

Minutes of the Joint Audit Committee 27th September 2016 held at Surrey Police Headquarters

Attendees:

Chris Johnson (CJ) (Acting Chair)
Paul Roberts (PR)
Vanya Moyer (VM)

David Munro (DM) – Police and Crime Commissioner
Alison Bolton (AB) – Chief Executive – Office of the Police and Crime Commissioner
Ian Perkin (IP) – Treasurer – Office of the Police and Crime Commissioner
Harriet Doe – Office of the Police and Crime Commissioner

Gavin Stephens (GS) – T/Deputy Chief Constable
Paul Bundy (PB) – Head of Finance – Surrey Police
Bev Foad (BF) – Financial Accounting Manager - Surrey Police
Greg Robinson (GR) – Head of Procurement – Surrey Police (part)
Neil Roberts (NR) – Chief Information Officer – Surrey Police (part)
Amaraghosha Carter (AG) – IT Manager

Marcus Ward (MW) – Grant Thornton
Iain Murray (IM) – Grant Thornton
Lorna Raynes (LR) – RSM
Dan Harris (DH) – RSM

PART ONE
IN PUBLIC

41/16 APOLOGIES (Item 1)

Apologies had been received from Paul Rees and Andrew Gascoyne.

42/16 DECLARATION OF INTEREST (Item 2)

No declarations were made.

43/16 MINUTES OF THE LAST MEETING – 22ND JUNE 2016 (Item 3)

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

44/16 MATTERS ARISING – 22ND JUNE 2016 (Item 4)

GS confirmed that NICHE is owned by NICHE – it is a private company. CJ asked whether everyone pays the same amount into the fund for Minerva. GS answered that Minerva is about the UK Police Service getting together to bring about desirable changes to the NICHE software more cost effectively than Forces acting alone.

45/16 EXTERNAL AUDIT FINDINGS REPORT 2015/16 (Item 5)

IM noted that the accounts would hopefully be signed either after the meeting or the next day. Overall the audit has gone well, but next year as part of a dry run to prepare for the requirement that from 2017/18 onwards the Financial Statements need to be formally approved and signed off by the end of June, planning for the 2016/17 accounts process will comply with the 2017/18 time-table.

For 2015/16, issues were flagged around property asset valuations, resulting from small differences arising between the records kept by the Estates Department and the Finance Department. It is important that BF and her team work through the process to ensure that valuations are correctly recorded before the production of the 2016/17 accounts. IM also noted that Surrey Police's finance department will be invited up to the Grant Thornton offices in October to help prepare for the moving the accounts preparation process forward by two months.

Grant Thornton issued an unqualified opinion for both the Statement of Accounts and in respect of Value of Money. In terms of the future IM commented that it was too early to judge the success of PIYN (Policing in Your Neighbourhood) in helping to achieve savings, but that it looked like everything was pointing in the right direction,

IM noted that DM has got his Police and Crime Plan out nice and early, unlike some other PCC Offices, and the Senior Leadership Team in Surrey Police has been largely sorted out. CJ asked whether additional resources will be taken on in order to meet the new timetable for the accounts. IM answered that part of the response may indeed be resourcing, but that an earlier start date for the audit would mitigate that risk. The more important issue is Surrey Police capacity and discussions will be held in October to plan how the new time-table can be met. IM said that while the deadlines were challenging, the Met Police had met these targets proving that it could be done.

CJ asked whether there was any reference to legal documentation in the property register. IP answered that an exercise had been conducted during the first year of the previous PCC's term of office to identify all property that was owned by the PCC and legal action had been taken where necessary to establish the PCC's ownership in cases like Woking Police Station that had not been properly conveyed from Surrey County Council the previous owners of the site many years before.

PR asked if IM could characterise the scale of the challenge in terms of the new accounts timetable. IM answered that it was tough but do-able. The financial statements are a solid product, and the auditors are not finding lots of error. Surrey Police need to get to the point where they're closing on estimates. There is a degree of risk involved which we need to start living with.

46/16 ANNUAL GOVERNANCE REVIEW (Item 6)

IP highlighted that the governance documents were being reviewed. Changes have been highlighted in red. It has been done with Sussex, and so is jointly badged.

CJ queried section 3.5.8 'No tender received after the time and date specified shall be considered. However in exceptional circumstances the Chief Constable's or PCCs CFO can accept a tender after the deadline'. CJ noted that he had never heard of this practice before. GR noted that there had been some instances where Surrey Police have gone out to tender and received no bids. CJ added that his concern was that someone could submit a high bid before the due time, and then someone could come back with a more advantageous bid. GR noted that the scenario at the time was that no bids were received, and Surrey Police wanted to accept a quote. GR noted that he was happy to remove the section upon CJs advice. IP said he would advise Sussex Police and OPCC of the proposed amendment.

