

Devon and Cornwall Police Authority

MINUTES

A meeting of the **Corporate Governance Committee** was held on Tuesday 30th November 2010 in the Conference Room, Devon and Cornwall Police Authority, Endeavour House, Woodwater Park, Exeter, starting at 10:30hrs.

Present:

Chairman Ms J Norton
Vice Chairman Mrs L Williams
Members: Mr J Hart, Mrs L Price, Lady Stanhope, Mrs J Zito.

Officers in attendance:

Police Authority
Miss J Norris (Assistant Chief Executive), Mr D Walton (Treasurer), Mr R Martin (Strategic Planning Officer) – agenda items 10-11 only, Mrs G Clifton (Committee and Meeting Services Officer).

Constabulary:

Mrs S Goscomb (Director of Finance and Resources), Ms A Daveney (Head of Technical Accounting), Mr T Burton (Organisational Learning and Risk Manager)

Audit Commission:

Mr A Williams (District Auditor), Mr M Bartlett (Audit Manager).

CG/330 Apologies for Absence

Apologies for absence were received from Mrs J Owen and Mr E Wardle.

CG/331 Declarations of Interest

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

CG/332 Chairman's Announcements

- There is still some work to be done on the scheme of delegation; this would be brought to a future meeting.
- A query had been raised at the last meeting on insurance indemnity. The insurers had agreed that members, staff and volunteers should sign an annual statement to affirm that they did not know of anything that could harm the Authority. The wording had been agreed and work was underway on the timing of its introduction.

CG/333 Minutes

RESOLVED that the minutes of the meeting held on 14th September 2010 be confirmed as a correct record.

There were no matters arising that were not covered on the agenda

CG/334 Audit Progress Summary to 30th November 2010

The report gave an update of the work completed and relevant reports released by the Audit Commission since the last meeting. Issues discussed during consideration of this item included:

- The Government had announced that HMIC Police Authority inspections would cease but the Authority intended to continue to work as if it would be subject to inspection.
- The Authority was also considering the governance arrangements necessary to ensure a smooth transition of to the new structure in 2012 with the election of Police and Crime Commissioners (PCC).

RESOLVED to note the report

CG/335 Annual Audit Letter

The report summarises the Audit Commission's findings from the 2009-10 audit. The audit comprised two elements, a) the audit of the Authority's financial statements and b) an assessment of the arrangements to achieve Value for Money (VFM) in the use of resources. Issues discussed during consideration of this item included:

- The report was a public document available on the Commission's website. The conclusion of the audit was that Devon and Cornwall Police Authority had no significant weaknesses.
- The approach to VFM had changed to ensure that it focused on financial aspects so the Commission had not issued a scored judgement. However, the conclusion was that the Authority had adequate arrangements in place. In future two areas would be scrutinised, namely how the Authority secures financial resilience and the prioritisation of resources.
- The Authority will now have to prepare statements under the International Financial Reporting Standards (IFRS). This would be a challenge for all local government organisations but Devon was in the forefront in the sharing of good practice. The Treasurer had confirmed that a lot of progress had been made.
- There had been some slippage in the plan for implementing IFRS but this had now been caught up. Devon and Cornwall Police was an active member of the Devon group.
- Further training for members on the new arrangements would be provided in March prior to the statement of accounts through the Corporate Governance Committee.
- The fees for 2010-11 had not yet been finalised and the fees for 2011-12 had not been set. The Audit Commission had a duty to break even and the financial liability of the abolition of the Commission was not known. It was hoped that final figures would be available next month. The timescale of the abolition was that the current regime for auditing local authorities will include the 2011-12 round and conclude in September or October 2012. The Audit Commission will come to an end in December 2012.
- Police Authorities would finish in May 2012, which is two months into the 2012-13 financial year.
- The requirement to give a VFM conclusion would continue and work was ongoing to determine the audit regime of public sector bodies. It might be necessary to employ external auditors. Audit Commission publications would taper off as the Commission winds down.
- VFM was about maintaining service with a reducing budget and ensuring that arrangements are in place to respond to the new challenges. The Audit Commission approach will include a risk analysis on the risks of giving an incorrect VFM conclusion which would be known in January or February 2011. An HMIC VFM inspection of the Authority was due on 13th December 2010.
- The cost of closing down the Police Authority could have an impact on the budget for 2011-12. This would be clearer once the transition arrangements are known.

