

# Joint Audit Committee of the Police and Crime Commissioner for Bedfordshire and Bedfordshire Police

**Meeting of 18 March 2016  
Held between 13.30 – 15.47**

## Minutes

**Present:**

Jagtar Singh - Chair	Independent Committee Member
Graham Seaby	Independent Committee Member
Wayne Brads	Independent Committee Member
Andrew Godman	Independent Committee Member
Paul Smith	Independent Committee Member
Phil Wells	Joint Chief Finance Officer for the Police and Crime Commissioner for Bedfordshire and Bedfordshire Police (CFO)
Jennie Bayliss	Business and Compliance Manager (Minutes) (BCM)
Katie Beaumont	Compliance Officer (observing)
Mark Collins	Deputy Chief Constable
Mark Jones	RSM
Chris Hewitt	Ernst & Young

<b>16/JAC/01</b>	<b>Apologies</b>  Apologies for absence were noted from Neil Harris, Ernst & Young.
<b>Part One Restricted</b>	
<b>16/JAC/02</b>	
<b>16/JAC/03</b>	
<b>Part Two – Not Restricted</b>	
<b>16/JAC/04</b>	<b>Minutes of the meeting held on 18 December 2015</b>  The minutes of the meeting of the Joint Audit Committee (JAC) held on 18 December 2015 were confirmed, subject to the following changes:  <b>Action 5:</b> Typo on page 3, change from 'likely to b' to 'likely to be'.  <b>IT WAS RESOLVED:</b>  <ul style="list-style-type: none"> <li>• The minutes of the meeting held on 18 December 2015 were confirmed.</li> </ul>
<b>16/JAC/05</b>	<b>Matters Arising – Status Log</b>

	<p>The Committee received a status report of activity taken to implement the actions arising from the meeting held on 18 December 2015.</p> <p>Members noted that all items were complete with the exceptions below:</p> <ul style="list-style-type: none"> <li>• Action 5 – Timescales had prevented two members from attending the Tri – Force Meeting.</li> <li>• Action 7 – Has not been completed yet – JS picked up the issue with the PCC directly – On going.</li> <li>• Action 8 – Tri – Force benchmarking exercise to be completed this year – on going. To present at future development day.</li> <li>• Action 9 – Not yet complete. To be amended for next report.</li> <li>• Action 11 – To be discussed later on the agenda.</li> <li>• Action 12 – PW confirmed that out of 3 Bids only 1 was successful. This will be formally reported on at June's meeting.</li> <li>• Action 14 – Not yet completed – on going</li> <li>• Action 15 – Not yet completed – on going</li> </ul> <p><b>Action 6:</b> To update the status report.</p> <p><b>IT WAS RESOLVED:</b></p> <ul style="list-style-type: none"> <li>• That members noted the report.</li> </ul>
<p><b>16/JAC/06</b></p>	<p><b>Declarations of Interest</b></p> <p>There were no declarations of personal or prejudicial interests from members.</p>
<p><b>16/JAC/07</b></p>	<p><b>External Audit Update</b></p> <p><b>a) External Audit Plan 2015-2016</b></p> <p>Chris Hewitt of Ernst &amp; Young, External Auditors, introduced himself to the Committee and presented the 2015/16 audit plan (year ending 31<sup>st</sup> March 2016). He drew Members attention to pages 3 and 5 of the document which outlined the areas of significant risk and the responsibilities in respect of fraud and error, noting nothing new from the original document. With reference to section 3 Value for Money Risks, CH confirmed that the financial resilience has improved since the previous year; however, an emphasis will remain on this to maintain adequate assurance as a result of the HMRC recommendations and also the reliance on collaboration within the last two years of the plan.</p> <p>Members asked if the presented timetable provided opportunity for faster closure on the key deliverables in 2016; it was confirmed as there was no plan to change the process; and also took assurance from section 5.2 outlining the processes in place to improve independence and objectivity. The Chair asked the Auditor if there were any additional things that had been considered and not put into the plan. CH stated that if further work was needed he would discuss with PW regarding the work and report comments.</p> <p><b>IT WAS RESOLVED:</b></p>

- That members noted the update.
- The Committee accepted the recommendations:
  1. The Committee review and discuss the Audit Plan of the Police and Crime Commissioner and Chief Constable for the Year Ending 31 March 2016.
  2. The Committee identify any other matters that they may consider will influence the audit.

**b) Value for Money: Code of Audit Practice 2015**

CH presented the Committee with an update on the Value for Money: Code of Audit Practice 2015. He highlighted the key message within the paper being that a new criterion is specified but does not place any extra burden on the Force or PCC.

The Chair confirmed the Committee's support for the paper and asked External Auditor to advise the Committee if the opportunity for national best practice sharing and/or Audit Committee training arises.

