

Causeway Coast & Glens Borough Council

Policing & Community Safety Partnership

February 2023

Contents

Executive Summary	3
1 Objectives.....	5
2 Background.....	5
3 Risks	6
4 Audit Approach	6
5 Audit Findings.....	7
Appendix A – Assurance Ratings	10
Appendix B – Summary of Controls Reviewed.....	11
Appendix C - Limitations and responsibilities	13
Appendix D – Follow-up of Prior Year Recommendations	14

Executive Summary

Internal Audit Opinion / Assurance Rating

This internal audit was completed in accordance with the approved annual Internal Audit Plan for 2022/23. This report summarises the findings arising from a review of the Policing and Community Safety Partnership. The table below summarises the key areas of potential risk which were considered and reviewed (controls considered for each risk are detailed in Appendix B):

Risks Reviewed	Number of Recommendations and Priority Rating		
	1	2	3
There may be inadequate Governance arrangements in place to ensure that the PCSP complies with its statutory functions and with Council's requirements.	-	1	-
There may be insufficient procedures in place to ensure that grant funding applications are appropriately assessed resulting in funding being allocated to activities or organisations which do not meet the PCSP's objectives.	-	-	-
There may be insufficient procedures in place to ensure that procurements are appropriately assessed to ensure PCSP funds are being awarded appropriately and are being spent on activities which meet the PCSP's objectives.	-	1	-
Insufficient documentation may be maintained on file as evidence that PCSP projects/activities were completed in accordance with the original grant application or procurement specification and PCSP objectives have been achieved.	-	-	-

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 objectives.
---------------------	---

Definitions of levels of assurance and the priority ratings for recommendations are included in Appendix A.

The weaknesses identified during our audit have been brought to the attention of Management. The weaknesses outlined are those, which have come to our attention during the normal audit work and are not necessarily all the weaknesses, which may exist.

The content of this report has been discussed with officers and management to confirm factual accuracy. The assistance and cooperation received during our review is gratefully acknowledged.

1 Objectives

To ensure that:

- The key systems and controls in relation to the management of PCSP are maintained by the council.

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 receives grant funding from a Joint Committee of the Department of Justice and Northern Ireland Policing Board (NIPB). It is the Council's Chief Executive who is Accounting Officer for the funding provided by the Joint Committee. The PCSP is required to comply with the accountability framework set by the Joint Committee in its Financial Guidelines.

The PCSP is made up of 10 political representatives, 9 independent members and representatives from 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 service 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.

3 Risks

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

- Governance Framework
- Awarding of grant funding
- Procurement
- Monitoring and reporting

4 Audit Approach

We conducted our internal audit work in accordance with the Public Sector Internal Audit Standards ("PSIAS"). We planned and performed our work to obtain assurance over the operating effectiveness of arrangements in place to address the agreed risks. However, you should not rely on our work to identify all instances of fraud or error which may exist. The responsibility for these matters rest with management of the organisation.

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 Internal Audit would like to thank them for their assistance and co-operation.

Job Title
PCSP Manager
PCSP Officer
PCSP Business Support
Compliance and Verification Officer – Funding Unit

5 Audit Findings

5.1 Risk 1 – There may be inadequate Governance arrangements in place to ensure that the PCSP complies with its statutory functions and with Council’s requirements.

Issue 1 – Conflicts of Interest
<p>a) Observation- We reviewed a 2022 listing of the PCSP members and confirmed that declarations have been obtained for all but 2 members. PCSP officers have issued reminders to members, but at the time of audit testing 2 returns were outstanding.</p> <p>In addition, declarations of interest are required for each member of any grant assessment panel. Our sample testing of PCSP grants found all conflict-of-interest forms were in place and the persons and dates detailed on the form agreed to the grant assessment panel notes.</p>
<p>b) Implication- In the absence of up-to-date Conflict of Interest declarations being in place for all PCSP members there is an increased risk that actual, potential, or perceived conflicts of interest are not identified and managed in a way that safeguards the integrity of PCSP and maximises confidence in PCSP.</p>
<p>c) Priority Rating- 2</p>
<p>d) Recommendation- Members of the PCSP should return completed annual declarations of interest in a timely manner to PCSP staff.</p>
<p>e) Management Response- Agreed. PCSP Staff will continue to periodically remind members of their responsibility regarding this.</p>
<p>f) Responsible Officer & Implementation Date-</p> <p>PCSP Manager - Annually</p>

5.2 Risk 2 – There may be insufficient procedures in place to ensure that grant funding applications are appropriately assessed resulting in funding being allocated to activities or organisations which do not meet the PCSP’s objectives.

