



## Joint Audit Committee

### Meeting Minutes

**Date:** Thursday June 22nd 2017

**Time:** 2pm

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

### Committee Members:

Elizabeth Mackenzie  
Melvyn Neate  
Peter Lloyd  
Katherine Pears

Chair  
Vice-Chair

### In Attendance:

DCC Sara Glen	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 Rob Griffiths	Strategic Risk Manager (Hampshire Constabulary)
Ms Lucy Day	Programme Office Lead (Office of the Police and Crime Commissioner)
Ms Marion Peuleve	Head of Information Management (Thames Valley Police)
Ms Shirley Semke	Business Services Manager (Minutes) (Office of the Police and Crime Commissioner)

## 257. 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.

**258. APOLOGIES (ITEM 2)**

Carolyn Williamson, James Payne, Richard Andrews, Terry Lowe, Clare Simkin, Maria Grindley and Adam Swain (Ernst & Young), Lesley Kirk

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

Liz Mackenzie (LM) reminded the meeting of her appointment as Chair and that of Melvyn Neate (MN) as Vice-Chair since the last meeting. Peter Lloyd (PL) welcomed both appointments and reiterated his thanks for their acceptance of these roles.

LM advised the committee that interviews for the Chief Executive Officer are to be held on June 23<sup>rd</sup> 2017 with the successful candidate attending a confirmation hearing of the Police and Crime Panel on Friday July 7<sup>th</sup>. Andy Lowe (AL) will also attend the panel on the same date as preferred candidate for the role of Chief Finance Officer for the Police and Crime Commissioner's office. If successful Andy will replace Carolyn Williamson (CW) at future meetings.

Richard Andrews (RA) will attend future JAC meetings in his role as Acting Head of Governance and Policy.

The Chair advised the meeting of a note received from member Lesley Kirk, received by email and copied to other members who unfortunately did not receive this copy. Lesley offered her resignation with immediate effect due to ongoing problems with her health which prevent her regular attendance at meetings. The resignation was acknowledged and regretfully accepted. The Chair will write to Lesley expressing thanks for her work to date and wishing her an improvement in her health.

PL noted the protracted period experienced with the last recruitment and requested urgent attention to, and key advertising of the vacancy left by Lesley.

**260. MINUTES OF THE MEETING HELD ON 7<sup>th</sup> February 2017 AND MATTERS ARISING (ITEM 4)**

The minutes of the previous meeting were reviewed. Grammatical and spelling errors were pointed out and corrected.

LM asked how many forces have signed up to the PSAA scheme (Public Sector Audit Appointments) and was advised by Richard Croucher (RC) that this is in the region of 94% and savings noted to be 18%. Auditors for 2018/19 will be known by the next meeting.

**261. TERMS OF REFERENCE (ITEM 5)**

The report submitted by RA was reviewed when it was noted by the committee that a later version is available than the one used. It was agreed that there was no point in continuing today. PL will send the latest version to RA and a clean draft will be circulated.

It was noted that the CIPFA Survey contained no reference to external audit in the paper. Katherine Pears (KP) referred to the Recommendations section at the end of the paper which should be discussed.

PL highlighted that the effectiveness recommendations on p4 could not be achieved without a budget and LM also noted that all were unaware of this requirement as appears to be the case with other committees.

Further discussion about the recommendations on survey p9 concluded the following:

- The members will discuss knowledge gaps to be fitted in to future training sessions. The Chair will work with the office to review this.
- PL suggested an annual review of the JAC presence on the OPCC website to ensure information remains up to date
- Counter Fraud suggested as a training topic suggestion with support from the DCC and Professional Standards Department (PSD)
- PI noted specific reference to appropriate support for the committee and suggested this is included in future Terms of Reference.

**Action :** Training session to be arranged on Counter Fraud.

## **262. EXTERNAL AUDIT – ANNUAL AUDIT PROGRESS REPORT (ITEM 6)**

It was noted that there was no representation at the meeting from Ernst and Young. The item was picked up by AL and the timeline for completion highlighted to the meeting. The optional shorter closedown for this year had gone well and this timeline will become statutory from next year.

## **263. EXTERNAL AUDIT ANNUAL AUDIT FEE 2017/18 (ITEM 7)**

AL advised the meeting of the standard scale fee with no increase. With the Public Sector Audit Appointments (PSAA) contract now in place a reduction in fees should show from 2018/19.

## **264. INTERNAL AUDIT PROGRESS REPORT (ITEM 8)**

The report presented focuses on the closing down of last year and notes that all work is completed and the report provides the base for the Annual Audit Opinion. Thames Valley Police (TVP) reports have now been received and outstanding items are highlighted in the report. The Audit Plan for 2017/2018 is progressing and all currently going to plan. LM noted the number of opinions are limited in seven of the reports and MN noted further concerns relating to the ICT which were discussed. Karen Shaw (KS) advised the meeting that she is unable to comment on the content of TVP audits though all are scrutinised and protocol followed to ensure outstanding items are addressed. RC outlined the process for review through the Collaboration Board and the ICT 2020 Board.

MN noted that no ICT issues were raised in the Senior Information Risk Owner (SIRO) report. This will be addressed under agenda item (14).

