

PART ONE

ITEM 03

Minutes of the Joint Audit Committee 16th December 2014 held at Surrey Police Headquarters

Attendees:

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

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

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
DCI Pete Fulton – Professional Standards Department – Surrey Police (part)

Iain Murray – Grant Thornton
Marcus Ward – Grant Thornton
David Taylor – Baker Tilly
Lorna Raynes – Baker Tilly

Guests:

David Rooke – Sussex Joint Audit Committee Chairman
Debbie Hill – Governance and Monitoring Officer - Office of the Sussex Police and Crime Commissioner (part)

PART ONE
IN PUBLIC

63/14 APOLOGIES (Item 1)

Apologies were received from PCC Kevin Hurley, Chief Constable Lynne Owens and Vanya Moyer (Member).

64/14 DECLARATION OF INTEREST (Item 2)

No declarations were made.

65/14 MINUTES OF THE LAST MEETING – 15th September 2014 (Item 3)

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

48/14 – Amanda Mills (AM) asked about the timescales in relation to the bespoke piece of work that Grant Thornton had done in relation to the collaboration project. Iain Murray (IM) explained that it was not a bespoke piece of work but had in fact been carried out as part of the 2013/14 work and had formed part of the Value for Money conclusion.

66/14 MATTERS ARISING (Item 4)

54/14 – the Chairman questioned the role of the audit committee when the Members hadn't been given the opportunity to see the financial statements before they were signed off.

Iain Murray (IM) accepted this point and explained that because of the exceptional circumstances of two key members of staff being off sick it meant that the work had been completed later than expected. He would endeavour to ensure that this did not happen in the future.

Members suggested that it would be helpful for them to have sight of the external audit timetable for the coming year. IM agreed to provide it as part of the external audit report for the March 2015 meeting.

67/14 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

68/14 ANNUAL REPORT ON WHISTLE BLOWING - FORCE (Item 6)

DCI Pete Fulton provided the Force's annual report on whistleblowing. He gave an overview of the processes in place and explained that work was in progress between Surrey Police and Sussex Police to standardise their reporting systems to ensure consistency across the Professional Standards Department, Vetting and Data Protection.

Members noted that the report gave data up until March 2014. They asked if they could have sight of the data from March 2014. DCI Fulton agreed to provide this outside the meeting.

Ben Rowntree (BR) explained that IT support for the Anonymous Reporting System application would be reviewed.

DCI Fulton departed the meeting.

PART ONE
IN PUBLIC

69/14 WHISTLE BLOWING – OPCC REPORT (Item 7)

Johanna Burne (JB) presented the annual OPCC report on whistleblowing. The report contained the PCC's policy statement and gave details of the procedures in place that allowed staff within the PCC's office to whistle blow.

The PCC was currently exploring the possibility of using an external company to carry out a review of Surrey Police's whistleblowing policies. This review would take place in early 2015.

Members asked how many whistle blowers had come to the PCC. JB reported that the PCC had received no whistle blowing reports that she was aware of, she couldn't speak for him personally. She explained that any organisational issues that were raised with the OPCC were discussed with Chief Officers at the regular meetings that the PCC held with them.

Members suggested that it would be useful for them to understand how the complaints process worked from both an OPCC and a Force perspective and also the link between the two. It was agreed that a report would be prepared for the March 2015 meeting.

70/14 INTERNAL AUDIT PROGRESS REPORT (Item 8)

Lorna Raynes (LR) presented the updated internal audit progress report. She explained that all of the financial audits were in progress and all other quarter 3 audits were scoped and ready to progress in the New Year. The quarter 4 audits were to be scoped and dates of commencement set. The audit plan for 2015/16 was to be agreed and would be presented at the March 2015 meeting.

Members asked whether the internal auditors were confident that they would be able to get all of the remaining audit work completed by the end of the year. David Taylor (DT) explained that all the work had been planned and necessary resources allocated and he was comfortable that all work would be completed by the end of the year.

