



**LINCOLNSHIRE POLICE AUTHORITY
AUDIT, RISK AND GOVERNANCE COMMITTEE
27 JUNE 2011
10.00AM – 1.00PM**

PRESENT:

Members: Dr B Wookey (Chairman), Mr P Przyszlak (Vice-Chairman), Mrs A Crowe JP, Mr R Palmer, Mr R Sellars

Apologies: Mr N Cooper, Mr F Mann JP

Secretariat: Mr M Burch (Chief Executive), Ms J Flint (Treasurer), Mr J King (Committee and Administration Officer), Miss G Mason (Research and Performance Officer)

Force Officers: Mr P Steed (Assistant Chief Officer), Mr A Tomlinson (Head of Finance), Mr I McCorriston (Head of ICT), Mr S Quint (Principal Accountant), Mr J Partridge (Performance, Innovation and Review Manager), Miss P Harris (Policy and Strategic Support Officer)

Also in Attendance: Mr M Jones (RSM Tenon - Internal Audit), Mr T Crawley, Mr M Wood (Audit Commission - External Audit), Ms H Butcher (Deloitte)

01/11. DECLARATIONS OF PERSONAL AND/OR PREJUDICIAL INTERESTS

None.

02/11. ELECTION OF CHAIRMAN FOR MUNICIPAL YEAR 2011/2012

Resolved:	Responsible Officer:
1. That Dr B Wookey be elected Chairman of Audit, Risk and Governance Committee for the municipal year 2011/2012.	-

03/11. ELECTION OF VICE-CHAIRMAN FOR MUNICIPAL YEAR 2011/2012

Resolved:	Responsible Officer:
1. That Mr P Przyszlak be elected Vice-Chairman of Audit, Risk and Governance Committee for the municipal year 2011/2012.	-

04/11. MINUTES – 22 MARCH 2011

Resolved: 1. That the minutes of the meeting held on the 22 March 2011 be taken as read and signed by the Chairman as a correct record.	Responsible Officer: -
---	--------------------------------------

05/11. MINUTES – 10 MAY 2011

Resolved: 1. That the minutes of the meeting held on the 10 May 2011 be taken as read and signed by the Chairman as a correct record.	Responsible Officer: -
---	--------------------------------------

06/11. ACTION SUMMARY

Item A5 (22/03/11) – The Treasurer confirmed that she had received a copy of the Self Assessment Questionnaire from External Audit and would maintain a watching brief.

Resolved: 1. That the Action Summary be noted.	Responsible Officer: -
--	--------------------------------------

07/11. POLICE AUTHORITY RISK REGISTERS

The Research and Performance Officer advised that the Risk Management Task and Finish Group (RMTFG) had completed its review and assessment of risks facing the Authority in light of the revised strategic objectives detailed in the Policing Plan 2011-14 and the Authority's Strategy and Operations Plan. Copies of the updated critical and non critical risk registers were appended to the report along with an updated version of the Risk Management Strategy for consideration. Members were also briefed on work undertaken by the RMTFG to compare the relative risk scores recorded on the respective Force and Authority registers. This had been undertaken in response to an Internal Audit recommendation that had sought to provide greater consistency in the way risks were scored by both organisations. Members were advised that whilst there were some disparities this reflected differences in strategic and operational perspective.

Following a review of the updated risks within the Critical Risk Register, the Treasurer suggested that there would be some benefit in comparing the Authority's risk scores and 'direction of travel' indicators over time.

<p>Resolved:</p> <p>That</p> <ol style="list-style-type: none"> 1. the Authority's Critical and Non Critical Risk Registers be approved; 2. the revised Risk Management Strategy be approved; 3. that a comparison of the Authority's risk scores and 'direction of travel' indicators be undertaken and presented to the 26 September 2011 Committee meeting. 	<p>Responsible Officer:</p> <p>-</p> <p>-</p> <p>RPO</p>
--	---

08/11. COMMITTEE WORK PLAN

The Chief Executive referred to a number of actions in the Work Plan which related to transition planning and to critical risk (H) regarding the fragility of existing partnerships. He advised that the Strategic Planning Committee had recently approved his proposals for a project structure to address the creation of a directly elected Police and Crime Commissioner. Members were advised that whilst there remained uncertainty in the legislative process it was important that the Authority had an agreed approach to managing transition.

<p>Resolved:</p> <ol style="list-style-type: none"> 1. That progress with the Work Plan be noted. 	<p>Responsible Officer:</p> <p>-</p>
---	---

09/11. EXTERNAL AUDIT UPDATE

The Committee received a brief update on progress made with the External Audit Plan 2010/11 and to note the Audit fee for 2011/12. Members were advised that whilst good progress had been made towards the value for money conclusion, there were still some elements of the work which needed to be completed. In particular, Auditors were awaiting release of the finalised report of the recent HMIC review of financial resilience. The Assistant Chief Officer undertook to ascertain the status of the report.

<p>Resolved:</p> <p>That</p> <ol style="list-style-type: none"> 1. progress made with the External Audit Plan be noted; 2. the Audit Fee Letter be noted. 	<p>Responsible Officer:</p> <p>-</p> <p>-</p>
--	--

12/11. ANNUAL GOVERNANCE STATEMENT AND CODE OF CORPORATE GOVERNANCE

<p>Resolved:</p> <p>That</p> <ol style="list-style-type: none"> 1. the Force’s Annual Assurance Statement attached at Appendix A to the report be noted; 2. the draft Annual Governance Statement attached at Appendix C be approved. 	<p>Responsible Officer:</p> <p>-</p> <p>-</p>
--	--

13/11. IMPLEMENTATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) QUARTERLY MONITORING UPDATE

Members received a brief update on the implementation of IFRS provided by the Authority’s advisors Deloitte. The Chairman thanked Deloitte for their assistance and paid tribute to the Head of Finance and his team for the significant progress that had been made in ensuring compliance with IFRS.

