

Police and Crime Commissioner for Wiltshire and Chief Constable of Wiltshire Police

Appraisal Review of the Commissioning Services Arrangements

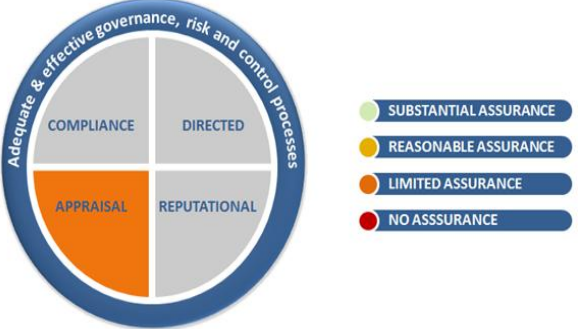
2014/15

FINAL

June 2015

Appraisal Review of the Commissioning Services Arrangements

Executive Summary

<p>OVERALL ASSURANCE ASSESSMENT - LIMITED</p> 	<p>KEY FINDINGS</p> <ul style="list-style-type: none"> • Significant delays in the return of fully completed funding agreements were identified from some of the recipients of funding from the PCC Commissioning Fund. • It was not possible to determine during this review that all recipients of funding from the PCC Commissioning Fund were complying with the stated performance reporting requirements. • Annual value for money assessments need to be undertaken to ensure that value for money is obtained from all funding made from the PCC Commissioning Fund. 								
<p>SCOPE</p> <p>The review appraised the arrangements for commissioning services using the funds awarded specifically to the Commissioner.</p>	<p>ACTION POINTS</p> <table border="1" data-bbox="1137 1010 2018 1174"> <thead> <tr> <th>Urgent</th> <th>Important</th> <th>Routine</th> <th>Operational</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>3</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	3	0	0
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0	3	0	0						

Management Action Plan - Priority 1, 2 and 3 Recommendations

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Operational	It was noted during this review that there were often considerable delays in fully completed funding agreements being returned by organisations receiving funding through the PCC Commissioning Fund.	All funding applicants be advised that funding will be suspended from a specific date if a fully completed funding agreement has not been received by that date.	2	<i>Organisations that have to enter into funding agreements to be awarded funding out of the Commissioning Fund receive no funding until the relevant agreement is completed.</i>		
2	Operational	It was not possible to determine during this review that all recipients of funding from the PCC Commissioning Fund are complying with the performance reporting requirements stated in Paragraph 4 of the Funding Agreement.	Copies of quarterly performance returns be held as evidence that all funders are fully complying with the reporting requirements stated in Paragraph 4 of the Funding Agreement.	2	<i>Noted but the point was made to the internal auditor that performance reporting is considered at meetings with the local authorities (e.g. the CSP and YOT Boards). A performance report for those organisations that entered into funding agreements will be prepared and posted on the OPCC website.</i>	31/07/15	<i>Principal Solicitor</i>

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.	2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.	3	ROUTINE	Control issue on which action should be taken.
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Operational	Annual value for money assessments are not being undertaken on all activities/projects/schemes being funded through the PCC Commissioning Fund.	An annual value for money assessment be undertaken on all activities/projects/schemes funded through the Commissioning Fund to ensure that all funding achieves value for money.	2	<i>This will be carried out for 2014/2015.</i>	31/07/15	<i>Principal Solicitor</i>

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.	2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.	3	ROUTINE	Control issue on which action should be taken.
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Operational Effectiveness Matters

Ref	Risk Area	Item	Management Comments
No Operational Effectiveness Matters have been identified			

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures, rather than on a one-by-one basis

Detailed Findings

INTRODUCTION

1. This review was carried out between February and April 2015 as part of the planned internal audit work for 2014/15. Based on the work carried out an assessment of the overall compliance with the Organisation's arrangements to mitigate the key control risk areas is provided in the Executive Summary.

KEY FINDINGS & ACTION POINTS

2. The key control and operational practice findings that need to be addressed in order to strengthen the control environment are set out in the Management and Operational Effectiveness Action Plans. Recommendations for improvements should be assessed for their full impact before they are implemented.

