



OFFICE OF THE POLICE AND CRIME COMMISSIONER FOR CLEVELAND

Collaborations – CDSOU and Fingerprint Bureau

FINAL

Internal Audit Report: 7.16/17

23 August 2016

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1 EXECUTIVE SUMMARY

1.1 Background

An audit of Collaborations specifically focusing on Cleveland and Durham Specialist Operations Unit (CDSOU) including the Tactical Training Centre and the Fingerprint Bureau was undertaken as part of the approved internal audit periodic plan for 2016/17. The audit was designed to assess whether arrangements were in place to ensure that the Police and Crime Commissioner (PCC) receives assurance on collaborations and partnerships to enable the PCC to discharge his scrutiny and oversight responsibilities.

CDSOU is a collaboration between the Police and Crime Commissioner for Cleveland, the Police and Crime Commissioner for Durham, Durham Police and Cleveland Police. The collaboration is long standing with the first section 22 agreement signed in 2012.

Fingerprint Bureau is also a collaboration between the Police and Crime Commissioner for Cleveland, the Police and Crime Commissioner for Durham, Durham Police and Cleveland Police, which dates over 25 years.

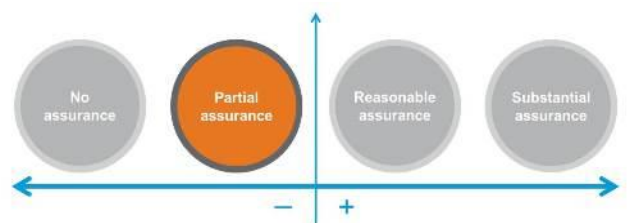
1.2 Conclusion

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 PCC receives assurance on collaborations and partnerships. We have raised one 'high' and three 'medium' priority management actions in relation to the lack of up to date and adequate agreements in place for both CDSOU and Fingerprint Bureau collaborations, lack of rationale documented for the Fingerprint Bureau collaboration and a lack of formal reporting mechanisms in place to provide assurance to the PCC.

Internal Audit Opinion:

Taking account of the issues identified, the Office of the Police and Crime Commissioner 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.



1.3 Key findings

The following well-designed and compliant controls identified were:

CDSOU and Tactical Training Centre

- There were clear terms of reference detailed within the section 22 agreement for the two formal groups, the Strategic Collaborations Board and the Joint Operations Group. Review of meeting minutes confirmed compliance against these terms of reference. Reports presented at these meeting including performance and financial updates. Financial reports were produced by the Finance team at Durham and checked by the Head of Finance at Cleveland and had been provided in a timely manner. Performance reports were distributed every month also in a timely manner. The Tactical Training Centre (TTC) was also discussed at the above two groups.

- There is an annual Business Plan in place for the TTC which details the objectives of the TTC and actions taken to achieve these objectives; this was updated regularly with progress made. A Business Plan update is presented to the TTC's Joint Management Board and to the Collaboration Board on a quarterly basis.
- Discussion with the Head of CDSOU established that no benefits realisation plan was in place, as the collaboration was originally set up with benefits identified as immediate savings from the formulation of the joint unit from the reduction in staff numbers and fleet vehicles. The collaboration was a support unit and therefore was designed to support the two forces in the collaboration on an on-going basis.
- Assurance was provided to the PCC via the Strategic Collaboration Board and monthly performance packs were emailed directly to the PCC.
- There is a live Strategic Threat and Risk Assessment (STRA) document that identifies threats and risks on a day-to-day basis, observations are also included in the live document. The STRA is discussed at the Joint Operations Group (JOG) meeting that takes place every two months, at the meetings the Assistant Chief Constable has the final say on the categorisation of the risks, threats and observations.
- Collaborations is a risk currently on the strategic risk register of the Office of the Police and Crime Commissioner (OPCC) with regards to governance. Discussions with the Office Manager for the OPCC established that the risk register was reviewed as a minimum on a six monthly basis. The risk register is presented and discussed on a rolling basis between the OPCC and Force at the Joint Independent Audit Committee.
- There is also a collaborative risk identified with regard to human resources and staffing requirements. The risk was taken to the Risk, Audit and Inspection Monitoring (RAIM) Board but not deemed a strategic risk therefore it is currently present on the People and Diversity operational risk register.

Fingerprint Bureau

- On an annual basis a breakdown of the budget required for the upcoming year was sent to the Head of Finance at Cleveland, which was approved for 2016/17 as part of the normal budget setting process which is reviewed by the Chief Finance Officer for the Force and the Chief Finance Officer for the PCC.
- Any issues or risks with the collaboration would be raised at the North East Scientific Support Managers meeting, held on a quarterly basis.

