

## **LEICESTERSHIRE POLICE AUTHORITY**

### **Minutes of a meeting of the Audit Committee held at Leicestershire Police Headquarters, Enderby on Thursday 24 June 2010**

#### **Present**

#### **Members**

Mr D Bill, Dr S Chowdhury, Mrs W Martin, Mr D Prince, Mrs A Roberts and Mr D Snartt.

Mr B Roper, pursuant to Standing Order 25(2) was also in attendance and participated.

#### **Officers**

Mr R Swinfield (Chief Executive), Mr C Smith (Treasurer) and Mrs A Perry (Deputy Chief Executive).

#### **Representatives from the Force**

Mr G Fraser (Temporary Deputy Chief Constable) and Mr P Dawkins (Director of Finance).

#### **Auditors**

Mr C Harris (RSM Tenon) and Ms S Bagnall (PricewaterhouseCoopers).

#### **Mr D Prince – in the Chair**

*The Chairman welcomed Mrs Roberts back to the Committee after a short absence.  
He also offered his thanks and best wishes to Mr Snartt who was  
attending his last meeting.*

#### **41/10. Apologies**

Apologies were received from Ms R Gilbert, (Head of Finance) and Mr M Jones, (PWC).

#### **42/10. Items of Urgent Business**

There were no items of urgent business.

#### **43/10. 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.

#### **44/10. Minutes of the Meeting held on 20 May 2010**

In relation to minute 28/10 (iii), the Chairman requested that the words, 'taking account of the 7 priorities arising from the Members' Awayday and overarching political risk' be added at the end of the recommendation.

Mr Harris stated that the correct title for the internal auditors was RSM Tenon and not as recorded in the minutes.

With the above amendments the minutes of the meeting held on 20 May 2010, were confirmed and signed.

The Treasurer stated his disappointment at the combined results received from thematic audits. Mr Harris stated that this work provided benchmarking data for the Authority to compare itself against and to identify areas of good practice which could be adopted. The Chairman requested that the Treasurer have further discussion with the Regional Treasurer Group to identify if joint audits were providing real benefits and whether or not to continue with this approach. Mr Harris stated that he would have further discussions with the Treasurer regarding a six month follow up report to identify which areas of the audit had been identified as good practice and adopted in Leicestershire.

#### **45/10. Audit Committee Self-Assessment**

The Committee received a report of the Treasurer inviting a review of the Audit Committee undertaken against the Chartered Institute of Public Finance and Accountancy (CIPFA) publication "Audit Committees: Practical Guidance for Local Authorities". A copy of the report marked 'A' is filed with the minutes.

The Treasurer stated that Committee members had previously worked through the assessment and the following key areas had been identified:-

- A review of the Terms of Reference, and name of the Committee, needed to be undertaken. Oversight of 'risk' needed to be included in the Terms of Reference. This would form part of the governance process.
- A rolling work programme for the Committee needed to be in place together with a detailed risk assessment.
- Satisfaction surveys by internal and external audit to be considered in future and discussed with auditors in private meetings held with them in the Autumn.
- Further training for Audit Committee members to be arranged particularly in relation to risk.
- Selection process for members appointed to the Audit Committee to be addressed to ensure the appropriate skills are in place.
- An opportunity for the Audit Committee to scrutinise the statement of accounts before its consideration by the Police Authority be included in the future programme of work.

Ms Bagnell, PWC, stated that the Audit Commission undertook an assessment of the work undertaken by them but that client satisfaction surveys were also undertaken by the company. The Chairman requested that a copy be supplied to the Treasurer.

The T/Deputy Chief Constable stated that the terms of reference for the Committee should reflect those for the Force Strategic Organisational Risk Board so that risk could be managed in a complimentary way.

It was RESOLVED to note the areas identified for further development.

#### **46/10. Police Authority Risk Register**

The Committee received a joint report of the Treasurer and Chief Executive presenting the Police Authority Risk Register for consideration and review. A copy of the report marked 'B' is filed with the minutes.

The Chief Executive tabled further information provided by the Chairman on how the identified risks could be grouped against the seven priorities arising from the Awayday. A copy is filed with the minutes.

Mr Harris stated that risks should flow out of objectives and should be SMART. He added that this would demonstrate how risks would be managed and how residual risks would be controlled. The Chairman stated that whilst the Authority's seven priorities required further work to make them more measurable they did provide a framework for the issues that needed to be addressed.

Members made the following comments on the risk areas:-

- Risk 209 – as the Authority complied with vetting and security marking processes this remained a low risk. However this was wider than just member propriety, it also included being able to deliver what was possible in the current climate and being an effective partner with other stakeholders.
- Risk 210 – this risk required SMART objectives to be allocated to it.
- Risk 212 – as the absence of funding issue was now acute this would be a 'red' risk in the amended register.
- Risk 213 – fits the Police Authority priority number 6.
- Risk 214 – this was a receding risk with the new coalition government.
- Risk 216 – the issue of taxation of employers contributions to police officers pensions needed to be considered. The increase of contributions to the Local Government Pension Scheme would see a 2% increase next year and this would be included in the Medium Term Financial Plan.
- Risk 273 – the score attributed to this risk was wrong. The score should reflect that on the Force Risk Register which currently allocated a score of 9.
- Generally, the risks should be rephrased so as not to be a list of 'failure to' do specific items.

The Chairman informed members that the number allocated to each risk was a result of the input into the Force ORCHID risk management system which automatically generated a number for each risk entered.

Mrs Martin and Mrs Roberts volunteered to assist with drafting the next version of the Police Authority Risk Register.

