



Joint Audit Committee (JAC)

Meeting Minutes

Date: Monday 21st September 2015

Time: 1pm

Location: Office of the Police & Crime Commissioner (OPCC),
St George's Chambers, St George's Street, Winchester. SO23 8AJ

Committee Members:

Mike Attenborough-Cox
Elizabeth Mackenzie
Elizabeth Dermody
Lesley Kirk
Peter Lloyd

Chair
Vice-Chair
Committee Member
Committee Member
Committee Member

In Attendance:

Simon Hayes

Andy Marsh

Kevin Gardner

Mark Chatterton
Carolyn Williamson

Richard Croucher

Craig Southin
Kate Boynton
James Payne

Karen Shaw

Helen Thompson
Justine Thorpe
Andrew Bouflower

Shirley Semke

Police and Crime Commissioner for Hampshire (for
Items 1 – 6)
Chief Constable (Hampshire Constabulary) (for Items
1 – 6)
Chief Executive (Office of the Police and Crime
Commissioner)
Chief Superintendent (Hampshire Constabulary)
Chief Finance Officer for the Police and Crime
Commissioner
Chief Finance Officer for the Chief Constable
(Hampshire Constabulary)
Deputy Corporate Accounting Manager (HCC)
Senior Finance Business Partner (Police and Fire)
Estate Strategy and Delivery Director (Office of the
Police and Crime Commissioner)
Chief Internal Auditor for the Police & Crime
Commissioner and the Constabulary
External Audit Director (Ernst & Young)
External Audit Manager (Ernst & Young)
HCC Deputy Investments and Borrowing Manager
(Item 5)
Business Support Manager (Minutes)

(Office of the Police and Crime Commissioner)

173. DECLARATION OF INTERESTS

Members were mindful that, where they believed they had a personal or prejudicial interest in any matter to be considered at the meeting, they should at the time of the debate, declare their interest and consider whether to leave the meeting whilst the matter was discussed.

174. APOLOGIES (Item 2)

Apologies were received from DCC Graham McNulty.

175. CHAIR'S REPORT (Item 3)

The Chair had nothing to report.

176. MINUTES OF THE MEETING HELD ON 25th JUNE 2015 (Item 4)

The minutes of the meeting held on June 25th 2015 were noted as a correct record and signed by the Chair with the following minor amendments:

Page 2, Item 157 – amended to “been”

Page 3, Item 161 - the date for quicker closedowns was amended to 2017-2018.

Page 5, Item 166 – noted that the self-assessment document had not been included in the papers for the meeting.

Action Log:

The Action log was reviewed. The morning's training session on the Statement of Accounts by Richard Croucher and Craig Southin was noted as a first class presentation which raised a number of questions to be picked up with the External Auditors.

177. EXTERNAL AUDIT – AUDIT RESULTS REPORT 2014/15 (Item 5)

Helen Thompson presented the report of the External Auditors, drawing attention to the Executive Summary which notes that audit work had been completed as required though Whole of Government Accounts (WGA) work is still to be completed. Field work for this is done and work will be completed in time for the issue of the audit certificate alongside opinion and value for money. Risks have been addressed by testing with none identified and appropriate controls in place. Data migration is complete and accurate and there are no issues to report from H3 arrangements. Peter Lloyd questioned the point at P10 App C Point 7 on removed contingent liability and the wording will be amended to clarify this point. The Chair noted the estimate of £10.5m as reasonable based on GAD calculations. Peter Lloyd further noted the reference to the committee meeting date as September 25th which should September 21st.

Ms Thompson advised the meeting that the audit had gone well although not met today's deadline. Discussion concluded a review of the timetable should be undertaken in order to meet deadlines. This was welcomed by the Chair.

Financial resilience was noted as a significant risk and whilst the medium term financial strategy is based on sound principles it was highlighted that the Comprehensive Spending Review (CSR) may have an effect. Peter Lloyd questioned whether the risk on P17 of the report should be included in the HC risk register. It was noted that Item 115 of the HC risk register already covers this risk and the Chief Constable (CC) confirmed his awareness of this risk and his willingness to amend the document if needed.

It was confirmed no fees will be charged for extra sampling completed by the External Auditors.

The Chair explained that the Committee had considered the External Auditors' report and was content to offer the Commissioner and Chief Constable assurance as to its contents.

178. STATEMENT OF ACCOUNTS 2014/15 (Item 6)

Separate Statements of Accounts for the Commissioner and the Chief Constable were considered by the Committee, for review and recommendation to the Commissioner and the Chief Constable, who would be responsible for signing their respective Statement of Accounts. It was noted that the Statements of Accounts had been the subject of a detailed scrutiny session for the Committee earlier in the day, presented by Richard Croucher and Craig Southin. It was recommended that, in future years the possibility of a high level summary in graphic form to capture key points should be explored. Craig Southin agreed to investigate this. The Committee found the scrutiny session valuable in enabling a good understanding of the Statements of Accounts.

Members felt that there was scope for more information to be included in the Annual Governance Statements about the arrangements introduced to scrutinize performance and hold the Chief Constable to account, and that consideration should be given to this for future years.

