

**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 9.30am on Friday 8 August 2014.

PRESENT:-

In the Chair: David Portlock (DP).

Members: Howard Cutler (HC) and Katherine Johnson (KJ)

Officers: Chief Constable Dave Jones (DJ); Commissioner's Chief Executive Officer Joanna Carter (JC); Acting Head of Organisation and Development and Head of Risk and Assurance Donald Stone (DS); Commissioners Chief Finance Officer Michael Porter (MP); 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: Commissioner's Personal Assistant Rachel Firth (RF (minute taker)).

91. **Introductions and Apologies**

Apologies received from Police and Crime Commissioner Julia Mulligan (JM); Chief Constable's Chief Accountant and Chief Finance Officer Jane Palmer (JP) and Head of Internal Audit Neil Rickwood (NR).

The Chair welcomed Michael Porter the Police and Crime Commissioner's new Chief Finance Officer

92. **Minutes of the meeting held on 24 March 2014**

These were accepted and approved with 1 minor amendment to DS's role title.

93. **Matters Arising**

Several updates were provided:

Matters arising from 24 March 2014 meeting:

Item 1 – DP confirmed that an additional member has been appointed to the Joint Independent Audit Committee (JIAC). DP will formally confirm to the JIAC the appointment once vetting has been completed, the intention being that the new member attends the September meeting of the JIAC. DS confirmed that a Decision Notice will be approved by Executive Board when the vetting of the new member has been completed.

Item 2 – DS reported that a publication strategy for Risk Management reports should be available for the December meeting of the JIAC. It will be important to ensure that reports and appendices are suitable for public understanding.

Item 3 – External Audit had met with JP and Gary Macdonald (GM) (the Commissioner's former Chief Financial Officer). GR confirmed that the 2014 Accounts will be compliant with the latest CIPFA accounting guidelines.

Item 4 – Further guidance on the appointment of External Auditors is not yet available. MP understands it will be 2017 before any procurement will be necessary. It was agreed that this issue should be kept under review.

Item 5 – Related party transactions declarations were issued on 1 April 2014. GR reported that EA would review these as part of their audit work.

Item 6 – Previous internal audit plans had been circulated. JIAC members had no comments on these.

Item 7 – DP had not yet met with DS and DCC re migration. DP to arrange a meeting with DS.

ACTION: DP to arrange a discussion with DS

Item 8 – Schedule of HMIC inspections not yet provided to JIAC members. DS will send shortly.

ACTION: DS to provide schedule of HMIC inspections to JIAC members

Matters Arising from 13 January 2014:

Item 7 – Covered at JIAC workshop on 9th May 2014

Matters Arising from 23 September 2013:

Item 1 – Covered at JIAC workshop on 9th May 2014

Item 2.1 – GM and JP have met with Mike Newberry. JC and MP will investigate outcome and report back to the September meeting of the JIAC.

ACTION: JC and MP to investigate and report to September meeting of JIAC

Item 2.2 – VFM briefing covered at workshop on 9th May 2014

Item 3 – DJ reported that there is currently a National review on the complaints process. DJ also provided a brief update on collaboration opportunities. Confirmed he will be in a better position to update in December when the national and collaboration picture will be clearer.

ACTION – Complaints update to be provided at the December meeting of the JIAC

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

Following discussion it was agreed that Item 12 on the agenda should be treated as confidential and any confidential information be excluded from the minutes to be made available for public inspection.

The Risk Management Report (item 12) continues to be a report in development, with the intention of it eventually being published in the future.

ACTION: DS to finalise the publication strategy for the Risk Management Report for discussion at the December meeting of the JIAC.

95. **Statements of Accounts with Annual Governance Statements for the year ended 31 March 2014**

MP confirmed that the External Audit is progressing well and will be finished during September. The Statements of Account and the Annual Governance Statement will be approved at the meeting of the JIAC on 22nd September.

The meeting discussed the necessity of reviewing draft documents and then finalised documents rather than only reviewing finalised documents. DP confirmed that this requirement is in the JIAC's Terms of Reference (ToR). DP stated that he found it helpful to see drafts in June.

DP suggested that there should be a review of the ToR when the self-assessment on the effectiveness of the JIAC was undertaken. JC informed the meeting of the current work on streamlining processes and the possibility that submission deadlines will change. These are likely to mean the JIAC will be unable to review the drafts in the future.

ACTION – The JIAC's ToR to be reviewed when the self-assessment and annual review of the JIAC is completed

96. **External Audit Progress Report**

CW confirmed they are still waiting for information about the Pension Fund from the Fund's auditors (Deloitte) and Mouchel.

GR noted that his team are currently on site. In high level terms there is nothing of any significance. They are hoping to finish their fieldwork within the next week or so, with draft reports available by the end of August. GR also noted that whilst the majority of the Value for Money (VfM) work was completed in April, they intend to revisit VfM in view of the recent Northern Base announcement.

RESOLVED: The External Audit progress report be noted.

97. **Internal Audit Annual Report and Opinion**

MG confirmed no major changes to June IA report. IA continue to derive reasonable assurance from the systems in place, and whilst there are some concerns with known problems, overall internal controls are strong.

There was some discussion regarding the overall judgement 'reasonable assurance'. MG confirmed this is based on all opinions issued during 2013/14. MG confirmed that IA have no significant concerns.