For 2022/23 PCSP advertised grants of to the value of £1,000. Applications were made via the Council’s online grant system. Eligibility checks for these micro grants paid by the PCSP were completed and held on the eformz system. For all 10 grants sampled we reviewed, we confirmed that eligibility checks had been properly completed and approval for payment forms were completed.

No issues were identified.

5.3 Risk 3 – There may be insufficient procedures in place to ensure that procurements are appropriately assessed to ensure PCSP funds are being awarded appropriately and are being spent on activities which meet the PCSP’s objectives.

Issue 1 - Procurement

a) Observation- Audit tested a sample of purchases where invitation to tenders were and quotes were required. It is clear that appropriate procedures have been followed in line with Council’s procurement policy and that, in each case, the PCSP progressed with the best value option. We note that there is an e-mail trail of approval linked to the Purchase Order (PO process, which evidences approval at an appropriate level in Council. The e-mail would have quotes attached and approval of the PO is viewed as a de facto record that quotes have been assessed and approved.

In our sample there was 1 tender exercise and we found that there was no documented assessment of the tender responses recording the rationale behind the supplier selection.

We were also advised that for a number of projects, it is often the case, that the supplier selected is the only one who can provide the relevant service and therefore a tender process is not required. Going forward, PCSP have advised that the use of such suppliers will be discussed at the time of approving the Action Plan.

b) Implication- In the absence of a documented record of the assessment and outcome of any procurement there is a risk that the evidence of appropriate assessment of procurement is not sufficient.
c) Priority Rating- 2
d) Recommendation- For every good or service acquired where quotations or a tender process is required, to ensure compliance with Council policy, a written record of the assessment and outcome should be retained. This may take the form of additional information included in approval e-mails e.g., "note that the lowest priced quote was selected on the basis of value for money". Where a single supplier is used the reason should also be recorded e.g. "As per the agreed Action Plan this supplier is the only one available in the area to deliver this service".
e) Management Response- Agreed
f) Responsible Officer & Implementation Date- PCSP Staff to include appropriate line mentioned above in all correspondence regarding approval and where it was obtained. Action to begin immediately.

5.4 Risk 4 - Insufficient documentation may be maintained on file as evidence that PCSP projects/activities were completed in accordance with the original grant application or procurement specification and PCSP objectives have been achieved.

Monitoring procedures are in place to ensure the conditions of the letter of offer for grants paid and the specification of procured activities/services have been met and PCSP objectives have been achieved.

From our sample testing we verified that monitoring returns are submitted by grantees to the Funding unit. Monitoring forms are reviewed for evidence of any anomalies and retained on file.

All services procured for specific PCSP projects and activities are linked to the approved Action Plan. Our review of PCSP minutes reveal the Action Plan is a standing item at PCSP meetings. We reviewed the minutes from the September, October, November and December 2022 meetings and confirmed that progress of specific items in the action plan were discussed.

No issues were identified.

Appendix A – Assurance Ratings

The framework for audit assurance is set out in DAO 07/16 and summarised below:

Level of Assurance	Definition
Satisfactory	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 the system objectives.
Limited	Evaluation Opinion: There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to system objectives not being achieved.
Unacceptable	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.

The priority ratings are also set out in DAO 07/16. They are intended as guidance to help prioritise the impact and implementation of each finding identified, and recommendation made:

Key:

Priority	Corresponding level	Definitions
1	High	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.
2	Medium	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.
3	Low	Failure to implement could lead to an increased risk exposure.

