
**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 24 March 2014.

PRESENT:-

In the Chair: David Portlock (DP).

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

Officers: Deputy Chief Constable Tim Madgwick (TM); Police and Crime Commissioner Julia Mulligan (JM); 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 Risk & Assurance Donald Stone (DS); 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: Commissioner's Governance Support Officer Claire Askew (CA (minute taker)).

72. **INTRODUCTIONS AND APOLOGIES**

Apologies were received from the Chief Constable Dave Jones (DJ); and the Commissioner's Chief Executive Officer Joanna Carter (JC). DP welcomed TM who was representing DJ.

DP welcomed DS to his first meeting of the JIAC. As Head of Risk & Assurance DS will be attending future meetings of the JIAC

DP informed the meeting that Joint Independent Audit Committee (JIAC) Member Michael Wilson (MW) had resigned. This is due to being unable to commit to the time required for the JIAC. DP thanked MW for his contribution to the work of the JIAC during his time as a Member. Recruitment is now actively taking place to recruit two new Members.

73. **MINUTES OF THE MEETING HELD ON 13 JANUARY 2014**

NR requested that in relation to minute 62, the wording for the action should read 'Future reports to highlight the three different categories of recommendations'.

Other than one other minor amendment the minutes were accepted and approved as a true record.

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

DP sought and received confirmation that that the Decision Notice for the Future Provision of Internal Audit Service had been approved and published (number 4 of matters arising from 13 January 2014).

DP confirmed that NR has provided the action plan (following the review of the system of internal audit) which DP will circulate to JIAC Members (number 1 of matters arising from 04 July 2013).

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

Following discussion it was agreed that Items 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.

The Risk Management Report (item 11) continues to be a report in development, with the intention of it eventually being published in the future.

AGREED: GM to develop a publication strategy for the Risk Management Report. (Lead: GM)

76. **REVIEW OF ACCOUNTING POLICIES**

This report presents the proposed Accounting Policies to be used in the preparation of the Statement of Accounts for 2013/14 and seeks feedback from the JIAC. The proposed Accounting Policies had been previously approved by the Executive Board on 17 March 2014.

KJ asked if External Audit had had the opportunity to review the proposed policies. JP and CW confirmed that External Audit had received sight of the proposed policies and there were no concerns. CW added that the policies were in line with other local authorities' policies.

RESOLVED: JIAC Members supported the Executive Board's approval of the proposed Accounting Policies.

77. **EXTERNAL AUDIT PROGRESS AND BRIEFING**

The External Auditors presented their progress report and briefing of emerging issues and developments. CW advised that the Cipfa accounting guidance on police accounting referred to on page 3 of the report is now available and he will arrange to discuss this guidance with GM and JP.

KJ enquired about the arrangements for when the procurement of audit services will commence. GM advised that the plans and timeline are in development and will be provided to the JIAC when available for JIAC feedback and approval. DP suggested that this could be incorporated into the JIAC workshop scheduled for the end of April.

RESOLVED – The JIAC noted the progress report and briefing.

AGREED – CW to meet separately with JP and GM to discuss the Cipfa accounting guidance on police accounting. (Lead: CW)

AGREED – Procurement plan and timeline to be continued to be developed and provided to JIAC Members at the JIAC workshop at the end of April. (Lead: GM)

78. **EXTERNAL AUDIT STRATEGY MEMORANDUMS**

The External Auditors presented their separate Audit Strategy Memorandums for the Police and Crime Commissioner and Chief Constable of North Yorkshire for the year ended 31 March 2014. CW confirmed that the approach adopted in 2013 will be adopted for 2014. CW highlighted that as the Chief Constable is now regarded as a 'local authority' there will be some relatively minor differences.

With regard to the Value for Money conclusion, CW drew attention to the need for an update of the External Auditors' knowledge in respect of the new Northern Base and the stage 2 transfer in order to provide a Value for Money conclusion. JM supported the Northern Base Value for Money review as it would provide additional scrutiny for what is a major project for North Yorkshire Police.

JP advised that declarations for related party transactions will need to be signed by JIAC Members by 01 April 2014 (including JIAC Members who have served and resigned since 01 April 2013).

RESOLVED – The JIAC noted the Audit Strategy Memorandums for both the Commissioner and the Chief Constable.

AGREED – Declarations for related party transactions to be signed by JIAC members (Lead: JP).

79. **INTERNAL AUDIT PROGRESS REPORT**

The report of the Internal Auditors sets out the progress made to date in achieving the Audit Plan. Further to previous agreement, all audit reports are now being submitted, in full, to the JIAC.

KJ raised a query relating to the Cash Handling Report regarding the issue of firearms. MG responded that their audit was in relation to *how many* firearms licences were issued and the collection of payments, not the *process* of how firearms licences are issued. On occasions an audit can highlight an issue which requires a separate audit which would need to be agreed and scheduled into the audit plan. NR confirmed that a firearms licensing audit has taken place in the past. TM provided assurances that the current Firearms Licensing process is 'fit for purpose'. He informed the meeting that North Yorkshire is in the top three Forces nationally for the number of firearms licences issued. In addition e-commerce is due to be implemented which will automate the full application process and provide reconciliation reports for the different types of firearms licences issued. A consultation has been undertaken for the e-commerce application process which received a high satisfaction response from users.

