

Warwickshire and West Mercia Joint Audit Committee Meeting Record

Date:	Monday 20 th June 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)	
	Ralph Madden (RM)	
	Irene Mortimer (IM)	

Offices of the Police and Crime Commissioner

	Name:	Capacity:
Attendance:	Andrew Champness (AC)	CEO West Mercia
	Elizabeth Hall (EH)	Interim Treasurer – Warwickshire/West Mercia
	Rob Phillips (RP)	Deputy Chief Finance Officer – West Mercia/ Warwickshire

Force

	Name:	Capacity:
Attendance:	Jeff Carruthers (JC)	Head of Accountancy & Financial Services
	Heather Costello (HC)	Director of Finance, Warwickshire and West Mercia
	Mike Kaine (MK)	Financial Accountant
	David Shaw (DS)	Chief Constable – West Mercia
	Debra Tedds (DT)	Ch. Supt. SSI

Internal Audit

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

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External Audit

	Name:	Capacity:
Attendance:	Joan Barnett (JB)	Grant Thornton

	Name:	Capacity:
Apologies:	Anthony Bangham (AB)	Deputy Chief Constable – West Mercia
	John Campion (JC)	Police & Crime Commissioner, West Mercia
	John Gregory (JG)	Director, Grant Thornton
	Martin Jelley (MJ)	Chief Constable – Warwickshire
	Philip Seccombe (PS)	Police & Crime Commissioner, Warwickshire
	Jacqueline Sparkes (JS)	Internal Audit

Open Session

No	Summary	Action
01/20/06/16	Attendance & Apologies As above.	
02/20/06/16	Committee Members' Declaration of Personal and Prejudicial Interests The Chair advised the group that he is an advisor for a charity which receives grants from the Commissioners and although he was not involved in obtaining or using grants, he asked the Vice Chair to preside over certain items of the agenda.	
03/20/06/16	Minutes of the Last Meeting and Matters Arising The minutes of the last meeting, held on 14 th March 2016, were signed off as a true and accurate record of the meeting. No matters arising. Congratulations were given to Chief Constable David Shaw on his award of the Queens Police Medal, also thanks for his achievements and support in the committee's work.	
04/20/06/16	Annual Report 2015/16 of the Police and Crime Commissioner for Warwickshire (N. Hewison) 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. 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. Action: An update to the committee is required at a future	NH

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	meeting.	
05/20/06/16	<p>Annual Report 2015/16 of the Police and Crime Commissioner for West Mercia. (A. Champness)</p> <p>The report was presented to the committee. It outlines the progress made in achieving the aims and objectives set out in the PCP and fulfils the statutory obligation. The report will be presented to the Police and Crime Panel in July. A discussion took place around several areas one of which was the increase in the crime and incident data for other Sexual offences. An explanation was provided by the Chief Constable.</p> <p>Expression of thanks was given for the report.</p>	
06/20/06/16	<p>Draft Unaudited Statement of Accounts (L. Hall / H. Costello)</p> <p>Four sets of unaudited accounts were provided for the committee one for each PCC and CC. A full and detailed briefing was provided to the committee during the morning pre-meeting. Expressions of thanks were given to the finance team for all their effort in producing the accounts earlier than expected. The committee had raised a number of questions during the earlier session particularly around collaboration and partnership and were satisfied with the answers provided. The committee were advised that if there were any further comments they should forward these to LH.</p>	
07/20/06/16	<p>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>It was advised that the proposal for an Organisational Learning platform will be presented to Chief Officers in Summer 2016 and not Spring as stated in the report. An update to be provided at a future meeting.</p> <p>It was noted that the address on the West Mercia PCC Annual Governance Statement should be amended to the Hindlip address. Action: RP to amend.</p>	<p>DT</p> <p>RP</p>
08/20/06/16	<p>Money Matters (H. Costello)</p> <p>A comprehensive update was provided to committee members</p>	

