

Causeway Coast and Glens Borough Council

Internal Audit Report *PCSP*

May 2021



INTERNAL AUDIT REPORT

PCSP

Executive Summary

This internal audit was completed in accordance with the Council's approved annual Internal Audit Plan. This report summarises the findings arising from a review of PCSP activities.

The table below summarises the key areas of potential risk reviewed:

Risk	Number of recommendations & Priority rating		
	1	2	3
There may be an inadequate governance framework leading to poor management, a lack of transparency and accountability, and insufficient performance measurement of PCSP	-	-	2
There may be an inadequate organisational structure in place, leading to unclear lines of authority, responsibility and accountability	-	-	-
There may be insufficient procedures in place to ensure that funding applications and procurements are not appropriately assessed resulting in funds being allocated to organisations or spent on activities which do not meet the PCSP's objectives	-	-	-
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.

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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.

1. Objective

The areas for inclusion in the scope of the audit were determined through discussion with management and considered the main risks facing PCSP and a review of the key systems and controls in place to address these. The objective was to ensure that:

- To ascertain and evaluate the governance control arrangements in place within PCSP, to ensure the PCSP is operating in compliance with relevant legislation and regulations.
- To ascertain and evaluate the reporting and monitoring arrangements regarding the achievement of PCSP objectives and subsequent action plans.
- To ensure that the financial and administrative arrangements in place regarding the award of grants and projects associated with the PCSP comply with the Joint Committee Code of Practice and financial Guidelines and all relevant Council policies and procedures.

2. 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 and Northern Ireland Policing Board. PCSPs aim to make our community safer.

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

- Police Service of Northern Ireland
- Northern Ireland Housing Executive
- Probation Board for Northern Ireland
- Youth Justice Agency for Northern Ireland
- Health and Social Care Trusts
- Education Authority
- 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. The role of the PCSP is to:

- Consult and engage with the local community on issues relating to policing and community safety
- Identify and prioritise issues of concern and develop plans to address them
- Monitor (through the Policing Committee) the performance of the police
- Deliver a reduction in crime and enhance community safety in the area.

Although one size does not fit all, it is essential that each PCSP has in place a governance framework suitable to its needs to ensure the aims and objectives of PCSP are met, PCSP actions are transparently delivered to the community and PCSP actions are in line with relevant PCSP regulations and legislation.

The scope of this audit was to review the arrangements in place within the PCSP concentrating on the main risk areas of:

- Governance Framework
- Awarding of grant funding and tenders for projects
- Monitoring and Reporting

As a result of the Covid-19 pandemic the Council's PCSP team had to quickly adapt to a number of challenges in managing the funding provided to Council for PCSP activities. The early days of the pandemic resulted in delays in completing several planned 2019/20 projects. As a result PCSP diverted nearly £50,000 of allocated funds to support a Council led community response to the Covid emergency. Staff reprioritised their work and redeployed their activities to help with Council's Covid Strategy. This effort was recognised and praised in a letter from the Joint Committee in June 2020 "it has been very encouraging to see how some PCSPs were able to divert funds from 2019/20 to support the response to the Covid emergency. The work to support vulnerable and isolated citizens has been overwhelming".

In the absence of face-to-face meetings, in March-May 2020 the PCSP team introduced and managed a consultation for members using e-mail correspondence in the development of the 2020/21 Action Plan to allow a revised plan to be agreed with Council and the NIPB-DoJ Joint Committee. Consultation and seeking of approval, from PCSP members, by e-mail continued until virtual meetings began in June 2020.

PCSP continued to adjust their projects for 2020/21 as it became clear that certain planned initiatives could not proceed. The PCSP team adapted, with the support of Council's Grants team, to managing re-directed funds and activities and achieved full budget spend. Throughout 2020/21 the PCSP team adjusted to a new way of working using more digital methods, including MS Teams, were responsive to changing action plans, and established and serviced four new PCSP working groups.

3. Risks

The risks identified by Internal Audit relating to PCSP and agreed with management are as follows

1. There may be an inadequate governance framework leading to poor management, a lack of transparency and accountability, and insufficient performance measurement of PCSP
2. There may be an inadequate organisational structure in place, leading to unclear lines of authority, responsibility and accountability
3. There may be insufficient procedures in place to ensure that funding applications and procurements are not appropriately assessed resulting in funds being allocated to organisations or spent on activities which do not meet the PCSP's objectives

4. 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 within the Council
- Testing the key arrangements and controls
- Testing the completeness and accuracy of records.

5. 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.

5.1 Risk 1 – Governance Framework

ISSUE 1 – Publication of PCSP Documents & Council Website

- a) Observation-** Audit reviewed the most recent PCSP Action Plans and Annual Report. It was found that they were prepared in a timely manner and submitted in line with agreed deadlines.

