



Cambridgeshire
Police & Crime
Commissioner



Creating a safer
Cambridgeshire

JOINT AUDIT COMMITTEE

APPROVED MINUTES

Date: 29 June 2015

Time: 10.30 hours

Location: Conference Room 3, Police Headquarters, Huntingdon

Members :

Nicola Scrivings	Chair
Nicola Mullany	
Mike Hindmarch	
Ansar Ali	

In Attendance:

Brian Ashton	Deputy Police and Crime Commissioner
Niki Howard	Director of Finance & Resources, Constabulary
Josie Gowler	Director of Finance, OPCC
Simon Parr	Chief Constable
Daniel Harris	Baker Tilly
Paul Ormerod	Chief Inspector, Corporate Development
Jon Hutchinson	Superintendent, Corporate Development
Nancy Leversha	Strategic Accountant, OPCC

1. Welcome and Apologies

Nicola Scrivings welcomed everybody. Apologies were received from Dr Dorothy Gregson, Chief Executive of OPCC, Mark Hodgson and Natalie Clark from Ernst Young.

2. Declarations of Interest

Ansar Ali stated he had become a member of the Labour Party.

3. Approval of the minutes from the last meeting held on 31 March 2015

The minutes were agreed and signed by the Chair.

The minutes are written as per the agenda order and not the order discussions were held in the meeting.

4. Review of Action Log

1. Nicola Scrivings asked how the recruitment for a new member was progressing. Josie Gowler stated there had been a press release and it is advertised on both the PCC and Constabulary websites. To date there has been one application and three enquiries. Closing date 8th July. The members requested an update so they can send on to their contacts and it was suggested to send it to local accountancy companies in Cambridge.
7. Dorothy Gregson had emailed the Beds and Herts Chief Executives, also Nicola Scrivings had met with Chairs and they are content, action discharged.
8. On agenda, closed.
10. Added to September agenda.
11. Nicola Scrivings had received reports, closed.
13. HMIC inspection 29th July, closed.
14. On agenda, closed.
15. The Director of Finance and Resources stated METIS as a programme no longer exists. The committee agreed for a summary of legacy benefits that METIS has enabled with review of what frontline looks like.

5. Internal Audit Annual Report and Progress Report

The Annual Report presented a positive opinion and confirmed that adequate controls are in place for both the OPCC and Constabulary. No negative opinions and no significant issues of concern were raised. Two high priority recommendations had been made and one was outstanding from 2013/14. Due to the terminology available to the audit team, this was recorded as 'little progress'. Baker Tilly have asked their technical team to review definitions as this was seen as harsh by all those present. The Director of Finance and Resources stated that a workable process was being considered but the recommendation may be difficult to implement wholly due to numbers of staff available. The committee requested an update in December to ensure this is closed by March 2016 and agreed that the level of risk may need to be

accepted.

The Progress Report noted three reports have been finalised and three reports are in draft which will conclude the audits for 14/15. It was noted that Baker Tilly will be renamed RSM from October 2015 but there is no change to the team, methodology or cost.

Appendix B and C provided detail of the reports. Appendix E showed the final risk management report with management comments is due to be finalised.

The ICT Strategy undertaken by Herts auditors was included as it showed High and Medium recommendations. It was noted at the Herts Audit Committee meeting that a lot of work had been undertaken and they would move their assurance from moderate to substantial.

Resolved:

- (i) *The group noted the report.*
- (ii) *Update on outstanding cash handling recommendation for December JAC.*

6. Annual Governance Statements

Nicola Scrivings reminded the members it was their role to oversee production and recommend adoption of the AGS.

A small difference between the two AGSs was noted and this would be changed by the Director of Finance in order to make the AGSs compatible. It was noted this occurred to the audit opinion being received late.

Both AGS from the OPCC and Constabulary were recommended for adoption following the amendment.