CJ also questioned section 3.5.9 'All tenders received by the time and date specified shall be opened by a designated officer from the Procurement Team, who is not the main procurement lead for the tender'. GR stated that through the procurement process the head of procurement will view the tender anyway. CJ stated that if a bid was opened it then couldn't be modified, and GR confirmed this was correct.

CJ queried the section on P22 covering leases, asking whether the granting of leases excludes land items and who gives approval to leases outside the authority of the CFO's. BF answered that land is included and that leases above the CFO's authority limits go to the PCC for approval. IP noted that in the PCC's absence they would still get signed off by a senior member of the OPCC's staff.

47/16 ANNUAL GOVERNANCE STATEMENT AND FINANCIAL STATEMENTS FOR 2015/16 (Item 7)

BF commented that there hadn't been significant changes from the draft accounts which were received in June. In terms of the pension fund table – BF advised the Committee that they had known the table wasn't right due to the Home Office changing rates. They had needed some clarification around this, and the table has now been tweaked slightly. BF asked whether the PCC and the Chief Constable could sign off their accounts, and the Committee confirmed they were happy for them to be signed.

48/2016 PSSA PAPER (Item 8)

IP noted that this was a new arrangement to deal with the tendering exercise. This is something that could be done alone (whereby we would find our own auditors) but this would cost a lot of money across the public sector. The idea is that public bodies come together as one and go out to tender once. CJ asked what the external auditors thought of this. IM answered that enough people need to express an interest in the arrangement and pointed out as there are only 90 people who are

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approved to sign off NHS or local government accounts and most of these work for the big audit firms the number of appointable auditors is limited. CJ asked if there would be a consortium with Surrey authorities. IP agreed that he would explore with other local public sector bodies if there was an appetite for following this route as an alternative to signing up with PSSA.

49/2016 Exclusion Note (Item 9)

The Committee noted the report.

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

50/2016 MONITORING OF AUDIT AND INSPECTION RECOMMENDATIONS (Item 10)

The report was tabled.

51/2016 FORCE RISKS – HIGH LEVEL AND SHARED RISKS – UPDATE REPORT (Item 11)

The report was tabled.

52/2016 OPCC RISKS – UPDATE PAPER (Item 12)

AB tabled the report to the group.

53/2016 ICT DISASTER RECOVERY PLAN (Item 13)

NR and AC tabled the report to the group.

54/2016 REVIEW OF AUDIT, INSPECTION AND SCRUTINY (Item 14)

AB tabled the report.

55/2016 CONTRACT WAIVERS UPDATE REPORT (Item 15)

The report was tabled.

56/2016 ANY OTHER MATTERS TO BE RAISED WITH THE INTERNAL AUDITORS (Item 16)

The item was tabled.

PART ONE
IN PUBLIC

57/2016 POLICE AND CRIME COMMISSIONER EXPENSES (Item 17)

CJ commented that more detail was needed in some of the explanation of where DM had travelled and the purpose of the trip.

58/2016 CHIEF CONSTABLE EXPENSES (Item 18)

CJ stated that his comments were much the same as those made regarding the PCC's expenses. AB added that the government are planning on requiring public sector bodies to publish more info on expenses so it is in our interest to make them as transparent as possible.

59/2016 COLLABORATION UPDATE (Item 19)

PB commented that the paper tabled takes you through the current activity portfolio. Things are moving forward. People Services went live earlier in the year, and the Shared Business Service Centre, Occupational Health Unit and Learning and Development function are now all being looked at. The ERP project is coming along well and go-live is set for late 2017, with Thames Valley planning on going-live in 2018.

CJ asked what happens in terms of performance management with Surrey and Sussex merged services. GS answered that it would depend on the function. Local policing services are still quite separate, but we're now getting to the stage where some services are fully collaborated and performance will be looked at in the totality.

60/2016 WORKPLAN (Item 20)

IP noted that he had drafted a new work plan which was tabled. The new plan takes account of the new time-table for producing the annual financial statements. The June 2017 meeting will be shifted to July to accommodate the dry-run of the new accounts timetable. The September 2017 meeting will remain in the diary to act as a reserve date, should the financial statements not be completed in terms of the July meeting, but in following the September meeting, all future Audit Committee meetings will be held in January, April, July and October.

CJ commented that the Committee would study the work plan and come back with any comments in due course.

61/2016 Exclusion Note (Item 21)

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The Committee noted the report.

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The meeting ended at 16:15