

Minutes of the Joint Audit Committee 17th October 2018 held at Surrey Police Headquarters

Attendees:

Paul Brown (PBr)
Andrew Gascoyne (AG)
Chris Johnson (CJ)
Graham Lancaster (GL)
Paul Rees (Chairman)
Paul Roberts (PRo)

David Munro (PCC) – Police & Crime Commissioner
Alison Bolton (AB) – Chief Executive – Office of the Police and Crime Commissioner
Ian Perkin (IP) – Treasurer – Office of the Police and Crime Commissioner
Niki Rivers (NR) – Office of the Police and Crime Commissioner (Minute taker)

Nick Ephgrave (CC) – Chief Constable - Surrey Police
Paul Bundy (PBU) – Service Director Finance – Sussex & Surrey Police
Bev Foad (BF) – Financial Accounting Manager - Surrey Police
Amaraghosha Carter (AG) - Head of IT Surrey and Sussex Police
Jennifer Punton (JP) - Interim CIO and Head of Client Services – ICT – Surrey and Sussex Police

Paul King (PK) – Ernst & Young (External Auditors)
Justine Thorpe (JT) – Ernst & Young (External Auditors)
Daniel Harris (DH) – Chief Internal Auditor - RSM UK (Internal Auditors)

PART ONE - IN PUBLIC

065/2018 APOLOGIES (Item 1)

Apologies were received from Sarah Gordon (Minute taker).

066/2018 DECLARATION OF INTEREST (Item 2)

No declarations were made.

067/2018 EXCLUSION NOTICE (Item 3)

Under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information under paragraph 7 of Part 1 of Schedule 12A of the Act.

PART TWO – IN PRIVATE

068/2018 SURREY & SUSSEX POLICE IT STRATEGY DELIVERY PLAN (Item 4)

Amaraghosha Carter (AG) and Jennifer Punton (JP) were in attendance to provide an update to Members on the Surrey & Sussex Police IT Strategy Delivery Plan. It was explained to members that the strategy was developed against a fluid background, with account having to be taken of national, regional and local requirements. In answer to a question from a member, AG outlined that the strategy was designed to cover the overarching IT position and its budgetary requirement. It was not designed to cover the costs and activities of major projects such as ERP, which were separately managed and budgeted, but was intended to outline the foundation on which everything connected with IT is built. AG said that he would provide the Committee with a list of the major IT projects currently being undertaken.

The Chief Constable (NE) said that the ownership of the IT strategy was vested in him and that the new Chief Information Officer, who was about to be appointed, would have to seek approval from the Chief Constable's leadership team before any proposed changes could be made to the strategy.

069/2018 ANY OTHER MATTERS TO BE RAISED BY THE INTERNAL AUDITORS (Part One – Item 14)

The submitted audit reports were discussed and noted by the Committee.

AG and JP left the meeting.

PART ONE – IN PUBLIC

070/2018 MINUTES OF THE MEETING HELD 25TH July 2018 (Item 05)

The minutes were accepted as a true and accurate record.

071/2018 MATTERS ARISING FROM 25TH July 2018 (Item 06)

048/2018 - the PCC informed the Committee that he would not be proceeding to take over governance of the Surrey Fire & Rescue Service from Surrey County Council.

056/2018 – the Chief Constable said that he would remind the Deputy Chief Constable to arrange for the IT Governance Prioritisation Matrix to be circulated to Committee Members. It was confirmed that the Matrix was sent to Members on 11th October but would be resent.

060/2018 – agreed that members of the Committee would be circulated with a copy of the link to the OPCC gifts and hospitality register. It was confirmed that Members had been sent a link to the register on 27th July but that an updated link would be sent.

072/2018 INTERNAL AUDIT PROGRESS REPORT 2018/19 & BENCHMARKING OF INTERNAL AUDIT FINDINGS 2017/18 (Item 7)

Dan Harris (DH) presented this report which provided a summary update on progress against the 2018/19 Internal Audit Plan, which was noted. In addition, DH presented a report which benchmarked the assurance levels given to Surrey Police & OPCC, against those given across RSM's police client base. Chris Johnson suggested that results given to Surrey were worse than those given for the client base and asked if this indicated that Surrey systems were getting worse. DH said that he did not think so as the audits recently conducted were on areas of highest risk, so that the results were not that surprising when put into context.

