affect the Constabulary as a whole even although they may be centred in a particular area, are managed through the 4risk system. We obtained and reviewed a report from 4audit extracted in June 2021 and noted for each risk (a total of 32) there was adequate detailed included, similarly to that described within the departmental risk registers above.

Review of the report identified a total of eight risks with a current risk rating of 18 (medium-high) and above.



### **Risk Review Board (RRB)**

We reviewed the RRB meeting minutes from March, April and May 2021. From the minutes, we noted that at each meeting, there was a review of outstanding actions with updates to the action log and challenge of risk owners. We additionally confirmed that at each meeting monthly reports had been delivered by the Force Risk Controller, highlighting principal risks and issues, including risks that are critical, high or are new as well as a summary report which highlighted outstanding risk and issues.

We noted the reports provided comprehensive information for users, noting any changes in risk scores or other notable changes, with accompanying comments left accordingly. The minutes also demonstrated that each lead updated the Board on current issues and emerging risks including discussion on if or where they should be recorded, with this covered under the 'Thematic Risk/ Issue Updates' agenda item.



### **Force Executive Board (FEB)**

We reviewed the papers for the FEB meetings that took place in February, March and April 2021 and confirmed that they received a Risk Management Update Report at each meeting. From the minutes we noted that the Board scrutinise the contents of these reports, suggesting potential risks or amending risk scores.

We noted that the scrutiny was at a 'high-level' and that was because the progress of mitigating actions and revised risk ratings had already been discussed at the RRB with owners. Therefore, we concluded it was not necessary to provide further detail as it would be a duplication of effort.

## **OPCC and Constabulary**



### **Joint Audit Committee (JAC)**

We reviewed the papers for the JAC meetings that took place in July 2020, October 2020, January 2021 and April 2021 and confirmed that the Committee received a risk register for review at each meeting alternating between the Constabulary Operational Risk Register and the Joint Strategic Risk Register. From the minutes, we noted that the Committee performed adequate review of both reports, they were presented with a verbal summary which included discussion of individual risks to understand the background and the activities taking place to managing them.

**In addition, four 'low' priority management actions have been agreed and can be found below in the detailed findings section of this report.**

## 2. 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.

### 3. Operational Risks

<b>Control</b>	Operational risks are those that are owned by and affect the Constabulary as a whole even although they may be centred in a particular area. These may be considered to be of a strategic nature to the Constabulary.  They are normally managed through controls, assurances and actions and are housed on the 4Risk database either under the Chief Officer Team (COT) heading or departmental headings and are administered by the Force RIO Officer or RIO Coordinators via the risk and action owners.	<b>Assessment:</b>	
		<b>Design</b>	✓
		<b>Compliance</b>	×

<b>Findings / Implications</b>	<p>We performed a 'deep dive' of three risks from 4Risk. Whilst we obtained evidence to substantiate that each of the documented controls were in place and that documented controls were either ongoing or had been updated since the previous update to the register, we identified inconsistencies around the way assurances were being documented.</p> <p>Specifically, we noted that the source of assurance were not consistently documented (17 out of 21 control assurances) and that the level of assurance was rarely justified within the comments noted under the assurance (16 out of 21 control assurances). For example, under risk 410, the assurance reads "<i>Reviews financial implications</i>". This does not describe the source of the assurance (for example, in this instance the assurance source may be revenue monitoring reports provided to the Finance and Resources Management Group), nor does it describe why a substantial assurance rating had been provided (for example, the latest monitoring report returned a positive outcome, indicating that the Constabulary can take substantial assurance around the controls in place).</p> <p>Our review of the RIO Policy identified that there was an absence of clear guidance around how staff should document assurances, potentially explaining the inconsistencies identified above.</p> <p>Failure to comprehensively document control assurances restricts the Force's ability to dynamically report on the effectiveness of controls in place, meaning changes in risk scores may not arise where control effectiveness changes. There is a risk that this may lead to inappropriate action being taken when risks are not scored as appropriate.</p>
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<b>Management Action 4</b>	<p>Guidance will be issued to risk owners covering the expectations when documenting assurances.</p> <p>Following this, assurances noted on the 4risk system will be updated to comprehensively detail:</p> <ul style="list-style-type: none"> <li>• The source of assurance.</li> <li>• Justification for the level of assurance</li> </ul>	<b>Responsible Owner:</b> Constabulary – Les McCracken – Force Risk Controller	<b>Date:</b> 31 December 2021	<b>Priority:</b> Medium
<b>Findings / Implications</b>	<p>We analysed the content of operational risks housed within 4audit for the Constabulary, following receipt of a report dated 10 June 2021. From our analysis, we identified that from a total of 32 risks:</p> <ul style="list-style-type: none"> <li>• All risks were reviewed at most one month prior to the date of the report;</li> <li>• Each risk had a unique risk reference and were assigned to a risk owner;</li> <li>• All actions noted were in date, with review of the status set as 30 June 2021 for each; and,</li> <li>• Each risk had an assigned a title, cause and effect, an initial risk score and at least one control.</li> </ul> <p>We did however identify the following exceptions:</p> <ul style="list-style-type: none"> <li>• One risk (443), did not have a current risk score.</li> <li>• Six risks (410, 419, 423, 430, 433 and 442) where the current and initial risk scores were equal despite having controls in place.</li> </ul> <p>The Force Risk Controller advised that there were a number of reasons for this, including that some controls require time to take effect, some risks are outside the control of the Constabulary and so the controls in place will not reduce the severity; and some risks reduce in severity due to the controls, but new developments have caused the severity to increase again or the inherent score may have been underscored or the current score over scored.</p> <p>If risk scores are not calculated correctly, there is an increased likelihood that these risks will be managed inappropriately.</p>			
<b>Management Action</b>	See action 2 above			

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