



VFM Conclusion –Collaboration between Police Forces in Wales

Project brief

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Status of report

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This document has been produced on behalf of the Auditor General for Wales by Richard Harries, Tracy Veale and Jason Blewitt.

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Project brief

Situation

1. The Police Reform and Social Responsibility Act 2011 has placed new duties on Commissioners and Chief Officers to collaborate where it is in the interests of effectiveness of their own and other police force areas. This is a stronger duty than before, which required collaboration in the interests of their own force only. The update places new duties on chief officers and policing bodies to work together to collaborate.
2. In October 2012, the Home Office published its [Statutory Guidance for Police Collaboration](#) which explains assessing the case for collaboration and determining the basis and scope.
3. In 2014 a [Memorandum of Understanding](#) was approved by an All Wales Policy Group setting out how joint governance and accountability arrangements for collaborative policing would be undertaken, including arrangements for oversight and scrutiny. It is the responsibility of each Commissioner to monitor and scrutinise the efficiency and effectiveness of each collaboration agreement with its own Chief Constable, which includes the spend of the collaboration agreement. Minutes of the joint oversight meetings should be made available on the Commissioner websites within ten working days of the meeting, to ensure transparency.
4. In 2018-19, the total gross revenue expenditure for the six significant collaborative service areas across Wales, was £47,853 million (£39,427 million in 2017-18; the Digital Service Division is new in 2018-19). This is summarised in **Exhibit 1** below.

Exhibit 1 Analysis of gross expenditure by collaborative service area for 2018-19

Collaborative Service Area	Pay Expenditure £000	Non-Pay Expenditure £000	Gross Expenditure £000
WECTU (3 sub-areas)	7,969	1,690	9,659
TARIAN (2 sub-areas)	10,380	3,288	13,668
Digital Services Division	3,813	423	4,236
Joint Legal Services	1,258	33	1,291
Joint Scientific Investigations Unit	5,317	546	5,863
Joint Firearms Unit	11,480	1,656	13,136
TOTAL	40,217	7,636	47,853

Overview of the work

5. Good Governance is essential for the effective stewardship of public money and the delivery of efficient public services, and for ensuring authorities' ability to continue to deliver services to meet statutory obligations and the needs of local communities. It will help authorities take the right decisions for the short, medium and long term.

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6. It is the responsibility of the Auditor General for Wales to satisfy himself that Police bodies have made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
 7. In previous years, we have reviewed the corporate arrangements in place for securing economy, efficiency and effectiveness in the use of resources at each of the four Welsh police bodies. Whilst we will still undertake this work locally at each force, this year we have decided to undertake a more focused piece of work, supplementing this work and reviewing the arrangements in place for securing economy, efficiency and effectiveness when undertaking collaborative working arrangements to answer the question: 'Are there sound arrangements to support good governance and the efficient, effective and economical use of resources for the Collaboration of Welsh Police Forces?'
 8. The purpose of this briefing paper is to provide a summary of the work that we plan to undertake, to enable the Auditor General to discharge his responsibilities in this area.
 9. The questions for this review, included in [Appendix 1](#), focus on whether there are arrangements appropriate to:
 - establish objectives determining policy and decision making;
 - meet the needs of users, stakeholders and the local population;
 - monitor and review performance;
 - comply with established policies;
 - manage operational and financial risks;
 - manage financial and other resources; and
 - ensure proper standards of conduct.
 10. Whilst we acknowledge that North Wales Police also collaborate with neighbouring English police forces, the findings from this work along with any lessons learnt, should be transferable to collaborative arrangements between North Wales Police and its English partners.

