

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

Meeting of 23 September 2015

Minutes - Confirmed

Present:

Graham Seaby - Chair	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)
Nanci Hogan	Chief of Staff (CoS)
Jennie Bayliss	Business and Compliance Manager (Minutes)
Mike Colbourne (from 3:45pm)	Acting Deputy Chief Constable (Acting DCC)
Mark Hodgson	Ernst & Young
Suzanne Lane	Baker Tilly

15/JAC/23 APOLOGIES

Apologies were received from Jagtar Singh, Independent Committee Member.

15/JAC/24 MINUTES

The minutes of the meeting of the Joint Audit Committee (JAC) held on 24 June 2015 were confirmed, subject to the following changes:

15/JAC/12 – item 5; replace the word ‘eight’ with ‘eleventh’.

15/JAC/16 – Change the tense of the resolution section to past tense.

15/JAC/19 – Change the tense of the resolution section to past tense, and add “revised” before “evaluation”.

15/JAC/20 – Change the tense of the resolution section to past tense.

15/JAC/21 – The development day will be January, not December.

IT WAS RESOLVED:

- The minutes of the meeting held on 24 June 2015 were confirmed.

15/JAC/25 STATUS REPORT AND MATTERS ARISING

The Committee received a status report of activity taken to implement the actions arising from the meeting held on 24 June 2015.

Members noted that two matters were classed as “ongoing”, namely:

- Financial/Service Delivery Risk Presentation - Medium Term Plan to be reconsidered following budget announcement on 08 July 2015.

Financial Planning will now become a standard agenda item at future meetings - Action: CFO.

- Internal Audit Plan 2015-16 – to be considered upon the next review of the SRR - **Action: CFO**

IT WAS RESOLVED

- That members noted the report.
- That the Medium Term Plan will become a standard agenda item.
- That following the next review of the Strategic Risk Register, the Internal Audit Plan 2015-16 would be re-considered.

15/JAC/26 DECLARATIONS OF INTEREST

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

15/JAC/27 EXTERNAL AUDIT

Mark Hodgson of Ernst & Young, External Auditors, presented the Audit results report for year ended 31 March 2015. It was noted that the Auditors expect to issue an unqualified opinion on the financial statements. They confirmed that the Office of the Police & Crime Commissioner for Bedfordshire and Office of the Chief Constable for Bedfordshire have prepared their financial statements well. Regarding Value for money, it is expected to conclude that that the Office of the Police & Crime Commissioner for Bedfordshire and the Office of the Chief Constable for Bedfordshire have made appropriate arrangements to secure economy, efficiency and effectiveness in their use of resources. It was also noted that the Auditors have not reported any significant matters to the National Audit Office (NAO) regarding the Whole of Government Accounts submission.

In summary; no serious matters were proposed and there was nothing to bring to the committee's attention.

A discussion ensued regarding financial planning for the years 2016/17 up to and including 2018/19 in light of the known potential funding gaps and budget issues, and Members noted the two recommendations within the Audit report paper:

1. The PCC and CC need to robustly monitor the delivery of its savings programme. The PCC and CC should take prompt action and explore

alternative savings proposals, including in collaboration and partnership with others, to mitigate the risk of non-delivery or slippage of the savings programmes.

2. The PCC and CC must update the information, risks and assumptions within the MTFs as the position on future funding settlements becomes clear and in light of any changes to the delivery of the savings programme.

The Committee noted the 2018-19 residual gap of £2.1M, which will be bigger if any collaboration programme fails or slips on timeline, and concern was expressed that Bedfordshire had not tabled an alternative plan to meet the gap expected. Whilst considerable work is being done to try and improve the level of funding Bedfordshire receive from the Home Office the planning assumptions of the Medium Term Financial Plan will need to be monitored closely.

The CFO highlighted to the Committee that the current medium term financial plan relies heavily on successful completion of all planned collaborations and actual realisation of the projected savings. Evidence of progress so far shows some slippage to the existing timetable and the committee were looking for assurance that the Commissioner and Force understood this risk and what impact this would have on the financial plans.

Action: That the CFO brings to each meeting an updated MTFP incorporating savings assumptions and the progress being made. The Committee also wanted to understand what the alternative plan was for Bedfordshire if the required savings were not achieved.

Action: That the Committee receive regular updates on progress of delivery of savings to ensure that assurance can be provided on the ability to deliver these.

Action: That the Committee receives assurance that appropriate updates are made to the MTFP as a result of more up to date funding information, such as future settlements.

The Chair asked for formal thanks to be put on record for the Finance Team, notably Hannah Broadbank, for their hard work and support to the audit process.

IT WAS RESOLVED THAT:

- The Committee noted the content.
- The Chair signed the Final Accounts Declaration.
- The CFO and CC to sign the Letters of Representations.

15/JAC/28 INTERNAL AUDIT

JAC reviewed what had been done in respect of the 2014-15 audits and accepted them as completed/final and no further reference to them is required.

