

## Devon and Cornwall Police Authority

### MINUTES

A meeting of the **Corporate Governance Committee** was held on Tuesday 9<sup>th</sup> June 2009 in the Conference Room, Devon and Cornwall Police Authority, Endeavour House, Woodwater Park, Exeter, starting at 10:30hrs.

#### **Present:**

Chairman Sir Simon Day  
Vice Chairman Ms Jo Norton  
Members: Mr M Hodge, Mrs L Williams,

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

Police Authority  
Mr J Glasby (Treasurer), Mr R Martin (Acting Chief Executive), Ms J Norris (Assistant Chief Executive),  
Mr E Wardle (Internal Audit Manager), Mrs G Clifton (Administrator).

#### **Constabulary**

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

#### **Other**

Ms C Brown and Mr A Williams, - Audit Commission  
Mr M Gould, Mr R Hutchings, Ms A Parsons - Devon Audit Partnership

NB: The minutes reflect the order in which the items were discussed rather than the order on the agenda.

#### **CG/220 Apologies for Absence**

Apologies for absence were received from Mrs A Malcolm, Mr J Rowe, Ms J Zito...

#### **CG/221 Declarations of Interest**

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

#### **CG/222 Chairman's Announcements**

The Chairman of the Police Authority (PA) had not been re-elected at the recent County Council elections and would therefore have to step down from the PA. His contribution would be greatly missed.

#### **CG/223 Minutes**

**RESOLVED** that the minutes of the meeting held on 12<sup>th</sup> March 2009 be confirmed as a correct record.

#### **CG/224 Members' Complaints Procedure**

The draft members Complaints Procedure was presented for consideration.

Issues discussed during consideration of this item included:

- The amendments requested by Members had been incorporated in the draft procedure.

<p><b>RECOMMENDED that the Police Authority consider and adopt the Members' Complaint Procedure.</b></p>
--

### **CG/225 Risk Register**

The Authority's Risk Register was presented to the Committee for consideration.

Issues discussed during consideration of the item included:

- The PA staff resilience topic had been moved up the register into second place. This was due to recent staff losses and the impending retirement of the Treasurer. Work was underway to find replacement staff for these posts.
- Equal pay claims were being addressed by a PA Task and Finish Group working with the Force. Results when available would go to the full PA meeting.
- A new PA Chairman would be elected at the AGM in June; until then the Vice Chairman was standing in.
- It was hoped to find a suitable replacement Treasurer but there was difficulty in sourcing high quality Treasurers.

**RESOLVED** that the updates to the Risk Register be agreed.

### **CG/226 Investment Risk and the Treasury Management Strategy**

This report provided information on Audit Commission report "Risk and Return" and advised that there are likely to be revisions to the Local Authorities Investment Regulations and the CIPFA Treasury Management Code. The report also outlined the possible implications of these reports and possible changes on the Authority's Treasury Management Strategy.

Issues discussed during consideration of the item included:

- Some other PAs had suffered from the recent Icelandic Bank crisis but Devon and Cornwall was unaffected.
- The Audit Commission had recently produced a checklist for Treasury management. It advises having a separation of duties and obtaining best advice. This PA's strategy complied with the checklist.
- Any investment is never risk-free. There is a judgement to be made over what risk is necessary to deliver the required services. Security must always be put above yield and the risk must be constantly scrutinised. This is a Police Authority decision but in practice is overseen by the Resources Committee. A more explicit statement would be produced in the autumn explaining the PA appetite for risk.

**RESOLVED** (i) that the report be noted  
(ii) a statement on risk strategy is presented to the next meeting.

### **CG/227 Report from the Risk Register Task and Finish Group**

An oral report was given outlining the work that the Risk Register Task and Finish Group have undertaken. The report included the following information.

- The group had met three times.
- In the view of the Task & Finish Group the PA was good at identifying risks but not as good at putting control measures in place.
- Risk management was not embedded in all areas. This needed better communication and wider involvement of all members.
- The Risk Register should be linked to the Strategic Objectives.
- Risk Management should form a part of the 'away-day' on PA inspections to obtain recommendations from members.
- The Group had done the groundwork and would be producing a "white paper" summarising the issues for consideration by all members.

**RESOLVED** (i) to note the report  
(ii) that the principle of members discussing and identifying risks at the forthcoming away-day was supported.

### **CG/228 Partnerships Audit**

This report presented the findings of a review of strategic partnerships carried out using Devon BCU as an example of how the Force undertakes partnership working in both urban and rural settings.

The presentation included the following information:

- The audit had focused on Devon BCU and included among others the Devon Community Safety Partnership and Devon Drugs and Alcohol Team.
- The results showed that the new strategy was helpful in key partnership agreements but that the role of the PA was not consistently strong.
- Recommendations included:
  - (a) Better use of partnership agreements
  - (b) The use of risk management frameworks
  - (c) Better understanding of funding and the use of resources
  - (d) The use of Cost Benefit Analysis
- The Force generally played a major role in strategic partnerships but there were some leadership concerns. PA involvement could be beneficial.
- Devon BCU had a Partnership Development Officer creating a database of partnerships. This initiative could be rolled out to other BCUs.

