

**POLICE AND CRIME COMMISSIONER FOR HUMBERSIDE / HUMBERSIDE
POLICE**

JOINT INDEPENDENT AUDIT COMMITTEE

10 December 2018

PRESENT:- Mr D Chapman, in the Chair
Mr M Allingham, Mr J Doyle, Ms P Jackson, Mr A Smith, Ms M Thomlinson and Mr C Vertigans.

Officers: - John Bates, Deputy Chief Executive and Treasurer, Nancie Shackleton, Assistant Chief Officer (Resources), Gavin Barker and Nicola Hallas, Mazars, Neil Rickwood, Head of Audit and Louise Cook, Governance and Administration Manager.

The Committee met at Humberside Police Headquarters.

294 APOLOGIES – None received.

295 MINUTES – The minutes of the meeting held on 24 September 2018 were submitted.

The Deputy Chief Executive and Treasurer referred to minute 280 and advised that the Deloitte's report would be added to the Members' area of the website.

Agreed - That the minutes of the meeting be agreed as a true and correct record.

296 ACTION SCHEDULE – A copy of the schedule of actions outstanding from previous meetings was submitted.

Reference was made to minute 286 and the Chair advised that he had found attendance at the Force's HMIC Governance Group to be useful. One member of the Committee would attend each meeting on a rota basis. It was noted that the schedule had changed and meetings would now take place on the fourth Thursday of each month. The Deputy Chief Executive and Treasurer advised that Internal Audit attended the meetings and it may be useful for a representative of External Audit to also attend on occasion to observe.

Agreed – That the action schedule and updates be noted.

297 TERMS OF REFERENCE – In accordance with minute 185 the Committee reviewed the terms of reference.

Agreed – That the terms of reference be noted.

298 **ANNUAL ACCOUNTS 2017/18** – A copy of the Annual Audit Letter was submitted. The Deputy Chief Executive and Treasurer advised that KPMG had charged additional fees due to the delay in completion and the additional work that they had done in relation to payroll. Final certificates and opinions had now been received. PSAA had produced a report advising that 65 of 75 police organisations had had their audits of accounts completed by 31.07.18. The remaining 10 had been completed by 30.09.18. All had received clean opinions on their financial statements and value for money conclusions.

In relation to the revaluation of assets that had been raised as an action, he reported that a meeting had been held with Carter Jonas and a full evaluation of properties would be conducted picking up the points raised by KPMG. A training session had been held for Force/OPCC staff regarding getting the information onto the asset register and new software had been purchased.

He advised of discussions that had taken place with colleagues in other areas, Fire and CIPFA regarding the accounts close down process. Advertising of the vacant post was being considered. The Chair advised that he understood the difficulties that had been encountered with the preparation of the 17/18 accounts and appreciated what the Deputy Chief Executive and Treasurer and the team had done to ensure that they were completed. Members queried whether the 31 May 2019 deadline would be achieved and the Deputy Chief Executive and Treasurer reported that a detailed timetable had been drawn up and there was every intention of meeting the deadline, however, it was challenging. The Chair indicated that he was disappointed that KPMG had not mentioned the additional costs. Members requested that they be informed if there were difficulties in filling the vacant post.

299 **EXTERNAL AUDIT** – Mr Barker reported that Mazars were the national lead for Police and Fire. He advised that he also covered Humberside Fire and Rescue, Cleveland and North Yorkshire. He had had an introductory meeting with officers and the Chair. The production of the annual accounts was a relatively high risk area and he indicated that he would work with officers and would advise in advance what they would require as supporting evidence. He advised that June and July would be a busy time for them and they wanted to conduct the audit at the right time otherwise there would be a delay. He advised that their timetable would include the submission of their plan to the March meeting, the audit completion report to the July meeting with the Annual Audit Letter following after that. He said that it was important for them to understand the organisation and would welcome early discussions.

Ms Hallas advised that they had received all of the information that they required from KPMG. Some early work was planned so that they could work together before June/July. The Deputy Chief Executive and Treasurer indicated that vetting needed to be completed for all staff involved to ensure that they had the access that they required.

300 **INTERNAL AUDIT PROGRESS REPORT** - The Head of Audit submitted a report that detailed progress against the Audit Plan.

He advised that information from various audits had been collated and data quality had been identified as a recurring theme. Members discussed whether this suggested that learning was not being embedded within the organisation and the Assistant Chief Officer (Resources) advised that work to look at current practices was being conducted but there were also some legacy issues that required resolution.

Reference was made to stop and search and the Assistant Chief Officer (Resources) advised that the Force had been subject to 5 separate reviews of this area – twice by HMICFRS, College of Policing, an internal review and then by Internal Audit. All had produced different results. The Head of Audit advised that although their audit had resulted in a finding of “limited assurance” the Force were positive and taking the issue seriously. The audit had identified issues regarding training.

A member referred to the custody action plan and the Assistant Chief Officer (Resources) commented on the impact of changing Home Office guidance.

The Head of Audit commented that it was positive that the Force wanted Internal Audit to be involved and felt that attendance at the HMIC Governance Group was useful.

Reference was made to the audit of patch management and to the issues involved. This prompted a discussion on support services and the Deputy Chief Executive and Treasurer advised of a national board that was looking at procurement and back office services. As each Force did things differently and had different collaborations, it was acknowledged that there were problems with interoperability and consistency.

