

LEICESTERSHIRE POLICE AUTHORITY

PAPER MARKED

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Meeting **POLICE AUTHORITY**

Date **TUESDAY 25 JANUARY 2011 – 1.00 P.M.**

Report of **CHAIR OF AUDIT & RISK COMMITTEE**

Subject **UPDATE REPORT FROM AUDIT & RISK BUSINESS DAY –
2 DECEMBER 2010**

Summary

1. This report provides a summary of the Audit and Risk Business Day held on 2 December 2010.

Recommendation

2. Members are requested to note the contents of the report.

Commentary

3. Our first Business Day took place on 2 December when all members of the Committee were present.
4. We started with a risk management workshop presented by Chris Harris from RSM Tenon, our internal auditors. Insp. Mick Fletcher and the Treasurer, Chris Smith, were also present.
5. Chris Harris reminded us of his definition of risk management – “the systematic, positive identification and treatment of risk which either threatens the Authority / Force in any way or causes beneficial opportunities to be missed”. It is important that the organisation’s objectives and priorities are SMART – specific, measurable, achievable, realistic and timely.
6. In particular we were invited to look critically at each risk and the control factors we had identified previously. This was a very useful session which caused us to identify some radical adjustments to our register to carry forward for confirmation at the formal meeting later in the day.
7. Insp. Fletcher then gave a presentation on the Orchid Risk Management System. This is the computer software that helps manage risk on behalf of the Force and Authority. The decisions of the Committee on risk scores are input on to the system and can then be viewed on screen in the Members’ Library.
8. We started the formal meeting after lunch when we were joined by T/DCC Gordon Fraser, Force Finance Director Paul Dawkins and Force Head of IT Tim Glover and by representatives of both external and internal auditors. The Chief Executive / Treasurer designate, Paul Stock, also attended the meeting as an observer.

9. A welcome was extended to Joe Orson on his first meeting of the Committee and thanks were extended to Chris Smith whose last meeting it was.
10. There were no apologies, no items of urgent business and no declarations of any Code of Conduct interests. The minutes of the last meeting were agreed.
11. We looked first at the list of Committee functions and rolling work programme identified at the full Police Authority meeting in September. We confirmed these subject to adding a couple of additional items to the rolling work programme. We also felt that as we approach the appointment of a Police and Crime Commissioner there may be a need for the Committee to scrutinise the transfer arrangements.
12. We then examined the Police Authority Risk Register and confirmed the changes identified at the workshop. We have asked the new Standing Groups to review the risks pertinent to their functions and will scrutinise an updated Register at our next meeting. We also asked that the Chief Executive / Treasurer designate review the Register as an early priority and report back to us.
13. It is our practice to examine a specific risk at each meeting and on this occasion we looked at the arrangements to recruit a Chief Executive / Treasurer. Chris Smith updated us on the recruitment and on the measures to cover the workload in the secretariat in the meantime. We were satisfied with the arrangements put in place.
14. T/DCC Fraser and Insp. Fletcher then presented the latest update to the Force Risk Register that had been reviewed at meetings of the Strategic Organisational Risk Board (SORB). SORB meetings are attended by a representative from the Committee. Several points emerged from our discussion. We noted that several of the high risks had rather static profiles and that we should beware of complacency when reviewing risks. T/DCC Fraser recognised the point and emphasised the need to respond to the routine prompts in Orchid. We also felt that there is a need to find a way of comparing the Force and Authority registers to ensure consistency. This will be achieved through regular informal meetings between T/DCC Fraser and Adrienne Roberts. Finally, we considered the risk to our reputation where critical incidents occur and were assured that in future an early communication will be made to the Chief Executive and Chairman.
15. At each meeting the external auditors, PricewaterhouseCoopers present a progress report. A very satisfactory report was presented including confirmation that unqualified opinions had been given on the financial statements for last year and on the Authority's value for money performance.
16. At each meeting the internal auditors, RSM Tenon present a progress report that summarises the outcome of all audits completed since the last Committee meeting. On this occasion six reports were presented. In five of these a high level of assurance had been given with generally minor or no recommendations. The final audit was an advisory report into IT matters and the Head of IT responded to the seven medium recommendations. We identified a few issues for review at the next meeting.
17. The internal auditors presented a first draft of their Audit Plan for 2011-12. This will now be developed in collaboration with the Treasurer and the Force and will pick up observations made by the Committee. In particular we expect the programme to support transition and value for money, and focus on essential controls.
18. Finally we scrutinised a regular report that tracks performance on implementation of audit report recommendations. We noted those that had been implemented and those that will be brought back to the next meeting.

Implications

Financial: none. Legal: none. Risk Management: outlined in the report. Diversity: none.

Background Papers

Agenda papers and minutes from the Audit and Risk Committee – 2 December 2010.

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