

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

**MINUTES of the INDEPENDENT AUDIT COMMITTEE** held at Bourne Hill Police Station, Salisbury, on 18<sup>th</sup> September 2015

PRESENT: Ms C Baynes, Mr P Hall (Chairman), Mr D Line, and Mr R McMillan

IN ATTENDANCE: The Police and Crime Commissioner, Chief Constable Mike Veale, Mr C Barker, Mr S Cooper, Ms A Walling (Grant Thornton), Mr C Rockey (Grant Thornton), Ms V Davies (Internal Audit).

## **PART I: Items to be considered whilst the meeting is open to the public**

### **1 Welcome to Caroline Baynes**

The Committee welcomed Caroline Baynes as a new member of the Committee.

### **2 Apologies**

Apologies for absence were received from Mr Bellamy

### **3 Declarations of Interest**

There were no declarations of interest

### **4 Minutes of the Independent Audit Committee meeting held on 26<sup>th</sup> June 2015**

#### ***Resolved:***

To approve the minutes of the meeting held on 26<sup>th</sup> June 2015

### **5 Outstanding Actions**

A report by the Chief Executive was circulated. All the outstanding actions were the subject of items on the agenda except as follows:

1. *To ensure the members of the Committee are notified when the advertisement for appointing members of the Police Pension Board is published* – The Committee would be kept updated on this but the members to be appointed will need previous pensions experience.
2. *To ask to see the independent review of the Internal Auditors work* – This was produced at the meeting for circulation to Members of the Committee.
3. *To request the External Auditor to provide an update on the future appointment of External Auditors* – The External Auditor said that no further update could be given at this stage. The making of regulations is awaited to clarify what is happening.
4. *Members were asked to provide comments on the proposed external audit plan within fourteen days of the meeting. The Chair was authorised to reply to the External Auditor on the proposed plan on behalf of the Committee after the end of the 14 day period* - Members of the Committee provided their comments to the Chair which were sent to and approved by the External Auditor.

### **6 Committee Terms of Reference**

The Committee noted the Committee Terms of Reference which would be amended as a result of approval of the Committee's Improvement Plan considered at the meeting.

## 7 Risk registers

The current versions of the risk register for the OPCC and Corporate risk register for the Force together with a supporting paper explaining the changes in the Force's risk register were circulated.

**OPCC risk register.** The Commissioner commented on the risks with a residual risk score of 30 or over.

*7. Wiltshire Police fail to have internal HR organisational policies and services that meet the duties and aims under the Equality Act 2010* – In spite of the increase in the residual risk score the Force's HR department is working to mitigate this risk.

*28 – Strategic Alliance negatively impacts outweigh business benefits* – The residual risk score has not changed because it is still early days in the development of the programme.

The Committee's attention was also drawn to risk 30 (*failure to have adequate capital and reserves to meet expenditure*). Two events will have an impact on this in the coming months. The first event is the amount by which grant funding will be reduced as a result of the comprehensive spending review. Secondly the funding formula is being amended making it easier to apply but the omission of several factors used to develop the formula may affect the funding Wiltshire Police receives.

The Committee commented that there is no indication when mitigating actions for a risk are completed, and if they are not completed what is the time scale for their completion. The Committee asked for the OPCC to submit a report similar to that provided by the Force on the changes to the risk register made in the period between meetings of the Committee.

### **Force Corporate Risk Register.**

The Force commented on the following risks:

One risk reported to the June 2015 meeting (*unsupported operating systems*) had been removed. Wiltshire Police had complied with the relevant Home Office requirement.

Hi-Tech Crime Unit – This has been established as part of the regional forensic services collaboration between Avon and Somerset, Devon and Cornwall, Dorset and Wiltshire. Staff shortages have meant there is a considerable back log in the forensic work that the unit undertakes. The region is discussing the best way to deal with the problem (either by outsourcing the back log to external service providers or to recruit more staff). There is a separate issue over keeping up with technological developments. The risk is the longer it takes to examine a device the longer a case of child abuse may remain undetected.

### **Resolved:**

To request a report from OPCC at every meeting with details of changes made to the OPCC risk register submitted at the previous meeting.

To request more information on the time scale for completing mitigation actions in respect of each risk.

To ask for an update on the management of the risk arising from the back log of

work within the Hi-Tech crime unit.

**8 Independent Audit Committee Work Plan**

The proposed work plan for 2015/2016 was circulated.

**Resolved:**

To approve and adopt the Independent Audit Committee work plan for 2015-2016

**9 Internal Audit: Summary Internal Audit Progress Report**

A report by the Internal Auditor was circulated. The Internal Auditor commented that the process for dealing with reports has improved within Wiltshire Police and thanks are due to Julie Manfield for this.

The Committee's attention was drawn to the improvement in the assurance evaluation for the security of seized proceeds of crime. This is in part due to an improved corporate communications policy.

**Resolved:**

To note the report.

To request a report at future meetings to follow the progress of the implementation of priority 1 and 2 recommendations issued by the Internal Auditor.