Members asked which areas of IT would be included in the IT Review audit. LR said that she would be able to check the details and update the Members outside the meeting.

Members questioned why little progress had been made in the Follow up audit. LR explained that there were four high recommendations within the audit report and that plans were in place within the Force for these to be agreed and progressed.

Members asked whether the procurement audit report would give reassurance that staff could not or would not commit to spending money before going through due process. LR explained that the audit had addressed all concerns that had been raised. DT said that the report was currently out for management comment. It was not possible to focus on preventative controls but the report recommended that

orders/waivers were scrutinised when they were raised to ensure that any issues were appropriately dealt with.

Members suggested that it would be useful if they could be made aware of the scope of particular audits before the work was carried out. LR agreed to share this information.

DT reported that he had recently met with the internal auditors of the Sussex audit committee to explore ways to work jointly and share information especially with regards to the Surrey Sussex collaborated units. A more detailed update would be provided as part of the 2015/16 audit plan at the March 2015 meeting.

71/14 EXTERNAL AUDIT ANNUAL AUDIT LETTER (Item 9)

Iain Murray (IM) introduced himself as the new Engagement Lead for Grant Thornton. He had taken over from Paul Grady who had completed his seven year rotation as the Surrey lead. IM presented Paul Grady's final report. He explained that no changes had taken place since the previous report was presented at the September 2014 meeting. Members asked whether the issue relating to the payroll and the ledger raised within the first recommendation in Appendix A had occurred before. IM reassured the Committee that the process of reconciliation between the payroll system and the ledger did take place but it wasn't formally documented. The recommendation was to ensure that in future the reconciliations were properly documented. Bev Foad (BF) confirmed that the reconciliation had taken place. She said that the payroll would not load if it didn't match the ledger.

Members questioned the increase in the suggested external audit fees and the actual fees. IM explained that the increase took into consideration the additional audit work relating to the termination of the SIREN project and collaboration work. This had been discussed with the Chief Constable and she had agreed the increased fee.

Jane Harwood (JH) gave reassurance that all SIREN recommendations were in progress. She said that she would present an updated SIREN recommendations report to the March 2015 meeting.

72/14 SPECIALIST VICTIM SERVICES (Item 10)

Johanna Burne (JB) presented the report which gave details about the commissioning of specialist services to support victims of crime which became the responsibility of Police and Crime Commissioners in October 2014. The PCC had provided funding to a number of local organisations that provided cope and recover services to victims of crime. The report gave a detailed breakdown of the funding decisions made at a decision panel held in October. A further panel had been held in early December. Members asked whether there was any independence in the funding decisions. JB explained that a board met to discuss the allocation of funding which was made up of OPCC and Force representatives and an independent member.

Members questioned how the OPCC were able to determine how the organisations they were awarding funding to were financially viable. JB reassured the Members that

there was a sound process in place and she would ask the Victims Policy Officer to provide Members with a briefing on how the process worked.

JB also explained that from April 2015 PCCs were responsible for victim referral services. A consortium of Surrey, Sussex and Thames Valley OPCCs had recently awarded the contract to Victim Support. A Contract Manager would be appointed to monitor the contract for all three OPCCs and any other PCCs that wished to join the consortium.

73/14 GIFTS AND HOSPITALITY (Item 11)

Johanna Burne (JB) presented the report which gave up to date details on the recording of gifts and hospitality both in the OPCC and the Force.

Members suggested that the language in the current policy was not clear and that it should be rewritten to make it very clear. JB said that she would feed this back to the Force so that they could consider doing a rewrite.

JB explained that all records of gifts and hospitality were given post approval but all were above board and nothing inappropriate had been accepted within the OPCC. Jane Harwood (JH) said that nothing inappropriate had been accepted by members of the Force either.

