



TITLE OF REPORT Internal Audit Report – Policing and Community Safety Partnership	DATE 11 th March 2020
Audit Committee For Information	

Linkage to Council Strategy (2019-23)	
Strategic Theme	PCSP
Outcome	
Lead Officer	Aileen Ruddy
Cost: (If applicable)	n/a

<u>Auditor:</u>	<u>Aileen Ruddy</u>
<u>Distribution:</u>	Audit Committee Chief Executive Director of Corporate Services Head of Funding Unit Head of Community and Culture PCSP Manager
	<u>Completed March 2020</u>

All matters contained in this report came to our attention while conducting normal internal audit work. Whilst we are able to provide an overall level of assurance based on our audit work, unlike a special investigation, this work will not necessarily reveal every issue that may exist in the Council's internal control system.

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Executive Summary

This internal audit was completed in accordance with the approved annual Internal Audit Plan for 2019/20. This report summarises the findings arising from a review of the PCSP which was allocated 8 days.

Through our audit we found the following examples of good practice:

- PCSP members were involved in developing the community and culture business plan for the Council.
- Key achievements noted within this document include Council receiving a Gold Award for Domestic Abuse Policy for 4 consecutive years.
- PCSP developed Outcome Based Accountability plan, 'using evidence to improve outcomes for children, young people, families and communities'.
- The Funding Hub provides a user-friendly environment and efficient mechanism for capturing grant applications, and facilitates a 2-step assessment of the PCSP grant applications.

Two areas (Priority 2) where controls could be enhanced were noted during this review.

The following table summarises the total number of recommendations from our audit (all recommendations being accepted by management):

Risk	Number of recommendations & Priority rating		
	1	2	3
Recording of Decision Making	-	1	-
Financial Reporting to the PCSP Committee	-	1	-
	-	-	-
Total recommendations made	-	2	-

Based on our audit testing we are able to provide the following overall level of assurance:

Satisfactory

Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified this should not significantly impact on the achievement of system objectives.

Objective

The areas for inclusion in the scope of the audit were determined through discussion with management and to meet the requirements of the letter of offer to Council for the PCSP. We considered the main risks facing PCSP and reviewed the key systems and controls in place to address these. The review focused primarily on:

- Governance
- Awarding of grant funding
- Performance management

Background

Causeway Coast and Glens Policing and Community Safety Partnership (PCSP) was established in May 2015 under the Justice Act (Northern Ireland) 2011. The PCSP is funded by the Department of Justice (DoJ) and Northern Ireland Policing Board (NIPB).

The PCSP is made up of political representatives, independent members and representatives of relevant agencies. At present, the PCSP has 10 elected members, 9 independent members appointed by the NIPB and statutory members from the following designated public bodies:

- The Police Service of Northern Ireland
- The Northern Ireland Housing Executive
- The Probation Board for Northern Ireland
- The Youth Justice Agency for Northern Ireland
- Health and Social Care Trusts
- Education Authority of Northern Ireland; and
- The Northern Ireland Fire and Rescue Service

A Policing Committee has been established as part of the PCSP, to work with the local police to develop the local policing plan and monitor their performance against the plan.

Risks

The risks identified relating to PCSP and agreed with management are as follows:

1. There may be inadequate arrangements in place to ensure that the PCSP complies with its statutory functions and with Council's requirements.
2. There may be insufficient procedures in place to ensure that funding applications are appropriately assessed resulting in funding being allocated to activities or organisations which do not meet the PCSP's objectives.
3. Insufficient documentation may be maintained on file as evidence that the project was completed in accordance with the original application and PCSP objectives have been achieved.
4. There may be inadequate reporting and monitoring of the PCSP, leading to potential reputational damage to the PCSP and Council.

Audit Approach

Our audit fieldwork comprised:

- Documenting the systems via discussions with key staff
- Consideration of the key risks within each audit area
- Examining relevant documentation
- Carrying out a preliminary evaluation of the arrangements and controls in operation generally within the Council
- Testing the key arrangements and controls
- Testing the completeness and accuracy of records.

The table below shows the staff consulted with and we would like to thank them for their assistance and co-operation.

Job title
Director of Leisure and Development
Head of Community and Culture
PCSP Manager
Funding Unit Officers
PCSP Officer

Findings and Recommendations

This section of the report sets out our findings in relation to control issues identified and recommendations. A summary of all the key controls that we considered is included in Appendix II to this report.

6.1 Risk 1 –

Issue 1 – Recording of decisions onto the system.
a) Observation- During my testing of the grant applications and their assessment that insufficient detail was recorded to explain why a specific project was awarded the full amount sought or less than the full amount sought. Scoring details were recorded directly onto the funding hub system, which also noted reductions or disallowing of any costs which were considered ineligible for funding but it was difficult to determine if a consistent approach had been applied as rationale for decisions were not always recorded.
b) Implication- In the absence of clearly documented scoring sheets as to how a decision is arrived at may result in criticism as to the scoring of schemes.
c) Priority Rating- 2
d) Recommendation-

Audit recommends that a scoring sheet is completed by each panel member as evidence of how a scheme has been scored in the assessment criteria. Members should then consult a complete a master sheet with scores for each scheme. Once a joint decision has been made and justified details should be uploaded onto the scheme, with scoring sheets also uploaded as evidence in the event of a challenge to the funding.

e) Management Response-

Recommendation is accepted. Procedures for assessing PCSP grants will be changed to accommodate the recommendation. Assessment panel members will receive grant applications and individual score sheets in advance of grant assessment meetings. They will be required to complete individual assessments. The Funding Unit will facilitate the grant assessment panel and moderate the assessment and scoring.