However, the following weaknesses were identified resulting in **one 'high'** and **three 'medium'** priority management actions:

CDSOU

- At the time of the review the updated 2014 section 22 agreement could not be obtained. Without an up to date section 22 agreement in place to reflect changes to the structure there is an increased risk that any disputes in the future may be difficult to conclude.

Fingerprint Bureau

- Due to the historic nature of the arrangement, the Service Level Agreement (SLA) was not signed off by the OPCC, nor had the Legal department assessed the SLA. There is an increased risk that without review and approval by the OPCC, the OPCC will be unaware of the specific collaborative arrangements in place and cannot therefore perform an effective independent review of the arrangements.

Furthermore review of the SLA identified that it did not contain all key elements which we would expect to see in such a document, for example; the terms of the contract, key contacts, termination and breach details.

- Discussions with the Head of Scientific Support established that the collaboration was long standing and there was no original business case which could be produced to determine if it was still meeting the business benefits originally intended.
- The SLA for the Fingerprint Bureau did not detail what the reporting requirements were for the groups in terms of performance reporting, KPIs or accountability of the Bureau in order to provide challenge. There were no formal established reporting mechanisms in place to ensure that the PCC was obtaining regular and relevant assurances.

1.4 Additional information to support our conclusion

Risk	Control design*	Compliance with controls*	Agreed actions		
			Low	Medium	High
Arrangements are in place to ensure that the Police and Crime Commissioner (PCC) receives assurance on collaborations and partnerships to enable the PCC to discharge his scrutiny and oversight responsibilities.	1 (17)	5 (17)	1	4	1
Total			1	4	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.

Please note that although six areas of weakness were identified, four management actions have been agreed which address all areas.

2 ACTION PLAN

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.

The table below sets out the actions agreed by management to address the findings:

Ref	Findings summary	Priority	Actions for management	Implementation date	Responsible owner
Risk: Arrangements are in place to ensure that the Police and Crime Commissioner (PCC) receives assurance on collaborations and partnerships to enable the PCC to discharge his scrutiny and oversight responsibilities.					
1	<p><u>CDSOU</u></p> <p>Discussions with the Head of CDSOU established that a project was initiated in 2014 to enlarge and strengthen the CDSOU collaboration.</p> <p>The section 22 agreement had not been updated to reflect changes made in regards to the collaboration.</p>	Medium	The OPCC will review the section 22 agreement and consider whether this will be updated and re-agreed between both parties.	31 st March 2017	Michael Porter, Chief Finance Officer and Deputy Chief Executive

Ref	Findings summary	Priority	Actions for management	Implementation date	Responsible owner
2	<p><u>Fingerprint Bureau</u></p> <p>The SLA for the Fingerprint Bureau was not signed by the OPCC nor had the Legal department had oversight of the document.</p> <p>Furthermore, review of the SLA identified that it did not contain all key elements which would be expected from a contract such as the terms of the contract, key contacts, and termination and breach details.</p>	Medium	<p>The OPCC and Legal department will review the SLA and update it as required.</p> <p>The PCC for Cleveland and PCC for Durham will sign the SLA.</p>	31 st March 2017	Michael Porter, Chief Finance Officer and Deputy Chief Executive
3	<p><u>Fingerprint Bureau</u></p> <p>No business case or rationale for the collaboration could be obtained.</p>	Medium	The updated SLA will include the objectives of the collaboration and the business benefits.	31 st March 2017	Michael Porter, Chief Finance Officer and Deputy Chief Executive
4	<p><u>Fingerprint Bureau</u></p> <p>The SLA did not detail what the reporting requirements were for the groups in terms of performance reporting or accountability of the Bureau in order to provide check and challenge.</p>	Medium	<p>A clear overview of the governance arrangements in place for the Fingerprint Bureau will be documented.</p> <p>This will detail the nature of the assurances required, any specific KPIs used to measure performance and detail the frequency with which this information will be provided to the PCC.</p> <p>This will include but not be limited to the terms of reference of performance monitoring meetings.</p>	31 st March 2017	Michael Porter, Chief Finance Officer and Deputy Chief Executive
5	<p><u>Fingerprint Bureau</u></p> <p>There were no formal established reporting mechanisms in place to ensure that the PCC was obtaining regular assurance on the collaboration.</p>	High	Please see management action four.	N/A	N/A

Ref	Findings summary	Priority	Actions for management	Implementation date	Responsible owner
6	<u>Fingerprint Bureau</u> The SLA detailed that monthly meetings were undertaken, however this was incorrect.	Low	Please see management action four.	N/A	N/A

