



JOINT AUDIT COMMITTEE

APPROVED MINUTES

Date: 10 December 2015

Time: 10.30 hours

Location: Monkfield Room, Cambourne

Members : Nicola Scrivings Chair
Mike Hindmarch
Nicola Mullany

In Attendance: Brian Ashton Deputy Police and Crime Commissioner
Niki Howard Director of Finance & Resources, Constabulary
Josie Gowler Director of Finance, OPCC
Alec Wood Chief Constable
Dorothy Gregson Chief Executive, OPCC
Neil Harris Ernst Young
Chris Hewitt Ernst Young
Suzanne Lane RSM
Paul Ormerod Chief Inspector, Corporate Development
Nancy Leversha Strategic Accountant, OPCC

1. Welcome and Apologies

Nicola Scrivings welcomed everybody. Apologies were received from Members Ansar Ali and James Morgan, and also Daniel Harris from RSM. It was noted the committee was quorate with three members.

2. Declarations of Interest

There were no declarations of interest.

3. Approval of the minutes from the last meeting held on 24 September 2015

The minutes were agreed and signed by the Chair.

4. Review of Action Log

Action 15 - NH stated this action will be difficult to complete as METIS has been subsumed into Collaboration. It was agreed the Committee would like a report on the assurance processes in place to track benefits realisation on Cambridgeshire projects and Beds, Cambs, Herts projects.

Action 25 – Tri-force meeting arranged for 3rd March, discharged.

Action 28 - NH reported £521k had been seized under POCA, discharged.

Action 29 - JG reported this was difficult to establish as the draft accounts had been replaced by the approved accounts, discharged.

Resolved:

- (i) Action 15 to be reworded for report to focus on assurance process.*

5. Internal Audit Progress Report

Two reports have been finalised: Cambridgeshire's Budgetary Control with no recommendations, and for Collaboration the Dogs Unit resulting in one high recommendation and three medium recommendations.

Planned audits are shown in 'Looking Ahead' section on page 3 and Collaborative audits on page 4. Dates are being finalised for the ICT audit. The ICT – Athena audit fieldwork has been completed and the report should come to the March JAC. Suzanne Lane confirmed that RSM are now auditors for Beds, Cambs and Herts so all Collaboration audits will be presented to all Audit Committees.

A query was raised over the Section 22 recommendation in the Dogs Unit audit being an OPCC responsibility rather than the Constabulary as the governance process and controls assurance sit under the OPCC. The committee were informed there are different approaches dependent on who is the Lead Force, but there is ongoing work to ensure controls assurance is monitored strategically by the Alliance Board.

It was also queried as to how do the Audit Committee gain assurance that recommendations have been challenged by other committees, and what learning can be gained and shared from other committees. To provide additional insights into the findings of Internal Audits of collaborated areas, any relevant published minutes from Beds or Herts Joint Audit Committee would be circulated with the papers.

Niki Howard and Josie Gowler were commended by the Chair for having no recommendations on the Budgetary Control audit report. The Chair asked whether they have sight of Beds and Herts similar reports and whether they could offer assistance. These are discussed at the CFOs' meeting.

Resolved:

- (i) *The group noted the report.*
- (ii) *Relevant published minutes from Beds or Herts Audit Committees to be circulated with papers in future.*

6. Internal Audit Recommendations Progress Updates

There were no outstanding Finance recommendations.

There were 14 outstanding non-financial audit recommendations, one was high and the remainder medium. Ten of these are now complete. Four relate to Collaborated Units and risk management. It was reported that significant progress has been made to the risk management recommendations but they are not yet complete.

The remaining two recommendations relate to Business Continuity which is now a collaborated unit. The committee were informed that a review of operational working was conducted following the Paris incidents. Some aspects were highlighted as not working as they should and these are being revised. The committee were assured the current arrangements are satisfactory but the Constabulary recognises that risks remain with them but monitoring of the Tri-force unit is required. It was noted that there would be continued monitoring of the open recommendations.

Suzanne Lane informed the group that a follow up to the audit is due in March 2016.

Resolved:

- (i) *The group noted the report.*

7. Annual Audit Letter

Neil Harris introduced himself and Chris Hewitt as new External Audit team.

The Annual Audit letter is a public facing letter confirming there was an unqualified audit and value for money audit in 2014/15. He stated they would endeavour to produce the letter at the same time as the accounts for 2016/17. He stated the Constabulary were well placed for the fast close timetable due for implementation in 2017/18 and they will bring their work forward to help achieve this.

It was noted that the date of meeting may need to change, or there may be a need to hold an additional meeting to sign off accounts as from 2017/18 the accounts will be

completed by the end of May and approved by July.

The Audit plan for 2015/16 will come to the March 2016 meeting.

Resolved:

- (i) The group noted the report.*
- (ii) Consider dates of meeting to cover accounts for 2017/18.*
- (iii) External Audit Plan to be presented to March 2016 meeting.*

8. Treasury Management Annual Report 2014/15

The report compares actual outturn to the 2014/15 strategy. Josie Gowler stated she will try to bring the report earlier next time however the Treasury Manager post no longer exists therefore less resource exists to complete the report in the future.

The report shows that the PCC stayed within its borrowing limits and remains in a strong position in 2014/15. The report shows the PCC as 'under borrowed': this provides freedom if there is a large Capital project that materialises.

