



POLICE AND CRIME COMMISSIONER FOR CAMBRIDGESHIRE

Internal Audit Progress Report

5 November 2024

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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.

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KEY MESSAGES

The internal audit plan for 2024/25 was approved by the Joint Audit Committee at the April 2024 meeting. This report provides an update on progress against that plan and summarises the results of our work to date.



Internal Audit Plan 2024/25

Cambridgeshire Only:

Two final audit reports have been issued from the Cambridgeshire Only plan, Governance and Medium-term Financial Plans.

One audit is in progress (Budgetary Control), and the remaining reviews have been scoped, with scopes and timings agreed with management, and resource aligned to deliver.

BCH Plan:

One report has been issued in final, BCH Planning Process and Accounting Support.

One further review is in progress on the Innovation Framework.

The remaining three remaining BCH audits are planned to start later in the year and have been scoped with timing agreed.

Details of the progress made against the internal audit plans are included in Sections 1 and 2 as well as a summary of opinions and actions to date. [\[To discuss and note\]](#)

Client Briefings

We have issued a range of client briefings since the last meeting, these have been shared with members of the Committee and Officers for information.

1. FINAL REPORTS 2024/25

1.1 Summary of progress to date – Cambridgeshire Only

This section summarises the reports that have been finalised since the last meeting in bold.

Assignment	Status / Opinion issued	Actions agreed			Target start date (As per Audit Plan)
		Low	Medium	High	
Governance	Reasonable Assurance	6	1	0	Q1
Medium-term Financial Plans	Substantial Assurance	1	0	0	Q2
Budgetary Control	In progress				Q3
Income and Debtors	Planned December 2024				Q3
Follow Up	Planned March 2025				Q4

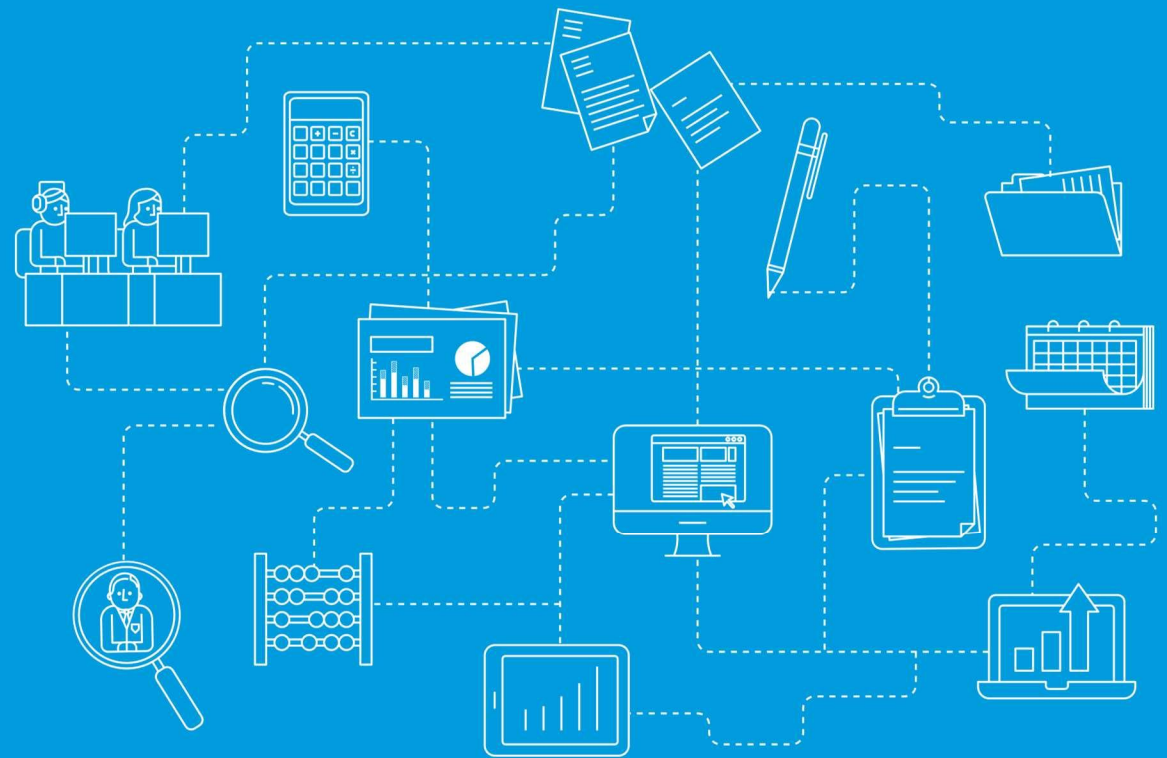
1.2 Summary of progress to date – Bedfordshire, Cambridgeshire and Hertfordshire Collaborative

This section summarises the reports that have been finalised since the last meeting in bold.

Assignment and Organisational Lead		Status / Opinion issued	Actions agreed			Target start date (As per Audit Plan)
			Low	Medium	High	
BCH Planning Process and Accounting Support	Cambridgeshire	Planning Process: Partial Assurance Accounting Support: Substantial Assurance	1	2	1	Q1
Innovation Framework	Hertfordshire	In progress				Q4
Payroll and Expenses	Cambridgeshire	Planned November 2024				Q3
Corporate Review – Value for Money	Bedfordshire	Planned January 2025				Q4
Learning Needs Analysis and Accreditation	Cambridgeshire	Planned February 2025				Q4

Appendices

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APPENDIX A: OTHER MATTERS

Detailed below are the requested changes to the audit plan in 2024/25:

There have been no changes to the 2024/25 internal audit plan.

