

Minutes of the Joint Audit Committee 13th December 2016 held at Surrey Police Headquarters

Attendees:

Paul Rees (PR) (Chair)
Chris Johnson (CJ)
Andrew Gascoyne (AG)
Paul Roberts (PR)
Vanya Moyer (VM)
Graham Lancaster (GL)
Paul Brown (PB)

David Munro (DM) – Police and Crime Commissioner for Surrey
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

Nick Ephgrave (NE) – Chief Constable – Surrey Police
Gavin Stephens (GS) – Deputy Chief Constable – Surrey Police
Paul Bundy (PB) – Head of Finance – Surrey Police
Bev Foad (BF) – Financial Accounting Manager - Surrey Police
Amaraghosha Carter (AC) – IT Manager – Surrey Police
Andy Rundle (AR) – Deputy Head of Professional Standards – Surrey Police

Iain Murray (IM) – Grant Thornton
Lorna Raynes (LR) – RSM

PART ONE
IN PUBLIC

62/16 APOLOGIES (Item 1)

Apologies had been received from Neil Roberts (Chief Information Officer, Surrey Police) and Darren McInnes (Superintendent, Professional Standards, Surrey Police).

63/16 DECLARATION OF INTEREST (Item 2)

No declarations were made.

64/16 MINUTES OF THE LAST MEETING – 27th September 2016 (Item 3)

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

65/16 Matters arising from 27th September 2016 meeting (Item 4)

IP reminded the group that at the last meeting he had been asked to ascertain if there was any appetite with local public sector bodies to form a consortium to put in place arrangements to tender for a new external audit provider to take up appointment following the conclusion of the 2017/18 audit. IP stated that Public Sector Audit Appointments (PSAA) had been set up as a body to whom individual public authorities could transfer their statutory power to appoint external auditors. It was clear from discussions held at both the Police & Crime Commissioners Treasurers Meeting and the Surrey Treasurer's meeting that there was no appetite to do anything than sign up with PSAA and that consequently there was no realistic option but to transfer external audit appointment powers to that organisation. DM commented that he was happy to sign up in principle, as it saves money but proper processes have to be put in place first. PR commented that giving someone else responsibility for the appointment of the external auditors was far from usual. As a result we would have no influence over which firm was appointed, the price we would pay and limited control over the quality of the service going forward.. PR suggested that it would be worth caveating our acceptance to address these points. AG asked whether Surrey could sign up next year. IP said that Public Sector organisations are signing up already as they don't want to risk having the hassle of going out to tender.

66/2016 Internal Audit Progress Report (Item 5)

PR noted the timings between when the work was being done and the subsequent presentation of the findings to the audit committee – he commented that there wasn't much time in between. LR noted that RSM were confident that they could get the findings to the March 2017 meeting. AG queried the staff experience audit and LR answered that management had wanted time for the staff survey to be completed.

67/2016 External Audit Management Letter (Item 6)

IM commented that he had no new messages to deliver to the committee than had been given to the September Audit Committee meeting. CJ noted that sampling is mentioned a lot. IM said that it depends on the size of the sample – a mixture of statistical and non-statistical sampling took place, and the sample size was somewhere between 30/50 transactions. If errors were identified they would stop and think about the appropriate response. CJ had a query around the assessment of the competence of actuaries. IM commented that this was a standard set of procedures and that PwC are used to complete some of the work on Grant Thornton's behalf. AG asked about the discrepancies mentioned on page 8 'Our

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review of the instructions and data provided to the valuer identified some discrepancies between the Estates Team records, the Finance Team fixed asset register and the properties which were revalued'. IM said this was quite a small amount in the end and therefore not material.

68/2016 Force Risk Register Annual Review and Review of Risk Management Arrangements (Item 7)

The Committee noted the report. There were no significant changes.

69/2016 Whistle-blowing – Force (Item 8)

AR presented the paper to the group. He began by stating that it was a key part of the business that staff have the confidence and means to relay concerns that they may have. An audit has recently taken place on the area, with work carried out by Grant Thornton. An action plan has been produced, with something like 30 recommendations. There are many ways to report, which include through staff members', SMT or Line Manager, as well as through the electronic process. A lot of time has been spent revamping Surrey Police's confidential reporting system. There are also external methods which include reporting through Crimestoppers and the IPCC. The report shows that the vast majority of reports are about internal issues, with a small number of external disclosures. AR explained that external disclosures were quite complicated to deal with and there had been 4 qualifying external disclosures within the reporting period. Standard practice is to engage with the Force solicitor. 1 report recently resulted in no further action – a member of staff had whistle-blown and then felt that they had been the subject of a punishing career move. There was a comprehensive investigation which revealed failures by the Line Manager in this instance as they had failed to properly explain the reasons for the move to the individual. There has been a steady decline in anonymous reports. AR explained that the preference is early intervention – there has been less anonymous reporting and more overt reporting. An assessment of reports takes place with the ACU (Anti-Corruption Unit) and roughly 50% are handed back to Line Managers.

AR went on to explain that previously Surrey Police had seen around 40 misconduct investigations a year, whereas in recent years there have been between 6 to 12 individuals dismissed a year for misconduct. The need for formal proceedings has been reduced.

