

**SUBJECT: Internal Audit Review of Partnership & Collaboration Arrangements**

**DIRECTORATE: Resources**

**MEETING: Governance & Audit Committee**

**DATE: 20<sup>th</sup> September 2023**

**DIVISION/WARDS AFFECTED: All**

## **1. PURPOSE**

To inform the Governance & Audit Committee of the results of the Internal Audit of Monmouthshire County Council Partnership and Collaboration Arrangements as requested by the Committee.

## **2. RECOMMENDATION(S)**

That the Committee notes the audit opinion and findings from the Partnership and Collaboration Arrangements Internal Audit Review.

## **3. KEY ISSUES**

3.1 As part of the 2022/23 Internal Audit Plan and at the request of the Governance & Audit Committee an Internal Audit review of Monmouthshire County Councils Partnership and Collaboration Arrangements was undertaken. A draft report was issued on the 30<sup>th</sup> June 2023 with the final report issued on the 8<sup>th</sup> September 2023.


3.2 The objective of the audit was to carry out a risk-based audit review of the Authority's Strategic Partnership and Collaboration arrangements. The audit was to ensure that all current partnerships were known, monitored, and effectively governed to ensure that the expected outcomes were achieved.

3.3 The following areas were examined:

1. The Authority is aware of the strategic partnerships and collaborations that are in place to help it achieve its corporate strategy, goals and aims.
2. Appropriate governance arrangements have been established between the Authority and its strategic partners and collaborators.
3. Robust performance and risk management frameworks have been established to ensure that the expected outcomes of the partnerships and collaborations are being realised.

## 4 REASONS

- 4.1 For the basis of this audit review, Internal Audit used the list of twenty-six collaborations and partnerships that had been reported to the Governance and Audit Committee on the 26<sup>th</sup> January 2023 to select a sample.
- 4.2 The following key collaborations and partnership were chosen for high level audit assessment:
- Shared Resource Service (SRS);
  - Gwent Local Resilience Forum;
  - South East Wales Education Achievement Service (EAS);
  - Gwent Wide Integrated Community Equipment Services (GWICES);
  - Monnow Vale (Health and Social Care Facility);
  - Procurement with Cardiff Council;
  - Sport Wales;
  - Monmouthshire Destination Partnership;
  - Gwent Police Property Services collaboration; and
  - Gwent Public Services Board
- 4.3 Our audit identified a number of strengths in each of the areas reviewed. Some significant (3) and moderate (8) risks were also detected which require addressing, no critical risks were identified. Consequently, we have given a **'Reasonable'** assurance rating which reflects that there is a generally sound system of governance, risk management and control in place.

	SUBSTANTIAL ASSURANCE	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
	REASONABLE ASSURANCE	<b>There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.</b>
	LIMITED ASSURANCE	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
	NO ASSURANCE	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

- 4.4 Appendix 1 of this report details the weaknesses raised during this audit review.

- 4.5 Following the report being issued in draft to the Chief Officer People, Performance & Partnerships and the Performance & Data Insight Manager on the 30<sup>th</sup> June 2023, management actions were submitted and a draft report meeting was held on 06<sup>th</sup> September 2023. This meeting took longer than normal to arrange due to Officers annual leave commitments throughout July and August.
- 4.6 At the draft report meeting a number of Management Actions were agreed to address the recommendations raised within the report. These can be seen within the extract included in Appendix 1.
- 4.7 The implementation of the agreed management actions will be monitored by the internal audit team as per our commitment to the Governance & Audit Committee to follow up all recommendations issued.

## **5. RESOURCE IMPLICATIONS**

None.

## **6. CONSULTEES**

Deputy Chief Executive & Chief Officer Resources  
Chief Officer People, Performance & Partnerships  
Performance & Data Insight Manager

### **Results of Consultation:**

N/A

## **7. BACKGROUND PAPERS**

N/A

## **8. AUTHORS AND CONTACT DETAILS**

Jan Furtek, Audit Manager  
Telephone: 01600 730521  
Email: [janfurtek@monmouthshire.gov.uk](mailto:janfurtek@monmouthshire.gov.uk)

APPENDIX 1 – EXTRACT FROM INTERNAL AUDIT REPORT – PARTNERSHIP & COLLABORATION ARRANGEMENTS

Ref.	Weakness & Risk	Recommendation & Agreed Management Action	By Who	By When
1.03	<p>The Authority does not have a detailed policy or guidance document on how to administer partnership / collaboration arrangements.</p> <p><i>Risks - Key governance, performance or risk management controls may not be established.</i></p> <p><i>Development of inconsistent control frameworks, some partnerships/collaborations could be over or under controlled.</i></p>	<p><b>Recommendation:</b> The Authority should introduce specific guidance around partnerships and collaborations, which provides detail around their establishment, the management arrangements and process required for exiting out of any arrangements (if required).</p> <p><b>Agreed Management Action:</b> The responsibility for establishing and governing individual collaboration and partnership arrangements sits with the relevant responsible officer(s) within service areas. A guidance note is being produced in response to the recommendation and will be finalised following input from the Governance Working Group. Further guidance on specific projects can be sought from relevant support services as required e.g. legal, financial and performance.</p> <p>The scale and responsibility of partnership and collaborations the Council has in place varies significantly. Therefore, the application of the guidance will need to be proportionate to the arrangements in place. The guidance will be applied to existing as well as new arrangements. Assurance for existing arrangements will be sought on a programmed basis, informed by an assessment of risk and capacity available.</p> <p>The Council does not have one 'central' role responsible for all governance and collaboration arrangements and within current financial challenges we will need to use existing expertise and resources to develop, maintain and support specific guidance. A</p>	Chief Officer People, Performance and Partnerships	December 2023

