

POLICE AND CRIME COMMISSIONER FOR NORTH
YORKSHIRE AND CHIEF CONSTABLE OF NORTH
YORKSHIRE

Collaborations

FINAL

Internal Audit Report: 9.16/17

20 January 2017

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Debrief held	4 November 2016	Internal Audit team	Dan Harris, Head of Internal Audit
Draft report issued	9 November 2016		Angela Ward, Senior Manager
Responses received	18 January 2017		Philip Church, Manager
			Eddie Ndhlovu, Senior Auditor
			Adam Nabulsi, Senior Auditor
Final report issued	20 January 2017	Client sponsor	Amanda Oliver, Acting Assistant Chief Constable
			Maria Earles, Interim Head of Organisation and Development
		Distribution	Amanda Oliver, Acting Assistant Chief Constable
			Maria Earles, Interim Head of Organisation and Development

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1 EXECUTIVE SUMMARY

1.1 Background

As part of the 2016/17 approved annual internal audit plan we have undertaken a collaborations audit on behalf of the Force and the Police and Crime Commissioner. Our audit has focused on three collaborative arrangements established under the Yorkshire and the Humber (Y&H) programme: Regional Scientific Support Services, Regional Procurement and Odyssey.

The four forces in the Yorkshire and Humber region (Humberside Police, South Yorkshire Police [SYP], North Yorkshire Police and West Yorkshire Police [WYP]), continue to collaborate on a range of policing issues to deliver capacity and capability in specialist and strategic areas of policing. The collaborative arrangements reviewed during our audit are all covered by Section 22a Agreements which have been agreed and signed by each Chief Constable and Police and Crime Commissioner in April 2014.

Regional Scientific Support Services and Odyssey are agreements that are both led by WYP. Regional Procurement services are provided by SYP as the lead force. Reporting of performance for each collaboration is achieved through the Assistant Chief Constable (ACC) Assurance Group, the Deputy Chief Constables (DCC) Improvement and Delivery Group and the Regional Collaboration Board (RCB).

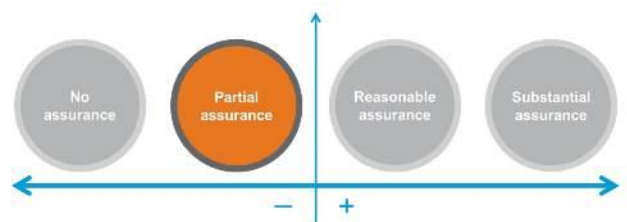
1.2 Conclusion

The objective of the review was to ensure robust and effective arrangements are in place to ensure that clear objectives and rationale for collaborations were documented, reporting was appropriate and that the Force receives assurance on collaborative arrangements. However, testing identified that there are some areas of concern that require the Force's attention and remedial action, such as the lack of defined metrics for the Odyssey collaboration, performance reports did not provide sufficient information on which to make decisions and there was a lack of evidence to support benefits realised as part of the Odyssey programme.

Internal Audit Opinion: Odyssey

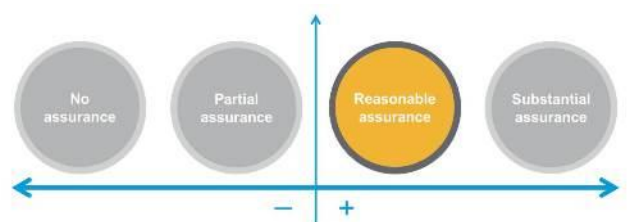
Taking account of the issues identified, the Police and Crime Commissioner for North Yorkshire and Chief Constable of North Yorkshire can take **partial assurance** that the controls to manage this risk are suitably designed and consistently applied.

Action is needed to strengthen the control framework to manage the identified risk.



Regional Scientific Support Services and Regional Procurement

Taking account of the issues identified, the Police and Crime Commissioner for North Yorkshire and Chief Constable of North Yorkshire can take **reasonable assurance** that the controls in place to manage this risk are suitably designed and consistently applied.



However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).

