

JOINT INDEPENDENT AUDIT COMMITTEE

15 SEPTEMBER 2014 AT St Thomas's Church, Newcastle

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

APOLOGIES: J Remnant

OFFICERS: B McCardle - Assistant Chief Officer, Northumbria Police
M Tait - Joint Chief Finance Officer
I McCulloch - Principal Accountant, Northumbria Police
D Johnson - Chief Internal Auditor
P Godden - Corporate Development Manager, Northumbria Police
D Lowery - Office of the Police and Crime Commissioner

APOLOGIES: E Snaith - Chief Executive, Office of the Police and Crime Commissioner

INVITEES:

G Davies - Mazars
C Tyrell - Mazars
M Ronan - Gateshead Council

12. MINUTES

RESOLVED - (i) That the minutes of the meeting held on 16 June 2014 be approved as a correct record and signed by the Chair.

13. MATTER ARISING FROM THE MINUTES

- (i) The programme for migration of financial services will be presented to committee members but is still to be finalised. Members are to be provided with the current draft version.
- (ii) The Chair and Vice Chair of the Committee recently met to consider and comment on the Annual Statement of Accounts for the Police and Crime Commissioner and Chief Constable.
- (iii) That discussions take place with the Police and Crime Commissioner and Chief Constable in relation to the Terms of Reference for the Joint Independent Audit Committee.

14. 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.

15. EXTERNAL AUDIT COMPLETION REPORT

Members were presented with the two external Audit Completion Reports prepared by the external auditor, Mazars.

One for the Police and Crime Commissioner for Northumbria for year ended 31st March 2014 and one for the Chief Constable for Northumbria for year ended 31st March 2014. Both reports concluded that the audits of financial statements are subsequently completed and there are no significant matters outstanding. Mazars anticipate:

- Issuing an unqualified opinion, without modification, on your statement of accounts
- Concluding that you have made proper arrangements to secure economy, efficiency and effectiveness in your use of resources

Members queried comments in the report in relation to cash reserves. Members were informed that all cash reserves are held solely by the Police and Crime Commissioner for Northumbria.

RESOLVED - That the information be noted.

16. SUMMARY OF RECENT INSPECTION REPORTS

Members were presented with a summary report of recent external inspections carried out by HMIC and an overview of the process in place to manage the Force's response to inspection recommendations and findings which included:

- Strategic Policing Requirement: An inspection of how police forces in England and Wales deal with threats to public order
- Strategic Policing Requirement: An inspection of how police forces in England and Wales deal with threats of a large-scale cyber incident (including criminal attack)
- Policing in Austerity – Meeting the Challenge
- Northumbria – Joint Inspection of police custody suites

Members discussed the Strategic Policing Requirement Inspection relating to Cyber Attack. It was felt that Northumbria Police could do more to deal with this issue. Due to the ongoing threats of cyber-attack members felt that this issue should be considered as an addition to the Strategic Risk Register.

- RESOLVED -
- (i) That the information be noted.
 - (ii) That further information relating to Cyber Attack be presented at the next meeting of the Committee with consideration given to its inclusion on the Strategic Risk Register.

17. STRATEGIC RISK REGISTER

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

- RESOLVED - That the information be noted.

18. TREASURY ANNUAL REPORT

In accordance with CIPFA'S Code of Practice on Treasury Management, (the Code), the treasury management annual report on borrowing and Investment activity was submitted.

- RESOLVED - That the Committee approves the Treasury Management Annual Report 2013/14 and approves its presentation to the Police and Crime Commissioner.

19. PROGRESS AGAINST THE UK PUBLIC SECTOR INTERNAL AUDIT STANDARDS (UKPSIAS)

The UKPSIAS was introduced in April 2013 with an assessment of internal audit undertaken and an action plan produced to deliver improvements. Actions. Actions arising from the assessment included:

- Bribery Act Training to all Internal Audit Staff.
- Develop expertise in specific areas of contract auditing and computer assisted audit techniques.
- Full review of the Local Audit Manual for auditors
- Development of a formal approach for auditors when undertaking consultancy engagements.

- Development and implement retention requirements for all types of audit records and a policy on the release of audit findings and communication to outside parties.

Members were updated on progress against the improvements highlighted above which has included the delivery of Bribery Act training, computer assisted audit techniques training, update of the Audit Manual and the development of a draft consultancy protocol.

- RESOLVED -
- (i) That the information be noted.
 - (ii) That members receive further information regarding the assessment process at the next meeting of the Committee.

20. AUDIT CHARTER

Following revision of the Audit Charter in September 2013 to comply with the introduction of a common set of UK Public Sector Internal Audit Standards members are asked to approve the internal Audit Charter on an annual basis to comply with the new rules.

One minor change has been made to the Internal Audit Charter which makes reference to the new Consultancy Protocol.

Members queried whether internal auditors were security checked and were also asked to sign the Official Secrets Act. Members were informed that all internal audit staff are vetted and clarification would be sought regarding the signing of the official secrets act.

- RESOLVED - That the Internal Audit Charter be approved.

21. 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.