

OFFICE OF THE POLICE AND CRIME COMMISSIONER

Minutes of a meeting of the Joint Audit, Risk and Assurance Panel (JARAP)
meeting held at Police Headquarters, Enderby at 9.00 a.m. on
Tuesday 12 March 2013

Present

Mr D Prince (Chair), Mrs W Martin, Mrs D Newton, Mrs A Roberts, Mr P Lewis (Chief Finance Officer), Mr S Edens (Deputy Chief Constable), Mr P Dawkins (Director of Finance), Mrs A Perry, (Head of Governance), Mr M Humphrey, Mr D Harris and Mrs S Lane (RSM Tenon) and Mr M Jones and Mrs S Bagnall, (PricewaterhouseCoopers).

01/13. Apologies

Apologies were received from Mr Mark Jones, (PricewaterhouseCoopers).

02/13. Urgent Business

There was no urgent business.

03/13. Declarations of Interests

The Chair invited members who wished to do so to make declarations of any interests in respect of items on the agenda for the meeting.

No such declarations were made.

04/13. Minutes of the meeting held on 13 December 2012

With the amendment to the word 'qualified' in the second paragraph in 09/12 to read 'unqualified', the minutes of the meeting held on 13 December 2012, having been previously circulated, were confirmed as a correct record and duly signed.

05/13. Terms of Reference

The Panel considered a report of the Chief Finance Officer seeking agreement to the amendment of the Joint Audit, Risk and Assurance Panel Terms of Reference for recommendation to the Executive Board. A copy of the report marked 'A' is filed with the minutes.

Members suggested an amendment to para 6.2 where the word 'Office' be inserted in the last sentence prior to the words 'PCC' and 'Chief Constable'.

With this amendment the Panel RESOLVED to approve the Terms of Reference for presentation to the Executive Board on 26 March 2013 for endorsement.

06/13. Internal Progress Report

The Panel considered a report of the internal auditors, RSM Tenon, providing an update on the work completed to date against the internal audit plan for 2012/13. A copy of the report marked 'B' is filed with the minutes.

The Chairman requested that the Panel's complicity in the timing of the workstreams outlined in the Plan be recorded.

The Panel was pleased to note the comment that no weaknesses have been identified within the reports that will result in a qualified Head of Internal Audit Opinion.

The Panel RESOLVED to note the update of the progress report and requested that a further progress report on firearms be provided to the next meeting.

07/13. Internal Audit Strategy 2013/14

The Panel considered a report of the Chief Finance Officer presenting the approach taken to develop the internal audit strategy for 2013/14 to 2015/16 and the annual plan for 2013/14. A copy of the report marked 'C' is filed with the minutes.

The Chief Finance Officer highlighted the focus of the Strategy on the change programme of the reduction of time spent on systems.

The Chairman questioned the timing of the audit of integrity and standards currently scheduled for 2015/16. The Chairman made the point that this was an important area of business and the audit may need to be advanced. It was agreed that this be considered during the assurance mapping work which would be undertaken.

Members questioned data quality and why this audit was not being undertaken in the current year to provide assurance to the PCC and Chief Constable regarding recording and data quality. It was agreed that this was another area which would be addressed throughout the assurance mapping work which would identify the high risk areas and inform the prioritisation of the schedule of work.

The Chief Finance Officer confirmed that the Police and Crime Commissioner was responsible for the treasury management policy and that the policy would be reviewed annually at the time of budget setting and six monthly thereafter at the Executive Board. The Chairman requested that this also be considered within the assurance mapping work.

The Panel RESOLVED to note the Internal Audit Strategy 2013/14.

08/13. Appointment of External Auditors

The Panel received a report of the Chief Finance Officer updating the Panel on the external auditor appointments notified by the Audit Commission. A copy of the report, marked 'D', is filed with the minutes.

The Panel AGREED to note the contents of the report.

09/13. External Audit Plan 2012/13

The Panel received a joint report of the Chief Finance Officer and Director of Finance seeking endorsement of the draft External Audit Plan 2012/13. A copy of the report marked 'E' is filed with the minutes.

Following a discussion on the reporting of 'clearly trivial' issues under the threshold of £250,000 in relation to the audit of the 2012/13 group financial statements to the Panel, it was agreed that the threshold of £250,000 remain, but that for transparency, issues under this level, other than those categorised as purely technical, also be reported to the Panel.

The Chief Finance Officer informed that the intention was for the EMSOU financial statements audit to be allocated 5 days and that the cost of the audit would be re-charged on a pro-rata basis.

