JOINT INDEPENDENT AUDIT COMMITTEE

16 JUNE 2014 At St Thomas's Church, Newcastle

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

OFFICERS:

E Snaith	- Chief Executive, Office of the Police and Crime Commissioner
B McCardle	- Assistant Chief Officer, Northumbria Police
M Tait	- Joint Chief Finance Officer
J Farquhar	- Chief Internal Auditor
D Johnson	- Finance Department, Gateshead Council
P Godden	- Corporate Development Manager, Northumbria Police
D Lowery	- Office of the Police and Crime Commissioner

INVITEES:

G Davies	- Mazars
C Tyrrell	- Mazars

01. MINUTES

RESOLVED - (i) That the minutes of the meeting held on 24 February 2014 be approved as a correct record and signed by the Chair.

02. MATTER ARISING FROM THE MINUTES

(i) That members be provided with an update report in relation to Her Majesty's Inspectorate of Constabulary inspection of Northumbria Police custody arrangements once prepared.

(ii) Members were updated on the build progress of the Forth Banks Police Station. It was noted that building works are ahead of schedule with handover of the building taking place in the coming weeks.

03. AUDIT PROGRESS REPORT

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

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

RESOLVED - That the information be noted.

04. SUMMARY OF RECENT INSPECTION REPORTS FROM HER MAJESTY'S INSPECTORATE OF CONSTABULARY (HMIC)

Members were presented with a summary report of recent external inspections carried out by HMIC which included:

- Everyone's business: Improving the police response to domestic abuse.
- The Strategic Policing Requirement: An inspection of the arrangements that police forces have in place to meet the Strategic Policing Requirement.
- Crime Recording: A matter of fact.

The main findings of each report were presented which included an overview of the processes in place to manage the forces response to inspection recommendations and findings.

RESOLVED - That the information be noted.

05. BANKING ARRANGEMENTS

Members were presented with an update report in relation to the banking arrangements of the Police and Crime Commissioner.

Discussions are ongoing with Gateshead Council regarding a joint approach to the identification of a new banking provider. A tender for a new banking contract has been issued and work is ongoing to evaluate and select a new provider.

Members discussed the migration of financial services and requested that they receive the programme of migration at the next meeting of the Committee.

RESOLVED - (i) That the information be noted.

(ii) That members are provided with the programme of migration of financial services.

(iii) That banking arrangements of the Police and Crime Commissioner be added as an item to the Strategic Risk Register.

06. ANNUAL GOVERNANCE STATEMENT 2013/14

(i) Senior Managers Assurance Statements

The Accounts and Audit Regulations 2011 require Authorities to produce an annual governance statement giving an assessment of governance arrangements and their effectiveness.

The Committee has previously agreed an assurance framework that will provide evidence for the completion of the annual governance statement (minute 40 – 2013/14).

The Chief Executive of the PCC, Heads of Departments and Area Commanders were required to state whether they agreed or disagreed that the processes in place to manage their key business interests were effective and provided an adequate level of assurance, detail evidence to support this and identify further actions for improvement.

Based on the 2013/14 self-assessments, managers agreed that effective controls are in place to allow them to achieve their service, PCC and Chief Constables objectives. A summary of the returns was submitted.

Internal Audit is to review the evidence and actions identified by the managers' assurance statements in the 2014/15 audit plan and this will be reported to the Committee.

RESOLVED - That the assurances of force managers be noted.

(ii) Review of the Effectiveness of Internal Audit

In accordance with the Accounts and Audit Regulations 2011, an annual review of the effectiveness of its system of Internal Audit and the Committee has considered its findings as part of the annual review of the effectiveness of the system of internal control for the annual governance statement.

The Treasurer to the Police and Crime Commissioner and Director of Finance for the Chief Constable has delegated responsibility to maintain an adequate internal audit of both bodies financial affairs as required by Section 151 of the Local Government Act 1972.

The review of the effectiveness of the system of Internal Audit for 2013/14 has been undertaken by the joint PCC and Chief Constable Monitoring Control Group, which includes the PCC's Chief Executive and treasurer

and the Assistant Chief Officer (Corporate Services) and Director of Finance for the Force. The review was based upon the self-assessments of CIPFA statement on the role of the Head of Internal Audit, reliance placed upon Internal Audit by the external auditor, the assessment of the effectiveness of the Joint Independent Audit Committee and relevant local performance information.

RESOLVED - That based on the reviews outlined, the PCC and Chief Constable's system of internal audit is operating effectively.

(iii) Internal Audit Annual Report 2013/14

The 2013/14 Internal Audit Service work, giving an overall assessment and independent opinion on the effectiveness of both the Police and Crime Commissioner and Chief Constable's internal control systems, risk management and governance arrangements.

The 2013/14 audit plan, in accordance with the requirements of the UK Public Sector Internal Audit Standards provides a risk based focus for the deployment of internal audit resources with the requirements of the Commissioner and Chief Constable being taken into account when preparing the plan.

The audit plan enables the Treasurer to the PCC and Director of Finance to the Chief Constable to fulfil his delegated responsibility to maintain an adequate internal audit of financial affairs as required by Section 151 of the Local Government Act 1972.

There were 28 planned audits during 2013/14 with 26 being completed with final reports issued for 19 of these audits. One planned audit was to be carried forward to 2014/15 with the remaining audits, in respect of key financial systems being in progress art the year end.

Based on evidence arising from the 2013/14 planned internal audit activity, the PCC and Chief Constable's internal control systems, risk management and governance arrangements are considered to be effective; however one area of governance could be strengthened.

The Chief Internal Auditor recommended that an action for improvement should be a review of compliance by the PCC and Chief Constable of governance arrangements in place against the requirements set out in CIPFA's "Delivering Good Governance". The review should lead to the development of a joint Local Code of Governance for both the PCC and

Chief Constable and more regular meetings of the Joint Monitoring Group. Both of these actions have been accepted by management.

Audit work was focused on the completion of routine systems based audits.

The Internal Auditors received full co-operation from police officers and police staff in the areas under review.

RESOLVED: (i) That the information be noted

(ii) That Committee members be presented with the draft governance document once completed.

(iv) Joint Strategic Risk Annual Report

The Joint strategic Risk Register is currently divided into 11 categories with 31 strategic risks identified.

All strategic risks are reviewed by the assigned Chief Officers and OPCC senior management on a quarterly basis. Northumbria Police Corporate Development Department provide a quarterly report to the Strategic Management Board and Joint Independent Audit Committee on the status of the risk register.

An internal audit on risk management was completed on 22nd May 2014 which concluded that the control systems and procedures in place were operating well with no recommendations made.

A recent review of the Strategic Risk Register by the Office of the Police and Crime Commissioner and Chief Officers has resulted in a number of updates and changes which were outlined.

The current risk management processes and procedures for the Police and Crime Commissioner and Northumbria Police are helping to ensure the effective management of those risks.

RESOLVED: That the information be noted

07. EXCLUSION OF THE PRESS AND PUBLIC – EXEMPT BUSINESS

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.