



**Durham Police Crime & Victims'  
Commissioner/ Chief Constable**



**Joint Independent Audit Committee**

**Tuesday 20<sup>th</sup> February 2018**

**11am-1pm.**

**Watson Room, Police HQ, DH15TT**

---

**Minutes**

**1. Attendance/Apologies**

**Chair**

Mrs E Davies

**Members**

Mrs J Flynn

Mr R Humphries

Cllr E Bell

Mr D Shingleton

**Office of the Police, Crime and Victims' Commissioner**

Mr A Reiss, Mrs S Sahani,

**Durham Constabulary**

Mr G Ridley, Mr S Winship, Ms J Keelty (Job-shadowing Mr G Ridley)

**Internal Audit**

Mr S Carter,

**External Audit**

Mrs C Eddowes

Mrs Davies welcomed everyone to the meeting.

**2. Declarations of Interest**

*To remind members of the Committee of the need to record any personal interest in items on the agenda. If a member has a personal interest that is a prejudicial interest, he/she must withdraw from the room during consideration of that item of business.*

Mrs Davies asked the Committee if they had any Declarations of Interest – nothing was declared.

**3. Minutes of the meeting held on 28<sup>th</sup> November 2017**

Minutes of the meeting held on Tuesday 28<sup>th</sup> November 2017 were recorded as a true record. Minutes now available to view on the PCVC website.

**4. Budget Monitoring Report**

Mr Ridley presented his report outlining to the Committee the performance of the 2017/18 revenue and capital budgets.

Mr Ridley explained the reasons for the budget over and under spending. Main reasons are:

- Police Officer pay and pension outturns incorporate a pay increase of 2% rather than the budgeted 1%. However due to timings in officers retiring and new recruits starting, the budget is still underspending.
- Police overtime is overspending due to timings in officers retiring and new recruits starting. There has been a delay in recruiting police officers due to other unprecedented levels of demand and training requirements.
- Police staff pay is slightly overspending. The budget incorporates a vacancy factor and a 1% pay rise. While the vacancy factor has been met, the additional unbudgeted pay rise is showing a small overspend.
- Customer and Client Receipts are overachieved due to refunds of the additional costs the Force incurred investigating a national enquiry and mutual aid receipts.

Mr Bell queried where the money goes when the force receives refunds for mutual aid benefits to which Mr Ridley confirmed that it all goes in to the Force Reserves and is used, for example, to pay for overtime. Mr Ridley also mentioned that the force generates income from foreign countries and this income can then be considered to be used for training such as Mental Health and Cyber Crime.

Mr Bell asked how well the force are equipped in readiness for the General Data Protection Regulations going live in May 2018. Mr Ridley confirmed that training is being delivered to Inspectors and Sergeants.

Mr Humphries questioned the impact on the force following the issue raised nationally about some forces using non-accredited digital forensic services. Mr Ridley suggested that it would be useful for staff from the Digital Investigation and Intelligence Unit to deliver a presentation at a future committee meeting. Members unanimously agreed that this input will be useful.

**Action- Mr Ridley to arrange for a member of the Digital Investigations Team to deliver a presentation at the next committee meeting.**

Mr Ridley stated that capital resources are scarce and that the force needs to maximise the return from its investment. In practice, this means that close attention is paid to ensure benefits are realised against any expenditure incurred. This year the primary focus is to deliver ICT projects to benefit operational policing-mobile data and Red Sigma. Within Estates, the priority is to fit out the building for collaborative activities and to improve the existing estate.

The Committee thanked Mr Ridley for the report.

## **5. Treasury Management Report**

Mr Ridley updated the Committee on the short term investments and short term borrowings for the period between 1st April 2017 to 31st December 2017.

He stated that interest of £13,897 has been earned up to 31<sup>st</sup> December 2017. This compares with the phased budget of £18,750 and an annual budget of £25,000.

There were three short term investments at 31<sup>st</sup> December 2017 totalling £9,010,000.

In respect of short term borrowings, Mr Ridley stated that due to the PCVC completing the new HQ, purchasing the Peterlee Warehouse and part clearing the pension deficit before the full proceeds of the old HQ site could be realised, at certain times in the year the cash position is overdrawn. When this is due to occur, short term borrowing is arranged with Durham County Council or another local authority. Mr Ridley added that there were no short term borrowings at 31<sup>st</sup> December 2017 and that the PCVC is provided with independent treasury management advice by Capita Asset Services.

The Committee considered the full report and thanked Mr Ridley.

## **6. Internal Audit Progress Report**

Mr Carter presented the committee with his report on the work undertaken by Internal Audit between 1<sup>st</sup> April 2017 and 31<sup>st</sup> December 2017 and talked through the Internal Audit Plan.

He stated that out of 29 reviews, 6 have been carried forward from 2016/17. Of these, 13 assurance reviews are complete, 12 assurance reviews are planned or in progress, two, newly requested, advice and consultancy reviews have not started and one Counter Fraud review is complete and one is planned. In addition, two reviews initially included within the 2017/18 plan have been deferred to be undertaken in 2018/19.

Mr Bell questioned what controls are in place for sickness absence. Mr Ridley stated that is a challenging area because the force have one Occupational Health doctor who works 1 day a week and can only accommodate 7 medical appointments. There is also only one nurse employed who is also up to capacity.

Members expressed particular interest around the future development of the in-house ERP (Evidence Related Property) as there is a clear need for a rigorous process to be in place. Mr Carter advised that Internal Audit are providing advice and consultancy around this activity and will update the committee at a future meeting.

Discussion took place about the challenges in recruiting and retaining IT staff. Mr Ridley commented that the Force have lost staff and this is because they have moved to the private sector where they are offered up to 50% increase in salary.

Mr Bell commented that every effort should be made to ensure target dates for audit activity are met because there has been noticeable slippage in areas. It was unanimously

agreed that audit areas should be appropriately prioritised in importance by both Internal Audit and the Force.

Mr Carter stated that there were no Limited Assurance Audit Reports issued during this quarter.

Mr Bell stated that there are many positive aspects in this report which should be noted.

Members thanked Mr Carter for his report.

## **7. Audit Strategy Memorandum**

Mrs Eddowes requested that this be deferred to the next meeting due to timescales.

## **8. External Audit Progress Report**

Mrs Eddowes presented her report on the progress on the external audit for 2017/18.

The main point conveyed was that the Public Sector Audit Appointments (PSAA) is consulting on the fee scale for 2018/19 audits of opted-in bodies, December 2017. PSAA propose that scale audit fees for 2018/19 should reduce by 23% compared to the fees applicable for 2017/18. The proposed combined audit fee to the Office of the Durham PCVC and the Chief Constable for Durham for the 2018/19 audit is £36,521 (compared with £47,430 for the 2017/18 audit).

Mrs Eddowes advised the committee that this is her last meeting and Chris Kneale will be presenting at future meetings. The Chair thanked Mrs Eddowes for her contribution.

The Committee accepted the external audit report.

## **9. Quarterly Professional Standards update**

Mr Winship delivered a presentation which was accepted by the committee.

### **Any other business**

No other business discussed. Meeting closed at 12:45 p. m.

Date of next meeting: Tuesday 27<sup>th</sup> March 2018

Time: 11.00

Place: Dixon Room, Police HQ, DH1 5TT

**Alan Reiss**  
Chief of Staff

**G Ridley**  
Chief Finance Officer