Audit did note that although many PCSP documents and information are available on the Council's website, that the most recent Annual Report published was 2017/18.

- b) Implication-** If published documents are not the most recent available there is a small risk of a perception of a lack of transparency and accountability.

- c) Priority Rating-** 3

- d) Recommendation-** Council should publish the most up to date approved versions of the Annual Report on the PCSP page of the Council's website.

- e) Management Response-** Annual Report for last year has been drafted and with the PCSP for approval on Thursday 3 June 2021. If approved this will be published on Website before the end of June.

- f) Responsible Officer & Implementation Date-** PCSP Manager before 30th June.

ISSUE 2 – Declarations of Interest

- a) Observation-** As part of the application process to become an independent member of PCSP persons are requested to complete a conflict-of-interest form. In addition, conflict of interest is a standing item on every PCSP meeting agenda. Audit also notes that each member involved in a grants' assessment panel must note no conflict of interest. Elected members should also regularly update their respective Declarations of Interest (as requested by Council's Democratic Services team).

A review of PCSP meeting minutes revealed Conflict of Interest was an agenda item at every meeting.

Page 53 of PCSP members Handbook states that the PCSP Manager should retain a register of interests and update it annually. In order to do this the PCSP

support team periodically request updated Declarations from PCSP members. Audit notes delays in obtaining this information from members.

Audit requested from Democratic Services the completed Declarations of Interest for elected members who are current members of PCSP. Audit found that 6 Councillors had updated Conflict of Interest declarations as of 2020, while for 4 Councillors the most recent Conflict of Interest Declarations dated from 2019.

b) Implication- If Elected members do not submit up to date Declarations of Interest to Council's Democratic Services team, and in response to PCSP requests for updates, there is a risk of a perception of inadequacy in the governance framework.

c) Priority Rating- 3

d) Recommendation- Elected members should be reminded to provide updated Declarations of Interest on a regular basis to Council's Democratic Services Team to respond in a timely manner to requests for such information from the PCSP team. This will allow the PCSP Manager to keep in place and up to date register of interests. (The PCSP team should consult with Democratic services to obtain copies of PCSP elected members Declarations when received by them).

e) Management Response- Members will be reminded again after the Council Annual meeting when there may be a change of Membership.

f) Responsible Officer & Implementation Date- PCSP Manager before 30th June

6. 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.

7. Appendix II: Summary of Key Controls Reviewed

Risk	Key Controls
<p>1. There may be an inadequate governance framework leading to poor management, a lack of transparency and accountability, and insufficient performance measurement of PCSP</p>	<ul style="list-style-type: none"> • The Partnership Plan should be made widely available to the public • Quarterly reports on progress in implementing the PCSP Annual Plan are submitted in a timely manner to the Joint Committee (JC) • The PCSP receive a briefing on the quarterly report (for JC) (including details of budget spend) • Annual Report meets the guidelines in the “Code of Practice for the Exercise of Functions by Policing and Community Safety Partnerships” • The Annual Report should contain an assessment of performance against targets contained in its performance plan • The Annual Report is submitted to the Joint Committee and Council within 3 months of the financial year end • Council publishes the Annual Report on behalf of PCSP • Appropriate policies are in place for the Committees and staff regarding: Declaration/conflict of interest and Gifts and Hospitality
<p>2. There may be an inadequate organisational structure in place, leading to unclear lines of authority, responsibility and accountability</p>	<ul style="list-style-type: none"> • All PCSP members receive training and understand their roles • All those involved in PCSP should be provided with a copy of the “Code of Practice for the Exercise of Functions by Policing and Community Safety Partnerships” • There is a clear organisation structure in place; admin support in Council, PCSP, Policing Committee, any relevant sub-groups. • All sub-groups have documented terms of reference, including details of any delegated functions (which cannot be restricted functions) • PCSP and Policing Committee holds regular meetings • Every effort is made to hold Policing Committee Meetings immediately preceding PCSP meetings • PCSP holds a minimum of 2 public meetings per annum
<p>3. There may be insufficient procedures in place to ensure that a) funding applications and procurements are appropriately assessed resulting in funds being allocated/awarded appropriately or that b) PCSP funds are being spent on activities which meet the PCSP’s objectives</p>	<ul style="list-style-type: none"> • A register of grant 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 • 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 • Appropriate evidence of scoring and decision-making rationale relating to grant funding awarded is retained (including reasons justifying the amount awarded)

Risk	Key Controls
	<ul style="list-style-type: none">• 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• Government Grant Database is updated to include details of new funding issued by PCSP• Where procurement is needed in relation to a PCSP activity or programme the appropriate Council Procurement policies have been adhered to• Procurement assessment panel guidelines are in place and have been followed where a tender process has been completed• 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