1.3 Key findings

We identified the following areas of concern that require the organisation's attention and remedial action that has led to the partial assurance opinion. We have therefore agreed **one 'high', two 'medium' and one 'low'** priority management actions in relation to the following findings:

Regional Scientific Support and Regional Procurement

- Review of the Section 22a Agreements for Regional Scientific Support Services and Regional Procurement found the organisation did not hold the agreements signed by all parties. **(Low)**

Regional Scientific Support

- We identified through review of the performance reports and discussions with the Service Delivery Advisors that information reported was very data heavy. We noted that although the reports provided an overview of performance across the collaboration, which included the achievement of Key Performance Indicators as stated within the Service Level Agreement, we identified that the reports did not provide adequate high-level information (i.e. a balanced scorecard) including the right mix of qualitative and quantitative data to enable decisions to be made by the ACC Assurance Group. **(Medium)**

Odyssey

- For the Odyssey collaboration we concluded that there were no defined metrics for measuring performance. This meant that at the time of the audit no performance data or details were being provided; although, it was acknowledged through review of the RCB and ACC Assurance Group minutes that a representative for Odyssey gave an update on service delivery. There is currently a risk that the organisation is not able to review performance in order to assess the effectiveness of the collaboration. **(High)**
- There was a business case in place that was agreed in 2013; however, we could not obtain evidence that benefits realised had been documented and reported against. **(Medium)**

We did however find that a number of the controls upon which the Police and Crime Commissioner for North Yorkshire and Chief Constable of North Yorkshire relies on to manage the area are suitably designed, consistently applied and are operating effectively. These were established following discussions held with key staff and in conjunction with sample testing. These controls included:

Regional Scientific Support, Regional Procurement and Odyssey

- Review of the Section 22a Agreement for Odyssey found that this was up to date, there were defined roles and responsibilities of the key partners, and it had been signed by all the Police and Crime Commissioners and Chief Constables of the four forces.
- We confirmed that there were business cases in place for the collaborative arrangements for all three collaborations which were detailed in separate documents.

- Discussions with the Interim Head of Organisation and Development noted that the Force had in place resources in the form of Service Delivery Advisers (SDAs) who reported into the RCB. Review of the SDAs briefing notes confirmed that performance and improvements to the collaborations were submitted to the RCB routinely. The RCB receives regional budget papers on a yearly basis. Furthermore, review of emails sent to the Force's Finance department confirmed that budget updates on the collaborations and figures for preparing yearly budget information had been provided.
- There were clear terms of reference in place for the ACC Assurance Group and the RCB. Review of meeting minutes confirmed compliance against these terms of reference. A report presented at these meetings included performance and financial/budget updates.
- Review of the minutes ACC Assurance Group and the RCB identified that there were action plans in place in cases where performance could be improved within the collaborations.

Regional Scientific Support and Regional Procurement

- Review of the minutes for the RCB and ACC Assurance Group (April, June and July 2016) identified that performance information was routinely reported.
- Sample testing of five performance data figures, reported in the August 2016 report to the ACC Assurance Group, found that the data reported was traceable to source documentation and had accurately been reflected.
- Regional Procurement sample testing of four performance data figures reported in the quarter one of 2016/17 identified that data was traced to source documentation. We were able to validate the savings reported to signed documents by the Director of Procurement and the Force's Chief Finance Officer.

1.4 Additional information to support our conclusion

Risk	Control design*	Compliance with controls*	Agreed actions		
			Low	Medium	High
A lack of effective relationships with partners which could result in ineffective collaborative working.	1 (14)	3 (14)	1	2	1
Total			1	2	1

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

2 DETAILED FINDINGS

Categorisation of internal audit findings

Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

This report has been prepared by exception. Therefore, we have included in this section, only those risks of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Ref	Control	Adequate control design (yes/no)	Controls complied with	Audit findings and implications	Priority	Actions for management
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Risk: A lack of effective relationships with partners which could result in ineffective collaborative working.

