INTERNAL AUDIT ACTIVITY REPORT

1. PURPOSE OF REPORT

1.1 To inform the Committee of the progress of Internal Audit activity and summarise the key control issues arising for those audits undertaken for the period April 2018 to date.

2. BACKGROUND

2.1 The Committee's Terms of Reference include a requirement to receive progress reports on the activity of Internal Audit. This report is submitted in accordance with this requirement.

2.2 This Activity Report attached at Appendix A also provides the following for members:

- Summaries of key findings;
- Recommendations analysis; and
- A performance update.

3. RECOMMENDATIONS

3.1 The Committee to consider and note the material findings of the attached Internal Audit Activity Report relating to the period March 2018 to date, and the performance of the Internal Audit Service.

CONTACT OFFICER	BACKGROUND DOCUMENTS
Name: Lynn Joyce Title: Head of Internal Audit	None

28th June 2018

INTERNAL AUDIT ACTIVITY REPORT

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Contents

Introduction

1. The role of the Internal Audit Team is to provide members and managers with independent assurance on the effectiveness of controls that are in place to ensure that the Police and Crime Commissioner and Chief Constable's objectives are achieved. The work of the Team should be directed to those areas and risk which will most impact upon the Police and Crime Commissioner and Chief Constable's ability to achieve these objectives.

2. Upon completion of an audit, an assurance opinion is given on the soundness of the controls in place. The results of the entire audit programme of work are then summarised in an opinion in the Annual Internal Audit Report on the effectiveness of controls within the organisation.

3. This Activity report provides members of the Joint Audit Committee with a summary of the Internal Audit work undertaken, together with a summary of audit opinions, during the period April 2018 to date.

4. The audit report also summarises the key findings from those reviews where an audit opinion of "Minimal" or "Limited" Assurance has been assigned. Explanations of the levels of assurance are given in *Appendix 1*.

Progress Summary

5. An audit opinion is provided as part of each Internal Audit report. It is derived from the work undertaken during the audit review and is intended to provide assurance about the internal controls in place in that system or particular Force/OPCC activity. *Table 1* details those audits that have been finalised since the previous report to the Committee in March 2018.

    Table 1: Assurance Work Completed in the period March 2018 to Date

No.	Audit Review	Assurance Opinion
01	IT & Digital Business Continuity and Disaster Recovery	Reasonable
02	Information Management and Ownership	Reasonable
03	Creditors	Minimal
04	Debtors	Limited
05	Bank Reconciliation	Reasonable
06	Intelligence Management and Tasking	Reasonable
07	Cadets Scheme	Reasonable
08	Workforce Planning, Diversity & Inclusion	Reasonable

6. Summaries of key findings from the finalised reports issued from those reviews where an audit opinion of "Minimal" or "Limited" has been assigned are provided in *Appendix 2*.

7. Attached at *Appendix 3* is a summary of progress against planned activity. The appendix summarises the status of each those reviewed carried forward from 2017/18 that were in progress at year end, as well as the planned audits for 2018/19. Whilst no reviews from the 2018/19 audit work plan have yet been completed to either final or draft stage, a number are in progress.

8. The following audits are nearing completion with draft reports issued and management comments awaited:
    - Public Protection Unit
    - Detainees in Custody – Monies, Property and Healthcare

- General Ledger
- Performance Management

Recommendations Analysis

9. Internal Audit follow-up recommendations to ensure they have been implemented. All recommendations are followed up six months following the date the final audit report is issued to establish progress in implementing audit recommendations. Any recommendations that remain outstanding following the six month follow-up review continue to be followed-up every three months until confirmation is received of implementation.

10. A number of follow-up reviews have commenced during 2018/19. 15 have been concluded to date, which are summarised in *Table 2* below.

Table 2 – Analysis of Follow-Up Audits undertaken during 2018/19

	Follow-Up Audit	Total Recs	Implemented	Superseded /Redundant	Partially Implemented	Not Implemented
1	General stores	5	3			2
2	Force Risk Management Arrangements	4	3			1
3	Social Media Risk Management	8	8			
4	Building Maintenance	4	4			
5	Corporate HR	2		1		1
6	WMP2020 Project reviews	7	5			2
7	Active Citizens	3	1		1	1
8	New financial systems- Data Migration, UAT and interfaces	2	2			
9	WMP2020 IIP Performance Management	2	1	1		
10	Fleet Management	2	2			
11	Interpreters	7	7			
12	Cash Office	4	4			
13	BACSTEL	5	4		1	
14	Cybercrime	4	3		1	
15	Inventory Asset registers	2	1		1	
	Total	61	48	2	4	7

11. Table 2 identifies an 85% implementation rate (fully and partially) for those audits followed-up to date during 2018/19. The recommendations still outstanding will continue to be monitored in line with agreed processes.