Resolved:

- (i) *The group noted the report.*
- (ii) *Amendment to be made to OPCC AGS to make compatible with Constabulary AGS.*

7. Board Assurance Framework

The Director of Finance introduced the board assurance framework (BAF) which represents an enhancement to managing corporate assurance. It links strategic objectives with actions required to mitigate risk. The graphs show current risk score, risk appetite and where risk would be if unmitigated in 12 months. The committee

welcomed the approach and stated they understand what it is trying to achieve. Clarity around timing of some objectives was requested and it was agreed for some objectives (eg delivering policing within the available budget) the graph needed to have a different scale showing 2 – 3 years rather than 12 months.

Resolved:

- (i) *The group noted the report.*
- (ii) *BAF to be included on agenda every 6 months. Ensure amendments/additions are highlighted so members can identify these.*

8. Operational and Strategic Risk Registers

Principal Risk Register.

Superintendent Hutchinson highlighted Risk 298 and stated the Constabulary recognised changes in crime types but the service level agreements have not altered. On a regional level there is recognition that cybercrime and child sexual exploitation (CSE) are more prevalent and more resources are being directed towards these. It was stated that volume crime in the future will be very different and over time the structure of the constabulary and the way it polices will change. Communicating with the public over why resources are moved will need to be included in risk mitigation.

For R277 (Hi Tech Crime Unit capacity) it was noted the risk had reduced following some capacity issues that have been resolved. The Chief Constable stated there are ongoing issues with the volume of data retrieved that has to be kept for evidential purposes. Different ways of working with the CPS are being reviewed.

Risk 295 (the use of reserves) was questioned. The Director of Finance and Resources stated the savings plan has always used reserves but this risk is about timing of collaboration savings and using reserves to cover the gap. The Government grant settlement is due November/December when timing will become clearer.

R307 (implications of Employment Appeal Tribunal decision) a contingent liability for 14/15 accounts was recorded.

R310 (safeguarding children) the committee requested Joint Audit Committee be removed from the controls as this was incorrect.

R304 (BCH Vetting unit) the committee were reassured that there is no reputational risk as no offer of employment is made without vetting. There are some posts where risk assessing the post and person has occurred but on a case by case basis and usually transferees and officers that retire and become support staff.

The committee welcomed the report and noted great progress. They asked for

acronyms to be minimised for the future.

Strategic Risk Register

Superintendent Hutchinson introduced the report as a new style of document. He assured the committee this is a 'living' document and is regularly reviewed at each monthly Risk Review Board and Force Executive Board. The committee asked for more detail to be included in the Action required.

R311 (insufficient ICT resources) the committee were informed this is an ongoing issue due to the ICT skills required to manage the ongoing change programmes and the Constabulary salary levels not being competitive with external industry.

Resolved:

- (i) *The group noted the report.*
- (ii) *Update on when reserves are being used to be presented to JAC in September and December 2015.*

9. Structure of Force meetings update

Chief Inspector Ormerod stated the DCC had tasked the Constabulary to review the structure of its boards. This was completed also taking into account the new HMIC assessment process. The new board structure aligns the Constabulary boards to meet the HMIC pillars of Efficiency, Effectiveness and Legitimacy. The DCC will chair the Organisational Development Board and the ACC will chair the Operational Performance Board. The papers show how the meeting structure will report to Force Executive Board and the Commissioners Business Co-ordination Board. A new meeting – Operational Review Panel – will regularly review all recommendations made by HMIC, Internal and External Auditors and organisational learning.

Resolved:

- (i) *The group noted the update.*

10. Financial Regulations update

The committee were advised the one amendment made to the Common Scheme of Governance were to ensure consistency. The Financial Regulations amendments were to ensure consistency and best practice across Beds, Cambs and Herts.

Resolved:

- (i) *The group noted the report.*

11. Treasury Management Strategy Statement

The Director of Finance presented the Treasury Management strategy, which proposed from 2015/16 to 2017/18 maximising return on investment without increasing risk. The changes, recommended and approved by Finance Sub Group and Business Co-ordination Board, were to allow investments with A- rated banks which will expand money market available for treasury. The committee commended the report and the approach taken.