**IT WAS RESOLVED:**

- That members noted the update to the Value for Money: Code of Audit Practice 2015.

**c) Police Sector Audit Committee Briefing**

CH presented the briefing, which covered a number of issues which may have an impact on the OPCC and the Force locally, the wider police sector and the audits the Ernst & Young undertake. This quarterly briefing is designed to offer assurance to the PCC and Chief Constable of the work and knowledge of Ernst & Young.

Members discussed the three questions posed within the paper (page 10) to Audit Committees, and agreed that it would be prudent to review these and formally discuss at a future meeting. The questions were noted as:

1. Are you aware of the proposed funding allocation for 2016 – 17 and the impact that this might have for your local force? Have you discussed this with the Chief Constable and the PCC?
2. Are you aware of the changes in funding mix at your local force as a result of the on-going reduction in Central Government funding? Have you discussed this with the Chief Constable and the PCC? What are the implications locally of this change in funding?
3. Given the issues referenced in the HMIC Report 'The depths of dishonour: hidden voices and shameful cries' how comfortable are you with the current capability of your local force to deal with such issues.

**Action 7:** The Chair requested the CFO consider these questions and feed back to the Committee at the next meeting.

**IT WAS RESOLVED:**

- That members noted the content of the Public Sector Audit Committee

	Briefing
16/JAC/08	<p><b>Internal Audit</b></p> <p><b>a) Progress against Internal Audit Plan 2015/16</b></p> <p>Mark Jones of RSM, Internal Auditors, presented the Internal Audit Progress Report. He confirmed that since the last meeting of the Audit Committee there have been seven reports published:</p> <ol style="list-style-type: none"> <li>1. Workforce Planning</li> <li>2. General Ledger</li> <li>3. Payroll and Expenses</li> <li>4. Savings Assurance</li> <li>5. Budgetary Control</li> <li>6. Payments and Creditors</li> <li>7. Risk Management</li> </ol> <p>Looking ahead, the 'Independent Consultancy Support – review of reorganisation and redundancy policy V1' audit has now been finalised. Members asked if this audit had resulted in any points of note and MJ gave an early indication that there are 13 recommendations of an advisory nature, and all have been agreed by management.</p> <p>Members reviewed the current progress of the collaboration audit plans. Members noted that the Athena Management Organisation had not yet been circulated to the committee, and requested that this be shared at the earliest opportunity due to its importance. The Chair asked Members for questions on the Internal Audit Plan. Discussion centred on the role of Athena within collaboration and requested a wider discussion to be held at a development day in order for the Committee to understand the range of risks should the Athena project not progress as planned.</p> <p><b>Action 8:</b> The CFO to circulate the Athena report.</p> <p><b>Action 9:</b> To add Athena update to the next Development day agenda.</p> <p><b>IT WAS RESOLVED:</b></p> <ul style="list-style-type: none"> <li>• That members noted the Internal Audit Progress Report</li> </ul> <p><b>b) Internal Audit Strategy 2016/2017</b></p> <p>Mark Jones presented the internal audit strategy for 2016/17. He drew Members attention to the range of sources considered during the development of the strategy and to the proposed numbers of days for Bedfordshire (86 days) and collaboration (190 days) audits and asked them to consider the four recommendations within the paper.</p> <p>Members raised question to the timeline for the Data Security audit, noting the proposal of 2017/18 for this audit. The CFO confirmed he will review the actions arising from the previous audit and report back to the Committee for consideration.</p> <p>Members also questioned the timeline for the Athena audit. Mark confirmed that the scope will be reviewed towards May/June to understand how the Athena</p>

project is progressing. The Chair stated that the CFO has delegated authority to move the timetable for this audit should the Athena project timescales require it to be moved.

Referring to the Collaborative audit plan and the Risk Management and Assurance Framework, Members spent some time discussing the implications of this audit and its ability to provide the JAC with adequate assurance without sight of lower level risks being managed by the Change Team. The CFO suggested that JAC members could be given sight of lower level operational risks as part of the SRR review process to provide Members with the opportunity to reassure themselves that these are adequately reflected in the Force and OPCC SRR's. Collaboration risks are currently captured within the Force SRR.

Members reviewed appendix E: Collaborative protocols and sharing of internal audit reports, agreeing that it presented a firm structure for the Committee to adhere to. The Chair requested this structure is applied across all collaborative audits, as a recommendation by the Committee.

The Chair thanked Internal Audit for the Internal Audit Strategy and confirmed that the JAC took assurance from knowing that RSM are taking a more proactive approach to the role of internal auditing.

**Action 10:** The CFO to review the actions of the Data Security audit and circulate to Members for further consideration.