Responsible Officer & Implementation Date-

Head of Funding Unit

Recommendation accepted 4.03.2020 for immediate implementation for all future PCSP grant programmes.

6.2 Risk 2 – Financial Reporting and Monitoring of the PCSP

Issue 2 – Reporting to the PCSP Committee

a) Observation-

From the review of PCSP minutes and papers, audit noted that reporting of expenditure against budget is not a standing agenda item at PCSP meetings.

In addition grant-funded project progress, claims and any challenges arising are not discussed in detail.

b) Implication-

PCSP members may be unable to fulfil the duty to ensure appropriate financial management of the scheme funding. Funding available may not be fully utilised in the most effective manner and Council may suffer reputational risk as a result.

**c) Priority Rating-
2**

d) Recommendation-

Budget against actual spend reports and a summary of each grant's progress including expenditure claims to date should be presented on a quarterly to PCSP in line with claims to DoJ/NIPB.

e) Management Response-

PCSP Manager to provide the PCSP with a copy of the quarterly returns (Budget spend and Outcome Based Accountability Report) at the same time as reporting to Department of Justice and Northern Ireland Policing Board.

Responsible Officer & Implementation Date-

PCSP Manager - April 2020

Appendix I: Definition of Assurance Ratings and Hierarchy of Findings

Satisfactory Assurance

Evaluation opinion: Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified this should not significantly impact on the achievement of system objectives.

Limited Assurance

Evaluation opinion: There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved.

Unacceptable Assurance

Evaluation opinion: The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives.

Hierarchy of Findings

This audit report records only the main findings. As a guide to management and to reflect current thinking on risk management we have categorised our recommendations according to the perceived level of risk. The categories are as follows:

Priority 1: Failure to implement the recommendation is likely to result in a major failure of a key organisational objective, significant damage to the reputation of the organisation or the misuse of public funds.

Priority 2: Failure to implement the recommendation could result in the failure of an important organisational objective or could have some impact on a key organisational objective.

Priority 3: Failure to implement the recommendation could lead to an increased risk exposure.

Appendix II: Summary of Key Controls Reviewed

Risk	Control issues
<p>There may be inadequate arrangements in place to ensure that the PCSP complies with its statutory functions and with Council's requirements</p>	<ul style="list-style-type: none"> • The PCSP has terms of reference • Members and staff receive training to understand the role of the PCSP • An action plan has been developed for the PCSP to ensure it fulfils its statutory roles and objectives • The PCSP has a mechanism for gathering the views of and engaging with the public and other stakeholders
<p>There may be insufficient procedures in place to ensure that funding applications are appropriately assessed resulting in funding being allocated to activities or organisations which do not meet the PCSP's objectives</p>	<ul style="list-style-type: none"> • A register of funding provided by the PCSP to external bodies or groups is maintained • Open calls for applications for funding are made and evidence of advertising is retained for audit purposes • Clear criteria are available as guidance for applicants • Funding applications are made in writing and providing sufficient detail • Applications received after the designated deadline are not accepted • Where procurement staff are involved in a PCSP funded project the appropriate Council Procurement policies have been adhered to • Procurement assessment panel guidelines have been followed where a tender process has been completed • Those assessing funding applications declare all interests (including details of any gifts or hospitality received) prior to the assessment process • Funding applications are assessed in accordance with the set criteria and approval by the PCSP is documented before funding is issued • Letters of Offer are held on files together with an applicant's acceptance where applicable • Letters of rejection are held on files where applicable • Funding claims are processed in a timely manner by the PCSP • Other funding schemes are researched to identify any funding provided to applicants for the same project to prevent duplication of funding • Government Grant Database is updated to include details of new funding issued by PCSP
<p>Insufficient documentation may be maintained on file as evidence that the project was completed in accordance with the original application and PCSP objectives have been achieved</p>	<ul style="list-style-type: none"> • PCSP Financial Guidelines are adhered to for all funding awarded • Supporting documentation is held on file to demonstrate that expenditure claimed is eligible and approval has been received • Project monitoring procedures are in place to ensure the conditions of the letter of offer have been met and PCSP objectives have been achieved

Risk	Control issues
	<ul style="list-style-type: none">• Supporting evidence is obtained as proof that projects were completed in accordance with the original application (e.g. photographs, leaflets, site visits)
There may be inadequate reporting and monitoring of the PCSP, leading to potential reputational damage to the PCSP and Council	<ul style="list-style-type: none">• Regular monitoring of progress against a PCSP action plan is completed and progress is reported to the PCSP members• Progress is reported to the Council• Progress is reported to the Department of Justice• PCSP meetings are documented and actions agreed are followed up

Appendix III: Points for the Attention of Management

Minor Management Point 1 : Terms of Reference for L&D Committee

The PCSP annual report is presented annually to the Leisure and Development Committee for information purposes. On review of the terms of reference for the Leisure and Development Committee it was noted that there is no reference to PCSP. Audit recommends that terms of reference for the Leisure and Development Committee be updated to include reference to the PCSP.

Director of Leisure & Development:

Noted

Minor Management Point 2: File Maintenance

All papers held on grant files within the Funding Unit should be punched and secured in the grant file with a treasury tag. Checklist contained at the front of each file should be completed with organisations details.

Funding Unit Manager:

Accepted and addressed with administration team on 4.03.2020. Checklists will be completed by admin and checked by Compliance & Verification officer.