12. A number of follow-up reviews are in progress, pending management feedback and supporting evidence confirming implementation of medium and high rated recommendations. These are detailed in *Appendix 4,* which also summarises the status of recommendations of those audits completed in 2017/18 and any outstanding from previous years. Some recommendations are not yet due for follow-up, and an indication of the proposed follow-up dates is provided.

13. A summary of the recommendations agreed with management analysed by year is provided in *Table 3*. The rating of audit recommendations changed with effect from 1st April 2017, removing the emphasis on materiality that previously existed. The new simplified ratings of High, Medium and Low, place greater emphasis around risk and organisational objectives.

Table 3 – Breakdown of Recommendations 2014/15 to 2017/18

	Number agreed					Number agreed
Rating	2016/17	2015/16	2014/15		Rating	2017/18
Major	0	0	0		High	7
Significant	58	19	19		Medium	84
Moderate	115	75	103		Low	52
Low	30	19	29			
Total	203	113	151		Total	143

On-Going Status of Major/Significant Recommendations

14. The current position of the Significant, Medium and High recommendations made is summarised in Table 4 below. The outstanding significant recommendations from 2014/15 and 2015/16 previously reported to committee have now been confirmed as implemented. These related to the outstanding energy conservation policy and general stores write offs.

15. The majority of the recommendations made during 2017/18 are yet to be followed up. There have been no audits finalised from the 2018/19 audit plan.

Table 4 – Status of Significant/High/Medium Recommendations

	2014/15	2015/16	2016/17	2017/18	Total
Total Number	19	19	58	91	187
Total not yet due to be Followed-up/Follow-up in progress	0	0	10	81	91
Total Followed-up To Date	19	19	48	10	96
Of Which:-					
Total Implemented	19	13	37	9	78
Total Redundant*	0	6	5	0	11
Total Outstanding after follow-up *(App 5 refers)*	0	0	6	1	7

*Redundant are recommendations that are no longer relevant or recommendations have been superseded by a later audit

16. Of the 96 significant recommendations followed-up to date, 78 (81%) have been implemented. A further 11 (11%) are considered redundant or superseded. Full details of the 7 recommendations that remain outstanding at the time of follow-up are detailed in ***Appendix 5***.

Other Areas of Activity

17. In addition to planned Internal Audit work that require assurance levels to be assessed, other planned work relates to those areas of work / activity that support and underpin the overall concept of internal control rather than individual control systems. These include proactive advice

work. During the period covered by this activity report, the following advice work has been undertaken:

- **Payroll Governance Board**

  Audit have attended the Payroll Governance Board during the quarter, which reviews payroll overpayments, investigates why they occurred and proactively identify solutions, some of which may result in process changes. Internal Audit is represented on this Group to ensure any process changes proposed are sound. This group has been in place for some time and processes for identifying, recording and recovering overpayments have been formally established. With agreement from Internal Audit, the Group has decided that future meetings will be on an ad-hoc basis when complex cases arise or appeals need to be considered.

- **National Fraud Initiative**

  Preparations are now under way for the 2018/19 National Fraud Initiative exercise. Draft data submission requirements have been received from the Cabinet Office and the data has to be submitted in October 2018. As new financial systems have been implemented since the previous NFI data exercise, early preparations have commenced to ensure information can be extracted from the systems in the required format in time for submission to Cabinet Office in October. The release of any data matches requiring investigation are expected in January 2019.