SCOPE AND LIMITATIONS OF THE REVIEW

3. The review appraised the arrangements for commissioning services using the funds awarded specifically to the Commissioner.
4. The review has been carried out by TIAA Ltd as the nominated sub-contractor of Capita Business Services Ltd ('CBSL'). CBSL is the arm through which Sector's non-FSA regulated services, including the former Sector Business Assurance, are delivered. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan.

MATERIALITY

5. Wiltshire Police needs to ensure that it has effective controls in place for the commissioning of services and to ensure that the services commissioned contribute to the achievement of the Wiltshire and Swindon Police and Crime Plan.

DISCLAIMER

6. The matters raised in this report are only those that came to the attention of the auditor during the course of the internal audit review and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

RISK AREA ASSURANCE ASSESSMENTS

7. The review is limited to carrying out appraisal work on the practices adopted and therefore cannot be relied upon to provide assurance on the overall fitness for purpose of the controls over this process. The definitions of the appraisal assurance assessments are:

Substantial Assurance	Based upon our findings arising from a review which did not consider the internal control arrangements the expected practices and processes are in place.
Reasonable Assurance	Based upon our findings arising from a review which did not consider the internal control arrangements some of the expected practices and processes are in place, although improvements could be made to the arrangements.
Limited Assurance	Based upon our findings arising from a review which did not consider the internal control arrangements a small number of the expected practices and processes are in place. Significant improvements to the arrangements are required.
No Assurance	Based upon our findings arising from a review which did not consider the internal control arrangements there is a fundamental absence of the expected practices and processes are in place. Immediate action is required to improve the arrangements.

ACKNOWLEDGEMENT

8. We would like to thank staff for their co-operation and assistance during the course of our work.

RELEASE OF REPORT

9. The table (Figure 1) below sets out the history of this report.

Figure 1 - Report History

Date draft report issued:	8 th May 2015
Date management responses recd:	3 rd June 2015
Date final report issued:	5 th June 2015

10. The following matters were identified in reviewing the Key Risk Control Objective:

Operational Risk: Failure to identify opportunities to operate more efficiently or to be prepared for forthcoming changes.

- 10.1 The Wiltshire and Swindon Police and Crime Plan 2013 – 2017 focusses upon the priorities of Reducing Crime and Anti-Social Behaviour, Protecting the Most Vulnerable in Society, Putting Victims and Witnesses First, Reducing Offending and Re-Offending, Driving Up Standards of Customer Service and Ensuring Unfailing and Timely Response to calls for Assistance. The Police and Crime Commissioner (PCC) is able to commission services from third parties to assist with the achieving of these priorities.
- 10.2 A report to the Commissioner's Monitoring Board in April 2014 requested that the Board consider the return to Wiltshire Police on the resources that the Commissioner and Chief Constable had made available to partners in 2013/14 and how the Board wished to allocate the amount set aside for the Community Safety Fund for 2014/15. Funds had previously been committed to the Swindon Community Safety Partnership for its Alcohol Arrest Referral Service and for its Drug Intervention Programme and to SPLITZ for its support of victims of domestic abuse. The Monitoring Board minuted that the Commissioner needs to be assured of value for money and advised that the Drug Intervention Programmes and the YOTs funded through the Community Safety Fund would be asked to attend a future meeting of the Strategic CSP and Reducing Offending Board to provide end of year reports.
- 10.3 A report to the Commissioner's Monitoring Board in May 2014 requested approval for the establishment of an annual PCC Commissioning Fund in the sum of £1,000,000. The proposed sources of funding for the Fund were detailed in the report with an appendix to the report detailing the proposed allocation of funding for 2014/15. The Commissioning Board approved the establishment of the fund and the proposed allocation of the funds available for 2014/15.
- 10.4 Applicants for funding from the Community Safety Fund are required to complete an Application for Funding. The Application form is split into four parts with Part One collecting information about the applying organisation including identifying if the application is a multi-agency application. Part Two of the application form collects data about the activity/project/service for which the funding is required including identifying which the priorities from the Police and Crime Plan that the activity/project/service will contribute towards including an explanation as to how the activity/project/service will contribute towards the achievement of the priorities and an explanation of what the funding will be used for if the application is successful and what geographic areas the funding will be used in. Part Three of the application form collects financial information about the organisation applying for the funding including other sources of funding available to the applicant including matched funding from elsewhere, the budget for the project and what would happen if only partial funding was allocated from the Community Safety Fund. Part Four of the application form ascertains where the applicant heard about the PCC funding programme and collects other information about the applicant including details of insurance cover and key policies that the applicant has in place. All applicants are required to complete a declaration certifying that all particulars supplied are correct and certifying that the applicant will comply with the Privacy note and that any funds awarded will be used for the purposes stated in the application form.

