



# THE CHIEF CONSTABLE OF CLEVELAND

Collaborations: Tactical Training Centre – Inventory Management

Internal audit report 12.21/22

FINAL

28 April 2022

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# 1. EXECUTIVE SUMMARY

## Why we completed this audit

As part of our approved internal audit plan for 2021 / 2022, we have undertaken a review to ensure that the Force has adequate and effective systems and procedures in place to manage the inventory of equipment and ammunition in respect of training courses operated by the Tactical Training Centre. As part of the review, we have assessed a number of control areas including written procedures, physical controls over storage of ammunition and weapons, stock checks over stores and regular reporting.

The Tactical Training Centre based in Uxley Nook is a Private Finance Initiative (PFI) facility owned by Engie which is used as part of a joint collaborations between Durham Police and Cleveland Police to provide firearms training to officers (such as Armed Response Vehicle training). These training courses are run in accordance with the College of Policing who create and set the curriculum for each course. As part of the collaboration agreement, Durham Police are responsible for the finance and procurement side of the arrangement with Cleveland Police responsible for the management and day-to-day running of the facility through the Chief Firearms Instructor (CFI). The CFI is the most senior officer on-site at the Tactical Training Centre and is responsible for the daily management of the facility.

The ordering of weapons and ammunition is the responsibility of the Chief Firearms Instructor and is normally conducted three or four times per year. Given current global circumstances, the ordering of ammunition is completed well in advance (can be half a year in advance) and it is not unusual for delays to occur for ammunition due to material shortages and increased demand (especially in the USA). This is combined with the difficulty in estimating the amount of ammunition expended during training sessions as this amount can sometimes be inaccurate. One of the main reasons for this is the learning speed for each officer is different and some officers can expend significantly more than others to reach a competent level during training.

The PFI partner, Engie, are primarily responsible for the maintenance of the facility including the Centre's armoury as well as the issuing and return of weapons and ammunition before and after a training session. Engie employs several Armourers to maintain the Centre's armoury and are responsible for the maintenance and issuing of weapons and ammunition. All weapons and ammunition used during the training sessions are signed out by either the instructor or each individual officer and are subsequently signed back in at the end of the session. These records are stored onsite and are used to confirm that all weapons or ammunition have been returned and have not been taken by an officer. If all weapons are not returned, a procedure is in place to prevent all officers from leaving the site in order to locate any missing weapons that should have been returned.

Whilst weapons and ammunition are issued by the Training Centre, equipment such as vests, helmets and gloves are not and are instead given to officers by a separate department within the Force. Officers are expected to keep and maintain their own equipment and can be used during training. Given this, we have not reviewed equipment as this is out of scope.

## Conclusion

All controls in place were well designed and those that were tested were being complied with. We did identify a discrepancy with a small section of the Standard Operating Procedures (SOPs) regarding the annual audits and whether it is reasonable for a Senior Management Team to attend the full audit (which can often take a full working day) or whether signing off the completed audit is sufficient, especially when the CFI or Deputy CFI must be involved with the audit as well.

As a result of our review, we have identified **one low** priority action. Detail of this action can be found under section two of this report.

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### Internal audit opinion:

Taking account of the issues identified, the Chief Constable can take **substantial assurance** that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied and effective.

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## Key findings

**We identified the following finding that has resulted in one low priority management action being agreed:**



During our review of the stock check audits, we noted that the SOPs mentioned that a 100% stock check audit is to be completed on an annual basis. This must be completed by the CFI or Deputy CFI and a member of the Senior Management Team. We queried whether this meant a member of the Senior Management Team should be directly part of the audit or signing the audit off after completion. Furthermore, given that the audit typically takes a full working day, we questioned whether the Senior Management Team member should be fully involved within this process (completing the count over the full day) and whether this would be an appropriate use of resources, particularly as the CFI or Deputy CFI are required to be completing the audit as well.

