THE POLICE, FIRE AND CRIME COMMISSIONER FOR NORTH YORKSHIRE AND THE CHIEF CONSTABLE OF NORTH YORKSHIRE

Benefits Realisation

Internal audit report 8.21/22

FINAL

9 March 2022

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM

1. EXECUTIVE SUMMARY

Why we completed this audit

Our review of the Police, Fire and Crime Commissioner for North Yorkshire and the Chief Constable of North Yorkshire's benefits realisation framework has been completed to allow the Commissioner and Chief Constable to take assurance with regards to the organisations' arrangements for identifying, assessing, and reporting on benefits. The objective of the review was to understand whether there is a robust framework in place, which is being adhered to in practice, to ensure that the benefits expected from transformational change and the benefits subsequently achieved are identified, assessed, and reported upon on a consistent basis.

The Benefits Framework was presented for consideration to the Chief Officer Team (COT) on 29 March 2021 and the Executive Board on 27 April 2021 and has been in operation since June 2021. At the time of our audit, only those benefit projects in the preliminary development or planning stages (pre-business case) as of June 2021 had been evaluated under the terms of the Framework, as the organisations took the position not to retrofit pre-existing projects to meet the terms of the new Framework. Due to the infancy of the Framework, no benefits, as assessed according to the new Framework, have been realised nor have any of the associated projects been handed over from the PPMO (Portfolio Programme Management Office) to the business/operational teams. The PPMO is part of enableNY, a strategic partner of North Yorkshire Police (NYP), North Yorkshire Fire and Rescue Services (NYFRS) and the Office of the Police, Fire and Crime Commissioner which oversees business support functions on behalf of the organisations.

As per the December 2021 Change Board List, there were 16 current projects, of which four were classed as a CJ (Criminal Justice) Portfolio change, five Transformational, and seven Transitional. For the purpose of this review, and at the request of management, we only looked at Transformational projects/changes as these projects were the most mature at the time of our audit. The Framework is structured around four stages of benefit management, namely: 1. Identify and Understand; 2. Plan; 3. Track, review, and report; and 4. Evaluate.

The Framework states that the organisations' 'solutions-first thinking' has been reframed to a 'benefits-first thinking'. This shifts initial thinking from designing solutions to asking for explanation from groups and individuals of their understanding and experiences of an opportunity or problem. Benefits are then identified through asking the question: 'if this were achieved, what would be the resulting positive impact'.

Outlined within the Framework is a process referred to as 'developing our understanding of success', in which the subjective nature of success is referenced and, to grasp a more accurate view upon success, a stakeholder view is adopted, classifying success as meeting stakeholders' needs in reference to an objective. Further detail is presented which mentions imposed changes outside of control. These benefits are suggested to be assessed 'as and when they arise', in order to 'support learning'. Required when assessing benefits are the following:

- Driver for change;
- Driver type;
- Benefit required;
- Benefit measures; and
- Contribution to crime plan/ fire and rescue outcomes.

In support of the roll out of the Framework the Benefits Manager created and implemented a specific benefits work plan. Within the plan, against each action (What) there is a specified deadline (When), reason (Why), person responsible (Who), outcome (So what?) and status, allowing for progress to be monitored.
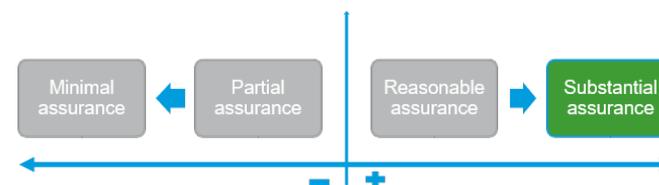
We reviewed the Benefits Framework as well as the training and guidance given to staff, and we sampled six current Transformational projects and reviewed their dependent benefits to ensure the Benefits Framework was being adhered to in practice, including review of documentation, such as Benefit Registers, business cases, benefit logic maps, and Board papers, as well as discussions with key persons within the PPMO. We also interviewed a sample of Senior Responsible Officers (SROs), Business Leads, and Projects Leads to gauge their thoughts on the new Framework.

Conclusion

We have concluded that there is a well-designed and complied with control framework in place. As a result of our review, we have agreed **one low** priority management action. This is in relation to the need to reiterate the process(es) around the responsibility and accountability for monitoring a benefit to its realisation and beyond (i.e. continued change), once a project has transitioned from the PPMO to the business to all relevant parties, to ensure that this stage is not missed going forwards.

Internal audit opinion:

Taking account of the issues identified, the Police, Fire and Crime Commissioner for North Yorkshire and the Chief Constable of North Yorkshire can take **substantial assurance** that the controls upon which the organisations rely upon to manage this area are suitably designed, consistently applied and effective.