**RESOLVED** to note the report.

### **❖ CG/229 Audit Commission – Annual Audit Fee**

A letter from the Audit Commission set out the main areas of work and the fee. In 2008/09 an increase of 9% had been stipulated but an increase of 2.3% had been agreed locally. Although not welcome it was agreed that a further increase this year would be necessary.

**RESOLVED** to agree the Annual Audit Fee.

### **CG/230 Devon Audit Partnership**

The Head of the Devon Audit Partnership gave an overview of the new partnership and the following information was included:

- The partnership provided a shared service for Internal Audit. It comprised around 40 staff governed by a committee of members from each partner.
- The three Local Authorities working together provided a wider base of skills and resulted in efficiency savings. E.g. by providing a single response to legislation and consultations and by sharing best practice.
- Cornwall was now also providing a county-wide service.

**RESOLVED** to note the report.

### **CG/231 The Final Accounts Process**

The Head of Technical Accounting gave a presentation about the Final Accounts Process and in particular the role of the Corporate Governance Committee: The presentation included the following information:

- The PA exercises a collective responsibility over the accounting process and should provide robust scrutiny.
- There is a need to ensure that the governance framework is effective for issues such as risk management and internal and external audit.
- There was a tight timescale with the accounts being produced by the 16<sup>th</sup> June and being discussed by the PA on the 26<sup>th</sup>.
- The final audited accounts were then produced on 18<sup>th</sup> September.
- A small group of members should scrutinise the accounts thoroughly before they were submitted to the full PA.

**RESOLVED** that an informal meeting be held to look in detail and scrutinise the final accounts before they are considered by the Police Authority.

#### **CG/232 Final Internal Audit Annual Report – 2008/09 Audit Plan**

This report provided a summary of the work undertaken to complete the annual internal audit plan for 2008/2009 and highlighted the following areas:

- There had been welcome progress in the area of risk management.
- Devon and Cornwall and Wiltshire were working together to source a supplier for the firearms inventory database.
- The efficiency of the continuous audit of payroll had improved. It was continuing to be developed and it was anticipated that the process would be rolled out to other areas of the business.
- The yield on covert accounts was expected to be £24k by the end of the year.
- The next national conference of the Police Audit Group was due to be held on 12<sup>th</sup> and 13<sup>th</sup> June.
- The follow up on the Equality and Diversity Audit had shown that all the recommendations had been fulfilled.
- The work plan for the key Financial Systems was now complete. There had been improvements in the bank reconciliation system and creditor payments were now electronic.

**RESOLVED** to note the report.

#### **CG/233 Annual Assurance Statement**

The draft Force Annual Assurance Statement was presented for Members' information. The Annual Assurance Statement provides an important piece of evidence for the Police Authority's Annual Governance Statement. The statement had undergone some minor changes since that presented to the committee in March

**RESOLVED** to note the content of the Annual Assurance Statement.

#### **❖ CG/234 Annual Review of the Effectiveness of Internal Audit**

The purpose of the report was to enable the committee to come to a view on the effectiveness of Internal Audit and be satisfied that for those areas not fully met controls are in place. The following points were raised:

- The Internal Audit Manager was working with external contractors to identify requirements for retention of audit documentation. An update would be given at the next meeting.
- The review statements from the County Councils would be more helpful if greater detail was provided.
- The Audit Commission report says Internal audit complies will almost all requirements and provides helpful suggestions for minor process improvements
- The Treasurer is more than satisfied with the internal audit function
- Customers and auditees have responded favourably to the service they have received

**RESOLVED** (i) that the Committee considers the internal audit service is effective.  
(ii) that further work is done to collect information on the satisfaction of internal audit's customers

#### **❖ CG/235 Annual Governance Statement**

The preparation and publication of an annual governance statement is a statutory requirement. The draft statement was presented to the Committee for approval to be included in the final accounts ( which in turn would be presented to the Police Authority for approval) . The Annual Governance Statement explains how the Authority has complied with the Code of Corporate Governance and also meets the requirements of regulation 4(2) of the Accounts and Audit regulations 2003 as amended by the Accounts and Audit (Amendment) (England) regulations 2006.

**RESOLVED** that subject to any minor drafting amendments which may be undertaken by the Treasurer, the Annual Governance Statement as attached to these minutes as Appendix A is approved for inclusion in the 2008/09 Statement of Accounts

**CG/236 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>18</b>	Seized property audit – Drugs and Firearms	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/237 Seized Property Audit – Drugs and Firearms**

This report prepared by internal audit provided information about the standards of control applied to seized property, in particular to drugs and firearms.

Issues highlighted included:

- Historically this has been a paper-based system but an electronic system is being sourced.
- There is also pressure on storage space for items seized.
- An audit trail from seizure to destruction was desirable

**RESOLVED** to note the report.

The meeting closed at 12.10 hrs