Performance

18. The performance of the Internal Audit Team is measured against a set of Key Performance Indicators. The KPIs are set out in *Table 5* along with actuals to date for 2017/18. It is currently too early to usefully measure actuals to date for 2018/19 as most audits have a status of work in progress. Actuals will be measured and reported to the next meeting of the Committee

Table 5 – KPI data 2017/18

KPI Description	Narrative	Annual Target	Actual 2017/18
Output Indicators:			
Audit Coverage*	% of Audit Plan Delivered.	90%	93%
Report Production	Completion of Draft Audit Report within 10 working days.	95%	100%
Report Production	Completion of Final Report within 5 days of agreement of the draft.	95%	100%
Audit Recommendations	Recommendations accepted v made.	100%	100%
Quality Indicators:			
Client Satisfaction	% of Post Audit Questionnaires in which management have responded as "Very Good" or "Good".	95%	90%

*This figure include the follow-up reviews due to date

APPENDIX 1 - Audit Opinions

Rating	Definition
Substantial	There is a sound framework of control in place and the controls are being consistently applied to ensure risks are managed effectively. Some minor action may be required to improve controls.
Reasonable	There is a good framework of control in place and the majority of controls are being consistently applied to ensure risks are effectively managed. Some action may be required to improve controls.
Limited	There is an adequate framework of control in place but the controls are not being consistently applied to ensure the risks are managed effectively Action is required to improve controls
Minimal	There is a weak framework of control in place and/or the controls are not being consistently applied to ensure the risks are managed effectively. Urgent action is required to improve controls

2017/18 Recommendation Ratings and Definitions

Grade	Status	Definition
🔴	High	Action that is considered essential to ensure that the organisation is not exposed to unacceptably high level of risk. If not addressed there will be major adverse impact on achievement of organisation's objectives.
🟠	Medium	Action that is considered necessary to avoid exposing the organisation to significant risk. If not addressed there will be significant impact on achievement of organisation's objectives.
🟢	Low	Action that is required to enhanced control. If not addressed it may impact on the ability of a system or unit to achieve its objectives.

APPENDIX 2 - Summaries of Completed Audits with Limited or Minimal opinion

01   Creditors

The purpose of this review was to provide assurance that the processes and systems in place for paying creditors are effective. The key findings of the review are as follows:

- Throughout the course of this review it was evident that some of the functionality within Oracle Fusion was not working as expected. One example was the web centre which should auto-match orders to invoices. We were informed this process was not producing the expected results and has therefore been switched off until such time further development/testing can be undertaken. Another was the reporting functionality as some of the reports available are not working, or are not considered fit for purpose, e.g. duplicate payment report and new supplier report. Consequently workarounds have been introduced to manage some of the basic key control processes, and some of the efficiencies anticipated from Oracle Fusion are not being delivered.

- Due to the issues identified with the reports available within Fusion, a suite of management reports that we would anticipate are produced and reviewed on a regular basis (i.e. at least weekly or prior to each payment run), has not been established. Some reports are currently run monthly, e.g. duplicate payments, others are more sporadic, e.g. price hold reports. Consequently, management audits are not being undertaken to the required frequency, increasing the risk of fraud or error to occur and go unnoticed.

- Testing on a sample of orders and invoices identified the following issues:
    - For a small number of purchase orders and monetary changes to orders tested, the final authorisation for the order was not given by the Head of Contracts and Procurement in line with authorisation limits.
    - Goods/Services are being obtained without a purchase order being raised.
    - Standing Orders are not always being complied with in terms of quotations being received.
    - The extent of confirmation orders being raised after the goods have been received is still considered to be high.
    - Delays in receipting goods is a significant cause of late payments being made.

- Of the limited testing undertaken three invoices were identified as being processed and paid twice. Despite ongoing issues with the duplicate payments reports, Purchase to Pay have produced the reports on a monthly basis and were aware of these overpayments, however, we were informed that the checks undertaken to prevent duplicates arising may have not always operated, i.e. duplicate payment reports being checked prior to the payment run.

- A tolerance of 5% between order and invoice value was agreed and has been pre-set within the system; however, the tolerance is also being applied to the quantity of the goods, increasing the amount of invoices placed on hold and requiring investigation and clearance.

- A number of discrepancies against the process adopted for the creation of new supplier records were identified. In addition we were unable to undertake detailed testing on a sample of amendments of supplier master file records, e.g. bank account change requests, as no reports were available to identify changes made.

- Supplier set up/amendment verification is documented on forms outside of Fusion. There are no reports produced and reviewed of new suppliers or changes to supplier accounts which are verified back to source documents to identify potential erroneous entries.

- Key Performance Indicators for the Purchase to Pay process are available from within the system, but the data provided does not include indicators we would anticipate, and could potentially be misinterpreted. The current report includes the percentage of Invoices Paid within 30 days of creation (input) within Fusion, not 30 days from the date the organisation considers the invoice valid and undisputed, as required by the Public Contracts Regulations 2015. The indicators also do not measure the extent of invoices in dispute. At the time of audit there were around 600 invoices totalling £2.5m on hold awaiting investigation and clearance.