Key findings

Our audit identified the following area of improvement resulting in one low priority action:

We noted in our discussions with a sample of Senior Responsible Officers (SROs), Business Leads, and Project Leads, that there was uncertainty around the responsibility and accountability for monitoring a benefit to its realisation and beyond (i.e. continued change), once a project has transitioned from the PPMO to the business. Review of the Benefits Framework confirmed that responsibility for monitoring benefits to realisation once ownership has transitioned to the business transfers to the Business Lead. Not having complete clarity over this process could give rise to the risk that once a project has transitioned from the PPMO to the business the respective benefits are not monitored with appropriate scrutiny or frequency, potentially causing realisation of the benefit to miss its target realisation date, or to not be realised fully or at all. **(Low)**

Our audit review also identified that the following controls are suitably designed, consistently applied, and are operating effectively:

We confirmed that the revised Benefits Framework had been presented for consideration to the COT on 29 March 2021 and to the Executive Board on 27 April 2021, and that it is noted on the current version of the Framework (v.024) that the next date for review is June 2022. The Framework clearly outlines how the organisations identify and understand, plan, track, review, report and evaluate benefits.

In support of the roll out of the Framework the Benefits Manager created and implemented a specific benefits work plan. Within the plan, against each action (What) there is a specified deadline (When), reason (Why), person responsible (Who), outcome (So what?) and status, allowing for progress to be monitored. Review of the most recent copy of the work plan noted a couple of the actions were marked as Behind Schedule; however, due reason for these was outlined.

We confirmed there had been a comprehensive schedule of training for key stakeholders in the revised benefits management processes, including PPMO staff, business leads at each organisation, as well as Executive Board and the enableNY Senior Management Team. We confirmed also that there is guidance available to staff on the NYP intranet under the PPMO section on benefits management, including the benefits processes, types of benefits, measuring benefits, Benefit Register, benefits wording, and benefits monitoring and reviews (among other matters).

We confirmed there is a clear governance and reporting structure outlined in the Benefits Framework, and each benefit project is assigned to a Programme Board: Agile; Channel; or Digital. This is recorded not only on the respective Benefit Register but also on a Project List which is maintained by the Benefits Manager and presented at the monthly meetings of the Change Board with updates. Review of the December Project List, which went to the November Change Board, confirmed that comments against all current and future projects had been documented, and projects RAG-rated for their progress against expectation where applicable (i.e. those projects still in their infancy).

Our review of the terms of reference for the Programme Board and the Change Board confirmed that each clearly outlines the respective roles and responsibilities (purpose), attendees, standing agenda items, and rules, including the fora to which information is escalated and those from which information is cascaded (i.e. 'Change Board will be guided by the outcomes of the Executive Board'). Attendees at the Change Board include the Deputy Chief Constable (Chair), Deputy Chief Fire Officer, Programme Office Support Manager, as well as Senior Responsible Owners (SROs). There is a standing agenda item at each Board for a benefits update from the Benefits Manager, which covers all benefits regardless of programme. Included in this update is reporting of benefits and disbenefits realised in the period, including any 'unexpected' benefits. Review of the updates to each of the Programme Boards and Decision and Action Log of the Change Board up to year-end 2021 confirmed that the defined governance structure for benefits management was in place and being adhered to in practice.

Outlined in the Benefits Framework are the types of benefits, split between financial and non-financial. Financial benefits include cash releasing, cost avoidance, and value for money. Non-financial benefits are split into four themes: Community; Service Improvement; Compliance; and Culture, each of which have sub-types (i.e. internal culture vs external culture). Against these types there is an outcome against which the benefit is to be assessed. When completing the benefits identification tool, users are asked for each change objective: 'what type of difference/benefit is this'. They are then further asked 'how can we measure the difference' (benefit) and 'understand if we've made an impact'. We confirmed that for each of the change benefits identified for the EAT (Early Action Together) projects the criteria against which realisation of the benefit is to be monitored and assessed has been clearly assessed.

We reviewed the Benefit Registers for a sample of six projects (28 benefits in total): Body Worn Video (two benefits); Video Recorded Interview (four benefits); National Emergency Planning (two benefits); EAT – Place Based Working (eight benefits); EAT – Tasking and Briefing (five benefits); and EAT – Customer Contact/Initial Enquiry Team (seven benefits). This review confirmed each of the benefits within the aforementioned projects had determined on its Benefit Register the Success Criteria of the Change Needed.

We obtained copies of the benefit logic maps which show the benefits for each of the EAT projects against the expected outcome, and how each benefit links back to NYP's Early Intervention and Prevention Strategy, as well as how it contributes to the Police and Crime Plan's four strategic objectives. Similarly, in the benefits logic map for the change objective: To provide a safe and comfortable environment which enables vulnerable victims and witnesses to give their best evidence (part of the Video Recorded Interview project), it was identified that it aligns with NYP Priority 1 Objective 1 (A compassionate workforce with an excellent understanding of vulnerability in all its forms), 2 (An improved response and reduced harm to people at greater risk) and 4 (Provide an exceptional service to victims and witnesses).