RESOLVED to note the report

CG/336 Annual Assurance Process 2010

The report outlines progress towards conducting the Annual Assurance process in 2010 and how ongoing assurance may subsequently be measured. Issues discussed during consideration of this item included:

- Work was ongoing to produce an electronic assurance statement that was better focused and smaller. This was spreadsheet based and would save double key accounting; this would feed into a higher level audit plan. The questionnaire had been tested and some had already been returned indicating that it was easy to complete. It was hoped to have sufficient evidence by March 2011 to enable its use after the Blueprint changes were implemented.
- The Treasurer was looking at bringing together the assurance statement with the risk register to develop an internal audit plan. The four-year plan would be brought to the next meeting.
- Managers within the Force were becoming more comfortable with risk management the next step was to ensure the register is updated when changes occur.

RESOLVED to note the report

CG/337 Annual Governance Statement 2010-11 and Beyond Workplan – Update Report

The Annual 2009-10 Annual Governance Statement approved by the committee on 8th June 2010 included a workplan for 2010-11 and beyond. The report provided an update on the work undertaken. Issues discussed during consideration of this item included:

- This was the first time that the statement had been provided part way through a year.
- The new committee structure was due to be approved at the Police Authority meeting on 10th December 2010. The procedure rules were being revised to include role descriptions. This would be brought to a future meeting when lead roles had been finalised.
- The user satisfaction survey for internal audit had been implemented. Results would be brought to the next meeting to allow the committee to ensure that the audit process is effective.
- Some joint partnership work had been carried out with the Force. The Police Authority had a dual role of monitoring the both the Force's and the Police Authority's partnership work. Work was progressing on a 'toolkit' to identify what was expected of members in partnerships; it was hoped that this would be available in the New Year.
- The business continuity plan would need updating in the light of the demise of Police Authorities.
- The 'toolkit' would be put to the Local Policing and Confidence Committee before going to a full Police Authority meeting. The Police Authority had a statutory obligation to work in partnership; there were some gaps and a feedback mechanism needed to be agreed. The Force was looking at how partnerships might change with the implementation of Blueprint. There was a danger that partnership work might decrease with the impact of lower budgets. A strategy was necessary to ensure clarity and to reduce duplication. Members had seen the Force's strategy some time ago.
- The transition from Police Authorities to PCCs should form a standing agenda item for future meetings as there are a lot of issues to monitor such as the many statutory duties of Police Authorities. An update would be provided to the next meeting.

RESOLVED to note the report

CG/338 Authority's Risk Register

This item allowed members to consider the risks relating specifically to the Corporate Governance Committee and make any recommendations regarding the risk levels and mitigations. Issues discussed during consideration of this item included:

- An additional column had been added to the register to indicate when the risk had last been updated. The Treasurer had added some financial risks.
- The Risk Review Group had concentrated on risks with a score greater than 10 and had briefly considered risks with lower scores.
- The risks would need to be re-allocated to committees following the implementation of the new structure.
- A new computer system for monitoring risks was to be implemented which would allow the main risk register to be broken down in to several smaller ones. The Treasurer was developing a framework for how risks are dealt with, which would be brought to the next meeting.
- The Corporate Governance Committee had oversight of the risk register; there were a number of risks that had been allocated to the Chairs' Committee that should be elsewhere. The Risk Review Group would be looking at the allocation of risks. This would be brought to the Police Authority meeting in December.
- The HR Advisor to the Authority was developing a new way of working for the HR Committee that would include risks.
- There was no mention of 'opportunities' e.g. the potential gains from a review of estates. There was also no mention of ICT systems and investment therein. Members were invited to email the Assistant Chief Executive with any proposals for inclusion in the register.

RESOLVED to note the report

CG/339 Monitoring Progress toward HMIC and other Reports

The report outlined the process for the Police Authority receiving and considering reports by Her Majesty's Inspectorate of Constabulary (HMIC) and others, and informed the Committee of reports received recently. Issues discussed during consideration of this item included:

