



Joint Audit Committee

Meeting Minutes

Date: Thursday December 4th 2014

Time: 2 pm

Location: Office of the Police & Crime Commissioner, St George's Chambers,
St George's Street, Winchester

Committee Members:

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

In Attendance:

Mr Kevin Gardner	Interim Chief Executive (Office of the Police and Crime Commissioner)
Mr Graham McNulty	Deputy Chief Constable (Hampshire Constabulary)
Mr Mark Chatterton	Chief Superintendent (Hampshire Constabulary)
Mrs Carolyn Williamson	Chief Finance Officer for the Police and Crime Commissioner
Mr Richard Croucher	Chief Finance Officer for the Chief Constable (Hampshire Constabulary)
Mrs Karen Shaw	Chief Internal Auditor for the Police & Crime Commissioner and the Constabulary
Ms Helen Thompson	External Audit Director (Ernst & Young)
Ms Justine Thorpe	External Audit Manager (Ernst & Young)
Ms Shirley Semke	Business Support Manager (Office of the Police and Crime Commissioner)

116. 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.

117. APOLOGIES

No apologies were received.

118. CHAIR'S REPORT

The Chair informed the Joint Audit Committee (hereon known as 'the Committee') that a Chairman and Vice-Chairman's workshop due to be attended by the Chair and Vice-Chair in Exeter had been cancelled and rearranged for January 12th in Birmingham when both hoped to attend.

The Chair and Vice-Chair have not yet had an opportunity to meet with Mr Hayes and this is to be arranged.

Action 34: Copy of Treasury Management Update pack to be circulated. (CW)

Action 35: Meeting with Mr Hayes to be arranged for the Chair and Vice-Chair. (SS)

119. MINUTES OF THE MEETING HELD ON 24th September 2014 (Item 4)

The Minutes of the Committee meeting held on 24th September 2014 were confirmed as a correct record and signed by the Chair.

On Item 101 it was noted that by the agreed deadline of November 1st 2014 100% staff had voluntarily accepted the new Terms and Conditions. This positive outcome was acknowledged by the Committee.

The Action log was reviewed.

Matters Arising:

The Committee reminded that they are awaiting the circulation of the 21 Commitments paper.

Action 36: 21 Commitments paper to be circulated to the committee with the meeting minutes. (SS)

120. EXTERNAL AUDIT PROGRESS REPORT (Item 5)

The audit for 2014/2015 is in the early stages of planning and an internal audit will review the use of SAP versus the old system. The External Audit Director highlighted and explained changes contained in the report together with future changes in accounting deadlines which will be explored further with the CFOs and any implications reviewed. Information in respect of the closure of the Audit Commission is being received and will be provided by the External Audit Director on request.

Agreed:

- a) That the Committee considered the External Audit Progress Report for 2014/2015.

121. EXTERNAL AUDIT ANNUAL AUDIT LETTER (Item 6)

The External Audit Director informed the Committee that there has been no change in the fees. The accompanying report summarised the presentation given to the September JAC meeting.

Agreed:

- a) That the Committee considered the Annual Audit letter submitted by the External Auditors.

122. OFFICE OF THE POLICE AND CRIME COMMISSIONER FOR HAMPSHIRE ANNUAL AUDIT FEE 2015/16 (Item 7)

The External Audit Director presented the fee letter to the Committee for completeness, noting that there has been no change in fee over the last 5 year period.

Agreed:

- a) That the Committee considered the OPCC Annual Audit fee letter submitted by the External Auditors.

123. CHIEF CONSTABLE FOR HAMPSHIRE CONSTABULARY ANNUAL AUDIT FEES (Item 8)

The External Audit Director presented the fee letter to the Committee for completeness, noting that there has been no change in fees from the previous year. It was further noted that a rebate of fees amounting to £11,769.00 had been received by HC as a rebate.

Agreed:

- a) That the Committee considered the fee Annual Audit fee letter for Hampshire Constabulary audit fees and noted the rebate sum received.

124. INTERNAL AUDIT PROGRESS REPORT 2014/15 (Item 9)

The Chief Internal Auditor summarised progress of activity against the Internal Audit Plan. The significant changes with the move to H3 have caused some delays but progress is well within the limits agreed at the beginning of the year.

Agreed:

- a) That the Committee noted the report of the Internal Auditors and progress made to date.

