

**Minutes of the Joint Audit Committee 24<sup>th</sup> March 2014 held at Surrey Police Headquarters**

**Attendees:**

Andrew Gascoyne – Member  
Chris Johnson – Member  
Amanda Mills – Member  
Vanya Moyer - Member

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

Jane Harwood – Assistant Chief Officer – Surrey Police  
Paul Bundy – Head of Finance – Surrey Police  
Bev Foad – Finance – Surrey Police

Kathryn Sharp – Grant Thornton  
David Taylor – Baker Tilly  
Lorna Raynes – Baker Tilly

**PART ONE**  
**IN PUBLIC**

**01/14 APOLOGIES (Item 1)**

Apologies were received from Paul Rees, Chairman, PCC Kevin Hurley, CC Lynne Owens and Paul Grady, Grant Thornton.

**02/14 DECLARATION OF INTEREST (Item 2)**

No declarations were made.

**03/14 MINUTES OF THE LAST MEETING – 16<sup>th</sup> DECEMBER 2013 (Item 3)**

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

**04/14 MATTERS ARISING (Item 4)**

66/13 – Jane Harwood (JH) confirmed that information provided about whistle-blowing in pre-employment packs was being considered as part of an on-going review.

### **05/14 INTERNAL AUDIT PLAN FOR 2014/15 (Item 5)**

David Taylor (DT) presented the Internal Audit Plan for 2014/15. He explained that he had met with Ian Perkin, Paul Bundy and Bev Foad to discuss the priorities for the plan. The Committee had previously requested three areas to be audited and these were included in the plan; Forensic Medical Examiners, Disaster Recovery and PAYE. There was a theme throughout the plan to address the joint working with Sussex. A progress report would be brought to each Committee meeting where Members could revisit any issues as well as raise any concerns.

Members asked whether Baker Tilly would be addressing any additional risks associated with the application security audit i.e. cyber crime or external hacking. DT explained that cyber crime was a fast moving and complex issue. It was not in the plan at this stage but Baker Tilly could feed in any learning from other forces. Members agreed that it would be beneficial to share any learning from other Forces.

JH said that the Force hadn't received any external hacking attacks of concern. Pen testing was carried out regularly – this was an area where the Force needed to invest and would be working collaboratively with Sussex. DT said that this area would be picked up in the disaster recovery audit.

Members questioned whether 12 days would be enough to carry out the Project Management audit. DT said that the days could be extended if the scope required. The scope would be considered fully when Grant Thornton released their report on the SIREN project as there would be a focus on project management in that report. If more days were required then DT would flag that to the Committee.

Members addressed the area of collaboration between Surrey and Sussex and asked which force would carry out the audits when they fell within the areas of collaboration. Lorna Raynes (LR) explained that there was a lead force for each area of collaboration so whichever force was the lead it would fall to their auditors. Each force would be able to review the audit. Paul Bundy (PB) explained that the Section 22 Collaboration Agreements that had been signed by each force addressed which force would carry out specific audits. Ian Perkin (IP) stated that at their own expense the non-lead force or OPCC had the right to ask for an additional internal audit to be carried out if they felt this was necessary.

The Committee approved the Internal Audit Plan.

### **06/14 INTERNAL AUDIT PROGRESS REPORT (Item 6)**

DT presented the progress report. A number of audits were in progress and were due for finalisation imminently. LR gave an update on the progress of each audit. It was noted that the Neighbourhood Management audit had been cancelled – this was due to the fact that the recent review of Neighbourhood Policing meant that it was too early to review the new structure. DT said that all finalised reports would be brought to the June Committee meeting.

Alison Bolton (AB) said that the Office of the PCC was unaware of the Risk Management audit due to commence at the end of March. LR said that she would check with the auditor and report back outside the meeting.

Members noted that the Follow Up draft report was issued in January and the auditors were still waiting for management responses – they felt this was too long to wait. LR agreed that it was taking longer than expected but the delay was due to responses being required from a number of different people. Management were carrying out recommendations anyway as part of other processes so there are no concerns. Bev Foad (BF) said that she regularly liaised with the auditors and she also was not concerned about the delay.

Members asked whether the days that would no longer be used for the Neighbourhood Management audit would be used elsewhere. DT had liaised with BF about this and they had agreed that the days would be carried over to next year to increase the contingency for other audits.

### **07/14 EXTERNAL AUDIT PROGRESS REPORT (Item 7)**

Kathryn Sharp (KS) presented the external audit progress report. She explained that an interim audit of the accounts had been carried out and any issues would be detailed in the audit plan to be presented at the June Committee meeting. The report included details about financial resilience, efficiency and effectiveness. The fees letter had been delayed by the Audit Commission due to some issues around the fee scales for other organisations – this would be brought back in June.

