



## Joint Audit Committee

### Meeting Minutes

**Date:** Thursday February 7<sup>th</sup> 2017

**Time:** 2pm

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

### Committee Members:

Elizabeth Mackenzie  
Peter Lloyd  
Melvyn Neate  
Katherine Pears

Acting Chair

### In Attendance:

Mr. James Payne	Estate Strategy and Delivery Director (Office of the Police and Crime Commissioner)
DCC Sara Glen	Hampshire Constabulary
C/Supt Dave Powell	Hampshire Constabulary
Mr Terry Lowe	Director of Development (Hampshire Constabulary)
Ms Claire Simkin	Head of Organisational Learning (Hampshire Constabulary)
Ms Carolyn Williamson	Chief Finance Officer for the Police and Crime Commissioner
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
Ms Liz Foster	Internal Auditor (Hampshire County Council)
Mr Andrew Bouflower	Deputy Investment and Borrowing Manager (Hampshire County Council)
Mr Rob Griffiths	Strategic Risk Manager (Hampshire Constabulary)
Ms Lucy Day	Programme Office Lead (Office of the Police and Crime Commissioner)
Mr Adam Swain	Senior Manager (Ernst & Young)
Ms Shirley Semke	Business Support Manager (Minutes) (Office of the Police and Crime Commissioner)

**239. 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.

**240. APOLOGIES (ITEM 2)**

Clare Simkin, Maria Grindley (Ernst & Young)

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

The Chair welcomed the two new Members, Melvyn Neate (MN) and Katherine Pears (KP) and invited attendees to introduce themselves together with a brief description of their roles. She congratulated Carolyn Williamson (CW) on her recent appointment as Junior Vice President of the Chartered Institute of Public Finance and Accountancy (CIPFA), a role which she takes up in July 2017.

**242. MINUTES OF THE MEETING HELD ON 15<sup>th</sup> SEPTEMBER 2016 AND ACTION LOG (ITEM 4)**

The minutes of the last meeting were reviewed. It was noted the at the Agenda item Terms of Reference has been deferred to the next meeting.

It was requested that at:

**Item 228:** the word tweaked should be changed to amended.

**Item 232:** it was agreed that the request for the PCC and CC to attend a meeting to introduce themselves to the Members should be added to the Action Log as agreed at the Chair's briefing.

**Action :** (JP) PCC and CC to be invited to meet JAC members informally.

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

**243. TREASURY MANAGEMENT STRATEGY 2017/18**

Liz Mackenzie (LM) and Peter Lloyd (PL) attended the Treasury Management Briefing in November 2016.

Andrew Boutflower (AB) presented the annual strategy which is to be adopted by the PCC and Hampshire Constabulary to the meeting and referred attendees to point 1.3 which recommends that the PCC approves the cash management for the coming year. Members were asked to consider the second and third bullet points. MN asked if the Members should be aware of any concerns with the strategy. The biggest consideration is the security and return of funds invested and a response is set out in the strategy. KP questioned if there are significant changes in this strategy and was advised that it remains very similar to previous versions.

PL referred to Table 1 and point 6.5 responded to by AB. The report was noted and confirmed.

#### **244. LOCAL APPOINTMENT OF EXTERNAL AUDITORS**

Richard Croucher (RC) presented the report and explained the changes in guidance for the appointment of auditors. Options outlined include the appointment of our own auditors or join the Public Sector Audit Appointments (PSAA) group to enjoy the benefits that come from larger appointees. Hampshire County Council (HCC) and Hampshire Fire and Rescue Service (HFRS) have already joined this group. The preferred approach for the PCC and HC is the use of PSAA.

PL raised several points:

- Would PSAA appoint the same auditor as HCC and HFRS anyway
- Whether there is representation from PCC and HC in terms of who is appointed by PSAA
- Who funds the PSAA?

RC advised that overheads are shared between all organisations using the service and this is a change from the Audit commission service which was centrally funded. Any poor service would be raised through a contractual agreement.

The Chair questioned other options including stand – alone and the format of such an audit panel. RC advised the rules are unclear on this.

MN asked what would happen if savings through PSAA are not as expected and was advised that there is an opportunity to opt out in the future.

The Committee supported the recommendation to join the PSAA.