There is a risk that if the SOPs do not clearly outline the Senior Management Team's responsibilities, the annual stock check may not be completed correctly and in-line with the procedure. **(Low)**

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



The Force has a set of SOPs in place that governs the use and management of equipment, weapons and ammunition by the Tactical Training Centre. This contains several procedures which cover, amongst other areas, the issuing and return of weapons and ammunition as well as the completion of stock audits on a regular basis. The SOPs are reviewed and updated twice per year (in April and September) as part of the Centre's firearms licence with a physical copy provided to the Firearms Instructors. A digital copy is also held and is available to all Instructors. We confirmed that a list of Firearms Instructors is held by the CFI and all Instructors are required to sign to confirm they have received, read and agreed to the SOPs.



We reviewed the SOPs and confirmed that specific sections have been included to outline management of the armoury, weapons, equipment and ammunition. The armoury and magazine management section specifies that day-to-day management of the armoury is the responsibility of PFI staff as part of the PFI contract though the CFI has overall responsibility over the armoury and stores. Responsibility for ammunition is primarily assigned to the CFI though many of these responsibilities have been delegated to appropriate individuals (such as the Range Conducting Officer or the Deputy CFI).



The CFI explained that there are several difficulties with calculating and ordering ammunition. It has been highlighted that ammunition usage differs depending on the individual as officer learn at wildly different rates and as such it is not possible to calculate an accurate ammunition amount for each course. This is combined with a shortage of ammunition globally due to material shortages and sharp rise in demand in the United States. Given these circumstances, it is not possible for the CFI to order ammunition when needed and instead, ammunition must be purchased months in advance. This was highlighted when we were completing testing for a separate control, that an ammunition order from April 2021 and August 2021 respectively are currently outstanding, with several orders from October 2021 also being outstanding. Given these circumstances, the CFI has explained that monitoring of ammunition stores is used in conjunction with a review of upcoming training sessions to determine whether ammunition orders are required.



When ammunition orders are required, the CFI emails the procurement team at Durham Police with the quote from the supplier to raise the order. The CFI confirmed that orders cannot be raised by any other individual and will not be accepted by Durham. As such, all orders sent by the CFI to Durham are approved. We selected a sample of eight orders made by the Training Centre in the 2021-22 financial year and requested the confirmation email from the CFI, the quote from the supplier and the invoice from the supplier to ensure the process has been completed correctly.

We were supplied with the email from the CFI to the procurement team for all eight orders and confirmed these contained the quote from the supplier on all emails. We were also supplied with the invoice for all eight orders and reviewed these against the quote included on the CFI's email and the procurement system. We noted that the amount on the quote and the invoiced amount was different for six of the eight samples however we identified that this was due to the orders being split due to delivery problems and that the unit prices recorded in the quotes matched the unit prices in the invoice. For the remaining two samples, we confirmed that all amounts matched and no discrepancies were identified.



We completed a walkaround of the Tactical Training Centre to assess the physical controls over weapons and ammunition held. We confirmed that access to the site itself is restricted by a secure perimeter fence and locked gate and is not accessible to the public with any visitors or officers having to contact reception to be given access. The building itself has several locked doors which are not accessible without a separate key fob (only held by Engie staff and Firearm Instructors). The armoury itself is behind a sealed locked door which requires a PIN code and possession of a key to enter. Once inside the armoury, there are two separate, locked sections – one section for firearms and one for ammunition. Weapons and ammunition are provided to Instructors and learners via a small hatch in the armoury and can only be unlocked within the armoury and not from the outside. There is also CCTV throughout the Centre including outside the armoury pointing towards the hatch so as to oversee the issuing and return of weapons and ammunition. It should be noted that there is no CCTV inside the armoury.



