

NOT PROTECTIVELY MARKED

JOINT INDEPENDENT AUDIT COMMITTEE**22 FEBRUARY 2016 AT 2:00PM****MEETING ROOM 2, NEWCASTLE CITY CENTRE POLICE STATION
FORTH BANKS, NEWCASTLE UPON TYNE****MINUTES AND ACTIONS****PRESENT:****Members:** N Mundy (Chair), P Wood, K Amlani**Officers:**

M Tait	• Joint Chief Finance Officer
P Godden	• Head of Corporate Development
I McCulloch	• Deputy Head of Finance
D Lowery	• Officer of the Police and Crime Commissioner for Northumbria

Invitees:

C Waddell	• Partner, Mazars
J Dafter	• Senior Manager, Mazars
S Humble	• Treasury Manager, Gateshead Council
J Wright	• Audit and Risk Manager, Gateshead Council
S Hall	• Superintendent, Northumbria Police
K Wilson	• T/Chief Inspector Northumbria Police

Apologies: J Cooke, P Angier and E Snaith.**103. INTRODUCTION**

As John Cooke (Chair) had submitted apologies, Neil Mundy (Vice Chair) took the Chair. The Committee requested that their best wishes be given to Elaine Snaith, Chief Executive of the Police and Crime Commissioner following her recent injury.

The Committee also thanked Bernie McCardle, Assistant Chief Officer, Northumbria Police for his work with the JIAC and wished him the best in his retirement.

104. DECLARATIONS OF INTEREST

With regard to Declarations of Interest, members confirmed there were no changes other than that relating to P Woods, as detailed below:

P Wood:

Retired: Non-Executive Director of the North East Ambulance Service.

105. MINUTES OF THE MEETING HELD ON 14 SEPTEMBER 2015

The minutes of the Joint Independent Audit Committee (JIAC) held on Monday, 7 December 2015 were agreed.

NOT PROTECTIVELY MARKED

NOT PROTECTIVELY MARKED

RESOLVED: The minutes of the meeting held on 7 December 2015 were agreed as a true and accurate record.

106. ACTION LIST FOR FUTURE MEETINGS

a. Review of Terms of Reference

This was to be discussed by Members at the next meeting of the Committee.

b. Estates Strategy

Members had all received the Estates Strategy as requested.

DISCHARGED

c. Annual Audit letters 2014/15: PCC and Chief Constable

Both letters for the respective bodies have been published.

DISCHARGED

d. Staff Survey

An executive Summary is still to be prepared and will be presented at the next meeting of the Committee.

e. Summary of Recent Inspection Reports

(i) A summary of inspection reports has been included in the attached papers.

(ii) It was confirmed that findings from inspections will be embedded within the overall audit report.

DISCHARGED

(iii) A presentation in relation to the future workforce model is to be presented at the next meeting of the Committee as the funding from Government may change following the forthcoming budget.

107. PRESENTATION: Understanding Demand and Improving Crime Recording Standards

Superintendent Scott Hall and Chief Inspector K Wilson delivered a presentation to the Committee which covered the following main areas:

- Understanding current demands on the force and the changing nature of these demands.
- How demands are being addressed.
- Recent Inspections undertaken by HMIC relating to Crime Data Integrity including the action plans put in place following this inspection.
- How crime recording is undertaken by the force and the process that is followed.

RESOLVED: (i) that the information be noted.

NOT PROTECTIVELY MARKED

NOT PROTECTIVELY MARKED

108. AUDIT STRATEGY MEMORANDUM: POLICE AND CRIME COMMISSIONER FOR NORTHUMBRIA

C Waddell, Mazars, presented the Audit Strategy Memorandum for year ended 31 March 2016 for the Police and Crime Commissioner.

RESOLVED: (i) that the information be noted.

109. AUDIT STRATEGY MEMORANDUM: CHIEF CONSTABLE FOR NORTHUMBRIA

C Waddell, Mazars, presented the Audit Strategy Memorandum for the year ended 31 March 2016 for the Chief Constable.

N Mundy, raised question as to whether sufficient tests are in place in relation to measure the safety of efficiency savings. It was noted that there are numerous scenarios for funding reductions and how service would be delivered with all having risks and impacts. Savings will be made by workforce reduction on departmental areas that will have least impact on the delivery of the force functions.

RESOLVED: (i) that the information be noted.

110. STRATEGIC RISK MANAGEMENT

P Godden provided members with a summary on the quarterly update on the Joint Strategic Risk Register which was presented to last month's Strategic Management Board, and advised there was one new risk area identified since the last meeting of the JIAC in February 2015, namely short term negative cash flow; and a number of additional controls that have been identified in relation to existing risks have also been added to the Register.

