

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

JOINT INDEPENDENT AUDIT COMMITTEE

24 September 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, Chris Rowley, Deputy Chief Constable, Donna Tranter, Head of Corporate Development, Rashpal Khangura, KPMG, Neil Rickwood, Head of Audit, Julian Wright, Head of Legal Services (minutes 279-283 only) and Louise Cook, Governance and Administration Manager.

The Committee met at the Office of the Police and Crime Commissioner.

279 APOLOGIES – Apologies for absence were submitted on behalf of the Assistant Chief Officer (Resources).

280 MINUTES – The minutes of the meeting held on 30 July 2018 were submitted.

The Deputy Chief Executive and Treasurer referred to minute 271 and advised that the staffing arrangements for payroll were being considered.

Further to minute 272, he reported that the Commissioner had now signed the Annual Treasury Management Report.

Referring to minute 273 he reported that the National Audit Office report that had recently been published had been critical of the Home Office and had included reference to the Emergency Services Network. A report on the Deloitte's report produced a number of years ago and referenced at the previous meeting, had recently been submitted to NETIC and a copy would be made available to members via the website.

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

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

Reference was made to minute 274 and it was reported that the Commissioner's Annual Report would be submitted to the Police and Crime Panel on 01.10.18. A copy would be placed on the website and it would be formally submitted to the next meeting of this Committee.

Agreed – That the action schedule and updates be noted.

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

Agreed – That the terms of reference be noted.

CONFIDENTIAL ITEM

- 283** **CIVIL CLAIMS** – Confidential report submitted that provided details of the civil claims against the Force during the period 01.11.17 to 01.09.18.

The Head of Legal Services advised that he briefed the Commissioner and the Chief Executive regularly on specific cases. He advised that cases up to £25,000 were handled in-house and where patterns of behaviour were seen to be emerging they were flagged to the Deputy Chief Constable and senior managers.

It was queried whether there was sufficient capacity to deal with cases in-house and the Head of Legal Services advised that work was conducted with South Yorkshire and a reduction in insurance costs had been used to increase capacity.

It was queried whether any benchmarking was conducted with other Forces and it was reported that whilst wider benchmarking was not conducted, as Humberside worked closely with South Yorkshire in this area, it was evident that Humberside had far fewer claims than them. The Chair suggested that the low number of claims indicated good management within the Force. Members suggested that this was a very positive message that should be shared and the Head of Legal Services reported that he would speak to the Deputy Chief Constable and Corporate Communications regarding this.

Agreed – That the report be noted and the next report be submitted in March 2019.

- 284** **ANNUAL ACCOUNTS 2017/18 – (a) KPMG External Audit Report 2017/18** – The draft External Audit ISA260 Report for 2017/18 was submitted. Mr Khangura reported that the audit was substantially complete, there were just a few areas of testing that were to be finalised, these were expected this week and the accounts could then be signed off.

He commented on the content of the document highlighting specific areas of interest to members. He referred to page 5 which showed that work on payroll was outstanding but advised that they were now satisfied with the process from a material perspective and this area would be shown as green in the finalised document. He commented on the late submission of the annual accounts but advised that the Deputy Chief Executive and Treasurer and his team had kept KPMG fully informed regarding the delay and had answered any queries and they were satisfied that it had been a generally good process. He commented on the risk identified in relation to the valuation of property, plant and equipment

but explained that they were comfortable that it would not lead to a material error. He referred to the duplicate payment that had been made at year end but was satisfied that it had been dealt with appropriately and adjusted for. He referred to the recommendations contained in appendix 1 and reported that he was content with the management responses. He also indicated that he would be in a position to give an unqualified value for money opinion.

Subject to receiving the signed accounts, signed letters of representation and completing the final testing he would be in a position to provide a clean opinion on the annual accounts on 28.09.18.

Members queried the ability to issue an unqualified opinion when there were 4 significant risks and 3 areas awaiting information. Mr Khangura explained how they assessed the risks. He advised that the audit of payroll had shown it to be materially accurate. In terms of failing to meet the faster close, although the organisation had failed to meet the deadline it didn't mean that the accounts weren't materially accurate – accounts had been produced that gave a fair and accurate description of the financial position.

Agreed – That the External Auditor's Report for 2017/18 be noted.

(b) Annual Accounts - The Deputy Chief Executive and Treasurer advised of the changes made to the Annual Accounts since draft copies had been submitted to the Committee in July. These primarily related to the duplicate payments and other matters referred to in the External Auditor's ISA260 report together with minor text changes.

The Chair advised that members would look at the changes and report back if there were any problems.

Members referred to the proposed management responses to the key issues and recommendations and as the implementation deadline was identified as December 2018 they requested an update to their December meeting.