This function to link the change objective/benefit back to a strategy and/or service plan is replicated in the Benefit Register. Our review of the Benefit Registers for across six benefit projects confirmed that each had been linked to a strategic or service plan.

Recorded in the Project List, maintained for the Change Board, is a risk assessment for each project: projects are assessed as either High, Medium, or Low, dependent on criteria such as national/public criticism and impact on ability to deliver service and meet organisational targets. This rating directly feeds into the type of change: Low = BAU (business as usual); Medium = Transitional; and High = Transformational, each of which has its respective reporting frequency and forum within the governance hierarchy. Discussions with the Portfolio and Programme Manager and review of a presentation, PPMO Guidance - Risk and Reporting, confirmed that the alignment of governance to project risk profiles for each type of change had been completed and that the respective governance arrangements had been documented and signed off by the Change Board in October 2021.

We obtained a sample of business cases which confirmed that during this stage the respective governance structure up to the Executive Board had been determined, including responsibility for decision making, sign off of business cases etc. We confirmed for our sample of benefits that the options selected in the Governance section on the respective Benefit Register matched with the governance structure in the respective business case.

Our review of the Benefit Registers for the benefits relating to six projects (28 benefits in total) confirmed that there had been a recent review completed within the last two months (November-December 2021), except for one benefit, Increased Resilience of Community Safety Hubs, (part of EAT – Place Based Working) where the first review was due 31 January 2022 in line with the project benefits dependencies map. Our review also confirmed users are routinely attaching documents in support of the review outcome.

We reviewed a sample Benefits Updates to the Change Board which confirmed that progress on benefits is presented at each monthly meeting of the Change Board and that these updates are informed from the outcomes of any benefit reviews completed in the Benefit Register.

In order to facilitate oversight of the progress of benefits, there is a live Tracking Dashboard which pulls data from each of the Benefit Registers. This dashboard is available to a wide range of individuals in and outside of the PPMO and can be accessed at any time to enable ongoing scrutiny and support. The dashboard shows: Benefits by SRO; Benefits At Risk; Overdue Review; Benefits by Business Area; Benefits by Type; and Benefits Achieved.

We obtained a copy of the template Project Closure and Transition Report which is completed when a project and its benefits is being transitioned from the PPMO to the business. Included in the Report is a section for Transition Activities and Recommendations under which any deliverables which have not been realised are documented along with any action to be taken and an owner. There are also sections for documenting an assessment of the status of the project and any unrealised objectives/benefits as well as any deviations from planned completion time/s and cost/s. (It should be noted here that no ownership of projects and their related benefits had been transitioned to the business at the time of our audit, therefore no Project Closure and Transition Reports had been completed).

Any deviations from anticipated benefits are recorded through review meetings over the respective Benefit Register and an exception report is produced for presentation to the respective Programme Board and escalated where necessary to the Change Board. There is an agreed set of criteria for exception reporting, for time, financial cost, and achievement of benefit (Will the benefit still be achieved?). For our sample of six projects we confirmed that there had been no deviations from the anticipated benefits, either financially or non-financially, or against the excepted realisation date, due to their infancy. We did confirm that an Exception Report on the Single Online Home project was presented to the Change Board at its meeting of 23 November 2021, while an Exception Report on the Niche project went to the 23 August 2021 meeting.

In addition, we confirmed that a Project List goes to the Change Board each month included in which is a narrative update on the progress of any projects as well as a RAG-rated status indicating whether the project is on track or behind schedule for its completion.

2. 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.

Area: Benefits Realisation		
Control	Once a project is ready to be transitioned out of the PPMO to the business, a Project Closure and Transition Report is completed. Once a project has transitioned to the business, responsibility for how benefits are tracked and reported transfers to the Business Lead.	**Assessment:** **Design** ✓ **Compliance** ✕
Findings / Implications	Due to the infancy of the Benefits Framework, none of the benefits related to projects planned under the remit of the framework have been realised, nor have projects in existence prior to the introduction of the new framework been retrofitted to meet the remit of the framework. We obtained a copy of the template Project Closure and Transition Report which is completed when a project and its benefits is being transitioned from the PPMO to the business. Included in the Report is a section for Transition Activities and Recommendations under which any deliverables which have not been realised are documented along with any action to be taken and an owner. There are also sections for documenting an assessment of the status of the project and any unrealised objectives/benefits as well as any deviations from planned completion time/s and cost/s. We noted in our discussions with a sample of SROs, Business Leads, and Projects Leads, that an area of uncertainty in the benefits management cycle was a lack of clarity around the responsibility and accountability for monitoring of a benefit to its realisation and beyond (i.e. continued change), once a project has transitioned from the PPMO to the business. However, the Benefits Framework states that the Business Lead is responsible for managing benefits through to realisation and is accountable to the SRO for this. Discussion with the PPM confirmed that this was the case. Any uncertainty over the process for monitoring benefits once a project has transitioned from the PPMO to the business could give rise to a risk that the respective benefits are not monitored with appropriate scrutiny or frequency, potentially causing realisation of the benefit to miss its target realisation date, or to not be realised fully or at all.	