74/14 JOINT AUDIT COMMITTEE SELF-ASSESSMENT (Item 12)

The Chairman gave a verbal update. He explained that the self-assessment was not yet fully complete. He asked whether the self-assessment needed to be published. Ian Perkin (IP) said that it was best practice to publish the self-assessment but not a requirement.

The Members felt that there were some skills gaps amongst them. When it came to succession planning they suggested that these skills gaps needed to be addressed. For example, it would be beneficial to have a Member that had prior policing knowledge. They also suggested that it would help their knowledge to be able to attend some Force meetings and have attachments to some Force teams. They would like to reassess the agenda planning process and had some suggestions about what items should be included on future meeting agendas. They would like to continue the link with the Sussex audit committee as this had been very useful.

The Chairman said that he would have a further discussion with the Members and would then provide his final report before the March 2015 meeting.

75/14 POLICE AND CRIME COMMISSIONER EXPENSES (Item 13)

The Committee noted the PCC's expenses.

76/14 CHIEF CONSTABLE EXPENSES (Item 14)

The Committee noted the Chief Constable's expenses.

77/14 WORK PROGRAMME 2014/15 (Item 15)

The Chairman would be providing feedback on the work programme as part of the self-assessment submission. The current work programme would be superseded by a new version.

78/14 EXCLUSION NOTICE (Item 16)

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

79/14 ANY OTHER MATTERS TO BE RAISED WITH THE INTERNAL AUDITORS (Item 17)

Members raised some questions which were addressed by David Taylor (DT) and Jane Harwood (JH).

Ben Rowntree (BR) tabled a paper which gave an update on the progress of aligning the Surrey and Sussex disaster recovery plans. He said that he would be able to give a definitive update in March 2015 when the plans were due for completion.

Members asked what was being done to close the actions in the Follow up audit report as a number of them had disproportionately long timescales on them. JH explained that due to the change programme and collaboration work a number of them wouldn't be completed in a timely manner but she agreed that they needed to be addressed appropriately so that they could be closed down. DT suggested that if the collaboration work had changed the nature of the risks then the Force needed to tell the auditors. He said that he would be happy to meet with JH outside the meeting to discuss further.

80/14 OPCC RISK REGISTER AND ASSURANCE FRAMEWORK (Item 18)

Johanna Burne (JB) presented the OPCC risk register and assurance framework. She explained that the risk register included a new risk which related to the PCC's plan to potentially hold a referendum to increase next year's policing precept. Members asked how the budget gap would be dealt with if the PCC was successful. Jane Harwood (JH) explained that the change programme could be scaled on whether the PCC was successful or not.

Members expressed their wish to have a role in providing their opinion on the referendum proposals to the PCC and Chief Constable. It would be too late to give their views after the event. Johanna Burne (JB) said that the Members could assess whether the PCC was provided with all the relevant information he needed in order to

make a decision on whether to proceed with the referendum and whether he then made a reasonable decision based on the information that had been provided to him. Members requested that they be provided with a briefing on the referendum proposals outside the meeting and that they be given the contact details for the Police and Crime Panel so that they could link in with them to give their views on the proposals.

Members asked that completion dates be included in the assurance framework.

81/14 FORCE RISKS – HIGH LEVEL AND SHARED RISKS (Item 19)

Members raised some questions which were addressed by Jane Harwood (JH).

Members asked for more information on lower level IT risks. Ben Rowntree (BR) agreed to bring a comprehensive report to the meeting in March 2015.

82/14 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. It was noted that a majority of the recommendations had been addressed earlier in the agenda.

Members had previously asked for a report from the Force about how they were tackling cultural issues following a point being raised in the SIREN audit report that staff hadn't felt confident in reporting negative issues to senior management. Jane Harwood (JH) suggested that she give a presentation at the next meeting to explain how these cultural issues were being addressed.

83/14 PRIVATE MEETING OF MEMBERS WITH THE AUDITORS (Item 21)

Members of the Committee met with the auditors in private.

The meeting ended at 17:00