

**Minutes of the Joint Audit Committee 15<sup>th</sup> September 2014 held at Surrey Police Headquarters**

**Attendees:**

Paul Rees - Chairman  
Andrew Gascoyne – Member  
Chris Johnson – Member

Kevin Hurley – Police and Crime Commissioner (Part)  
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  
Ben Rowntree – Chief Information Officer – Surrey and Sussex Police  
Bev Foad – Financial Accounting Manager - Surrey Police

Paul Grady – Grant Thornton  
Lorna Raynes – Baker Tilly

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

**42/14 APOLOGIES (Item 1)**

Apologies were received from Johanna Burne, Vanya Moyer, Amanda Mills, Kathryn Sharp and David Taylor.

**43/14 DECLARATION OF INTEREST (Item 2)**

No declarations were made.

**44/14 MINUTES OF THE LAST MEETING – 12<sup>th</sup> June 2014 (Item 3)**

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

**45/14 MATTERS ARISING (Item 4)**

28/14 – Jane Harwood (JH) explained that the Force was currently drafting a new policy relating to disaster recovery in conjunction with Sussex Police. The new policy would be finalised within the next six months.

#### **46/14 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**

#### **47/14 BRIEFING ON ICT RISKS (Item 6)**

Ben Rowntree (BR), Chief Information Officer for Surrey and Sussex Police, gave a briefing to the Committee on ICT risks following a request that was raised at the last meeting. He tabled a copy of the current risk register and gave background details of each risk. He explained that the ICT risk register sat under the wider change programme risk register. Members asked a number of questions all of which were addressed by BR.

#### **48/14 SIREN AUDIT RECOMMENDATIONS (Item 7)**

Jane Harwood (JH) provided Members with an update on the Force's progress against the recommendations from the SIREN audit report. Paul Grady said that the assessment of progress against the recommendations would form part of Grant Thornton's audit opinion but things were proceeding as expected.

One of the points that was raised in the report was the lack of negative reporting – Members asked what measures were in place to change this culture within the Force. The CC agreed that this had been a significant point in the Grant Thornton report – the issues were whether people were good at describing risk and being able to articulate it and also that even when risks were raised a reassuring response would be given that everything was okay. The DCC had set up a group to closely monitor risk. The CC explained that the police service was hierarchical by nature and that a space needed to be created where people felt comfortable in reporting negative issues higher up the ranks.

Members asked how the Force would deal with project handover when staff left in the middle of a project. The CC explained that the key roles that the report had highlighted were advertised 4/5 times before being filled. The aim was always to overlap staff but this could be a challenge if the role didn't get enough applicants.

The Chairman said that both the Surrey and the Sussex audit committees needed to know how to fulfil their role in relation to the collaboration project. The CC explained that Grant Thornton was currently doing a bespoke piece of work to give her some reassurance around the project. The Change Manager role would also be scrutinised.

**49/14 FORCE RISKS – HIGH LEVEL AND SHARED RISKS (Item 8)**

The Committee received an updated report on Force high level and shared risks. Jane Harwood addressed the issues that were raised. The Committee asked to be provided with information about the budget gap at the next meeting.

**50/14 OPCC RISK REGISTER AND ASSURANCE FRAMEWORK (Item 9)**

Ian Perkin (IP) presented the updated risk register and assurance framework. He explained that the risk report had been updated to reflect the current position. Members asked how the PCC could assure himself that the Force was achieving value for money. IP said that the PCC received regular budget reports from the Force and he was satisfied that the PCC could take a strategic view that value for money was being achieved. The CC explained that the Force benchmarked itself against other public organisations including other police forces. Surrey and Sussex could now compare themselves against each other as they now counted things in the same way.

**51/14 CONTRACT WAIVERS (Item 10)**

Paul Bundy (PB) presented the report which included a list of current waivers.

The Committee were concerned about the high number of waivers on the list and asked the internal auditors to carry out a review. Lorna Raynes (LR) agreed that this could be built into the forthcoming audit of procurement which was due to take place in October 2014.

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

**52/14 INTERNAL AUDIT PROGRESS REPORT 2013/14 (Item 11)**

Lorna Raynes (LR) presented the progress report. She explained that they were not as far through the audits as they would have liked and this was partly due to the DAAT audit and covert accounts audit taking longer than expected. They would however catch up within the year and all audits would be completed by year end. They were currently on schedule to complete 5-6 audits in time for the December meeting.

LR would circulate the recently completed FME audit report to Members.

**53/14 EXTERNAL JOINT ANNUAL GOVERNANCE REPORT (Item 12)**

Paul Grady (PG) tabled the draft report which gave a summary of the work carried out by the external auditors during the 2013/14 audit of accounts. He explained that the report was currently in draft and that there were no concerns that would affect the anticipated opinion. Grant Thornton would be in a position to provide an unqualified opinion on both sets of financial statements by 30<sup>th</sup> September.

Members asked whether there had been any changes to the methods used to complete the financial statements between last year and this year. PG said that there was nothing that would affect the primary statement. All information had been provided on time and the Finance Team should take credit for a good set of accounts.

#### **54/14 ANNUAL GOVERNANCE STATEMENT AND FINANCIAL (Item 13) STATEMENTS FOR 2013/14**

Ian Perkin (IP) presented the report. He explained that both sets of financial statements were currently in draft as the external audit hadn't been completed. He would send a revised copy to Members outside the meeting should Grant Thornton make any amendments following the conclusion of their audit. Members would then be in a position to recommend that the PCC and CC sign off the accounts.

The most notable figures in the report were the gross budget amount - £207.7m and out-turn expenditure - £207.4m. The PCC received regular reports on the budget at his publicly webcast management meetings with the Chief Constable.

#### **55/14 POLICE AND CRIME COMMISSIONER EXPENSES (Item 14)**

The Committee noted the PCC's expenses.

#### **56/14 CHIEF CONSTABLE EXPENSES (Item 15)**

The Committee noted the CC's expenses.

The PCC and CC departed the meeting.

#### **57/14 JOINT AUDIT COMMITTEE SELF ASSESSMENT (Item 16)**

The Chairman explained that he had recently received feedback from all Committee Members on the self-assessment. He had had a meeting with the PCC and was due to meet the CC to get some feedback. It was agreed that all Members would meet directly prior to the December meeting to further discuss the self-assessment and they would then report their findings to the full meeting.

#### **58/14 WORK PROGRAMME 2014/15 (Item 17)**

The Committee noted the work programme. The Chairman said that the Members would give feedback on the future work programme at the next meeting following their discussions about the self-assessment.

#### **59/14 EXCLUSION NOTICE (Item 18)**

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**

**60/14 ANY OTHER MATTERS TO BE RAISED WITH THE INTERNAL AUDITORS (Item 19)**

Members raised some questions which were addressed by Lorna Raynes (LR).

**61/14 MONITORING OF AUDIT AND INSPECTION RECOMMENDATIONS (Item 20)**

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.

The Committee wanted to gain a better understanding of the Force's disaster recovery procedures. It was agreed that they would receive an update at the next meeting on the Force's current plans and plans for the future.

Members also suggested that it would be useful if future reports included information on the dates when the recommendations were first raised, when they were due for completion and when they were actually completed. Members would then be able to see whether the Force was on track in completing the recommendations.

The PCC had asked Ian Perkin (IP) to flag his concerns about the lack of ICT disaster recovery procedures. This was a fundamental recommendation that had been outstanding for over two years now.

**62/14 PRIVATE MEETING OF MEMBERS WITH THE AUDITORS (Item 21)**

Members of the Committee met with the auditors in private.

**The meeting ended at 16:55**