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## ASSET MANAGEMENT AUDIT REPORT

### Purpose

1. This paper informs the Audit Committee of the Chief Constable's response to the recent internal Audit on Asset Management. With this being the first **No Assurance** report received by the Force it is imperative that Senior Management are aware of this report and action is taken place to improve practices. Therefore this was reported to the Senior Command Team on the 3 September 2013 and recommendations agreed. The PCC has also been made aware of the report via his Monitoring Board.

### Background

2. The Finance Department currently maintain Wiltshire Police's Asset Management Register (Hardcat). The register holds information on assets with a significant value or is attractive to theft. A 12 month rolling programme is in place which results in all locations being visited by the Finance Department recording the assets which are held in each room.
3. In the last 2 years we have received *Limited Assurance* reports from Internal Audit. For clarity the definition of the assurance levels are shown below;

Substantial Assurance	Robust series of internal controls in place which should ensure continuous and effective achievement of the control objective.
Reasonable Assurance	Reasonable number of internal controls in place, however may not be operated all the time.
Limited Assurance	The controls in place are not sufficient to ensure the continuous and effective achievement of the control objective.
No Assurance	Fundamental breakdown or absence of core internal controls.

4. During the 2 years the Force has implemented the following processes with the aim to increase the assurance level to reasonable;
  - Launched a communications campaign to raise awareness
  - Ensured posters are produced and circulated across the Force
  - Documented Policy and Procedure, available on Firstpoint for all the Force
  - Cleaned up the system to remove minor assets
  - Produced and implemented a 12 month plan of visits and reports
  - Discussed outcomes as part of the quarterly budget monitoring meetings
5. It was expected that all these positive steps would achieve an increase in assurance level.

## The Outcome

6. The Internal Audit visit occurred in July 2013 and their report is attached.
7. The reason for the bad outcome is due to the following findings;
  - a) The audit of 55 assets in HQ resulted in 15 ICT assets not found (10.6)
  - b) The audit of 60 assets in Melksham identified 17 ICT assets not found (10.7)
  - c) There are currently 1,800 assets (out of 13,310 so 13%) which have not been found prior to 2012 (10.8)
  - d) 11 BSI audit reports are awaiting response from BSI (10.10)
  - e) Laptop records are not being updated on virus update (10.11)
  - f) The audit of the ICT storage rooms resulted in 20 items not being found and its disorganisation raises control questions (10.12)
  - g) Asset numbers on some ICT disposals do not relate to the Hardcat System and lists of disposals reported by Stone (the disposal company) do not match therefore they cannot be removed from the system (10.17)
8. Excluding item c) which relates to a mix of assets across the force (but includes 393 laptops and computers) the remaining issues all relate to ICT issues. Business, Strategy and Improvement (BSI) has been heavily involved with writing the policy and agreeing procedures, they are clear on the need to manage our assets effectively.

## BSI Response

9. The audit report has been provided to BSI, the response to the audit is:

*Upon review of the report it is clear that there has been some failings on the part of the BSI department albeit, we have suffered from significant periods of abstraction due to sickness from a key resource within this business area.*

*Within the department we are currently carrying 7 vacancies with it's focus being on trying to maintain delivery of 'business as usual' and therefore the work required to be completed around Asset Management has not been a priority.*

*We are currently in the process of identifying future resource requirements against delivery of the organisations priorities and will be submitting a business case to recruit contractors to deliver fixed pieces of work which will allow the department to free up resources to concentrate on providing business as usual which Asset Management needs to be a part of.*

*BSI would like to reassure SCT that Asset Management is now very much a priority of the department and that all future audits will be conducted in conjunction with the finance department to ensure accuracy and consistent rectification of any subsequent issues identified.*

*Our intention is to take the following steps:*

- To allocate a dedicated resource who will liaise directly with the Finance Department to work through the recommendations from the Audit Report and implement any recommendations.*
- To brief all staff on the Asset Management Policy and remind them of their responsibility around Asset Management and highlight the potential repercussions of staff not adhering to the policy.*

*The first milestone will be to provide a list of outcomes against the Audit Report recommendations.*

## **SCT Response**

10. This report was taken to SCT on 3 September. Concerns were raised by SCT surrounding reputation and risk. The following recommendations were agreed by the Chief Constable:
  - a) Note the poor audit report.
  - b) Consider the proposed response from BSI and support them, but with an increased focus due to the risk.
  - c) Request that Asset Management, with a specific reference to ICT assets, be focused on in the new force wide performance conference.
  - d) Note that this report with the agreed outcomes will be reported to the Independent Audit Committee in September 2013.
  - e) Request that improvements have been implemented within 3 months with an update provided on a monthly basis to SCT.
  - f) Request that the outcome of the next Asset Management Audit report be provided to SCT with the expectation that the assurance level has improved.

## **Conclusion**

11. The committee is asked to note the poor report and the actions being taken by the Chief Constable to resolve the issue and that an update on progress will be provided to this committee in due course.

**Clive Barker**

Chief Finance Officer to the Chief Constable