

Minutes of the Joint Audit Committee 16th December 2013 held at Surrey Police Headquarters

Attendees:

Paul Rees - Chairman
Andrew Gascoyne – Member
Chris Johnson – Member
Amanda Mills – Member
Vanya Moyer - Member

Kevin Hurley – Police and Crime Commissioner (Part)
Alison Bolton – Chief Executive - Office of the Police and Crime Commissioner
Ian Perkin – Treasurer – Office of the Police and Crime Commissioner
Sarah Thomas – Minute Taker - Office of the Police and Crime Commissioner

Lynne Owens – Chief Constable – Surrey Police (Part)
Jane Harwood – Assistant Chief Officer – Surrey Police
Bev Foad – Finance – Surrey Police

Kathryn Sharp – Grant Thornton
Iain Murray – Grant Thornton
David Taylor – Baker Tilly

PART ONE
IN PUBLIC

60/13 APOLOGIES (Item 1)

Apologies were received from Paul Grady, Grant Thornton.

61/13 DECLARATION OF INTEREST (Item 2)

No declarations were made.

62/13 MINUTES OF THE LAST MEETING – 10th SEPTEMBER 2013 (Item 3)

The minutes of the previous meeting were accepted as a true and accurate record.

63/13 MATTERS ARISING (Item 4)

45/13 – should read ‘has been amended’ rather than ‘had been amended’.

EXCLUSION NOTICE

Under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information under paragraph 7 of Part 1 of Schedule 12A of the Act.

PART TWO **IN PRIVATE**

64/13 SIREN REVIEW UPDATE (Item 5)

The Committee received a verbal update on the review of SIREN that was currently being undertaken by Grant Thornton. Members expressed their unhappiness in the delay in the report being completed. It was noted that the report had been delayed in order to ensure it was properly quality assured prior to release. Members raised a number of queries, to which Grant Thornton provided explanations in the meeting.

65/13 NICHE UPDATE (Item 6)

The Committee received a verbal update on the progress of the Niche programme. The initial launch on 20th November went as planned with very few issues. The link with Sussex Police was proving successful. The main focus now was to get the rest of the system (Case & Custody) live in February 2014.

66/13 WHISTLE BLOWING IN SURREY POLICE (Item 7)

The Committee received a comprehensive report on all aspects of whistle blowing within Surrey Police as per their request at the previous meeting.

Members were also informed that Surrey Police was updating its pre-employment information for all new staff to include information about whistle blowing.

The PCC informed the Committee that he was looking into the possibility of engaging an external whistle blowing company as he saw potential for further transparency in this area. He would be speaking to the Chief Constable about it outside of the meeting.

Members suggested that the PCC and Surrey Police needed to better advertise on their websites how members of the public or contractors could whistle-blow and it was agreed that the wording on the complaints pages on both websites would be amended accordingly.

Members agreed that they had received sufficient information in this report and that Baker Tilly would no longer be required to carry out a specific audit of this area as previously requested.

67/13 OPCC RISK REGISTER AND ASSURANCE FRAMEWORK (Item 8)

The Committee received the risk report. They raised some queries, all of which were addressed in the meeting or were listed as actions to be addressed outside of the meeting. The Chief Executive advised that members would receive a report on the processes for recording and reviewing risk at the next meeting. This had recently been reviewed by the Deputy Chief Constable.

68/13 FORCE HIGH LEVEL AND SHARED RISKS (Item 9)

The Committee received an updated report on high level and shared risks. Members raised questions about Surrey Police change programmes. The Chief Constable offered for her Deputy to hold a separate meeting for Members of the Committee so that they could be briefed in change programmes. Members would also receive a copy of the change programmes risk register.

All other queries were addressed within the meeting.

PART ONE **IN PUBLIC**

69/13 POLICE AND CRIME COMMISSIONERS EXPENSES (Item 10a)

The Committee noted the PCC's expenses.

They suggested that the names of individuals that the PCC met with shouldn't be published but rather their job title/role/organisation. It was agreed that this would be taken into consideration where appropriate when recording all future expenses.

70/13 CHIEF CONSTABLE'S EXPENSES (Item 10b)

The Chief Constable explained that it was not a statutory requirement that her expenses were published, as it was for the PCC, but she wanted to maintain a high level of transparency. For that reason, she intended to publish not only 'out of pocket' expenses, but also any expense incurred on her procurement card.

The definition of expenses had changed and new systems were in place for recording them. The Chief Officers no longer had a driver and subsequently the Chief Constable now travelled to some meetings by train. The expenses listed in the report were not monies that she had claimed back but were the cost of train travel that had been incurred through rail warrants. Members questioned the difference in cost for trips to the same destination. This was due to the starting location being different i.e. travelling from home or travelling from work. Members asked for this to be clarified in future submissions to the Committee.

