



## Joint Audit Committee

### Meeting Minutes

**Date:** Thursday September 15<sup>th</sup> 2016

**Time:** 2pm

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

### Committee Members:

Elizabeth Mackenzie  
Peter Lloyd  
Lesley Kirk

Vice-Chair

### In Attendance:

Mr. James Payne	Estate Strategy and Delivery Director (Office of the Police and Crime Commissioner)
Mr Terry Lowe	Director of Change (Hampshire Constabulary)
Ms Claire Simkin	Head of Organisational Learning (Hampshire Constabulary)
Mr. Richard Croucher	Chief Finance Officer for the Chief Constable (Hampshire Constabulary)
Mr Andrew Lowe	Deputy Chief Financial Officer
Ms Karen Shaw	Chief Internal Auditor for the Police & Crime Commissioner and the Constabulary
Mr Craig Southin	Deputy Corporate Accounting Manager (Hampshire County Council)
Ms Gemma Farley	Deputy Investments and Borrowing Manager (Hampshire County Council)
Ms Justine Thorpe	External Audit Manager (Ernst & Young)
Ms Helen Thompson	External Audit Director (Ernst & Young)
Ms Shirley Semke	Business Support Manager (Minutes) (Office of the Police and Crime Commissioner)

**221. 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.

**222. APOLOGIES (ITEM 2)**

Kevin Gardner, Carolyn Williamson, PCC Michael Lane, CC Olivia Pinkney

**223. CHAIR'S REPORT (ITEM 3)**

Liz Mackenzie, meeting Chair highlighted the ongoing situation with lack of full committee membership and the need to be quorate. The meeting was advised that a further advertisement has been placed in National press, jointly with Surrey colleagues, an interview date has been set and expressions of interest already received.

**224. MINUTES OF THE MEETING HELD ON 17<sup>th</sup> March 2016 AND ACTION LOG (ITEM 4)**

The minutes of the last meeting were reviewed. Item 212, page 3 noted that a link to the Firearms report had been provided.

**Action 51: (SS)** Firearms Licensing to be added to the next meeting agenda

The action log was reviewed and updated. A copy is attached.

**225. NOTES FROM ACTING CHAIR'S BRIEFING June 21<sup>ST</sup> 2016 (ITEM 4a)**

The Chair acknowledged the paper and advised that it would be dealt with through the agenda.

**226. EXTERNAL AUDIT – AUDIT RESULTS REPORT 2015/16 (ITEM 5)**

Helen Thompson (HT) drew attention to the Executive Summary (p1) which notes that the Statement of Accounts is awaited in order to complete the accounts. She further noted a much smoother audit process than in previous years with a lot of work but greater efficiency going forward. The expectation is that an unqualified Audit Opinion and Value for Money Statement will be issued and no fee increase is proposed. HT thanked officers for their help which was acknowledged with thanks by the Chair.

PL queried in Appendix F the item Certification of Work. It was noted that this should not be included.

**227. STATEMENT OF ACCOUNTS 2015/16 (ITEM 6)**

PL noted the helpful training session and excellent presentation by Richard Croucher (RC) and Craig Southin (CS) which highlighted issues of interest. There has been no significant change in accounting policy during the year. James Payne (JP) highlighted the correction in the Statement of Accounts which were as per the email to CS. It was noted that Safety Camera Partnership funds are income from driver awareness courses. It was agreed that surplus funds should be held in their own account to keep separate and not used for Police profit. Funds are earmarked for use in replacing existing cameras with digital ones. It was noted by PL that some acronyms are not explained. Apologies were given and accepted.

**228. INTERNAL AUDIT PROGRESS REPORT 2016/17 (ITEM 7)**

Karen Shaw (KS) advised the meeting that that the standard update report has been tweaked in response to external assessment last year and all overdue actions are now cleared. PL liked the changes, but disliked the landscape layout which caused some confusion when reading papers. Shirley Semke (SS) will review this and ensure future printing is reader friendly.

The Shared Services was noted as over ambitious and a revised approach to this audit is currently being agreed.

PL queried where and how customer feedback (97%) was collected and was advised that this includes all customer base, not just HC and PCC, and is therefore a general view of quality of performance.

**Action 52: (SS)** to resolve printing problems with printers.

**229. TREASURY MANAGEMENT MID-YEAR REPORT (ITEM 8)**

Gemma Farley presented the report which complies with the strategy and noting that there has been no new borrowing to date. The meeting was also advised that alternative financial investment opportunities are being used to improve returns.

The report was approved by the Committee who acknowledged their thanks.

**230. DATE OF NEXT MEETING/FORWARD PLAN (ITEM 9)**

The date of the next Joint Audit Committee meeting is Tuesday February 7th 2017, 2pm at St George's Chambers.