Head of Internal Audit opinions 2024/25

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 opinions. We have issued one negative opinion to date in relation to a BCH review which will impact but will not in isolation qualify the opinions.

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.

Added value work

We have issued the following client briefings since the last Joint Audit Committee.

- Emergency Services News Briefing (August 2024)
- Emergency Services – Benchmarking of Internal Audit Findings 2023/24
- Global Internal Audit Standards – Assessing Readiness
- RSM Risk Radar
- RSM Board Cyber Awareness Training Info Sheet
- RSM Cyber Incident Response Exercise Info Sheet

Post assignment surveys

We are committed to delivering an excellent client experience every time we work with you. Your feedback helps us to improve the quality of the service we deliver to you. Following the completion of each product, we include a link to a brief survey in each report we issue. We are committed to delivering an excellent client experience every time we work with you. Your feedback helps us to improve the quality of the service we deliver to you. Currently, following the completion of each product we deliver we attached a brief survey for the client lead to complete. We would like to give you the opportunity to consider how frequently you receive these feedback requests; and whether the current format works. Options available are:

- After each review (current option).
- Monthly / quarterly / annual feedback request.
- Executive lead only, or executive lead and key team members.

FOR FURTHER INFORMATION CONTACT



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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 Police and Crime Commissioner for Cambridgeshire, 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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AUDIT OUTCOME OVERVIEW – GOVERNANCE – CONSTABULARY AND OPCC



Conclusion: Constabulary

We concluded that there was a clear governance framework documented, that was largely operating effectively for both the OPCC and the Constabulary, in line with the Corporate Framework. We found that the majority of Boards and Groups for both organisations were operating as designed, through review of their meeting minutes, and as documented within their Terms of Reference. However, we discovered that the terms of references for a few groups were outdated, and in one instance, the Strategic Force Performance Management Board meetings were not consistently conducted or properly documented with formal minutes.

OPCC

The review of the OPCC Governance structure confirmed that groups and committees were functioning as intended, with essential leadership team members participating in various committees to ensure necessary oversight. However, issues were identified concerning the approval of the governance scheme and the publication of the updated gifts and hospitality registers.

Internal audit opinion:

			
Minimal Assurance	Partial Assurance	Reasonable Assurance	Substantial Assurance

Taking account of the issues identified, the OPCC and Force 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).

Audit themes:

- **Poor record keeping (OPCC):**
Through a review of the OPCC's policy and procedures that the Scheme of Governance had not documented the routine review and approval, meaning that the Policy may not reflective current practice. Furthermore, we identified an issue in record keeping where the gifts and hospitality register had not been updated on the website since June 2023. **(various Low priority actions)**
- **Governance weakness (Constabulary):**
We found that the Chief Officer Team Meeting did not have formal terms of reference in place. Further, Strategic Force Performance Management Board, Force Operations Board, and Force Performance Board had outdated terms of reference. **(various Low priority actions)**

In addition, the Strategic Force Performance Management Board was not consistently minuted to evidence the discussions and outcomes of the meeting. **(Medium)**

Well designed and complied with controls:

- **Governance Documents (OPCC):**

The Police and Crime Plan, along with the Medium-Term Financial Plan, were reviewed by relevant committees and groups within the OPCC and the Constabulary. Both documents had been presented to the Police and Crime Panel confirming that they had the appropriate oversight.
- **Team Structure and Website (OPCC):**

To promote openness and transparency, the OPCC's website lists team members along with a description of their roles and responsibilities, this includes key leadership roles. The website also has the decision-making policy made available to the public as well as decisions made by the Police and Crime Commissioner formally published.
- **Committees and Groups (OPCC):**

The main governance committees managed by the OPCC, all had terms of reference which were routinely reviewed and through review of its activities confirmed they were operating as designed.
- **Governance Documents (Constabulary):**

Key strategic governance documents, including the Corporate Governance Framework and Corporate Plan, were in place to support the Constabulary. We confirmed these documents were routinely reviewed by the appropriate governance committees. We noted recurring themes within the Corporate Plan and Corporate Governance Framework that align with and support the objectives of the Police and Crime Plan.
- **Terms of References (Constabulary):**

With the exception of a few outdated terms of references, we found that in the majority of cases the committees and groups had an in-date terms of reference covered the frequency of the meetings, membership, purpose and responsibilities.
- **Compliance with the Terms of Reference (Constabulary):**

Through review of committee minutes and papers across the constabulary, excluding the Strategic Force Performance Management Board, we confirmed that the groups acted and reviewed relevant documentation in accordance with the Terms of Reference and as described within the Corporate Framework. Furthermore, where applicable, actions and decisions were clearly logged and tracked.

SUMMARY OF MANAGEMENT ACTIONS

The action priorities are defined as*:

<p>High</p> <p>Immediate management attention is necessary.</p>	<p>Medium</p> <p>Timely management attention is necessary.</p>	<p>Low</p> <p>There is scope for enhancing control or improving efficiency.</p>
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Ref	Action	Priority	Responsible Owner	Date
5	We will complete the review of the Strategic Force Performance Management Board to ensure the areas within its responsibility receive adequate review and scrutiny. Subject to the result we will ensure an up-to-date terms of reference and meeting notes are filed for later formally writing up in the form of minutes.	Medium	Head of OIC Supt James Sutherland	31 March 2025

AUDIT OUTCOME OVERVIEW - MEDIUM TERM FINANCIAL STRATEGY (MTFS)

Background and reason for the audit:

We have undertaken a review of the process for establishing the Medium Term Financial Strategy (MTFS) for the Police and Crime Commissioner for Cambridgeshire and Cambridgeshire Constabulary as part of our Internal Audit Plan for 2024/25. The purpose of the review was to assess the effectiveness of the planning framework to develop medium-term financial plans.