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	<p>during the morning session and all questions raised were answered sufficiently.</p> <p>HC provided a high level briefing with regards to the following recommendations:</p> <p>That the outturn financial position for 2015-16 is noted.</p> <p>That the 2015/16 underspend of £6.895m is carried forward through the following reserves:</p> <table><tr><td>£2.0m</td><td>- Invest to Save</td></tr><tr><td>£4.895m</td><td>- Infrastructure Reserve</td></tr></table> <p>That where 2015/16 outturn has produced an unexpected variance that these budgets are considered in detail for the 2017/18 budget preparation.</p> <p>The chair asked that regular monitoring of reserves, underspend and the improvements be undertaken.</p> <p>The committee were advised that the finance team were currently looking at what can be removed from the 2016/17 budget and will bring the proposals forward to future meetings and highlight where budget savings can be made.</p>	£2.0m	- Invest to Save	£4.895m	- Infrastructure Reserve	
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09/20/06/16	<p>Treasury Management Outturn 2015/16 and Review of the 2016/17 Treasury Management Strategy (L. Hall)</p> <p>Thanks were expressed to AB for his help, advice and assistance with the Treasury Management report and to HC, JC and the finance staff for managing a new set of treasury management criteria. A brief discussion was held and a few comments were made with regards to the use of Housing Associations as one of the investments in the industry sector for investing of reserves.</p> <p>A brief update was provided and the committee were asked to approve the recommendations below:</p> <p>The Committee is asked to consider and comment on the Treasury Management Outturn Report for 2015/16 and the Review of the 2016/17 Treasury Management Strategy before its consideration by the Warwickshire and West Mercia Police and Crime Commissioners.</p> <p>The Committee is asked to support the changes to the counterparty list and investment limits outlined in the report and to note the introduction of separate limits for Warwickshire and West Mercia.</p> <p>The Committee is asked to support the piloting of additional Treasury Management Indicators.</p>					

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	<p>The Committee is asked to support a review of the Minimum Revenue Provision (MRP) Policy and Provision by the Treasury Management Advisors.</p> <p>The recommendations were agreed by the committee.</p>	
10/20/06/16	<p>Internal Audit report 2015/16. (G. Rollason)</p> <p>The internal audit annual report was circulated to the committee along with appendices showing a summary of audits either completed since the previous report or currently issued in draft and a summary of progress against the 2015/16 workplan.</p> <p>The results of the internal audit are very positive, only one audit, Firearms Licensing was given a limited opinion in 2015/16 compared to none in 2014/15.</p> <p>It was noted that an excellent set of feedback results were received after a post audit questionnaire was issued especially the last point <i>'The audit provided constructive and thoughtful challenge, whilst still being flexible and taking service knowledge and context into account'</i>.</p> <p>An Update was provided on the audits with the following comments made:</p> <p>Appendix A – PCC Grant Scheme – West Mercia – Item 2, the level of detail was not sufficient, this has now been rectified.</p> <p>Appendix A – Crime Property – Item 5, a few issues were raised and assurance was provided that Enabling Services are dealing with the issues and having monthly audits.</p> <p>Appendix A – Place Partnership Limited (PPL) – a few issues raised, it is a new venture and it was felt by the committee that a report on PPL be prepared for the next Audit Committee meeting.</p> <p>Appendix A – Firearms Licensing – assurance was provided that new processes were in place with a medium term solution to issue licences, cheques will now be cashed when the transactions are completed and a new business process (Kier) has been introduced which is assisting with the backlog.</p>	
11/20/06/16	<p>External Audit Progress Report. (J. Barnett)</p> <p>The external audit report was circulated to the committee and a verbal update was provided. Progress to date is on track with the finance team having been very active in closing the accounts early.</p> <p>Value for Money – this is still in progress. One of the comments reported a significant risk as Warwickshire was rated as “requiring improvement” in the areas of effectiveness and legitimacy. An action plan is now in progress and a follow up with be undertaken.</p> <p>Engagement with key Senior Officers to discuss the audit</p>	

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	<p>planning is still on-going. The meeting scheduled with LD will be re-arranged on site.</p> <p>With regards to Partnership working in Mental Health it was requested that a copy of the report be sent to committee members.</p> <p>Action: JB to forward a hard copy of the report to committee members.</p>	JB
12/20/06/16	<p>External Audit 2016/17 Fees. (J. Barnett)</p> <p>The planned Audit fee for 2016/17 letters for both PCC's and CC's were presented to the committee. The fees remain unchanged. The chair asked if there were any provision to pay less. The response was no as this is governed by Public Sector Audit Appointments Limited on a transitional basis.</p> <p>It was stated that the appointment of external auditors would be looked at in the future with collaboration at the forefront.</p>	
13/20/06/16	<p>OPCC Risk Management Strategy. (R. Phillips)</p> <p>The Risk Management Strategy was presented to the committee. This is a formal joint strategy prepared for both Warwickshire and West Mercia OPCC which promotes the procedures and practices that are required to identify and manage significant risks that may affect the Police and Crime Commissioner's ability to achieve their overall objectives identified in their Police and Crime Plan.</p>	
14/20/06/16	<p>OPCC and Force Risk Registers. (R.Phillips/D.Tedds)</p> <p>The OPCC and Force Risk Registers were presented to the committee with the following comments made:</p> <p>With regards to the OPCC register, with the new Police and Crime Commissioner's in place some actions will remain ongoing while others may change.</p> <p>It was noted that the direction of travel with the registers is very positive, were well managed and identified the active owner. A request was made that it would be helpful if the committee were able to look at a particular operational risk.</p> <p>Action: DS to discuss with Chief Officers the degree of scrutiny around operational risk, then confirm with the committee.</p> <p>Force Risk Register – Item E – Quality of data inputted into systems – Comments were made by the committee with regards to 85% accuracy and whether we were getting value for money. Assurance was provided that all areas of this were been looked at and that Athena system will identify and resolve this challenge.</p> <p>An update was provided on Risk A - Health and Well Being.</p>	DT