**IT WAS RESOLVED:**

- That members noted the report and accepted the four recommendations.
- That the CFO has delegated authority to change the date of the Athena audit following review in May/June.
- That the collaborative protocols structure within Appendix E is applied across each collaborative audit.

**c) Internal Audit Plan: Progress on Recommendations**

The CFO presented the progress on recommendations report. Since the last meeting seven recommendations have been completed and six remain. Members reviewed the remaining recommendations in detail. Work is now in progress to progress the PDR audit recommendation. The Collaboration audits are to be presented to the Strategic Alliance on 29<sup>th</sup> March for agreement. Workforce Planning is being reviewed as part of the collaboration work and therefore the timeline may slip on this.

**IT WAS RESOLVED:**

- That members noted the report and accepted the two recommendations:  
**Recommendation 1:** Members noted and endorsed completion of seven internal audit recommendations, as described in the report.  
**Recommendation 2:** Members considered and endorsed the current status of the six remaining recommendations, as described in the report.

16/JAC/09	Force Overview Report
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	<p>The CFO presented the Force Overview report. The Committee reviewed the performance summary, noting the updates, and discussed in greater detail the collaboration projects, specifically Custody which is shown as red. The CFO confirmed this is due to challenges in resolving shift patterns which is impacting on savings.</p> <p><b>IT WAS RESOLVED:</b></p> <ul style="list-style-type: none"> <li>• That members noted the report.</li> </ul>
<p><b>16/JAC/10</b></p>	<p><b>Collaboration</b></p> <p>The CFO presented the collaboration paper to the Committee with a tabled paper on collaboration finances. Members reviewed the progress made with supporting savings and asked if collaboration could be demonstrated as on track both from a tri-force perspective and also in respect of Bedfordshire Force separately, as this is difficult to determine from the overview.</p> <p>The Chair thanked the CFO for the collaboration update.</p> <p><b>IT WAS RESOLVED:</b></p> <ul style="list-style-type: none"> <li>• That members noted the report.</li> </ul>
<p><b>16/JAC/11</b></p>	<p><b>Strategic Risk Register of the Police and Crime Commissioner for Bedfordshire</b></p> <p>The Business and Compliance Manager presented the most recent update of the Strategic Risk Register of the Police and Crime Commissioner. She drew Members attention to the level of scrutiny applied to the risk register since the previous meeting, highlighting that the SRR had been audited by RSM in February 2016. The outcome of this audit was Green, noting one low level recommendation.</p> <p>It was noted that the SRR currently contains eight strategic risks, with one change since the last meeting: SRR3 has been closed as the risk is no longer a current risk. Members also noted that the SRR now contains no critical risks.</p> <p>The Chair thanked the Business and Compliance Manager for the report and the continued improvement of the SRR.</p> <p><b>IT WAS RESOLVED:</b></p> <ul style="list-style-type: none"> <li>• That members noted the report.</li> </ul>
<p><b>16/JAC/12</b></p>	<p><b>Terms of Reference</b></p> <p>PW presented the amended Terms of Reference with tracked changes following the discussion at the recent development day. The following change was requested:</p> <ol style="list-style-type: none"> <li>1. Constitution, line 4, change 'decode' to 'decide'.</li> </ol> <p>Members debated having an additional line in regarding delegating actions to the Chair and the instances when this could be applicable. It was agreed that the</p>

	<p>presented Terms of Reference be signed off, with tracked changes accepted. The CFO is to some additional words to address the points raised regarding delegation to the Chair.</p> <p><b>Action 12:</b> The CFO to accept tracked changes and finalise the revised terms of reference.</p> <p><b>Action 13:</b> The CFO to consider additional words to address the point regarding delegation.</p> <p><b>IT WAS RESOLVED:</b></p> <ul style="list-style-type: none"> <li>• That members agreed the revised terms of reference for the Joint Audit Committee.</li> </ul>
<b>16/JAC/13</b>	<p><b>AOB</b></p> <p><b>Tri Force Joint Audit Committee</b>  Member Graham Seaby provided a briefing on the tri force JAC which took place on 3<sup>rd</sup> March 2016. Notes from the event had been circulated previously. Discussions included reviewing the different risk registers and potential appetite for a tri force risk register. The Chair noted his thanks for the update.</p> <p>The next tri force meeting is to take place at the Bedfordshire Office in September/October.</p> <p><b>Action 14:</b> Bedfordshire OPCC to arrange tri force JAC for September/October.</p> <p>With no further items to discuss, the meeting closed at 15.47 hours.</p>
<b>Date of next meeting</b>	<p>Friday 24<sup>th</sup> June. 1pm pre-meet for members only, 1.30pm – 3.30pm meeting, Bridgebury House.</p>