The MTFS has been developed to set out the strategic planning priorities, demand and resource forecasts and likely impact of changes in the wider service delivery environment to produce a costed plan defining the work that needs to be undertaken to achieve long-term financial sustainability whilst delivering policing outcomes.

With support from the wider organisation, the Chief Finance Office and Director of Resources have developed a Medium Term Financial Strategy (MTFS) which runs from 2024/25 to 2027/28 (financial year). The MTFS was presented to the Police and Crime Panel in January 2024 as part of the Commissioner's precept proposal and was formally approved by the Business Coordination Board (BCB) in February 2024.

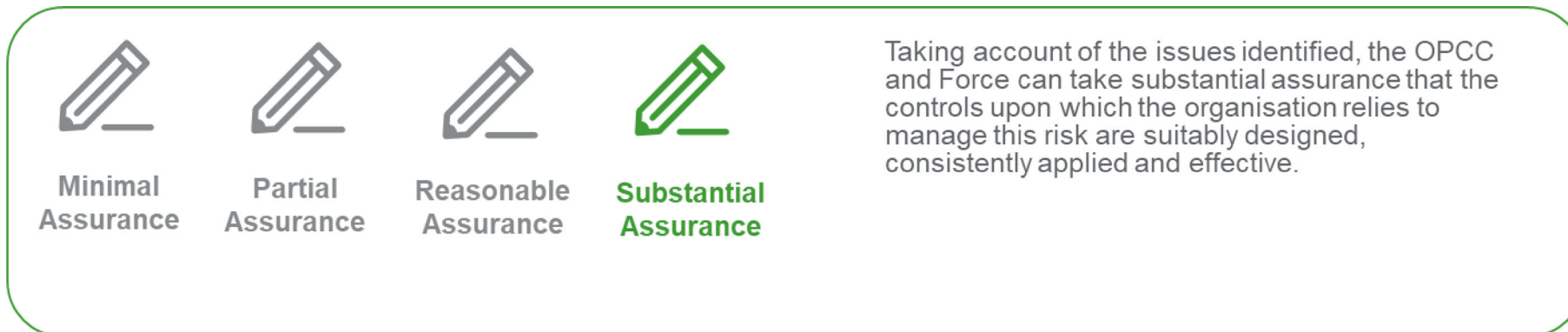
The overall underspend on the revenue budget at the end of March 2024 was £2,389k due to reasons such as unfilled roles and corporate budgets. The Constabulary has a balanced budget for 2024/25 with a net budget requirement of £188.7m, with YTD figures unavailable at the time of the audit

Conclusion:

Comprehensive Financial Regulations are in place which highlight the roles and responsibilities for financial planning activities, with periodic review evidenced. The methodology used to measure demand against available resources was consistent between the FMS (Force Management Statement) and the Risk Management Strategy and the planning process has effectively supported the business and financial planning cycle, as highlighted in the Corporate Framework. The financial planning process for both income and expenditure items is based on sound principles and has been subject to scenario planning and sensitivity analysis. We also found that the rationale for assumptions used in the MTFS were clearly documented and risks relating to the MTFS had also been captured and suitably monitored with mitigations put in place. Additionally, financial assessments identified gaps and resource bids which were effectively integrated into the budget setting process and were raised at the Challenge Panels alongside transformation projects and savings.

The Organisational Improvement Centre were coordinating and supporting the planning cycle with clearly defined roles, responsibilities and governance structures. Action plans developed from the CamSTRA (Strategic Threat and Risk Assessment) planning process were diligently managed, with responsibilities clearly assigned for the completion and monitoring of actions. These action plans were linked to change and efficiency projects aimed at addressing budget gaps.

Internal audit opinion:



Minimal Assurance Partial Assurance Reasonable Assurance **Substantial Assurance**

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

Audit themes:

Guidance

The Combined Financial Regulations made reference to financial planning and the MTFS. Expectations were listed and responsibilities of the Commissioner and Chief Constable were detailed. A budget timetable for the 2024/25 requirements was in place, setting out deadlines from September 2023 through to February 2024 and included things such as updating the MTFS with known pressures and savings and completion of the savings plan and growth requirements.

Measure of Demand

Review of the Strategic Demand Assessment (SDA) included within the Force Management Statement (FMS), noted that 'heat maps' were used to chart operational and support function area's (Constabulary wide) demand risk and this was plotted against trend and asset shortfall. A rating and future management plan assessment was given to each area for those deemed a critical, severe and substantial demand risk. We deemed the SDA had been undertaken in line with the documented risk management methodology.

Sensitivity Analysis

Assumptions against expenditure identified that the basis of financial planning for expenditure in 2024/25 was significantly influenced by pay-related costs, including salary increments and pension contributions, alongside specific non-pay inflation and technical adjustments, leading to a total budget growth of £14.8m (before savings). The MTFS for 2024/25 included a contingency budget to mitigate risks associated with uncertain future cost pressures.

