

LEICESTERSHIRE POLICE AUTHORITY

Minutes of a meeting of the Audit Committee held at Leicestershire Police Headquarters, Enderby on Thursday 2 July 2009

Present

Members

Mrs W Martin, Mr D Prince, Mr T Render and Mrs A Roberts.

Officers

Mr R Swinfield (Chief Executive), Mr C Smith (Treasurer) and Mrs L Salmon (Members' Services Officer).

Representatives from the Force

Mr C Eyre (Deputy Chief Constable, Mr P Dawkins (Director of Finance), Mrs R Gilbert (Head of Finance) and Inspector M Fletcher (Corporate Development).

Auditors

Mr D Freeman and Mr C Harris (Bentley Jennison) and Mr M Jones and Ms S Swann (PricewaterhouseCoopers).

Mr D Prince – in the Chair

37/09. Apologies

There were no apologies.

38/09. Items of Urgent Business

There were no items of urgent business.

39/09. Declarations of Code of Conduct Interests

The Chairman invited members who wished to do so to make declarations of any Code of Conduct interests in respect of items on the agenda for the meeting. No such declarations were made.

40/09. Minutes of the Meeting held on 15 April 2009

The minutes of the meeting of the meeting held on 15 April 2009, having been previously circulated, were taken as read, confirmed and signed.

Mr Harris informed members that regarding minute 30/09, an oversight meant that the Transport and Health and Safety reports had not been updated in the Progress Report presented to the Committee at this meeting. He added that the areas of performance management and business planning would be kept as separate reviews as this would provide better value for the Authority as the same auditor would undertake both areas of work.

The Treasurer confirmed that the five authorities in the collaborative internal audit service arrangement had agreed that Workforce Planning would be the area for thematic review in 2009/10. He added that the following year would focus on

collaboration and scoping for this would be undertaken from 2009/10 contingency audit days.

Regarding minute 32/09, Mr Freeman stated that the delay in the production of the draft Absence Management Follow-Up report had been due to a combination of himself taking over the work from the previous auditor and Bentley Jennison receiving the response from the Constabulary. The Deputy Chief Constable requested feedback on where the delay had occurred. Members commented that there should, where possible, be a four week turn around time for all draft reports.

The Chairman of the Committee confirmed that regarding minute 31/09, intrusive scrutiny was provided by members at the recent Force Risk Management Group.

41/09. External Audit – Progress Report

The Committee received a joint report of the Treasurer and Chief Constable presenting PricewaterhouseCoopers' progress report. A copy of the report marked 'A' is filed with the minutes.

Mr Jones informed members that the audit of financial statements was almost complete and the formal report would be presented to the next Finance and General Purposes Committee.

In response to a query regarding the downward trend for Comprehensive Area Assessment (CAA) scores compared to Police Use of Resources (PURE) scores, Mr Jones confirmed that this was due to it being a different test which was more output and outcome based rather than being process based. He added that this was not due to a reduction in performance and public perception and confidence would need to be managed effectively once scores were available in the Autumn.

Members suggested that it would be useful for the Annual Audit Letter to provide context to the CAA scores in addition to a communication strategy for all partners.

In response to a query regarding the Authority's self assessment not being scored, Ms Swann explained that this was not an issue as further information had been sought from key staff.

The Chief Executive requested confirmation who would be attending the meeting on 23 July 2009 regarding the Authority's Inspection. Mr Jones confirmed that he would attend and provide feedback.

In response to a query regarding the additional cost for audit work relating to IFRS, the Treasurer stated that it would be £12,000. Members requested that representation be made to the necessary regulatory body that this extra work added no material public benefit.

It was RESOLVED:

- (i) that the Chief Executive provide a communication strategy on the publication of the CAA scores;
- (ii) to note the progress to date.

42/09. Internal Audit – Progress Report

The Committee received a joint report of the Treasurer and Chief Constable presenting Bentley Jennison's latest Progress Report. A copy of the report marked 'B' is filed with the minutes.

Members commented that there were gaps of several months regarding responses being received and the final report being agreed. Mr Freeman stated that this was due to the changeover of responsibilities within Bentley Jennison in October 2008. He assured members that a process was now in place. Members requested that the next report include confirmation of this.

Members questioned whether the amount of audit days allocated to Payroll and Police Property Fund were proportionate. Mr Harris confirmed that Payroll was looked at each year so auditors had an in depth knowledge of this area compared to an audit undertaken every three years which required more work.

The Treasurer informed members that he, the Deputy Chief Constable and Finance Director would meet with the auditors to discuss how the unspent contingency of 10 days from 2008/09 should be productively utilised in 2009/10.