Regarding the risk of fraud at appendix 1 of the report, auditors requested if there was any specific area of focus the Panel had identified. Other than EMSOU, identified previously, the Panel offered no further suggestions. In relation to the questions for the Panel regarding their views on fraud, contained within Appendix 1 to the report, the Panel gave the following answers:-

Whether you have knowledge of fraud, either actual, suspected or alleged, including those involving management.	No
What fraud detection or prevention measures (e.g. whistleblower lines) are in place in the entity?	The Police Authority had insisted on a policy being in place for this and the Force had reacted accordingly. However the OPCC had not formally adopted and communicated this policy. A code of conduct specifically for staff of OPCC had been distributed to all reminding them of their duties. A report on what the Force and OPCC have in place to be presented to the next meeting.
What role you have in relation to fraud?	Ensure policies are implemented and protocols in place.
What protocols/procedures have been established between those charged with governance and management to keep you informed of instances of fraud, either actual, suspected or alleged?	The Panel will receive regular updates and the Chairman is informed of issues between meeting dates. The Panel will ensure that recommendations from audit reports were implemented. Section 11 of the Terms of Reference for the Panel also provide for regular external auditor updates summarising work done and emerging findings.

The Chairman requested that an update on fraud policies be presented to the next meeting.

The Panel RESOLVED to note the contents of the report.

10/13. Closing the Accounts 2012/13

The Panel received a joint report of the Chief Finance Officer and Director of Finance updating the Panel on the proposed closedown arrangements for the end of the 2012/13 accounting year. A copy of the report marked 'F' is filed with the minutes.

The Panel requested that the date of the JARAP in September be advanced in order to allow time for the sign off of the accounts.

The Panel AGREED to note the contents of the report and endorse the timetable as outlined in Appendix A to the report with the proviso that the September meeting be advanced.

11/13. Management of Risk – Corporate Risk Register

The Panel considered a joint report from the Office of Police and Crime Commissioner and Office of Chief Constable regarding progress made in establishing the Police and Crime Commissioner's corporate risk and associated risk profile. A copy of the report marked 'G' is filed with the minutes.

In reviewing the Corporate Risk Register the Chairman proposed the register be amended at page G-13 by removing the first bullet point and enhancing the second to include the capacity issue.

The Panel RESOLVED to:-

- (a) endorse the PCC Corporate Risk Register as amended as a basis for determining future audit and assurance resources; and
- (b) receive timescales for the action plan to the next meeting.

12/13. Risk Management – Update Position

The panel received a report of the Chief Constable informing of the Force Risk Register highlighting the high priority and newly registered risks and the current state of Business Continuity (BC). A copy of the report marked 'H' is filed with the minutes.

The Chairman commented that it would be good practice for the new members of JARAP to attend a meeting of the Force Strategic Organisational Risk Board.

The Panel RESOLVED to note the contents of the report and the current risks.

13/13. Police and Crime Plan – Progress to Date

The Panel received a report of the Chief Finance Officer informing on progress to date with the development of the Police and Crime Plan. A copy of the report, marked 'I' is filed with the minutes.

The Chief Finance Officer stated that the consultation period ended on 10 March and that that 'themes' were being identified.

The Panel RESOLVED to note the progress of the development of the Police and Crime Plan.

14/13. JARAP Recruitment Update, HANDOVER, Workplan and Protocol

The Panel considered a report of the Chief Finance Officer updating on progress being made with the recruitment of a JARAP chairperson and members and to consider the options for handover and future workplan. A copy of the report marked 'J' is filed with the minutes.

The Chief Finance Officer informed that interviews for the Chairperson role would take place on 14 March and interviews for members of the Panel would take place on 22 March.

The Chairman proposed the following documents be provided as part of handover to the new JARAP:-

- the handover report provided to Sir Clive from the old Audit Committee for the Police Authority;
- a report from the Panel regarding their work over the last six months;
- a copy of the internal audit certificate and internal audit plan;
- timetable for statement of accounts;
- Force and OPCC risk registers;
- Terms of reference for the Panel;
- The assurance plan;
- Audit reports on risk, whistleblowing and data quality;
- Information about the Strategic Organisational Risk Board;

The Chairman also proposed that the May meeting of the Panel be the handover meeting and to include induction for the new Panel members.

The Chairman stated that it would be advisable for the new Chair of the JARAP to form a working relationship with the Chair of the Police and Crime Panel and to share the terms of reference for JARAP and work programme for the Panel.

The Panel RESOLVED to note the contents of the report.

15/13. Date of Next Meeting

The Panel RESOLVED that the date of the next meeting be 2.30 p.m. on 1 May 2013 with a reserve date of 9.00 a.m. on 13 May 2013, the final date to be determined following the outcome of the recruitment process for JARAP members.

Chairman

12 March 2013

9.00 a.m. – 10.50 a.m.