
POLICE AND CRIME COMMISSIONER FOR NORTH YORKSHIRE AND NORTH YORKSHIRE POLICE
JOINT INDEPENDENT AUDIT COMMITTEE

Notes of the meeting held at the Offices of the Police and Crime Commissioner, Barker Business Park, Melmerby on 4 July 2013 commencing at 10am.

PRESENT:-

In the Chair: David Portlock (DP).

Members: Michael Wilson (MW) and Howard Cutler (HC).

Officers: Chief Constable Dave Jones (DJ); Commissioner's Chief Executive Officer Joanna Carter (JC); Chief Constable's Chief Accountant and Chief Finance Officer Jane Palmer (JP); Commissioner's Chief Finance Officer and Head of Organisation and Development Gary Macdonald (GM); Head of Internal Audit Neil Rickwood (NR); Internal Audit Manager Michael George (MG); External Audit Engagement Lead (Mazars) Cameron Waddell (CW); External Audit Engagement Manager (Mazars) Gareth Roberts (GR).

Also in attendance: Senior Support Officer Debbie Allinson (DA (observing)); and Governance Support Officer Claire Askew (CA (minute taker)).

27. ELECTION OF CHAIRMAN:

JC opened the meeting, requesting nominations for the position of Chairman for the Joint Audit Committee (JAC). MW proposed DP, which HC seconded.

DP thanked MW and HC for nominating and having confidence in him to be the Chairman of the JAC, and pledged that the JAC will aim to enhance the governance frameworks in place through working together with the Commissioner and the Chief Constable.

DP also requested that thanks be recorded to Erica Taylor, the former Chairman of the JAC, for her outstanding contribution especially during the transition period from the arrangements of the former Police Authority to the establishment of the JAC.

28. INTRODUCTIONS AND APOLOGIES

As this was the first meeting since HC appointment to the JAC, DP welcomed HC, and all in attendance provided brief introductions.

DP also welcomed the Chief Constable to his first meeting of the JAC.

Apologies were received on behalf of the Police and Crime Commissioner Julia Mulligan.

29. MINUTES OF THE PREVIOUS MEETING HELD ON 25 MARCH 2013

The minutes of the JAC held on 25 March 2013 were approved as a true record.

30. MATTERS ARISING

- DP advised that following the Chief Constable selection process, he had had the opportunity to consider the independent assessor's report of the selection process and confirmed that he was content that the process had been fair and correctly managed.

- Members agreed that an action log of matters arising would be helpful to be included in future JAC agenda papers to ensure outstanding actions are monitored or closed.

RESOLVED - Action log of matters arising to be included in future JAC agenda papers. .

31. STATEMENTS OF ACCOUNTS WITH ANNUAL GOVERNANCE STATEMENTS FOR THE YEAR END 31 MARCH 2013.

The joint report of the Chief Finance Officers to present the draft Statutory Statements of Accounts and Annual Governance Statements (AGS) for 2012/13 was discussed. It was noted that these are still subject to Audit. The audited accounts must be signed off by GM and JP by 30 September 2013.

DP highlighted that, whilst a ministerial statement on the recognition of Chief Constables as Local Authorities had been issued, legislation had not yet been enacted. CW advised that the legislation was not anticipated until September 2013, however having met with a representative from the Home Office it is understood that the Home Office accepts there will be various approaches from forces for their individual draft accounts.

CW had received early sight of the draft accounts and has recommended that the pension fund figures should be in the Chief Constable's accounts. JP confirmed that this will effectively mean that pages 87, 88 and 89 of the Commissioner's draft accounts will be removed and inserted into the Chief Constable's draft accounts.

In reference to the AGS, DP enquired about the implementation plan for the areas of development. DJ advised that a Delivery Board co-chaired by DJ and JC is being created to manage this, which will be part of the delivery process for the Police and Crime Plan and the Affordability Plan. This process will be reported back to the Joint Audit Committee in due course. JC also highlighted that issues arising from inspections and audits will be collated through the Corporate Risk Group. The objective is that the organisation will become increasingly risk aware and will embed risk management in all its activities, rather than responding to individual risks as they arise (which require additional capacity).

Discussion took place about increasing the accessibility and transparency of future accounts. It was generally agreed that a significant increase in work would be required to achieve the balance of the document being easy to read whilst conforming with statutory requirements regarding the contents.

RESOLVED - The joint report was noted.

32. UPDATE OF INTERNAL AUDIT RECOMMENDATIONS

JC summarised the further progress in implementing the Internal Audit recommendations since the preparation of her report, including revised completion dates for the 'Follow Up Exercises' audits. The 'Use of Force Training Update' recommendations have been completed and this audit was now closed. 10 audits remain live/open.

