



Joint Audit Committee

Meeting Minutes

Date: Tuesday 25 June 2013

Time: 11am

Location: Westgate Chambers, Winchester

Committee Members:

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

In Attendance:

Mr Richard Croucher	Chief Finance Officer for the Chief Constable (Hampshire Constabulary)
Mrs Carolyn Williamson	Chief Finance Officer for the Police and Crime Commissioner
Mrs Jenni Douglas-Todd	Chief Executive (Office of the Police and Crime Commissioner)
Mrs Karen Shaw	Chief Internal Auditor for the Police & Crime Commissioner and the Constabulary
Mrs Kate Handy	External Audit Director (Ernst & Young)
Ms Justine Thorpe	External Audit Manager (Ernst & Young)
Mr Craig Southin	Financial Manager for Statutory Accounting (Hampshire Constabulary)
Mr Andrew Boutflower	Senior Accounting Manager (Hampshire County Council)
Mrs Caroline Sargeant	Finance & Business Support Officer (Office of the Police and Crime Commissioner)

13. 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, the declaration should be made at the time of the relevant debate.

14. APOLOGIES

Apologies were received from the Deputy Chief Constable and Hugh Alexander (Strategic Risk Manager, Hampshire Constabulary).

15. CHAIR'S REPORT

The Chair advised the Joint Audit Committee (hereon known as 'the Committee') that he had spoken to the Police and Crime Commissioner regarding the role of the Committee and would be arranging a meeting to discuss his concerns further with the Commissioner.

16. MINUTES (Item 4)

The Minutes of the Committee meeting held on 10 May 2013 were confirmed as a correct record and signed by the Chairman.

The Action Log was reviewed.

Action log item 5 – Internal Audit Charter and Internal Audit Plan 2013/14
The Chair commented that the Internal Audit fee had not yet been circulated to members of the Committee and asked that they be circulated.

Action log item 7 - Police and Crime Commissioner's Risk Management Strategy
The Chief Finance Officer for the Chief Constable (CFO CC) advised that a clear comprehensive strategy was being developed covering the Police and Crime Commissioner's and the Chief Constable's strategic risks. Representatives from the Office of the Police and Crime Commissioner (OPCC) and Hampshire Constabulary would be meeting the following week to progress it.

17. EXTERNAL AUDIT JOINT AUDIT PLAN FOR THE POLICE & CRIME COMMISSIONER AND THE CHIEF CONSTABLE (Item 5)

The External Audit Director advised the Committee that the joint audit plan set out the programme of work for the accounts, and the value for money conclusion, for both the Police and Crime Commissioner and the Chief Constable, and it had been agreed by both the Chief Finance Officers.

The Committee were informed that this was the first year for the new set of accounts which required both the Police and Crime Commissioner and the Chief Constable to publish their financial position as at 31 March 2013, and there was limited guidance on how they should be presented. The External Audit Director advised that part of their work would focus on the management of the transition of functions from the Police Authority to the Police and Crime Commissioner and the Chief Constable as the new bodies. The key areas the auditors would be looking at were the effectiveness of the new governance arrangements, delivery of a sustainable Medium Term Financial Strategy (MTFS) and adequate arrangements for securing economy, efficiency and effectiveness.

Agreed:

- a) The External Audit Joint Audit Plan for the Police & Crime Commissioner and the Chief Constable was noted.

18. INTERNAL AUDIT PROGRESS REPORT 2012/13 AND 2013/14 (Item 6)

The Chief Internal Auditor advised that the opinion definitions had been updated, as requested by the Committee, and were contained within the progress report. Most of the overdue actions from the last progress report had been cleared. For the remaining overdue actions, robust discussions had taken place with the Constabulary who had assured internal audit that the actions would progress.

The Chair asked for the progress report to be split into quarterly plans in the future. Other members asked for the format to include the management reports. The Chief Internal Auditor advised that the current format allowed the Committee to check the progress of the audits. Once an audit has been cleared and reported to the Committee it would then drop off the progress report. Members asked for assurance that the audit would not drop off until the management actions were completed to at least an adequate level and the Joint Audit Committee had seen it. They were assured that this was the case by the Chief Finance Officer for the Police and Crime Commissioner (CFO PCC).

Members asked if there was a record of proposed actions that had been rejected by Hampshire Constabulary. It was agreed that a note would be included within the progress report if any proposed actions had been rejected.

Members asked what information other Audit Committee received on the internal audits. They were informed that it varied between authorities with some receiving summaries of the high level actions, while others receive reports for limited assurance audits. The CIPFA guidance advised that high level information and assurances be provided, with further information provided for those with limited assurances. Members commented they were concerned that they were not receiving the full information on the audits, which could affect the Committee agreeing the internal audit plan in the future. They advised they would like to see what the actions were for each audit in the future.

Agreed:

- a) That the Joint Audit Committee noted the progress of the internal audit work for the period ending 14 June 2013.

Action 8 – That a note would be included within the progress report if any proposed actions had been rejected.

19. ANNUAL INTERNAL AUDIT REPORT AND OPINION 2012/13 (Item 7)

The Chief Internal Auditor informed the Committee that the internal audit was compliant with the Chartered Institute of Public Finance and Accountancy (CIPFA) code of practice. She advised that her opinion for 2012/13 was that she was satisfied that sufficient assurance work had been carried out to allow her to

form a reasonable conclusion on the adequacy and effectiveness of the OPCC and Hampshire Constabulary's internal control environment.