PL requested to know the date of the last Collaboration Board and was advised that this was 21<sup>st</sup> June 2017. He further questioned whether the timeliness of reporting was raised at this Board and the DCC confirmed it was. Improvements are being made and future reports will be received more promptly. KP offered the support of the committee if required. This was acknowledged by KS who already has the support of the CFOs and CEO. PL questioned whether the next JAC Annual Report should question whether assurance can be given on the audits of other forces e.g. TVP. KS noted that the audit protocol relies on reporting from the collaborative partner and will provide an updated copy of the protocol to members. LM noted that as there is no contact with the JAC for TVP the committee cannot give categorical assurance. KS agreed to review the protocol in line with the members concerns. AL suggested KS send a link to the TVP papers on their website to members. RC advised the meeting that the Contact Management is currently being revisited as part of this year's plan.

**Action :** KS to send audit protocol to members

**Action :** KS to send link to website link to TVP JAC papers to members

#### **265. ANNUAL INTERNAL AUDIT OPINION 2016/17 (ITEM 9)**

KS outlined the report which was drafted after TVP audits were received and reasonable assurance provided. Assurances continue to be adequate overall, with issues raised throughout the year responded to and robust responses received. KS further acknowledged the constructive help of both HC and the OPCC which she extended her thanks for.

PL requested explanation of the red item 'Corporate Cross Cutting' in the chart on p7 this was explained as items which cut across organisations and are usually strategic.

MN questioned the make-up of the opinion from KS and explanation was given. There are 3 strands - Shared Services, HC and TVP. The opinion is inclusive of all and equates to the assurance given.

PL requested that future Audit Opinion as on p6 should make clearer who the response is addressed to and where it relies on information received from other reports.

KP questioned the audit profile which KS notes as fairly typical in that it is no longer a cyclical approach but responds to issues as they arise. The report was accepted.

#### **266. TREASURY MANAGEMENT OUTTURN REPORT (ITEM 10)**

The report presented by AL was noted as straightforward and highlighted p5, paragraph 7, which notes the levels of borrowing and investment. Further explanation of others tables was provided by AL as requested and confirmation given by RC that HC position is favourable in comparison with other forces.

LM drew attention to the table on page 9 which is currently a modest sum but noted that this is likely to rise in 2018/19.

Reference to Arlingclose was questioned by MN who was advised that this is the company of external advisors who provide independent advice. An annual seminar presented by them each November is noted to be well worth attending and members are advised ahead of annual dates.

**267. POLICY REVIEW (ITEM 11)**

The HC report presented by RC was noted and the meeting advised of work progressing through the Organisational Learning Team (OLT). Katherine Pears (KP) questioned the risk to the force of 101 Force Policies and Procedures (FPPs) reported as overdue for review with the DCC reassuring the meeting that areas where there may be risk are being urgently addressed.

The OPCC report presented to the meeting by AL was noted.

**268. SCHEME OF CORPORATE GOVERNANCE (ITEM 12)**

RC outlined the report to the meeting. Whilst this is a joint scheme separate Annual Governance Statements (AGS) are provided for each organisation in line with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and provided with the meeting papers for reference. The scheme has been rewritten to follow the code and now follows all new principles.

LM noted that the Police and Crime Panel do not appear in governance arrangements and RC will add this in to the OPCC frame on page 3 of the statement.

MN drew attention to the statement on page 4 of the scheme: 'The Joint Audit Committee provides independent advice, guidance and scrutiny on internal control and governance arrangements.'

**Action :** RC to update page 3 of Scheme of Corporate Governance to include Police and Crime panel under OPCC heading.

**269. ANNUAL GOVERNANCE STATEMENTS 2016/17 (ITEM 13)**

RC presented the reports to the meeting noting that they are not finalised until the Statement of Accounts is available in September. The report was further explained by RC and attention drawn to HC report section 6 where a new risk includes cuts in funding for police services which may affect services. Further discussion followed around risk, with the DCC advising the meeting it is no longer possible to provide a physical response to all calls received and some contact is made by phone. Further formal evidence to support this will be available in early 2018. Other risks highlighted included summer resourcing and LM added to this the demand on resources following recent national events and HC responses to these.

**270. SIRO (SENIOR INFORMATION RISK OWNER) ANNUAL REPORT 2016/17 (ITEM 14)**

Marion Peuleve (MP) presented the report on behalf of Amanda Cooper (HC). LM noted the request by AC to delay the report to the next meeting to allow for the inclusion of information around the recent cyberattack. This request was not granted and a separate report requested for inclusion in the agenda for the September meeting. The report is now collaborative and whilst no audit reports are currently available this will be addressed in future. The ICT department had worked hard to install patches to protect against the 'Wannacry' and with neither force affected this had worked. Regular reports are provided to COBR on Microsoft patches. LM noted that Public Service Network (PSN) accreditation had not been renewed and an explanation of the reasons for this was provided by MP.

It was noted that HC and TVP are not the only forces where this has happen and alternative mitigation is in place.

MN referred to p6 of the report regarding a complaint upheld by The Information Commissioner's office. It was confirmed by MP that this is going to appeal and not considered to be a problem. A Regional Information Assurance Board (RIAB) has been established which MP is to Chair.

KP raised the table on p17 of the report for discussion and the difference in numbers reported from the two forces.

The acronym on p12 SERIP, is South East Region Inter-operability Programme.

The comprehensive report was acknowledged by the meeting and LM thanked MP for attending.

**Action** : SIRO to provide a report on the 'Wannacry' cyberattack for next meeting

- 271.** 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:**