

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

Meeting of 18 December 2013

Minutes

Present:

Mr Jagtar Singh - Chair	Independent Committee Member
Mr Wayne Brads	Independent Committee Member
Mr Andrew Godman	Independent Committee Member
Mr Paul Smith	Independent Committee Member
Mr Phil Wells	Joint Chief Finance Officer for of the Police and Crime Commissioner for Bedfordshire and Bedfordshire Police
Mrs Stephanie McMenemy	Chief Executive of the Police and Crime Commissioner
Mr John Fletcher	Deputy Chief Constable
Mrs Pat Brown	Compliance Officer - Minutes
Mr Mark Jones	Baker Tilly Holdings Ltd
Mr Mark Hodgson	Audit Director, Ernst and Young LLP
Ms Natalie Clark	Ernst and Young LLP

13/JAC/31 APOLOGIES

There were no apologies.

13/JAC/32 MINUTES

The minutes of the Meeting of the Joint Audit Committee held on the 25 September 2013 were confirmed subject to the correction of some grammatical errors and the additional recommendation that any changes to the Internal Audit Plan be made with the agreement of the Committee Chair.

13/JAC/33 STATUS REPORT AND MATTERS ARISING

The Committee received a status report of activity taken to implement the actions arising from the meeting held on 25 June 2013. There were no matters arising from the report.

IT WAS RESOLVED

That the status report be noted.

13/JAC/34 DECLARATIONS OF INTEREST

There were no declarations of personal or prejudicial interests from Members.

13/JAC/35 2012/13 EXTERNAL AUDIT – ANNUAL AUDIT LETTERS

Mr Mark Hodgson of Ernst and Young LLP presented the Annual Audit letters of the Police and Crime Commissioner and the Chief Constable.

Key findings for the Police and Crime Commissioner and the Chief Constable were:

Financial statement audit – quality of process for producing the accounts – good
Value for money conclusion - unqualified value for money conclusion
Whole of government accounts – no areas of concern identified
Annual governance statement - no areas of concern identified

The Chair questioned if other Forces had received such positive messages in their Annual Audit Letters and was advised that all such letters were available on the Audit Commission website.

Mr Hodgson advised that currently there was little national guidance on Stage 2 Transfers and therefore Ernst and Young were hosting an event in January 2014 with the forces they are responsible for, including Bedfordshire, to work towards reaching some shared practice and consistency on this important issue. The outcomes of this event would be fed to CIPFA and the Audit Commission.

IT WAS RESOLVED

That the Committee note the Annual Audit Letters of the Police and Crime Commissioner and Chief Constable.

13/JAC/36 HER MAJESTY'S INSPECTORATE OF CONSTABULARY (HMIC) INSPECTIONS

Deputy Chief Constable Mr John Fletcher submitted a report to members to inform of:

- The outcome of the recent inspections by Her Majesty's Inspectorate of Constabulary (HMIC);
- The schedule of forthcoming inspections by HMIC;
- The HMIC Value for Money Profile for Bedfordshire.

Mr Fletcher informed of the significant amount of HMIC inspections that the Force had been subject to during 2013. Members raised concern about the resources required by the Force to facilitate these inspections and Mr Fletcher advised that this concern had been raised with the Home Secretary.

Mr Fletcher advised that the Force did work hard to prepare for these inspections and that even though they were burdensome for the Force they did provide reassurance about Bedfordshire Police's positive approach to continuous improvement.

Mr Fletcher reassured Members that Bedfordshire Police did take on board the recommendations of HMIC inspections in a rounded way and in line with their limited resources and in doing so ensured that implementation of recommendations were aligned to the strategic priorities of the Force or against threat, harm and risk.

Members considered the summary of the 2013 Bedfordshire Police Value for Money profile and advised that these profiles were published each year to compare police forces across a range of resource and finance measures. Members were advised that HMIC comparisons between forces did not always supply helpful information as each force had different priorities and operational practices, in particular Members were informed that the profiles did not fully reflect the fact that areas of Bedfordshire's policing capability was delivered through collaboration with Cambridgeshire and Hertfordshire.

Members questioned if HMIC had looked into governance arrangements particularly around the complexities of collaborative working and advised that this was an evolving issue for the organisations concerned. HMIC had undertaken a combined inspection of Joint Protective Services in October 2013.

