

Devon and Cornwall Police Authority

Minutes

A meeting of the **Corporate Governance Committee** was held on 21 November 2006 in the Conference Room, Devon and Cornwall Police Authority, Endeavour House, Woodwater Park, Exeter starting at 10:00hrs.

Present:

Mr B Preston Chairman
Mr C Bulley, Mr J Currie, Mr M Hicks and Mr C Wallin.

Officers in Attendance

Police Authority

Mr J Glasby (Treasurer), Miss J Norris (Assistant Chief Executive), Mr A Rutter (Interim Finance Manager), and Mr E Wardle (Internal Audit Manager)

Other Organisations

Ms C Brown (District Audit) and Mr R Hutchins (Devon Audit Services)
Insp R Baker (Police Force – Head of Firearms)

CG/57 Apologies for Absence

An apology for absence was received from Mr Graeme Hicks.

CG/ 58 Declarations Of Interest

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

CG/59 Urgent Items

Having regard to the special circumstances pertaining in these matters namely the need for the matters to be considered before the next meeting of the Committee, the Chairman was of the opinion that despite their non-inclusion on the agenda the insurance renewal timetable and the proposed appointment of external auditor should be considered at the meeting as a matter of urgency.

CG/60 Minutes

RESOLVED that the minutes of the meeting held on 19 September 2006 be confirmed as a correct record.

CG/61 Audit Commission Annual Audit Letter

The Annual Audit Letter summarises the key issues arising from the work that the Audit Commission has carried out with the Authority and Constabulary during 2005/06.

Issues discussed during consideration of this item included:

- Risk management and the development of the risk register
- Job evaluation
- Police Use of Resources (PURE) process
- Activity Based Costings
- HMIC Baseline Assessment

- The need to establish methods for keeping the Corporate Governance Committee informed of the work and issues affecting other Committees.

RESOLVED to recommend to the Police Authority that the Annual Audit Letter be accepted.

CG/62 Internal Audit Plan 2006/07 Progress Report

This report provided a summary of internal audit activity for the first six months of 2006/07. There were two important new items that had been audited - bank reconciliation and VAT.

Issues discussed during consideration of this item included:

- The position of Head of Technical Accounting has been advertised and the position offered. It is hoped that the successful applicant will be able to take up appointment in the spring.
- Covert accounts and the reclamation of VAT
- Seized monies

RESOLVED

- (i) to note the report
- (ii) that a letter be sent to the Chief Constable advising that potential weaknesses in controls over the safekeeping of cash holdings at police stations have been identified and requesting action to apply consistent good practice at all police stations.

CG/ 63 Continuous Auditing of Key Financial Statistics

Mr Rob Hutchins of Devon Audit Services gave a presentation explaining the principles of continuous auditing and how that was being applied within the current audit programme.

RESOLVED to note the report

CG/ 64 Closed Items (Items considered by the Committee with only Members of the Police Authority, appropriate Officers and expert advisors present, on the grounds that exempt / confidential information may be discussed)

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

Agenda No	Minute No	Report Title	Relevant Act	Relevant Section
11	CG/65	Response to Internal Audit Report on Firearms	Local Government Act 1972 as amended by the Local Government (Access to Information) Act 1985	Schedule 12A para 3 " Information relating to the financial or business affairs of any particular person (including the authority holding hat information)."

CG/ 65 Response to Internal Audit Report on Firearms

Originally problems with the asset management were identified in an audit approx one year ago but no permanent technical solution has yet been found – this is of concern.

The risks identified in the original audit have been addressed and mitigated for the short-term and these internal arrangements are holding good. The auditors have recently tested the interim solution and can confirm its effectiveness. This is not however a long term solution as it provides no tracking / audit trail it merely provides a snap shot of the situation at a particular moment.

A long-term solution needs to be identified, obtained and implemented. Products used by other Forces have now been identified.

Issues discussed during consideration of this item included:

- Timescale for action
- The possible change of supplier
- Comparisons with other procurement projects,
- Project management issues

RESOLVED that a letter be sent to the Chief Constable expressing (a) the Committee's grave concerns regarding the procurement process and time scale (b) that should be learnt from this project regarding project management,(c) that if the procurement process cannot be completed in the current financial year money must be made available in 2007/08 to complete the project.

CG/66 Re-open the meeting

RESOLVED that the meeting should be re-opened.

CG/67 Post Implementation Review of Risk Management

The Internal Audit Manager gave a presentation covering both the Authority and the Force of their implementation of risk management and possible areas for improvement.

RESOLVED to note the contents of the presentation

CG/ 68 Proposals for a Review of the Effectiveness of Internal Audit

The Audit Code of Practise (revised) states that there should be a review of the effectiveness of internal audit and that review should be outlined in the Annual Statement of Internal Control.

Issues discussed during consideration of this item included:

- Benchmarking - need to start with outcomes
- Feedback from the committee on how the authority would like to obtain evidence about audit effectiveness
- Comparable data
- Value for money
- Need to be careful to compare like "products" when undertaking benchmarking

RESOLVED to note the report

CG/69 Report on CIPFA Governance Forum – 10 November 2006

The Assistant Chief Executive and the Internal Audit Manager had attended the CIPFA Governance Forum. The theme of the event was "Maintaining Effective Governance In Collaborative Arrangements"

Issues discussed during consideration of this item included:

- Partnerships their complexity and accountability

RESOLVED

- (i) that consideration is given to the inclusion in the 07/08 Audit Plan of an audit of partnership working which attempts to identify the number of partnerships, the broad costs and the governance arrangements
- (ii) to note the report

CG/ 70 Closed Items (Items considered by the Committee with only Members of the Police Authority, appropriate Officers and expert advisors present, on the grounds that exempt / confidential information may be discussed)

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

Agenda No	Minute No	Report Title	Relevant Act	Relevant Section
Urgent item	CG/71	Insurance Renewal timetable	Local Government Act 1972 as amended by the Local Government (Access to Information) Act 1985	Schedule 12A para 3 "Information relating to the financial or business affairs of any particular person (including the authority holding hat information)."
Urgent item	CG/72	Proposed Appointment of an External Auditor Proposed Appointment of an External Auditor	Local Government Act 1972 as amended by the Local Government (Access to Information) Act 1985	Schedule 12A para 3 "Information relating to the financial or business affairs of any particular person (including the authority holding hat information)."

CG/71 Urgent Item – Insurance Renewal timetable

The treasurer provided information on renewing the motor and liability insurance.

RESOLVED that a small group comprising Graeme Hicks, Carl Wallin and the Treasurer examine this matter in more detail so that a report can be made to the full Authority meeting in February 2007.

CG/72 Urgent Items – Proposed Appointment of an External Auditor

The Audit Commission had written to the Authority regarding the appointment of an external auditor for a period of 5 years with effect from the audit of accounts for 2007/08

RESOLVED to recommend to the Full Police Authority that the Police Authority agrees with the Audit Commission's proposals regarding the appointment of an external auditor.

The meeting closed at 11.50hrs