Agreed – That the amendments to the Annual Accounts be noted and an update on the proposed management responses be submitted to the December meeting.

(c) Annual Governance Statements – Copies of both the PCC's and the Chief Constable's Annual Governance Statements were submitted.

The Deputy Chief Executive and Treasurer reported that the documents were substantially the same as had been submitted to the previous meeting, having only been updated slightly.

A member suggested that positive collaboration with South Yorkshire on procurement and the Chartered Institute of Procurement and Supply (CIPS) accreditation were positives that warranted a mention within the AGS.

Agreed – That, subject to including the reference to CIPS accreditation, the Annual Governance Statements be recommended for approval.

(d) Letters of Representation – Copies of both the PCC's and the Chief Constable's draft letters of representation were submitted, copies of which would be signed and submitted to KPMG by 28.09.18.

Agreed – That the letters of representation be noted.

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

The Deputy Chief Constable advised that Internal Audit was a standing item at the monthly meetings of the HMIC Governance Group.

A member referred to the Limited Assurance rating for the audit of Volume Crime Investigations and, due to outcome 16 being key to vulnerable people, which was one of the 3 aims of the Police and Crime Plan. The Deputy Chief Constable provided his observations and members requested a detailed update to the next meeting.

Agreed – (a) That the report be noted, and (b) that an update on the progress of the management action arising from the audit into Volume Crime Investigations be submitted to the next meeting.

286 **FORCE UPDATE ON CURRENT POLICING ISSUES** – The Deputy Chief Constable reported that the next HMICFRS PEEL inspection was to commence 01.10.18. An inspection team had been in force last week looking at efficiency and positive feedback had already been received. He reported on a session held with academics from the University of Hull looking at health and well-being for staff and county lines issues. A review of Connect was being conducted. My Community Alert had been launched and now had 11,000 people engaged. He reported on a door step challenge that would involve PCSOs and partners knocking on doors conducting an environmental audit. A survey was to be conducted via My Community Alert to understand what people needed from their police force and to build community engagement. Community representatives would be asked to advise officers how they wanted to be policed. A Federation survey had seen the Humberside Police position compared with other Forces rise from having the lowest morale amongst its staff to the second highest. He concluded that whilst there was still a lot to do the benefit of the improvements made recently were already being felt.

The Deputy Chief Constable extended an invitation to any member to attend the HMIC Governance meeting. Details would be circulated to members.

287 **FORCE MANAGEMENT STATEMENT** – A summary of the Force Management Statement was submitted. The Head of Corporate Development advised that a copy had been placed on the website and the template for the next statement was due in the next couple of months.

Members referred to the 4Ps, prevent, protect, prepare, pursue, and the Deputy Chief Constable commented on their use throughout policing.

Reference was made to economic crime and Proceeds of Crime and the Deputy Chief Constable reported on how legislation dictated how much could be kept by Forces. The Deputy Chief Executive and Treasurer advised that receipts were shown in the annual accounts. Members indicated that they would be interested to see how successful the Force was in recovering monies.

Agreed – That the Statement be noted and a report on the Economic Crime Unit and recovery of monies be submitted to the next meeting.

- 288** **AUDIT COMMITTEE SELF ASSESSMENT OF EFFECTIVENESS** – A copy of the collective response of the Committee was submitted for discussion. The next step would be to seek the views of the Commissioner, Chief Executive, Chief Constable, Internal Audit and External Audit. The results would be used to develop an action plan and inform the annual report.

The Chair welcomed the opportunity for an annual appraisal.

- 289** **CONFERENCES** – Feedback on the CIPFA Development Day for Police Audit Committees which had been held in York on 19.09.18 was provided by the 3 members who had attended.

Reference was made to the CIPFA position statement on Audit Committees in Local Authorities and the Police and it was requested that a copy be circulated to all members as it was a useful document.

- 290** **ANY OTHER BUSINESS** – The Deputy Chief Executive and Treasurer advised that an introductory meeting was being arranged with the incoming External Auditors, Mazars, and they would attend the next meeting.

The Chair commented on the HMIC inspection and advised that it was good to hear that the Force was in a better position than previously.

CONFIDENTIAL ITEMS

- 291** **FORCE RESOURCING REPORT** – Report submitted that provided an update on progress against the Workforce Plan and the position of the revenue budget.

Members requested that the next report contain details of Specials.

- 292** **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.

293 **ANNUAL FRAUD RISK ASSESSMENT** – Report submitted that provided details of the annual Fraud Risk Assessment that took place from May and included past year activity and projected activity.

Agreed – (a) That the report be noted and the process of Annual Fraud Risk Assessment be continued in 2019, and (b) that a further report on vetting be submitted to the next meeting.