- It was the responsibility of the Strategic Planning Officer through the Corporate Governance Committee to monitor reports and check that any actions applicable to Devon and Cornwall Police Authority are carried out.
- The Jan Berry "Reducing Bureaucracy Report" and other reports have been considered by a Home Office established programme board to try to find savings and efficiencies. The Board reports to the Policing Minister.
- The recommendations from the Jan Berry report would be considered by the Strategic Planning and Co-ordination Committee.
- The "Common Sense, Common Safety" report had few recommendations for the Police Service but these would be overseen by the Strategic Planning and Co-ordination Committee. The HMIC report on anti-social behaviour had been considered by the Community Engagement Committee and would be progressed through the new Local Policing and Confidence Committee.
- The "Police Governance in Austerity" report provided a summary of the findings from 22 Police Authority inspections and also recommended governance mechanisms for the smooth transition to the new PCC structure. A white paper on the new legislation was due out in the next day or so. Oversight of the legislation was the responsibility of the Strategic Planning and Co-ordination Committee that would delegate different elements to different committees as necessary. The VFM element would remain with the Working Group.
- Discussions have taken place on how the Corporate Governance Committee holds other committees to account. From next year the Corporate Governance Committee will start inviting Chairs of other committees to report on the work of their committee, their terms of reference, risks etc.
- The new Covalent software for risks has a facility 'Action central' that can be utilised to manage how delegated actions are progressed.
- A log of reports, recommendations and actions is held centrally. Committees should decide how they manage the actions allocated to them.

RESOLVED to receive the report and endorse the proposed monitoring action

CG/340 Statutory Duties of the Authority

During the Police Authority's work earlier this year to prepare for inspection, it was decided to undertake a review of the statutory duties of the Authority to assess its level of compliance. The intention of this work being to contribute to the Authority's overall assurance framework and to complement other areas of work such as the reviews of the Constitution and Committees and Working Groups. Issues discussed during consideration of this item included:

- Police Authorities have over 100 statutory duties. These had been rated with the current level of compliance and the risk of non compliance. An action plan had been produced for the most important areas with completion dates and owners. For the majority the Authority was compliant and work was underway to ensure compliance with the outstanding areas. The Constitution had been updated as a result of this work.
- It was difficult to allocate statutory duties to different committees other than through the risks, which should be reflected in the terms of reference and its priority areas of work. Overall responsibility lay with the Chief Executive.
- The Home Office has asked the Association of Police Authority Chief Executives (APACE) to form a view on which of the statutory duties should remain under the new PCC structure.

- RESOLVED** (i) that the Corporate Governance Committee approves the action plan be taken forward as a matter of priority and monitored by the Corporate Governance Committee by way of a report from the Chief Executive;
- (ii) that the areas listed as high and medium risk but with processes in place continue to be progressed and monitored by way of six-monthly reports to the Corporate Governance Committee by the Chief Executive;
- (iii) that the Corporate Governance Committee monitors compliance with the statutory duties of the Police Authority, calling for assurance reporting by the Chief Executive as and when required.

CG/341 Members' Allowance and Reimbursement Scheme

The Authority's Scheme of Allowances was adopted at its meeting on 23rd April 2010 and was effective from 1st April 2010. At the Authority meeting on 17th September 2010 the Authority agreed a new committee structure, which comes into effect on 11th December 2010. This report recommends updates to the Scheme of Allowances to reflect the new decision-making structure. Issues discussed during consideration of this item included:

- There had been a recommendation from the finance department that passenger rates should be rationalised as the different rates were difficult to administer. The increase to the passenger allowance would result in an increase to the budget of around £50 p.a. Technically this required a change to the constitution so had to be presented to the Corporate Governance Committee before going to the full Authority.
- There would be a further increase in claims under the new committee structure as there would be more committees and each would have more meetings; this would need to be budgeted for.
- The current maximum local government rate for mileage was 40p. With the recently announced reduction in budgets it would be politically beneficial to reduce all mileage rates to this maximum. Currently most police officers and staff were paid 40p per mile but there were some locally negotiated rates that differed from this. Capping the mileage rate at 40p for Police Authority officers and staff would save money. A Working Group had looked at the mileage rates of the Police Authority compared with other organisations earlier in the year. The Corporate Governance Committee recommended that this work should be revisited as part of the budget review and consideration given to standardising with the Local Government and Inland Revenue rate of 40p per mile. It was not environmentally responsible to pay a higher rate for bigger car engines. There were hidden costs in administering different rates.

- RESOLVED** (i) that the Committee recommends to the Authority that the text of the Members' Allowance and Reimbursements Scheme is amended to reflect the new decision-making structure and that the amendment is effective from 11th December 2010;
- (ii) that the mileage rates of the Police Authority be reviewed as part of the budget process.

