

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

**Meeting of 25 March 2015
Minutes**

Present:

Jagtar Singh - Chair	Independent Committee Member
Andrew Godman	Independent Committee Member
Graham Seaby	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
Nanci Hogan	Chief of Staff
Jon Boutcher	Deputy Chief Constable
Mark Hodgson	Audit Director, Ernst and Young LLP
Mark Jones	Head of Internal Audit, Baker Tilly Holdings Ltd
Pauline Gibbons	Minutes

15/JAC/01 APOLOGIES

Apologies were received from Wayne Brads.

15/JAC/02 MINUTES

The minutes of the Meeting of the Joint Audit Committee (JAC) held on 17 December 2014 were confirmed.

15/JAC/03 STATUS REPORT AND MATTERS ARISING

The Committee received a status report of activity taken to implement the actions arising from the meeting held on 17 December 2014.

Members also raised the following matters:

1. Regular meetings of Chair and CC:

The first meeting has taken place and it was reported that this went well. The Chief Constable is open to formal or informal feedback and to two meetings per year. Assurance has been given that the Committee is meeting its needs and delivering in accordance with its terms of reference. The Deputy Chief Constable felt that robust scrutiny is undertaken by the Committee and that it provides effective advice and support to both the Chief Constable and the Police and Crime Commissioner.

2. Portfolio activity of members:

The report has been deferred until the development day on 19

June.

3. Amend wording regarding aligning revised JAC ToR in Financial Regulations/Scheme of Governance:
Tri-Force Alliance Financial Regulations are currently being updated but will include Bedfordshire specific wording.
4. An impact assessment is to be carried out on the effect the current HMIC inspection regime is having on Bedfordshire Police. The report is to include quantitative evidence, costs/resources:
Completed and document circulated. The document highlighted that a rough estimate of the total cost of officer and staff time to manage HMIC inspections during Jan to Dec 2014 totals approx £150,000 to £200,000.
5. It was questioned whether risk 14.S1 of the Force Strategic Risk register be split into two risks: 1. Outcomes for victims and families and 2. Negative impact on Force:
Under the process to refine Force strategic risks, this risk has been amended to: If requirements to meet national changes divert Force resources from operational policing, then the Force may fail to deliver effective services or improved productivity and increased efficiencies. The Force Strategic Risk Register is about risks for the Force as an organisation, rather than risks for outside stakeholders (such as victims and families). Poor outcomes for victims and families would be a risk to the Force. Where outcomes to victims and families are an issue, it was suggested that they be considered within the risk, rather than by creating a separate risk.

IT WAS RESOLVED

- That members noted the report.
- That the report on the portfolio activity of members be deferred until the development day on 19 June 2015.
- That the Tri-Force Alliance Financial Regulations be completed for the next meeting.

15/JAC/04 DECLARATIONS OF INTEREST

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

15/JAC/05

15/JAC/06 a) Strategic Risk Register of the Police and Crime Commissioner for Bedfordshire

The Chief of Staff presented the report together with a note of recent amendments. The report has been completely redrafted and contains new risks. The SRR has been formed from alignment with the Strategic Risk Register of Bedfordshire Police, the audit report and the Police and Crime Plan.

Risk SR08 has been added back in given the forthcoming referendum. External factors that may impact the OPCC have been acknowledged.

The SRR will be regularly discussed and reviewed at Silver Group meetings and has been amended as a result of the Silver Group meeting held yesterday. The red risks are to be reviewed monthly and the amber risks quarterly.

The Police and Crime Plan will be revised during May to incorporate changes if the referendum is successful.

The risk regarding governance has been removed and this decision needs to be reviewed. The Police and Crime Panel are part of the governance monitoring.

Based on the Police and Crime Plan, it was felt that risk SR01 should read: "If financial resources are insufficient to meet the policing needs of Bedfordshire, then the PCC may fail to build confident communities".

The report regarding Risk Management will be circulated to members once available.

It was suggested that a member of the committee should attend internal meetings where SRR is used. Assurance was sought that SRR is used as a management tool, also, how it is being used and how it is adding value. The Chief of Staff agreed to provide the members with minutes of any Silver Group meetings where the SRR is discussed.

IT WAS RESOLVED

1. That the report is noted.
2. That the Police and Crime Plan is reviewed in May to incorporate changes should the referendum be successful.
3. That the decision to remove the risk regarding governance be reviewed.
4. That the wording of risk SR01 be changed to; "If financial resources are insufficient to meet the policing needs of Bedfordshire, then the PCC may fail to build confident communities."
5. That the report regarding Risk Management will be circulated to members once available.
6. That the minutes of any Silver Group meetings where the SRR is discussed be provided to members.

b) Financial/Service Delivery Risk Presentation

The Chief Finance Officer gave a presentation regarding the impending referendum which was informative and well received by the members.