Following discussions, it was noted that a minor amendment would be made to the Annual Governance Statements to reflect the fact that further work would be undertaken on the Committee's annual report and assessment of effectiveness. The Committee would provide appropriate wording for inclusion in the Annual Governance Statements of both the Police and a Crime Commissioner and the Chief Constable.

179. ANNUAL REVIEW OF THE EFFECTIVENESS OF THE JOINT AUDIT COMMITTEE (Item 7)

Following discussion with this item was withdrawn.

At this point the Police and Crime Commissioner and the Chief Constable left the meeting.

180. TREASURY MANAGEMENT MID-YEAR REPORT (Item 8)

The Committee considered the Treasury Management Mid-Year report. Andrew Bouflower reported that the standard report for mid-year complied with the set strategy. The main news still awaited is in respect of interest rates. There is no borrowing, investments are higher and there is diversification of investments to provide great security of capital. Michael Attenborough Cox (Chair) noted the increase in investment holdings which was confirmed by Richard Croucher as more money held in reserves. Peter Lloyd noted the new strategy at 4.3 of the report and questioned whether point 4.4 was a complete response. It was noted by Andrew Bouflower as work in progress and by ensuring when investing that it is only in 'safe' areas. The committee's observations on the report were noted, and the Chair thanked Andrew Bouflower for a good report.

181. INTERNAL AUDIT PROGRESS REPORT 2015/16 (Item 9)

The Committee considered the report of the Chief Internal Auditor. Karen Shaw informed the meeting that work is ongoing to clear overdue management actions. Work is in progress on the current year's audit work though it has been noted by the DCC that HMIC planned work may mean some variations to the current audit plan are needed. The Chair noted that the Committee would like to see the outstanding actions on the Seized and Found Property report closed off by the next meeting. External assessment had completed the week prior to the meeting and had taken place over 8 person days. Verbal feedback received so far had been positive and a written report will be available by the January 2016 meeting.

182. DATE OF NEXT MEETING/FORWARD PLAN (Item 10)

Audit committee self assessment of effectiveness was added to the agenda for the next meeting of the Committee on **Wednesday 20th January 2016**.

MOVE TO PRIVATE SESSION

183. EXCLUSION OF THE PRESS AND PUBLIC (ITEM 11)

The public were excluded from the meeting during the following items of business, as it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

184. CONFIDENTIAL MINUTES (Item 12)

The confidential minutes were agreed as a true record of events and signed by the Chair.

185. INTERNAL AUDIT PROGRESS REPORT – CONFIDENTIAL (Item 13)

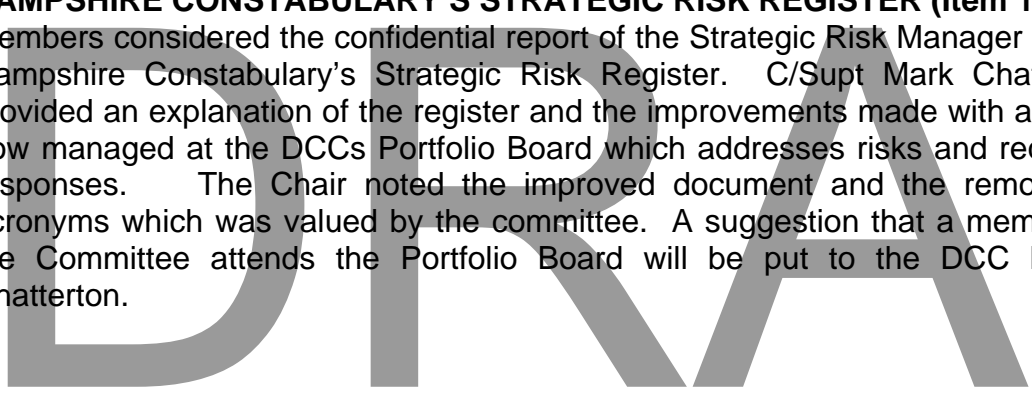
Members received the confidential report of the Chief Internal Auditor together with copies of internal audit reports issued since the last meeting in June 2015.

186. OFFICE OF THE POLICE AND CRIME COMMISSIONER’S STRATEGIC RISK REGISTER UPDATE

Members considered the confidential Annual Report of the Estates Strategy & Delivery Director on the OPCC Strategic Risk Register and reviewed the Risk Register. Appendix A was tabled at the meeting with apologies that it was not circulated earlier. James Payne talked through risks and which have changed focus during the year with the potential of significant change due to the forthcoming PCC elections. More risks have been added to the register and these will become more detailed over time. The Committee noted progress made in risk management over the past 14 months and the further developments in hand.

187. HAMPSHIRE CONSTABULARY’S STRATEGIC RISK REGISTER (Item 15)

Members considered the confidential report of the Strategic Risk Manager on the Hampshire Constabulary’s Strategic Risk Register. C/Supt Mark Chatterton provided an explanation of the register and the improvements made with all risks now managed at the DCCs Portfolio Board which addresses risks and requests responses. The Chair noted the improved document and the removal of acronyms which was valued by the committee. A suggestion that a member of the Committee attends the Portfolio Board will be put to the DCC by Mr Chatterton.



MEETING CLOSED 3.40pm.

Agreed as a correct record:

Chair:

Date:

DRA