



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



Joint Independent Audit Committee

Tuesday 12th March 2019

11:00 – 12:50

Police HQ, Watson Room

Minutes

1. Attendance/Apologies

Chair

Mrs E Davies

Members

Mrs J Flynn, Mr R Humphries, Mr D Shingleton, Cllr D Storr

Office of the Police, Crime and Victims' Commissioner

Mrs J Connor, Mr S White, Mr C Oakley

Durham Constabulary

Mr G Ridley, Mrs J Diamond, Mrs A Gardiner & Mrs C Wigham

External Audit

Mr M Kirkham, Mr J Collins

Internal Audit

Mr S Carter

Apologies

Mrs D Murphy, Cllr E Bell

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.

3. Minutes of the meeting held on 29th January 2019

Minutes of the meeting held on Tuesday 29th January 2019 required a minor amendment and were recorded as a true record. A copy of these minutes are available on the PCVC website.

4. Governance around International Projects

Mr White expressed the need for more checks and balances around International Projects. Mr White welcomed the Revenue for the Force but has requested a process be put in place before final decisions are made and signed off at Executive Board.

Mr White agreed to do a bit more work around this and the Committee welcomed this approach requesting that they have sight of decisions before they are finalised.

5. Decision Records

Mr White updated the Committee on the latest decision register since the last meeting.

Mrs Flynn and Cllr Storr expressed an interest that they had connections to some of the Organisations awarded money from the Commissioning board. This was not an issue as the decision had already been made.

The Committee have asked to have a look at the Commissioning board decisions making process, Mr Oakley to provide this (added to forward plan) at the meeting scheduled for 4th June 2019.

The Committee thanked Mr White for the update.

6. Guidance on Police and Crime Commissioners Publishing Information

Mrs Connor provided the Joint Audit Committee with the guidance report on publishing information by the Police and Crime Commissioner for information.

The Committee agreed to discuss this further at a training day for the Joint Audit Committee scheduled for 1st May 2019. Mr Carter to share CIPFA guidance at the training day. The Committee to review the Terms of Reference too.

The Committee accepted this report.

7. Treasury Management Short Term Investments

Mr Ridley gave an update, in accordance with the PCVC'S Treasury Policy Statement, of the transactions made with UK Clearing banks and major building societies for the period 1st April 2018 to 31st January 2019.

Mr Ridley explained that during the months of February and March there is no income from council tax as this is paid in ten monthly instalments.

Mr Ridley updated the Committee that this years Treasury management strategy was amended to revise the monetary and time limits to maximise investment return. The balance held with Lloyds bank was increased to £7million.

Mr Ridley advised there were no short term borrowings at 31st January 2019. He added that the PCVC treasury management activities are provided by Durham County Council and the PCVC is provided with independent treasury management advice by Link Asset Services.

Committee members agreed the report.

8. Treasury Management Strategy Review

Mr Ridley presented to the Committee an overview of the Treasury Management activity as outlined in the annual medium term financial plan.

Mr Ridley explained that the PCVC is required to publish a report on prudential indicators, contained within a Prudential Code produced by the Chartered Institute of Public Finance and Accountancy (CIPFA). He highlighted a key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability.

Mr Ridley demonstrated that the above objectives have been fulfilled. He showed tables of estimated outturn compared to the budget for 2018/19 for each indicator contained within the Medium Term Financial Plan.

Mr Ridley outlined the Treasury Management practices from the medium term financial plan as part of the annual budget setting process. These are made up by a series of activities designed to ensure separation of duties, security, liquidity and yield of investment (SLY), training, governance, use of external providers and cash flow management.

The Joint Audit Committee received Treasury management training in 2018.

The Committee considered and accepted the reports which are regularly submitted to them showing activities undertaken in the day to day investing and borrowing operations of the PCVC.

9. Internal Audit Charter

Mr Carter requested approval from the Committee and explained the purpose of the Internal Audit Charter which had initially been agreed in July 2018.

Mr Carter advised the Committee that he had reviewed the Charter and with no changes to be made, sought agreement for the Charter to be applied to all reviews to be undertaken as part of the Internal Audit Plan for 2019/20.

The Committee approved the Internal Audit Charter.

10. Internal Audit Plan 2019/20

Mr Carter provided a report to the Committee with details of the emergent Internal Audit Plan for the period 01 April to 31 March 2020. He advised the Committee that he had held meetings to discuss the Internal Audit Plan with Mr White, Mr Ridley and Mrs Routledge.

Mr Carter stated to the Committee that the Internal Audit function provides an independent and objective opinion to the Police, Crime and Victims' Commissioner and the Chief Constable on

governance, control, and risk management by evaluating their effectiveness in achieving the PCVC objectives.

The Committee agreed the Internal Audit Plan for 2019/20 with no further recommendations and noted that the Plan will be reported to a future meeting of the Executive Board.

11. External Audit: Audit Strategy Memorandum

Mr Kirkham presented the Audit Strategy Memorandum for the year ending 31st March 2019 to the Joint Audit Committee. He explained the purpose of the document was to summarise the audit approach, highlight significant audit risks and areas of key judgements. Mr Kirkham gave an overview of the Audit opinion, on the value for money conclusion and on the reduction of fees for External Audit.

Mr Collins said any emerging independence threats and associated identified safeguards will be communicated in the Audit Completion report. He gave a summary of initial materiality thresholds and explained that the materiality determined at the planning stage does not necessarily establish an amount below which uncorrected misstatements, either individually or in aggregate, will be considered as immaterial.

The Committee thanked Mr Kirkham and Mr Collins for their reports.

12. External Audit: Progress Report

Mr Collins provided the Committee with an update on progress in delivering their responsibilities as external auditors. Since the last progress report to this Committee External Audit have held internal planning meetings, had update meeting with finance, undertaken planning work to refresh their documentation in respect of the financial systems, refreshed their understanding of the processes in place that inform the preparation of the financial statements, undertaken risk assessment as part of planning for the 2018/19 value for money conclusion and prepared their Audit Strategy Memorandum (Item 11).

The Committee were assured that the work was on track and there are no significant matters arising from their work to report at this stage.

13. Review of Joint Audit Terms of Reference

The Committee agreed to look at this at the next meeting once they have had sight of CIPFA updated guidelines that would be included as an Appendix to a report that Internal Audit would submit for consideration.

14. Staff Survey Presentation

Mrs Gardiner gave a presentation on the findings from the Staff Survey carried out in 2017.

The three key areas of work majored on wellbeing – physical, financial and emotional, hindrance stressors and supportive leadership style. Mrs Gardiner highlighted work ongoing to improve these areas.

Mrs Gardiner informed the Committee that the same questions had been carried out for Police Staff and Police Officers and that the questions were a result of academic research with questions developed around the identified areas.

The Committee asked about the rate of return and were impressed with the 50% return, Mrs Gardiner said they had been a lot of promotion of the survey with supervisors encouraging staff to participate.

Mrs Gardiner informed the Committee that the 2019 survey was going out to staff now and is live for four weeks. The results from this will be out sometime in July 2019.

The Committee asked for further feedback on this at a later meeting.

15. Any Other Business

- The Committee were updated on the resignation of the Chief Constable and the recruitment process for his replacement.

Date of next meeting: Tuesday 23rd April 2019

Time: 11.00am Place: Police Headquarters, Watson Room

NB. There is a training day scheduled for members on **Wednesday 1st May 2019 @ 11.00am**