The committee raised the following relating to IA's Annual Report:

- Paragraph 3.6, MG confirmed the concerns have been followed up and are in progress.
- Paragraph 3.7, MG stated this had not really been followed up. HC noted this is a difficult issue as there are different interpretations. DJ confirmed the EDHR board are responsible for this point. The revised People Strategy and Code of Ethics should give assurance on the work NYP is undertaking. DJ discussed the recent Victim Needs Assessment which identified lack of confidence in the reporting of some crimes (disability hate crime for example). He noted this will be addressed through the Victims Hub and other areas of work.
- Paragraph 3.9, KJ asked about the current picture of fraud.

MG confirmed that IA is working on its audit plan for the second half of 2014/15 and will be including Fraud as part of this.

JC commented that PSD undertake a lot of work in relation to Fraud and Finance and complete an Annual Fraud report. JC also mentioned the potential value in looking at the gap analysis between IA and HMIC reports and ensuring that there is no duplication.

RESOLVED: The Internal Audit Annual Report and Opinion be noted.

98. **Internal Audit Progress Report**

MG confirmed progress has been made since the report was produced for June.

No questions were raised

DP observed that some of the projects on the IA plan refer to “giving advice”. He reminded IA that giving advice was acceptable - being drawn into decision making was not.

RESOLVED: The Internal Audit progress report be noted.

99. **Review of Internal Audit**

DS has exchanged emails with Derbyshire about Internal Audit services.

North Yorkshire will complete its review of Internal Audit service provider by the Spring of 2015. The current provider is engaged until October 2015.

JC confirmed that North Yorkshire Police understands its direction of travel and will redefine its requirement for IA services. MP agreed to review the position.

RESOLVED: The update be noted.

ACTION: MP to review IA requirements and service provider.

100. **Progress on Internal Audit Recommendations**

JC confirmed updates on progress – for example, progression of niche is ongoing. She confirmed that she was not aware of any significant issues that are awaiting progression.

The committee discussed the issue of when NYP views an audit recommendation as being closed vs IA thinking an action is closed. JC commented that NYP does not have the resources to ‘double check’ work.

JC observed that the challenge for NYP is keeping up with the amount of recommendations from several sources given the increasing amount of inspections and reviews.

DJ discussed HMIC’s plan to hold Ofsted style inspections each November split into 3 parts:

Value for Money

Legitimacy (Openness and Transparency)

Reducing Crime

The Committee discussed thematic HMIC inspections. DJ confirmed HMIC Head Tom Winsor is visiting in October and it is intended to discuss with him where NYP is, and where NYP is trying to get to. DJ commented that NYP does not have the resources to double/ triple check everything it does.

JC raised the need for a robust internal control system. The type of organisation NYP is in the process of becoming will embrace the Code of Ethics, the division of duties, the culture within NYP and the time needed to embed all of this.

RESOLVED: The update on progress on Internal Audit recommendations be noted.

101. **Corporate Performance Report**

DJ discussed the Corporate Performance report for July. As an example of using resources efficiently, DJ specifically mentioned that the Knaresborough Bed Race was completely policed by Specials.

DJ and JC commented that when considering strategies for reducing crime it is essential to look at the external factors causing the crime and the multi-agency working this requires. JC also discussed the need to develop a preventative crime model.

RESOLVED: The report and current position be noted.

102. **Risk Management Report – Confidential report**

The report of the Joint Corporate Risk Group provided an update on the Strategic Risk Register (SRR).

As noted in Minute 94 above, DS will finalise the publication strategy for the Risk Management Report for discussion at the December meeting of the JIAC.

RESOLVED: The report and appendices be noted.

103. **Commissioner's Decisions**

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

104. **Commissioner's and Chief Constable's items**

DJ provided the following updates:

HMIC activity – DJ discussed the Valuing NYP recommendations made by HMIC. NYP received an overall score of **Good** out of the 4 categories (Outstanding, Good, Requires Improvement and Inadequate). It was agreed that a copy of this report will be sent to JIAC members by DS.

Other HMIC reports due: Core Business (freeing police time), Crime Data Integrity, and Corruption and Integrity Inspection (currently ongoing). An over-arching report should be issued in November.

Operational Policing Model was launched in early June and the closure of Skipton and Selby custody facilities has been announced.

Police and Crime Plan refresh is being worked through, and this is going to the Police and Crime Panel in October.

Comprehensive Spending Review – There are still several millions of pounds of savings to be found but NYP are relatively confident these will be achieved. It is anticipated that further cuts in funding will be announced in the next Spending Review.

Northern Base – DJ reported that he and the Commissioner had revisited their previous decision to relocate to South Kilvington. NYP were now exploring a collaboration with the Cleveland Force which could lead to both Forces sharing the same building on the boarder of Cleveland and North Yorkshire, some 30 minutes drive from Newby Wiske. DJ confirmed NYP had not bought land nor applied for planning permission for the proposed site in South Kilvington. A lot of the work that has been done in relation to South Kilvington will be relevant to any collaboration with Cleveland. JC confirmed that NYP are working through options with Cleveland and the next stage of the OPM.

There was a brief discussion regarding existing collaborations and potential new collaboration opportunities.

ACTION – The Valuing The Police report to be sent out to JIAC members by DS

105. **Confirmation of date of next meeting:**

Monday 22nd September at 1pm in CR1, Police HQ in Newby Wiske.

106. **Date of remaining 2014 meeting**

Monday 22nd December at 1pm in CR1, Police HQ in Newby Wiske.

107. **Any other urgent business**

There being no other business the meeting closed at 11.50am.