RESOLVED - The report was considered and the update on Internal Audit recommendations was noted.

33. INTERNAL AUDIT PROGRESS REPORT

This report included the outturn of the 2012/13 Internal Audit Plan, the Internal Audit Annual Opinion for 2012/13 and the progress made to date in achieving the Internal Audit Plan for 2013/14.

The Committee discussed financial risks to the service and how it could be demonstrated to the JAC that financial risks are being mitigated. DJ referred to the Corporate Risk Register which is in development, suggesting that once finalised a summary could be provided to the JAC, which Members agreed to.

DP enquired how opinions are moderated. MG explained that discussion takes place between himself and NR, and where necessary with NYP managers, before determining the Assurance Level.

RESOLVED -

- A summary of the Corporate Risk Register will be presented to a future meeting of the JAC;
- The reports were considered and noted.

34. INTERNAL AUDIT STRATEGY PRESENTATION

At the meeting of the JAC held on 25 March 2013 Internal Audit tabled its Internal Audit Strategy for 2013/14. NR was asked to give a short presentation of the Strategy at this meeting.

NR gave a brief overview of the Strategy, explaining that whilst the principles which underpin the Strategy will remain unchanged, individual elements will need to be adapted to meet the new governance arrangements of the PCC and NYP, and to take account of the new Public Sector Internal Audit Standards which came into effect on 1 April 2013. NR confirmed that the new CIPFA guidelines had been incorporated into the Strategy and offered to circulate the guidelines to Members following the meeting.

NR also offered to circulate the Internal Audit Action Plan to JAC members.

RESOLVED –

- The presentation was noted;
- The CIPFA guidelines will be circulated to members by NR following the meeting;
- NR to circulate the Internal Audit Action Plan to JAC members.

35. COMMISSIONER'S DECISIONS

Members had previously been provided with a link to the decisions log on the Commissioners website. No further comments were made.

36. COMMISSIONER'S AND CHIEF CONSTABLE'S ITEMS

This item on the agenda provides an opportunity for the Commissioner and Chief Constable to update Members on any items of relevance to the JAC's remit. As this was the first JAC meeting which DJ had attended since his appointment, he welcomed the scrutiny by JAC Members of the Force and he looked forward to working with them in the future. DJ also provided several updates, most notably:

- The next meeting of the Police and Crime Panel will take place on 25 July 2013. The Commissioner, DJ, JC and GM are all due to attend;
- Following the announcement made on the 26 June 2013 of the Government Spending Review, work is being undertaken on the budget implications for NYP;
- Proposals for the Stage 2 transfers will be completed by 16 September 2013;

DP enquired about the relocation of the Commissioner's office to Harrogate. GM advised that this is due to go ahead at the end of July. At the Police and Crime Panel meeting on 25 July a briefing/presentation will be provided which will allow oversight of the relocation arrangements.

JP also provided a verbal report of the Shadow Internal Audit Management Board and agreed to keep the JAC updated with developments.

RESOLVED

- Members thanked DJ for his comments and noted the verbal reports;
- JP to provide an update on the Shadow Internal Audit Management Board at the next meeting.

37. EXTERNAL AUDIT: 2012/13 AUDIT STRATEGY

CW presented the individual 2012/13 External Audit Strategies for the Commissioner and Chief Constable.

Members asked for, and were given, clarification of the recognition of work undertaken by Internal Audit, the treatment of the Pension Scheme, asset ownership. Mazars' approach to 'materiality', rotation of Audit Team members and the fee quotes.

RESOLVED - The External Audit Strategies for 2012/13 were noted.

38. REVIEW OF THE SYSTEM OF INTERNAL AUDIT

The report of the Commissioner's Chief Finance Officer: "To consider the annual review of internal audit and its implications for the level of assurance that can be provided to the Commissioner and the Chief Constable" was discussed.

Members noted in particular that:

- the current Internal Audit arrangements cease on 31 March 2014 and requested that proposals for subsequent periods be developed as soon as possible;
- the need for external assessments;
- the need for specialist IT audit expertise
- the recommendation that the Head of Audit prepare an action plan based on the report.

RESOLVED

- the report was noted;
- the findings of the annual review and the action plan be accepted;
- the Head of Audit prepare an action plan based on the report;
- the JAC monitor the implementation of the action plan.

39. DATE OF NEXT MEETING

The next meeting of the JAC will be 10am Monday 23rd September 2013 in Conference Room One, Police Headquarters, Newby Wiske.

40. ANY OTHER BUSINESS

There being no other business, the meeting closed at 12.05pm.