Audit Approach and Timescale

Exhibit 2 – Audit Approach and Timescale

Audit Approach	Timescale
<p>Completion of Self Assessment by the Chief Constable (CC) and the Police and Crime Commissioner (PCC) at each force:</p> <ul style="list-style-type: none"> • Chief Finance Officers(CFO) for each Force (CC) to complete one draft self assessment jointly with Senior Officers responsible for collaboration. • Completed draft self assessment to be presented to CFOs and Chief Executive Officers (CEO) for each PCC at Welsh Finance and Resource Group (WFRG). • Finalise self assessment at Joint Advisory Group (JAG). • Final review of self assessment by Senior Officers responsible for collaboration. • Completed self assessment to be submitted to the Wales Audit Office for review. 	<p>October 2019</p> <p>14 November 2019</p> <p>20 November 2019</p> <p>Between 20 and 30 November 2019</p> <p>30 November 2019</p>
<p>Wales Audit Office to attend WFRG and JAG to enable continuous engagements as completion of self assessment progresses.</p>	<p>14 and 20 November 2019</p>
<p>Document Review (documents to be gathered centrally by single Police body).</p>	<p>Mid-October to mid-November 2019</p>
<p>Review of processes in practice – focussing on the Joint Firearms Unit.</p>	<p>Mid-October to mid-November 2019</p>
<p>Focus Group with key staff from the four forces to discuss emerging conclusions arising from the work and determine next steps.</p>	<p>By mid-December 2019 (possibly extend to January 2020 depending on staff/officer availability)</p>
<p>Issue Action Plan.</p>	<p>Within three weeks of Focus Group</p>

11. This work, alongside a high-level review of overall arrangements for securing economy, efficiency and effectiveness at each force will be undertaken within the combined value for money element of the planned audit fees for 2018-19.

Document Request

12. Prior to the Wales Audit Office attendance at the November WFRG and JAG meetings, we will undertake a review of documents identified in [Exhibit 3](#) and would be grateful if these documents could be collated and sent to us (tracy.veale@audit.wales) by 25 October 2019. We would also be grateful if you could supply us with any additional documents which you feel may be relevant to our work in this area. This list is not exhaustive and requests for additional documents may be made during the course of our enquiries.

Exhibit 3 – Initial document request

Document Title
1. Organisational Structure and Committee Structure for Collaboration
2. Terms of Reference of Boards and Committees
3. Agenda (not papers at this stage) and Minutes – latest available
4. Register of Interests
5. Signed Memorandum of Understanding between the four forces
6. Constitution/Standing Orders (or equivalent) and procedures in place for Collaboration (eg for financial management, sign off of projects etc)
7. Scheme of Delegation
8. Code of Conduct
9. Anti-Fraud and Corruption and Whistleblowing Policy
10. Collaboration Risk Register - latest available and Risk Management Strategy
11. Strategic Plan (or equivalent) for Collaboration – Medium Term and Annual Plan 2019-20
12. Asset Management Strategy or equivalent for Collaboration
13. Workforce Strategy or equivalent for Collaboration (and individual Collaboration Projects if applicable)
14. Medium Term Financial Plan for Collaboration - latest
15. Financial Strategy – 2019-20
16. Financial monitoring reports - 2018-19 year-end and latest report for 2019-20
17. Savings plans and savings monitoring reports - 2018-19 year-end and latest report for 2019-20
18. Annual Budget Report – 2019-20
19. Operational Plans for individual Collaboration Projects
20. Internal Audit Plan for Collaboration
21. For each collaboration project selected for walkthrough:- <ol style="list-style-type: none">i) Business Caseii) Approval and sign off of the Business Case (and minutes to support)iii) Signed S22 Agreementiv) Finance and Performance Reports and relevant minutes to confirm monitoringv) Report (and minutes) to report on the outcomes from and conclusion of the project

Wales Audit Office Contacts

Exhibit 4 – Wales Audit Office Contacts

This sets out the key Wales Audit Office Contacts for the work.

Name	Contact details	
Financial Audit Director	Richard Harries	richard.harries@audit.wales
Financial Audit Manager	Tracy Veale	tracy.veale@audit.wales

Appendix 1

Question Hierarchy

Exhibit 5 – Study questions

Study Question: Are there sound arrangements to support good governance and the efficient, effective and economical use of resources for the Collaboration of Welsh Police Forces?			
Level 1	Prompts	Self evaluation	Evidence
1.1 Is there a clear and robust approach to strategic and operational planning for the Collaboration of Welsh Police Forces?	<ul style="list-style-type: none"> a) Is it clear what the Collaboration of Welsh Police Forces is intending to deliver? b) Is there a clear strategic and operational plan for the Collaboration of Welsh Police Forces? c) Does this cover the short and medium term? d) Has this been appropriately approved? e) Has there been consideration of whether there is sufficient capability and capacity to properly discharge collaboration agenda/plan? f) Where gaps in planning capacity and capability have been identified, is action being taken to address them? g) Are there effective assurance arrangements in place to monitor, and review organisation-wide effectiveness of the plan's delivery? 		
1.2 Is there a structure in place to support good corporate governance and	<ul style="list-style-type: none"> a) Has the Home Office Statutory Guidance for Police Collaboration been complied with? b) Are there arrangements in place to ensure that the Memorandum of Understanding between the 4 forces is monitored and complied with? 		

