

Warwickshire and West Mercia Joint Audit Committee Meeting Record

Date:	Monday 19 th September 2016, 14:00 – Conference Room, Leek Wootton
Chair:	John Vereker
Minute Taker:	Alison Rixom

Audit Committee Members

	Name:	Capacity:
Attendance:	John Vereker. (JV)	Chair
	Adrian Blackshaw (AB)	Vice Chair
	Lynne Duffy (LD)	
	Martin King (MK)	
	Irene Mortimer (IM)	

Offices of the Police and Crime Commissioner

	Name:	Capacity:
Attendance:	Elizabeth Hall (EH)	Treasurer – Warwickshire/West Mercia
	Rob Phillips (RP)	Deputy Chief Finance Officer – West Mercia/ Warwickshire
	Philip Seccombe (PS)	Police and Crime Commissioner, Warwickshire

Force

	Name:	Capacity:
Attendance:	Jeff Carruthers (JC)	Head of Accountancy & Financial Services
	Heather Costello (HC)	Director of Finance, Warwickshire and West Mercia Police
	Mike Kaine (MK)	Financial Accountant
	Chris Singer (CS)	T/Deputy Chief Constable
	Debra Tedds (DT)	Ch. Supt. SSI

Internal Audit

	Name:	Capacity:
Attendance:	Garry Rollason (GR)	Internal Audit

External Audit

	Name:	Capacity:
Attendance:	Joan Barnett (JB)	Grant Thornton
	John Gregory (JG)	Grant Thornton

	Name:	Capacity:
Apologies:	Anthony Bangham (AB)	Chief Constable – West Mercia
	John Campion (JC)	Police & Crime Commissioner, West Mercia
	Martin Jelley (MJ)	Chief Constable – Warwickshire
	Tracey Onslow (TO)	Deputy Police and Crime Commissioner
	Jacqueline Sparkes (JS)	Internal Audit

Open Session

No	Summary	Action
01/19/09/16	<p>Attendance & Apologies</p> <p>As above.</p> <p>The chair welcomed everyone to the meeting especially to Mr. Phillip Seccombe, Police and Crime Commissioner for Warwickshire and T/DCC Chris Singer. Introductions took place.</p> <p>Congratulations were expressed to Mr. Anthony Bangham on his appointment as Chief Constable for West Mercia Police.</p> <p>It was noted that Mr. Ralph Madden had resigned as a committee member due to health issues. The committee formally agreed that a letter of thanks would be sent to him.</p> <p>It was noted that Rob Phillips had resigned as Deputy Chief Finance Officer and that this would be his last Audit Committee meeting as he was due to take up the position as Chief Finance Officer at Kent PCC. The members expressed their thanks for all his help and wished him every success in his new job.</p>	
02/19/09/16	<p>Committee Members' Declaration of Personal and Prejudicial Interests</p> <p>No declaration of personal and prejudicial interests was declared.</p>	
03/19/09/16	<p>Minutes of the Last Meeting and Matters Arising</p> <p>The minutes of the last meeting, held on 20th June 2016, were signed off as a true and accurate record of the meeting.</p> <p>All actions completed except for those listed below.</p> <p>04/20/06/16 - Annual Report 2015/16 of the Police and Crime</p>	

