

JOINT INDEPENDENT AUDIT COMMITTEE

24 FEBRUARY 2014 AT THE SOUTH SHIELDS TOWN HALL

PRESENT: J Cooke (Chair), P Angier, E Hayward and N Mundy

APOLOGIES: J Remnant

OFFICERS:

E Snaith	- Chief Executive, Office of the Police and Crime Commissioner
M Tait	- Joint Chief Finance Officer
J Farquhar	- Chief Internal Auditor
P Godden	- Corporate Development Manager, Northumbria Police
J Keenan	- Corporate Development Manager, Northumbria Police
D Lowery	- Office of the Police and Crime Commissioner

INVITEES:

G Davies	- Mazars
C Tyrell	- Mazars

32. MINUTES

RESOLVED - (i) That the minutes of the meeting held on 25 November 2013 be approved as a correct record and signed by the Chair.

33. MATTER ARISING FROM THE MINUTES

(i) That members be provided with an update report at the next meeting relating to the Police and Crime Commissioner's current banking arrangements with the Co-Operative Bank.

34. NEWCASTLE CITY CENTRE POLICE STATION

In March 2008, the former Northumbria Police Authority approved in principle the acquisition of the Forth Banks site from Network Rail as the location of the new Newcastle Area Command police station for £5.5m plus fees.

Due to the nature of the site with buildings having listed status the project has been split into two phases including enabling works and demolition and refurbishment of listed buildings and new construction works.

The building has been designed to the Chief Constables requirements and will include a new 50 cell custody suite and allow for the centralisation of a number of force functions to be located at one site instead of being spread across the area command.

On 18th August 2011, the former Northumbria Police Authority formally approved the purchase of the site and appointed Wilmott Dixon Construction to undertake the building works. The contract sum including all costs relating to the site were estimated to be £31.3million.

Construction began on 19th September 2011 with the team currently being 126 weeks into the 142 week programme.

The project has been monitored throughout by a Project Board which meets every three weeks and is chaired by the Chief Executive of the Police and Crime Commissioner. Costs associated with the project are also scrutinised by the board and this monitoring has resulted in a current underspend of £505,281 and the project being eight weeks ahead of schedule.

RESOLVED - That the information be noted.

35. AUDIT OF CRIME REPORTING STANDARDS

The Police Act 1996 sets out a duty to report on the “state of crime” to the Home Secretary. The Home Office Counting rules (HOCR’s) defines which crimes are reported and are known as notifiable offences. This HOCR then determines the following:

- Whether a crime is notified or not
- When the crime is notified
- How many crimes are notified
- The classification of each crime
- How the outcome of the crime is notified

The HOCR also includes the National Crime Recording Standard which was introduced in 2002 by the Association of Chief Police Officers and included the introduction of the Force Crime Registrar (FCR). The FCR is independent of performance considerations and has responsibility for the interpretation of the counting rules, assigning outcomes and overseeing the audit process.

Members were also informed that Her Majesty's Inspectorate of Constabulary is to conduct a Crime Data Integrity inspection which will test the accuracy of police recorded crime figures and assess how effectively police leaders oversee crime data integrity. This inspection is due to take place in Northumbria week commencing 28th July 2014 and week commencing 4th August 2014.

Members were informed that Northumbria Police has consistently carried out a programme of routine internal audits which includes an audit of incidents that do not result in a notifiable crime. A sample of incidents are checked on a weekly basis to verify that the decision not to record a notifiable crime was the correct decision.

In addition to the routine programme discussed above a substantial force audit was conducted in October 2013 which looked at recent historical incidents opened with a crime code, but not crimed and a victim call back for a sample of incidents which were identified as not meeting the HOCR's. These samples were taken from incidents relating to violence, burglary, theft, vehicle crime and damage. The results of the audit showed that overall compliance levels were 88% with the compliance level for theft and handling at 82%. The results of the victim call back showed that 50% of incidents should have had a crime attached.

The force have implemented a number of actions to ensure confidence in crime recording as a result of the audit that are listed in the report.

- RESOLVED -
- (i) That the information be noted.
 - (ii) That members receive a report into the findings of the HMIC Data Integrity inspection at a future meeting of the Committee.

36. JOINT STRATEGIC RISK REGISTER

An update including the current strategic risk register of the Police and Crime Commissioner and Chief Constable was submitted.

- RESOLVED -
- (i) That the information be noted.
 - (ii) That members are provided with further information relating to the Health and Safety Risk – Death in custody or after police contact.

37. AUDIT STRATEGY MEMORANDUM: PCC

Members were presented with the Audit Strategy Memorandum of the Police and Crime Commissioner produced by the External Auditor which sets out the audit plan in respect of the financial statements of the Police and Crime Commissioner for Northumbria for the year ending 31st March 2014.

