

Devon and Cornwall Police Authority
Minutes

A meeting of the **Corporate Governance Committee** was held on 30 April 2008 in the Hembury Room, Kensington Court, Woodwater Park, Exeter starting at 10:00hrs.

Present:

Mr C Wallin – Chair
Sir Simon Day, Mr M Hodge, Ms J Norton and Mr J Rowe

Officers in Attendance

Police Authority

Mr J Glasby (Treasurer), Mr R Martin (Policy Officer) and Mr E Wardle (Internal Audit Manager).

Constabulary

Mrs A Daveney (Head of Technical Accounting)

Other Organisations

Ms C Brown (Audit Commission)

CG/143 Apologies for Absence

Apologies for absence were received from Mr C Bulley.

CG/144 Declarations Of Interest

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

CG/145 Chairman's Announcement

There were no Chairman's announcements.

CG/146 Firearms Inventories

The Internal Audit Manager presented a brief report on the progress in procuring a firearms inventory system.

Issues discussed during consideration of this item included:

- A fuller report on the procurement process will be provided to the next Corporate Governance Committee in June 2008.
- Members expressed their satisfaction that the process for securing an inventory system was now progressing.
- The Chairman reiterated that there was not general concern that a firearm would go missing more that there was no appropriate system currently in place for audit tracking. The reputational risk associated with any failure in these arrangements would be significant.
- The Treasurer advised Members that the Force was re-considering a number of projects in order to focus on the Force Development Programme. The Committee needed to register its strength of feeling that this project should be driven through. The Treasurer offered to convey the Committee's views to the Deputy Chief Constable.
- There was a risk that that firearm ammunition is in short supply.
Subsequent to the meeting, it has been confirmed that the Force has taken contingency action to secure sufficient ammunition stocks.

RESOLVED

- i. to note the report
- ii. That the Corporate Governance registers its desire that the Firearms Inventory System project is delivered in a timely manner and not subject to further undue delay or diversion.
- iii. Members asked for an update to be provided by the Firearms Unit at the next meeting of the Committee in June.

CG/147 Internal Audit Strategy

The Internal Audit Strategy for 2008/2009 was approved by the Corporate Governance Committee on 4 March 2008. The Internal Audit Manager requested the Strategy be formally signed by the Chairman of the Committee and the Treasurer.

The Chairman and Treasurer signed the Strategy.

CG/148 Draft Annual Internal Audit Report

The Internal Auditor presented the draft Internal Audit Annual Report 2007/2008 for Members' comment.

Issues discussed during consideration of this item included:

- The work plan for 2007/2008 is now complete
- The finalised annual report will be presented to the Committee in June 2008.
- Members were pleased that good progress was being made on environmental issues. The Chairman has been personally involved in driving this work forward including securing the adoption of the environmental Mission Statement and Strategy by the Police Authority.

The Audit Commission will look at the Authority's sustainable use of resources as part of the next PURE assessment.

- Members commented on the value of an information audit as referred to in Sir Ronnie Flanagan's recent report into policing. The Treasurer advised that it was not the role of Internal Audit to initiate this kind of work but to ensure that efficiency savings do not impinge on control measures.
- The Internal Auditor welcomed any further comment over the next few weeks.

RESOLVED

- i. To note the report;
- ii. That the Committee is content with the Internal Audit carried out in 2007/08 and reflected in the report and is happy to have this view reflected in the assessment of Internal Audit for the year;
- iii. That the Committee is content with the quality of Internal Control evidenced by the report and is happy to have this reflected in the Annual Corporate Governance Statement.

CG/149 Force Annual Assurance Statement

The Head of Technical Accounting presented the draft Annual Assurance Statement for Members' comment. The statement will be part of the overall Governance Statement which replaces the Statement of Internal Control.

Issues discussed during consideration of this item included:

- More detail will be provided in the Statement on diversity/ equality and sustainability work.

- The Treasurer expressed his satisfaction with and appreciation of the quality and volume of the work that has gone into preparing the Statement.
- The Chairman stated that greater mention of partnership arrangements was needed. Governance arrangements for partnerships was an area that needed further attention as recognised by the PURE assessment last year. The Head of Technical Accounting urged that the Authority's partnership activity should be reflected in the Annual Governance Statement instead rather than the Assurance Statement. This would be discussed further between the Treasurer and Assistant Chief Executive.
- The Treasurer will consider the merits of including this report in full or in part in the Authority's Annual Accounts.

CG/150 Internal Audit Plan 2008/2009

The Internal Auditor presented the draft Internal Audit Plan 2008/2009 for Members' comment.