	<p>Commissioner for Warwickshire (N. Hewison)</p> <p>The report was presented to the Committee. The Chair expressed his thanks and congratulations for the excellent way in which the report was produced as this provided clarity in all areas.</p> <p>A discussion took place around Mental Health as the report highlighted that the Alliance was looking at mental health street triage schemes, the scheme is still in the pilot phase and a full evaluation will take place later in the year.</p> <p>Action: An update to the committee is required at a future meeting.</p> <p>Update 19.09.16. Item ongoing bring forward to next meeting in December 2016.</p> <p>07/20/06/16 - Draft Unaudited Annual Governance Statements. (R. Phillips/D. Tedds)</p> <p>Updated unaudited annual governance statements were provided to the committee. A discussion took place with regards to the risk associated with the Athena programme not realising the organisational benefits in the project timeframe. It was stated the risk does not appear on the Force Risk Register. An explanation was provided and it was stated that a separate risk register was in place for the Athena programme which was managed under Strada.</p> <p>Action: DT to ensure the Athena risk was transferred to the Force Risk Register.</p> <p>Update 19.09.16. The Athena risk had been reviewed and it was confirmed that it will be transferred to the Force risk register and will be included in the report for the December meeting.</p>	
04/19/09/16	<p>External Audit – Audit Findings Report (Grant Thornton)</p> <p>The external audit reports for both Warwickshire and West Mercia for the financial statements of the group, the PCCs and the Chief Constables for the year ended 31st March 2015 were circulated to the committee and a verbal update was provided. The audit of the accounts for both forces was the smoothest and most satisfactory since the alliance took place.</p> <p>The report highlighted on outstanding internal control which was for an external assessment of internal audit to be carried out. This was scheduled to take place in 2016/17, but will now take place during the calendar year 2017.</p> <p>An update was provided on the Value for Money section. The work focused around the development of the estates strategy, the PCC's medium term financial plan, assessing partnership working arrangements and assessing the response to the HMIC ratings of "requires improvements" in the areas of efficiency and</p>	

	<p>legitimacy. The overall conclusion was that the PCCs and Chief Constables have proper arrangements in all significant respects to ensure they delivered value for money in their use of resources. There were no recommendations for improvement identified.</p> <p>It was noted that expression of thanks be issued to all those involved in meetings with Grant Thornton and providing background information, it was very much appreciated.</p> <p>Congratulations were expressed to HC and her finance teams for a good audit and a good set of results.</p> <p>A brief discussion took place and any questions raised were answered to their satisfaction.</p> <p>A query was raised on Disclosure No. 2 – Note 3 Critical Judgements in applying accounting policies; this was classed as level 2 of the fair value. A satisfactory explanation was provided as to the reason why this level was applied, it was calculated using market data.</p> <p>As the report states Grant Thornton would like to take this opportunity to record their appreciation for the assistance provided by management, the finance team and other officers in both the office of the PCC and the Force during the audits. The auditors acknowledged the fact that one team produced four sets of accounts for the Warwickshire and West Mercia PCCs and Chief Constables that were subject only to minor amendments is commendable.</p>	
05/19/09/16	<p>Warwickshire and West Mercia Statement of Accounts (H. Costello /L. Hall)</p> <p>A post audit version of the Statements of Accounts was provided to the committee for Warwickshire and West Mercia with the amendments highlighted in yellow for the meeting. A number of observations and issues were raised. These were answered satisfactorily.</p> <p>An Annual Governance Statement for 2015-16 was provided for each Force. These documents review the third full financial year for the PCC. The statements reflects the governance framework established and delivered by both the Office of the PCCs and the Chief Constables. They includes the scope of responsibility, the purpose of the Governance framework, review of effectiveness and significant governance issues. The governance issues raised will be kept under review and monitored.</p> <p>The committee agreed to proceed with the Statement of Accounts for PCCs and Chief Constables for both forces.</p>	
06/19/09/16	<p>Review of the Effectiveness of the Audit Committee (L. Hall)</p>	

