

POLICE AND CRIME COMMISSIONER FOR WILTSHIRE AND CHIEF CONSTABLE OF WILTSHIRE POLICE

MINUTES of a meeting of the INDEPENDENT AUDIT COMMITTEE held at County Hall, Trowbridge on Thursday 19th September 2013

PRESENT:

Mr W Fishlock (Chairman), Mr P Hall, Mr C J Hoare

IN ATTENDANCE:

Mr K Kilgallen, Mr A Johns, Mr S Cooper, Mr C Barker, Mr S Garlick (Grant Thornton), Mr C Rockey (Grant Thornton), and Mr A Townsend (Internal Auditor)

- 1 **Apologies** Apologies for absence were received from Mr Bellamy and Mrs Mortimer.
- 2 **Declarations Of Interest** There were no declarations of interest.
- 3 **Minutes of the Independent Audit Committee Meeting held on 26 June 2013**
The Committee asked that the views of the Association of Police and Crime Commissioners on the terms of reference for the Independent Audit Committee be recorded as an outstanding action for the next meeting of the Committee.
Resolved: To approve the minutes of the meeting of the Independent Audit Committee held on 26th June 2013.
- 4 **Outstanding Actions** A report by the Chief Executive was circulated. The outstanding actions were the subject of separate items on the agenda.
Resolved: To note the report.
- 5 **Committee Terms of Reference** The Committee was still concerned that there is not a process in place for it to exercise its terms of reference. This is necessary for the Committee to fulfil its role of providing independent assurance to the Commissioner and Chief Constable. In particular the Committee considered that it could not be satisfied that the risk management arrangements are in place.
In the Corporate Risk Management section of the terms of reference the Committee asked for two terms to be revised as follows:
To consider the continuing effectiveness of the Police and Crime Commissioner and Chief Constable's risk management policy and risk management arrangements.
To provide assurance that organisational risks are being managed effectively.
Resolved: To keep the terms of reference under review, especially as a result of comparing them with CIPFA guidance and what the Association of Police and Crime Commissioners may have to say about them.
To review the terms of reference of the Committee in March 2014.
To request that the risk registers for the Police and Crime Commissioner and the Chief Constable are produced at meetings of the Committee.

To request the adoption of the changes to the terms of reference of the Committee recorded in this minute.

6 **Agenda Item not used**

7 **Statement of Accounts for 2012 / 2013** The revised statement of accounts for the Commissioner and the Chief Constable were circulated for reference purposes in view of the report of the external auditor submitted under agenda item 8.

8 **External Audit Report** The Audit Finding Report for the Police and Crime Commissioner and Chief Constable prepared by the External Auditor was circulated. The key messages arising from the audit of both the Police and Crime Commissioner and the Chief Constable's accounts were that, first, the external auditor expected to issue unqualified opinions on those financial statements and, second, an unqualified value for money conclusion will also be issued.

The Committee turned to the action plan contained in the external auditor's report. The Chief Finance Officer for the Chief Constable produced his management response to the recommendations in the plan. The only area of weakness that was identified in the action plan concerned recommendation 3 (Offsite back-up arrangements are established by the IT department. These should include taking the back-up tapes off site on a daily basis.) The Committee was informed that the Force is working with Wiltshire Council to resolve this.

Resolved: To note the External Audit report.

To request that the action plan contained in Appendix A of the report is submitted to the December 2013 meeting of the Committee.

To record the Committee's concern about recommendation 3 of the action plan set out in this minute.

To recommend that the Commissioner and Chief Constable approve the Statements of Accounts for 2012 / 2013 submitted to the meeting

9 **External Audit Training** The External Auditor said it is planning to provide some free training to members on the role of independent audit committees and how they could be effective. Further details will be supplied to the OPCC.

Resolved: To note the report.

10 **Internal Audit: Summary Internal Audit Progress Report** A report by the Internal Auditor was circulated. The Committee confirmed that the practice should continue of reports showing no or limited assurance being submitted in full to the Committee.

Resolved: To note the report.

11 **Internal Audit: Asset Management Review** A report by the Internal Auditor on its compliance review of the asset management arrangements (which concluded with a No Assurance evaluation), and a copy of the report submitted by the Chief Finance Officer to the Chief Constable to the Senior Command Team as a result of the Asset Management Review were circulated. The report to the Senior Command Team had also been submitted to the Commissioner's Monitoring Board. The Chief Finance Officer expressed his disappointment at the result of the evaluation. The response of the BSI Department had not provided the necessary internal assurance. This matter has been recorded on the corporate risk register. The Internal Auditor would be following up on the report.

The Committee expressed its concern in particular over the potential loss of data that could arise from missing hardware.

Resolved: To record the Committee's concern at the outcome of the review of the Asset Management Arrangements and to draw to the attention of the Commissioner and the Chief Constable the Committee's concern over the risk of the loss of data.

To request the production of the organisation's risk registers to provide further assurance on this point.

To request a report to the next meeting of the Committee on the asset management arrangements.

- 12 **Internal Audit – Audit Protocol** A report by the Internal Auditor setting out the working arrangements between the Internal and External Auditors was circulated.

Resolved: To note the report

- 13 **Stocks and Stores Arrangements** A report by the Head of Finance and Logistics was circulated. This was the response to the internal auditor's conclusion of a limited assurance evaluation following a review of the stocks and stores arrangements. The Chief Finance Officer to the Chief Constable said he had met with Agresso, the suppliers of the Force's finance system, and as a result of this confirmed that 8 out of the 9 recommendations from the Internal Auditor's report had been addressed.

Resolved: To note the report.

- 14 **Risk Management Arrangements** A report by the Chief Finance Officer to the Chief Constable was circulated which set out the risk management processes for the organisation. It was also noted that the risk registers are seen by the Police and Crime Panel. The Committee asked how it can engage with the risk management process. One option is for Internal Audit to review the process.

Resolved: To note the report.

The Committee needed to assure itself of the risk management process.

- 15 **Dates of Future Meetings**

Thursday 19th December 2013 at 9.30am at Police HQ, Devizes

- 16 **Urgent Items** There were no urgent items.

PART II: Items during whose consideration it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed

17. **Exclusion of the Public** In accordance with Section 100A (4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Item 18 below because it is likely that if a member of the public were present there would be disclosure to them of exempt information as defined in Paragraphs 3 and 4 of Schedule 12A to the Act.

Resolved: In accordance with Section 100A (4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Item 18 below because it is likely that if a member of the public were present there would be disclosure to them of exempt information as defined in Paragraphs 3 and 4 of Schedule 12A to the Act.

18. **Police and Crime Commissioner and Chief Constable Update** A joint report by the Commissioner and Chief Constable was circulated. This identified a number of current developments that may impact on the work of the Committee, in particular the Stage 2 transfer of staff.

The Committee asked which finance system would be used in the event of transfer of the finance team to the Council. It had not been decided whether it would be the Agresso system or the Council system. The Committee asked also which assurance process would be used and the intention is to continue with the existing system.

Resolved: To note the report