Based off the assumptions, scenario planning and sensitivity analysis was carried out with results detailed within the MTFS and was based on the key assumptions of pay award, energy inflation and general inflation costs. Mitigating actions were identified. We deemed these assumptions to be based on sound principles.

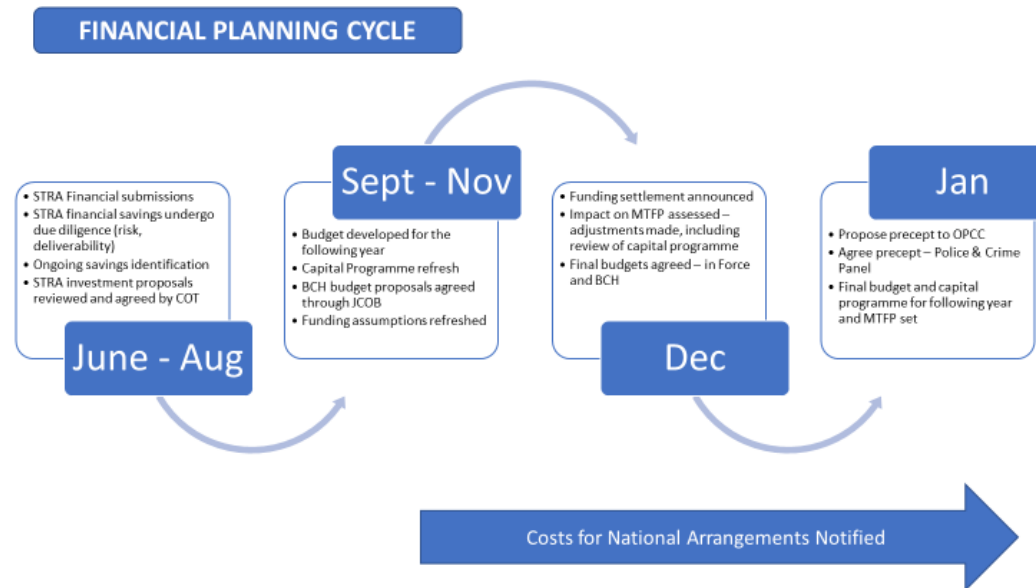
Challenge Panels

Review of the documentation of the Challenge Panels, which occurred across two days, confirmed financial outlook, transformation, demand, improving processes, bids, wellbeing and savings were all topics for conversation. Bids for additional resources were put forward based on the work on budgets completed by each Budget Area and a list of bids was compiled.

Through discussion with the Head of Organisational Improvement we were advised that a debrief and clarity session are to follow the Challenge Panels whereby areas of work, quick wins, priority projects and wider action plans are all put forward.

Planning Cycle

Review of the Corporate Framework confirmed that it detailed the planning process, specifically with regards to the CamSTRA and the financial and business planning cycles. Review of a graphical representation of the financial planning cycle noted it included key dates from June through to January and detailed the requirements for each month. We noted that the financial planning cycle culminates in the following year's budget and MTFS.



Organisational Improvement Centre

Review of job descriptions confirmed the Governance and Inspection Team and the Change and Research Team coordinate and support the planning cycle, specifically through enabling innovative business change through change projects and to map, mitigate and plan business areas for the CamSTRA and MTFS.

Governance

Meeting minutes between January and March 2024 noted the Business Assurance Meeting (BAM), Force Executive Board (FEB) and the Resource Group and Business Coordination Board (BCB) received oversight and reports on the business and financial planning cycle for the CamSTRA and MTFS.

Action Plans

The savings tracker included the savings plan for 2024/25 and 2025/26 onwards. Various proposals were listed and review confirmed that all were assigned a delivery status (RAG rated), owner, category (including areas such as technical, operational and estates), governance route, staffing impact and progress comments were listed against each.

Against each proposal a revenue savings target, actual delivery and variance figure had been listed. Overall for 2024/25 and at the time of our review in July 2024, a target savings of £4.3m had been identified, with an actual delivery of £2.5m and a variance of £1.8m. Where it was identified that actual delivery was not meeting the revenue savings target, comments were put against each proposal with explanations as to why this was the case and actions that were to be carried out to reduce these gaps.

Review of the monthly FEB meeting minutes for January, February and March 2024 confirmed the Budget Monitoring Report was being consistently presented and discussed.

Financial Assessment

We selected five budget areas and reviewed the 2024/25 non-pay/income and pay returns and confirmed all were put forward/agreed by the budget holder. In two instances bids for growth had been requested and savings had been identified, and in a further instance a bid for growth had been requested. A detailed finalised budget was issued back to the budget holder with a letter attached from the Chief Finance Officer and Director of Resources which confirmed the budget had been reviewed and approved.

A budget assistance reserve had been built to provide resilience for policing to respond to unforeseen situations and to smooth the impact of funding gaps as needed. No reserves are planned to be used in 2024/25. Total usable reserves for 2024/25 was £21m.

Risks and Mitigations

Throughout the business and financial planning process various risks and mitigations were considered through the following:

- Force Management Statement
- Risk Review Board
- MTFS

EXECUTIVE SUMMARY - COLLABORATION - BCH PLANNING PROCESS AND ACCOUNTING SUPPORT

Why we completed this audit

We have undertaken an audit of the collaborated planning process and revisions to the governance structure (this was a 2023/24 BCH Internal Audit). We have also reviewed the accounting support services to collaborated units which is part of the agreed 2024/25 Internal Audit Plan bringing them together in a single report, we have also given separate opinions on each of these areas. The report has been issued as a 2024/25 report.