- The BACS file detailing the supplier payments and bank accounts to which payments are to be made can be manually adjusted prior to transmission, which increases potential for fraud.

- There is a lack of local knowledge regarding what access various role descriptors give including 'custom roles' which have been developed. We are therefore unable to provide total assurance that there are no conflicting roles allocated to users.

02   Debtors

The purpose of this review was to provide assurance that the processes and systems in place for the raising of debtor invoices and subsequent chasing of debt are effective. The key findings of the review are as follows:

- Throughout the course of this review it became evident that some of the functionality within Oracle Fusion is not working as expected and therefore some of the efficiencies anticipated for the new system are not being delivered. One such example is the sending out of customer statements and debt recovery letters. We were informed that this process had been trialled on a small number of occasions but proved unsuccessful due to incorrect information being presented. Customer statements/ debt recovery letters are therefore being produced manually outside of Oracle Fusion until such time further development/testing can be undertaken.

- Individuals within the Accounts Receivable section have the ability to raise both sales invoices and credit notes. The segregation in duty between certification, authorisation and input of the request for a credit notes is documented on forms outside of Oracle Fusion. There are no reports produced of credit notes which are verified back to source documents to identify potential erroneous entries. This leads to the potential for a debt to be credited inappropriately or fraudulently.

- Similarly, there are no reports produced of write-offs to be independently verified back to source documents to identify potential erroneous entries. While audit were informed that the write-off process is restricted to the Head of Purchase to Pay, we have been unable to verify this as it cannot be confirmed which user role provides this privilege to ensure it is appropriately restricted.

- Creation of new customer accounts is undertaken by Accounts Receivable staff. Whilst checks are undertaken on new customer accounts created, no such checks are undertaken on customer account amendments. Testing on new customer accounts highlighted a couple of minor issues within the sample where there was no evidence of the duplicate customer report being checked or the set-up of the account being independently verified.

- Duplicate customer reports are available within Oracle Fusion and can be extracted at any time. However, in 2018, there has been no review of the report to identify potential duplicate debtors. It is best practice to resolve any duplicate debtors to allow the overall debt profile for each individual debtor to be monitored.

- When payments are received via Streamline (credit/debit card payment system), the merchant copy of the receipt is retained which displays the full credit card number and expiry date. Although instructions have been given to staff to redact these, this requirement is not always being complied with.

- Due to problems experienced within Oracle Fusion, the collections function is currently undertaken outside of the system utilising spreadsheets to monitor progress. Testing identified that debt recovery letters are not being sent out in line with the established set timescales, with some significant delays identified. This impacts on the timely recovery of debt.

- There is a lack of local knowledge regarding what access various role descriptors give. From analysis of user access a number of individuals have the same access levels as the Head of Purchase to Pay who can write-off debt within the system, indicating a potential lack of segregation. Also, there are a number of individuals with Accounts Receivable access who are no longer with the organisation or who no longer require access.

Despite the weaknesses identified above, it should be recognised that the level of outstanding debt has continued to reduce significantly in recent months. The outstanding debt transferred to Fusion was £7.9m in July 2017. This had significantly reduced by December 2017 to £3.9m and by 22nd March 2018 had reduced further to £2.7m.

APPENDIX 3 – Summary of Plan Position

2017/18 – Audits completion during 2018/19

Audit	Status	Comments
Key Financial systems (following go live in July 17) - Creditors	Final	Minimal
- Debtors	Final	Limited
- Bank reconciliation	Final	Reasonable
Information Management and Ownership	Final	Reasonable
IT Business Continuity & Disaster Recovery	Final	Reasonable
Intelligence Management & Tasking	Final	Reasonable
Cadets Scheme	Final	Reasonable
Public Protection Unit	Draft	
Custody - Money, Property, Healthcare	Draft	
Workforce Planning, Diversity & Inclusion	Final	Reasonable
Application of THRIVE	WIP	
Performance Management	Draft	
Uniform allocation	WIP	
General ledger	Draft	

2018/19 Internal Audit Plan – Status / Assurance Summary

Audit	Status	Comments
Payroll Governance Board	WIP	
Budgetary Control/Management		
Fleet Telematics		
Access & Usage of Intel Systems	WIP	
Force Response		
GDPR	WIP	Readiness review for both Force and PCC
On boarding		
Governance Review		
Shared Services Systems Access Administration		
Mental Health		
Integrated Offender Management / Sex Offender Management		Preparation underway
Digital Experience for Citizens	WIP	