**10 Internal Audit: Review of Commissioner's Commissioning Fund**

At the June meeting of the Committee it was noted that the Internal Auditor would carry out an assurance review of the Commissioners Commissioning Fund rather than an appraisal review. Discussions between OPCC and the Internal Auditor have led to the conclusion that spending 5 days on an assurance review of the PCC's Commissioning Fund would not be an efficient use of those days. It was proposed that three recommendations are addressed as follows:

1. *All funding applicants be advised that funding will be suspended from a specific date if a fully completed funding agreement has not been received by that date* – The Internal Auditor confirmed this has been implemented.
2. *Copies of quarterly performance returns be held as evidence that all funders are fully complying with the reporting requirements stated in paragraph 4 of the funding agreement* – Performance returns will be made either direct to OPCC or at meetings of relevant boards attended by the Police and Local Authorities.
3. *An annual value for money assessment be undertaken on all activities/projects/schemes funded through the Commissioning Fund to ensure all funding achieves value for money* – A value for money report will be published for the grants made in 2014/2015 before the next meeting of the Committee.

**Resolved:**

To note the update.

To request the performance returns in respect of all grants made through the Commissioners Commissioning Fund are evaluated against the Commissioner's requirements.

**11 Internal Audit: Appraisal Review of Complaints Management Arrangements**

A report by the Internal Auditor on its appraisal review of complaints management

arrangements was circulated because the assurance assessment is limited assurance. The main concern is that there is no common complaints policy/procedure in place only a process map. The complaints process has been managed by the Secretariat but this responsibility will be transferred to the Professional Standards Department. Details of how the process will work will be published on the Wiltshire Police intranet.

**Resolved:**

To note with concern the report

To request an update on the complaint management arrangements after the completion of the follow up review.

**12 External Audit – Joint Audit Findings Report**

The Audit Findings Report of the External Auditor and the Group Statement of Accounts for the Police and Crime Commissioner and Statement of Accounts for the Chief Constable for the year 2014/2015 were circulated.

The Chief Finance Officer circulated a revised version of Note 20 to the Commissioners Group Statement of Accounts. This concerns the implications of a determination by the Pensions Ombudsman on commutation factors for Police Pension lump sum amounts. Additional lump sum amounts may be payable in respect of police officers who retired between 1<sup>st</sup> December 2001 and 30<sup>th</sup> November 2006 which will be recorded as a contingent liability. Although there is a lack of clarity as to the implications of the determination the key point is that Wiltshire Police will not be affected because any amounts paid will be reimbursed by the Home Office.

Turning to the Audit findings report the External Auditor said that it anticipated giving an unqualified opinion on both the Commissioner's and Chief Constable's financial statements. The External Auditor said also that it anticipated giving unqualified value for money conclusions in respect of both the Commissioner and Chief Constable's arrangements to secure economy efficiency and effectiveness in their use of resources.

The Committee said that in the year 2013/2014 poor capital controls had been identified. The Chief Finance Officer reported that these controls had improved with only 20% slippage in the spending of capital in the year 2014/2015.

**Resolved:**

To note the report.

To thank the Finance Team of Wiltshire Police for its work on the audit of the Commissioner's and Chief Constable's Statements of Accounts.

**13 Independent Audit Committee Improvement Plan**

A report by the Chair of the Committee was circulated. Additional ideas for improving the Committee were put forward as follows.

*All internal audit reports should be circulated to members of the Committee outside the meeting regardless of their assurance assessment. This is agreed.*

*Executive leads for the relevant area of the business for which an internal audit report has been issued with limited assurance should attend the Audit Committee. Demands on resources would make this difficult to implement.*

*There should be "deep dives" in respect of agreed areas of the organisation. Again resourcing concerns would make this difficult. The Force is over inspected in any*

event.

***Resolved:***

To approve the Improvement Plan and add to it the circulation of all internal audit reports to members of the Committee.

**14 Independent Audit Committee Annual Report**

The draft report for 2015 was circulated. This would be completed after the meeting so the business of the March, June and September meetings will be recorded in the report.

***Resolved:***

To delegate to the Chair responsibility for finalising the Committee's report for 2015.

**15 Force Diversity Strategy**

In view of the discussion this is noted in part 2 of these minutes.

**16 Reports for Inspections Including Update on the Peel Inspection**

The Force said that the report had been received on the Peel Inspection but what it says could not be disclosed at this stage. The report would be circulated to the members of the Committee.

***Resolved:***

To request to see the report of the Peel Inspection.

To ask whether HMIC can send a representative to present the report to the Committee.

**17 Update on Future Police Funding**

This had been dealt with in earlier items on the agenda.

**18 Update on the Strategic Alliance with Avon and Somerset**

A report by the Chief Executive was circulated. The governance and management structure is operating. The first major milestone is the production of options for allying business areas in Avon and Somerset and Wiltshire Police services.

***Resolved:***

To note the report

**19 Police and Crime Plan**

The revised Police and Crime Plan was circulated for the Committee's information.

**20 Dates of Future Meetings**

9.30 am on 18 December 2015 at Police HQ, Devizes

**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**

21 **Exclusion of the Public**

***Resolved:***

In accordance with Standing Order 6 of the Committee's Standing Orders to exclude the public from the meeting for the business specified in Items 22 and 23 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 (*Information relating to the financial or business affairs of any particular person (including the PCC or CC if it holds that information)*) and 4 (*Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority*) of Appendix 2 of the Committee's Standing Orders.

22 **Force Diversity Strategy**

The Chief Constable updated the Committee on the development of the Force Diversity Strategy.

***Resolved:***

To note the report.

23 **Internal Audit Service**

A report on the procurement of an internal audit service from 1 April 2016 was discussed.

***Resolved:***

To note the report.