

Cumbria Shared Internal Audit Service

Internal Audit Report for Cumbria Office of the Police and Crime Commissioner



Audit of Blue Light Collaboration

Draft Report Issued: **30th October 2019**

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Audit Resources

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Audit Report Distribution

For Action:	Vivian Stafford, Head of Partnerships & Commissioning.
For Information:	Sean Robinson, Blue Light Collaboration Manager.
Audit Committee	The Joint Audit Committee which is due to be held on 18 th March 2020 will receive the report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

Cumbria Shared Internal Audit Service

Images courtesy of Carlisle City Council except: Parks (Chinese Gardens), www.sjstudios.co.uk, Monument (Market Cross), Jason Friend, The Courts (Citadel), Jonathan Becker



Executive Summary

1. Background

- 1.1. This report summarises the findings from the audit of **Blue Light Collaboration**. This was a planned audit assignment which was undertaken in accordance with the 2019/20 Audit Plan.
- 1.2. Blue Light Collaboration is important to the organisation because the Policing and Crime Act 2017 introduced a high level duty for Blue Light services (Police, Fire and Rescue, and Emergency Ambulance Services) to keep collaboration opportunities under review and to collaborate where it is in the interests of their efficiency or effectiveness.
- 1.3. Following the introduction of this statutory duty the Police and Crime Commissioner developed and consulted on a Blue Light collaboration options appraisal in late 2017. Stakeholders consulted included the Chief Constable, Cumbria Police and Crime panel, the Leader of Cumbria County Council and Chief Fire Officer as the main collaboration considerations at this time impacted on Cumbria Constabulary, Cumbria Fire & Rescue Authority and Cumbria County Council (as the Fire Authority for Cumbria). All parties agreed to progress the voluntary collaboration option.
- 1.4. A collaboration agreement was drawn up and was signed by all parties, including the North West Ambulance Service in May 2018.

2. Audit Approach

2.1. Audit Objectives and Methodology

- 2.1.1. Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives which are outlined in section 4; detailed findings and recommendations are reported within section 5 of this report.

2.2. Audit Scope and Limitations

- 2.2.1. The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was Vivian Stafford, Chief Executive of the OPCC / Head of Partnerships & Commissioning. The agreed scope of the audit was to provide assurance over management's arrangements for governance, risk management and internal control in the following areas:

- The governance of the Blue Light collaboration including arrangements to assess its effectiveness.

2.2.2. There were no instances whereby the audit work undertaken was impaired by the availability of information.

3. Assurance Opinion

- 3.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A**.
- 3.2. From the areas examined and tested as part of this audit review, we consider the current controls operating over Blue Light collaboration provide **reasonable** assurance.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4. Summary of Recommendations, Audit Findings and Report Distribution

- 4.1. There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.
- 4.2. There are **4** audit recommendations arising from this audit review and these can be summarised as follows:

Control Objective	No. of recommendations		
	High	Medium	Advisory
1. Management - achievement of the organisation's strategic objectives (see section 5.1.)	-	3	-
2. Regulatory - compliance with laws, regulations, policies, procedures and contracts	-	-	-
3. Information - reliability and integrity of financial and operational information	-	-	-

4. Security - safeguarding of assets	-	-	-
5. Value - effectiveness and efficiency of operations and programmes (see section 5.2)	-	1	-
Total Number of Recommendations	0	4	0

4.3. **Strengths:** The following areas of good practice were identified during the course of the audit:

- A Blue Light collaboration agreement has been prepared, consulted on and signed up to by all parties.
- The collaboration agreement includes a shared vision, aims and strategic priorities as well as the delivery structure of the collaboration.
- Boards and working groups meet regularly and have good attendance by an appropriate level of officer.
- Project Leads have been established for all collaboration projects.
- Regular updates on collaboration projects are provided at board / group meetings.

4.4. **Areas for development:** Improvements in the following areas are necessary in order to strengthen existing control arrangements:

4.4.1. *High priority issues:*

- No high priority issues were identified.