Audit	Status	Comments
Disclosure		Preparation underway. Opening meeting 14/6/18
Protected Persons (Witness protection), including UKPPS covert accounts		Preparation underway
Financial Systems: Expense Payments		Preparation underway
Public Protection Unit *(Focus on Safeguarding Boards / MASH /Children Services Child Protection Conferencing)*		
Covert Funds: - Dedicated Source Unit - Counter Terrorism Unit - Cooperating Offenders Unit	WIP WIP WIP	
Custody Visiting Scheme		
Community Safety Partnerships (Advisory)		
Treasury Management	WIP	
Duty Management System (Advisory)		
Bail Management		
Pensions	WIP	
WMP2020 Benefits Realisation		
Monthly Control Checks - Shared Services (Advisory)		
Asset Management/Mobility (including Taser and BWV)		
Victims Code Compliance (Advisory)		
National Fraud Initiative		Preparation underway for data submission in October

APPENDIX 4 - Analysis of progress in implementing recommendations (by year)

	Good progress (>75% implemented)		Reasonable progress (>25 and <75% implemented)		Limited progress (<25% implemented)

2017/18 Internal Audit Plan		**Made**	**Implemented**	**Risk Accepted**	**Redundant/ Superseded**	**Not yet implemented**	**Not yet followed Up**	**Follow-up due**
Assurances over Key HR Management Information	🟩	9	9					
Force Risk Management Arrangements	🟩	4	3			1		Aug-18
Civil Contingencies		3					3	In progress
New Financial Systems - Data Migration, UAT and Interfaces	🟩	2	2					
Vetting		9					9	In progress – Meeting arranged with Head of PSD to discuss and obtain evidence confirming progress
Tally Ho		10					10	N/A – no longer providing audits
IIP Performance Management	🟩	2	1		1			
Cybercrime	🟩	4	3			1		Sept-18
Fuel Card Management	🟩	4	3			1		Aug-18
Active Citizens Fund	🟧	3	1			2		Aug-18
Overtime		6					6	In progress
Payroll		8					8	In progress
Contract Management		9					9	In progress
Mobility		2					2	Jul-18
Victims Code Compliance		8					8	Jul-18
Section 22a Collaboration Agreements		4					4	Jul-18
Body Worn Video		11					11	Aug-18
IR35		4					4	Aug-18
Use of Consultants		3					3	Sept-18
Information Sharing Agreements		4					4	Sept-18

west midlands police and crime commissioner

2017/18 Internal Audit Plan		Made	Implemented	Risk Accepted	Redundant/ Superseded	Not yet implemented	Not yet followed Up	Follow-up due
Information Management and Ownership		2					2	Oct-18
IT Business Continuity & Disaster Recovery		2					2	Oct-18
Debtors		6					6	Nov-18
Creditors		11					11	Nov-18
Cadets Scheme		4					4	Dec-18
Bank reconciliation		4					4	Nov-18
Intelligence Management and Tasking		2					2	Nov-18
Workforce Planning, Diversity & Inclusion		3					3	Dec-18
Totals for 2017/18		**143**	**22**	**0**	**1**	**5**	**115**	***1 of the 5 recs not yet implemented are significant and are summarised in Appendix 5**

Outstanding recommendations from 2015/16 and 2016/17	Progress	Made	Implemented	Risk Accepted	Redundant	Not yet implemented	Not yet followed Up	Follow-up due
2015/16								
General Stores	🟩	9	7			2		Aug-18
Special Constables	🟩	6	3	2		1		June 18
2016/17								
Corporate HR	🟧	2			1	1		Aug-18
Access and Usage of Intelligence Systems		8					8	Full Follow-Up audit underway
Detained Property	🟧	8	3				5	In progress A detained property project is underway and outstanding recommendations are being considered as part of that project.
Police Probationer Training	🟥	1				1		In progress

