Cumbria Shared Internal Audit Service

Internal Audit Report for . the OPCC

Peter McCall

Audit of Police and Crime Plan

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Audit Resources

Title	Name	Email	Telephone
Audit Manager	Emma Toyne	emma.toyne@cumbria.gov.uk	07810 532759
Lead Auditor	Diane Lowry	diane.lowry@cumbria.gov.uk	(01228) 226281 07775 113487

Audit Report Distribution

For Action:	Vivian Stafford (Chief Executive / Head of Partnerships & Commissioning) Stephanie Stables (Partnership and Strategy Manager)
For Information:	Gill Shearer (Chief Executive / Head of Communications & Business Services)
Audit Committee	The Joint Audit Committee which is due to be held on 24th June 2020 will receive this report.

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Cumbria Shared Internal Audit Service

Executive Summary

1. Background

1.1. This report summarises the findings from the audit of the Police and Crime Plan. This was a planned audit assignment which was undertaken in accordance with the 2019/20 Audit Plan.

1.2. The Police Reform and Social Responsibility Act requires Police and Crime Commissioners to produce a Police and Crime Plan setting the vision and strategic direction for policing, crime reduction and community safety.

1.3. Cumbria's Police and Crime Plan was launched in 2016, following the appointment of the Police and Crime Commissioner. The 4-year Plan covers 2016-2020 and contains the key police and crime objectives which contribute toward achieving the Commissioner's overall aim 'to make Cumbria an even safer place'.

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**

The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was the Chief Executive / 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 arrangements for monitoring the delivery of the Police and Crime Plan within the OPCC, including:

- Responsibilities for monitoring delivery of the Plan
- Measuring and Assessing Progress in delivering the Plan
- Oversight and Reporting on delivery of the Plan

2.2.1.   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 in respect of monitoring the delivery of the Police and Crime Plan within the OPCC provide **Substantial** 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 **2** audit recommendation arising from this audit review as follows:

Control Objective	No. of recommendations		
	High	**Medium**	**Advisory**
1. **Management** - achievement of the organisation's strategic objectives (see section 5.1.)	-	-	2
2. **Regulatory** - compliance with laws, regulations, policies, procedures and contracts	-	-	-
3. **Information** - reliability and integrity of financial and operational	-	-	-
4. **Security** - safeguarding of assets	-	-	-
5. **Value** - effectiveness and efficiency of operations and programmes	-	-	-
Total Number of Recommendations	-	-	2

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

- The Office of the Police and Crime Commissioner for Cumbria's Corporate Plan for 2019-20 has been developed to support the delivery of the Police and Crime Plan and sets out the work the OPCC will focus on over the coming year. The Corporate Plan includes an OPCC Objective '*To deliver and monitor the Police and Crime Plan Objectives and Priorities'.*
- The OPCC's Internal Governance Arrangements for monitoring the Police & Crime Plan have been documented in a flow diagram, which has been shared with the Team.
- There is an internal Police and Crime Plan Delivery Plan, refreshed on an annual basis, which lists the priorities from the Police and Crime Plan and actions needed for their delivery.
- Delivery of the Police and Crime plan priorities is monitored on an ongoing basis by the OPCC team. Methods include gaining assurance via:
    - Attendance by the OPCC at Collaborative Board,
    - Meetings with Contract providers whose services aim to deliver elements of the Police and Crime plan,
    - Regular Partnership and Commissioning meetings,
    - Results obtained from public surveys,
    - Performance and thematic presentations by the Constabulary at Public Accountability Conferences.
- There are regular Public Accountability Conferences (PAC), chaired by the Commissioner and attended by senior officers from the OPCC and Constabulary. These meetings are divided into two key areas of business (Performance and Finance) and allow the Commissioner to scrutinise Constabulary performance in an open and transparent way.
- Half yearly performance, quarterly finance and quarterly thematic reports are presented by the Constabulary at PAC. This provides an opportunity to update the Commissioner on what is happening, allows for any challenge and provides the Commissioner with the assurances he requires on the progress of the priorities in the Police and Crime Plan.
- Terms of Reference for the PAC presentations are agreed by the Collaborative Board. The Terms of Reference, prepared by the OPCC set out specific areas, linked to the Police and Crime Plan priorities that the Commissioner requires assurance on.
- Regular reports are presented to the Police and Crime Panel by the OPCC in line with its work programme, providing assurance of how the Commissioner is ensuring delivery of the Police & Crime Plan. This includes an annual high level performance summary against each of the objectives in the Police and Crime Plan. The summary provides examples of key activities that the Police and Crime Commissioner, Constabulary and other partners have delivered during the previous year.
- Internally, monthly extended team meetings have been set up to enable the whole team to understand and discuss the various areas of business within the OPCC, this includes updates on the Police and Crime Plan.

