

**Minutes of the Joint Audit Committee 21 March 2017 held at Surrey Police Headquarters**

**Attendees:**

Paul Rees (PR) (Chair)  
Andrew Gascoyne (AG)  
Paul Roberts (PR)  
Graham Lancaster (GL)  
Paul Brown (PBr)

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  
Andy Rundle (AR) – Head of Strategic Planning – Surrey Police

Marcus Ward (MW) – Grant Thornton  
Lorna Raynes (LR) – RSM  
Dan Harris (DH) - RSM

**PART ONE**

**IN PUBLIC**

**01/17 APOLOGIES (Item 1)**

Apologies were received from JAC member Chris Johnson

**02/17 DECLARATION OF INTEREST (Item 2)**

No declarations were made.

**03/17 MINUTES OF THE LAST MEETING – 13<sup>th</sup> December 2016 (Item 3)**

The minutes of the December 16 meeting were accepted as a true and accurate record.

**04/17 Matters arising from 13<sup>th</sup> December 2016 meeting (Item 4)**

PR noted that a report on the PCCs new grant giving process would be tabled at the next meeting.

**05/17 Amendment to Terms of Reference (Item 5)**

PR commented that external and internal audit firms should not be referred to by name in the Terms of Reference.

**06/2017 Internal Audit Plan 2017/18 and Progress Report (Item 6)**

DH noted that page 3 of the progress report provided an update. 5 reports have been issued in draft format and are awaiting management comments. There are currently 2 audits in progress and 2 that start next week. DH noted that they have issued 1 partial assurance opinion – but stated that this will not lead to a qualified internal audit opinion. PR asked if DH was saying the reports are generally more positive and DH confirmed they were.

PR noted that he was concerned with the delay in completing reports. DH said that this was caused by delays in receiving responses from management. BF said that all managers have been chased. NE said that he could be informed of delays in commenting on drafts, as this should encourage responses to be provided on time.

NE explained the savings plan management. Purple savings are pre-business case savings. They are shown as purple in the knowledge that they cannot be relied upon – individuals are then required to firm-up purple savings. PR reminded DH to be sure to fully understand the process to generate the savings plan. DH commented that he may re-look at the actions.

GL commented on the planning process and how some things are looked at every year and not every 3/4 years. He asked what determines their priority. DH answered that it was determined through joint conversations and consultation with Senior Officers and by reviewing the risk register. The RAG rating is considered and there is an understanding of what HMIC coverage is coming through. There is also guidance from Chief Finance Officers.

DH moved on to 2.3 and went through the strategy. Appendix B is refreshed yearly. PR asked if any progress has been made regarding ICT internal audit with Sussex. IP said that a meeting has not yet been arranged.

DH noted that some of the timings of the reviews may change and RSM will ensure there is an even spread of reviews taking place.

AB commented that there is currently work underway around Fire and Rescue governance and she suspected that the OPCC will need some support. DH noted this and mentioned that RSM already work with Essex and Cambridge on this area and could provide some help based on this experience.

## OFFICIAL

PB asked whether the risk registers offer the Chief Officer Group reassurance – he did not see many operational items listed. NE answered that the JAC only saw a part of the Force's risk register. Operational risks are detailed in the full register. From an audit perspective the JAC are welcome to study the full risk register in its entirety.

### **07/2017 External Audit Plan for 2017/18 and timetable (Item 7)**

MW told the group he would welcome any questions.

AG asked a question about page 5 – materiality – which he said should be the same percent as last year. In answer to a question about closing the accounts earlier MW said that he sat down with BF and Finance early on in the year and identified areas that in the past had caused delays. BF noted that there had been engagement across the Force to support the preparation of the audit plan. It was noted that the reporting timetable was due to be shortened significantly next year and to prepare for this the Force was going to trial the reduced timetable in completing this year's accounts. PR asked if there were any particular areas which were difficult to speed up. BF answered that it was difficult to get answers from external providers.

PR asked when the contract with Grant Thornton ends. MW answered that re-procurement is in June 2017, so the first audit under the new contract would be for the 2018/19 accounts. IP said he had requested that PSAA ensure that we are allocated to the same external auditor as Sussex OPCC.

### **08/2017 Audit Committee Annual Self-Assessment Review (Item 8)**

The item was noted.

### **09/2017 Annual Review of Work Programme (Item 9)**

IP informed the group that the June meeting has moved to July, and future meetings will move forward by 1 month. The programme has been amended to tie-in with the intention to approve the 2016/17 financial statements by the 31<sup>st</sup> July 2017. PR asked that a separate item be added to include Health and Safety.

### **10/2017 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 - PRIVATE**

### **11/2017 Monitoring of Audit and Inspection Recommendations (Item 11)**

AR and PB tabled the item to the group. It was noted that this was the first time that the recommendations of HMIC had been included in the report. After discussion of the individual points raised, it was agreed that in future the report would provide a high level overview of the outstanding recommendations made by all statutory inspection agencies in order that the Committee can track the management action taken to address each issue and monitor the time scale in which that action is taken.

### **12/2017 OPCC Assurance Framework (Item 12)**

AB tabled the report. Concern was expressed regarding the problems that had been experienced by the Joint Surrey/Sussex Finance Team in producing accurate and reliable monthly financial out-turn forecasts throughout the current financial year. PB provided assurance that the situation would improve, as a Gold Group had now been established under the Chairmanship of the Sussex Deputy Chief Constable and that the issues that had given rise to the problems in forecasting were now being properly addressed. The issue of the potential transfer of the governance of the Surrey Fire & Rescue Service from the County Council to the PCC was discussed and PR flagged up some of the considerable difficulties that could arise when embarking on what was the equivalent of a private sector merger and acquisition.

### **13/2017 OPCC Risks (Item 13)**

AB tabled the report.

### **14/2017 Force Risks – High Level and Shared Risks Update Report (Item 14)**

PB tabled the report to the group.

### **15/2017 Any other matters to be raised with the internal Auditors (Item 15)**

The item was noted, the Chief Constable commenting on the victim satisfaction figures.

## **PART ONE – IN PUBLIC**

### **16/2017 Review of Gifts from Third Parties and Sponsorship Strategy (Item 16)**

The report was noted.

**17/2017 Collaboration Update (Item 17)**

PB explained that this was a routine paper exploring the progress being made in particular areas. Contact Management is currently making less progress due to technology difficulties. The ERP project is a very positive piece of collaborative work with Thames Valley as well as the Sussex Force. PR asked if the shortfall was a worry. PB answered that the shortfall had been carried forward to the 17/18 plan but increasing the importance of achieving next year's savings targets. DM pointed out that this increased the risk of not achieving next year's plan as Surrey Police are currently in a healthy financial state this is only because of the amount of savings that the Force has been able to achieve.

GL asked what the perceived confidence in numbers was. PB noted that a business case underpinned each collaboration so the figures should be fairly sound. NE added that the test question asked is – how much better is the collaborated team doing it compared with doing it alone?

**18/2017 Annual JAC Attendance Record (Item 18)**

PR noted the report.

**PART TWO – PRIVATE**

**19/2017 Exclusion Note (Item 19)**

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.*

**20/2017 Private Meeting with Internal and External Auditors (Item 20)**

The item was noted.

**The meeting ended at 16:30**