

## Devon and Cornwall Police Authority

### MINUTES

A meeting of the **Corporate Governance Committee** was held on Thursday 12<sup>th</sup> March 2009 in the Conference Room, Devon and Cornwall Police Authority, Endeavour House, Woodwater Park, Exeter, starting at 10:00hrs.

#### **Present:**

Chairman Sir Simon Day

Vice Chairman Ms Jo Norton

Members: Mr M Hodge, Mrs A Malcolm, Mrs L Williams, Ms J Zito.

#### **Officers in attendance:**

Police Authority

Mr J Glasby (Treasurer), Mr E Wardle (Internal Audit Manager), Mrs G Clifton (Administrator).

Constabulary

Mrs S Goscomb (Interim Director of Finance and Resources) and Ms A Daveney (Head of Technical Accounting),

#### **CG/205 Apologies for Absence**

Apologies for absence were received from Mr R Martin.

#### **CG/206 Declarations of Interest**

No declarations of interest were made in respect of any item on the agenda.

#### **CG/207 Chairman's Announcements**

The Chairman gave a summary of recent meetings held with the Chief Constable, the Chief Executive, Treasurer and Internal Audit Manager of the Police Authority.

It was proposed that future meetings of the Committee should start at 10.30hrs to enable members to arrive in good time.

**RESOLVED** that future meetings of the Corporate Governance Committee should start at 10.30hrs.

#### **❖ CG/208 Minutes**

The minutes of the meetings held on 11<sup>th</sup> December 2008 and 23<sup>rd</sup> January 2009 were agreed as a correct record. There were no matters arising.

The Internal Audit Manager outlined a recent presentation of a software package that organises and analyses risk and performance data. Further research of alternative packages available was needed before agreeing the way forward.

**RESOLVED** that this work should be included in the remit of the Risk Management Group.

#### **CG/209 Presentation on International Financial Reporting Standards (IFRS)**

The Head of Technical Accounting gave the presentation. The main points covered were:

- Public sector bodies will have to prepare accounts similar to those currently used in the private sector, but statutory overrides mean that the figures will be adjusted before being compared for Council Tax;
- Date of transition is 1<sup>st</sup> April 2009 and IFRS requires three years' compliant balance sheets to 31<sup>st</sup> March 2011;

- Areas with significant impact for Devon and Cornwall Police include untaken leave, format of accounts, fixed assets, leases and intangible fixed assets;
- A project is underway to quantify the impact of Police Officers' leave and time on card. Initial estimates suggest a first year one-off impact of between £1.5 and £3 million;
- Fixed asset valuations will need to take place more frequently by an independent valuer, incurring extra cost;
- The regime requires capitalisation of costs previously charged to revenue, this will involve staff resources in identifying such assets;
- A project plan, risk assessment and implementation timetable will be produced by the 30<sup>th</sup> April 2009;
- A full update on the significant impacts will be communicated to the Committee in September.

**RESOLVED** (i) to note the contents of the presentation  
(ii) that the Committee receives an update on progress in September 2009.

### **CG/210 Force Draft Annual Assurance Statement**

The Interim Director of Finance and Resources presented the statement to the Committee. It had been updated from last year's and further changes might be necessary. The final version would be presented to the June meeting.

**RESOLVED** (i) to note the contents of the statement  
(ii) that the Committee receives an update in June

### **❖ CG/211 Annual Governance Statement**

The Treasurer introduced the Statement. The Committee is obliged to sign the Statement, which forms part of the public accounts. The previous agenda item document, which the Chief Constable signs, forms an input into this process. The Committee should ensure that the necessary controls are in place and being acted upon. This could be done by means of test sampling. It was proposed that a small working group be set up to carry out this function.

**RESOLVED** that a small working group be set up to test the effectiveness of actions driven by the Annual Assurance Statement.

