

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

Meeting of 25 June 2014

Minutes

Present:

Mr Jagtar Singh - Chair	Independent Committee Member
Mr Wayne Brads	Independent Committee Member
Mr Graham Seaby	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 Nanci Hogan	Chief of Staff
Ms Hannah Broadbank	Principal Accountant (Bedfordshire Police)
Mrs Pat Brown	Compliance Officer - Minutes
Mr Mark Jones	Head of Internal Audit, Baker Tilly Holdings Ltd

14/JAC/12 APOLOGIES

Apologies were received from Independent Member Andrew Godman, Deputy Chief Constable John Fletcher, Deputy Chief Constable Jon Boutcher, Mark Hodgson of Ernst and Young and Natalie Clark of Ernst and Young.

14/JAC/13 MINUTES

The minutes of the Meeting of the Joint Audit Committee held on the 26 March were confirmed.

14/JAC/14 STATUS REPORT AND MATTERS ARISING

The Committee received a status report of activity taken to implement the actions arising from the meeting held on 26 March 2014.

IT WAS RESOLVED

That the status report be noted.

14/JAC/15 DECLARATIONS OF INTEREST

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

14/JAC/16 EXTERNAL AUDIT

Neither Mr Mark Hodgson nor Natalie Clark of Ernst and Young LLP were able to attend the meeting on this occasion. Natalie Clarke sent a message relayed through the Chief Finance Officer to advise:

- Ernst and Young had held a Police Reference Group in Reading in April that had been attended by the Bedfordshire Chair, Mr Jagtar Singh and the Force Principal Accountant, Hannah Broadbank.
- Discussions have been had with the Force Finance Team about the composition and format of the statements of accounts 2013/14 as presented to this meeting.
- Discussions will continue up to and throughout the audit which is due to commence on 11 August 2014.
- Bedfordshire has been chosen as the last to go in the cycle with Cambridgeshire and Hertfordshire due to the excellent way the accounts were prepared last year and in light of the low level of issues emerging from the audit.

IT WAS RESOLVED

That the Committee note the External Audit update.

14/JAC/17 INTERNAL AUDIT

a) Progress against the Internal Audit Plan 2013/14

Mr Mark Jones of Baker Tilly Holdings Ltd. presented an update report on the progress of the 2013/14 Internal Audit Plan since the last meeting. He advised members that all audits for 2013/14 had been completed, that no audit overran and no contingency was required.

Members were informed that four audits had been finalised as:

1. **Collaboration – Governance** (advisory) – recommendations - 2 high and 10 medium priority
2. **Risk Management OPCC** (rated amber/green) - recommendations – 2 medium priority
3. **Risk Management Force** (rated green) - recommendations – 1 medium and 1 low priority
4. **Follow Up** (rated adequate progress) - recommendations - 1 medium and 1 low priority

The executive summaries of the finalised audits were contained within the report to members. All full finalised audit reports had been provided to members by email and paper copy, including collaborative audits.

Members were advised of collaborative audits that had been undertaken by Cambridgeshire and Hertfordshire appended in the report as:

Cambridgeshire

1. **Collaboration – Procurement** (rated red/amber) – recommendations - 10 medium and 3 low priority.

Hertfordshire

1. **Financial Control for collaborated work streams** (rated substantial)¹ – recommendations - 3 medium and 1 low priority
2. **Road Policing** (rated moderate) – recommendations - 3 high and 1 medium priority
3. **Pensions** (rated substantial) – recommendations - 8 low priority

Members were informed that the Collaborative Procurement Audit had been completed earlier that week and that this tied up with the Joint Financial Regulations currently under development. It was anticipated that the final draft version of the Joint Financial Regulations would be brought to the September meeting of the Joint Audit Committee for consideration. The Chief Finance Officer advised it was likely this procurement audit would be revisited within the 2015/16 audit plan.

Members considered the Internal Audit Report and noted the progress made to date against the 2013/14 Internal Audit Plan.

IT WAS RESOLVED

1. That the committee noted the update of work completed against the Internal Audit Plan 2013/14
2. That the committee noted the update of work completed against the Collaborative Internal Audits

14/JAC/18 INTERNAL AUDIT

b) Annual Report 2013/14

Mr Mark Jones of Baker Tilly Holdings Ltd. presented the Internal Audit Annual Report 2013/14 to members to provide an overall opinion on the adequacy and effectiveness of the Commissioner's and Chief Constable's governance, risk management and control arrangements. The evidence from this report was presented in the Annual Governance Statements of the Commissioner and Chief Constable as an important aspect of their corporate governance.