The appetite for borrowing was discussed and the DPCC stated that the PCC policy was not to make long term borrowing for short term assets. Reserves will be used to meet any revenue shortfalls. The committee were informed there is a review of current estate being undertaken and a number of buildings have been identified for disposal and the PCC is looking to maximise income.

Resolved:

- (i) The group noted the report.*
- (ii) Mid-year Treasury report to be presented in March 2016.*
- (iii) To advise JAC members of what training is available for Treasury Management.*

12. Exchequer Service Key Performance Indicators Report

The report provided detail on the debtors and payments made by the Constabulary. The target is 95% and the team achieved 98.2%. A question was raised by the committee over whether there would be value in achieving the target rather than exceeding it; it was stated it is a very small team with little capacity and the difference in money would be minimal therefore no change in approach is proposed.

Resolved:

- (i) The group noted the report.*

13. Scale and Fee Charges

The Director of Finance and Resources presented the paper stating she is also the National lead for charging for police services. Cambridgeshire guidance follows the National guidance but use their own model for community events. This is because the Cambridgeshire make up of events is focussed on community events rather than football clubs. Football charging is being reviewed by the Home Office. Immigration is now charged on a cost basis.

Resolved:

- (i) *The group noted the report.*

14. Cost of Office of Police and Crime Commissioner

The budget for the OPCC remained the same as the previous year. The underspend from 2014/15 was retained to allow for collaboration resources within the OPCC. The committee stated comparisons or benchmarking against other PCC offices would be useful. The DPCC stated it would be very difficult to undertake benchmarking as there is no consistency of approach as each PCC can set their office as they need, for example including some posts eg Estates in the PCC that are included in the Force in other counties. The committee welcomed the transparency of the report and the management of the budget but asked for thought to be given as to some objective reflection on performance.

Resolved:

- (i) *The group noted the report.*
- (ii) *OPCC to reflect on how to provide some objective performance/comparison data for next year's report.*

15. METIS annual report

The committee welcomed the report and stated it was very useful. The DPCC stated that METIS had been more transformational than could have been believed. Without the Chief Constable and the Head of ICT the Force would not be as far ahead as it is we are. The change has not been just technology but officers have used the enabling technology and made their own significant changes in the ways they work.

Resolved:

- (i) *The group noted the report.*

16. Innovation Fund report

The report presented the returns made to the Home Office for the Innovation Fund that Cambridgeshire had been awarded. The Grant was to Cambridgeshire but expenditure was across Beds, Cambs and Herts as the spreadsheet detailed.

Resolved:

- (i) *The group noted the report.*
- (ii) *Benefits report to be circulated to members.*

17. Collaboration

The highlight paper was welcomed by the committee. They asked how visibility will be maintained as collaboration progressed. They were informed there will be three boards overseeing collaboration and reports will be received by JAC from these. It was noted that the risk over an ERP system was not included on the risk register. The committee were assured although timings are tight everything is on track.

The committee asked about Blue Light collaboration and were informed that collaboration with Beds and Herts is the current focus.

Nicola Scrivings reported there had been agreement from the Chairs of Beds and Herts audit committees for an annual collaboration joint audit committee.

Resolved:

- (i) *The group noted the report.*
- (ii) *Annual tri force audit committee meeting to be arranged.*

18. AOB

Nicola Scrivings reported the Chair effectiveness review had been undertaken by the other members. Next year's process will be more rigorous and tie in with the annual Committee effectiveness review.

Resolved:

- (i) *The group noted the report.*

19. Date of next meeting

The next meeting of the Joint Audit Committee will be Thursday 24th September 2015 @ 10.30 hours in Conference Room 3 at Police Headquarters, Huntingdon.

Members are invited from 10.00 hours for a pre-meet.



Nicola Scrivings