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	Talks are being held with Internal Audit and HR to look at the data which supports reducing the risk and a meeting has been arranged for w/c 27 th June 2016.	
15/20/06/16	<p>SSI Audit and Assurance Reports. HMIC Inspection Action Plans (D.Tedds)</p> <p>The SSI Audit and Assurance reports and HMIC Inspection Action Plans were presented to the committee and an update provided. It was noted that we are the first of two forces in this inspection regime which has received some high level feedback which is currently under embargo.</p> <p>Under each of the 4 Peel Inspections (Legitimacy, Effectiveness, Vulnerability and Leadership) sit several added inspections. The Crime file review is due to commence shortly. Firearms Licensing is national recommendation and is currently red (5).</p> <p>A Service Improvement Board has been introduced, chaired by the DCC, meets monthly and is attended by Police and Crime Commissioner.</p> <p>Underneath this meeting sits the Organisational Learning framework which identifies thematic around, account, ownership, quality and people.</p> <p>There are a number of action plans in place and these will be prioritised into 4 areas of priority where we can focus activity.</p> <p>The committee felt that the report provides a good overview as to where we are and requested the report be brought to future meetings. A request was made that some sort of marker be introduced to indicate what has changed from the previous report.</p>	
16/20/06/16	<p>Members Points.</p> <p>None raised.</p>	
17/20/06/16	<p>AOB</p> <p>It was stated that the committee requires to fulfil their duty in undertaking a review of the effectiveness of the audit committee. It was requested that all attendees of the meeting complete the questionnaire.</p> <p>Action: LH to forward the questionnaire to all members and those attendees and return completed forms back to LH.</p> <p>Chief Constable David Shaw expressed his thanks to the Members of the Committee for all their efforts and support in making a direct contribution to the best use of police funds. Responding for the Committee, the Chair thanked him for his support and as it would be his last attendance, offered their best wishes for the future.</p>	LH
18/20/06/16	<p>Date, time and location of next meeting</p> <p>Monday 19th September 2016, 14:00, Conference Room, Leek</p>	

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	Wootton	
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Closed Session

No	Summary	Action
19/20/06/16	<p>SSI Audit and Assurance Report – Joint Audit Committee Recommendations Tracking Report (D. Tedds)</p> <p>The Joint Audit Committee Recommendations Tracking Report was presented to the committee. It was noted that the report was to be discussed under a closed session.</p> <p>The following comments were raised.</p> <p>A total of 18 outstanding recommendations remain, compared with 16 at the March meeting.</p> <p>There are no fundamental internal audit recommendations referred to the committee to approve closure.</p> <p>A graph has been included to show the outstanding recommendations reported to the committee since its inception in September 2013 with the numbers of recommendations agreed as closed at each meeting.</p> <p><u>Outstanding</u></p> <p>Item 3 – Custody – The Target Date Jan 17 is not a realistic date, due to delays with Athena programme – DT to challenge further.</p> <p><u>Completed</u></p> <p>Item 5 – VISOR Audit – Target Date Apr 16 – the decision has been reversed, and a new date of Aug 16 – as still more work is to be done.</p> <p><u>Ongoing Recommendations</u></p> <p>14 outstanding recommendations – numbers 1 – 3 refer to Finance. Dates have been changed and it is now on track for end of June.</p> <p>Item 7 – Legal Services – Target Date was Mar 16. A revised date of June 16 has been agreed.</p> <p>Item 8 – Risk Management – Target Date Apr 16. A new date of July 16 was set. This has now complete.</p> <p>A few other dates have been revised.</p> <p>The Committee felt that there is a requirement for the report to be improved and put in an open forum.</p> <p>The committee expressed their thanks and felt that it was a very comprehensive report. At future meetings the information will be presented at a high level. The committee welcome the opportunity to assist where they can in improving the style and</p>	

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Formal Approval of Meeting Record

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

Meeting closed at: 15:25