71/13 INTERNAL AUDIT PROGRESS REPORT (Item 11)

David Taylor (DT) from Baker Tilly presented the internal audit progress report.

He informed the Committee that he had received management comments on the 'Disposal Methods and Crime Recording' draft audit report that morning. The 'Neighbourhood Management' audit had been put back to February 2014.

DT said that Baker Tilly would programme its future audits at the most appropriate time to ensure a smoother audit programme, rather than having a considerable number of audits at the end of the year.

The Committee noted the recommendations that had arisen out of the 'Business Interests' audit. The Chairman highlighted the report to both the PCC and Chief Constable.

Assistant Chief Officer (ACO) Jane Harwood informed the Committee that she was going to propose a change to the annual PDR (Performance Development Review) process whereby staff would have to do a check of their personal records ensuring that all information, including business interests, was up to date. The Committee welcomed this suggestion.

72/13 EXTERNAL AUDIT MANAGEMENT LETTER (Item 12)

Grant Thornton presented the external audit management letter – they had no additional comment to add. The Committee therefore noted the report.

73/13 UPDATE ON STAGE 2 TRANSFER (Item 13)

The Committee received a verbal update on Stage 2 Transfer.

The Chief Executive explained that the Stage 2 plan had been submitted to the Home Office in September and a subsequent response had been received from the Home Secretary approving it in principle. A Statutory Scheme now needed to be drawn up by March 2014.

The PCC/Force had tried to produce a plan that was simple and cost effective but this was proving difficult and a lot of work needed to be done to ensure future business was lawful and that necessary documents for internal control were in place. One of the issues was that the PCC would no longer be able to delegate authority to the Force as he does currently. This could cause a problem for the procurement function who would continue to issue contracts in the name of the PCC and legal advice was being sought on how to rectify this.

Work was currently underway in rewriting the key documents such as the Financial Regulations. It was anticipated that the documents would be ready for Members to review in early 2014 and formally agree at the next committee meeting in March 2014.

The Chief Executive clarified that all police staff would transfer to the employment of the Chief Constable except for two members of the finance team (who would remain under the employment of the PCC so that he could carry out his statutory finance function) and the small team that directly supported the PCC. The PCC would also retain ownership of all assets but the Chief Constable would provide day to day management of the assets as well as services such as estates management, as per current arrangements.

74/13 GIFTS AND HOSPITALITY (Item 14)

The Committee received a report on the processes in place in both the PCC's Office and Surrey Police for the recording and monitoring of gifts and hospitality.

It was noted that Baker Tilly would be carrying out an audit of this area in February 2014.

Members were concerned about the appropriateness of officers and staff retaining gifts that were offered to them. They suggested that they should be offered to charity. The Assistant Chief Officer agreed to review the Surrey Police procedure.

Members also questioned the wording at section 8.2 of the procedure. They suggested it should read 'The offer of a gift or hospitality perceived to be with the object of obtaining preferential treatment must be declined'. It was agreed that this would be explored. Some gifts were likely to be very small and in some instances, it may be rude to decline a gift. The Chief Executive confirmed that where a gift had been offered and refused, this should also be recorded.

It was also noted that the use of the word 'sanitised' under section 9.1 of the procedure be removed as it contradicted the Chief Constable's view on transparency. The ACO said she would review the wording of the procedure.

The ACO would also ensure that the gifts and hospitality register published on the Surrey Police website was updated.

75/13 WORK PROGRAMME 2013/14 (Item 15)

It was noted that two of the dates relating to external audit were incorrect. These would be amended outside of the meeting.

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PART TWO
IN PRIVATE

**76/13 ANY OTHER MATTERS TO BE RAISED BY THE INTERNAL AUDITORS
(Item 16)**

Baker Tilly had no other matters to raise with the Committee.

**77/13 MONITORING OF AUDIT AND INSPECTION RECOMMENDATIONS –
ACTION UPDATE (Item 17)**

The Committee received a report which proposed a methodology for them to obtain assurance that the recommendations received by Surrey Police from the internal auditors were being dealt with as required.

The Committee was content with the proposals made in the report.

78/13 MONITORING OF AUDIT AND INSPECTION RECOMMENDATIONS (Item 18)

The Committee received a report on the progress of implementation of the recommendations identified as medium or high by the internal auditors. They raised some queries, all of which were addressed in the meeting.

79/13 PRIVATE MEETING OF MEMBERS WITH THE AUDITORS (Item 19)

Members of the Committee met with the auditors in private.

The meeting ended at 4.25pm