1	A Section 22a Agreement is in place between the Chief Constables for North Yorkshire, Humber, West Yorkshire, South Yorkshire and the Police and Crime Commissioners for North Yorkshire, Humber, West Yorkshire and South Yorkshire for Regional Support Services, Procurement and Odyssey. The Section 22a Agreements are up to date and have been signed off by all parties.	Yes	No	Regional Scientific Support Services and Regional Procurement Review of the Section 22a Agreement found that this was in place for Regional Scientific Support dated 31 March 2014. The Section 22a Agreement was found to be up to date; however, it was found that the document in place had only been signed by the Police and Crime Commissioner for North Yorkshire and Chief Constable of North Yorkshire. Discussions with the Service Delivery Advisers identified that each force had a signed copy of the agreement; however, we could not obtain evidence to confirm that both Section 22a Agreements had been signed by all four PCCs and Chief Constables.	Low	The Acting Assistant Chief Constable will ensure that copies of the Section 22a Agreements are held by the organisation. Responsible Officer: Amanda Oliver, Acting Assistant Chief Constable
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Ref	Control	Adequate control design (yes/no)	Controls complied with	Audit findings and implications						Priority	Actions for management
				Risk Exposure*			Root causes				
				There is a risk that the collaborative arrangements are not legally binding due to the absence of Section 22a Agreements which have not been signed by all parties.			Lack of documented evidence that the Section 22a Agreement has been signed.				Implementation date: 31 January 2017
				Probability	Financial	Reputational	Operational	Legal	Rating		
2	Performance reports provide requisite information to enable the organisation, the ACC Assurance Group and the RCB to make decisions and also subject the lead forces to scrutiny and challenge.	Yes	No	Regional Procurement						Medium	Regional Scientific Support
				Review of the monthly performance report found that this provided the following information:							
				<ul style="list-style-type: none"> • Key contracts awarded; • Key contract renegotiations; • Summary of contract awards (and exceptions); • Cashable savings status of current and future projects; • Risks and challenges; • Expired contracts; • Contracts due to expire in the next six months; and • Future requirements, known by procurement but not allocated. 							Performance reports will be reviewed and the Force will ensure through the ACC Assurance Group that continuous review of the reporting is undertaken.
				Discussions with management noted that the level of information provided on the reports was sufficient for decision making. As a result, it was identified that management were keen to have the same reporting format across other agreements such as Scientific Support.							This will ensure that the information provided is of the right tone i.e. contains information required by the Board to enable

Ref	Control	Adequate control design (yes/no)	Controls complied with	Audit findings and implications	Priority	Actions for management
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Regional Scientific Support Services:

WYP produce a monthly performance report which reports on the quantitative data detailing the achievement of the 53 SLAs in place with the associated Key Performance Indicators (KPIs) within. Furthermore, a quarterly tracker report is produced which breaks down achievements per force. We found that although the information reported was helpful in showing aspects achieved, the performance report did not have an even balance of both qualitative and quantitative data requisite for the RCB and the ACC Assurance Group to make decisions.

Good practise for performance reporting information should always be tailored to a board's needs and relevant to the current strategy and business model. Information that is provided to the Regional Collaborative Board and the ACC Assurance Group should not be excessive to the extent that it represents micro-management by the Board / Group.

Data reported should be good at explaining what is behind the information and pointing out possible solutions to any problems. Discussions with the Director of Scientific Support (WYP) noted that the scientific department were in the process of revamping its performance reporting.

scrutiny, challenge and decision making across the collaboration governance structure.

Responsible Officer: Amanda Oliver, Acting Assistant Chief Constable

Implementation date: 31st January 2017

Risk Exposure*			Root causes		
There is a risk that the detail of the performance report does not provide the right level of information for the Board and management to provide adequate oversight and scrutiny.			The lack of performance information that management would consider to provide adequate information for decision making.		
Probability	Financial	Reputational	Operational	Legal	Rating