3 DETAILED FINDINGS

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 (yes/no)	Audit findings and implications	Priority	Actions for management
Risk: Arrangements are in place to ensure that the Police and Crime Commissioner (PCC) receives assurance on collaborations and partnerships to enable the PCC to discharge his scrutiny and oversight responsibilities.						
1	<u>CDSOU</u> A section 22 agreement is in place between OPCC for Cleveland, the Police and Crime Commissioner for Durham, Cleveland Police and Durham Police for the collaboration of CDSOU. The section 22 agreement is up to date and signed off by all parties.	Yes	No	Discussions with the Head of CDSOU established that a project was initiated in 2014 to enlarge and strengthen the CDSOU collaboration. The original agreement between Cleveland and Durham in regards to the CDSOU was established and agreed from 1 st April 2011. The section 22 agreement was signed by the chief constables for Cleveland and Durham and the chief executives for Police Authority for Cleveland and Durham. At the time of the review the updated 2014 section 22 agreement could not be obtained. Without updating the section 22 agreement in place to reflect changes to the structure of the collaboration there is an increased risk that without roles, responsibilities and the structure of the collaboration documented in a legal manner any disputes in the future may be difficult to conclude. Furthermore the public do not have accurate details in regards to the collaboration.	Medium	The OPCC will review the section 22 agreement and consider whether this will be updated and re-agreed between both parties.
2	<u>Fingerprint Bureau</u> There is an agreement in place between the PCC for Cleveland	Yes	No	Discussions with the Head of Finance established that there was a SLA in place between Cleveland and Durham Finger Print Bureau and the chief constables of the Cleveland Police and Durham Police.	Medium	The OPCC and Legal department will review the SLA and update it as required.

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Actions for management
	and the PCC for Durham and the forces, which details the roles and responsibilities and key principles of a contract.			<p>The SLA commenced on the 1st April 2016 until 31st March 2018.</p> <p>The previous SLA was reviewed on site with the Head of Finance which was for a two year period, from the 1st April 2014 to the 31st March 2016.</p> <p>Review of the SLA identified that it was signed off by the Scientific Support Manager, Assistant Chief Constable for Cleveland and the Assistant Chief Constable for Durham.</p> <p>Discussions with the Acting Strategic Contracts Manager established that the OPCC had Contract Standing Orders and Procurement Principles in place which state that 'All contracts exceeding £10,000 in value shall be in writing and signed by the Chief Executive. All written contracts regardless of value will be signed by the Chief Executive.'</p> <p>The cost to the OPCC and Cleveland Police for the Fingerprint Bureau for 2016/17 is £390,621.</p> <p>In this case, due to the historic nature of the arrangement, the SLA was not signed off by anyone within the OPCC, nor had the Legal department reviewed the SLA.</p> <p>There is an increased risk that without review and approval by the OPCC, the OPCC will be unaware of the collaborative arrangements in place and cannot perform an independent review of the arrangements.</p> <p>Furthermore review of the SLA identified it did not contain all key elements which would be expected from a contract such as the terms of the contract, key contacts, termination and breach details.</p>		The PCC for Cleveland and PCC for Durham will sign the SLA.

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Actions for management
				Therefore there is an increased risk that if contracts are not reviewed by the Legal department and they do not contain all expected elements of a contract, then any disputes may not easily rectified.		
3	<u>Fingerprint Bureau</u> Clear objectives and corresponding measures are in place to manage the performance of the collaboration against the objectives detailed within the business rationale for both financial and operational requirements.	No	-	<p>Discussions with the Head of Scientific Support established that the collaboration was long standing and there was no business case was available for review at the time of the audit.</p> <p>Furthermore it was not documented within the SLA the rationale for the collaboration.</p> <p>Without detailing the objectives, rationale and/or justification for the collaboration, there is an increased risk that performance of the collaboration cannot be effectively measured.</p>	Medium	The updated SLA will include the objectives of the collaboration and the business benefits.
4	<u>Fingerprint Bureau</u> Fingerprint Bureau strategic and operational boards have clear terms of reference in place which details the remit and responsibilities of each group and their reporting requirements.	Yes	No	<p>Review of the SLA which was signed on the 1st April 2016 detailed that a Management Group was in place which was made up of the Assistant Chief Constable, Head of CID and Scientific Support managers and senior Bureau Management.</p> <p>The Head of Scientific Support stated that the Management Group did meet, however no minutes or actions were detailed, therefore it could not be verified that the Group did meet.</p> <p>It detailed that the Group would meet bi-annually as it fitted with the annual budgetary planning process.</p> <p>It stated that the Group is responsible for determining the overall strategy, review the terms of the SLA and funding arrangements. The Bureau is part of the structure of Durham Constabulary and it is the responsibility of Durham Constabulary to manage the Bureau on behalf of Durham and Cleveland.</p>	Medium	<p>A clear overview of the governance arrangements in place for the Fingerprint Bureau will be documented.</p> <p>This will detail the nature of the assurances required, any specific KPIs used to measure performance and detail the frequency with which this information will be provided to the PCC.</p> <p>This will include but not be limited to the terms of reference of performance monitoring meetings.</p>