CG/342 Treasury Management – Operation of Treasury Management Practices

The report outlined the management of treasury management risks and compliance with treasury management policies and practices. Issues discussed during consideration of this item included:

- This was a mid-year report covering three main issues. The Resources Committee had approved some changes to the counterparty list; there had been two technical breaches of the limits set out in treasury management practices and additional external borrowing had been approved since the interest rates had fallen.
- Policies and practices were still broadly appropriate but the Resources Committee had approved changes to treasury management services and advice following the withdrawal of provision by Devon County Council. This would require a procurement process to obtain specialist treasury management advice. Revised policies and practices to cover the new arrangements will be brought to this Committee in January 2011. The option of regional collaboration had been considered but it was considered that by bringing day to day cash management in-house this would provide knowledge and resilience over the

transition period. Arrangements to share external advice with Devon County Council were being considered.

- The report would be presented to the full Police Authority on 10th December 2011.
- Treasury management training was being prepared for members.

RESOLVED (i) that the report be noted
(ii) that a further report be presented to the Authority meeting on 10th December 2010.

CG/343 Insurance Renewal

The report summarised the insurance renewal process for 2011-12 and the outline process for 2012-13. Issues discussed during consideration of this item included:

- The bulk of the Police Authority insurance programme is subject to two long term agreements due to expire on 31st March 2011. It was likely that ongoing insurance cover would be obtained from the same insurers for 2011-12. Risks would have to be considered when tendering for cover that goes beyond the life of the Police Authority.
- There were three areas not covered by these agreements it is suggested that current arrangements remain in place for 2011-12
- Due to the size of the insurance contract the Authority will have to undergo a competitive tender process for 2012-13. In doing this the Authority needs to consider its claims history and attitude to risk. There were several alternatives, regional collaboration had been considered but the timescales were different.
- Further information on renewal terms would be brought to the next meeting.

RESOLVED that the insurance renewal process for 2011-12 and the outline process for 2012-13 be approved.

CG/344 Police Authority Organisational Training and Development

The 2010-11 Annual Governance Statement included a commitment to explore the possibility of working towards achieving the South West Council's Member Development Charter. The report provided an update on progress made towards that and the existing development training arrangements for Police Authority members, officers and volunteers. It provided an argument in support of an organisation wide training and development strategy. Issues discussed during consideration of this item included:

- Feedback from members 18 months before had suggested that gaps in learning and skills had not been progressed.
- Until more is known about the demise of Police Authorities in May 2012 it was felt that now was not the time to commit to the investment and extra work required to obtain the Charter mark. Most of the principles behind the Charter are carried out already.
- It was important that members are trained and the priority should be to ensure gaps in training are addressed. A number of training sessions had been arranged in response to members' requests. In the independent member recruitment process skill gaps are identified.
- The Committee recommended that the proposal should be put on hold until the future of the Authority is clear. A prioritisation of areas of training needed should then be included.

RESOLVED (i) to note the report;
(ii) to bring the report back at a later date once the future of the Authority is clear;

CG/345 Force Risk Register

The report focused on the current contents of the Force's Corporate Risk Register as approved by Chief Officers. Issues discussed during consideration of this item included:

- The updating of the register currently did not align with meeting dates for the Corporate Governance Committee. Next year the Committee would meet every two months, the risk register would be circulated to members once agreed and queries could be forwarded to the Force in between meetings. It was necessary to consider how the risk register contributed to the scrutiny process.

- The register should be monitored on an ongoing basis not just three-monthly.
- Many of the risks were similar to those of the Police Authority; there could be an opportunity to work on major risks jointly.
- The risk register was a snapshot in time and the Force was moving towards an environment where risk was part of business as usual. Risks were dealt with as part of PDRs etc. The priority for large risks identified was to deal with the risk rather than waiting for the next version of the register. Consideration of risks permeated through all ranks.
- The Force risk register and Police Authority risk registers were separate but complementary. Discussions had taken place with the Force on how risks are managed in the future.
- It was paramount that the risk register was kept as up to date as possible for medium term financial planning. An audit trail was needed to ensure that similar risks on Police Authority register and Force risk register are compared.
- A risk framework was being prepared that would be brought to the next meeting. We need to ensure that each committee is aware of the risks pertaining to it and ensure that they are monitored.

RESOLVED to note the current contents of the Force's Corporate Risk Register as approved by Chief Officers.

CG/346 Briefing Sheets

The briefing sheets detailed below, which are pertinent to the Corporate Governance Committee, had been issued since the last Committee meeting:

No	Title	Date
18	HMIC Police Governance in Austerity	26.10.10
20	Internal Audit Activity – November 2010	19.11.10

There being no other business the meeting closed at 13.25 hrs