

Devon and Cornwall Police Authority

MINUTES

A meeting of the **Corporate Governance Committee** was held on Friday 11th September 2009 in the Conference Room, Devon and Cornwall Police Authority, Endeavour House, Woodwater Park, Exeter, starting at 14:00hrs.

Present:

Chairman Ms J Norton

Vice Chairman Mrs L Williams

Members: Sir Simon Day, Mr J Hart, Mrs A Malcolm, Mrs L Price, Mrs J Stanhope, Ms J Zito.

Officers in attendance:

Police Authority

Ms J Norris (Assistant Chief Executive), Mr E Wardle (Internal Audit Manager), Mrs G Clifton (Administrator).

Constabulary

Ms C Brown (Audit Manager), Ms A Daveney (Head of Technical Accounting), Ms S Goscomb (Interim Director of Finance and Resources), Mr A Williams.

CG/238 Appointment of Chairman

Ms J Norton was nominated by Mrs L Williams and seconded by Mrs L Price.

Sir S Day was nominated by Mr J Hart, there were no seconders.

All members agreed to the appointment of Ms Norton as Chair of the Committee.

CG/239 Appointment of Vice-Chairman

Mrs L Williams was nominated by Mrs L Price and seconded by Ms J Zito.

All members agreed to the appointment of Mrs Williams as Vice-Chair of the Committee.

CG/240 Apologies for Absence

Apologies for absence were received from Mrs J Owen.

CG/241 Declarations of Interest

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

CG/242 Chairman's Announcements

There were no announcements.

CG/243 Minutes

The minutes of the meeting held on 9th June 2009 were agreed as a correct record.

Matters arising:

CG/226 – the statement on risk strategy due to be presented to this meeting was unavailable, as the necessary supporting documents had not yet been issued.

CG/244 Annual Governance Letter

The report was presented by Mr A Williams. The following issues were discussed:

- A new audit manager for the Police Authority (PA), Mark Bartlett will be appointed for the next round of audits as staff in the post had to be rotated every seven years.
- The report sets out the findings of the audit, particularly on the statement of accounts, for the Committee to consider. Once members are satisfied with the accounts the Treasurer will be authorised to sign them off.

- Across the five key areas the findings were positive. Some adjustments had been necessary to the accounts, which had been based on estimates, once final figures were available. However, there were no material differences. A draft of the letter of representation was included in the report for the Treasurer to sign once committee approval was given.
- On the issue of risk, the use of resources had been scored but had yet to be rigorously scrutinised by the Audit Commission. But at the very least the PA met all the requirements.
- The items listed in appendices 2 and 3 do not impact on the revenue budget or the Council Tax precept.
- Some weaknesses had been identified in the HR systems and management but these were already being addressed by the Force.
- Issues had also been raised about the recruitment and retention of BME staff and their career progression. The Equality and Diversity Group were discussing setting employment targets for the Force. A report had gone to the Human Resources Committee and this Committee would be notified of the final recommendations.
- 'Performance' impacts on the terms of reference of more than one committee. The Chair of the Committee agreed to talk to the Chair of the PA to determine how this could best be handled.

RESOLVED

- (i) that the Annual Governance Report be welcomed;
- (ii) the adjusted and unadjusted items in the report (including the deletion of the third item in Appendix 3) be noted;
- (iii) that the letter of representation be agreed to enable the auditors to issue their opinion, conclusion and certificate
- (iv) that the Statement of Accounts as adjusted be authorised for issue.

CG/245 Report from the Risk Register Task and Finish Group

The Chair introduced this item. The following issues were discussed:

- The Corporate Governance Committee had agreed that a risk review group be established to review the Authority's risk management process. A presentation was made by the group to members and officers at the Authority Away Day on 14th August. A consultation paper was sent to all members.
- The conclusion was that risk management was satisfactory. There was, however, a need to improve members' awareness of all significant risks and embed it across all the committees.
- More work was needed to align the Force's risk register with the PA's.
- The recommendation would be amended as follows:
 - (v) the Chair of the Corporate Governance Committee should notify members of significant risks, not just the top ten.
 - (vi) the Corporate Governance Committee would not receive the minutes of the Force Strategic Risk meetings; this bullet point (a) would be removed.
 - (vii) should be amended to read: Risk Management Training to be offered to members and staff on a regular basis.
- The risk management group should continue to meet to discuss Terms of Reference of each committee and how the risks should be allocated. Further details would be brought to the next meeting.

RESOLVED

- (i) the Chief Executive, Authority Chair and the Chair of Corporate Governance agree an annual process for reviewing and updating strategic objectives – to be in place before the setting of the 2010-11 Policing Plan;
- (ii) notification of the risk review meetings to be included in the newsletter. Any significant issues arising from meetings to be brought to the attention of the committee chairs. The Authority risk register to be included as a standing item on the Corporate Governance Committee.
- (iii) the risk register records the responsible chair and lead supporting officer for each risk. The Corporate Governance Committee monitors actions taken and request updates from chairs, officers or lead members as required.