4.4.2. *Medium priority issues:*

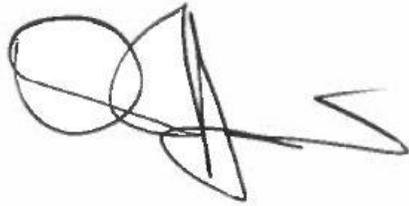
- Terms of reference have not been reviewed since the start of the collaboration agreement.
- There is a lack of evidence of items considered in determining the governance arrangements of the Blue Light Collaboration agreement.
- Minutes of Executive Leaders Board meetings do not always clearly show scrutiny undertaken, decisions made or requests for further information.
- There is no formal agreed performance framework in place for the Blue Light Collaboration agreement.

4.4.3. *Advisory issues:*

- No advisory issues were identified.

Comment from the OPCC Chief Executive / Head of Partnerships and Commissioning

I welcome the assurance that this audit gives to the OPCC and acknowledge the recommendations and actions within. The actions will be given priority over the coming months to ensure completion by the agreed dates.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Vivian Stafford – OPCC Chief Executive & Head of Partnerships and Commissioning

Management Action Plan

5. Matters Arising / Agreed Action Plan

5.1. **Management** - achievement of the organisation's strategic objectives.

● **Medium priority**

Audit finding

(a) **Governance Arrangements**

The governance structure of the Blue Light Collaboration, in terms of the two Boards and Working Group in place, was agreed at the February 2018 Executive Board meeting and included in the approved Collaboration Agreement. Terms of reference for the Executive Leaders Board and the Programme Board were also presented at the February 2018 meeting of the Executive Board, along with key roles and responsibilities of certain posts (including Programme Director, Constabulary Senior Lead, Fire and Rescue Senior Lead and Work Stream Leads). A review of the governance structure for the Collaboration going forward was undertaken in October 2019 and, in light of this, we consider it to be an opportune time to review the terms of reference / key roles and responsibilities with updates prepared where necessary (e.g. group membership and reference to decision making agreement) to ensure they remain accurate. This review should be clearly documented. *See also 5.1b.*

We were informed that the CIPFA Delivering Good Governance Guidance was reviewed and compared to the arrangements in place for the Blue Light Collaboration by the Blue Light Collaboration Manager. It was stated that the arrangement in place was considered to be reasonable and that a proportionate approach had been adopted for the Collaboration with bureaucracy kept to a minimum. The Blue Light Collaboration Manager also confirmed that a pure programme / project management approach was deemed unsuitable and too rigid for this Collaboration. Whilst elements of the CIPFA guidance are reflected in the governance arrangements of the collaboration there is nothing in place to specifically demonstrate the review of this guidance or the other factors considered in determining the governance arrangements for the

Management response

Agreed management action:

R1 and R2:

We will review terms of reference for the Boards and roles and responsibilities for the revised structure. We acknowledge and will incorporate recommendation 2 in developing and making changes to the Blue Light Collaboration governance arrangements going forward.

<p>collaboration and how it was decided what was proportionate. It was noted that a key element of the good governance guidance, performance indicators agreed by all parties, is not in place for the Blue Light Collaboration. <i>See also 5.2a.</i></p>	
<p>Recommendation 1: Key governance documents such as terms of reference / roles and responsibilities should be regularly reviewed to ensure they remain accurate.</p> <p>Recommendation 2: Appropriate arrangements should be in place to evidence the items considered in determining the governance arrangements for the Collaboration, including where key elements of good governance are not put in place.</p>	
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none"> • Key governance documents are not accurate / do not reflect practice; • No evidence to support how key governance arrangements were determined. 	

Responsible manager for implementing:
Safer Cumbria Coordinator
Date to be implemented:
02/2020

● **Medium priority**

Audit finding	Management response
<p>(b) Meeting Minutes</p> <p>Through discussions with the Blue Light Collaboration Manager and review of meeting minutes it was identified that the minutes do not always clearly reflect the discussions held at Executive Board meetings.</p> <p>Our review of the Executive Board Minutes showed that they do not clearly show all decisions taken or requests made by the Board. For example, we were informed that the terms of reference for the Executive Leaders Board and Programme Board were agreed by the Executive at their meeting in February 2018, however the notes of this meeting did not clearly show this.</p> <p>Similarly, Executive minutes did not show where the Board had requested further information on certain projects though some of their requests could be seen in notes of the Working Group.</p>	<p>Agreed management action: <i>We will ensure 'actions' from meetings are clearly recorded moving forward.</i></p>