Issues discussed during consideration of this item included:

- Service Level Agreements have been negotiated with Cornwall County Council and Devon County Council for the coming year.
- The Plan is based around the key messages from the Force and Authority's risk registers and discussions by the Chief Officer Group and with the Treasurer.
- The Audit Plan is likely to change as new risks arise and audit activity is directed to different areas.
- The planned audit of the IT network was postponed in 2007/2008 due to a lack of ICT auditing expertise. This has now been secured and sits in the plan for 2008/2009. This is a sizeable piece of work and the allocated audit days will need increasing to cover it.
- Members were clear that the audit of contingency planning arrangements should not be delayed further.

RESOLVED

- i. that the Internal Audit Plan 2008/2009 is approved.

CG/151 Financial Regulations

The Head of Technical Accounting distributed an additional paper entitled 'Key Controls – March 2008' which supplemented the draft Financial Regulations paper circulated earlier.

The final draft paper will be presented to the Police Authority on 27 June for approval. The idea of the current discussion is to give members an early sight of developing proposals. The Treasurer stated the Committee could choose to commend the Financial Regulations to the Police Authority at its June meeting once all amendments were made. Further comments on the regulations were invited by the Treasurer and Head of Technical Accounting over the next three weeks.

Issues discussed during consideration of this item included:

- Lower-level controls have been removed to an appendix allowing the Regulations document to be slimmed down substantially. This makes it easier to update and makes the document more accessible.
- Policies and Standard Operating Procedures are listed beneath the Key Controls to show a hierarchy of control measures.
- The document as printed shows responsibility for amendment to the Key Controls lying with the Treasurer. However, he would welcome member involvement and suggested he

discuss any suggested amendments with the Chairman of the Committee. These will be referred to the full Committee itself if considered necessary by the Chairman.

- The Treasurer stated he would discuss with the Chief Executive whether the Scheme of Delegation needed revision as a result of this.
- It was confirmed that Internal Audit would review the Key Controls from time to time.
- Currently, financial balances are in-line with Authority policy. As the budget increases it may be necessary to either increase balances or change the policy.
- Individual committee roles have been added
- The financial thresholds indicated for Externally Funded Projects (page 19) should read £250,000.
- Reference is made to the risks, resources and the delivery of business benefits in the management of projects within the Force. The Treasurer reminded Members that one of the Police Authority's roles was to scrutinise the business benefits delivered from Force projects as well as monitoring spending.
- Delegated threshold limits have been raised to more appropriate levels for Stock, Asset, Liability and Income approvals.
- Members called for reference to be made in the report to Sir Ronnie Flanagan's Review of Policing and the pending Government Green Paper on police reform. These may have significant and wide ranging consequences for police authorities.
- The Treasurer expressed his gratitude to the Head of Technical Accounting for this comprehensive piece of work. He stressed that this and some other documents presented today may need to be amended if substantial changes are made to the Constitution by the Police Authority on 9 May.

RESOLVED

- i. That powers in relation to Key Controls being delegated to the Treasurer should instead be delegated to the Treasurer in consultation with the Chairman of the Corporate Governance Committee who has the power to call together the Corporate Governance Committee to reach a decision if needed.
- ii. That once further comments are received from individual members and officers, the Committee recommends to the Police Authority meeting in June that the Financial Regulations be adopted and included in the Police Authority's Constitution. If any of the points raised are significant, the Regulations will be brought back to the next meeting of this committee.

CG/152 Presentation on the Management of Fraud Risk

The Internal Auditor delivered a presentation on managing the Risk of Fraud. The presentation had been prepared in consultation with the Force Professional Standards Department.

Issues discussed during consideration of this item included:

- Fraudulent activity can extend to more than just financial resources, such as data and other assets.
- Recent losses of police data called for clarity on whether Force and Authority electronic mobile data systems needed to be encrypted. This would be clarified outside the meeting.
- The Chief Constable's review into information security measures in the Constabulary is due to be available soon.
- A Memorandum of Understanding is in place between the Police Authority and the Force Professional Standards Department. The process is working well and improving.

The Chairman thanked the Internal Auditor for the informative presentation and requested that the Head of Professional Standards be invited to a future meeting of the Committee to discuss anti-fraud activity work further.

CG/153 Audit Commission Fees 2008/09

The Audit Commission Manager circulated a report outlining the Audit Commission's proposed work and fees for 2008/2009.

Issues discussed during consideration of this item included:

- The proposed fee of £84,720 has been revised from an earlier, much higher figure.
- Earlier this year, the Chairman of the Corporate Governance Committee wrote to the Audit Commission expressing the Authority's great concern at the increase in fees as initially proposed. The Treasurer congratulated the Audit Commission on its positive response by only raising the fees in line with inflation over the 2007/2008 figure.

RESOLVED that the Corporate Governance Committee approves the Audit Commission's plan and fees of £84,720 for 2008/2009.

The meeting closed at 11:35hrs