

# Action Plan follow up for Police and Crime Commissioner for the West Midlands and Chief Constable for the West Midlands

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**Recommendations from the Joint Audit Findings for the year ended 31 March 2018**

February 2019

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# Action plan

## Priority

Rec no.	Issue and risk	Priority	Recommendation	Management response
1	<p><b>PPE Estimations</b></p> <p>PPE valuations are a key estimate in the financial statements and can be significantly influenced by external factors within the market. It is usual for an organisation to appoint specialists for such valuations in line with the requirements of the Code.</p> <p>The Authority commissioned a full valuation late in the financial statements closedown process and made a decision that the final version of the financial statements would reflect variances between management's initial judgements in the draft financial statements and the valuer's report.</p>		<p>Management must ensure that appropriate valuations of PPE are carried out on a frequent enough basis to gain assurance that the balances held are not materially different from fair value and that assets do not require impairments. Management judgement in response to valuation assessments and accounting treatment must be fully considered and documented prior to the submission of financial statements for audit.</p> <p>Consideration must be given to the appropriateness of the useful lives of assets.</p> <p><b>Implementation date and responsibility</b></p> <p>Revaluation will be completed by 31/03/19 Director of Commercial Services</p>	<p>A full valuation was not commissioned, merely a desktop comparison of current net book values to estimated valuations. As this could not be done by the original valuers since they had disbanded, the company responsible used only desktop methods to compare previous valuations with current costings and determined a marginally material increase. No change in values had been determined in two prior years so management was not expecting a significant variance.</p> <p>A full revaluation is being done by new valuers this year and will include proper examination of the properties.</p>
2	<p><b>Data retention</b></p> <p>There were instances within our audit process where prime documentation could not be provided to support figures as it had not been retained.</p>		<p>Records supporting transactions must be obtained and kept in order to ensure the appropriate recognition of revenue and expenditure.</p> <p><b>Implementation date and responsibility</b></p> <p>Ongoing during 2018/19 , Assistant Director - Finance</p>	<p>All prime documents will be retained as far as possible. All finance staff are aware of the importance of document retention.</p>
3	<p><b>Seized Cash</b></p> <p>This is a growing issue for the Force as in general, seized cash balances are not reducing and are now at a point where they may exceed materiality.</p>		<p>Management should review their treatment of seized cash and consider whether the treatment reflects the likelihood of this balance being claimed.</p> <p><b>Implementation date and responsibility</b></p> <p>Annual review by 31/03 each year, PCC's CFO</p>	<p>The PCC has approved that cash seized prior to 2007 should be redirected from Creditors as there is a low likelihood of claims. Balances from later years will be subject to review annually.</p>

## Controls

- High – Significant effect on control system
- Medium – Effect on control system
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4	<p><b>Pensions data</b></p> <p>Pension member data is critical for the Force to understand its pension liability estimate and is required by the actuary.</p>		<p>Ensure that pensions member data held is accurate and that the reconciliation performed before submission to GAD is retained. It is critical next year that member data can be reconciled to the GAD submission in March 2018.</p> <p><b>Implementation date and responsibility</b></p> <p>Reconciliations will be completed by 31/03/19 Director of Commercial Services</p>	<p>Actions are in place to ensure that reconciliations are performed on a regular basis and evidence of the year end reconciliation will be provided as part of the working papers for audit.</p>
5	<p><b>IT Policies</b></p> <p>Whilst key policies are in place and made available to staff via the Corporate Policy Portal, these policies were not updated in line with intended review dates specified within the policies themselves. It was noted that the current Acceptable Use Policy was last updated in April 2015. It was also noted that the Information Security Policy was last updated in October 2014.</p> <p>If policies are not regularly reviewed, they can become outdated, not fit for purpose and ignored. Developments in and outside the Force may render these policies redundant, and increase the operational risk to the Force. In addition, the Force may experience increased liability where employees do not adhere to policies due to the lack of coverage provided by an outdated key policy.</p>		<p>Management should review the Force's ICT security policies on a more timely basis, and in accordance with their own stated review period. Reviews when undertaken should be documented on the policy version history as appropriate.</p> <p>The Information Security Policy and Acceptable Use Policy should be reviewed at the earliest possible opportunity and updated. These should be authorised for distribution and staff training provided where appropriate to ensure that the revised policies are understood by staff.</p> <p>In addition, updated target review dates should be put into place and adhered to for key organisational policies, such as Information Security Policy and Acceptable Use Policy. Organisation reminders and checkpoints could be used to ensure that these targets are met.</p> <p><b>Implementation date and responsibility</b></p> <p>See response, 31/03/19 Director of Commercial Services</p>	<p>The point about the security policies is valid. The review is on Information Management's priorities list but resource issues see it slipping into 2019/20.</p> <p>We should be able to commit to a review of the Acceptable Use Policy within next 6 months.</p>