The memorandum is split into four key areas including:

- Management Override of Controls
- Revenue and Expenditure Recognition
- Stage 2 Transfer
- Production of Accounts and Provision of Financial Systems

Committee members discussed the implications of Stage 2 transfer and the pension liability of staff transferring from the Police and Crime Commissioner to the Chief Constable.

RESOLVED - That the information be noted.

38. AUDIT STRATEGY MEMORANDUM: CHIEF CONSTABLE

Members were presented with the Audit Strategy Memorandum of the Chief Constable produced by the External Auditor which sets out the audit plan in respect of the financial statements of the Chief Constable for the year ending 31st March 2014.

The memorandum is split into four key areas including:

- Management Override of Controls
- Revenue and Expenditure Recognition
- Stage 2 Transfer
- Production of Accounts and Provision of Financial Systems

RESOLVED - That the information be noted.

39. AUDIT PROGRESS REPORT

Members were presented with the Audit Progress report produced by the External Auditor.

Meetings have been arranged with both the Assistant Chief Officer and Director of Finance to discuss the position on support service arrangements after 31st March 2014.

The internal quality review of the Police and Crime Commissioner 2012/13 audit has now been completed and concluded that all key considerations were met.

A number of emerging national issues and developments were also highlighted in the report.

RESOLVED - That the information be noted.

40. ANNUAL GOVERNANCE REVIEW – ASSURANCE FRAMEWORK 2013/14

Members were presented with a report highlighting the work that will be carried out to produce the Annual Governance Statement for both the Police and Crime Commissioner and Chief Constable which will include:

- Systems of Internal Audit
- Risk Management
- Performance Management and Data Quality
- Views of the Internal Auditor and other External Inspectorates
- Legal and Regulatory Frameworks
- Financial Controls
- Partnership Arrangements and Governance

The information collected in relation to the areas listed above will then be used to produce an Annual governance Statement for both the Police and Crime Commissioner and Chief Constable which is then required to be reviewed by the Joint Independent Audit Committee.

RESOLVED: (i) That the Assurance Framework be agreed.

(ii) That consideration be given as to how statistical information could be included within the Annual Governance information sources.

- (ii) That members receive further training in relation to the governance process

41. INTERNAL AUDIT STRATEGY STATEMENT 2014/17 AND DRAFT ANNUAL AUDIT PLAN 2014/15

Members were presented with the internal audit strategy statement for 2014/17 and the draft annual audit plan 2014/15

The terms of reference for internal audit are laid down in the Commissioner's Delegations to Officers and Financial and Contract Regulations.

The Joint Chief Finance Officer has delegated responsibility to maintain an adequate internal audit of the Police and Crime Commissioner's and Chief Constable's financial affairs as required by Section 151 of the Local Government Act 1972. The revised Accounts and Audit Regulations 2011 also require public bodies to make provision for internal audit.

The main aim of the internal audit service is to assist all levels of management in delivering the objectives of the Police and Crime Commissioner and Chief Constable through the assessment of exposure to risk and the continuous improvement of the control environment. The risk-based audit plan provides purpose and direction to achieve this aim.

- RESOLVED -
- (i) That the Internal Audit Strategy Statement 2014/17 be agreed.
 - (ii) That the Annual Audit Plan 2014/15 be agreed
 - (iii) That quarterly monitoring reports showing progress made against the plan be submitted.

42. DRAFT JIAC TRAINING PLAN

Members received a draft training plan to help them fulfil their role as Joint Independent Audit Committee members.

RESOLVED: Members are to agree a date suitable when all are available to attend the training session

43. 2014 MEETING PLAN

Members received the 2014 meeting plan for the Joint Independent Audit Committee including the proposed agenda items for each meeting.

- RESOLVED:
- (i) That the information be noted
 - (ii) That the Committee work plan be amended to reflect the Annual Report of the Committee being the sole responsibility of the Chair of the Committee and not a joint responsibility with the Chief Internal Auditor.

44. TREASURY POLICY STATEMENT AND STRATEGY 2014/15 TO 2016/17

Members were presented with the Treasury Policy Statement and Strategy for 2014/15 for approval.

- RESOLVED:
- (i) That the Treasury Policy Statement and Strategy 2014/15 to 2016/17 be agreed.
 - (ii) That the Joint Chief Finance Officer provides members with further information relating to best practice in relation to debtors and creditors.

45. NATIONAL AUDIT OFFICE A SUMMARY OF POLICE ACCOUNTABILITY: LANDSCAPE REVIEW SUMMARY

Members were provided with a summary report issued by the National Audit Office on Police Accountability.

Northumbria were included as part of the survey undertaken by the National Audit Office with interviews being conducted with the Commissioner, Chief Constable, Chief Executive, Joint Chief Finance Officer, External Auditor (Mazars), a member of the Police and Crime Panel and Chair of the Joint Independent Audit Committee.

- RESOLVED: That the information be noted

46. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED - That the press and public be excluded from the meeting during consideration of the remaining business in accordance with the indicated paragraphs of Schedule 12A to the Local Government Act 1972.