### **❖ CG/212 Joint Anti-Fraud & Anti-Corruption Strategy**

The Treasurer introduced this item and the following points were made:

- The Police Authority and the Force are exceptional in their lack of fraud and corruption;
- Exceptional standards and integrity are required of officers and staff;
- The Internal Audit Manager and the Head of Professional Standards work together to deal with any issues that arise.
- The Strategy has been refreshed and the standards set - the challenge was to apply it;
- The Strategy should be subject to regular review;
- It was proposed to sharpen preventative measures e.g. work on the payroll can identify unexpected trends;
- Any event or situation that arises and is not covered in the document can be included following consultation with the Committee.

**RESOLVED** (i) to approve the revised strategy  
(ii) that regular reviews of the document should take place at least every three years.

### **❖ CG/213 Internal Audit Update**

#### **(a) Internal Audit Activity Report**

The Internal Audit Manager presented the report highlighting the following points:

- The report covered the period since the half-yearly report in November 2008;
- Recent results of a national fraud initiative evaluated Devon and Cornwall Police as a low risk organisation;
- Auditing of payroll was continuing to assess unexpected variances;
- VAT reclaimed for covert expenditure is expected to yield in excess of £20K;
- Self-certification of travel claims was reducing the burden on the Finance Department. Random sampling arrangements are in place to check around 5% of claims in detail;
- The result of a recent seized-property audit will be made available to the Committee in June;
- A review of members' allowances should be completed by the end of April;
- Recent changes to the tender limit have increased the burden on the contracts team. This risk is not specifically on the risk register but is addressed under the Authority's independent assessment of the procurement process.

#### **(b) Outline Internal Audit Plan**

The Internal Audit Manager presented the Outline Internal Audit Plan 2009/10:

- The Plan is predominantly risk based and will be finalised when the Force risk registers have been approved;
- Devon Audit Partnership included auditors from Devon County Council and the Unitary Authorities giving a large pool of auditors to draw from. A similar arrangement was in place in Cornwall;
- The budget had been approved by the Authority to include an extra 30 days of analytical support from the Partnership;
- Proposed cuts in Corporate Services might increase risk, the Internal Audit Manager should be kept informed of progress.

**RESOLVED** to approve the use of internal audit resources and the outline Internal Audit Plan for 2009/10

#### **CG/214 External Audit Plan**

No one was present from the Audit Commission to give the verbal update. No apologies had been received.

#### **CG/215 Risk Register**

**RESOLVED** to discuss this as a closed item.

#### **CG/216 Members' Complaints Procedure**

Members decided that the revised procedure was not adequate and could not approve it.

**RESOLVED** that the procedure be rewritten before making recommendation to the full police Authority meeting in April.

#### **CG/217 Consideration to Excluding the Press and the Public**

**RESOLVED** that the items detailed in the table below be considered as closed items:

<b>Agenda Item</b>	<b>Report Title</b>	<b>Relevant Act</b>	<b>Relevant Section</b>
<b>11</b>	Risk Register		
<b>14</b>	Update on Firearms Computerised Inventory	Local Government Act 1972 as amended by the Local Government (Access to Information )Act 1985	Schedule 12A Paragraph 7 information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime

❖ **CG/218 Risk Register**

It was decided to discuss the Risk Register in the closed session in light of the following:

The Treasurer announced that the Chief Executive of the Police Authority had been suspended following a complaint. The office was trying to maintain its functions as well as possible. The Committee would see the report from the Chairman once the investigation was complete. A Chairs' Group had been arranged for Tuesday 17<sup>th</sup> March 2009.

It had been decided at the last meeting that a small group of members should take responsibility for overseeing the Risk Register. The group would select several of the risks to look at in more detail. The group will be Chaired by Ms J Norton and members will include Sir Simon Day, Ms J Zito, Mrs L Williams, Mr E Wardle and either Mr R Martin or Mr J Glasby.

**RESOLVED** to set up a group to oversee the Risk Register.

**CG/219 Update on Firearms Computerised Inventory**

The inventory system is on target to be completed in October 2009. Wiltshire Police Authority is leading on the specification and Devon and Cornwall Police Authority on procurement. Internal Audit is checking the acquisition and disposal of firearms on a regular basis prior to the implementation of the inventory system.

There being no other business the meeting closed at 11.30hrs