The opinion of the Internal Auditor was as follows:

Office of the Police and Crime Commissioner

We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion on the adequacy and effectiveness of the Office

¹ Hertfordshire use different opinion terms as (full, substantial, moderate, limited, no assurance)

of the Police and Crime Commissioner's arrangements.

In our opinion, based upon work we have undertaken, for the 12 months ended 31 March 2014 the Office of the Police and Crime Commissioner had adequate and effective risk management, control and governance processes to manage the achievement of the organisation's objectives.

Bedfordshire Police

We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion on the adequacy and effectiveness of Bedfordshire Police arrangements.

In our opinion, based upon work we have undertaken, for the 12 months ended 31 March 2014 Bedfordshire Police had adequate and effective risk management, control and governance processes to manage the achievement of the organisation's objectives.

IT WAS RESOLVED

1. That members accept the internal auditor's opinion that the Commissioner and Chief Constable had adequate and effective arrangements in place in 2013/14 in relation to governance, risk management and control arrangements.
2. That the Statement of Assurance detailed in the Annual Report be used by the Commissioner and Chief Constable in the preparation of their individual Annual Governance Statements

14/JAC/19 INTERNAL AUDIT

c) 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 eight recommendations in the report of which five were complete, one was outstanding and two had not yet reached their implementation date.

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

- Data Security 2013/14 - The training package incorporating IT security would be implemented across the three forces during the first quarter of 2014/15.

Members welcomed that the new Chief Constable had reinstated Professional Development Reviews (PDRs) for all officers and staff which would provide more robust monitoring of mandatory and optional training undertaken.

IT WAS RESOLVED

1. That Members consider and noted the completed recommendations.
2. That Members considered and noted the current status of the remaining recommendations as described in the report.

14/JAC/20 REVIEW OF FINANCIAL REGULATIONS

The Chief Finance Officer presented a report to members on the progress in the development of common financial regulations for Bedfordshire, Cambridgeshire and Hertfordshire.

The Scheme of Governance and the Financial Regulations were updated on 1st April 2014, due to the stage 2 transfers coming into effect at this date. At this point the opportunity was taken to adopt a common scheme of governance, in conjunction with Cambridgeshire and Hertfordshire. This was endorsed by the Police and Crime Commissioners at the Bedfordshire, Cambridgeshire and Hertfordshire Strategic Alliance meeting held on 1st April 2014.

Moving forward the Chief Finance Officers of Bedfordshire, Cambridgeshire and Hertfordshire expressed a desire to develop common financial regulations, with a review date of June 2014. This report details how work is progressing in the process of developing common financial regulations to be presented to the Joint Audit Committee in September 2014.

IT WAS RESOLVED

That Members considered and noted the report.

14/JAC/21 ACCOUNTS 2013/14

The Chief Finance Officer presented the draft Statements of Accounts of the Commissioner and Chief Constable along with their associated accounting policies and annual governance statements to members for their consideration.

Principal Accountant, Hannah Broadbank provided the update on the Statements of Accounts for the Commissioner and Chief Constable.

Members advised some corrections to the accounts and took assurance from the Chief Finance Officer on matters of their concern regarding pension provision and vehicle depreciation rates.

It was noted that a formal audit of the accounts by the External Auditor would commence on 11 August 2014 and would be completed by 29 August 2014. The audit opinion was expected by 24 September 2014.

IT WAS RESOLVED

1. That Members considered and noted the accounting policies for the Police & Crime Commissioner and Chief Constable.
2. That Members considered the Police & Crime Commissioner's and Chief Constable's Annual Governance Statements
3. That Members noted and reviewed the accounts of the Chief Constable
4. That Members noted and reviewed the accounts of the Police & Crime

Commissioner

14/JAC/22 COMMITTEE EFFECTIVENESS REPORT

The Chief Finance Officer presented his report to members for the purpose of providing them with an evaluation of the effectiveness of the Joint Audit Committee.

The table used had been provided by CIPFA as good practice for annual assessment of audit committees in local authorities and police.