Ref	Control	Adequate control design (yes/no)	Controls complied with	Audit findings and implications	Priority	Actions for management																								
3	The Service Level Agreement/Section 22a Agreement in place for the Odyssey collaboration does not set out reporting metrics and performance measures in place.	No	-	<p>Odyssey</p> <p>Currently there are no performance measures defined for the Odyssey collaboration. Discussions noted that the lead force (WYP) had attempted to produce performance reports for review by all forces within the agreement. We noted that capturing performance for this area, as it related to serious organised crime, continued to be an issue for which there were no definitive set of metrics or measures by which to assess success.</p> <p>In accordance with the Section 22a Agreement and the business case, we confirmed that a Review team was to be set up by the lead force to formulate performance metrics to enable reporting of Odyssey achievement / performance to the ACC Assurance Group. However, we were unable to obtain evidence of the progress that the Review team had made in relation to the performance data.</p> <table border="1"> <thead> <tr> <th colspan="3">Risk Exposure*</th> <th colspan="3">Root causes</th> </tr> </thead> <tbody> <tr> <td colspan="3">There is therefore a risk the Force is not aware of performance regarding the Odyssey agreement in place. This will lead to reduced accountability with regard to ensuring that the business case is being achieved.</td> <td colspan="3">Performance metrics have not been defined by the lead force.</td> </tr> <tr> <th>Probability</th> <th>Financial</th> <th>Reputational</th> <th>Operational</th> <th>Legal</th> <th>Rating</th> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Risk Exposure*			Root causes			There is therefore a risk the Force is not aware of performance regarding the Odyssey agreement in place. This will lead to reduced accountability with regard to ensuring that the business case is being achieved.			Performance metrics have not been defined by the lead force.			Probability	Financial	Reputational	Operational	Legal	Rating							High	<p>Odyssey</p> <p>The Force will ensure that performance measures are devised detailing agreed Key Performance Indicators (KPIs) by which success of the collaboration can be measured.</p> <p>The Force will ensure that the implementation of performance measures for the Odyssey collaboration is followed up at the ACC Assurance Group.</p> <p>Responsible Officer: Amanda Oliver, Acting Assistant Chief Constable</p> <p>Implementation date: 31 January 2017</p>
Risk Exposure*			Root causes																											
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Ref	Control	Adequate control design (yes/no)	Controls complied with	Audit findings and implications	Priority	Actions for management				
4	<p>Budget performance and benefits set out in the business case are monitored on a yearly basis by the RCB. Capturing of performance remains an issue because of the absence of viable metrics around organised crime.</p> <p>However, a new performance framework is to be put in place by the Review team to monitor and report on arrangements.</p>	Yes	No	<p>Odyssey</p> <p>We noted that a business case for the Odyssey was agreed by all four forces in June 2013. The business case detail arrangements to be put in place for the following five distinct operational capabilities:</p> <ul style="list-style-type: none"> • Intelligence; • People Protection; • Special Operations; • Organised Crime; and • Regional Fraud Team. <p>The business case aims were to deliver the Strategic Policing Requirement (SPR); work with national / international agencies – to mitigate threat, harm and risk; reduce costs to maintain visible front line policing; and to develop operational collaborative approaches.</p> <p>The projected savings for the four forces was £246,061 and within that total amount, the projected savings for NYP were £28,071.</p> <p>However, we could not gain access to the Odyssey department in order to confirm progress of the performance information, including benefits realised from the original case, had been delivered.</p> <table border="1" data-bbox="824 1177 1816 1407"> <thead> <tr> <th>Risk Exposure*</th> <th>Root causes</th> </tr> </thead> <tbody> <tr> <td>There is risk that benefits from the collaboration have not been achieved.</td> <td>The lack of a benefits realisation review and performance data.</td> </tr> </tbody> </table>	Risk Exposure*	Root causes	There is risk that benefits from the collaboration have not been achieved.	The lack of a benefits realisation review and performance data.	Medium	<p>Odyssey</p> <p>The Force will ensure that a benefits realisation review is undertaken and reported through the collaborative governance structure. This will enable the Force to obtain assurance that the business case objectives have been realised.</p> <p>Responsible Officer: Amanda Oliver, Acting Assistant Chief Constable</p> <p>Implementation date: 28th February 2017</p>
Risk Exposure*	Root causes									
There is risk that benefits from the collaboration have not been achieved.	The lack of a benefits realisation review and performance data.									

