

Minutes of the Joint Audit Committee 12th June 2014 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)
Johanna Burne – 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 (Part)
Jane Harwood – Assistant Chief Officer – Surrey Police
Paul Bundy – Head of Finance – Surrey Police
Bev Foad – Financial Accounting Manager - Surrey Police

Paul Grady – Grant Thornton
Kathryn Sharp – Grant Thornton
David Taylor – Baker Tilly

PART ONE
IN PUBLIC

20/14 APOLOGIES (Item 1)

None

21/14 DECLARATION OF INTEREST (Item 2)

No declarations were made.

22/14 MINUTES OF THE LAST MEETING – 24th March 2014 (Item 3)

11/14 – Remove ‘expenses’ from the title of the agenda item.

With this amendment the minutes of the previous meeting were accepted as a true and accurate record.

23/14 MATTERS ARISING (Item 4)

12/14 – the Niche risk/issue log had been circulated to Members.

13/14 – the work programme had been updated.

16/14 – the risk register and assurance framework had been updated and the revised version would be presented later in the agenda.

24/14 EXCLUSION NOTICE (Item 5)

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**

25/14 SIREN UPDATE (Item 6)

Paul Grady gave an update on the progress of the SIREN audit review. He explained that the consultation period had closed on 31st May and the audit team was working through the consultation feedback. This work had almost reached its conclusion. It appeared that the feedback would not result in any significant changes but it was a time consuming exercise that required proper consideration. The draft would be reissued soon. A publication date of late June was suggested with the exact date to be agreed with the PCC and CC.

The PCC and CC said that both the OPCC and Force had a communication strategy in place and were prepared for the report to be published. The PCC said that both he and the CC would discuss their position on how they would comment on the report. Their comments would be separate and rightly so although their steer may be the same.

26/14 FORCE RISKS – HIGH LEVEL AND SHARED RISKS (Item 7)

The Committee received an updated report on Force high level and shared risks. Jane Harwood addressed the issues that were raised by the Committee.

27/14 OPCC RISK REGISTER AND ASSURANCE FRAMEWORK (Item 8)

Johanna Burne presented the updated risk register and assurance framework and addressed the issues raised by the Committee.

The Chairman asked whether any progress had been made on the funding formula. Ian Perkin explained that the Government had said that no changes would be considered until after the General Election in May 2015. The PCC informed the

Committee that he was being politically active on this subject with local MPs and that it had been raised with the Government.

PART ONE
IN PUBLIC

28/14 INTERNAL AUDIT ANNUAL REPORT 2013/14 (Item 9)

David Taylor (DT) presented Baker Tilly's annual report. The report concluded that both the PCC and CC had adequate arrangements in place for governance, risk management and control.

Risk Management had been given a Green opinion in 2013/14 but due to the recent changes to the risk management framework this would be looked at further in 2014/15. Adequate progress had been made in the follow up of the recommendations but there were some that still needed attention. The auditors were working with management to address these. Appendix A gave a summary of the areas audited in 2013/14.

The PCC asked why the Business Interests audit had received an Amber/Red opinion. DT explained that it was due to the lack of robust reporting processes – the maintenance of the register to record business interests had been out of date.

The Chairman noted that the OPCC was due to issue the victims' commissioning tender. He asked whether the issues raised in the advisory audit had been addressed. Johanna Burne (JB) said that most of the recommendations had been addressed. Some of the OPCC's plans had changed as a result of the audit so it had been really helpful.

Members enquired as to whether the disaster recovery plan addressed in the 2012/13 audit year was in place. Jane Harwood (JH) said that she would look into this outside the meeting as a lot of work had been done in relation to disaster recovery which hadn't been adequately reflected.

Members asked whether the Force had business continuity plans in place. The CC said that they did but that improvements needed to be made in certain areas.

The PCC informed the Committee, for their information, that he was currently taking forward the issue of the Chief Constable's pay. He was trying to get it aligned with other comparable forces across the country.

The PCC and CC departed from the meeting.

29/14 EXTERNAL JOINT AUDIT PLAN (Item 10)

Paul Grady (PG) presented the external joint audit plan which had been discussed and agreed with the PCC and CC. The report set out Grant Thornton's understanding of the challenges and opportunities of the PCC and CC and the significant areas of focus and accountability including partnership/collaboration for the Force, commissioning work for the PCC and on-going financial challenges for both the Force and PCC.

NOT PROTECTIVELY MARKED

Significant and other risks had been identified and the audit procedures were in place to monitor these. The report also set out the auditor's approach in relation to value for money – separate conclusions would be issued for the PCC and CC.

Members noted that in last year's plan there was a risk relating to pension membership that was no longer in this year's plan. PG explained that this matter was still being addressed but that it had been downgraded from a significant risk.

Members also noted that last year's plan had included a schedule which set out the scope of work which they had found useful. It was agreed that Kathryn Sharp would send this out to the Committee.