Outstanding recommendations from 2015/16 and 2016/17	Progress	Made	Implemented	Risk Accepted	Redundant	Not yet implemented	Not yet followed Up	Follow-up due
Procurement	🟧	5	2			3		In progress
ROCU – UK PPS	🟩	5	4			1		Audit in progress
BACSTEL	🟩	5	4			1		Sept-18
Central Secure Stores	🟩	5	4			1		In progress Outstanding recommendation relates to detained property, which is being considered as part of ongoing detained property project.
Health & Safety	🟧	5	3			2		Sept-18
Inventory - Asset Registers	🟧	2	1			1		Sept-18
Seized Monies	🟩	7	5		1	1		June 18
WMP 2020 Project Reviews	🟧	7	5			2		Aug-18
WMP 2020 Body Worn Video Benefits Realisation	🟧	4	1			3		Sept-18
Totals		**79**	**42**	**2**	**2**	**20**	**13**	***6 of the 20 recs not yet implemented are significant and are summarised in Appendix 5**

APPENDIX 5 – High/Medium Recommendations Outstanding after Follow-Up

Ref	Original Report to JAC	Audit	Recommendation	Action to be Taken to Implement Recommendation	Planned Implementation Date	Latest position based on responses provided by management
1	15 September 2016	UK PPS (Imprest)	Management control checks should be undertaken on the imprest including regular reconciliations to its authorised level, review of reclaims, accurate recording of VAT and cross-charging between regions.	Reports will be requested from Transactional Team Leader – Covert and Service Lead as evidence that the management control checks are being undertaken, what issues are being identified and what action has been taken to address the issues.	30th September 2016	As at Nov 2017 – Reconciliations up to the end of July 2017 have been completed. An additional member of staff has joined the Covert Finance Team and has been assisting in the reconciliations

Further advice provided by internal audit in February 2018

Audit planned 18/19 – currently in preparation stages |
| 2 | 30 March 2017 | BACSTEL | Shared Services in conjunction with IT & Digital must explore the possibility of making Creditor and Payroll output files read only files to reduce the risk of files being able to be modified prior to transmission. | Shared Services with the support of IT&D will explore the possibility of making the output files read only. | 30 March 2017 | As at June 2018: With regards to Payroll: When the bacs file is produced there are two files produced at the same time. The first one is a PDF master version of the BACs file which cannot be edited. The second file is the editable BACs file. The new process that has been deployed is to check what has been sent to the bank directly back to the PDF version of the BACs file – this should show no differences. If there are differences then the BACs file has been altered. I am confident that this will identify any changes to the BACs file.

With regards to AP: An automated file is transferred to the bank (there is a direct link). I get that a manual file could then be submitted following this or this automated file could be stopped. Everyone in the team has been briefed that no manual files must be uploaded and I am in the process of removing this away from the majority of people that run the payment process (as we may need to use in an emergency if the link goes down). To be full proof like the payroll one we will do a comparison from what should have been paid to which |

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commissioner

Ref	Original Report to JAC	Audit	Recommendation	Action to be Taken to Implement Recommendation	Planned Implementation Date	Latest position based on responses provided by management
						individuals (via the bacs file) compared to wat was actually paid to the bank (via a report from the bank). *Internal Audit Comment: from discussions with Asst. Director Shared Services 7/6/18 it has been confirmed that the validation proposed on the AP system is possible and will commence from this month. Internal Audit will follow-up in three months-time to obtain the relevant evidence to confirm the process is in place and is operating effectively.*
3	30 March 2017	Procurement	Increased monitoring of spend with individual suppliers needs to be undertaken to ensure that both standing orders and legislative requirements such as those required for European Tendering are being complied with and to identify if contracts arrangements need to be introduced or pre-existing arrangements amended. The omission of contracts for Viglen Ltd and CLSH Management should be investigated and contracts established, if not already in place.	Meaningful MI from the order system will be able to be produced when Oracle Fusion is launched however in the interim period value and supplier information for non-cat orders will be extracted from the system and analysed on a quarterly basis to identify if contract arrangements need to be amended/implemented. Where this is identified the detail will be fed into Contracts and Procurement to complete the required amendments or implement new contracts. This will ensure that standing orders and legislative requirements are met.	End Feb 17	As at Sept 2017: When spend increases above contracted amount Contracts and Procurement are being alerted – however quarterly checks are being undertaken based on a report that will look across all spend. Given the extensive work involved in implementing the new Oracle system, Shared Services have not yet had the opportunity to provide the required information relating to the two named contracts to allow this review to be undertaken. A follow-up to determine further progress is currently underway
4	8 June 2017	Body Worn Video Benefits Realisation	Responsibility should be assigned and clear processes adopted for completing management checks to assess compliance with the BWV policy by officers. Compliance checks should also include monitoring whether the cameras have been used appropriately in different types of police cases as well as ensuring that they haven't been used in circumstances prohibited by the policy e.g., if the victim of an alleged offence is a child or vulnerable adult or in cases of sexual assault. Regular monitoring should be undertaken to	Management checks: Line Managers (Sergeants) are expected to ensure officers comply with the BWV policy and procedures. Messages have been disseminated to colleagues regarding procedures and administration, however, it is acknowledged that there are still some gaps. It is planned to issue a variety of comms/engagement items, including videos, newsletters and other reminders. These are currently under development with other departments (including corporate comms). Ch. Insp A Henderson from PPU is supporting this corporately. This work is anticipated to ramp up from now	31/7/17	As at March 2018: Management checks: Line Managers (Sergeants) are expected to ensure officers comply with the BWV policy and procedures. Messages have been disseminated to colleagues regarding procedures and administration, however, it is acknowledged that there are still some gaps. It is planned to issue a variety of comms/engagement items, including videos, newsletters and other reminders. These are currently under development with other departments (including corporate comms). This work is anticipated to ramp up from now