The self assessment had found that although effectiveness overall was good there was an area for improvement around counter fraud and corruption. Members welcomed that a report on counter fraud and corruption would be brought to the next meeting in September.

Independent member Graham Seaby agreed to meet with the Chief Finance Officer to discuss a revision of the Committee's terms of reference and to circulate by email a draft of his recommendations.

After considering the elements of the self assessment Members agreed to look into ways that they could provide better value. The following ideas were discussed:

- annual report of the Joint Audit Committee
- for each member to support a particular area of business
- options to address ethics, whistle blowing

Members commented that although they report up to the Commissioner's Strategic Board they do not receive any feedback. A further suggestion was made that the chair met with the Commissioner and Chief Constable individually and or jointly at least once a year. The Chief Finance Officer agreed to take this matter to the Commissioner and Chief Constable.

The Chair agreed to look at personal appraisals for members at the end of the year 2015.

IT WAS RESOLVED

1. That the Committee considered and agreed the evaluation of the Committee with a few amendments
2. That the Committee agree to receive a report at the next Committee on Counter Fraud and Corruption to understand how this will form part of the regular reporting framework to this Committee.

14/JAC/23 HER MAJESTY'S INSPECTORATE OF CONSTABULARY (HMIC) INSPECTIONS

The Chief Finance Officer presented a report to members to inform of HMIC activity from March 2014 and on anticipated inspections.

Members were advised that Bedfordshire Police had been criticised in two recent inspections, Domestic Abuse and Custody. The concerns raised by HMIC in these and other recent inspections have led to them inviting the Chief Constable and Police and Crime Commissioner to attend their Crime and Policing Monitoring Group in July.

Members were concerned about other areas of the Force that might provide negative results in forthcoming inspections. The Chief Finance Officer advised that the Force was looking at its areas of business including governance, policy and strategy, using methodology developed from the experience of previous inspections.

Members expressed concern that the demands of responding to the HMIC inspections might divert resources away from Force/Commissioner defined priority areas of policing i.e. Police and Crime Plan and Force Strategic Intent.

IT WAS RESOLVED

That the Committee noted the report.

14/JAC/24 STRATEGIC RISK REGISTER

Office of the Police and Crime Commissioner for Bedfordshire

The Chief of Staff, Nanci Hogan, presented a report of the Strategic Risk Register (SRR) of the Police and Crime Commissioner 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/Funding
- Partnership working
- Commissioning
- Community Engagement
- Reputation

The SRR appended to the report currently held five 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.

C-1 - The Police and Crime Commissioner does not meet his statutory duties regarding commissioning of victim services.

Members considered the report.

The Chief of Staff advised members on mitigations to key risk issues regarding:

- Collaboration
- Partnership working including:
 - Integrated Offender Management.
 - Transforming Rehabilitation
 - Demand Reduction Board
 - Drug and Alcohol Solutions Group
- Commissioning
- Community Engagement
- Governance
- Reputation

Members discussed the report and considered the risk ratings. No changes were made to risk ratings.

IT WAS RESOLVED

1. That members considered and noted the Strategic Risk Register of the Police and Crime Commissioner.
2. That the Strategic Risk Register be reviewed alongside the revised Police and Crime Plan.

14/JAC/25 STRATEGIC RISK REGISTER Bedfordshire Police (In Private)

The Chief Finance Officer presented a report to members on the current Strategic Risk Register (SRR) of Bedfordshire Police for consideration. The SSR 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 contained eleven strategic risks. Since the SRR was last reported to the Joint Audit Committee in June 2014 two risks had been added, one risk had been closed and one risk rating had been changed.

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 assured that the Internal Audit on Force Risk Management had received a green rating.

Members commented that updates since the last report had not been highlighted as usual and were advised that the risk register had been thoroughly updated on

this occasion following the recommendation of the recent internal audit and track changes would be included again in future reports.

Members were reassured that the risks were being managed appropriately.

IT WAS RESOLVED

1. That Members noted and considered the risks in the Force Strategic Risk Register.
2. That Members noted the two new risk and their impact on the Force.

14/JAC/26 ANY OTHER BUSINESS

The Chair thanked the Chief Finance Officer for arranging the development day for members which had been held on 18 June.

Members asked that meeting dates for 2015/16 be agreed as soon as possible.

14/JAC/27 Meeting closed at 4.05pm