Suzanne Lane of Baker Tilly presented an update report on the progress of the 2015/16 Internal Audit Plan. Members noted the changes to the timing of the audits. With no changes since the drafts were presented at the previous meeting, she drew Members attention to the audits which are currently indicating a red

opinion:

Human Resources – Performance Development Reviews (PDRs): The auditor had concerns with regards to the gaps identified in the completion of PDRs and the accuracy of the management information within them. She confirmed that what PDRs they had seen provided good content, however the Force had been unable to confirm how many PDRs had been completed. Members noted the red opinion, but took the view that the real issues which gave concerns were:

- Questions arising as to the culture regarding PDRs and the level of importance placed on this process by the Force
- The root cause of the system failures, either IT or management.
- Is there a cause for concern that other management system failures may be present if they rely on the same technology or system.

Action: The Committee requested that assurance is sought on these three areas in order to address the internal audit findings.

Equality & Diversity: Members noted the main areas of concern to be communication, record keeping and training, all essential in ensuring delivery. On reviewing the action plan, Members raised question to use of the word ‘community’ as being either an internal or external reference. Members asked if all elements of Equality and Diversity had been reviewed as little reference was made to anything except the BME community. The Auditors confirmed that the scope of the audit had not been limited to BME.

Action: The Committee requested implementation updates for the next committee meeting.

Linked to the recommendation of the external auditors, the Committee asked that as part of the budgetary control audit that future audits took into account savings assurance and financial planning.

The CFO explained that a savings assurance audit was planned and asked that the internal auditors bring this forward in order that it can be provided to the next meeting of this Committee.

Action: That the internal auditors ensure that future audit plans incorporate audits associated with financial planning and savings and that the savings assurance audit included within the 2015/16 plan be brought forward.

Internal Audit Plan: Progress on Recommendations

Members noted healthy assurance from the recommendations. Three internal audit recommendations have been completed since the last Joint Audit Committee on 24 June 2015. Of the five remaining audit recommendations, four are yet to reach the expected implementation date and one has passed the original completion

date.

IT WAS RESOLVED:

- That the Committee noted the update of work completed against the Internal audit Plan 2015/16.
- That the Committee noted the progress on recommendations of the Internal Audit Plan 2015/16.

15/JAC/29 FORCE OVERVIEW REPORT

In the Deputy Chief Constable's absence, the Force Overview report was presented by the CFO. Members reviewed the performance data and updates within collaboration and budgeting. The Committee welcomed the updates however requested some expansion in part in order to maximise the usefulness of the information.

On reviewing the overall crime levels, Members questioned if an increase in crime is due to increased crime or increased reporting. The CFO confirmed that there is a focus on increasing the recording of crime in the categories of under reported crime. Linked to the funding of the Force the CFO also explained the issue associated with the level of Force resource to deal with the demand of day to day workload.

Members raised a question as to how the New Policing Model is affecting efficiency and savings.

Action: The Committee asked for details on how the new Policing Model was delivering against efficiency and savings.

Challenge was also made regarding the progress of tri-force collaboration to date, with collaboration being fundamental in achieving some savings plans and in the delivery of the Police and Crime Plan. Members stated some concern regarding the slippage to date as a result of slow delivery of collaboration and the possible consequence this may have on any future delivery.

The Committee asked that for future reports the collaboration table be enhanced to include the Beds proportion of savings and progress compared with anticipated timescales.

Action: That the Bedfordshire proportion of savings be shown within future reports.

The Chair thanked the CFO for the report and confirmed its usefulness for the Committee going forwards, especially if the comments made by the members were taken on board.

IT WAS RESOLVED:

- That the Committee noted and considered the data and information provided within the report.

15/JAC/30 STRATEGIC RISK REGISTER OF THE POLICE AND CRIME COMMISSIONER FOR BEDFORDSHIRE

The Chief of Staff presented the newly revised Strategic Risk Register for the OPCC. She confirmed that this had been developed through a back to basics approach in conjunction with the Committee and is now focused on the delivery of the Police and Crime Plan. Aside from the areas of Finance and Collaboration, the other risks are specifically detailed to be reflective of the statutory obligations of the Office of the Police and Crime Commissioner. Members noted that the revision of this as a tool would now provide clearer assurance for the Committee that the Force was being sufficiently held to account.

IT WAS RESOLVED:

- That the Committee noted and considered the risks in the OPCCs Strategic Risk register.

The Acting Deputy Chief Constable arrived at this point in the meeting.

15/JAC/31 (RESTRICTED**)**

15/JAC/32 (RESTRICTED**)**

15/JAC/33 AOB

Dates for the 2016 meetings were agreed with one amendment; the meeting for 2015/16 Q4 will be on 18 March 2016. All meetings will start at 1:30pm with pre-meets for members at 1pm.

Next meeting: Friday 18 December 2015 at 1:30pm (pre-meet for members at 1pm)