073/2018 INTRODUCTION TO ERNST & YOUNG & FEES LETTER (Item 8)

Paul King (PK) Associate Partner at Ernst & Young introduced himself to the Committee as the new head of Surrey OPCC & Police external audit. He explained that he had experience of police auditing acquired at Sussex, Thames Valley and Essex. His colleague Justine Thorpe who will be the Audit Manager for Surrey OPCC and Police, said that she also had previous experience of auditing police bodies, including Surrey when the governing body was the Surrey Police Authority.

The 2019/20 Fee Letter was included with the agenda papers, showing the estimated fee to the PCC was £29,805 and members asked what the Fee for the Chief Constable would be. The answer given being £11,550. The Chairman (PR) asked PK to explain what those amounts were going to buy in terms of audit coverage and was told that the fees would typically provide between 800 to 900 man hours, which should be adequate to allow Ernst & Young to carry out their statutory audit duties at a Force the size of Surrey.

074/2018 ANNUAL GOVERNANCE REVIEW (Item 9)

Alison Bolton (AB) explained that the PCC and Chief Constable were obliged to conduct an annual review of their overarching Scheme of Governance that comprised documents including the Scheme of Delegation, Contract Standing Orders and Financial Regulations. Many of these elements were shared with Sussex given the combined nature of teams such as Finance, HR and ICT. It was suggested that the annual review was delayed until the new-year as the Surrey-Sussex finance function was currently under review. Any amendments to the Force's structure would require changes to various elements of the Scheme.

CJ questioned how, after any review of the Scheme of Governance, the Force and OPCC were assured that changes were relayed to relevant staff. AB acknowledged that communication of the plan could be improved and also suggested that internal audit could be asked to examine this area as part of their annual work on governance issues.

075/2018 POLICE & CRIME COMMISSIONER EXPENSES (Item 10)

The Committee noted the report.

076/2018 CHIEF CONSTABLE EXPENSES (Item 11)

The Committee noted the report.

077/2018 AUDIT COMMITTEE SELF ASSESSMENT (Item 12)

The Chairman deferred this item to the next meeting of the Joint Audit Committee.

NE suggested that when the Chairman considered this item before presenting it to the next meeting, that in relation to regional activities, such as SERIP, it might be a good idea for each of the constituent Joint Audit Committees to appoint two members each, to look at the big projects and report back to their respective Committees, rather than have the Committees come together in one large group to look at the big regional activities. The Chairman said he would speak to his opposite numbers in the rest of the region to see if they were agreeable to this proposal. The Police and Crime Commissioner sounded a note of caution in that some of the regional partners might not welcome their audit committees taking a keener interest in regional activities in the same way as Surrey does.

078/2018 EXCLUSION NOTICE (Item 13)

Under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information under paragraph 7 of Part 1 of Schedule 12A of the Act.

PART TWO - IN PRIVATE

**079/2018 ANY OTHER MATTERS TO BE RAISED WITH THE INTERNAL AUDITOR
(Part 2 - Item 14)**

Dan Harris (DH) presented the reports which were discussed and noted.

080/2018 COLLABORATION UPDATE (Item 16)

The Committee noted the update given by the Chief Constable.

081/2018 WAIVERS TO CONTRACT STANDING ORDERS (Item 17)

Paul Bundy (PBU) presented the Waiver of Contract Standing Orders which was discussed and noted.

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082/2018 OPCC RISK REGISTER & ASSURANCE FRAMEWORK (Item 18)

AB presented the report which was discussed and noted.

083/2018 FORCE RISKS – HIGH LEVEL & SHARED (Item 19)

The Chief Constable (NE) presented the report which was discussed and noted.

084/2018 AUDIT & INSPECTION RECOMMENDATIONS & AFI TRACKER (Item 20)

Paul Bundy (PBu) presented this report and Chris Johnson (CJ) commented on the length of time it was taking between recommendations being made and management action being taken to address them. The issue of Tasers was quoted as an example and the Chief Constable (NE) said he would ask SCRALG to review all the outstanding recommendations.

085/2018 PRIVATE MEETING WITH INTERNAL AND EXTERNAL AUDITORS (Item 21)

A private meeting took place between the Committee members and the internal and external auditors. All other attendees left the meeting.

The meeting ended at 16:25