Ref	Original Report to JAC	Audit	Recommendation	Action to be Taken to Implement Recommendation	Planned Implementation Date	Latest position based on responses provided by management
			assess whether the use of BW cameras is being recorded on the ICIS system.	through June to coincide with the commencement of sending of digital evidence to CPS. Responsibility for compliance checks: As above, Line Managers are responsible for ensuring appropriate use. Agreement has been reached in principle to introduce a role within the DCC's Taskforce to take responsibility for monitoring of compliance across the force and ensuring the implementation of good governance and best practice to consistently high levels across all teams and departments using BWV. Currently, 3rd party audits are not planned – feedback from the end users (e.g. Investigations) will be used to ensure compliance in addition to the work undertaken by the force lead, highlighted above. ICIS system: 'Regular monitoring of ICIS' to assess use…" How will this be achieved? The project is currently awaiting clarity of costs to deliver the requisite changes to ICIS – there is a risk that this may prove too expensive to warrant further investigation as ICIS is a 3rd party system. Assuming the changes can be undertaken, monitoring will be undertaken through Intel analysts and/or force BWV lead officer.		through June to coincide with the commencement of sending of digital evidence to CPS. Responsibility for compliance checks: As above, Line Managers are responsible for ensuring appropriate use. Agreement has been reached in principle to introduce a role within the DCC's Taskforce to take responsibility for monitoring of compliance across the force and ensuring the implementation of good governance and best practice to consistently high levels across all teams and departments using BWV. Currently, 3rd party audits are not planned – feedback from the end users (e.g. Investigations) will be used to ensure compliance in addition to the work undertaken by the force lead, highlighted above. ICIS system: 'Regular monitoring of ICIS' to assess use…" How will this be achieved? The project is currently awaiting clarity of costs to deliver the requisite changes to ICIS – there is a risk that this may prove too expensive to warrant further investigation as ICIS is a 3rd party system. Assuming the changes can be undertaken, monitoring will be undertaken through Intel analysts and/or force BWV lead officer. A revised implementation date on October 2018 has been given which allows for phase 2 to be implemented. A further follow-up to determine further progress will therefore be undertaken in October 2018

Ref	Original Report to JAC	Audit	Recommendation	Action to be Taken to Implement Recommendation	Planned Implementation Date	Latest position based on responses provided by management
5	8 June 2017	Body Worn Video Benefits Realisation	The Body Worn Video policy and guidance should be updated to verify how, by whom and the frequency of compliance checks that are to be completed to ensure that officers comply with the policy.	The policy is currently being re-worded to accommodate several changes which will include the administration of compliance checks (See also above). This is in progress and is anticipated to be completed by end of May. With regard to compliance, only Domestic Abuse cases are currently mandated for deployment of BWV capture; hence PPU should be able to easily determine compliance as there is an expectation that video footage will be available for each of these events. Similarly, PPU engagement is progressing the adherence to compliance with regard to 'non-appropriate' cases. There is also an expectation, however, that stop and search encounters will be recorded when carried out by officers equipped with BWV. The eSearch system has now been updated to include a specific field for the inclusion of BWV evidence and a field has also been created within evidence.com where the BWV footage is stored, so that such incidents can be easily identified for scrutiny The scope of incidents mandated for use of BWV will be subject to ongoing review and can be extended as BWV embeds in the force (and especially if it is rolled out wider).	31st May 2017	Policy has been revised as described. However, final version will be confirmed as part of the BWV2 commitment, incorporating necessary systems changes identified through BWV1. A further follow-up to determine further progress will therefore be undertaken in October 2018