The purpose of this review was to follow up a previous advisory review of the planning process picking up on changes to the governance structure and the move away from a collaborated finance function. These support functions were moved to the responsibility for each force covering the collaborated units for which they each lead.

The collaborated planning process has been under development for three years, with improvements made through the lessons learnt from each planning cycle. Changes to the last planning cycle included the creation of the Joint Strategic Transformation (JST) team to manage the process and facilitate activity across units.

As part of this review we interviewed Heads of Collaborated Departments and units within Organisational and Operational Support and Joint Protective Services to discuss their experience of the planning process and the accounting service received. We also met with each of the Finance Departments and our prime source of information on the last planning cycle was JST.

The views expressed for the new financial support arrangements were all positive, however there was criticism of engagement during the planning process which we have discussed within the key findings of this report.

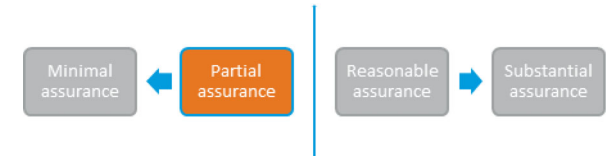
Conclusion

Planning Process

We confirmed that some further progress had been made in the development of a planning process covering the collaborated departments. We noted that the emphasis of the process had moved towards transformational change, with review around demand, resources and service requirements with the aim of efficient delivery of services, these reviews would be reflected in revised delivery plans and budgets for individual collaborated units and build into medium term plans for collaboration as a whole. However, on review of the spreadsheets used by JST for the analysis of data collected from Heads of Units, we were unable to determine what analysis had been completed, this resulted in a high priority action. Two further medium priority action were also agreed due to the lack of documenting outputs from the challenge panels and the relationship between JST and each of the finance departments.

Internal audit opinion:

Taking account of the issues identified, the OPCCs and Forces can take partial assurance that the controls upon which the organisations rely on to manage this area are suitably designed, consistently applied or effective. Action is needed to strengthen the control framework to manage the identified area.



Accounting Support

We confirmed in discussions and testing across Organisational Support, Operational Support and Joint Protective Services that there was high satisfaction with the new arrangements for accounting support. We found that budget monitoring reports were being provided to budget managers in a timely manner each month, with meetings held with managers to review these. Finance updates were also being provided to management teams and governance meetings, whilst quarterly outturn reports were being presented and reviewed by JCOB. We have agreed one low priority action.

Internal audit opinion:

Taking account of the issues identified, the OPCCs and forces can take substantial assurance that the controls upon which the organisations rely on to manage this area are suitably designed, consistently applied and effective.



Key findings

We identified the following weaknesses in the planning process leading to one high and two medium priority actions:



Data Analysis

Data covering demand and resources was collated by JST from the toolkits submitted by Collaboration Department and Unit Heads. However, on review of the spreadsheets supplied, the Prioritisation Matrix and revised Priority Matrix there was little data to demonstrate any analysis of data had been completed to support why specific departments had been selected for deep dive reviews or the base data to support those reviews. There is a risk that deep dive reviews will not achieve benefits if there is an absence of clear supporting data and rationale at the initiation stage. **(High)**



Challenge Panel

A Challenge Panel was established to review the completed 'toolkits'. Once Heads of Department had completed their returns a process was followed to challenge particularly around changes that required additional spend and where efficiencies had been identified, how achievable they were likely to be. However there was nothing stating if there will be a record or outputs, and therefore as a result there is a risk that panel decisions will not be reflected within final plans. **(Medium)**



Joint Strategic & Transformation team

We confirmed in discussion with the Assistant Chief Officer – BCH Collaborated Criminal Justice, Custody, Joint Strategy & Transformation and the Head of BCH Joint Strategy and Transformation that JST were not involved in any of the accounting activities as part of the planning process, nor any of the business as usual activities.

We also confirmed in discussion with the Heads of Finance and Management Accountants within the three finance departments that there was no contact with JST during the planning process other than receipt of the savings targets to be worked into budgets for 2024/25. As far as 'business-as-usual reporting', this is directly between the finance departments and JCOB.

There is a risk that as the role of JST includes business change and value for money, this may not be fully considered and challenged without expertise and input from the finance departments. **(Medium)**

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

Planning Process



Business Planning Objectives

We noted from our previous reviews that there had been an objective to build a process that would achieve a medium term financial and delivery plan covering a three year period. However we noted from the terms of reference document setting out the purpose of the 2023/24 planning cycle and in discussion with the JST team, the objectives had now been built around transformational change. This considered reviews around demand and resources service requirements with the aim of delivering services as efficiently as possible, these reviews would be reflected in revised delivery plans and budgets for individual collaborated units and build into medium term plans for collaboration as a whole.



Business Planning Cycle

We confirmed that the Delivery Management Office (DMO now renamed the JST team) issued a business planning cycle document in April 2023 for 2023/24. From our review we noted that it included a road map with timescales for the completion of each phase of the cycle commencing May 2023.

An improved planning cycle document was issued for 2024/25 which more clearly recorded the roles and responsibilities for the Heads of Collaborated Units, the JST team and Deputy Chief Constables with the timing of activities including key meetings and deadlines.