125. EXTERNAL ASSESSMENT OF INTERNAL AUDIT (Item 10)

The Chief Internal Auditor (CIA) advised the meeting of the requirement for external assessment of internal audit 5 yearly to comply with the Public Sector Internal Audit Standards. The date for the first assessment is within 5 years of April 2013 and the Institute of Internal Auditors is to be commissioned to undertake this around July or August 2015. The sample will include key contacts and stakeholders. Members questioned whether this date would be suitable for audit customers in terms of timing and were advised that an evidence pack is to be provided by the CIA followed by customer interviews.

The Chair questioned whether post audit questionnaires were issued following each audit. This was confirmed though response was generally low. The Chair felt it might be useful for the committee to see a summary of responses in order to evaluate the service.

Agreed:

- a) That the Committee considered the report of the Chief Internal Auditor on the arrangements for External Assessment of Internal Audit.
- b) The Committee to receive an annual summary of post audit questionnaires issued and responses received.

Action 37: Summary of post audit questionnaires for the year 2014/15 to be provided for the June meeting of the Committee.

126. HER MAJESTY'S INSPECTORATE OF CONSTABULARY (HMIC) VALUING THE POLICE REPORT (Item 11)

The Committee questioned why the report was a Good rating rather than Outstanding in view of the quality of the report received. This has been challenged and the rationale behind the decision questioned as there are no areas for improvement, however the response remains the same. HMIC have been contacted by the DCC who note that there is nothing objective determined for improvement. It was suggested that the low response to the staff survey is indicative of the current changes and may have affected the results. This has been taken seriously by the Chief Constable (CC) and work is ongoing to improve morale.

The Committee wished to record that having considered the report they share the CC's disappointment at the 'Good' rating as it appeared the Force met the criteria.

Agreed:

- a) That the Committee noted the report and noted their disappointment at the rating applied.

127. JOINT AUDIT COMMITTEE FORWARD PLAN (Item 12)

The Forward Plan for the next year was reviewed and approved. It was agreed that training subjects should be included where identified. Members requested further information on how Risk registers are compiled and this will be added to the training agenda at a date to be agreed.

The proposal to move the meeting planned for December 2015 to late January or early February 2016 was reviewed. This provides the advantage of reviewing the Treasury Management Strategy prior to sign off by the PCC and was approved and agreed by members.

Agreed:

a) That the Committee considered the plan and approved training subjects for forthcoming meetings which will be added to the circulation list.

Action 38: December meeting to move to late January/early February to allow review of Treasury Management Strategy.

128. DATE OF NEXT MEETING

The next meeting is on Tuesday 31st March 2015 at 2pm, Conference Room, St George's Chambers, Winchester.

A Declaration of Interest in the following item was noted by the Chief Internal Auditor who withdrew from the meeting during this discussion.

129. PROVISION OF INTERNAL AUDIT SERVICES (Item 14)

The Committee considered the report of the CFOs for the future delivery of Internal Audit Services. The report recommended that in order to avoid duplication and maximise efficiency and effectiveness, The PCC and Chief Constable add internal audit to services provided as part of the H3 framework by the Southern Internal Audit Partnership (SIAP) rather than as a 'sold service' under current arrangements. The benefits of using the same audit services as other H3 partners was explained together with the greater flexibility and accountability and reduced cost to the CC and PCC. The Interim Chief Executive advised the committee of the proposal for Hampshire County Council (HCC) to become lead partner for SIAP meaning that as part of H3, HC and the OPCC would become core partners. Comprehensive governance arrangements for H3 were noted to provide accountability at Chief Officer level.

The table in appendix 1 was discussed where it was noted that the advantages stated could also be applied to an external provider.

Agreed:

a) That the Committee consider the report of the CFOs and the information contained within as an aid to decision making.

130. EXCLUSION OF THE PRESS AND PUBLIC (ITEM15)

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 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 outweighed the public interest in disclosing the information, for the reasons set out in the reports.

PART 2 – MATTERS TO BE CONSIDERED IN PRIVATE

131. CONFIDENTIAL APPENDIX TO THE PROVISION OF INTERNAL AUDIT SERVICES REPORT (ITEM 16)

[A SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

132. CONFIDENTIAL MINUTES (Item 17)

The Confidential Minutes of the Committee held on 24th September 2014 are confirmed as a correct record and signed by the Chairman.

133. OFFICE OF THE POLICE AND CRIME COMMISSIONER'S STRATEGIC RISK REGISTER UPDATE (Item 18)

[A SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

134: HAMPSHIRE CONSTABULARY'S RISK REGISTER UPDATE (ITEM 19)

[A SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

135: INTERNAL AUDIT – RISK MANAGEMENT AUDIT OUTLINE (ITEM 20)

[A SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]