

ORIGINATOR: CHIEF EXECUTIVE

PAPER NO: AC21/06

SUBMITTED TO: AUDIT COMMITTEE – 12 MARCH 2021

SUBJECT: INTERNAL AUDIT – 7FORCE PROCUREMENT

SUMMARY:

- 1 This paper reports on the internal audit of the newly established 7Force procurement arrangements and sets out the steps that are now being taken as a result of the audit.
- 2 The outcome of the audit was that Police and Crime Commissioners and Chief Constables could take reasonable assurance over the controls in place to manage this area of activity. However there were a number of areas that needed to be addressed to ensure that the control framework is effective.

RECOMMENDATION:

The Committee is asked to consider the report.

DETAIL OF THE SUBMISSION

1. INTRODUCTION

- 1.1 In January 2029 the Police and Crime Commissioners and Chief Constables for the police areas of Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent, Norfolk and Suffolk entered into a collaboration agreement to create a joint procurement function to operate across the seven police areas. The Committee has previously received a report explaining the collaborative arrangements that have been agreed (see paper AC19/24 presented to the Committee on 26 July 2019).
- 1.2 An essential feature of the collaboration was to provide a single management and governance structure for the procurement of works, goods and services across the seven force areas. The over-arching procedures of the procurement function were determined by the procurement collaboration agreement and its associated contract standing orders.
- 1.3 The new single procurement function was, after a period of transition, launched in April 2020.
- 1.4 The Seven Force Strategic Procurement Governance Board was established by the collaboration agreement to provide leadership and oversight of the function. Suffolk is currently represented on the Board, which meets monthly, by the Police and Crime Commissioner (who chairs it), the Chief Executive and the Chief Constable's Chief Finance Officer.
- 1.5 At the Audit Committee meeting on 26 July 2019 it was reported that internal audit of the new joint function had been discussed at the Board and that steps were being taken to ensure an internal audit was agreed and undertaken.

2. INTERNAL AUDIT OF 7FORCE PROCUREMENT

- 2.1 An internal audit of the 7Force Procurement Function was commenced in September 2020 with a Final Report being issued in December 2020 (see Appendix I). The audit was undertaken by RSM who are the internal auditors for five of the seven police areas. The scope of the audit was, in brief, to:
 - provide assurance of the governance arrangements in place;
 - provide assurance that the collaboration agreement and agreed contract standing orders were being complied with.

The full scope of the audit is set out in Appendix D of the Final Report.
- 2.2 The internal auditors concluded that Police and Crime Commissioners and Chief Constables could take reasonable assurance that the controls upon which the organisations rely to manage the procurement function are suitably designed and consistently applied. However a number of areas were identified which required addressing in order to ensure that the control framework is effective.
- 2.3 The Board has now received the internal auditors' Final Report and reviews progress monthly against the auditors' findings. At the Board Meeting on 10 February 2021 a spreadsheet setting out the action taken to date was presented (see Appendix II). The Board will consider progress at its next meeting on 10 March 2021.

2.4 The Committee can accordingly be assured that a thoroughgoing internal audit of the new function has been undertaken and that arrangements are in place to ensure the findings of the audit are considered and addressed.

3. OTHER IMPLICATIONS AND RISKS

3.1 There are no risks currently appearing on the Police and Crime Commissioner's Risk Registers that are engaged in relation to this matter.

ORIGINATOR CHECKLIST (MUST BE COMPLETED)	PLEASE STATE 'YES' OR 'NO'
Has legal advice been sought on this submission?	Yes - the author is a solicitor and has had regard to legal issues in its production
Has the PCC's Chief Finance Officer been consulted?	Yes
Have equality, diversity and human rights implications been considered including equality analysis, as appropriate?	Yes
Have human resource implications been considered?	Yes
Is the recommendation consistent with the objectives in the Police and Crime Plan?	Yes
Has consultation been undertaken with people or agencies likely to be affected by the recommendation?	Not necessary
Has communications advice been sought on areas of likely media interest and how they might be managed?	Not anticipated
Have all relevant ethical factors been taken into consideration in developing this submission?	Yes