The treasury management strategy was set 18 months ago and bank rates were expected to be higher than they have been but are still performing reasonably. Consideration was given to extending terms of investments, however the risk outweighed the return.

The criteria has changed slightly following a further review this year but there has been a turnaround compared to 5 years ago.

One member suggested reviewing our broker charges.

Resolved:

- (i) The group noted the report.*
- (ii) JG to explore Broker charges/tender.*

9. Budget Strategy

The paper was presented to the last Police and Crime Panel meeting but has been updated following the Comprehensive Spending Review (CSR) announcement.

In January the Commissioner must set the precept and this will go to the Police and Crime Panel in February with the Medium Term Financial Plan.

The CSR announcement included mention of an Innovation Fund and Airwaves replacement and until the provisional Police Grant settlement on or around the 16th

December, we will not know what top slicing has been applied to understand what level of savings are required.

Alec Wood stated all Chief Constables had been called to the Home Office on 8th December 2015 by the Home Secretary. Her message was that there has been significant transformation through collaboration but the need for ongoing efficiencies remains. An area where transformation is anticipated is with a potential call for a National Firearms Unit.

Following the settlement and report to Police and Crime Panel, an updated report to come to next Audit Committee meeting.

Resolved:

- (i) *The group noted the update.*
- (ii) *Budget update report for March 2016 meeting.*

10. Collaboration Governance Update

The Chief Executive reported that we were aware that Collaboration Governance is very important. A number of Section 22 agreements have been signed and there are more to come. JPS is now past implementation and in maintenance phase. It is appreciated that learning from JPS will assist with Operational Support and Organisational Support.

A different approach has been taken for HR with no Lead Force, but a Shared Service approach.

There is a structure to Collaboration Governance with all boards reporting to the Strategic Alliance Summit which is becoming more focussed on holding to account rather than signing business cases. The Section 22 agreements now include an escalation process if a strategic risk is triggered along with a duty to notify partners.

The next business cases to be progressed are ICT, Criminal Justice, Custody and Information Management.

All business cases have been through a rigorous business process including gateway reviews and legal reviews.

The expansion of collaboration is being explored with Norfolk, Suffolk, Essex and Kent. There are some areas such as Procurement and Counter corruption under Professional Standards where further savings opportunities are anticipated. There may be opportunities for alignment of processes/procedures rather than singular units in other areas.

Resolved:

(i) *The group noted the report.*

11. Transition Planning

The report recognises that some risks may increase due to the election of a new Police and Crime Commissioner. It was noted that at the last time there had been a complete change in governance and financial management part way through the year, whereas this time it is solely election of a new leader.

A project plan with distinct work streams has been developed and a member of the OPCC senior management team is allocated to each.

It is anticipated that there will be an event for candidates once candidates have been declared.

Resolved:

(i) *The group noted the report.*

12. Published HMIC Reports

There has been one report published – the PEEL Efficiency report. The report was written before the Comprehensive Spending Review and with Cambridgeshire's worst case scenario was graded 'Good'.

There were no areas for improvement however some areas for development were recorded around understanding demand and resourcing which is being reviewed by the A/DCC. HMIC are assisting with this as Cambridgeshire have agreed to act as a pilot but this is still in planning stages.

Resolved:

(i) *The group noted the report.*

13. Operational Risk Register

This continues to develop in its approach. It has been revised to properly reflect what kept senior managers awake at night.

There have been some major legal reviews undertaken which will impact financially upon the Constabulary. One is Bear vs Scotland which relates to holiday pay and the Constabulary are anticipating a significant payment in the region of £450k.

Another is a pensions payment to retired officers dating back to 2003 in the region of £3m, although the Home Office are reimbursing this.

Finally, there is a national review regarding undercover officers ongoing and one officer

has made a claim against Cambridgeshire. This could be a significant sum and is passing through the courts at present.

Resolved:

- (i) *The group noted the report.*
- (ii) *Page numbers to be added for ease of reference.*
- (iii) *Consider moving this item up the agenda.*

14. Strategic Risk Comprehensive Summary

The strategic risk register has been reviewed and changes have been made accordingly, as referenced in the covering paper. The document provides a summary that will be made available with the papers.

Resolved:

- (i) *The group noted the report.*

15. Board Assurance Framework

This process is developing and the next one could have different objectives following the PCC election. This looks at risks up to January 2017 with the Finance objective looking forwards to January 2018. Amendments have been recorded in the covering paper.

Resolved:

- (i) *The group noted the report.*

16. Review of Forward Agenda Plan

It was requested that any further papers to be added be notified to the Chair or OPCC.

The Chair commended the quality of reports and stated the governance of the organisation feels very strong and the open and active responses in the meeting are commended.

Resolved:

- (i) *The group noted the report.*

17. AOB

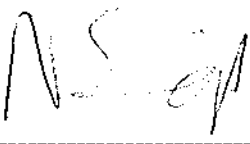
There were no items of AOB.

18. Date of next meeting

The next meeting of the Joint Audit Committee will be Wednesday 23rd March 2016 @ 10.30 hours in the Monkfield Room, South Cambs District Council Offices, Cambourne.

Members are invited from 10.00 hours for a pre-meet.

The Tri-force JAC will be Thursday 3rd March starting at 10.00 hours in Conference Room 2, at Police Headquarters, Huntingdon.



Nicola Scrivings