Appendix B – Summary of Controls Reviewed

Risk	Key Areas & Controls Tested
<p>There may be inadequate Governance 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 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) • Council publishes the Annual Report on behalf of PCSP. • The PCSP meets regularly • The PCSP members receive a briefing on the quarterly report (for JC) (including details of budget spend) • Appropriate policies are in place for the PCSP members and staff regarding: Declaration/conflict of interest and Gifts and Hospitality • A register of PCSP members interest is in place and known to PCSP officers and updated on an annual basis.
<p>There may be insufficient procedures in place to ensure that grant 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 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 provide 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 assessment is documented. • Approval by the PCSP is documented before Letters of Offer are 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. • Other Council 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>There may be insufficient procedures in place to ensure that procurements are appropriately assessed to ensure PCSP funds are being awarded appropriately and are being spent on activities which meet the PCSP’s objectives.</p>	<ul style="list-style-type: none"> • Where procurement is needed in relation to a PCSP activity or programme, the appropriate Council Procurement policies have been adhered to • Invitations to tender for consultants and contractors followed Council’s Procurement Policy, • Tenders received after the designated deadline are not accepted, • Tender opening is recorded & panels are established to evaluate tenders received, Panel members notify if there are any conflicts of interest in relation to the tenders being assessed, • Award criteria are drawn up for tenders, • The assessments and scoring of each tender by each panel member are documented, • The decisions of the tender panel are documented with all documentation relating to the tender (including the evaluation panel) kept on file,

Risk	Key Areas & Controls Tested
	<ul style="list-style-type: none"> • The use of a single tender process has been authorised and the reasons why are documented. • Procurement assessment panel guidelines are in place. • PCSP Financial Guidelines are adhered to for all funding awarded. • Supporting documentation is held on file to demonstrate that expenditure claimed in relation to procured 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.
<p>Insufficient documentation may be maintained on file as evidence that PCSP projects/activities were completed in accordance with the original grant application or procurement specification and PCSP objectives have been achieved.</p>	<ul style="list-style-type: none"> • PCSP Financial Guidelines are adhered to for all funding awarded and procurement related expenditure. • Monitoring procedures are in place to ensure the conditions of the letter of offer for grant funded projects and the specification of procured activities/services have been met and PCSP objectives have been achieved. • Funding claims and procurement related expenditures are processed in a timely manner by the PCSP. • Checks are in place to demonstrate that expenditure claimed via grants or relating to procured projects/services is eligible and appropriate approval for payment has been received. • Supporting evidence is obtained as proof that projects/activities were completed in accordance with the original grant application/procurement specification (e.g., photographs, leaflets, site visits). • Final payments are only made upon satisfaction that a project or activity has been suitably completed and a final monitoring report has been received. • Regular monitoring of progress against the PCSP action plan is completed and progress is reported to the PCSP members.

Appendix C - Limitations and responsibilities

Limitations inherent to the internal auditor's work

We have undertaken this review subject to the limitations outlined below:

Internal control

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Future Periods

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness is not relevant to future periods due to the risk that:

- The design of controls may become inadequate; or
- The degree of compliance with policies and procedures may deteriorate.

Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.

Appendix D – Follow-up of Prior Year Recommendations

Recommendation	Priority Rating	Management response & deadline	Position February 2023
<p>PCSP Manager to consider whether a specific Gifts and Hospitality return should be circulated, with a register maintained for independent Members of PCSP.</p>	<p>3</p>	<p>PCSP Manager will reissue Handbook reminding members of their obligations with regards to this issue.</p> <p>February 2022</p>	<p>PCSP is a four-year term, and the Handbook would be issued at start of each term and then a reminder if and when required. PCSP officers are currently placing all relevant documents, including the Handbook, onto the newly established online portal for members to access.</p> <p>We confirmed that page 58 of the members handbook covers gifts and hospitality and reviewed the PCSP Standing orders (2015) section 4.15. which also covers gifts and hospitality. We reviewed an e-mail issued on 8th October 2021 where both documents were re-issued to members as a reminder of their obligations.</p> <p>Addressed</p>
<p>Internal audit recommends that a limit is established within grant guidelines stating when full accounts are required as opposed to just the annual statement of income and expenditure</p>	<p>2</p>	<p>Many comm/vol organisations are now registered with the charity commission and are thereby required to comply with annual reporting (a/cs/trustee Reports, Independent Examiner/Auditor). These would usually be organisations applying for grants over £1,500 and are generally applicants to other funders as well. Smaller community / voluntary organisations, such as those in receipt of small or micro-grants from Council, are not required to produce full accounts, an annual statement of income and expenditure is sufficient to be eligible to receive grant-aid from Council.</p>	<p>We were advised that an Officer from the Funding Unit checks to ensure that where relevant grantee accounts and constitutions are submitted, are up to date, appropriately signed & dated. Going forward the Compliance & Verification Officer will assess the financial viability of small and large grant applicants. Micro grants (under £1,500) will not be included in this process. All</p>