Study Question: Are there sound arrangements to support good governance and the efficient, effective and economical use of resources for the Collaboration of Welsh Police Forces?

Level 1	Prompts	Self evaluation	Evidence
the delivery of the collaboration's strategic objectives?	<ul style="list-style-type: none"> c) Is there an organisational structure in place to support Collaboration of Welsh Police Forces? d) Is there a Collaboration Board (the Board) and a Collaboration Committee (the Committee) structure in place to support the scrutiny of decisions? e) Does the Board and Committees meet on a regular basis and are the meetings attended by sufficient numbers of appropriate attendees for decisions to be made? f) Do officers and staff with collaboration responsibilities have adequate capacity to deliver? g) Are relationships amongst members and senior officials of the Board and Committees constructive and effective? h) Is there openness and transparency in the manner that the Board operates? i) Is there a scheme of delegation in place for the Collaboration of Welsh Police Forces? j) Is there openness, transparency and clarity in the manner in which decisions are made? k) Are Police and Crime Commissioners sufficiently involved in the governance arrangements for the Collaboration of Welsh Police Forces? 		
1.3 Are there robust systems in place to consider and approve new	<ul style="list-style-type: none"> a) Is there a robust options appraisal process to evaluate and agree whether to pursue a new Collaboration project, which considers the three E's? 		

Study Question: Are there sound arrangements to support good governance and the efficient, effective and economical use of resources for the Collaboration of Welsh Police Forces?

Level 1	Prompts	Self evaluation	Evidence
Collaboration projects?	<ul style="list-style-type: none"> b) Are there processes to clarify the legality of pursuing new activity? c) Are there procedures in place for the appropriate sign off and approval for new activities? d) Are there clear governance and accountability arrangements for overseeing how new activities are managed? e) Is there monitoring and evaluation of the impact the activity has to ensure that it is delivering what is intended and has not resulted in unintended impacts? f) Are there processes to identify, understand and manage the risks of the new activity? 		
1.4 Are roles and responsibilities for the Collaboration of Welsh Police Forces clear and adhered to?	<ul style="list-style-type: none"> a) Does the Board and Committees have their own agreed and approved Terms of Reference? b) Are there clear, formal and agreed schemes of delegation which encourage accountability and avoid unnecessary complexity? c) Does the Board operate effectively in terms of administration and conduct? d) Are roles and responsibilities for officers and committees clearly defined? e) Have these been approved? 		
1.5 Are there effective assurance	<ul style="list-style-type: none"> a) Is there effective oversight and scrutiny of the required assurances through the committee structure? 		–

Study Question: Are there sound arrangements to support good governance and the efficient, effective and economical use of resources for the Collaboration of Welsh Police Forces?

Level 1	Prompts	Self evaluation	Evidence
arrangements in place for the Collaboration of Welsh Police Forces?	<ul style="list-style-type: none"> b) Are sub-committees operating effectively and supporting the flow of assurance from an operational level to the Board? c) Is there evidence that decisions are well documented and supported and communicated (including the rationale, considerations on which they are based and approval)? 		
1.6 Does the Collaboration of Welsh Police Forces have a sound approach to risk management?	<ul style="list-style-type: none"> a) Is there a Risk Management Strategy/Policy in place? b) Is there a Risk Register which is regularly monitored and scrutinised by the Board/Committee? 		
1.7 Does the Collaboration of Welsh Police Forces have a clear internal control environment in place?	<ul style="list-style-type: none"> a) Are there Standing Orders in place? b) Is there a Scheme of Delegation in place? c) Is there a robust Internal Audit service in place which provides adequate coverage of the Collaboration Plan/Agenda and regularly reports? d) Are there arrangements to ensure decisions comply with laws and regulations? 		
1.8 Has the Collaboration of Welsh Police Forces put proper	<ul style="list-style-type: none"> a) Do key officers in each Force receive performance information on a timely basis? b) Does the Board and Committees receive information on performance against the Corporate Plan on a regular basis? 		