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Actions for management
				<p>However, the SLA it did not detail what the reporting requirements were for the Group in terms of performance reporting or accountability of the Bureau in order to provide challenge.</p> <p>Without detailing the reporting requirements there is an increased risk that the PCC and Force are not aware of the performance of the Bureau, nor adequate challenge could be provide.</p>		
5	<u>Fingerprint Bureau</u> The Management Group of the Bureau meet bi-annually which fits in with the annual budgetary planning process. During this meeting the overall strategy, SLA and funding arrangements are reviewed. The performance and strategic direction of the collaboration is reported back to the PCC.	Yes	No	<p>Discussions with the Head of Scientific Support established that the Management Group bi-annual meeting had occurred however it was a discussion and no minutes were taken.</p> <p>Furthermore, we were advised that any assurance provided to the PCC in regards to the performance of the collaboration would only be raised if there were any issues.</p> <p>There is no formal established reporting mechanism in place to ensure that the PCC is obtaining regular assurance. Furthermore, there is no KPIs or specific areas agreed in relation to key areas of performance or assurance that the PCC requires. There is an increased risk that the OPCC does not have adequate oversight and scrutiny over the Fingerprint Bureau collaboration.</p>	High	Please see management action four.
6	<u>Fingerprint Bureau</u> On a monthly basis the Scientific Support Managers from Cleveland and Durham have a meeting to ensure that the working practices of the Bureau meet their needs and performance standards are met.	Yes	No	<p>Correspondence received from the Cleveland Team Leader at the Fingerprint Bureau established that performance data was collated specially for Cleveland. The performance reports were provided to the Head of Scientific Support at Cleveland on a monthly basis to review.</p> <p>Discussions with the Head of Scientific Support established that meetings between Durham and Cleveland Scientific Support Managers were not monthly as per the SLA.</p>	Low	Please see management action four.

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Actions for management
				<p>However quarterly meetings between the North East Scientific Support Managers are in place between the seven regions, this is a forum where any issues of the Fingerprint Bureau could be escalated.</p> <p>Furthermore it was stated that there was daily contact between the Bureau and Head of Scientific Support at Cleveland.</p> <p>However the SLA was not up to date or accurate in regard to the current reporting arrangements. There is an increased risk that individuals are not aware of the reporting mechanisms in place, and assurance may not be adequate or signed off in line with service level agreement.</p>		

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 risks:

Objective of the risk under review	Risks relevant to the scope of the review	Risk source
Arrangements are in place to ensure that the Police and Crime Commissioner (PCC) receives assurance on collaborations and partnerships to enable the PCC to discharge his scrutiny and oversight responsibilities.	Collaborative working	OPCC risk register

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 review considered how the PCC was provided with assurance on the governance and scrutiny of collaborative arrangements. Our review considered the following collaborative arrangements:

- Cleveland and Durham Specialist Operations Unit (CDSOU) including the Tactical Training Centre
- Fingerprint Bureau

Our review specifically focused on the following:

- Clear objectives (as part of the business case) had been set for collaborative activities including measures in place to manage the performance against the objectives to ensure value for money (both financially and operationally) can be demonstrated.
- There was an established governance framework in place to ensure that it reflects an effective and efficient mechanism that allows for challenge and review, together with a clear and succinct decision-making process.
- Consideration of the accuracy and timeliness of data reported through the governance structure.
- Recording and monitoring of risks associated with the collaborative arrangements and how significant issues were escalated.
- Monitoring and reporting on performance and how the Police and Crime Commissioner gained assurance that the collaboration was delivering the intended benefits and outcomes.

The following limitations apply to the scope of our work:

- We have not commented on the suitability of any collaboration; only whether the PCC has appropriate mechanisms in place to assess suitability.
- We have not commented on the quality of the partners or their services provided.

- We have not confirmed deliverables will be achieved.
- Testing was undertaken on a sample basis. We have not confirmed the scrutiny and oversight was effective across all collaborative arrangements.
- 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:

- Barry Coppinger, Police and Crime Commissioner
- Michael Porter, Chief Finance Officer and Deputy Chief Executive
- Joanne Gleeson, Head of Finance, Procurement & Fleet
- Mark Thornton, Head of CDSOU
- Mandy Johns, Head of Scientific Support
- Karl Brown, Director of Training / Head of Firearms Operations

Documentation reviewed during the audit

- Section 22 agreement CDSOU
- Service Level Agreement Fingerprint Bureau
- Collaboration board minutes and papers
- TTC Business Plan
- Risk registers

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