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

Minutes of the meeting held at Police Headquarters, Newby Wiske, Northallerton, DL7 9HA at 1pm on
Monday 13 January 2014.

PRESENT:-

In the Chair: David Portlock (DP).

Members: Howard Cutler (HC); Katherine Johnson (KJ); and Michael Wilson (MW).

Officers: Chief Constable Dave Jones (DJ); Police and Crime Commissioner Julia Mulligan (JM); Commissioner's Chief Executive Officer Joanna Carter (JC); Commissioner's Chief Finance Officer and Head of Organisation and Development Gary Macdonald (GM); Chief Constable's Chief Accountant and Chief Finance Officer Jane Palmer (JP); Head of Internal Audit Neil Rickwood (NR) (up to and including minute 62); Internal Audit Manager Michael George (MG) (up to and including minute 62); External Audit Engagement Manager (Mazars) Gareth Roberts (GR).

Also in attendance: Commissioner's Governance Support Officer Claire Askew (CA (minute taker)).

55. **INTRODUCTIONS AND APOLOGIES**

Apologies were received from the External Audit Engagement Lead (Mazars) Cameron Waddell (CW).

56. **MINUTES OF THE MEETING HELD ON 23 SEPTEMBER 2013**

Other than one amendment to page 2 minute 44, these were accepted and approved as a true record.

57. **MATTERS ARISING NOT OTHERWISE COVERED BY THE AGENDA**

Several updates were provided, most notably:

- Corporate Risk Register briefing for Joint Independent Audit Committee Members (JIAC) – **to be arranged once fully established.**
- Meeting with the National Audit Office – **scheduled for 3 March 2014.**
- Separate statement to explain the two sets of Statements of Accounts – JP advised that a separate statement had not been issued, instead, the decision was made to include an explanation in the Commissioner's accounts.
- The Value for Money briefing session for JIAC Members - **to be arranged following the meeting with the National Audit Office.**
- Changes in the budget gap – Members will be informed by way of the Corporate Performance Report.
- Complaints Handling: As a member of the APCC Integrity Working Group, JM provided an update regarding a paper due to be submitted to the Home Office proposing a pilot scheme to locally address complaints in a way that is independent of both the police service and the Commissioner. JM also provided an update on the implications of the Governments £18m national top slicing to fund the expansion of the Independent Police Complaints Commission (IPCC).
- DP confirmed that he had received the CIPFA guidelines from NR, for circulation to all JIAC Members.

- Internal Audit plan following CFO review (minute 38) – **still outstanding.**

58. **EXCLUSION OF THE PUBLIC AND PRESS**

Following discussion it was agreed that Items 9 and 11 on the agenda should be treated as confidential and any confidential information be excluded from the minutes to be made available for public inspection.

59. **REVIEW OF CHIEF POLICE OFFICER REMUNERATION TERMS AND CONDITIONS**

This report presents to the JIAC the outcome of the Chief Police Officer Terms and Conditions review commissioned by the Commissioner and Chief Constable and to outline the process followed.

JM explained the preventative measures now in place to ensure that such payments and circumstances do not occur again, and also provided assurance that a robust system has been implemented to ensure personnel files are securely stored and updated.

GR advised JIAC Members that Mazars do not consider the outcome of the review will have any impact on the 2012/13 financial statements.

RESOLVED – Having considered the report and the action taken to ensure the appropriate steps are taken to address the matters raised within it, JIAC Members agreed they were satisfied that the correct process had been followed and there are no implications for the Statutory Statements of Accounts.

60. **EXTERNAL AUDIT REPORTS**

GR confirmed that in the absence of CW he (GR) had authority to speak on behalf of Mazars.

a) Progress Report: The report of the External Auditors providing a summary of audit progress. GR advised that having met with JM and DJ, planning is underway for the 2013/14 external audits. Audit Strategy Memorandums will be presented to the next meeting of the JIAC on 24 March 2014.

RESOLVED - The report was noted.

b) Annual Audit Letters - year ended 31 March 2013: Members considered the Annual Audit Letters for both the Commissioner and Chief Constable. On behalf of JIAC Members, DP thanked the NY Police Finance Teams in appreciation of their contribution in producing high quality accounts and supporting working papers.

RESOLVED – The report was noted.

c) External Audit and Internal Audit Protocol: This protocol sets out the proposed working relationship that should exist between External and Internal audit. Although External and Internal Audit carry out their work with different objectives in mind, many of the processes are similar. The protocol sets out the proposed working relationship that should exist between Internal and External Audit. NR agreed that Internal Audit would ensure External Audit are kept informed of changes to IA plans.

RESOLVED – The report was noted.