West midlands
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6	8 June 2017	Body Worn Video Benefits Realisation	The Benefits Realisation plan should only include the actual value of benefits achieved when the benefit can be fully measured and attributable to the use of body worn cameras. This will help ensure that benefits are calculated and measured accurately to help management make the right decisions in future. For any benefits that cannot be measured during project implementation or delivery, this should be noted on the BR plan and reported to the Project Board where proposals for resolving the issue is agreed together with responsible officers and completion dates being set to ensure that the agreed action is taken. Where any benefits are considered unmeasurable or not cost-effective to measure, at project level, appropriate approval should be sought through the WMP 2020 governance process to eliminate the benefit.	The commissioning and scrutiny processes for WMP Projects have now been strengthened and a more robust checking procedure exists to ensure appropriate and realistic benefits are identified. This includes formal review by TDA, DA and OCB. This observation will also be shared with colleagues to ensure it is not overlooked during project scoping. The Benefits Realisation Plan (BRP) has been updated to reflect the current position, highlighting the elements that have been identified as not appropriate/applicable for measurement. Project boards have not been held since Oct 2016, as the project was scheduled for closure. The SRO has accepted the proposed changes to the BRP. Governance arrangements henceforth have been discussed with the SRO and, pending approval, will be implemented ('Scrutiny panel' for BWV to review benefit realisation and performance – the compliance checks referred to at 1) and 2) will form part of this process. This is being scoped with and will be delivered in conjunction with the Intelligence Function (Performance team). The QPR process will be used going forward to support benefit owners.	31st July 2017	The governance arrangements and benefits realisation plan were not requirements of BWV1 as BWV2 was always anticipated. This requirement has now been built into the Detailed Business Case for BWV2 and so this deliverable will be measured against delivery of the BWV2 project plan. This arrangement has been agreed at Organisational Change Board and the DBC for BWV2 agreed. *Internal audit comment:* Having reviewed the Detailed Business Case for Phase 2 BWV project, we acknowledge that the benefits have been re-assessed and will be measured through the delivery of the Phase 2 project plan. Part of the original recommendation refers to ensuring that actual benefits achieved are accurately calculated, and only those that are fully attributable to the use of BWV are reported. As the benefits have been reassessed as part of Phase 2, we propose to review this recommendation again in October 2018.
7	30 November 2017	Active Citizens Fund	A policy should be produced for the Active Citizen Fund considering the following areas: 1. Start-up fund (appropriate expenditure areas, NPU plans to be submitted to OPCC, OPCC feedback,) 2. The requirement for NPU's to establish and report on the local process to review and approve projects, with the OPCC to assess reasonableness 3. Consideration for the requirement / approval process when an NPU decides to commission a 3rd sector organisation to manage the funds on behalf of the	Some guidance is on the PCC website, and this is the best place for information to be posted. The way forward to address the concerns is to build on the website information and hopefully this would fulfil many of the suggestions from the internal audit review, without going down the route of developing a policy document.	January 2018	We have produced an NPU guidance note which has now been distributed to each NPU. The guidance note covers points 1, 2, 4, 6, 8 and 9, 10 and 12. The other points are touched in less detail and we will continue to develop these during our discussions with the Force lead over the next few months. Points five and eleven are not covered in the guidance note because we agree the approach to this with Mark Kenyon as we approach each year-end and an email is then sent to the NPUs, asking

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			NPU 4. Financial reporting to NPU's by the OPCC throughout the year 5. Carry forward or recovery process and approval for unspent start-up funds and grant allocation 6. The requirement for applications to align to an objective in the Police and Crime Plan 7. The requirement for local records to be retained of all the grant applications and the rationale/ decisions made to ensure transparency. 8. Providing clarity over what background checks are required on grant applications 9. Guidance around types of expenditure that can / cannot be funded by the grant. 10. Escalation process when monitoring returns are not submitted 11. Under / over grant commitments by NPU's and approval required. 12. A recommended, proportionate approach when evaluating the outcomes / outputs of a project based on the level of funding received.			for their proposals to deal with the underspend and potential carry forward. *Internal Audit Comment – Copy of Active Citizens guidance note for NPUs provided. Further follow-up will be undertaken in three months-time to determine progress with other areas mentioned in response*