Office of the Police and Crime Commissioner for Cleveland and Chief Constable for Cleveland

Audit Progress Report

June 2016

POLICE AND CRIME COMMISSIONER FOR CLEVELAND

CLEVELAND POLICE

MAZARS

Contents

01 Introduction 2
02 2015/2016 audit progress 3
2015/2016 interim work 3
03 National publications and other updates 4
1. English devolution deals, *National Audit Office, April 2016* 4
2. The tri-service review of the Joint Emergency Services Interoperability Principles, *HMIC, April 2016* 5
3. Financial sustainability of fire and rescue services, *Public Accounts Committee, February 2016* 5
4. Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales, *CIPFA, June 2016* 5
5. Oversight of audit quality: quarterly compliance reports 2015/16, *Public Sector Audit Appointments Ltd* 6
04 Contact details 7

01 Introduction

The purpose of this report is to update the Audit Committee of the Office of the Police and Crime Commissioner for Cleveland (the PCC) and the Chief Constable for Cleveland (the Chief Constable) on progress in delivering our responsibilities as your external auditors.

We have also highlighted key emerging national issues and developments which may be of interest to Committee Members.

If you require any additional information, please contact us using the details at the end of this update.

Finally, please note our website address (www.mazars.co.uk) which sets out the range of work Mazars carries out, both within the UK and abroad. It also details the existing work Mazars does in the public sector.

02 2015/2016 audit progress

2015/2016 interim work

At this stage we have completed our planning work and carried out some interim testing. This includes:

- completion of our IT risk assessment;
- work to inform our review of your VfM arrangements;
- liaison with HMIC to share audit and inspection knowledge; and
- on-going liaison with senior officers and consideration of key agendas and papers.

Based on our work to date, including walkthroughs of the key financial systems, we have no significant matters arising to report to you and there are no changes to our original assessment of significant risks (opinion and VfM) as set out in our Audit Strategy Memorandum presented to the March 2016 Audit Committee.

03 National publications and other updates

	National publications and other updates
1.	**English devolution deals,** *National Audit Office, April 2016*
2.	**The tri-service review of the Joint Emergency Services Interoperability Principles,** *HMIC, April 2016*
3.	**Financial sustainability of fire and rescue services,** *Public Accounts Committee, February 2016*
4.	**Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales,** *CIPFA, June 2016*
5.	**Oversight of audit quality: quarterly compliance reports 2015/16,** *Public Sector Audit Appointments Ltd*

1. English devolution deals, *National Audit Office, April 2016*

Devolution deals to devolve power from central government to local areas in England offer opportunities to stimulate economic growth and reform public services for local users, but the arrangements are untested and government could do more to provide confidence that these deals will achieve the benefits intended, according to the National Audit Office.

Over the last 18 months, 10 devolution deals have been agreed, outlining the transfer of powers, funding and accountability for policies and functions previously undertaken by central government, in Greater Manchester, Cornwall, Sheffield City Region; the North East; Tees Valley; Liverpool City Region; the West Midlands, East Anglia; Greater Lincolnshire; and the West of England. They are the latest in a range of initiatives and programmes designed to support localism and decentralisation.

HM Treasury and the Cities and Local Growth Unit are responsible for managing the negotiation, agreement and implementation of devolution deals on behalf of central government as a whole. All of the deals include an agreement on devolved responsibility for substantial aspects of transport, business support and further education. Other policy areas included in some of the deals are housing and planning, employment support and health and social care.

The government has announced new additional investment funding of £246.5 million a year alongside the devolution deals announced so far. Over time, the government intends to combine this funding with a number of other funding streams into a 'single pot' to enable more local control over investment decisions, and has announced £2.86 billion of initial allocations over 5 years for the first 6 mayoral devolution deals.

Central government's management approach to brokering devolution deals is designed to support its policy of localism. The government considers that devolution proposals should be led by local areas, and that central government's role should be to respond to these proposals. As a result, the government has decided not to set out a clear statement of what it is trying to achieve through devolution deals.

According to the NAO, however, there are significant accountability implications arising from the deals which central government and local areas will need to develop and clarify. These include the details of how and when powers will be transferred to mayors and how they will be balanced against national parliamentary accountability. The deals agreed so far involve increasingly complex administrative and governance configurations. And as devolution deals are new and experimental, good management and accountability both depend on appropriate and proportionate measures to understand their impact.