<p>Resolved:</p> <ol style="list-style-type: none"> 1. That the key issues identified and progress made with the IFRS implementation project be noted. 	<p>Responsible Officer:</p> <p>-</p>
--	---

14/11. MANAGEMENT PROCESSES TO MINIMISE THE RISK OF FRAUD AND ERROR IN FINANCIAL STATEMENTS

<p>Resolved:</p> <p>That</p> <ol style="list-style-type: none"> 1. the report be noted; 2. the assessment be approved as an accurate reflection of the Authority’s management processes to minimise the risk of fraud and error in its financial statements. 	<p>Responsible Officer:</p> <p>-</p> <p>-</p>
---	--

[The Chairman adjourned the meeting at 11.10am and reconvened at 11.15am]

15/11. COMPACT ACCOUNTS 2010/2011

The Treasurer advised that the Compact Accounts appended to the report had been prepared to aid the understanding of the Authority's financial position as at the end of the 2010/11 financial year. These had been produced at the same time as the more detailed Financial Statements. The Head of Finance invited Members to give feedback on the content and style of the Compact Accounts. A finalised version would be presented to the Committee in September 2011 once the audit of the Financial Statements had been completed.

Resolved: 1. That the Compact Accounts for 2010/2011 be approved subject to minor amendment and to the final Audited figures.	Responsible Officer: -
---	--------------------------------------

16/11. FINANCIAL STATEMENTS 2010/2011

The Treasurer presented the 2010/2011 Financial Statements for information prior to final certification and submission for audit. This was the first year in which the Accounts had been prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS), which included significant changes to the layout of the accounts main statements and disclosures. External Audit welcomed the early notification of the Financial Statements to Members in accordance with DCLG best practice.

The Head of Finance presented a detailed briefing on the Financial Statements before joining the Chairman and the Treasurer in thanking the Principal Accountant, departmental staff and Deloitte for their efforts in preparing the statements despite the complexities and technical challenges involved.

Resolved: 1. That the Financial Statements for 2010/2011 be noted, recognising that further changes might be made prior to the submission, by the Treasurer, for Audit on the 30 June 2011.	Responsible Officer: -
---	--------------------------------------

17/11. ASSURANCE UPDATE

The Chairman reminded Members that the Committee had previously agreed to review the Assurance Framework on a quarterly basis. The Chief Executive suggested that in exercising its oversight role, the Committee consider whether key issues with a relatively high level of assurance such as 'Income Generation' be recommended for removal. The Committee also had a role in identifying any emerging issues of importance to the Authority such as the recent HMIC/HMIP joint inspection of police custody facilities. In supporting the suggested approach, Members also emphasised the role of individual committees as the 'owners' of key issue areas in taking action to remove those issues that continued to receive consistently high levels of assurance.

<p>Resolved:</p> <p>That</p> <ol style="list-style-type: none"> 1. the Finance and Performance Committee be recommended to consider removing Income Generation as a key issue within the Assurance Framework; 2. the Professional Standards Committee be recommended to consider the inclusion of the joint HMIC/HMIP inspection of Police Custody Facilities within the Assurance Framework. 	<p>Responsible Officer:</p> <p>RPO</p> <p>RPO</p>
--	--

18/11. FUTURE OF PUBLIC AUDIT CONSULTATION

The Chairman presented a draft response prepared by the Treasurer to Government proposals on the future of Public Audit. The draft response focussed on the apparent contradiction between the Home Office's policy stance on procurement and that envisaged in the consultation document; and the new need, from a governance perspective, for an audit committee within the new governance landscape for policing. Also appended to the report was a near finalised draft of the response that would be submitted by the Police Authority Treasurers Society on behalf of its members.

<p>Resolved:</p> <ol style="list-style-type: none"> 1. That the draft response at Appendix C be approved. 	<p>Responsible Officer:</p> <p>-</p>
---	---

19/11. EXCLUSION OF PRESS AND PUBLIC

<p>Resolved:</p> <p>That the press and public be excluded from the meeting on the grounds that the following items involved the disclosure or likely disclosure of exempt information as detailed in paragraph 7 of schedule 12A of the Local Government Act 1972 (as amended).</p>	<p>Responsible Officer:</p> <p>-</p>
--	---

[Mrs A Crowe JP left the meeting at 12.45pm]

78/10. FORCE RISK REGISTER UPDATE

The Planning, Innovation and Review Manager (PIRM) updated the Committee on developments within the Force's risk management processes and Risk Register. He confirmed that the Force Command Group reviewed the Register by exception on a 12 weekly cycle. Members were advised that it was the responsibility of senior managers

when presenting items of business to also identify any associated risks, which would be subsequently communicated to the PIRM.

The Chairman noted that there was no specific risk associated with the financial and performance outcomes from the Business Transformation Project. The PIRM explained that the Register included a 'catch all' risk which encompassed the BTP and the Policing Change Programme as well as resilience issues around the reducing workforce. He undertook to change the definition of the risk to ensure that this was made more explicit.

Referring to the Authority's Critical Risk Register, the Chairman recommended that the overall risk score for critical risk (C03) relating to the embedding of Force risk management, remain unchanged.

<p>Resolved:</p> <p>That</p> <ol style="list-style-type: none"> 1. the report be noted; 2. the definition of the 'catch all' risk encompassing BTP within the Force Risk Register be made more explicit; 3. the overall risk score for risk (C03) within the Authority's Critical Risk Register remain unchanged. 	<p>Responsible Officer:</p> <p>- PIRM -</p>
---	--

Chairman