It was RESOLVED:-

- (a) that the next version of the Police Authority Risk Register be amended as outlined above with SMART objectives being included;
- (b) that following the next reiteration of the Risk Register a training workshop for Committee members be provided by Internal Auditors on the management of risks; and
- (c) to note that the Authority's Risk Register would be reviewed at each meeting of the Committee.

#### **47/10. Examination of Specific Risk: Police Authority Development Programme**

The Committee received a report of the Treasurer for members' examination of progress to date in implementing the Police Authority Development Programme. A copy of the report marked 'C' is filed with the minutes.

The Treasurer made the following comments:-

- A partnership arrangements questionnaire had been forwarded to all members.

- A stocktake of consultation arrangements had been undertaken to identify which aspects were most relevant and to avoid duplication with the Force. From this it was clear that the Council Tax Questionnaire was no longer fit for purpose.
- How results of consultation fed into the strategic planning process now needed to be identified. The new Chief Constable had proposed a new approach that would be discussed with the T/Deputy Chief Constable.
- How the Authority provided feedback to the community would also be addressed.
- A googlegroup discussion on governance issues would take place during July and August.
- The 47 actions in the action plan would be focussed down to 10 or 11 main ones and the action plan itself would be re-drafted as developments took place.
- There was disappointment at the lack of engagement through Googlegroups from members.

Members expressed their concerns over the amount of work yet to be completed and the resources available. Concerns were also expressed over the strands of work not being prioritised within the action plan.

The T/Deputy Chief Constable stated that resources could be provided from the Force to move forward the Development Programme.

It was RESOLVED to report the concerns expressed to the Police Authority meeting on 28 June 2010 where this issue would be discussed.

#### **48/10. Force Risk Register**

The Committee received a report of the Chief Constable summarising the work of the Strategic Organisational Risk Board (S.O.R.B.) and the movement of the top strategic risks since the previous Audit Committee meeting on 20 May 2010. A copy of the report marked 'D' is filed with the minutes.

The T/Deputy Chief Constable informed members of the following:-

- A presentation on serious case reviews would be provided to members on Monday 28 June 2010 and this would outline the risks faced by the organisation.
- Advice had been sought from the Metropolitan Police regarding the Olympics and how to resource the team that would be based at Loughborough. However to date little advice had been received.
- The Chief Officer Group would now run with three ACPO officers and there would be a change in portfolios.
- The Force response to the inquiry into Stop and Search being undertaken by the Equality and Human Rights Commission would be shared with the Authority.
- Further risks would be identified as the change programme gained momentum.
- Under the new government regionalisation was not prioritised and the message was to collaborate with whoever in order to bring efficiencies and savings.

It was RESOLVED to note the contents of the risk register.

*At this stage Mr Bill and Mr Snartt left the meeting.*

#### **49/10. Internal Audit Progress Report**

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

Mr Harris outlined the change to the methodology on how report findings, and audit opinion, would be presented to members by way of a 'petrol guage' illustration. Members indicated their approval for this change in approach.

It was RESOLVED to agree the report.

**50/10. Benefits Realisation Support**

The Committee received a joint report of the Treasurer and Chief Constable presenting the RSM Tenon report "Benefits Realisation Support – Position Statement". A copy of the report marked 'F' is filed with the minutes.

The Chairman stated that the report proved difficult to read due to the style of language adopted and the use of a small sized font. He requested that such matters take the form of a letter to the Treasurer, written in plain English and being a maximum of one page of bullet points, spelling out the risks and headline messages.

It was RESOLVED to note the contents of the report.

**51/10. Estates Procurement**

The Committee received a joint report of the Treasurer and Chief Constable presenting the Internal Audit report "Estates Procurement". A copy of the report marked 'G' is filed with the minutes.

The Chairman requested that future reports consist of a summary of the key messages together with the action plan and 'petrol gauge' illustration. He added that members could request the detail of the audit if they so wished. The Chairman requested that Mr Harris liaise with the Treasurer on the format of future reports.

It was RESOLVED to accept the action plan and agree the management response.

**52/10. Business and Strategic Planning**

The Committee received a joint report of the Treasurer and Chief Constable presenting the Internal Audit progress report "Business and Strategic Planning". A copy of the report marked 'H' is filed with the minutes.

It was RESOLVED to accept the action plan and agree the management response.

**53/10. Health and Safety Governance Regional Thematic Audit**

The Committee received a joint report of the Treasurer and Chief Constable presenting the 'Health and Safety Governance Regional Thematic Audit' report. A copy of the report marked 'I' is filed with the minutes.

The Chairman stated that the report should identify the lessons for Leicestershire and these should be outlined in a preface to the report.

It was RESOLVED to note the contents of the report.

**54/10. Audit Report and Governance Monitoring**

The Committee received a joint report of the Treasurer and Chief Constable presenting monitoring of the implementation of audit report recommendations, plus areas for improvement identified in the Annual Governance Statement for 2007-08 and 2008-09. A copy of the report marked 'J' is filed with the minutes.

The Chairman requested that future reports include dates when recommendations would be implemented and reasons for any slippage.

In respect of page J-6 item 6, it was noted that an annual report on health and safety was presented to the Finance and General Purposes Committee.

The Treasurer informed members that the Strategic Financial Planning Group have asked for a report on all IT initiatives.

It was RESOLVED to:-

- (a) note performance to date in implementation of recommendations from audit reports; and
- (b) receive a fuller update at the next meeting.

**55/10 Strategic Organisational Risk Board (SORB)**

The Chairman stated he could not attend the next SORB meeting on 9 August 2010.

The Committee agreed Mr Bill would attend on behalf of the Authority.

**CHAIRMAN**

11.15 a.m. – 1.17 p.m.

24 June 2010