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6	<p><b>Financial strategy and long term sustainability</b></p> <p>Medium Term Financial Plan – We have reported previously the need to strengthen the alignment between planned benefits realisation from WMP2020 and the MTFP. Not aligning the workforce plans, estates plans and WMP2020 will weaken the effectiveness of the MTFP.</p>		<p>The impact of sustained and further increases in demand on workforce requirements should be modelled and linked into the MTFP and the recruitment plans. This may include considering where benefits already realised, particularly 'productivity benefits', may need to be 'reinvested' to offset the costs of rising demand.</p> <p><b>Implementation date and responsibility</b></p> <p>MTFP updated during 18/19, Director of Commercial Services</p>	<p>The Project and Finance Trackers (PFT) are integral to the to the MTFP. The trackers are set up to feed the portfolio which in turn feeds to the MTFP. All cashable and non-cashable benefits are captured in these data sets, any approved changes are included in the tracker at the time of approval. This is to ensure that the trackers are a 'real time' reflection of the cost and benefits position of each project. Risks aligned to benefit delivery are closely monitored through project boards and the Quarterly Benefit Review meetings.</p>
7	<p><b>Financial strategy and long term sustainability</b></p> <p>Reserves Strategy – With limited resources to deliver change, clarity over the use of reserves will be key to demonstrating effective use of these balances.</p>		<p>As the Reserves Strategy's stated aim is to support the transformation programme, the timescales for anticipated delivery of transformation and benefits should be included within the strategy, aligned with the timescales for the use of reserves. Any slippage, or reduction, in benefits realisation should be factored into the planned use of reserves in the annual updates to the Reserves Strategy, along with mitigating actions. The strategy should be clear that reserves will not be used to support 'business as usual' on a long term basis.</p> <p><b>Implementation date and responsibility</b></p> <p>Annual review by 31/03 each year, PCC's CFO</p>	<p>The reserves strategy was published for the first time in 2018 and will be reviewed annually taking on board the comments made.</p>

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8	<p><b>Financial strategy and long term sustainability</b></p> <p>Reporting Realised Benefits – The success of the new approach for tracking and monitoring benefits for 2018/19 will be dependent upon the ability of the OCB to drive the identification of benefits, particularly the non-cashable or intangible savings, and hold SROs to account for their delivery.</p>		<p>The Force should ensure that non-cash backed and intangible savings are clearly captured in the MTFP, particularly where they will be used to 'reinvest' to offset demand pressures or other capacity issues.</p> <p><b>Implementation date and responsibility</b> MTFP updated during 18/19, Director of Commercial Services</p>	<p>All non-cashable benefits are captured in the PFT. There is a separate 'Productivity Matrix' that captures the cumulative impact of productivity benefits (non-cashable officer time savings) against the departments/FET Portfolio's. This pulls data from live projects as well as BAU capability (i.e. Mobility apps, robotics, EER, PTF etc.). The purpose of the matrix is convert time saved in hours into FTE to inform resourcing decisions. This matrix is supported by real time performance data.</p>
9	<p><b>Financial strategy and long term sustainability</b></p> <p>Reporting Realised Benefits – It is not always clear where benefits have been gained whether spare capacity is 'reinvested' or diverted to other projects. This is also masked by the increase in demand which has resulted in a 'reabsorption' of some benefits.</p>		<p>The Force should ensure that there is a clear articulation of benefits realised communicated throughout the organisation and to other stakeholders so that those involved in the delivery of policing services, or holding the Force to account, understand the outcomes from WMP2020. This is particularly important in respect of non-cash benefits which are reinvested to offset other demand or cost pressures. This will help to tell the 'story' when other factors change and enable a distinction to be made between reinvested versus unrealised benefits.</p> <p><b>Implementation date and responsibility</b> 1 April 2019, DCS supported by Sarah Buckley and Stuart Gardner</p>	<p>A benefits dashboard is under development using the capability delivered through DDI. This will feed into the Departmental Performance Boards with escalation to Force Governance Boards (Departmental QPR, as well as formal boards e.g. Crime Board and LPGB). The aim is to ensure that benefits data is made available to all departments across the force; early intervention can be / is made if benefits are at risk. This allow department managers clear understanding of the productivity delivered (non-cashable benefit) therefore informing resourcing decisions and provide greater understanding of demand management.</p>