- Interim Partnership and Commissioning Team meetings have recently been introduced. The meetings are held to discuss new projects and any emerging issues or risks that the team have identified, including those in relation to the delivery of Police and Crime Plan.

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

4.3.1. *High priority issues:*
- None Identified

4.3.2. *Medium priority issues:*
- None Identified

4.3.3. *Advisory issues:*
- Recent changes to the way in which performance is being monitored and reported have not been reflected in the Accountability Framework.
- Updates to the internal Crime Plan Delivery Plan should be considered to improve management information.

Comment from the Chief Executive

I am pleased to acknowledge the high level of assurance that this report gives and recognise the strengths evident in relation to the Police and Crime Plan.

Management Action Plan

5.   Matters Arising / Agreed Action Plan

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

● **Advisory issue**

Audit finding	Management response
(a) Accountability Framework - Performance The Accountability Framework demonstrates how the OPCC and Constabulary work jointly to provide a structure that is robust, open and transparent. The arrangements assist the Commissioner in obtaining reassurance on the delivery of an effective and efficient police service across Cumbria, as well as ensuring the objectives within the Police & Crime Plan are being met. The Framework, developed in 2016-17, was updated in March 2019. Included in the document is reference to a Performance Management Framework (PMF) 'consisting of an agreed set of measures, to support the delivery of the Police & Crime Plan'. Information obtained during the audit identified that a decision had been taken that the PMF would no longer used as a means for measuring and reporting what had been delivered. Notes of a meeting in January 2019 between the OPCC and Constabulary show agreement by the PCC that reporting would in future be thematic. The change to the way in which performance is monitored / reported was not reflected in the Accountability Framework, updated in March 2019, even though the decision was taken in January 2019 ie. prior to the agreement of the updated Framework.	Agreed management action: Review and amend the Accountability Framework document for 2020/2021 for approval by Executive Team.
Recommendation 1: Management should have arrangements in place to ensure that when the accountability framework documents are updated they reflect decisions taken.	

Risk exposure if not addressed:	Responsible manager for implementing:
• Governance documents do not accurately reflect management's expectations, resulting in a lack of accountability. • Non-compliance with expected procedures.	**Partnerships and Strategy Manager** Date to be implemented: **30 June 2020**

● **Advisory issue**

Audit finding	Management response
(b) Police and Crime Plan Delivery Plan The Police and Crime Plan Delivery Plan is an internal document that sets out each of the eight Police and Crime plan priorities. The Delivery Plan is refreshed each year and includes various information including the actions or projects required to meet the priority objectives and how assurance will be sought in 2019/20, for example *Seek assurance through the Accountability Framework via PAC.* The Delivery Plan does not identify which aspects of the Police and Crime Plan assurance has been requested on or provided for during the year. Although this information is evidenced elsewhere, for example in the annual PAC reporting schedule, appended to the Accountability Framework and in minutes of the meetings, management information could be obtained more readily if the Delivery Plan was developed to include reference to which Priority assurance has been provided for, when, how and whether this was sufficient or if further assurance is needed. Any aspects of the plan where areas of improvement have been identified could also be recorded on the Delivery Plan. This could be linked to individual action plans as appropriate. If delivery plan was updated on an ongoing basis the OPCC could see at a glance if there are any assurance gaps, areas requiring further improvement or where improvements have been achieved.	Agreed management action: An approach will be tested during 2020/2021 in preparation for the development of a new Police and Crime Plan following PCC elections in May 2021.

Recommendation 2:	
Consideration should be given to developing the Police and Crime Plan Delivery Plan to include, on an ongoing basis, reference to the Priorities for which assurance has been sought and obtained and areas identified where further improvements are required.	
Risk exposure if not addressed: • Failure to deliver the priorities of the Police and Crime Plan. • Failure to identify improvements.	**Responsible manager for implementing:** **Partnerships and Strategy manager** Date to be implemented: **30 June 2020**

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.	The controls tested are being consistently applied and no weaknesses were identified. Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.
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.	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. Recommendations are no greater than medium priority.
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.	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. Recommendations may include high and medium priority matters for address.
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.	Significant non-compliance with basic controls which leaves the system open to error and/or abuse. Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.

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.