Members questioned the fees set out in the report – it would appear that the CC's had increased from last year and the PCC's had decreased. It was confirmed that this was an administration error and the report would be amended.

The Chairman asked how many days the work would take. PG explained that it wasn't measured in days but rather the outcomes of work.

Members asked what impact there was for Chief Constables in using local authority overrides in the accounts. PG said that they had been a gap in the legislation in that PCC's could use the local authority override but CC's couldn't – this had now been amended.

30/14 EXTERNAL AUDIT FEE LETTERS (Item 11)

Paul Grady presented the audit fee letters. The scales were set by the Audit Commission and remained the same as last year.

PG explained that a separate charge would be brought for the SIREN review.

The Committee noted the fees.

31/14 POLICE AND CRIME COMMISSIONER EXPENSES (Item 12)

The Committee was presented with the PCC's expenses for the period March to May 2014. Members questioned a claim by the PCC for a replacement train ticket – they suggested that if he had mislaid a ticket then he should have to personally pay to replace it. Johanna Burne explained that she had authorised this claim but would note the Committee's comments for the future.

Members also asked for a total amount to be included on future reports.

32/14 CHIEF CONSTABLE EXPENSES (Item 13)

The Committee was presented with the CC's expenses for period 1st March – 22nd May 2014. The Committee noted that the report gave details on the CC's personal mileage in March and April and business mileage from May onwards. It was correct that the Committee should be receiving details of the CC's business mileage rather than her personal mileage.

Members said that they needed to be sure that the CC was keeping an accurate record of business and personal mileage. Jane Harwood explained that a log book was kept in all police vehicles and that it had to be completed after each journey – this ensured that an accurate record was kept.

33/14 PROGRESS IN PRODUCING THE ANNUAL GOVERNANCE STATEMENTS AND FINANCIAL ACCOUNTS 2013/14 (Item 14)

Paul Bundy presented the report. He explained the Force was on target to complete the accounts on time. Bev Foad had resolved any outstanding technical issues.

The Committee noted the report.

34/14 TREASURY MANAGEMENT POLICY STATEMENT AND STRATEGY 2014-2017 (Item 15)

Ian Perkin (IP) reported that the treasury management strategy had been updated in accordance with the CIPFA Code of Practice. The Force followed Surrey County Council's (SCC) practices as they carried out treasury management on behalf of the PCC as per an appropriate Service Level Agreement. IP's advice would be to continue with this agreement.

Members enquired as to what SCC invested in. IP stated that they invested in UK banks and building societies which has been the approach since the Icelandic banks fiasco. The primary strategy was to protect investment. The OPCC and Force received notification when practices and processes changed.

Members asked what processes Sussex Police had in place. IP said that they used to employ West Sussex County Council to carry out this function but they have now brought it in house. IP would monitor progress and see whether we could collaborate in the future.

35/14 UPDATE ON COMMISSIONING VICTIMS' SERVICES (Item 16)

The Chairman declared an interest in that he had involvement with the Citizens Advice Bureau.

Johanna Burne (JB) presented the report which gave an update on the progress of work on commissioning support services for victims.

Members asked whether Assistant PCC Jane Anderson was involved in this work. JB explained that she was involved in portraying victims' points of view but not in the day to day management of the project. She would be involved in the evaluation of the tender process.

Members asked whether the £1.2 million was the same amount as was currently spent on these services. JB explained that all PCCs had been informed by the Ministry of Justice that this was the amount spent previously and that PCCs were expected to deliver savings on that amount.

36/14 JOINT AUDIT COMMITTEE SELF ASSESSMENT (Item 17)

The Committee requested that the Self-Assessment Check List be brought back as an agenda item to the next meeting. In the meantime they would do their own assessment and make amendments to the Check List at the next meeting of the Audit Committee. In carrying out their own assessment they would consider the feedback previously received from Grant Thornton and CIPFA.

37/14 WORK PROGRAMME 2014/15 (Item 18)

Ian Perkin (IP) presented the updated work programme.

Members noted that there were certain things listed in the CIPFA guidance that should be included in the work programme. It was agreed that Members would email IP a list to be included in the next version of the work programme.

Paul Bundy suggested that it may be useful to have a section on future agendas called 'Items for Noting' to save time on the agenda.

38/14 EXCLUSION NOTICE (Item 19)

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**

39/14 ANY OTHER MATTERS TO BE RAISED WITH THE INTERNAL AUDITORS (Item 20)

There were no other issues to be raised with the internal auditors.

40/14 MONITORING OF AUDIT AND INSPECTION RECOMMENDATIONS (Item 21)

The Committee received a report on the progress of the implementation of the recommendations identified as medium or high by the internal auditors. The Committee raised some issues which were addressed by Jane Harwood.

41/14 PRIVATE MEETING OF MEMBERS WITH THE AUDITORS (Item 22)

Members of the Committee met with the auditors in private.

The meeting ended at 5pm