Strategic Alliance Summit (SAS)

From our review of the terms of reference dated January 2024 we confirmed that the SAS was established under section 23D of the Police Act 1996 Police and Crime Commissioners (policing bodies) must establish arrangements for holding their Chief Constable to account for a collaboration that includes the involvement of other Commissioners whose forces are party to the agreement. We noted that the document clearly set out the meetings' role and responsibilities which included in respect of the planning processes, Annual Budget Setting (Revenue and Capital) and Financial Monitoring and Joint Medium Term Financial Planning for collaborated units.

We reviewed the meetings that took place in January and June 2023 and January 2024 confirming that activities were consistent with the terms of reference and noted areas covered included:

- Finalisation of budgets.
- Budget setting process.
- Business planning cycle
- Planning outcomes.
- Deep five reviews.



Joint Chief Officers Board (JCOB)

From our review of the terms of reference dated January 2024, we noted that it describes the background of the Board in respect of its place in the collaborated governance arrangements, the Board's role and responsibilities, administration and meeting frequency. It also included meeting frequency, membership, decision making and quoracy. We also confirmed its responsibilities included the management of collaborated budget setting and sign-off of the business planning process and medium term financial plan in advance of the SAS. We noted that the JCOB Terms of reference were submitted for review and approval, with changes made to reflect recent changes in the governance structure. We obtained JCOB meeting minutes dated October and November 2023 and January and February 2024 confirmed that the Board was fulfilling its responsibilities particularly in respect to planning financial and operational performance.



Deputy Chief Constable (DCC) Collaboration Board

From our review of the terms of reference we noted that it describes the background of the Board in respect of its place in the collaborated governance arrangements, the Board's role and responsibilities, administration and meeting frequency. It also included membership and quoracy and was dated January 2024. We reviewed the meetings which took place in September and November 2023 and January 2024 confirmed that the Board was fulfilling its responsibilities and included regular review of reports covering the progress of the business planning cycle.



Guidance Issued to Managers

We obtained a copy of the BCH Financial Planning 2024/25 Departmental Briefing, dated November 2023, which had been shared with managers. We noted that this included an overview of the BCH Business Planning cycle, including the completion of the BPC Toolkit and deep dive reviews. A breakdown of the toolkit was detailed, noting that this included identifying baseline service delivery, and looking to determine any proposed savings or opportunities. Guidance for completion of the toolkit was also included in the briefing, which described which each tab should be used for such as for forecasts, proposed savings and required investment.

Managers were also provided with an overview document, which detailed the required actions for the planning process, with actions being assigned responsible owners, and the quarter in which each activity is to be performed. From a review of the 'toolkits' we noted that these were in the same format as those used in the previous year and contained guidance notes on how they should be completed.



Service Catalogues

We confirmed that there was a standard Excel template used across BCH units for the collection data although and build the service catalogues for individual collaborated units. The basic requirement was for Managers to complete two tabs on an Excel spreadsheet:

1. Service sheet that included: mandatory or legislative services, section 22 requirements, staff establishment and costs, opportunities and risk.
2. Costs Sheet that included: budget, income, saving opportunities.

Once completed and returned to the JST they formed the evidence base upon which to review:

- Services being delivered.
- Capacity.
- Outputs.
- Costs.
- Resources.



Performance Dashboard

We confirmed in discussion with the Head of JST that although JST were not owners of performance data, they collected report from Head of Collaborated Units and merged them into a single quarterly report issued to JCOB. We reviewed the last two quarterly reports issued in January and April 2024 and noted:

- For each collaborated unit there was a set of KPI's reported against, with RAG ratings, commentary and graphs.
- There was a record of total establishment against actual and an overall department risk rating.
- The commentary gave a summary of key issues and actions.
- For JST there was information on transformational projects, each with a risk rating based on progress.

We reviewed the minutes of the January 2024 meeting of JCOB and noted that the report was presented by the Assistant Chief Officer – BCH Collaborated Criminal Justice, Custody, Joint Strategy & Transformation in part with contribution from respective leads. Where the meeting agreed further action, these were recorded.



Section 22 Agreements and Delivery Plans

We noted from the business planning process overview issued to Collaboration Heads of Departments in May 2023 that review of section 22s, service level agreements and delivery plans had been scheduled for phase one of the process together with completion of the toolkits in quarter one. We also noted from our review of the BCH Business Planning Cycle 2024-2025 Roadmap a line covering Section 22 agreements with timelines commencing January 2024 and running to April 2024 with responsibilities split between JST and HOD's with presentation to DCC followed by ratification at JCOB. We also noted in the quarter four 2023/24 BCH performance report that in the section covering JST there was an amber rating for the completion of section 22s, delivery plans and service level agreements.

In discussion with the Head of BCH Joint Strategy and Transformation that completion of this process had been rescheduled for the end of June 2024 due to the capacity within Legal Services to complete their review.



Deep Dive Reviews

We confirmed from the minutes of the SAS in January 2023 that deep-dive reviews will establish and clarify the methodology and recommendations to improve; review priorities, annual delivery plans, confirm department objectives and SLAs and review all S.22s against current needs and priorities and build frameworks to enable the understanding of and mitigate against strategic risk. An external provider (Ignite) was engaged to perform the first deep dive reviews as part of the 2023/24 planning cycle.

Ignite were also used to up-skill members of JST to perform future reviews in house. The document explained that based on their review of the data collected through the 'toolkits', across the three collaborated departments they had identified 129 individual opportunities as part of this deep dive review, which were detailed.