<p>Recommendation 3: Meeting minutes should clearly record key items from meetings including Board scrutiny, decisions taken and requests for further information.</p>	
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none"> • Scrutiny of Executive Board not clearly recorded; • No evidence of decisions taken; • Key decisions not recorded. 	<p>Responsible manager for implementing: Safer Cumbria Coordinator Date to be implemented: 02/2020</p>

5.2. Value - effectiveness and efficiency of operations and programmes.

● **Medium priority**

Audit finding

(a) Collaboration Effectiveness / Performance Measurement

The briefing provided to the February 2018 Executive Board and various meeting minutes showed that initial plans were to have a performance framework in place for the Blue Light Collaboration. However, despite several discussions on this, no formal performance framework or agreed performance indicators have been put in place to assess the effectiveness of the agreement or collaboration projects. We were informed that whilst the areas to explore as part of the collaboration had been agreed, the potential of these were not known at the initial stage and that because projects can grow organically and change over time a formal framework was not practical in this instance.

Project evaluation undertaken has varied between projects and evaluation criteria / performance indicators are not always identified in advance of each project commencing. Some projects have formal evaluation reports prepared (though the Executive requested further details on the two projects whose evaluation reports were reviewed by Internal Audit) while other projects are not proposed to be formally evaluated (including one where Working Group minutes show that the Executive Board had earlier requested an evaluation report). It was seen that progress with all collaboration projects is reported at Board meetings including practical examples where appropriate and it was stated that this progress provides assurance to the Board.

There is nothing to demonstrate that the route that has been taken in relation to project evaluation was agreed by relevant parties or that it provides all parties with the level of assurance they require on whether the collaboration agreement and individual collaboration projects are effective.

Whilst it is appreciated that projects may change during the course of implementation, objectives and outcomes of most projects and the area(s) of the collaboration agreement they link to (increased efficiency, effectiveness or community safety) should be identifiable up front / early on in each project. In turn, this should enable performance measures and areas to be included in project

Management response

Agreed management action:

We will ensure the Executive Board acknowledges how the Blue Light Collaboration and individual projects will be evaluated, and clearly set out how we will know that collaboration has been successful.

<p>evaluation to be identified and agreed on in advance / at an early stage in each project. This could help to ensure that the information reported provides all parties with the level of assurance they require and that the required information is readily available, and if not, it would allow parties to determine what needs to be put in place in order to provide / obtain evaluation information. This may also result in evaluations including a greater amount of information or for them to be undertaken more promptly than adding an evaluation measure after the project is already established. Changes to performance measures / evaluation criteria could still be made if a project took a different direction as it progressed.</p>	
<p>Recommendation 4: It should be evident how the success of the Blue Light Collaboration agreement will be measured and that this has been agreed by all relevant parties.</p>	
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none"> • Effectiveness / performance of the collaboration is unclear; • Lack of clarity on whether agreement is achieving what it set out to; • Required data unavailable to assess success. 	<p>Responsible manager for implementing: Safer Cumbria Coordinator Date to be implemented: 02/2020</p>

Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	<p>The controls tested are being consistently applied and no weaknesses were identified.</p> <p>Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.</p>
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	<p>Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed.</p> <p>Recommendations are no greater than medium priority.</p>
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	<p>There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified.</p> <p>Recommendations may include high and medium priority matters for address.</p>
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	<p>Significant non-compliance with basic controls which leaves the system open to error and/or abuse.</p> <p>Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.</p>

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

Definition:		
High	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	●	Some risk exposure identified from a weakness in the system of internal control
Advisory	●	Minor risk exposure / suggested improvement to enhance the system of control

Recommendation Follow Up Arrangements:

- High priority recommendations will be formally followed up by Internal Audit and reported within the defined follow up timescales. This follow up work may include additional audit verification and testing to ensure the agreed actions have been effectively implemented.
- Medium priority recommendations will be followed with the responsible officer within the defined timescales.
- Advisory issues are for management consideration.