61. **INTERNAL AUDIT PROGRESS REPORT**

The report of the Internal Auditors to set out the progress made to date in achieving the Audit Plan. JIAC Members raised several queries, most notably:

- Enquiring on the progress of the self-assessment against the Public Sector Internal Audit Standards. **NR confirmed this had been completed and would forward a copy of the self-assessment to DP.**
- Responding to a question, GM confirmed that a Treasury Management Policy is in place.
- Noting that there were 3 instances where the counter-party limits had been exceeded. Both JP and GM provided assurances that proper processes had been followed and explained the internal procedures which are in place.
- DP asked if there is any disciplinary process in place if due care is not exercised with regard to the security of internet banking cards. JP advised that there are several safeguards in place to avoid any breach of security occurring, which should mitigate against the need for disciplinary action in respect of unsecure or careless internet banking practices.

RESOLVED – JIAC Members noted the report.

62. **PROGRESS ON INTERNAL AUDIT RECOMMENDATIONS**

The report of the Chief Executive Officer provided an update on the implementation of internal audit recommendations. DP asked in what circumstances the deadlines for implementing recommendations are extended. JC explained external factors such as projects being rescheduled can cause delays. In these circumstances, it will be worthwhile to re-assess if the relevant recommendation is still valid. KJ asked how risks are prioritised. NR advised that there are three categories of risk which can be highlighted in future reports.

RESOLVED – JIAC Members noted the update on internal audit recommendations.

ACTION – Future reports to highlight the three different categories of recommendations.

63. **FUTURE PROVISION OF INTERNAL AUDIT SERVICE (CONFIDENTIAL ITEM)**

The report of the Commissioner's Chief Finance Officer presented proposals for the future Internal Audit service provision.

JIAC Members discussed the proposals at length and provided feedback to the Commissioner's Chief Finance Officer. This feedback will be considered in producing the final draft Decision Notice for consideration by the Executive Board on 21 January 2014.

RESOLVED – JIAC Members supported the proposed recommendation for the future provision of the internal audit service.

ACTION: 'Future of the Internal Audit Service Provision' final draft Decision Notice to be submitted to the Executive Board on 21 January 2014.

64. **CORPORATE PERFORMANCE REPORT**

This report provides an overview of performance for the period 01 April 2013 – 30 November 2013 (with comparatives for the previous year).

DJ provided an update on the national interest and attention on the crime recording process. He circulated to JIAC Members a report entitled "Supporting Data Integrity".

JM advised JIAC Members of the proposal to increase the police precept by 1.99%. Public consultation on the proposed increase is due to commence imminently.

RESOLVED – The report and current position were noted.

65. **RISK MANAGEMENT REPORT (CONFIDENTIAL ITEM)**

The report of the Joint Corporate Risk Group provided an update on the Strategic Risk Register (SRR). JC commented that following a recent review of the draft SRR, additional actions have been identified. ACC Kennedy and T/ACC McIntosh have also been consulted and provided feedback which has been cross referenced with the draft SRR.

ACTION: KJ to email JC with feedback and comments regarding the content of future reports on the SRR (JC provided KJ with the current version of the SRR with funding and background information included).

RESOLVED - The report and appendices were noted.

66. **INTERIM INTERNAL AUDIT MANAGEMENT BOARD UPDATE**

JP provided a verbal update on the Interim Internal Audit Management Board. One meeting of the Board has taken place since the last JIAC, which JP attended and JP will continue to attend future meetings of. There was disappointment that the meeting did not provide any strategic direction.

RESOLVED – The update was noted.

67. **COMMISSIONER'S DECISIONS**

There were no comments on recent decisions made by the Commissioner.

68. **COMMISSIONER'S AND CHIEF CONSTABLE'S ITEMS**

JM and DJ provided the following updates:

- The proposals for the new Northern Base are being progressed, with a site at South Kilvington near Thirsk having been identified. Public engagement on the proposals has commenced, with residents of South Kilvington receiving hand delivered correspondence. A local drop in session is being planned for February.
- The establishment of a new Out of Court Disposal Scrutiny Panel was announced in December, for which an Independent Chair is being sought.
- Proposals for the Victims Needs Assessment are now being accepted.
- Engagement with the Ministry of Justice is being undertaken on a Transforming Rehabilitation Programme.
- The Well Being Agenda for NYP staff and officers is being implemented.
- The Operational Policing Model (OPM) is in development. JIAC Members will receive an update on this at the next JIAC in March. OPM Seminars are being arranged for the Police and Crime Panel, which JIAC Members were invited to attend (**dates to be confirmed**).
- The schedule of forthcoming 'Time to Talk' events, which provide the opportunity for members of the public to speak with the Chief Constable and the Commissioner at drop-in sessions in their area.
- An update on the current position with the Crown Prosecution Service.

69. **CONFIRMATION OF DATE OF NEXT MEETING**

The next meeting of the JIAC will be 1pm Monday 24 March 2014 in Conference Room One, Police Headquarters, Newby Wiske.

70. **DATES OF 2014 MEETINGS**

- Monday 23 June 2014
- Monday 22 September 2014
- Monday 22 December 2014

All meetings will commence at 1pm in Conference Room One, Police Headquarters.

71. **ANY OTHER URGENT BUSINESS**

There being no other business the meeting closed at 3:45pm.