**231. LOCAL APPOINTMENT OF EXTERNAL AUDITORS (item 9a)**

RC presented the report summarizing changes to the arrangements for the appointment of External Auditors following the closure of the Audit Commission. From 2017 the PCC and CC could possibly appoint their own External Auditors or join a group process. The paper outlines a group approach which in the past has proved efficient and effective and reduced costs. Justine Thorpe (JT) noted the requirement for all applicants to be accredited in order to apply and the greater effectiveness of a joint bid. RC further noted that this is early information only and further information, including costing, will follow.

PL questioned the appointment by Public Sector Audit Appointments Limited (PSAA) and whether a local body would have more or less influence than at present. PL has requested further information and will share responses.

Liz Mackenzie (LM) noted the need for the Committee to consider the preferred approach and it was agreed to take this to the next meeting.

**Action 53: (PL)** to request further information and share with Committee

**232. ANNUAL REVIEW OF THE EFFECTIVENESS OF THE JOINT AUDIT COMMITTEE**

The final version of the Joint Audit Committee's report is approved once the typing errors are corrected e.g. at 24.2

James Payne (JP) noted that point 21 should be changed to 'Committee's advice has not always been adopted.'

It was agreed that the members would complete the tick chart as in previous years to review their own effectiveness.

The Committee requested to meet with the Police and Crime Commissioner and the Chief Constable, both of whom are new in post. It was agreed that this would be arranged.

Agreement was made to put Terms of Reference on the agenda for the January meeting.

**Action 54: (SS)** Terms of Reference to be added to the next agenda

**233. EXCLUSION OF THE 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 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, for the reasons set out in the reports.

**234. CONFIDENTIAL MINUTES (ITEM 11)**

The confidential minutes were reviewed. Noted that reference to Karen Dawes should be Karen Shaw (KS) who advised the meeting that Thames Valley Police (TVP) advised that the Windows 8 project is now back on green. Further supporting information was provided by RC.

**235. INTERNAL AUDIT PROGRESS REPORT – CONFIDENTIAL (ITEM 12)**

Members considered the confidential report of the Chief Internal Auditor, Karen Shaw (KS). The report to date was noted together with actions outstanding. KS will provide an update at each meeting to ensure actions are closing. It was further noted that the Internal Audit Progress report will be on the agenda for the quarterly Collaboration Board on October 5<sup>th</sup>.

There remains one item still in progress on the Information Governance audit which is still in progress and due for delivery by November 2016. KS has no concerns about the completion of this audit and is assured by responses to date.

**236. OFFICE OF THE POLICE AND CRIME COMMISSIONER'S STRATEGIC RISK REGISTER UPDATE AND ANNUAL RISK MANAGEMENT REPORT (ITEM 13)**

Members considered the confidential report of the Estates Strategy and Delivery Director on the OPCC Strategic Risk Register.

James Payne (JP) noted that the report submitted for review at the meeting is from July due to the timing of the meeting and Risk Workshops to update it. JP further advised the meeting that the PCC likes the format of the annual report but not the monthly report which is not considered informative and requires enhanced commentary for greater understanding. He further suggested that each area of business should contribute to the register to improve confidence that all risks are owned.

It has been agreed that:

- active risks will be reviewed monthly for awareness
- a table will be kept of closed risks
- a summary will be provided at the end of future monthly reports to support understanding
- risks will be identified on separate pages for easier navigation and understanding
- risks will be in number order rather than risk order

The new format report will be brought to the next meeting.

The Committee noted how pleased they are that the PCC is so interested in this business area and this was seconded by PL. Terry Lowe (TL) noted that the new Deputy Chief Constable (DCC) has similar views and similar change to the Constabulary register should be anticipated.

**237. HAMPSHIRE CONSTABULARY'S STRATEGIC RISK REGISTER UPDATE AND ANNUAL RISK MANAGEMENT REPORT (ITEM 14)**

Members considered the confidential report of the Chief Constable on the Constabulary's Strategic Risk Register together with the Annual Report.

The meeting reviewed the 'red' risks. The chair requested an explanation of risk 129 which was provided by Richard Croucher (RC) noting that the limited resource for specialist procurement is done by one staff member. It was agreed that the wording will be reviewed after Clare Simkin (CS) also advised of the need for better clarity/articulation when the register was reviewed at the HQ Portfolio Board (HQPB). Item to be amended at next HQPB.

Peter Lloyd (PL) asked when the register is produced each month and whether there is a way of identifying when a risk is added to the register and why it is added as a strategic risk. In response Terry Lowe (TL) advised that the register is reviewed at the monthly HQPB when risks are added and removed. It would be possible to add narrative to support the addition of risks to the register.

**238. ANY OTHER BUSINESS**

PL requested that in future agenda papers should be separated by an alternative colour paper for ease of reading.

**Action 55: (SS)** Printers to be advised of change in requirements.

**MEETING CLOSED**

**Agreed as a correct record:**

**Chair:**

**Date:**