Management Action 1	The process for monitoring a benefit to its realisation when ownership has transitioned to the business, reflecting any lessons learned from benefits which have transitioned from the PPMO to the business, will be reiterated to all relevant parties to ensure that this control stage is effective going forwards.	**Responsible Owner:** Portfolio and Programme Manager	**Date:** 31 December 2022	**Priority:** Low

APPENDIX A: CATEGORISATION OF FINDINGS

Categorisation of internal audit findings	
Priority	**Definition**
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

The following table highlights the number and categories of management actions made as a result of this audit.

Area	Control design not effective*		Non Compliance with controls*		Agreed management actions		
					Low	Medium	High
Benefits Realisation	0	(9)	1	(9)	1	0	0
Total					**1**	**0**	**0**

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

APPENDIX B: SCOPE

The scope below is a copy of the original document issued.

Objective relevant to the scope of the review

The internal audit assignment has been scoped to provide assurance on how the Police, Fire and Crime Commissioner for North Yorkshire and the Chief Constable of North Yorkshire manages the following area.

Objective of the area under review
The organisations have a robust framework in place to ensure that the benefits expected from a transformational change and the benefits subsequently achieved are identified, assessed, and reported on a consistent basis.

Scope of the review

North Yorkshire Police has, over recent years, progressed through a number of significant transformational change programmes, some of which are still ongoing. Being able to assess whether such projects are achieving the benefits anticipated is key to determining their success or identifying the need for corrective actions. In order to counter observations from Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS), amongst others, a new Benefits Realisation Framework was approved and launched in April 2021 and, as such, some elements of the framework are not yet fully embedded.

Our review will focus on the following areas:

- Whether the organisations have a clear framework setting out the approach to the identification, assessment, monitoring and reporting of benefits from transformational projects.

- Whether all relevant staff have a clear understanding of the benefits realisation framework, both in terms of how benefits are defined / measured, and the part they play in their realisation.

- Whether the benefits realisation framework is supported by a clear governance and reporting structure.

- Whether the framework is based around a consistent set of criteria which can be used to assess the benefits anticipated from a given project and monitor delivery of those benefits.

- How the benefits realisation framework is linked to the organisations' strategic objectives.

- How projects are assessed on a risk basis during their planning to determine what level of approval and frequency / level of monitoring is required.

- How the results from benefits realisation reviews are reported / communicated.

- How benefits realised are tracked and reported.

- Reporting of deviations from anticipated benefits through the organisations' governance structures provides sufficient detail to allow for decisions to be made regarding corrective actions on a timely basis.

The following limitations apply to the scope of our work:

- The scope of this audit is limited to those areas examined and reported upon in the key risks and control objectives in the context of the objective set out for this review.

- Any testing undertaken as part of this audit will be compliance based and sample testing only.

- We will not review the approval or subsequent monitoring processes in relation to projects in existence prior to the introduction of the new benefits realisation framework.

- We will not review capital budget setting or monitoring processes during the course of this review.

- We will not consider procurement processes as part of our review.

- We will not repeat work undertaken during the RSM Projects review conducted in 2020 / 2021 or the RSM Capital Investment Programme review conducted in 2021 / 2022.

- Our review does not guarantee the achievement of benefits anticipated from projects reviewed.

- Our review also does not guarantee the outcome of any future inspection by HMICFRS.

- Our work does not provide an absolute assurance that material errors, loss or fraud do not exist.

Debrief held	18 January 2022	**Internal audit Contacts**	Daniel Harris, Head of Internal Audit
Additional evidence provided / meetings held	8 February 2022		Philip Church, Senior Manager
			Michael Gibson, Client Manager
Draft report issued	15 February 2022		
Responses received	2 March 2022 & 9 March 2022		
Revised Draft report issued	3 March 2022		
Final report issued	9 March 2022	**Client sponsor**	Ray Ward, Managing Director
			Maria Earles, Head of Business Design and Assurance
			Rena Brown, Head of Portfolio and Project Management Office
			Vicky Booty, Benefits Manager
		Distribution	Ray Ward, Managing Director
			Maria Earles, Head of Business Design and Assurance
			Rena Brown, Head of Portfolio and Project Management Office
			Vicky Booty, Benefits Manager

rsmuk.com