- (iv) all Committee Terms of Reference are updated and approved to include responsibility for ensuring the identification and management of risk within their remit.
- (v) the Chair of the Corporate Governance Committee is required to regularly brief members on the significant risks facing the Authority and to comment upon significant issues at full Authority meetings.
- (vi) in order to ensure alignment between the Force and Authority register
 - (a) the Force risk register is a standing item on the Corporate Governance Committee agenda
 - (b) The Corporate Governance Committee seeks assurance from the Force on risk management processes on at least an annual basis.
- (vii) risk management training to be offered to members and staff on a regular basis.

CG/246 Audit Commission 2009/10 Audit Plan Progress Report

This report was an update from the report to the last meeting. The following issues were discussed:

- The audit plan from 2008/9 had been revisited to check the risks had not changed.
- This report was a supplementary audit plan; a more detailed 'Use of Resources' report would be produced after the scores had been released by the Audit Commission on 14th September.
- The information would be very useful to the risk review group.
- Thanks were given to the Audit Manager for her constructive challenge over the last seven years.

RESOLVED to note the report.

CG/247 Internal Audit Interim Report

The Internal Audit Manager introduced this item. The following issues were discussed:

- The progress made by the risk management group was very encouraging. Devon and Cornwall was believed to be one of the top five forces in the country for maturity in risk management.
- The table at 3.5 summarised the high level maturity characteristics for risk management into four categories. This was underpinned by a series of questionnaires and enabled self-examination of progress.
- The firearms inventory would be covered in a subsequent agenda item but the PA did carry out continuous audit of firearms' movement in and out. This should allow accurate population of the data onto the new system.
- There was a new Head of Professional Standards dealing with anti-fraud and corruption issues. A joint report would be provided to the March meeting of this committee each year.
- Seized money was an area of risk. Generally compliance with the controls was good but some weaknesses had been identified in Plymouth BCU. This would be taken forward as an urgent issue. A project had been initiated to develop an in-house tracking system. The system will be trialled early next year and go live in April 2010.
- The Force and the PA were committed to target environmental issues. We are required to pay £12 per ton of carbon dioxide produced at a cost of around £100k. There was a commitment to reduce outputs.
- Internal Audit is developing a 'spend tracking mechanism' for the payroll, which will be developed over the next few months. A progress report would be brought to the next meeting.
- At the June 2009 PA meeting the audit function had been given a degree of latitude to allow a rapid response to emerging issues. Work was planned in three-monthly phases and subject to quarterly review.
- The IT Business Continuity Plan Audit had recently commenced; a further report would be brought to the next meeting.
- Payroll data was subject to quarterly analysis. Any unexpected trends are reported to the Head of Finance. Some can be easily explained, for example the Napoli incident. The Chief Officer regularly reviewed the top 20 claims for overtime. The information on 'time worked and why' was not always adequate; improvements could be made.

RESOLVED to note the report.

CG/248 Internal Audit Documents – Retentions Policy

The Audit Commission had identified the absence of a formal document retention policy for Internal Audit papers and reports. It had been decided to emulate the PA policy of retaining for six years.

RESOLVED to note the arrangements for retention of Internal Audit working papers and reports.

CG/249 International Financial Reporting Standards Based Code of Practice on Local Authority Accounting – Progress Update

The Head of Technical Accounting presented the report. The following points were discussed:

- It was necessary to ensure that the code had no impact on the PA budget. One indirect impact might be increased costs in ensuring compliance with the code.
- Positive impacts include the fact that untaken leave will be mitigated for and leases would be accounted for.
- A project plan for determining compliance with the code had been produced but its implementation had been delayed as the guidance was provided later than anticipated. Key staff had been briefed on the code.

RESOLVED to approve the response to the Code of practice.

CG/250 Consideration to Excluding the Press and the Public

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

Agenda Item	Report Title	Relevant Act	Relevant Section
15	Firearms Inventory System	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/251 Firearms Inventory System

The Interim Director of Finance and Resources introduced the report. The following issues were discussed:

- An audit had identified that the spreadsheet tracking mechanism for firearms was limited and left no audit trail. The risk of losing a weapon was unacceptable.
- The contract had been signed for an electronic inventory system. Other forces will move to the same system eventually and it was possible that Devon and Cornwall would host the system. Regional collaboration was more difficult for operational decisions such as this.
- It had not been decided whether tasers would be included as attaching the tag necessary for tracking weapons might invalidate the supplier's warranty.
- An MOD standard racking system will be installed eventually so that it will be apparent immediately if a weapon is absent. Currently there is no standard storage system.

RESOLVED to note the report.

There being no other business the meeting closed at 1555 hrs