**APPENDIX 1 - ANALYSIS OF STRENGTHS & WEAKNESSES / ACTION PLAN**

Ref.	Weakness & Risk	Recommendation & Agreed Management Action	By Who	By When
		specific lead to oversee the implementation and ongoing application of the guidance will be identified.		
2.07	<p>Although partnership agreements contained details around notice periods for withdrawing from or ending a partnership, there was found to be no exit plans or contingency strategies drawn up for any of the partnerships in the event of a withdrawal or failure of the service.</p> <p><i>Risk - Service provision may be affected if there is no back up plan. Over resilience or dependency on the partnership.</i></p>	<p><b>Recommendation:</b> Service Managers responsible for managing the key partnerships or collaborations should formulate exit / contingency strategies.</p> <p><b>Agreed Management Action:</b> Exit / contingency strategies will be part of the development of specific guidance around partnerships and collaborations for lead officers to apply. This will provide guidance on developing a back-up plan should for whatever reason the partnership end or our participation cease, including links to business continuity. It will also link to performance management arrangements in ensuring there are plans in place should concerns over performance arise. The guidance will be applied to existing as well as new arrangements on a programmed basis.</p>	<p>Chief Officer People, Performance and Partnerships</p> <p>(Partnership / Collaboration Lead Officers)</p>	March 2024
3.03	<p>The risks in relation to current partnership arrangements were not always formally documented and reviewed.</p> <p><i>Risk - Risks are not effectively identified, assessment and managed effecting the delivery of the service.</i></p>	<p><b>Recommendation:</b> The Authority should ensure that it manages any risks in relation to the partnership or collaboration and ensure that they have robust risk management processes in place.</p> <p><b>Agreed Management Action:</b> Risk management will be part of the development of specific guidance around partnerships and collaboration for lead officers to apply. This will provide guidance on risk management for arrangements within the partnership and also risks to the Council around the partnership and its delivery,</p>	<p>Chief Officer People, Performance and Partnerships</p> <p>(Partnership / Collaboration Lead Officers)</p>	March 2024

**APPENDIX 1 - ANALYSIS OF STRENGTHS & WEAKNESSES / ACTION PLAN**

Ref.	Weakness & Risk	Recommendation & Agreed Management Action	By Who	By When
		<p>including links to exit / contingency strategies.</p> <p>The guidance will be applied to existing as well as new arrangements on a programmed basis.</p>		

Ref	Weakness	Noted
1.04	<p>There were no specific or measurable criteria to consider if a partnership or collaboration should be classed as being key or strategically important.</p> <p><i>Risk – The most important partnerships and collaborations are not identified. The current level of scrutiny, control and management placed on these may not be appropriate.</i></p>	Chief Officer People, Performance & Partnerships
1.05	<p>Proforma's used to collect information on the partnerships and collaborations have not always been fully and comprehensively completed.</p> <p><i>Risk - Full details of the partnerships are not known. Strategic importance of the partnerships or collaboration could be incorrectly interrupted.</i></p>	Chief Officer People, Performance & Partnerships
1.06	<p>The list of MCC partnerships and collaborations was not readily available to staff, elected members and members of the public. The list did not detail who was the lead authority for the arrangement.</p> <p><i>Risk – people may not be aware of the partnerships and collaborations which exist within Monmouthshire and who is responsible for delivering the service.</i></p>	Chief Officer People, Performance & Partnerships
2.08	<p>Evidence could not always be provided of the business case and decision making process for entering into a partnership arrangement.</p>	Chief Officer People, Performance &

**APPENDIX 1 - ANALYSIS OF STRENGTHS & WEAKNESSES / ACTION PLAN**

Ref	Weakness	Noted
	<p><i>Risk - Reason for entering into the agreement and appropriate consideration / approval for setting up the partnership may not have occurred.</i></p> <p><i>Partnership working may not have been the most appropriate way to deliver the service.</i></p>	Partnerships
2.09	<p>The roles and responsibilities of the Monmouthshire Destination Partnership was based upon a draft term of reference.</p> <p><i>Risk - Roles and responsibilities have not been formally agreed, dispute could emerge and intended roles not fully achieved.</i></p>	<p>Chief Officer People, Performance &amp; Partnerships</p> <p>(Partnership / Collaboration Lead Officer)</p>
2.10	<p>The Cardiff Procurement Partnership agreement did not contain a right of access for audit.</p> <p><i>Risk – Records cannot be accessed by ether internal or external audit working on behalf of the Authority.</i></p>	<p>Chief Officer People, Performance &amp; Partnerships</p> <p>(Partnership / Collaboration Lead Officer)</p>
2.11	<p>No assurance mechanisms have been built into the Monmouthshire Destination Partnership.</p> <p><i>Risk - Poor governance of the partnership.</i></p>	<p>Chief Officer People, Performance &amp; Partnerships</p> <p>(Partnership / Collaboration Lead Officer)</p>

APPENDIX 1 - ANALYSIS OF STRENGTHS & WEAKNESSES / ACTION PLAN

Ref	Weakness	Noted
3.04	Performance management arrangements were not always adequate. <i>Risk - Service targets and deliverables are not achieved.</i>	Chief Officer People, Performance & Partnerships  (Partnership / Collaboration Lead Officer)

CONFIDENTIAL