- 10.5 Allocations from the PCC Commissioning Fund were £913,026 allocated to nineteen organisations with grants varying from £250 to £138,478 for 2014/15 with allocations to date for 2015/16 of £997,972 to seventeen organisations with grants varying between £6,226 and £125,196. A number of the organisations funded through the Commissioner's Fund had previously been directly funded through the Home Office or had previously been allocated funds from Wiltshire Police prior to the implementation of the Police & Crime Commissioners. A selection of twelve organisations that had been allocated funding in 2014/15 were selected for review.
- 10.6 Fully completed application forms were available for all of the selection reviewed with the funding allocated from the Commissioning Fund matching the requested funds on the application forms. Successful applicants are notified in writing with the notification letter including an agreement that needs to be completed by the applicant and returned to the OPCC. Completed agreements were on file for all applicants being reviewed although it was noted that some of the agreements had not been returned until late in the financial year. It is not realistic to withhold funding until fully completed agreements have been received as a significant proportion of the funding allocations are ongoing allocations to local authority run Drug Intervention Programmes or YOTs although it would be possible to threaten to suspend funding from a specified date if a fully completed agreement has not been received by that date to ensure that all agreements are returned in a timely manner.

Recommendation: 1**Priority: 2**

All funding applicants be advised that funding will be suspended from a specific date if a fully completed funding agreement has not been received by that date.

- 10.7 The PCC is required by law to publish details of all funding decisions of £500 and over on the PCC website and signed decision notices for all of the sample of funding allocations reviewed had been published as required. The decision notice includes an Executive Summary detailing the award value and recipient and the main purposes for which the award had been made.
- 10.8 Paragraph 4 of the Funding Agreement states "The Service Provider will provide the PCC with a report on the Services containing such performance data that the PCC reasonably requires and saying how the Services are contributing to the fulfilment of the themes of the Plan set out in paragraph 2 of this letter at the end of every three month period calculated from the date of this agreement. For the avoidance of doubt this means the Service Provider will provide the PCC with the relevant report on the dates falling three months, six months, nine months and so on from the date of this agreement." The review of the frequency and type of feedback being received from funding applicants identified that performance data from service providers funded through the Commissioning Fund is not centrally collated and therefore it was not possible during this review to determine that performance data is being received from all funded organisation in accordance with Paragraph 4 of the Funding Agreement. It is recommended that copies of quarterly performance reports be held on file in the OPCC as evidence that all funding recipients are complying with the performance reporting requirements stated in Paragraph 4 of the Funding Agreement.

Recommendation: 2**Priority: 2**

Copies of quarterly performance returns be held as evidence that all funders are fully complying with the reporting requirements stated in paragraph 4 of the Funding Agreement.

- 10.9 Value for money needs to be obtained from all funding made through the Commissioning Fund. The Commissioner's Monitoring Board highlighted the requirement to obtain value for money at its April 2014 meeting, requesting that Drug Intervention Programmes and the YOTs funded through the Community Safety Fund would be asked to attend a future meeting of the Strategic CSP and Reducing Offending Board. It is recommended that a value for money assessment be undertaken annually on all activities/projects/schemes funded through the Commissioning Fund as confirmation that value for money is being obtained from all investments made from the Commissioning Fund.

Recommendation: 3**Priority: 2**

An annual value for money assessment be undertaken on all activities/projects/schemes funded through the Commissioning Fund to ensure that all funding achieves value for money.
