

PART 1 MINUTES OF HERTFORDSHIRE POLICE AUTHORITY AUDIT COMMITTEE MEETING HELD ON FRIDAY 27 NOVEMBER 2009 AT COUNTY HALL, HERTFORD

PRESENT

Robert Gordon (Chairman), Nigel Brook, Sarah Coffey, Keith Emsall, Kevin McGetrick, Derek Scudder

Hertfordshire Police Authority Officers present:

Bernice Compton	Committee and Members' Services Officer
Julia Harries	Committee and Members' Services Manager
Andrew White	Chief Executive

Officers present:

Neil Gibson	Audit Manager, Audit Commission
Mark Hodgson	District Auditor, Audit Commission
Emma Patchett	Audit Manager, Audit Commission
James Hurley	Director of Resources, Hertfordshire Constabulary
Chris Powell	Head of Resources, Hertfordshire Constabulary
Chris Kay	Chief Internal Auditor
Sally-Ann Pearcey	Senior Internal Auditor

1. APOLOGIES FOR ABSENCE

Apologies were received from Sarah Pickup, Treasurer.

2. DECLARATION OF INTERESTS

3. MINUTES

The Part 1 minutes of the meeting held on Friday 25 September 2009 were confirmed by the Authority as an accurate record and signed by the Chairman.

EXTERNAL AUDIT:

4. ANNUAL AUDIT LETTER

Mark Hodgson presented the Annual Audit Letter. 2008/09 has seen a continuation of strong performance and it has been a positive year in key areas that fall within the remit; such as the financial statement process; the Authority's processes to secure continued robust financial standing whilst undertaking significant capital investment; and the arrangements to secure economy, efficiency and effectiveness in their use of resources.

The Committee were informed that the letter had been written in plain English for the sake of the public rather than 'audit speak'. This has been a national implementation and any comments the Authority wished to make on this new format were welcome.

Mark Hodgson also asked the Authority to note that the extra work undertaken regarding Fixed Assets and payroll incurred an extra fee of £5,000 which has been added to the overall fee.

The Committee were informed that, although figures have not yet been published, their scores within the national framework were likely to be good.

In particular the Authority has performed well under the section 'Use of Resources' and the Audit Commission has placed examples of the Authority's notable practice on their website to share learning across the Public Sector.

The Authority's collaboration and partnership working and in particular the Major Crimes Unit collaboration, has been described as 'groundbreaking' by Her Majesty's Inspector of Constabulary.

Mark Hodgson informed the Committee that Neil Gibson was to move to their Cambridge office and would be concentrating on Bedfordshire's Audit requirements, but that he would continue to work with Hertfordshire on the Collaboration use of resources. He introduced Emma Patchett to the Committee, who will be replacing Neil at future Committee meetings.

Members were pleased to see that Partnership arrangements within Hertfordshire had been maximised and that follow up work with the Herts Forward Group is intended. Rob Gordon, speaking from his

council leader's experience, stated that although intent was strong, practice was not as it should be and that building blocks were being put in place.

The Committee noted the very complimentary Audit Letter and stated there were no surprises.

The Committee also agreed that the letter read in an understandable way and proved to be accessible to those without an audit background.

INTERNAL AUDIT:

5. PROGRESS IN DELIVERING THE 2009/10 AUDIT PLAN

The Committee considered a report informing of progress in delivering the internal audit plan for 2009/10 and in implementing the high priority recommendations raised in previous Internal Audit reports.

The expectation is that all the audits in the audit plan approved by members will be completed and all final reports issued in sufficient time to allow them to be included in the annual report.

There are four high priority recommendations outstanding, three relate to payroll and these will be followed up in the payroll audit scheduled for February 2009.

It is aimed that planned audits will be completed before the end of March 2010 and all final reports issued before the June meeting of the Audit Committee.

Members noted the investigative work being undertaken with the Constabulary under the National Fraud Initiative (NFI) 2008 data matching exercise in particular Injury Benefit overpayments. They are now well down the line identifying individuals and members asked if they had a scale of how much this would be. They were informed it would be a small sum of approximately £30 – 40K. This is a rough figure and some cases may go back many years.

Members expressed support for this work, but asked that it be undertaken sensitively. Many families will be struggling in this financial climate and experiencing hardship. The question was also asked if the claims were made fraudulently.

Investigations are continuing and findings have shown that some individuals have informed SERCO of their change in circumstances, but others have neglected to do so.

Members highlighted the outstanding priority on the merging of the two databases that hold pensions data, raised in 2004/05 and asked if there was an estimated completion date. Chris Kay informed the Committee that there was a firm date of December this year.

The Committee noted the report and progress will be reported at the next meeting.

6. PLANNING FOR INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The Committee considered a report informing members of the introduction of Internal Financial Reporting Standards (IFRS), its most significant effects and the Authority's proposed timetable.

IFRS have already been widely adopted in the private sector as well as by central government and the health service. The financial year 2010/11 will see their introduction to local authority accounting, which is applicable to police authorities. It will have a significant impact on the Financial Statements which the Authority is required to publish each year and could potentially also impact upon the Authority's budget and reserves.

Chris Powell informed the Committee that work will take place over the next 18 months and has already commenced.

There is to be a new governance framework for the Code of Practice on Local Authority Accounting. The Chartered Institute of Public Finance Accountants (CIPFA) announced that there will be a new Code of Practice prepared under the oversight of the Financial Report Advisory Board rather than the Accounting Standards Board as for previous years. The new CIPFA Code of Practice is expected to be received early in the new year.

The Committee noted the report.

AUTHORITY

7. POLICE AUTHORITY RISK REGISTER

The Committee considered the latest version of the Police Authority Risk Register and were asked to comment on and agree the register.

One new risk has been added relating to the precept consultation. The Chief Executive is agreeing a planned response to mitigate this risk that will be considered by members in due course.

The Committee discussed this new risk. Members returning from the APA Conference informed the Committee that ministers had been asked what precept the government would expect to accept: the answer was 5%.

Rob Gordon stated that Barbara Follett, MP for Stevenage had made reference to this year's precept at 3%.

Work is continuing to produce the Authority's risk register in a complimentary format to the Constabulary's and will be completed in early 2010.

The Chief Executive informed the Committee that the section entitled 'Poor inspection outcome from Audit Commission/HMIC' should not have been greyed out as there has been no narrative changes for this section.

Members asked for an update on the risk relating to loss of staff and development of a business continuity plan. The Chief Executive informed the Committee that the plan was now in draft format to bring forward for consultation.

The committee noted and agreed the risk register.

ACTION

Andrew White to bring forward the draft business continuity plan for consultation.

8. EXCLUSION OF PRESS AND PUBLIC

RESOLVED

That under section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in paragraphs 1, 3 and 7 of Part I of Schedule 12A of the Act, and the public interest test not to disclose information outweighs the public interest in disclosing it.

9. PART 2 MINUTES

The Part 2 minutes of the meeting held on Friday 25 September 2009 were confirmed by the Authority as an accurate record and signed by the Chairman.

10. POLICE AUTHORITY RISK REGISTER

The Committee considered and agreed an update to the risk register.

11. FUTURE MEETING DATES

Friday 26 March 10.30am

Friday 25 June 2.00pm

Tuesday 28 September 2.30pm - *Please note change of date*

Friday 26 November 2.00pm

All meetings to be held in the Ashbourne Room

Chairman