Study Question: Are there sound arrangements to support good governance and the efficient, effective and economical use of resources for the Collaboration of Welsh Police Forces?

Level 1	Prompts	Self evaluation	Evidence
arrangements in place for monitoring and reviewing its performance?	<ul style="list-style-type: none"> c) Is there evidence that actions are taken? d) Are finance and performance reports linked? 		
1.9 Has the Collaboration of Welsh Police Forces put proper arrangements in place for financial management?	<p>Financial Strategy</p> <ul style="list-style-type: none"> a) Does the Board have a clear and robust financial strategy? Is it based on detailed and accurate assumptions on: <ul style="list-style-type: none"> i) demand pressures; ii) cost pressures; and iii) projected amount of revenue and capital resources. <p>Budget Setting</p> <ul style="list-style-type: none"> a) Is there a short-term and medium-term budget in place which is approved in line with procedures? b) Are budgets shaped by a clear long-term strategy and linked to the strategic plan and other plans? c) Are roles and responsibilities clear and understood? d) Are there clear and reasonable budget assumptions? e) Are risks clearly identified? f) Was there robust board challenge and sign off of budget by the Board and the four forces? g) Does past performance against budget provide evidence of satisfactory budget setting? 		

Study Question: Are there sound arrangements to support good governance and the efficient, effective and economical use of resources for the Collaboration of Welsh Police Forces?

Level 1	Prompts	Self evaluation	Evidence
	<p>Budget Monitoring and Reporting</p> <ul style="list-style-type: none"> a) Are there clear roles and responsibilities for budget monitoring and reporting? b) Is there an executive lead and central co-ordination role? c) Is there a standardised format for budget reporting across all collaboration projects to ensure consistency is achieved in respect of report format, content and reporting frequency? d) Is reporting timely and to deadline? e) Is there continuity between monthly reports? f) Are timely and regular meetings held with appropriate staff to discuss variances? g) Are issues flagged up and responded openly and transparently? h) Are non-finance staff fully engaged in the reporting and monitoring process? i) Are root causes of variances identified and potential solutions identified? j) In its scrutiny of new service plans does the Board consider financial costing/implications? k) Are service line reporting and other appraisals used to evaluate performance/decision making? <p>Financial Performance</p> <ul style="list-style-type: none"> a) Is there a track record that the collaboration projects deliver as forecast? If not, are there good reasons for non delivery, ie significant unforeseen issues? 		

Study Question: Are there sound arrangements to support good governance and the efficient, effective and economical use of resources for the Collaboration of Welsh Police Forces?

Level 1	Prompts	Self evaluation	Evidence
	b) Where are the greatest cost pressures?		
	c) Is there a trend of overspending/underspending in specific service areas in recent years? If there are trends of overspending in specific service areas, what does the council plan to do to address this? d) Are collaboration projects set key performance indicators, against which they are measured in order to demonstrate achievement of value for money? e) Are collaboration projects self-reliant in delivering as planned or do they need significant financial help to do so? f) Do collaboration projects reduce activity around year-end? g) Do collaboration projects rely on additional funding beyond its initial allocation? h) Are collaboration projects set efficiency savings targets? If so, how are savings identified, and how is achievement of these savings monitored? i) Is there a trend of delivering/not delivering planned savings? j) How realistic are savings plans? k) Are savings plans based on robust assumptions and data? l) How confident is the Board that the Collaboration projects will be able to deliver its planned savings targets over the medium term? m) Are reviews undertaken to assess the impact on quality of proposed collaboration projects and give proper consideration to findings? If so who undertakes these		

Study Question: Are there sound arrangements to support good governance and the efficient, effective and economical use of resources for the Collaboration of Welsh Police Forces?

Level 1	Prompts	Self evaluation	Evidence
	<p>reviews and where is the outcome of these reviews reported?</p> <p>n) Is capital spend prioritised appropriately?</p>		
<p>1.10 Does the Collaboration of Welsh Police Forces have proper arrangements in place to promote and ensure probity and propriety in the conduct of its business?</p>	<p>a) Is there an approved Code of Conduct in place?</p> <p>b) Is there adequate training for officers and members?</p> <p>c) Is there an up-to-date Register of Interests?</p> <p>d) Is there an Anti-Fraud and Corruption Policy and Whistleblowing Policy?</p>		

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