To improve the chances of success, and provide local areas and the public with greater clarity over the progression of devolution deals, central government should clarify the core purposes of devolution deals as well as who will be responsible and accountable for devolved services and functions, and should ensure it identifies and takes account of risks to devolution deals that arise from ongoing challenges to the financial sustainability of local public services.

https://www.nao.org.uk/report/english-devolution-deals/

2. The tri-service review of the Joint Emergency Services Interoperability Principles, *HMIC, April 2016*

The HMIC recently published a review on how the police, fire and ambulance services work together during major incidents. The review found that coherent and routine working is yet to be embedded across the police, fire and ambulance services. There were some isolated but positive examples, but a highly inconsistent national picture.

The Joint Emergency Services Interoperability Programme (JESIP) was established to address the issue of interoperability across the blue light services.
Several observations emerge from the review:

- All three services across the country recognise the importance of interoperability and consider that JESIP provides a welcome focus and structure to develop the associated skills.
- JESIP was driven top-down whereas if it is to become fully embedded then it needs to be part of the initial and continuation training and shared across the wider responder community such as the Maritime and Coast Guard Agency and Border Agency.
- Central guidance and direction remains necessary to provide the focus and drive to ensure JESIP remains a high priority.
- All three services have very different historical backgrounds, ethos and cultures. Improving interoperability has been and will remain a challenge. The introduction of METHANE3 (mnemonic for passing information in an agreed standard format) as a method of sharing situational awareness is a step forward but it needs to be used more frequently so that it becomes part of normal day-to-day business.

http://www.justiceinspectorates.gov.uk/hmic/publications/the-tri-service-review-of-the-joint-emergency-services-interoperability-principles/

3. Financial sustainability of fire and rescue services, *Public Accounts Committee, February 2016*

The Public Accounts Committee has published a report recently on its follow-up to earlier reports on the financial sustainability of fire and rescue services. An extract from this report, relevant to consideration of collaboration between police and fire has been included below.

On the possibility of collaboration between fire authorities and police forces, the DCLG was clear that collaboration between 'blue-light' services did not mean fully merged services but only 'aligning overall oversight'. As the Home Office is now taking over responsibility, the Home Office should make clear if this is also its position and what this means in practice.

http://www.publications.parliament.uk/pa/cm201516/cmselect/cmpubacc/582/582.pdf

4. Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales, *CIPFA, June 2016*

Whilst not yet published, we would highlight the imminent publication of updated guidance notes for policing bodies by CIPFA.

These guidance notes are intended to assist police and crime commissioners (PCCs), chief constables (CCs) and associated organisations and systems – strategic alliances and other collaboration arrangements, partnerships and other vehicles established by PCCs – in reviewing the effectiveness of their own governance arrangements by reference to best practice and using self-assessment.

Police bodies continue to undergo significant change, much of which has been driven by the austerity measures, but also by the continuing police reform agenda. PCCs and CCs are being urged to transform the way in which policing services are delivered, in collaboration with other police forces, local emergency services and other local agencies.

Despite the protection of overall police budgets, PCCs and CCs will still need to make difficult decisions on the future of policing services to meet changes in demand for policing services and reflect more efficient and effective working with other blue light services. They will also need to communicate such decisions effectively to their officers, staff, communities, service users and partners to ensure public safety, crime reduction and the protection of the most vulnerable citizens.

Whether working with local authorities, public sector bodies, the third sector or private sector providers, PCCs and CCs must ensure that robust governance arrangements are established at the outset which provide for a shared view of expected outcomes supported by effective mechanisms for control and risk management thereby ensuring that the public purse is properly protected.

http://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-guidance-notes-for-policing-bodies-in-england-and-wales-2016-edition

5. Oversight of audit quality: quarterly compliance reports 2015/16, *Public Sector Audit Appointments Ltd*

There are no significant issues arising highlighted in respect of Mazars LLP in the latest quarterly report (quarter 4 of 2015/2016).

http://www.psaa.co.uk/audit-quality/principal-audits/mazars-audit-quality/

04 Contact details

Please let us know if you would like further information on any items in this report.

www.mazars.co.uk

Cameron Waddell
Partner
0191 3836314 or 0781 375 2053

cameron.waddell@mazars.co.uk

Diane Harold
Senior Manager
0191 383 6322 or 07971 513 174
diane.harold@mazars.co.uk

Address:
Rivergreen Centre,
Aykley Heads,
Durham,
DH1 5TS
0191 383 3000