

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

Meeting of 23 March 2018

Held between 10.30am – 12:20pm

Minutes

Present:

Wayne Brads – Chair (WB)	Independent Committee Member
Gita Raja (GR)	Independent Committee Member
Judit Seymour (JSM)	Independent Committee Member
Phil Wells (CFO)	Joint Chief Finance Officer for the Police and Crime Commissioner for Bedfordshire and Bedfordshire Police
Neil Harris (NH)	Ernst & Young (EY)
Mark Jones (MJ)	RSM
Pauline Gibbons (PG)	Minute taker

18/JAC/01	Apologies	ACTION
	<p>Apologies noted from:</p> <ul style="list-style-type: none"> - Garry Forsyth, Deputy Chief Constable - Clare Kelly, Chief of Staff (OPCC) - Jagtar Singh, Independent Committee Member - Laura Cochrane, Independent Committee Member - Carol Ryan, EY 	
18/JAC/02	<p>Minutes of the meeting held on 08 December 2017</p> <p>The minutes of the meeting of the Joint Audit Committee (JAC) held on 08 December 2017 were confirmed without amendment.</p>	
18/JAC/03	<p>Declarations of Interest</p> <p>There were no declarations of personal or prejudicial interests from members.</p>	
Part One – Not Restricted		
18/JAC/04	<p>Strategic Risk Register of the Police and Crime Commissioner for Bedfordshire</p> <p>SR6 – with the Victims' Hub going live on 01 April 2018, we will have greater control over this service. Internal Audit will review the service being delivered after 9 months.</p>	

	<p>Members asked if any thought had been given to auditing this in-house.</p> <p>SR7 – the OPCC has developed a strong team and this risk is likely to reduce.</p> <p>IT WAS RESOLVED:</p> <ul style="list-style-type: none"> • That members noted the updates. 	
<p>18/JAC/05</p>	<p>External Audit Plan 2017/18</p> <p>Materiality: The Valuation of Pension Liability is based on an actuarial report and on work that involves significant estimation uncertainty. Due to the large amount of the fund, any small movement/uncertainty could affect this although there has been no change from one year to the next. EY are not aware of any changes and have cumulative knowledge of the organisation.</p> <p>Planning materiality has been set at 2% of the relevant materiality basis. Beds Police, whilst in a challenging position, are well controlled.</p> <p>Performance materiality has been set at 75% of materiality. Testing thresholds have been set at 50% or 75%. 75% is set where there is a good control environment. This could have changed due to the implementation of e-Financials mid-year.</p> <p>There is now an earlier deadline for the production of financial statements and good quality draft financial statements will be required. The CFO advised that we are as ready as we can be for early closure of the accounts.</p> <p>The tri-force are organising closure of accounts at the same time.</p> <p>Value for money – not identified any risk.</p> <p>Audit materiality – members asked if this is determined by EY and were advised that it was. Reducing this would have an impact on the work involved and therefore EY's fee.</p>	
<p>18/JAC/06</p>	<p>Internal Audit</p> <p>a) Progress against plan 2016/17: Camera, Tickets and Collisions audit delayed but will be available for the next meeting of this Committee.</p> <p>Workforce Planning is an advisory piece of work. Members asked if we understand where the gaps exist in the workforce and were advised that a Gap Analysis is being undertaken.</p> <p>The CFO feels positive regarding recruitment etc. The existing systems for recording and monitoring staff skills sets are not</p>	

sufficient and a considerable amount of work has been done to create a single spreadsheet that records all training and skills for both officers and staff. This being a first step with the second being to use this data to upload into the new HR system, when it goes live later this financial year.

The CFO explained that gaps in skills are assessed via the Gap Analysis which provides information of what can be provided in-house and what we need to source externally.

Members asked how the effectiveness of e-learning is tracked. The CFO advised that the current on-line training package (NCALT) has been deemed to be less effective than other systems. We have now brought in a digital learning system, which is already used in Essex and Kent, which will be live in Oct 2018 and its effectiveness checked after six months.

Members asked how are changes to the environment which require different skills tracked. The CFO advised that they are tracked through the People Board, by looking at skills gaps and changing plans accordingly. Appraisals and PDRs are used which also cover the aspirations of the individuals.

A positive opinion has been given following the review of the General Ledger at Bedfordshire Police, with the e-Financials system being implemented well.

The Senior Accountant has challenged the following medium priority finding:

The Payroll Manager will ensure that Payroll GL reconciliations are subject to independent review on a monthly basis. Additionally, the Principal Accountant will ensure that all three suspense accounts are reviewed on a quarterly basis.

The Senior Accountant feels that as the person doing the monthly check is a senior member of staff within his team and that as he does a quarterly reconciliation himself, he feels these checks would be sufficient to highlight any fraudulent issues.

b) Audit Plan 2018/19

The proposed plan for next year for Beds and the tri-force will be linked to strategic objectives and risks. The Signpost Hub is in the plan for 19/20.

We need to look at how we deal with the tri-force audit reports. A possibility is that the lead force agrees the report to get reports out and the other two forces can thereafter challenge management comments. The CFO stated that the three Chief Finance Officers from the tri-force will probably get together to agree this procedure and obtain their JAC approval.

	<p>Members stated that tri-force reports are not being received timely. (Jagtar Singh, JAC Chair, to be asked to resolve with the tri-force JAC Chairs).</p> <p>ACTION: Ensure JAC members receive the tri-force audit reports where Beds is not the lead force and that they are received in a timely manner.</p> <p>c) Progress on recommendations: Six recommendations. Two have been completed and four will be brought back to this meeting.</p> <p>IT WAS RESOLVED:</p> <ul style="list-style-type: none"> • That members noted the updates. 	Jagtar
18/JAC/07	<p>Force Overview</p> <p>Overall recorded crime has increased by 11.4% but this is still less than other forces across national and similar groups.</p> <p>The Force is looking at solving more crimes this year and with the recruitment of additional officers, will also be working on preventative measures.</p> <p>The residential burglary figure is up 52.4% although this now includes any burglary, including sheds. Actual residential burglary is similar to previous years with the increase being seen in non-dwelling burglaries.</p> <p>Athena will be live in May 2018 and there should be a mobile app to link directly to Athena. The Benefits Realisation Plan for Athena is base lining all processes being affected by Athena and is to be reviewed in six months' time.</p> <p>2017/18 budget update: the Force anticipates an overspend of up to £0.5m. The CFO advised that this was identified in quarter 3 and is the first time the CFO knows of a substantial overspend by the Force.</p> <p>2018/19 budget update: PCCs will have the flexibility to increase council tax by up to £12 per annum per band D property in 2018/19 and 2019/20. Reserves are at a low level and any underspend over the next four years will go straight to reserves as we need to build these up.</p> <p>Reserves generally stand around 4.5% of the net revenue budget; with 1% earmarked for insurance and 3% for general use.</p> <p>IT WAS RESOLVED:</p> <ul style="list-style-type: none"> • That members note and consider the data and information provided in the report. 	

Part Two - Restricted		
18/JAC/08	**RESTRICTED**	
18/JAC/09	**RESTRICTED**	
18/JAC/10	<p>AOB</p> <p>Jagtar Singh, JAC Chair, is trying to arrange a meeting with the Chairs from the Herts and Cambs JAC. It was suggested that it would be beneficial for JAC members from BCH to attend each other's meetings as an observer.</p> <p>Members asked if they could have a training session regarding the risks posed by third party involvement and how this is vetted.</p>	
Date of next meeting	Friday 25 May 2018, 13:30 to 15:30. (13:00 pre-meet for members only.)	