It was RESOLVED:

- (i) that confirmation of the reporting process be provided in the next Progress Report to the Committee;
- (ii) that in future Appendix C outline the date each area was last audited;
- (iii) to note the progress to date.

43/09. Internal Audit – Payroll (including Pensions)

The Committee received a joint report of the Treasurer and Chief Constable presenting the Bentley Jennison report “Payroll (including Pensions)”. A copy of the report marked ‘C’ is filed with the minutes.

In response to a query regarding reconciliation of Payroll, the Head of Finance stated that additional controls were in place each month regarding joiners and leavers in addition to a quarterly reconciliation.

The Committee RESOLVED to accept the Action Plan and agree the management responses.

44/09. Internal Audit – HR Training and Development

The Committee received a joint report of the Treasurer and Chief Constable presenting the Bentley Jennison report “HR Training and Development”. A copy of the report marked ‘D’ is filed with the minutes.

The Committee RESOLVED to note the contents of the audit report.

45/09. Internal Audit – Police Property Fund

The Committee received a joint report of the Treasurer and Chief Constable presenting the Bentley Jennison report “Police Property Fund”. A copy of the report marked ‘E’ is filed with the minutes.

In response to a query regarding the value of the Fund, the Deputy Chief Constable stated that it was around £40k annually.

The Deputy Chief Constable informed members that outstanding recommendations would be completed by September 2009.

The Committee RESOLVED to accept the Action Plan and agree the management responses.

46/09. Internal Audit – Divisional Reviews

The Committee received a joint report of the Treasurer and Chief Constable presenting the Bentley Jennison report “Divisional Reviews”. A copy of the report marked ‘F’ is filed with the minutes.

In relation to a question regarding 30 invoices being examined to confirm that purchases were supported by an authorised order or appropriately authorised for payment, the Head of Finance confirmed that this was a small sample as between 100 and 200 invoices were processed each month.

The Committee RESOLVED to accept the Action Plan and agree the management responses.

47/09. Internal Audit – IT Health Check

The Committee received a joint report of the Treasurer and Chief Constable presenting the Bentley Jennison’s report “IT Health Check”. A copy of the report marked ‘G’ is filed with the minutes.

Members expressed concern that wording of the management comments appeared dismissive. The Finance Director apologised for this and assured members that this would be followed up and reported back to the next meeting of the Committee.

Members commented that a rigorous password system should be in place and requested information on the number of hacking attempts on the Constabulary’s systems.

Members requested clarification on the comment in the Background document that “IT developments were uncoordinated”. Mr Harris stated he would provide feedback on this.

The Finance Director stated that the Head of IT would be invited to the next meeting of the Committee to clarify any areas of concern.

The Committee RESOLVED to note the report and review the position at the next meeting of the Committee.

48/09. Audit Report and Governance Monitoring

The Committee received a joint report of the Treasurer and Chief Constable monitoring the implementation of audit report recommendations plus areas for improvement identified in the Annual Governance Statement for 2007/08. A copy of the report marked ‘H’ is filed with the minutes.

The following audit recommendations were identified as being complete:

- Recommendation 8 of IT Follow-Up
- Recommendations 1, 3, 4, 6, 7, 8, 9, 10 of Final Accounts Memorandum.

The Deputy Chief Constable stated he would follow up the risk of the absence of a job evaluation scheme with the Human Resources Director.

The Committee RESOLVED to note performance to date in implementing recommendations from audit reports.

49/09. Force Risk Register

The Committee received an oral report from Inspector Fletcher updating members of the Force Risk Register.

Members requested clarification on how risks were dealt with that were high for LPU Commanders but not across the rest of the Constabulary. The Deputy Chief Constable stated that risks were assessed and managed by the Area Commander in line with the National Intelligence Model.

The Committee RESOLVED to note the update on the Force Risk Register.

50/09. Police Authority Risk Register

The Committee received a joint report of the Treasurer and Chief Executive presenting the current Police Authority specific Risk Register for scrutiny. A copy of the report marked 'I' is filed with the minutes.

Members reviewed the mitigation for each of the nine risks outlined in the Risk Register.

The Committee RESOLVED that the Risk Register be revised in accordance with the suggestions made.

51/09. Police Authority Inspection

The Committee received a report of the Chief Executive updating members on the preparation for the forthcoming Police Authority Inspection. A copy of the report marked 'J' is filed with the minutes.

The Committee RESOLVED to note the contents of the report.

CHAIRMAN

10.00 a.m. – 11.55 a.m.
2 July 2009