GM highlighted that since an audit for Debt Collection 2 years ago which was reported as being a high risk area, a great deal of work has been undertaken by NYP to achieve the improvement shown by the recent audit.

The JIAC also discussed the management and processes in place by NYP for the collection of outstanding debts.

RESOLVED – The JIAC noted the progress report and the three reports of completed audits.

80. **INTERNAL AUDIT STRATEGY 2014-15**

This report sets out the Internal Audit Strategy for 2014-15 in delivering assurance to the Police and Crime Commissioner and Chief Constable. The Committee raised the following issues:

- In the third paragraph of Section 4 of the Strategy the word "direct" seemed unnecessary. NR agreed to delete.
- Why in the Cycle of Financial Systems Reviews are Debtors on a 'once in five years' cycle? NR advised that this is based on the assessment of risk having regard to the amounts involved. GM added that this will be kept under review as updates come through to the risk meetings.

RESOLVED – The JIAC noted the report and Internal Audit Strategy for 2014-15.

81. **INTERNAL AUDIT PLAN 2014-15**

This report provides the Internal Audit Plan of work to be undertaken in the first 6 months of 2014-15 in relation to the provision of Internal Audit services for the Police and Crime Commissioner and Chief Constable for North Yorkshire.

KJ raised concerns that the plan did not have any focus on policing or operational risks. NR offered to provide previous plans to the JIAC to provide context. TM and GM advised that some areas of the plan are specific to policing and that the Joint Corporate Risk Group is a mechanism to ensuring the right balance, alongside various other sources of assurance (such as External Audit, organisational development, the JIAC, HMIC, IPCC) to mitigate risk, but that operational risk will be looked at in the second six months of the plan.

RESOLVED – The JIAC noted the report and Internal Audit Plan.
AGREED – NR to provide previous Internal Audit Plans to JIAC (Lead: NR)

82. **PROGRESS ON INTERNAL AUDIT RECOMMENDATIONS**

The report of the Chief Executive Officer provided an update on the implementation of internal audit recommendations. GM provided further detail and rationale for the two audits where the deadlines for implementing recommendations had been extended. JP confirmed that the arrangements relating to Treasury Management had been reviewed and she was content that appropriate safeguards are in place. She did not feel that these would need to be escalated to the Joint Corporate Risk Group.

RESOLVED – JIAC Members noted the update on Internal Audit recommendations.

83. **CORPORATE PERFORMANCE REPORT**

This report provides an overview of performance for the period 01 April 2013 – 31 January 2014 (with comparatives for the previous year).

RESOLVED – The report and current position were noted.

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

The report of the Joint Corporate Risk Group provided an update on the Strategic Risk Register (SRR). DP requested a separate meeting to discuss the timelines for the migration to the Public Service Network.

RESOLVED - The report and appendices were noted.

AGREED – DP to meet with DS and TM to discuss the timelines for the migration to the Public Service Network. (Lead: DP)

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

As there has not been a meeting of the Interim Internal Audit Management Board there was nothing to report.

86. **COMMISSIONER'S DECISIONS**

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

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

JM and TM provided the following updates:

- **Integrity Working Group:** As part of the APCC Integrity Working Group, JM is leading (alongside the Avon and Somerset Commissioner) on work regarding the Independent Police Complaints Commission's plans following the transfer of funding to them top sliced from forces.
- **Independent Police Complaints Process:** The OPCC is waiting for a response from the Home Office regarding local proposals for this process.
- **Victim Needs Assessment:** Work has been commissioned with The Buzzz, a market research consultancy. Early findings show that NYP provide an excellent service to victims of crime, but there are areas of concern regarding the support to victims when they are required to be witnesses.
- **Transparency Agenda:** As part of the Integrity Working Group, work is being undertaken on the Nolan principles which Commissioners will be required to review and then implement.

- **New Northern Base Proposals:** Engagement has been taking place with the residents of South Kilvington, which has been identified as the preferred site for the new Northern Base. This has involved an open day giving local residents the opportunity to meet with the project team; writing to all residents to explain the next stages; and a public meeting with the Commissioner and Chief Constable is being arranged. It is too early to commence formal public consultation but public engagement will continue in order to keep residents informed.
- **Stage 2 Transfers:** All staff and officers will be contacted by letter week commencing 24 March 2014 to confirm if or if not their individual roles will be affected by the Stage 2 Transfers. The draft Stage II Transfers Regulatory Instruments and Policy Ratification Decision Notice will be submitted to the Executive Board on 25 March 2014 (the Joint Corporate Scheme of Delegation and Consent and the Financial Regulations, will require approval for implementation by 01 April 2014).
- **HMIC Crime Data Integrity Inspection:** This is anticipated to be a high profile inspection. It is expected that strengths will be the ethical approach within NYP but a possible weakness may be that national crime recording standards are not being met. As several other inspections are due DP requested a schedule of the inspections to be provided to the JIAC workshop at the end of April.
AGREED: Schedule of HMIC inspections to be provided to the JIAC workshop at the end of April.

88. **CONFIRMATION OF DATE OF NEXT MEETING**

The next meeting of the JIAC will be 1pm Monday 23 June 2014 in Conference Room One, Police Headquarters, Newby Wiske.

89. **DATES OF 2014 MEETINGS**

- Monday 22 September 2014
- Monday 22 December 2014

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

90. **ANY OTHER URGENT BUSINESS**

There being no other business the meeting closed at 4:04pm.