Mr Fletcher was able to reassure Members that governance arrangements for collaborated working were reasonably developed but further work on this matter was to be discussed at a Strategic Alliance Summit meeting in January 2014 and the Chief Executive supported this by reassuring Members of ongoing work currently being carried out at a regional level.

Members expressed deep concern on hearing that the Provisional Police Funding Announcement that had been published earlier that day meant that Bedfordshire Police would have to find a further £1M in savings over the next two years on top of £7.5M they were already aware of and working to achieve. Members expressed further discontent that the government, in the same announcement, had awarded HMIC a further £9.4M for new rounds of inspections particularly after HMIC had stated concerns about Bedfordshire Police's ability to maintain its service if faced with further budget cuts when concluding their 'Valuing the Police' inspection earlier in the year.

Members were assured by the outcomes of recent HMIC inspections and supported that any significant issues identified were dealt with as soon as practicable rather than wait for reports to be published.

IT WAS RESOLVED

1. Members noted the outcomes of the recent HMIC inspections and the schedule for forthcoming inspections as described in the report.
2. Members noted the information in the HMIC 2013 Bedfordshire Value for Money Profile as described in the report.

a) Progress against the Internal Audit Plan 2013-14

Mr Mark Jones of RSM Tenon presented his update on the progress of the 2012/13 Internal Audit Plan since the last meeting.

Members were informed that six audits had been finalised as:

1. **Financial Forecasting** (rated green) - recommendations - 2 low priority
2. **General Ledger** (rated green) - recommendations - 3 low priority
3. **Income and Debtors** (rated amber/green) - recommendations - 1 medium and 5 low priority
4. **Payments and Creditors** (rated green) - recommendations - 1 medium priority
5. **Payroll and Expenses** (rated amber/green) - recommendations - 1 medium and 3 low priority
6. **Delivery and Monitoring of the Police and Crime Plan** (rated green) - recommendations - 1 low priority

Two audits, Governance - Force and OPCC and Collaboration - Governance, were currently in draft form and would be reported to the next meeting.

The executive summaries of the following six finalised audits were contained within the report to members. The full finalised audit reports had been provided to Members by email and paper copy.

There were no high priority recommendations in any audit reported at this meeting.

Members were advised that there were no changes proposed to the internal audit plan.

Members were advised that reports were usually finalised within 10-14 days if agreed by the Force and longer if disagreed. Collaborated audits took a longer time to finalise because they needed to be formally agreed by six parties.

Members considered the Internal Audit Report and agreed the progress made to date against the 2013/14 Internal Audit Plan. Members accepted that these positive internal audits would contribute to less work required by the external auditors as part of their audit of the accounts, due to them being able to place reliance on the Force systems, thus keeping the external audit fees low.

The Chief Finance Officer did inform Members that the Provisional Police Funding Announcement published earlier that day stating that Bedfordshire Police needed to find further significant savings would be picked up in the Risk Register after the meeting.

IT WAS RESOLVED

1. Members noted and agreed the progress made to date against the 2013/14

Internal Audit Plan.

INTERNAL AUDIT

b) Progress on Recommendations

The Chief Finance Officer presented a report to members to reassure them on completion and progression of agreed recommendations from completed internal audits. Progress was reported for all high and medium priority recommendations.

There were eleven recommendations in the report, one was complete, three were outstanding and seven had not yet reached their implementation date.

The completed recommendation was for Data Security regarding backup procedure.

Members were informed with regard to the three outstanding recommendations that;

1. Review of Vetting Collaboration Service Level Agreement to be undertaken – this action's delivery date had been postponed whilst awaiting the new National Code of Practice from the College of Policing expected in April 2014.
2. Estates Management – a number of decisions were awaited and a paper was due to the Police and Crime Commissioner to move this action forward in January 2014.
3. Data security – Information Assurance Manager Role profile to be updated – currently under review.

The Chief Finance Officer also provided an update on those recommendations where the date had not yet been reached as the majority of the implementation dates were December 2013. He explained that the majority of these were now complete but were not at the time of writing the report and would be formally captured at the next meeting of this Committee.

IT WAS RESOLVED

1. Members noted and endorsed the one completed recommendation.
2. Members noted and endorsed the current status of the remaining recommendations as described in the report.