Ref	Control	Adequate control design (yes/no)	Controls complied with	Audit findings and implications						Priority	Actions for management
				Probability	Financial	Reputational	Operational	Legal	Rating		

APPENDIX A: SCOPE

Scope of the review

To evaluate the adequacy of risk management and control within the system and the extent to which controls have been applied, with a view to providing an opinion. The scope was planned to provide assurance on the controls and mitigations in place relating to the following risk:

Objective of the risk under review	Risks relevant to the scope of the review	Risk source
To consider how the correct assurances are received to gain confidence that the achievement of the collaborative agreements is being monitored and managed.	A lack of effective relationships with partners which could result in ineffective collaborative working.	Internal Audit

Areas for consideration:

Collaboration is an increasingly important factor in how forces are working – both in terms of working with each other and with other public and private sector bodies. As such, our audit has focused on three collaborative arrangements established under the Yorkshire and the Humber (Y&tH) programme: Regional Scientific Support, Regional Procurement and Odyssey which have included the following areas:

- Confirmation that a collaborative agreement is in place establishing the joint service, the service to be supplied to each of the partners in the service and the roles and responsibilities of each of the partners.
- Confirmation that a business plan has been produced as part of the development of the collaborative service and reviewed on a periodic basis, and how the service has been measured against that plan, together with service performance reporting.
- Confirmation that budgets and performance indicators are set as part of the agreement and have been regularly monitored.
- The governance structure established for monitoring actual performance against target and compliance with the Section 22a Agreement. This has included how data is collected, validated and reported to ensure its accuracy together with sample testing to source performance data.
- The clarity of performance reports including whether they were sufficient for decision making purposes.
- Actions and action plans to bring performance back into plan are in place where required.
- How the governance structure provides assurance to the Force on the performance of the service against the original business case including compliance with the Section 22a Agreement.
- We have also considered the arrangements for Mobile Armed Support to Surveillance (MASTS) and assurances received by the Force.

The following limitations apply to the scope of our work:

- Our audit has only focused on the above collaborative arrangements.
- We have not confirmed that scrutiny and oversight is effective across all collaborative arrangements.
- We have not commented on the suitability of the collaborative arrangements; only whether the Force has appropriate mechanisms in place to assess the suitability.
- We have not provided assurance that all targets will be achieved.
- Testing was on a sample basis only and does not provide assurance over the accuracy of all information reported.
- Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

APPENDIX B: FURTHER INFORMATION

Persons interviewed during the audit:

- Maria Earles, Interim Head of Organisation and Development
- Claire Craven-Griffiths, Service Delivery Advisor (NYP)
- Kevin Morton, Director of Regional Scientific Support Services (NYP)
- Mark Bates, Service Delivery Advisor (NYP)
- Mick Lawrenson, DCI Protective Services Crime (WYP)
- Matthew Walker, Detective Chief Inspector (NYP)
- Mark Grange, Superintendent (NYP)
- Joanne Osborne, Director of Procurement (SYP)
- Jane Palmer, Chief Finance Officer (NYP)
- Antoinette Diovisalvi, Senior Accounting Technician (NYP)
- Paul Lamberton, Systems & Performance Analyst Procurement Team (SYP)
- Ian Bennet, Socrates Administrator (WYP)

Documentation reviewed during the audit:

- Collaborative agreements for Regional Scientific Support, Regional Procurement and Odyssey
- Business cases
- RCB minutes
- ACC Assurance Group minutes
- Regional Scientific Support Services performance reports
- Regional procurement performance reports
- ACC and RCB Terms of Reference

FOR FURTHER INFORMATION CONTACT

Dan Harris, Head of Internal Audit

Tel: 07792 948767

Daniel.Harris@rsmuk.com

Angela Ward, Senior Manager

Tel: 07966 091471

Angela.Ward@rsmuk.com

Philip Church, Client Manager

Tel: 07528 970082

Philip.Church@rsmuk.com