	<p>A review of the effectiveness of the Audit Committee was presented to the committee. They were asked to note the findings of the review and approve the improvement / action plan and note the progress made to date.</p> <p>The committee, having reviewed the findings prior to the meeting, considered the arrangements for the pre-meeting.</p> <p>The improvement action plan was reviewed and a number of items were tabled at the meeting and approved. These were:</p> <ul style="list-style-type: none"> • Formal Review of the effectiveness of the Audit Committee – Agreed. • Heat map of strategic risks of OPCCs to be produced. Completed. • Review of papers produced by SSI to be undertaken. Papers supplied to the committee and approved. A member of the committee to take the lead and liaise with SSI. Completed. • Governance and assurance arrangements for PPL. Tabled at meeting. Completed. • Development of a formal plan for the work of the committee and the review of the terms of reference will be considered at the end of this term of committee members, - 2017. <p>It was confirmed that this was a good exercise to undertake and it was suggested that a further review be undertaken in 2 years. It was stated that some Members have felt overwhelmed by the volume of reports and that the committee needs to find ways of summarising some of the work they have been doing. The capacity of available resources available to the committee was also a factor.</p> <p>Expression of thanks from the committee were given to DT for producing the SSI report template under the current circumstances and for her achievements since taking over the role.</p>	
07/19/09/16	<p>Internal Audit Report (G. Rollason)</p> <p>The internal audit report was circulated to the committee. The report provided an update on the Internal Audit Workplan 2015/16 and a Progress Report as at 31st July 2016.</p> <p>The report shows a positive picture against the audit plan, a quarter of the work has been completed and one report finalised.</p> <p>It was noted that there were a number of high priority audits which had not been started, a full explanation was provided and the committee were satisfied with the response.</p> <p>The committee were requested to note the report and endorse the proposed changes to the 2016/17 Internal Audit Plan, this</p>	

	was agreed.	
08/19/09/16	<p>Place Partnership Assurance Report (G. Rollason)</p> <p>The Place Partnership Assurance report was circulated to the committee. Following the discussion at the last audit committee meeting the report informed the committee of the Governance and Assurance arrangements operating in respect of Place Partnership. An internal audit was carried out in February 2016 and a number of issues were raised, all of these are in progress. A number of issues were raised by the committee and it was felt that information available was too limited. More detail was required so that the committee can be assured that PPL are achieving as much as had been expected.</p> <p>It was noted that the Police internal audit service has no rights to audit the internal processes of PPL as it is a separate legal entity.</p> <p>Martin King, a member of the Committee has agreed to lead on this matter and will provide reports to future meetings.</p> <p>The committee were recommended to note the report. This was agreed.</p>	
09/19/09/16	<p>OPCC Risk Register Heat Map (RP)</p> <p>The risk management strategy for the OPCC was presented to the committee. This is a joint strategy for both Warwickshire and West Mercia PCC.</p> <p>It was noted that the Heat Map provided a good summary, but lacked the direction of travel for each risk.</p>	
10/19/09/16	<p>Alliance Strategic Risk Map</p> <p>The alliance risk register was presented to the committee. The register was well received by the committee and they wished to express their thanks to all the staff involved in producing the report.</p>	
11/19/09/16	<p>Public Sector Audit Appointments (L. Hall)</p> <p>The Public Sector Audit Appointments report was presented to the group. The report was provided to update the committee on the new decentralised arrangements for the audit of local public bodies. The new Bill provides local bodies the freedom to appoint their own auditors from an open and competitive market, manage their own audit arrangements, with appropriate safeguards to ensure auditor independence and retain the same high standards.</p>	

	<p>The information provided focuses on the sector-led procurement approach from Public Sector Audit Appointments Limited (PSAA) – an independent, not for profit company limited by guarantee and established by the Local Government Association.</p> <p>A discussion took place regarding the issues for consideration, there was agreement to support the PCC's option, take a flexible approach and decide whether it is value for money.</p> <p>The committee was asked to:</p> <ul style="list-style-type: none"> • Support the principle of joining the PSAA Limited for the procurement of audit contracts with effect from 2018/19. • Provide feedback on the draft response to the six consultation questions in paragraph 2.3. <p>The committee agreed to the recommendation.</p>	
12/19/09/16	<p>Members Points.</p> <p>None raised.</p>	
13/19/09/16	<p>AOB</p> <p>The Chair distributed to the committee the Warwickshire and West Mercia Joint Audit Committee Third Annual Report June 2015-16. This was agreed and approved by the committee members.</p>	
14/19/09/16	<p>Date, time and location of next meeting</p> <p>Monday 12th December 2016, 14:00, Willison, Room, Hindlip.</p>	

Closed Session

No	Summary	Action

Formal Approval of Meeting Record

Signature:	
Print Name:	John Vereker – Chair of Joint Audit Committee

Meeting closed at: 15:15