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10	<p><b>WMP2020 Transformation programme and benefits realisation</b></p> <p>Progress in governance during 2017/18 – Capturing user satisfaction outside the Force will be key to evidencing that wider benefits set out in the Ambition Plan are being delivered.</p>		<p>The Force should enhance how user satisfaction is gathered and ensure a wider population of users are targeted for their views to inform public satisfaction and trust in the Police.</p> <p><b>Implementation date and responsibility</b></p> <p>ongoing during 18/19 19/20 20/21, Director of Commercial Services &amp; PCC's CFO</p>	<p>1) NWoPC Programme –</p> <ol style="list-style-type: none"> <li>I. Pilot commenced to obtain, review, implement targeted learning from customer feedback. The aim of this is to get immediate feedback from the victims of crime, using this data to understand / improve the service we give to our customers from their perspective. This examines all elements of the process from the initial call, response, investigation etc. The aim is to understand the user journey and how we can improve the processes used and engagement we have with the public; embedding 'Fairness in Policing' principles.</li> <li>II. Webchat implemented in August has a customer satisfaction survey included. Dean Sweet will have the current stats.</li> </ol> <p>2) Monthly Customer Satisfaction Surveys through WMNow. Now within BAU this was initiated in the Active Citizens Project and replaced the Feeling the Difference survey.</p>

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11	<p><b>WMP2020 Transformation programme and benefits realisation</b></p> <p>Benefits Realisation – Early identification and agreed measurement of benefits will help to change the focus to outcomes and impact for the end user.</p>		<p>Ensure the good practice from the communication of benefits realisation – detailed upfront planning, alignment of objectives with transformation strategy and strategic vision, clarity of the metrics and clarity of the 'story to be told', are applied routinely across transformation programmes.</p> <p><b>Implementation date and responsibility</b></p> <p>ongoing during 18/19 19/20 20/21, Director of Commercial Services &amp; PCC's CFO</p>	<p>Benefit Management Tool Kit launched April 18. Comprises of a suite of benefits tools and templates; How to Guides; and Good Practice Guidance. These are added to and reviewed on an on-going basis.</p> <p>Benefits training provided to all staff across BTT as well as SRO, PCC, FET. Updates provided for new staff and when new products launched.</p> <p>Quarterly Benefit Reviews include pre meeting health checks to assess how well the tools are used and feedback shared. These are also used to share good practice across teams.</p> <p>12 month post implementation review of products planned for March 19.</p>
12	<p><b>WMP2020 Transformation programme and benefits realisation</b></p> <p>Embedding change and benefits – The Force is introducing arrangements which should improve the identification, measurement and reporting of the benefits of each project. The effectiveness of the new arrangements will depend on how well they are implemented in practice.</p>		<p>The Force should satisfy itself that the Benefit Realisation Plan is fully embedded and understood by the organisation and ensure the Force has the appropriate skill set across the organisation to own and embed change and realise the benefits as 'business as usual'.</p> <p><b>Implementation date and responsibility</b></p> <p>ongoing during 18/19 19/20 20/21, Director of Commercial Services &amp; PCC's CFO</p>	<p>The Force is to help its people to own and embed change by adoption of goal focused, experiential Learning model (ADKAR), by creating a pool of Super Users to support adoption of new systems and through building modules on change into staff induction and CPD learning events.</p> <p>The Benefits Management Road Map includes engagement activities across all departments to ensure the all key personnel are fully sighted and understand their contribution to delivering against the Portfolio Benefit Realisation Plan.</p>

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13	<p><b>Police and Crime Plan</b></p> <p>The PCC is reliant upon the Force delivering their Ambition Plan, which overlaps significantly with the PCP. However, not all PCP priorities will be delivered by the Force and there are elements of the PCP which rely upon other agencies.</p>		<p>The PCC's office should undertake a gap analysis to identify where PCC ambitions are not being delivered by the Force / are better delivered by other partners, and develop plans for how remaining objectives are to be progressed and delivered.</p> <p><b>Implementation date and responsibility</b></p> <p>31 March 2019, Mark Kenyon CFO PCC</p>	<p>Work has been ongoing with partners to enable the delivery of all areas of the Police and Crime Plan. The work plan for this area is being updated.</p>
14	<p><b>Police and Crime Plan</b></p> <p>In many cases, required partners to deliver PCP priorities are large, multi-faceted bodies, for example the NHS, which results in it being harder to engage and drive progress.</p>		<p>The PCC's office should assess their capacity for driving relationships with partners outside the Force, where areas of the Plan have been, or should be, outsourced to agencies with more capacity.</p> <p><b>Implementation date and responsibility</b></p> <p>31 March 2019, Mark Kenyon CFO PCC</p>	<p>Please see response to recommendation 9</p>
15	<p><b>Police and Crime Plan</b></p> <p>Demonstrating progress against all priorities and holding other bodies to account for delivery will be challenging within the remaining lifespan of the PCP.</p>		<p>The PCC's office should ensure there is clarity for the delivery of all objectives set out in the PCP and establish a wider framework to demonstrate accountability for delivery across all partners.</p> <p><b>Implementation date and responsibility</b></p> <p>31 March 2019, Mark Kenyon CFO PCC</p>	<p>Please see response to recommendation 9</p>

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