We confirmed this information was presented to the SAS meeting in January 2024 and the minutes stated that "The Ignite outline business case proposed a set of recommendations across HR, and PSD that had the potential to release £2.6m of cashable savings". From our review of the outcomes document 'closing the planning cycle' we noted that it stated that further work was being undertaken to develop the Business Planning Process and methodology to inform the 2025/26 budget, but it had been agreed through this previous cycle that it would include deep-dives into a number of areas. We confirmed this was included in the BCH Business Planning Cycle 2024-2025 Roadmap where JST responsibilities were recorded from July 2024 to "Work with Managers to review demand & operating models to identify areas for process improvement & transformation opportunities".



Savings

From a review of the JCOB minutes for December 2023 we confirmed that there was a review by the Chief Finance Officers (CFOs) of department budgets together with Heads of Department (HoDs) and confirm the requirements to build the 2024-25 budgets together with the recommendation within the Ignite outline business case. We also confirmed that together with other actions, HODs were required, once cash limit was received from CFOs, to provide savings and fully list all risks. Following the meeting all HoDs were asked via email from JST to complete a template detailing how they would achieve their savings set targets. These documents were then presented to the DCCs Collaboration Board for review in January 2024. We were informed and confirmed from a copy of the spreadsheet used, that the CFO's worked through savings options across BCH Units to achieve the £3m target.

We reviewed the saving plans completed from each BCH Unit and confirmed they had worked through possible savings, allocating a risk rating of High, Medium or Low based on demand and their impact to service delivery. We reviewed the DCC Collaboration Board minutes for January 2024 and confirmed there was a review of savings targets against what had been identified as low and medium risk by the HODs. We confirmed that at this stage the savings taken forward were those identified as green or amber, which also had an explanation of how they could be met.



Outcomes

We confirmed that in response to the action agreed at the January 2024 meeting of the DCC Collaboration Board, JST returned with an Outcomes Report for the February 2024 meeting. From our review of the section of the report covering savings, we confirmed that the initial savings target agreed to the figures initially notified to HoDs. We selected five initial saving targets and five of the low and medium agreed savings and confirmed they agreed with the saving plans completed by HoDs. We also checked these figures to the budget build spreadsheet and confirmed these were the same figures used by the Heads of Finance.



Budget Templates

We were informed by the CFO (Hertfordshire) that he co-ordinated the budget build process across the three forces based on the information received from JST in the Confirmation of the Outcome of Collaborated Business Planning Process report. This followed a meeting of CFOs and Heads of Finance, and templates were set up for the roll forward of budgets for BCH units. We confirmed that these sheets took the original budget for each and apply a catch up on the pay award and inflation on non-pay budgets at 5%. These sheets were then made available for review by respective lead forces.



Budget Approval

We confirmed by review of the minutes that the closing stages of the budget setting process was discussed at the DCC's Collaboration Board and JCOB in January 2024. This included at the DCC's Collaboration Board a review with HoD's on requirements to meet the £3m savings target followed by an update that same month to JCOB before issuing a final summary budget to the SAS. We confirmed that this was presented to the SAS meeting of 24th January where the PCCs and CCs formally agreed the 2023/24 Collaborative Budget.



Lessons Learnt

We confirmed from our discussion with leads across collaboration that the main issue related to engagement through the planning process, this included undertaking work to supply information without fully understanding why and unexpectedly being asked to find savings late in the process having supplied all the information they had thought required for both operational and financial planning earlier in the cycle. However, we were informed by JST that although not formally recorded and therefore not available for review, JST had conducted feedback sessions with HoDs and this information had been used to make amendments to the BPC documents for 2024/25.

However, in response JST produced two documents for the HoD's, The BCH Business Planning Cycle 2025-2026 Methodology (this describes the business planning process as to drive efficiency and effectiveness gains with outcomes that will support the production of a balanced budget and viable MTFP) and Terms of Reference 2025/26 (this was described as having the purpose of providing the BCH Heads of Collaborated Functions with an overview of the Business Planning Cycle activities that will take place through 2024-25).

Accounting Support



Monthly Reports

Bedfordshire - We reviewed the JPS (Joint Protective Services) monthly reporting to the JPS Governance Board for February, March and April 2024. We noted two reports were being issued to the meetings. A summary report giving the annual budget and forecast for each unit, the apportionment across each force 'above the line' and direct costs, 'below the line' for each force. This report also gave background to variances for each unit in spend and issues impacting on the forecast. The second report gave the same information, but this was broken down by force. We confirmed from a review of the JPS Governance Board meetings for February, March and April 2024 that the budget monitoring report was presented with representation from Finance, current issues, issues on the horizon together with mitigations were discussed

Cambridgeshire - As there is no single governance board covering Organisational Support, monthly reports are issued to each department. We reviewed reporting for month eight and ten to Human Resources and Professional Standards senior leadership team meetings and confirmed that information included actual and forecast against budget

Hertfordshire - As there is no single governance board covering Organisational Support monthly reports are issued to each department as described below under budget manager meetings.



Budget Holder Meetings

We confirmed in discussion across the three finance departments together with evidence in Outlook and emails that meetings are held with budget managers each month. We also confirmed that a standard process is followed for all collaborated departments. A month end report is run at the beginning of each month and sent to the budget holders. A meeting is held to discuss variances, queries changes and forecasts. Budget, actual and forecast are split by the agreed apportionment across the three forces. The report is then re-run and a consolidated version is sent to the Head of Department.

Bedfordshire - We reviewed an example of the reports issued to budget holders in April 2024 and noted this included spend and income by area, by cost centre and a list of all transactions by cost code. The reports also included an explanation of variances added from those discussions.