Agreed – That the report be noted.

- 301** **UPDATE ON PROGRESS OF THE MANAGEMENT ACTION ARISING FROM THE VOLUME CRIME INVESTIGATIONS** – In accordance with minute 285 a report was submitted that provided an update on the Volume Crime Audit.

The Assistant Chief Officer (Resources) advised that dip sampling and retraining would continue. A national inspection of all Forces had seen an increase in volume crime in most Forces.

- 302** **ECONOMIC CRIME UNIT** – In accordance with minute 287 a report was submitted that provided an outline of recovery and usage of monies over the last 12 months.

The Deputy Chief Executive and Treasurer advised that Humberside had always reinvested in the Economic Crime Unit to fund Financial Investigators. A recent review had identified that they had focussed on getting money back for victims rather than generating income and so the PCC had allocated additional funds to temporarily increase resources available to generate Proceeds of Crime Act (POCA) receipts.

- 303** **FORCE UPDATE ON CURRENT POLICING ISSUES** – The Assistant Chief Officer (Resources) reported that the Force had received positive feedback from the latest HMICFRS Inspection.

She commented on the discussions regarding the extra costs in relation to police pensions that the Government had indicated that they would pass on to Forces and to the representations made by MPs and the uncertainty until a resolution was reached. The Deputy Chief Executive and Treasurer advised that it now looked likely that they would be a special grant to cover some of the additional pension costs.

- 304** **TREASURY MANAGEMENT MID-TERM REVIEW** – The Deputy Chief Executive and Treasurer submitted a report that detailed the Treasury Management activity undertaken during the period 1 April to 30 September 2018.

He reported on changes to the Code particularly in relation to local authorities investing in property assets, a practice not undertaken in Humberside. There was a requirement for PCCs to develop a capital strategy for 2019/20 and CIPFA had produced a guidance note on borrowing in advance of need. He advised that that morning PWLB rates had moved by 20 points. No borrowing had been undertaken in this financial year but would be required soon. He referred to the borrowing limits shown on page 7 and advised that they had moved as there had not been as much spending as was originally envisaged at the start of the year. He indicated that the Capital Programme would be reviewed as part of the Medium Term Resource Strategy. He referred to the capital expenditure shown on page 8 and advised that this had been slightly less than anticipated. All borrowing and counterparty limits had been adhered to. Capital expenditure was still being funded from cash reserves as interest rates were so low.

Agreed – (a) That the review of the Treasury Management activity undertaken during 1 April to 30 September 2018 be noted, and (b) that the report be recommended to the PCC for approval.

- 305** **FORCE RESOURCING REPORT** – A report setting out details in relation to HR and Finance within the Force was submitted.

The Assistant Chief Officer (Resources) provided further detail in relation to officer and staff numbers.

Members commented on the direct entry and the Assistant Chief Officer (Resources) advised that they would not take any further officers via this route but confirmed that they were using Police Now.

Members discussed PCSO numbers and vetting times. Reference was also made to pistols that were no longer fit for purpose and the Assistant Chief Officer (Resources) gave details of the disposal arrangements.

- 306** **POLICE AND CRIME COMMISSIONER'S ANNUAL REPORT** – A copy of the PCC's Annual Report for 2017/18 was submitted. A copy had been submitted to the last meeting of the Police and Crime Panel and had been well received. The report had now been published on the PCC's website.

Members welcomed the report, indicating that they appreciated the layout and the look of the report. For future reports they suggested that on page 7 there did not need to be quite so much description of the process and that consideration needed to be given to the intended audience as it was quite complicated. They also suggested that in relation to the work undertaken regarding child sexual assaults, described as a "highlight", could have been worded a little more sensitively.

- 307** **AUDIT COMMITTEE SELF ASSESSMENT OF EFFECTIVENESS** – Further to minute 288, a report attaching an action plan arising from the recent self-assessment exercise and a draft annual report for 2017/18, was submitted.

Members welcomed the opportunity for self-assessment and indicated that they were satisfied with the progress made. Training was offered for any topics identified by members and it was noted that attendance at the HMIC Governance Group was particularly useful, however, members did wish to see greater engagement of senior officers.

Agreed – (a) That the action plan be utilised to track additional progress, and (b) that the Annual Report for 2017/18 be agreed.

- 308** **DATES AND TIME OF FUTURE MEETINGS** – **Agreed** – (a) That meetings be held on the following dates 18 March 2019; 29 July 2019; 23 September 2019; 9 December 2019, and 16 March 2020, and (b) that further discussion take place regarding a meeting in late May/early June 2019.

- 309** **CONFERENCES AND OTHER MEETINGS** – Feedback was provided on attendance at the HMIC Governance Group and on a recent PSAA meeting.

CONFIDENTIAL ITEMS

- 310** **RISK MANAGEMENT UPDATE** – The Deputy Chief Executive and Treasurer submitted a confidential report that provided the latest position in connection with risks being managed within the OPCC and the Force.

Agreed - That the report be noted.

- 311** **ANY OTHER BUSINESS** – The Assistant Chief Officer (Resources) gave an update on HR and payroll issues.

The Chair advised that this was Louise Cook's last meeting as she was leaving the OPCC. The Committee congratulated her, thanked her for her work and passed on their best wishes.

The Chair indicated that he was looking forward to working with Mazars and wished everyone season's greetings before closing the meeting.