As per the SOPs, an issue/return sheet is completed by the Armourer when issuing or receiving weapons and ammunition and the sheet is subsequently signed off by the instructor or each individual learner to confirm the details (such as weapon issued, serial number on weapon and amount of ammunition issued). When weapons are returned, the Armourer places the weapons in its assigned slot in the armoury which is dependent on its serial number. This allows the Armourer to quickly identify the serial number of any weapon or any missing weapon. We observed the issuing and return of weapons and ammunition as well as the completion of the issue/return sheet and confirmed this is in-line with the procedure identified in the SOPs. During the review of the issue/return sheet, we confirmed that the officer had signed out all weapons and ammunition and the serial numbers had been correctly recorded. Armourers are informed of the weapons and ammunition needed each day through a training request form that must be submitted by the instructor, at a minimum, the day before. We reviewed these sheets going back to August 2021 and confirmed they had been completed for each day the Centre was used by the Force.



The SOPs outline that stock check audits must be completed on a regular basis with four separate frequencies:

- A weekly audit which involves checking one sample by a Firearms Instructor;
- A monthly audit which involves checking one sample by the CFI or Deputy CFI;
- A six-monthly audit by the CFI or Deputy CFI which involves a 100% count of all ammunition and weapons; and
- An annual audit by the CFI or Deputy CFI and a member of the Senior Management Team which involves a 100% check of ammunition and weapons.

The results of these audits are stored in the armoury next to the item to confirm that it was checked and are signed by the individual completing the audit and then countersigned by an Engie Armourer. Whilst in the armoury, we confirmed that records for the six-monthly and annual audits are stored, and these had been completed for the 2021-22 financial year. The annual audit had recently been completed on 7 January 2022 by the Acting Deputy CFI (at the request of the CFI).



A monthly PFI report is produced by Engie and provided to the CFI which includes a munitions usage report outlining how much ammunition has been used in the past month as well as a monthly holding report which states the current amount of ammunition held by the Centre. A weapon state report is also included within the PFI report and notes the number of weapons held and whether any are undergoing maintenance or being repaired. We were provided with the most recent four copies of the PFI report and confirmed that this information had been included within them.

## 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: Collaborations: Tactical Training Centre – Inventory Management			
<b>Control</b>	As per the SOPs, four sets of stock check audits are completed to ensure the correct number of equipment, weapons and ammunition are in stores  The SOPs document the process for identifying and investigating discrepancies.	<b>Assessment:</b>	
		<b>Design</b>	✓
		<b>Compliance</b>	×
<b>Findings / Implications</b>	<p>Upon review of the Firearms Training SOPs we noted that section 4.36 mentions that numerous audits are to be completed for equipment and weapons. These are:</p> <ul style="list-style-type: none"> <li>• A weekly audit by a Firearms Instructor. This is a select check and not a full check.</li> <li>• A monthly audit by the CFI / Deputy CFI. This is a select check and not a full check.</li> <li>• A six-monthly audit by the APSS Sgt or Deputy CFI. This is a full check and all weapons and ammunition are to be accounted for</li> <li>• An annual audit by the CFI or Deputy CFI and a member of the Senior Management Team. This is a full 100% check and all weapons and ammunition are to be accounted for.</li> </ul> <p>All audits must be documented and counter signed by a member of the Engie team (PFI) with access to the armoury. All records are stored in the armoury (normally next to the equipment/weapon/ammunition counted).</p> <p>During our walkthrough of the armoury, we confirmed that records for six-monthly and annual audits are stored in a secure file in the back office. We were provided with a copy of the file and confirmed that the two six-monthly audits had been completed for the 2021-22 period and the annual audit had been completed (7 January 2022). The six-monthly audits had been completed by the Deputy Chief Firearms Instructor and the annual audit had been completed by the Acting Deputy CFI (at the request of the CFI).</p> <p>For the annual audit, we noted that it wasn't clear on the role of the member of the Senior Management Team and whether they simply need to sign the audit off or whether they need to actively participate in the audit. The Acting Deputy CFI explained that the annual audits normally take at least a full day to complete and, as such, we are not sure whether attendance by the Senior Management Team for the full day is the best use of resources, especially when either the CFI or Deputy CFI are completing the audit. There is a risk that if the SOPs are not clear, audits may not be completed correctly and in-line with the correct procedure.</p>		

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For the weekly and monthly audits, as these are normally a sample and not 100%, the check is noted on a card attached to the weapon/ammunition. The check is also recorded for the annual and six-monthly checks, but this is documented on a separate form as well. The card contains the date and signature of the individual who completed the check (and for ammunition, the number of items available). This card also contains the audits that the Engie team complete each week and, for the five random sets of ammunition selected during the walkthrough, we confirmed that Engie had completed their audit on the ammunition, the CFI, DCFI or the National Firearms Instructor had completed their audit and, for ammunition, the amounts all matched.