N Mundy commented that steps have been taken to reduce risks in relation to data quality however to have complete confidence Mr Mundy requested that data quality be included within the strategic risk register.

RESOLVED: (i) that the information be noted; and
(ii) that "data quality" be included within the Strategic Risk Register.

111. SUMMARY OF RECENT INSPECTION REPORTS

P Godden provided members with a summary of recent external inspections which also included information relating to actions which had not been completed.

RESOLVED: (i) that the information be noted;
(ii) members to receive a presentation on a revised workforce model at the June 2016 meeting of the JIAC.

112. TREASURY POLICY STATEMENT AND TREASURY STRATEGY 2016/17 TO 2019/20

I McCulloch presented the report to the Joint Independent Audit Committee. He advised that both the Treasury Policy Statement and the Strategy continues the approach taken in recent years and therefore there was no significant change that members needed to be aware of. If

NOT PROTECTIVELY MARKED

NOT PROTECTIVELY MARKED

approval given by the committee the report will be progressed through the Police and Crime Commissioner for formal approval.

Members discussed the external and internal borrowing of the Commissioner and asked for assurances that protocols were in place in relation to borrowing. Assurances were given that protocols are in place including approval being needed from Capita Asset Services who have a number of checks and balances before borrowing is undertaken.

RESOLVED: that the Treasury Policy Statement and Treasury Strategy 2016/17 to 2019/20 be agreed for formal progression to the Police and Crime Commissioner.

113. ANNUAL GOVERNANCE REVIEW – ASSURANCE FRAMEWORK 2015/16

M Tait, presented the report to the Joint Independent Audit Committee.

Members queried whether Mazars in their role as external auditor should attend the Joint Internal Governance Group meetings. C Waddell stated that there should be no expectation for Mazars to attend this meeting.

Members fully endorsed and agreed the Assurance Framework as set out in the report.

RESOLVED: that the Assurance Framework 2015/16 as set out in the report be approved.

114. DRAFT MEETING PLAN 2016

Members received the 2016 draft meeting plan for the Joint Independent Audit Committee including the proposed agenda items for each meeting.

Following discussions with Members it was agreed that the proposed JIAC meeting on the 27th June 2016 would take place on the 20th June 2016.

It was confirmed that all meetings will commence at 2:00 pm.

RESOLVED: that the Meeting Plan 2016 is agreed with the 27th June 2016 meeting now taking place on the 20th June 2016.

115. INTERNAL AUDIT STRATEGY STATEMENT 2016-19 AND ANNUAL PLAN 2016 -17

J Wright presented the Internal Audit Strategy Statement 2016/19 and Draft Annual Audit Plan 2016/17 to the Joint Independent Audit Committee. J Wright confirmed that the Strategy was largely a continuation from previous years but that the detailed Annual Plan had been subject to extensive consultation with the Director of Finance.

Members queried the reduction in hours spent undertaking audit from 2,690 hours in 2016/17 to 2,670 hours in 2017/18. Members were informed that this was due to additional work that was needed to be undertaken during the 2015/16 period which has now been completed thus allowing the number of hours to be reduced.

RESOLVED -

- (i) that the Internal Audit Strategy Statement 2016/19 be agreed; and
- (ii) That the Annual Audit Plan 2016/17 be agreed and quarterly monitoring reports be received showing progress made against the plan.

NOT PROTECTIVELY MARKED

NOT PROTECTIVELY MARKED

116. 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.

117. UPDATE ON THE IMPLEMENTATION OF OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS

J Wright provided members with an update on the implementation of outstanding Internal Audit Recommendations by stating that on the audit recommendations raised to 31st December 2015, 100% have been implemented.

RESOLVED: that the information be noted.

118. UPDATE ON INTERNAL AUDIT WORK AND PROGRESS AGAINST ANNUAL AUDIT PLAN – QUARTER 3 2015/16

Members were provided with an update on the progress made against the annual internal audit plan to date and the recommendations made and were advised that:

- 100% of audits were completed within the budgeted time;
- 100% of draft audit reports were issued within the target of 17 working days following the end of the audit fieldwork; and
- 100% satisfaction levels were achieved, based on customer questionnaires returned during 2015/16. This is based on the customer questionnaires

J Wright presented each finalised Audit report and took questions from members.

In the case of Cash and Miscellaneous Income – Finance and Resources, the audit of one imprest account revealed significant weaknesses in the control systems. Remedial actions were given high priority and have now been addressed, including further staff training.

RESOLVED: that the information be noted.

NOT PROTECTIVELY MARKED