



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



Joint Independent Audit Committee

Tuesday 27th March 2018

11am-12:40pm

Dixon Room, Police HQ, DH15TT

Minutes

1. Attendance/Apologies

Chair

Mrs E Davies

Members

Mrs J Flynn

Mr R Humphries

Mr D Shingleton

Office of the Police, Crime and Victims' Commissioner

Mr A Reiss, Mr J Cain, Mrs J Connor

Durham Constabulary

Mr G Ridley, Ms S Blake (Job-shadowing Mr G Ridley)

Internal Audit

Mr S Carter,

External Audit

Mr M Kirkham, Mr C Kneale

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 20th February 2018

Minutes of the meeting held on Tuesday 20th February were recorded as a true record. Minutes now available to view on the PCVC website.

4. Internal Audit Charter

Mr Carter updated the Committee on the revised Internal Audit Charter to reflect changes made as part of the Internal Audit plan for 2018/19.

Mr Carter reminded the Committee that the mission of the Internal Audit Service is 'to enhance and protect the PCVC and Chief Constable's organisational values by providing risk-based and objective assurance, proactive advice and with insight that includes a consideration of emerging issues and future-focused trends'.

The Joint Audit Committee considered and approved the Internal Audit Charter.

5. Internal Audit Plan 2018/19

Mr Carter provided the Joint Audit Committee with details of the emergent Internal Audit Plan for the period 1st April 2018 to 31st March 2019.

Mr Carter informed the Committee that Internal Audit is a review and assurance activity and should not be seen as a substitute for introducing and maintaining good internal procedures.

Areas of the plan brought to the attention of the Committee were:

Information Governance - An assurance review to consider the management of risks associated with Information Governance with an overall focus on Data Protection, Freedom of Information, Records Management and Data Quality arrangements. For 2018/19, Mr Carter explained work will concentrate on the Durham Constabulary and the PCVC arrangements in relation to the General Data Protection Regulation (GDPR) which is enforceable from 25th May 2018.

Capital Accounting Arrangements – An assurance review that considers the effectiveness of Durham Constabulary's Capital Accounting arrangements in managing risk. As a new activity the exact scope of the review will need to be discussed and agreed with the Durham Constabulary's nominated key contact.

Banking arrangements – An assurance review that considers the effectiveness of Durham Constabulary banking arrangements in managing risk. As a new activity the exact scope of the review will need to be discussed and agreed with the Durham Constabulary's nominated key contact.

VAT Arrangements - An assurance review that considers the effectiveness of Durham Constabulary's VAT arrangements in managing risk. As a new activity the exact scope of the review will need to be discussed and agreed with the Force's nominated key contact.

Red Sigma - Mr Carter explained that given Durham Constabulary's investment in the development and rollout of the Red Sigma IT System and its importance in its day to day operation, it has been agreed that this Assurance activity will now form part of Internal Audit's annual programme of work.

Mr Shingleton queried whether there was a strategic plan that would provide further detail to when reviews were due to be undertaken. Mr Carter confirmed and agreed to provide the 2 year plan contained within the Service Level Agreement (SLA) that had been developed as part of discussions with the Force / OPCVC.

Mr Carter also stated that given the size and complexity of the area of ICT, recent reviews undertaken by Internal Audit have focused upon specific elements or sub activities which fall under general headings of Information Security, Internet Security and Infrastructure. Mr Carter agreed to present a paper to the Committee that would detail these sub activities and their links to the three generic titles used.

In considering the information security activity identified in the plan for 2018/19 and in light of a recent example of data mining linked to information held on Facebook, Mr Humphries queried whether the Force's Facebook Page could enable access to the Force network and information held there. Whilst Mr Ridley considered this not to be the case, he agreed to consult with ICT and would confirm the outcome of this to the Committee.

The Committee approved the plan.

6. Draft Audit Strategy Memorandum

Mr Kirkham from Mazars presented the draft Audit Strategy Memorandum to the Committee. He explained that it is the responsibility of External Audit to form and express an opinion and provide reasonable assurance on the financial statements of both the Chief Constable and the PCVC for the year.

Mr Kirkham explained that Materiality is an expression of the relative significance or importance of a particular matter in the context of financial statements as a whole. Misstatements in financial statements are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decision of users taken on the basis of the financial statements.

A thorough external audit has taken place and Mr Kirkham concluded Mazars have identified two significant risks in respect of value for money work, these issues are being addressed.

All questions raised by the Committee were answered by Mr Kirkham and the Committee were reassured by the explanations.

The Committee commended Mr Kirkham and Mr Kneale for the report.

7. 2018/19 Medium Term Financial Plan

Mr Ridley provided a comprehensive report on the Revenue and Capital budgets for 2017/18 and 2018/19.

Mr Ridley updated the Committee on the provisional financial settlement for 2018/19 which announced flat Government funding to Police Forces when compared to 2017/18. This settlement has allowed a Council Tax increase of £12 for Band D properties for 2018/19 and 2019/20, however the majority of properties in the County Durham and Darlington force area are Band A, and has been applied by the PCVC.

Mr Ridley expressed an area of concern as the Home Office have announced that they are reviewing the police funding formula allocation between Forces for further years, and based on previous exemplifications Durham could potentially lose up to £10m per annum from these changes.

Mr Ridley agreed they need to work smarter with partners, get better at procurement, as well as updating mobile data so officers are more proficient. High tech digital crime has seen a growth in demand. He also expressed that IT investment is important as Durham Constabulary need to keep up and need to keep IT staff.

Mr Ridley assured the Committee that this financial plan is subject to continuous review and forms part of normal medium term financial planning procedures.

The Committee were happy with this excellent report and forward plan.

8. Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Value for Money Profiles (VfM)

Mr Ridley outlined the latest 2017 HMICFRS value for money (VfM) profiles and he identified areas for further investigation, he also provided an update on the actions taken from the 2016 profiles.

In relation to Durham Constabulary's workforce summary Mr Ridley informed the Committee that overall, Durham Police Officers, Staff and PCSO numbers have remained broadly static since the last VfM profiles were produced. PCSO's have seen a higher turnover of staff due to them becoming Police Officers in Durham or other forces, and other promotions.

In relation to Sickness, figures compare favourably to other Forces, whilst officer on restricted and recuperative duties is now above average. The force is conscious that sickness absence is an increasingly important issue to manage so additional resources have been put into the Health Management Unit and increased emphasis is being placed on wellbeing.

Mr Ridley explained that in terms of recorded crime and suspect identified the profiles are generally positive.

The VfM profiles have identified some areas for further review to seek cost or productivity improvement in particular looking at Police doctors/nurses, and scenes of crime and external forensics costs.

The Committee are aware of the challenges going forward and trust that Durham Constabulary will be able to maintain the good performance whilst reducing costs in line with government spending limits. They thanked Mr Ridley for this report.

Any other business:-

- HMICFRS update
- Potential Income Generation update
- Mr Humphries has requested information on the use of the force/PCVC Facebook accounts – Gary Ridley to research and update at a later meeting

Meeting closed at 12:40 p. m.

Date of Training: Friday 20th April 2018, Time: 10 am in the Darbley Room, Police HQ

Date of next meeting: Tuesday 8th May 2018

Time: 11.00 Place: Dixon Room, Police HQ, DH1 5TT

Alan Reiss
Chief of Staff

G Ridley
Chief Finance Officer