CJ asked about the sexual misconduct figure shown on the graph in section 3.4 as obviously sexual misconduct and Police Forces has been in the press a lot recently. AR answered that looking at figures Surrey Police ranked around 20th in 44 Forces

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when it came to sexual misconduct cases – so they are in the middle of the table. The IPCC had recently published a bulletin clarifying what is serious sexual misconduct. AR stated that there have been cases which have been reviewed within the last year, 2 of which will be re-referred under the revised threshold. AR explained that when looking into an allegation intelligence is looked at, as well as other variables – one of which is the volume of texts sent by an individual. There is a whole suite of measures that are assessed to help identify those at greatest risk of harm. AR explained that someone was identified recently who had been flagged up by a staff member and they were completely vindicated, but it was taken seriously. AR commented that PSD are in a good position – there is more work to be done, but a plan is in place following the HMIC inspection. Investigations take place through lawful business monitoring, staff have MDTs and BlackBerry's etc. and all of the usage remains the property of Surrey Police, and staff know this. High phone bills also draw PSD's attention to potential issues. AR explained that limitations do exist, for example, with applications like Whatsapp. Surrey Police are part of a regional collaboration to explore ways to better identify sexual misconduct.

CJ asked what the criteria was to determine bullying. AR answered that often a report of bullying often stems from appropriate but robust line management, but each report has to be considered. PSD also take advice from HR when it comes to bullying. AR went on to explain that some Forces split cases so that bullying reports fall under HR, but in Surrey bullying still falls under PSD. AG asked whether there was a backlog of work. AR answered that there wasn't. Two years ago there was a significant backlog, but now the department are up to date. AG asked if AR felt there was the right number of people in the department. AR answered that it is a large department in relation to the size of the Force, and that the team is well resourced and well trained. AG mentioned that there were quite a lot of actions that had come about following the review. He went on to ask whether some actions were still open, and who signs them off. AR answered that the actions sit initially with the Superintendent, but PSD sits under the DCC. Some actions will be ongoing because of their nature, and so the document is ever evolving. PR asked for the wording to be altered when an action has been/is signed off, to make the document clearer. AG noted that he couldn't find the procedure to read online, regarding sexual misconduct, and AR said that he would look into this as it may just have been an old link in the report. NE added that one of his main aspirations is to achieve greater transparency and 'organisational justice' – the freedom for individuals to speak out when they need to. Surrey Police are running a pilot in the East where pink forms will be used to highlight learning opportunities and promote a culture where people expect to receive these opportunities. NE mentioned that was tempting to draw attention to the drop in anonymous reporting, and stated that he would like to say this was because of Surrey Police's culture. NE noted that Surrey Police uses an innovative staff survey based on the Durham model, which gives the ability to identify hot spots and pinch points. The analysis of the last staff survey is

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currently being worked through. There are also staff forums for employees to utilise, so that anyone can see and anyone can start a discussion – 36 new people started a discussion on the forum this month. The forum gives people a sense of being able to express themselves.

70/2016 Scheme of Governance (Item 9)

AG queried the Terms of Reference for the Joint Audit Committee, as he could only find the Terms of Reference from 2013, and thought that it was something that was updated annually. AB stated that she would look into this.

71/2016 Exclusion Note (Item 10)

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**

72/2016 Monitoring of Audit and Inspection Recommendations (Item 11)

The committee noted the report.

73/2016 Force Risks – High Level and Shared Risks – Update Report (Item 12)

The committee noted the report.

74/2016 OPCC Risks and Assurance Framework Annual Review (Item 13)

The committee noted the report.

75/2016 Contract Waivers Update Report (Item 14)

The committee noted the report.

76/2016 Any other matters to be raised with the internal auditors (Item 15)

The item was noted.

PART ONE
IN PUBLIC

77/2016 Police and Crime Commissioner Gifts and Hospitality
78/2016 Chief Constable Gifts and Hospitality (Item 16 and 17 taken together)

GL commented about how much detail the register goes into (i.e. £3 for a cup of tea). He asked about the rules and regulations regarding gifts and hospitality. AB answered that there is a piece of legislation which covers gifts and hospitality, and it is a statutory requirement to cover everything. CJ commented that the risk he sees is the explanation behind some of the gifts and hospitality. GL asked whether members of the public had ever challenged gifts and hospitality received. NE answered that there is always appetite from the press to create a story. CJ queried the use of the phrase 'it would be rude to refuse' and NE stated that it had been used in the wrong context, as generally that phrase should be used if for example, an Officer had visited from another country and presented NE with a token that it would be rude to refuse.

79/2016 Report on OPCC Partnership Working (Item 18)

CJ queried why grant money was being given to the Mount Green Housing Association as he checked the accounts and it appears that they had surplus funds. DM commented that he didn't remember this grant, as it may be before he took up office. He continued to explain that since he has taken up office he has caused the grant giving process to be 'tightened up'. AB said that she would look into this grant, as well as the Surrey County Council fly-tipping grant. DM stated that there was very good reason for the fly-tipping grant as it demonstrates partnership working. AB added that it was about a partnership project and was focussed around a media campaign against fly-tipping. PR asked why fly-tipping is the police's responsibility. DM stated that people want public bodies to keep the county in a better state, and this is why the OPCC also fund JETs (Joint Enforcement Teams). PR said that a short paper relating to the new grant giving process would be useful.

80/2016 Report on OPCC Grant Funding (Item 19)

PR commented that the report was perhaps a bit short.
The committee noted the report.

Any Other Business

PR noted that it would be useful to see a summary of internal audit reports.

81/2016 Exclusion Note (Item 20)

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The Committee noted the report.

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PART TWO
IN PRIVATE

82/2016 Private Meeting with Internal and External Auditors (Item 21)

The item was noted.

The meeting ended at 16:20