Recommendation	Priority Rating	Management response & deadline	Position February 2023
		<p>These organisations are generally not registered with Companies House, or the Charities Commission and Council is quite often their only funder. We can accept that a limit could be applied and if organisations have an income and expenditure above this limit then full accounts will be required.</p>	<p>PCSP grants are now Micro Grants.</p> <p>Addressed</p>
<p>It is recommended that the PCSP manager and officers actively seek to increase the number of members who sit on assessment panels. Audit recommend that the number of 7 members be increased to 9 to draw from a larger pool of available panel members. Members who have declared an interest should not sit on the assessment panel. If members have a conflict of interest, every effort should be made to ensure governance and best practice guidance is adhered to when assessment panels are undertaking its duties. The Member should leave the meeting when discussions are taking place and the assessment is ongoing. These controls are considered essential to maintain public trust and confidence in the work performed by the PCSP.</p>	<p>2</p>	<p>PCSP Manager and Lead Officer for Grants will increase the panel number to 6 and have a pool of 10 in total before the next funding round.</p>	<p>The PCSP grants scheme was reviewed and the maximum grant that can be awarded was reduced to £1,000. Funding unit policies and processes are applied during all grant assessments and our testing of grant applications and awards revealed no issues. Due to the switch to micro grants the requirement for a larger pool of assessors was not deemed necessary.</p> <p>No longer applicable</p>
<p>At the grant application assessment stage, the grant funding officers should review and evidence that the Government Funding Database for grants already awarded has been checked for evidence of duplicate funding. Project officers should be reminded of their role in updating the Government Funding Database as promptly with the details of all</p>	<p>2</p>	<p>Business Support have already begun to update this and should be completed after the last grant is paid.</p>	<p>Audit was advised that the Government Funding Database (GFD) is checked by Funding Unit/officers before grant applications are scored. PCSP Business Support update the GFD when grants have been scored and awarded. We verified that the 2021/22 grants awarded have now been included</p>

Recommendation	Priority Rating	Management response & deadline	Position February 2023
<p>PCSP grants awarded after acceptance of the letter of offer has been returned by the group.</p>			<p>in the GFD. We were advised that work is now beginning to include the 2022/23 grants awarded in the GFD.</p> <p>Addressed</p>
<p>It is recommended that the PCSP manager and officer reviews the declarations of interests received and confirm with the members of PCSP that they are complete. Refresher training in the area of declarations of interest for elected members, staff and independent members may need to be refreshed.</p> <p>Conflicts of interests are a normal and unavoidable part of decision making and so it is vital that they are appropriately disclosed and managed. Where a declaration of interest has been declared the PCSP manager and/or officer should ensure that when a related item of business is being discussed the PCSP member with the declared interest should not sit on the assessment panel.</p> <p>The management of perceived conflicts of interest are vital to maintain public trust and confidence. Where a conflict of interest is perceived not to have been appropriately managed, it can lead to reputational damage and bring decision making into disrepute.</p>	<p>2</p>	<p>Members will be reminded of their obligation to complete their Declaration of Interest.</p>	<p>We reviewed an email issued by PCSP Business Support to all PCSP members on 20th June 2022. The Declaration of Interest form was attached and the date this should be returned was detailed in the e-mail. PCSP officers also advised that if members needed a hard copy of the form to be posted to them that would be arranged.</p> <p>Addressed</p>