The Chair commented on the work undertaken by Thames Valley Police internal auditors on collaboration work between Hampshire Constabulary and Thames Valley. The Chief Internal Auditor advised that Thames Valley Police audit information had been taken into account when forming the opinion, but had not been reported on as the work had not been undertaken by the Chief Internal Auditor for the Police and Crime Commissioner. The Chair requested further information on who was undertaking this work be included within the report in the future.

Agreed:

a) That the Joint Audit Committee noted the report and internal audit opinion.

Action 9 – That information be included on who would be undertaking the internal audit for collaborative arrangements on Hampshire's behalf.

20. TREASURY MANAGEMENT OUTTURN REPORT (Item 8)

The Committee were assured that the Treasury Management for 2012/13 had complied with the strategy agreed by the Police Authority in February 2012. The Chair noted that the committee could not approve the outturn report as they had not been involved with the Strategy but they would instead note the report.

Agreed:

a) That the Committee noted the Treasury Management Outturn report for 2012/13.

21. POLICIES OF THE OFFICE OF THE POLICE AND CRIME COMMISSIONER AND HAMPSHIRE CONSTABULARY (Item 9)

The CFO CC reminded the Committee that members had requested copies of the policies at their last meeting. Members queried who the Hampshire County Council policies applied to. The Chief Executive advised that they applied to the staff from the OPCC but not those who were seconded from the Constabulary as they still adhered to the Constabulary policies. The OPCC policies were in the process of being reviewed and the new policies would be brought to the Committee once the review had been completed.

Agreed:

a) That the Committee noted Hampshire Constabulary's policies.

Action 10 – That the OPCC policies be presented to the Joint Audit Committee in December.

22. HMIC INSPECTION PROGRAMME 2013/14 (Item 10)

The CFO CC advised that the inspection programme had recently been published and the annual report would be published in September. Members requested a copy of the report be circulated to them when it was published.

The Chief Executive advised that Her Majesty's Inspectorate of Constabulary (HMIC) had consulted on the areas of inspection. The OPCC wrote to HMIC informing them which of the proposed elements of the programme would add the most value to the work of the Commissioner. These were preventive policing, police attendance and freeing up police time. The letter also suggested that the police use of Automatic Number Plate Recognition (ANPR) element could become an area within the inspection of preventive policing, and this suggestion was incorporated into the programme.

Agreed:

- a) That the HMIC inspection programme for 2013/14 was noted.

Action 11 – That the HMIC annual report be circulated to members of the Committee when it is published in September.

23. CODE OF CORPORATE GOVERNANCE (Item 11)

The Committee were informed that the code of corporate governance for both the Police and Crime Commissioner and the Chief Constable had been produced in accordance with the principles and requirements of the CIPFA and SOLACE framework.

Members asked about the Annual Governance Statement (AGS). They were informed that both the Police and Crime Commissioner and the Chief Constable were required to produce an AGS. Specific guidance had been released by CIPFA in December and both the AGS would address all of the subjects covered within the guidance. The AGS would be presented to the Committee at their meeting in September.

Agreed:

- a) The Committee noted both the Code of Corporate Governance for the Police and Crime Commissioner and Hampshire Constabulary.

Action 12 – That the code of corporate governance be amended to remove reference to the Police Authority.

24. POLICE AND CRIME COMMISSIONER'S CURRENT RISK MANAGEMENT STRATEGY (Item 12)

The Chief Executive informed the Committee that the Police and Crime Commissioner and the Chief Constable were planning to join their risk management strategies and a report would be presented to the Committee in September.

Agreed:

- a) The Committee noted the current Risk Management Policy and Strategy for the Office of the Police and Crime Commissioner.

25. EXCLUSION OF PRESS AND PUBLIC

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 Paragraphs 3 and 7 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 outweighs the public interest in disclosing the information, for the reasons set out in the reports.

26. RISK MANAGEMENT EXCEPTION REPORT (Item 14)

The Committee were presented with further information on Hampshire Constabulary's Strategic Risk Register. Members welcomed the level of detail but were concerned on the information within the updates column which had not been recently updated. The CFO CC commented that he had also noted that the updates column had not been completed but advised that the work had been taking place and the rest of the information, apart from the updates column, had been updated. Members did not want to approve the risk register at this time but instead chose to note it.

Members asked for further information on how risks were escalated onto the Strategic Risk Register and the history of the Risk Register process. It was agreed that this would be included for the September meeting of the Joint Audit Committee.

Agreed:

a) That the Committee noted the report.

Action 13 – That further information on how risks were escalated onto the Strategic Risk Register and the history of the Risk Register process be included within the report in September.

27. INTERNAL AUDIT PROGRESS REPORT 2012/13 AND 2013/14 – INTERNAL AUDIT ISSUES ARISING (Item 15)

Members did not want to consider the report at this time. The Chair advised he would be meeting with the Police and Crime Commissioner in order to discuss the process of reviewing the internal audit progress reports in the future.

Date of next meeting: Tuesday 24 September at 2.00pm