The SIREN report had been issued for consultation to the PCC and Chief Constable and the team were now collating responses. Due process was being followed. The Committee would have initial site of the full report in confidence before it was formally published but the timescale for this was unknown.

Members expressed their surprise at the lack of timescales in relation to the finalisation of the SIREN report. JH asked whether there had been any progress since the meetings between the PCC and Chief Constable. KS was aware that things had progressed but she didn't have the details. She would ask Paul Grady to give JH and AB an update outside the meeting. IP explained that by law all those involved in the report had to be consulted before it was published. They may choose not to respond but they still had to be given the opportunity to. KS emphasised that Grant Thornton had to follow the proper procedures which involved a lot of consultation. IP reminded the Committee that the PCC had commissioned his own report by Mazars so the Force was already tackling the lessons learned from that report.

### **08/14 POLICE AND CRIME COMMISSIONER EXPENSES (Item 8A)**

The Committee noted the PCC's expenses.

They asked if future reports could be printed in black and white rather than colour.

### **09/14 CHIEF CONSTABLE EXPENSES (Item 8B)**

Members asked how reimbursement of mileage worked for the Chief Constable. AB explained that all senior officers had a fuel card and had to record both business and

personal mileage in a log book. Personal mileage was then deducted from their monthly salary.

JH explained that the Force was looking at ways to align both Surrey and Sussex processes.

### **10/14 STAGE 2 – NEW SCHEME OF CORPORATE GOVERNANCE (Item 9)**

AB presented the new Scheme of Corporate Governance which had been rewritten due to the Stage 2 Transfer taking place on 1<sup>st</sup> April 2014. Surrey and Sussex had collectively rewritten the key governance documents. Some were still to be finalised and were therefore presented to the Committee as draft versions. Any comments from the Committee would be required by 26<sup>th</sup> March.

Members made a number of comments which were noted by AB. She asked that any additional comments were sent to her outside of the meeting and by 26<sup>th</sup> March.

### **11/14 ANNUAL REVIEW OF RISK MANAGEMENT ARRANGEMENTS EXPENSES (Item 10)**

AB presented the report which was a joint report to address the risk management arrangements for both the Office of the PCC and Surrey Police. The report set out the processes for both organisations and gave details on how to record and assess risks.

Members asked what the difference was between a force risk and portfolio risk. AB said that this was referred to in the Force Strategy. JH explained that there was an escalation process that was used to increase risks from a portfolio risk to a Force risk.

Members made reference to Appendix 1 and asked whether there was a timeframe linked to the probability assessment. AB explained that it depended on the risk. There were no specific criteria but it would be a short to medium term timescale.

### **12/14 NICHE HIGHLIGHT REPORT (Item 11)**

JH presented the Niche Highlight Report which gave an update on progress. She explained that Case and Custody had been implemented successfully and was now working towards business as usual. There had been a small number issues but this hadn't had an impact on work. The system was proving to be a good way of sharing intelligence between Surrey and Sussex.

Members asked to see a copy of the Niche risk/issue log. JH would circulate it outside the meeting.

### **13/14 WORK PROGRAMME 2014/15 (Item 12)**

Ian Perkin (IP) presented the updated work programme. It was noted that some items were missing from the June section; Grant Thornton Fee Letter and Audit Plan; Joint Audit Committee Self Assessment. The programme would be updated to reflect these items.

**14/14 EXCLUSION NOTICE (Item 13)**

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**

**15/14 ANY OTHER MATTERS TO BE RAISED BY THE INTERNAL AUDITORS (Item 14)**

DT referred to the recently finalised audit report relating to 'Disposals Methods and Crime Reporting'. He explained that he was happy with the management responses and progress made against the recommendations.

**16/14 PCC RISK REGISTER AND ASSURANCE FRAMEWORK (Item 15)**

The Committee received the PCC's risk report. They raised some queries about some of the dates listed in the risk register as some appeared to now be out of date. AB agreed that these were out of date and she would update the register.

**17/14 FORCE HIGH LEVEL AND SHARED RISKS (Item 16)**

The Committee received an updated report on Force high level and shared risks. The Committee raised some queries which were addressed by JH.

**18/14 MONITORING OF AUDIT AND INSPECTION RECOMMENDATIONS – ACTION UPDATE (Item 17)**

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

**19/14 PRIVATE MEETING OF MEMBERS WITH THE AUDITORS (Item 18)**

Members of the Committee met with the auditors in private.

**The meeting ended at 3.30pm**