13/JAC/38

STRATEGIC RISK REGISTER

Office of the Police and Crime Commissioner for Bedfordshire

Chief Executive, Mrs Stephanie McMenamy, presented a report of the Strategic Risk Register of the Office of the Police and Crime Commissioner (OPCC) for consideration. Members were informed that the register would continue to evolve and was impacted on by both local and national policy development.

The report set out specific issues relevant to the delivery of the Commissioner's Police and Crime Plan as:

- Police Collaboration
- Partnership working
- Commissioning
- Stage 2 Transfers
- Governance Arrangements
- 2014/15 Police and Crime Plan

The Risk Register appended to the report currently held four high level risks:

G-1 - The outcomes of the Police and Crime plan are not delivered

R-1 - Failure to provide a policing service to the public due to inadequate resources

PE-1 - Policing services do not meet the needs of local communities, victims and witnesses

T-1 - The reputation of the Police and Crime Commissioner is damaged.

Members considered the report.

The Chief Executive advised that the Medium Term Financial Plan would need to be revisited given the Provisional Police Funding Announcement published earlier that day had stated that Bedfordshire Police needed to find further savings.

Members were advised that an action to mitigate the loss of the Integrated Offender Management Initiative was to make it a Community Interest Company. Members were interested to understand this decision and how a Community Interest Company worked. The Chief Executive advised that there would have shared ownership with the ability to generate additional income. Governance arrangements would be led by former IOM partners moving to be founder board members of the new structure. Members were advised that this option was being closely monitored across the county as a pilot for an alternative way forward for other public and third sector organisations and partnerships.

Members agreed for a new risk to be created in relation to commissioning, ahead of the statutory responsibilities the Commissioner will need to meet in relation to victims commissioning from October 2014.

Members were informed that the Commissioner was awaiting a letter from the Home Secretary regarding Stage 2 Transfer in 2014. Members agreed that the transfer was not a strategic risk.

Members questioned who set the timetable for collaboration and were advised that this was agreed by all parties to support the greatest need. A report would be brought to the next Joint Audit Committee Meeting on Collaboration to include transformation and the LEAN process.

Members noted that there was significant issues regarding resources and this was a recurrent theme in the risk register. They acknowledged that Bedfordshire Police was in a position of low funding with a high crime mix and did have risks around viability going forward in an ever challenging financial climate.

IT WAS RESOLVED

1. That a new risk is created in relation to commissioning, ahead of the statutory responsibilities that the Commissioner will need to meet in relation to victims commissioning from October 2014.
2. The Strategic Risk Register of the Office of the Police and Crime Commissioner was endorsed.
3. The Office of the Police and Crime Commissioner adopt the Force Risk Management Policy.
4. The Risk Register of the Office of the Police and Crime Commissioner is reviewed alongside the refreshed Police and Crime Plan to ensure it accurately captures and reflects any new or emerging risks.

13/JAC/39

STRATEGIC RISK REGISTER Bedfordshire Police (In Private)

The Deputy Chief Constable presented a report to members on the current Strategic Risk Register (SRR) of Bedfordshire Police for consideration. The Strategic Risk Register of Bedfordshire Police reflected the risks associated with delivery of the Force's strategic intent.

The SRR appended to the report contained sensitive operational information and was therefore 'Restricted' and not for publication under The Elected Local Policing Bodies (Specified Information) Order 2011.

The SRR currently contains ten strategic risks. Since the SRR was last reported to the Joint Audit Committee in September 2013 three risks had a revised risk rating and one risk had been removed to be monitored as part of operational risks for the Collaboration project.

Members discussed the risks regarding performance, reduced budget, partnership working, introduction of the Police and Crime Commissioner, collaborative working, force restructure, HMIC inspections and specific operational policing matters.

Members were reassured that the risks were being managed appropriately and endorsed the changed risk ratings (Risk 10-P1, Risk 13-S1 and Risk 11-C2)

IT WAS RESOLVED

1. Members noted and considered the risks in the Force Strategic Risk Register.
2. Members specifically noted and considered the changed risk ratings (Risk 10-P1, Risk 13-S1 and Risk 11-C2)

13/JAC/40

Meeting closed at 3.30pm

13/JAC/41

Members met with the External and Internal Auditors with no officers present.