The draft audit report will be finalised once management comments are received.

If the referendum is not successful, the cost of approx £600,000 will be met from PCC reserves and we need to ensure that the SRR covers this. An impact analysis of the referendum is required.

IT WAS RESOLVED

1. That an impact analysis of the referendum be undertaken.

15/JAC/07 EXTERNAL AUDIT

2014-15 Audit Plan

It was confirmed that the number of risks identified in the Audit Plan is down to two.

In 5.3 of the Audit Plan, it was confirmed that the overall materiality for the PCC and CC financial statements will be set at 2%. The members are comfortable with this.

Work needs to be done before and after the referendum in order that the auditor can give a qualified judgement regarding the financial resilience. The Chair was interested in the performance resilience and the auditor advised that this was for HMIC to comment on.

The members wanted reassurance that financial resilience and performance do correlate. The PCC has proposed an increased the precept as it is one of the few options open to him although it was felt that increasing the precept was only putting a plaster over the financial problem. The Chair wanted to know whether there is a Plan B regarding obtaining an increase in government funding.

The external auditor has concerns regarding the financial viability and there could be an unqualified opinion re VFM.

IT WAS RESOLVED

1. The reports were noted by members.

15/JAC/08 INTERNAL AUDIT

a) Progress against the Internal Audit Plan 2014/15

Mark Jones, Head of Internal Audit at Baker Tilly Holdings Ltd presented an update report on the progress of the 2014/15 Internal Audit Plan.

Progress is being made against the Plan and all audits should be completed in draft form by the end of the year.

Members were informed of the following:

- 1) The Risk Management report was outstanding, due to the timing of the meeting.
- 2) Partnerships and Commissioning delayed until 27 April at the request of management. We are implementing Victims Commissioning and from 01 April we will have a contract. An audit will be undertaken following implementation.
- 3) The report on Athena has been delayed – Essex is just going live and once the initial teething problems have been addressed, we will then bring in the auditors to review how we are preparing.

The members found the explanations satisfactory.

b) Internal Audit Plan 2015-16

Good report now SRRs are integrated into Audit Plan. An eighth risk needs to be added for PCC – page 5.

Fees are based on 109 days for Bedfordshire and 100 days for the collaboration.

Follow-ups are to make sure actions have been taken in quarter 2. Before September, we need to make sure follow-ups are completed.

Appendix F: where the Force/OPCC is the lead, they will take this to the audit committee. The Chief Financial officer to coordinate the response to the audit committee where issues relate to Beds or Beds is the lead force.

An additional review on Storage and Disposal of Firearms, Ammunition and Explosives has been requested. Members were advised that this related to Bedfordshire only. Whilst a problem was identified in Bedfordshire regarding how the Force log and store/dispose of firearms and ammunition, the solution will benefit the collaboration as a whole. Bedfordshire have a greater risk than Cambridgeshire or Hertfordshire and that is why we are pushing ahead with this rather than waiting for BCH action.

IT WAS RESOLVED

1. That the Committee note the update on the progress made against the 2014/15 Plan.
2. That the Committee approve the 2015/16 Internal Audit Plan and in doing so agree that:
 - i. The Internal Audit Strategy covers the organisation's key risks
 - ii. The Internal Audit Plan for 2015/16 reflects the areas that the JAC believes should be covered as a priority
3. An eighth risk needs to be added for PCC – page 5

c) Progress on Internal Audit Recommendations

Three internal audit recommendations have been completed since the last JAC meeting in December 2014. Of the five remaining internal audit recommendations,

one is yet to reach the expected implementation date and four have passed the original completion date.

IT WAS RESOLVED

1. That members note and endorse the completion of three internal audit recommendations
2. That members consider and endorse the current status of the five remaining recommendations

15/JAC/09 HMIC INSPECTIONS

No inspection reports have been received since the last meeting in December 2014.

HMIC inspection activity for 2015 is focused on their PEEL (Police Effectiveness, Efficiency and Legitimacy) assessment which starts in May, with the second part in July.

Chief Inspector Vicki Evans has been asked to lead the management of the HMIC inspections full-time at a cost of £70K per annum, this being on top of the two staff already involved within the management of the process.

Recommendations are to be costed so we can assess the cost to the Force. It is hoped that we will start to see an improvement in HMIC's perception of the Force.

The members feel that they need a greater understanding of PEEL and what is assessed. It was suggested that this is discussed at a future meeting.

IT WAS RESOLVED

1. That members noted and considered the activity report on forthcoming HMIC inspections.

Next meeting: Wednesday 24 June 2015

Development Day: Friday 19 June 2015