#### **245. EXTERNAL AUDIT – ANNUAL AUDIT PLAN 2016/17**

Adam Swain (AS) outlined the approach for the year, noting that the CIPFA guidance has changed and these changes will be taken in to account for compliance

Peter Lloyd (PL) questioned the acronym SERCOP and was advised that the term is Service Recording Code of Practice. The new timetable for 2017/18 was noted and no issues identified with the new 31<sup>st</sup> July deadline. There is no implication for an increase in fees.

Item 3 - Value for Money: no risks were identified.

Item 4.2 - Audit Process Overview: Liz Mackenzie (LM) highlighted that lessons learned are not explained and it's not clear if there have been any issues.

Carolyn Williamson (CW) acknowledged the volume of work for the 2014/15 period and the real challenges of timely delivery and Gadd and Milne. It was recommended that External Audit work more closely with the three organisations for an improved service. CW further noted that more in-depth information is to be provided for the next report.

Melvyn Neate (MN) questioned how Internal Audit work with External Audit and AW advised of comprehensive liaison between the teams.

MN observed an error on page 1 of the report where the last paragraph states 'The Group compromises the accounts ...'

Katherine Pears (KP) questioned whether the External Auditors have the capacity to deal with the tighter time frame and assurance was given.

The report was accepted.

**246. EXTERNAL AUDIT ANNUAL AUDIT LETTER**

AS presented the Annual Audit Letter and invited the Committee to consider it. There are no significant findings and the report was considered and accepted.

**247. INTERNAL AUDIT PROGRESS REPORT 2016/17**

Karen Shaw (KS) provided background information for the benefit of the new members.

Protocols for collaborative Thames Valley police (TVP) have been developed and Shares Services protocols have been refreshed.

KS went through the report and advised that the department is on track to finish all work by the end of the year.

PL Highlighted the Contact Management audit remains overdue and is a high priority. KS advised that this relates to an incomplete Contract Register and is HC responsibility. It was requested that this is highlighted at the next liaison meeting and reported at the next Committee meeting.

Item 5 – Plan Variation: Noted that the common approach is between Shared Services and only for items truly shared. CW provided further explanation.

Item 6 – Rolling Work Programme: PL questioned whether there was a delay and KS confirmed this is now finalised.

An explanation of where full assurance is not available was requested by KP and a response provided by KS.

**248. INTERNAL AUDIT CHARTER AND ANNUAL INTERNAL AUDIT PLAN 2017/18**

KS introduced the Charter report noting that changes are in red text for ease of viewing and as discussed previously. There are three parts to the plan, with two brought to the meeting today and part three to come to the Committee when available.

PL requested that a best guess at estimated days per audit are shown in future rather than a total number of days only. He further questioned the Shared Service Internal Audit Plan and the number of days we are paying for. KS provided an explanation as on p.8 which was accepted by PL. KS advised that 20 days are to be carried forward from 2016/17 to be used in the next audit year as an audit was not done and the days remain to be used.

MN asked how in formulating the plan who is engaged and how the information is shared and was informed that the Chief Officer Group (COG) rely on JAC attendees to feedback information.

JP added that for this year an audit of Procurement was requested to address particular issues which can then be addressed appropriately.

KP questioned the risk bases plan and KS advised that audit is driven by need and after discussion with management rather than by annual Audit Cycle, with some regular audits which are a statutory requirement. It was noted that the caveat to this is the Shared Services where annual sampling is done due to the scale and volume of work.

**249. DATE OF NEXT MEETING AND FORWARD PLAN**

The next meeting in on Thursday June 22<sup>nd</sup> at 2pm.

**250. ANY OTHER BUSINESS**

James Payne (JP) advised that now the two new Committee Members are in place the new Chair is due to be appointed. A letter will be sent to the Members in the next few days requesting Expressions of Interest for the positions of Chair and Vice-chair who will be appointed by the PCC and CC. Following the appointments a briefing meeting for the new Chair and Vice-Chair will take place on Monday March 20<sup>th</sup>.

JP thanked Liz Mackenzie, Acting Chair for her excellent caretaking during the interim period between appointments.

**251. 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.

**MEETING CLOSED**

**Agreed as a correct record:**

**Chair:**

**Date:**

**Joint Audit Committee Action Log (June 2015) - DRAFT**

Action No.	Minute Ref.	Title of Minute	Details of Action	Member Dealing	Date Due	In Progress/ Completed	Action Taken
56	254	OPCC Strategic Risk Register	Wording to be updated to provide improved explanation	JP	Jun-17	In progress	
57	255	HC Strategic Risk Register	Align format of Register with OPCC register	RG	Jun-17	In progress	RG to review and implement best practice.