We spoke with the Acting DCFI who explained that a process is in place if a discrepancy is identified during the stock checks, and this is documented in the SOPs. We reviewed the SOP and confirmed this contains a process and escalating procedure to be completed in the event of a discrepancy during the stock check along with the appropriate individuals to contact. This is contained within section 4.36 – Armoury and magazine management. Section 4.38 – Issue of Ammunition contains reference to the process for the discovering of discrepancies during the ammunition check and who this should be escalated to (the CFI).

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<b>Management Action 1</b>	The Standard Operating Procedures will be reviewed and updated to ensure more clarity with regards to the annual audit and the role of the Senior Management Team.	<b>Responsible Owner:</b> Chief Firearms Instructor	<b>Date:</b> 31 March 2022	<b>Priority:</b> <b>Low</b>
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## 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
Collaborations: Tactical Training Centre – Inventory Management	0	(8)	1	(8)	1	0	0
<b>Total</b>					<b>1</b>	<b>0</b>	<b>0</b>

\* 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 and risk relevant to the scope of the review

The internal audit assignment has been scoped to provide assurance on how the Force manages the following area:

#### Objective of the area under review

The Force has adequate and effective systems and procedures in place to manage the inventory of equipment and ammunition required in respect of training courses operated at the Tactical Training Centre.

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### Scope of the review

The Tactical Training Centre is used jointly by Cleveland and Durham police forces for the training of Armed Response Vehicle Officers (ARVOs), as well as a range of other specialist training courses for police officers. Courses are run in accordance with the national curriculum set by the College of Policing, and the equipment and ammunition needed is derived from these requirements. Our review will focus on the following areas:

- Whether the Tactical Training Centre has an overall set of procedures for the management of equipment and ammunition which are well known by all relevant officers and staff.
- Whether there are clear lines of responsibility for the management of equipment and ammunition.
- Whether orders for equipment and ammunition are in line with the requirements of training courses operated.
- Whether orders for and receipt of equipment and ammunition are checked and authorised in line with the agreed scheme of delegated authority.
- What records are maintained for the ordering, receipt and issue of equipment and ammunition and the return of equipment and unused ammunition following a training course.
- What physical controls are in place over the storage and issue of equipment and ammunition and the return of equipment and unused ammunition following a training course.
- What checking and authorisation procedures are in place over the issue and return of equipment and ammunition.
- Whether regular stock checks are undertaken over the stores of equipment and ammunition and what investigation / checking / authorisation procedures are in place over any potential discrepancies.
- How the maintenance of the stores of equipment and ammunition is reported upon.

**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 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.
- At the request of management, this review will not look at the Forensic Collision Investigations Unit (also a collaboration between the Cleveland and Durham forces).
- We will not look at the procurement of equipment and ammunition during the course of this review, other than the management of orders and receipt of goods.
- We will not look at accounting for equipment and ammunition during the course of this review.
- Our review will not consider the content of training courses, other than what implications they have in respect of equipment and ammunition requirements.
- Our review will also not consider the nature of any contractual arrangements between the Cleveland and Durham forces and the Private Finance Initiative (PFI) partner (Engie) in the operation of the Tactical Training Centre.
- Our review does not guarantee a particular outcome from any inspection by HMICFRS and nor is it intended to replace any such inspection.
- Our work does not provide an absolute assurance that material errors, loss or fraud do not exist.

**Debrief held** 17 March 2022  
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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

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