Cambridgeshire - From a review of a sample budget holder report we noted that the same data was being presented as with JPS and Operational Support with spend against budget and forecast, 'below' and 'above' the line expenditure and a breakdown by force, with notes against variances. We reviewed an example of the reports issued to budget holders and noted on the call they had run through any staff or officer changes, explained any queries on variances, also they look at any queries the budget holder/team manager may have and run through both the pay and non-pay forecast.

Hertfordshire - We confirmed through emails between the Finance Business Partner and budget holders for three departments that reports for discussion are issued each month. Reports include actual to budget, forecasts and apportionment. We also confirmed that across Operational and Organisational Support the same process is followed, that after the meeting with budget holders the report is re-run (post completion of forecast) and a consolidated version is sent to the Head of that Department and then have a meeting.



Cost Centre Codes

In discussion across the forces we were informed that the creation of a new collaborated cost centre was rare. However, if or when a new BCH cost centre is set this number would be the same for all three forces just with a different prefix. We did receive details of a new collaborated cost code set up in March 2024 for Professional Standards and from the workflow history confirmed that it required approval from each force.

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.

Data Analysis				
Control	<p>Collation of demand data from the dashboards and toolkits was completed by JST team.</p> <p>Evidence was collated from toolkits in addition to, HMIC VfM profiles, Force FMS and Risk registers.</p> <p>The output from this analysis was an output report shared with CFOs and DCCs.</p>		Assessment:	
			Design	✓
			Compliance	×
Findings / Implications	<p>We confirmed that the original intention was that data collected through the 'toolkit' or service catalogue in phase one of the planning cycle was to complete an analysis and identification of savings and build proposals for deep dive reviews decided through Stakeholder Decision Workshops.</p> <p>We also confirmed from a 'deep dive' terms of reference, finalised in June 2023, a list of departments across all three portfolios were proposed for these reviews to take place. This same document stated that the service catalogues or 'toolkits' would be used to collect the data supporting these reviews. However we were informed and confirmed from a review of the documents supporting the budget build, that financial data within the toolkits was not used and a separate process was followed in the autumn asking HoDs to identify £3m savings.</p> <p>We were informed that data within the 'toolkits' completed by Collaborated Heads of Department was cut and paste into spreadsheets, and although these did not directly support financial planning their use was to support the deep dives. However, on review of the spreadsheets supplied, the Prioritisation Matrix and revised Priority Matrix there was little data to demonstrate any analysis of data had been completed to support why specific departments had been selected for deep dive reviews or the base data to support those reviews.</p> <p>There is a risk that deep dive reviews will not achieve benefits if there is an absence of a clear supporting data at the initiation stage.</p>			
Management Action 1	JST will document the methodology followed in the analysis of data reported through service catalogue toolkits and retain data in an auditable format.	Responsible Owner: Head of BCH JST	Date: 31 March 2025	Priority: High
Challenge Panels				
Control	<p>A Challenge Panel was established to review the completed 'toolkits'.</p> <p>Once Heads of Department had completed their returns a process was followed to challenge particularly around changes that required additional spend and where efficiencies had been identified how achievable they were.</p>		Assessment:	
			Design	✓
			Compliance	×

Challenge Panels

Findings / Implications A Challenge Panel to review the submissions from each of the Heads of Unit formed part of the business planning process during 2023, and we were informed by the JST that this took place on 7 August 2023 and consisted of CFOs and DCCs. However, there was nothing to describe the remit and purpose of the panel, nor any record of outputs or decisions. We were informed that meetings are not fully minuted as they are recorded on MS Teams, but actions and decisions are captured, and circulated to meeting members and HoCUs as required.

We reviewed the BCH Business Planning Cycle 2024-2025 Roadmap and noted that this set a date for a Panel meeting 12 September and described it has 'a DCC Panel with the responsibility of Heads of Collaborated Units or their Deputy to present Departmental submission identifying areas of savings / growth and associated impacts'. It also stated 'the responsibility of CFO's and DCC's to review submissions from HoCUs, present baseline budget requirements for each BCH Unit and provide direction'.

However, there was nothing in the document stating if there will be a record or outputs as a result there is a risk that panel decisions will not be reflected within final plans.

Management Action 2	A record will be completed of the decisions agreed at the Panel meetings.	Responsible Owner: Head of BCH JST	Date: 31 March 2025	Priority: Medium
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Accounting Support to JST

Control	There is no regular contact between JST and each of the Finance departments.	Assessment:
		Design ×
		Compliance N/A

Findings / Implications We confirmed in discussion with the Assistant Chief Officer – BCH Collaborated Criminal Justice, Custody, Joint Strategy & Transformation and the Head of BCH Joint Strategy and Transformation that JST were no involved in any of the accounting activities as part of the planning process nor any of the business-as-usual activities.

We also confirmed in discussion with the Heads of Finance and Management Accountants within the three finance departments that there was no contact with JST during the planning process other than receipt of the savings targets to be worked into budgets for 2024/25. As far as business as usual reporting this is directly between the finance departments and JCOB.

There is a risk that as the role of JST includes business change and value for money this will not be accurately considered without expertise from the finance departments.

Management Action 4	Additional financial checkpoint meetings are to be scheduled between Heads of Finance, JST and CFOs to ensure quarterly reporting to JCOB is discussed with the right stakeholders and the correct level of detail provided.	Responsible Owner: Head of BCH JST	Date: 30 September 2024	Priority: Medium
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