

The Police and Crime Commissioner for Lincolnshire



INTERIM INDEPENDENT AUDIT COMMITTEE 15 FEBRUARY 2013 3.00PM – 3.55PM

PRESENT:

Members: Mr A Dezonie (Chairman), Mrs A Crowe JP, Mr F Mann

Apologies: None.

OPCC: Mr A Hardwick (Police and Crime Commissioner), Mr M Burch (Chief Executive), Ms J Flint (Chief Finance Officer), Mr J King (Corporate Administration Officer), Miss G Mason (Research and Performance Officer)

Force Officers: Mr A Wood (Deputy Chief Constable)

Also in Attendance: Ms Suzanne Lane (Internal Auditor – RSM Tenon), Mr T Crawley (District Auditor – KPMG)

01/12. DECLARATIONS OF PERSONAL AND/OR PREJUDICIAL INTERESTS

None.

02/12. ELECTION OF CHAIR

Resolved:	Responsible Officer:
1. That Mr A Dezonie be elected Chair of the Interim Independent Audit Committee for the period February 2012 until September 2013.	-

04/12. EXTERNAL AUDIT UPDATE

It was confirmed that KPMG LLP had been formerly appointed as the District Auditor for the Police and Crime Commissioner and Chief Constable for a five year period. It was further confirmed that the Code of Audit Practice which prescribed the way in which auditors carried out their functions under the Audit Commission Act 1998 was still in place.

The District Auditor referred to the challenges presented by the Police and Crime Commissioner and the Chief Constable as corporation soles requiring separate audit opinions. He undertook to raise with the Chief Finance Officer some of the practical audit issues that might be encountered. A joint working protocol would also be developed with the Internal Auditors.

Resolved:	Responsible Officer:
1. That the External Audit Update be noted.	-

05/12. INTERNAL AUDIT UPDATE

The Internal Auditor presented an assurance statement for the period 1 April to 21 November 2012 attached at Appendix A to the report. Members were advised that whilst adequate and effective Governance, Risk Management and Control arrangements were in place, a red assurance opinion has been issued in respect of Business Continuity. The Chief Finance Officer explained that the interim audit opinion, whilst not a requirement, had been prepared in support of the former Police Authority's handover to the Police and Crime Commissioner and Chief Constable.

The Interim Committee considered progress against the Internal Audit Plan 2012/13 attached at Appendix B to the report. Members were pleased to note that relatively few recommendations had been made following audits completed to date. It was confirmed that a draft of the Internal Audit Plan for 2013/14 would be presented to the next meeting in March.

Resolved:	Responsible Officer:
That	
1. the Interim Internal Audit Opinion for the period 1 April to 21 November 2012 at Appendix A be noted;	-
2. the Internal Audit Progress report for 2012/13 at Appendix B be noted;	-
3. Key Findings from Internal Audit Work only detail 'High' and 'Medium' priority recommendations.	Internal Auditor

06/12. INTERNAL AUDIT REPORTS – IMPLEMENTATION PROGRESS

The Deputy Chief Constable invited Members to consider progress made by the Force with implementing recommendations from Internal Audit reports. The Interim Committee was advised that additional resources had been directed to Business Continuity with a new role created in Emergency Planning along with a number of other enhancements. It was confirmed that all critical recommendations had been completed whilst a number of low level recommendations were being progressed. Members were advised that a more detailed briefing would be provided by the Assistant Chief Constable (Protective Services) at the next meeting.

In welcoming the progress to date, the Chairman queried the current position with Asset Management. The Deputy Chief Constable referred to the clarity that the Police and Crime Commissioner had brought, in particular his commitment to keeping police stations open where there was a demonstrable operational/community need, which was being used to inform and develop the Asset Management Plan.

Resolved:	Responsible Officer:
That	
1. progress made in implementing recommendations contained in Internal Audit reports be noted;	-
2. reference to the Review of Performance Related Bonus Payments in the summary of recommendations at Appendix A be removed.	DCC

07/12. AUDIT COMMITTEE TERMS OF REFERENCE

The Chief Finance Officer presented the terms of reference which had been previously set for the Interim Committee and invited Members to consider the co-option of up to two additional members. It was reported that expressions of interest had been received from a member of the former Police Authority and a member of Lincolnshire County Council's Audit Committee. The Chairman queried the period of tenure for members currently serving on the Interim Committee. The Chief Finance Officer advised that the selection and appointment of members to the Substantive Audit Committee would commence in April 2013. However, she suggested that it would make sense for the Interim Committee to stay together for an entire Accounts cycle through to September, which could possibly be a joint meeting between the Interim and Substantive Committees. It was confirmed that members of the Interim Committee would also be free to apply to become members of the Substantive Committee.

<p>Resolved:</p> <p>That</p> <ol style="list-style-type: none"> 1. the Terms of Reference attached at Appendix 1 be noted; 2. the Terms of Reference at Appendix 1 be cross checked against the CIPFA guidance note for the Police (Delivering Good Governance in Local Government – Note for Police); 3. Mr John Cooke and Mr David Finch be co-opted onto the Interim Independent Audit Committee. 	<p>Responsible Officer:</p> <p>-</p> <p>RPO</p> <p>CFO</p>
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08/12. AUDIT COMMITTEE WORK PLAN 2013/14

The Research and Performance Officer presented the Interim Committee's Work Plan 2013/14 for consideration. Members were advised that the Work Plan was based on the Interim Committee's Terms of Reference, advice from the Chief Finance Officer and guidance from CIPFA.

The Chief Finance Officer advised Members on current thinking around the provision of a single Statement of Accounts for 2012/13 on the basis that all land, assets, liabilities, contracts, legal proceedings and employed staff were currently under the Police and Crime Commissioner following the Stage 1 Transfer. She confirmed that the Commissioner would have until April 2014 to determine what staff, property, rights and liabilities would move across to the Chief Constable under a Stage 2 Transfer. Any proposed movements would also require the approval of the Home Secretary.

Following detailed consideration, the Work Plan was approved subject to 'Value for Money' being more prominent in the 'Governance' section of the Plan. The Chairman also emphasised the importance of maintaining regular contact with the Chief Finance Officer.

<p>Resolved:</p> <ol style="list-style-type: none"> 1. That the Work Plan 2013/14 be approved subject to Value for Money being afforded greater prominence within the Governance section of the document. 	<p>Responsible Officer:</p> <p>RPO</p>
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CHAIR