



**LINCOLNSHIRE POLICE AUTHORITY
AUDIT, RISK AND GOVERNANCE COMMITTEE
28 JUNE 2010
1.00PM – 5.00PM**

PRESENT:

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

Apologies: Mr J Cooke, Mr N Cooper, Mr R Davies, Mr A Dezonie, Mr F Mann JP, Mr C Underwood-Frost

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

Force Officers: Mr P Davies (Assistant Chief Constable – Protective Services), Mr K Smy (Assistant Chief Constable – Safer Neighbourhoods), Mr P Steed (Director of Finance and Administration), Mr A Tomlinson (Head of Finance), Mr S Quint (Accountant), Mr I McCorrison (Head of ICT), Mr J Partridge (Planning, Innovation and Review Manager), Miss P Harris (Policy and Strategy Support and Risk Officer), Mrs S Cunningham (Business Services Manager), Mrs C Jackson (Support Officer)

Also in Attendance: Mr R Must (Member), Mr I Bennington (Deloitte), Ms S Lane (RSM Tenon)

01/10. DECLARATIONS OF PERSONAL AND/OR PREJUDICIAL INTERESTS

None.

02/10. ELECTION OF CHAIRMAN FOR MUNICIPAL YEAR 2010/2011

Resolved:	Responsible Officer:
1. That Dr B Wookey be elected Chairman of Audit, Risk and Governance Committee for the municipal year 2010/2011.	-

03/09. ELECTION OF VICE-CHAIRMAN FOR MUNICIPAL YEAR 2010/2011

Resolved:	Responsible Officer:
1. That Mr P Przyszlak be elected Vice-Chairman of Audit, Risk and Governance Committee for the municipal year 2010/2011.	-

04/09. MINUTES – 26 FEBRUARY 2010

Resolved: 1. That the minutes of the meeting held on the 26 February 2010 be taken as read and signed by the Chairman as a correct record.	Responsible Officer: -
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05/09. MINUTES – 26 MARCH 2010

Resolved: 1. That the minutes of the meeting held on the 26 March 2010 be taken as read and signed by the Chairman as a correct record.	Responsible Officer: -
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06/09. ACTION SUMMARY

Resolved: 1. That the Action Summary be noted.	Responsible Officer: -
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07/10. EXTERNAL AUDIT UPDATE

The Treasurer explained that a change of date for the Committee had prevented the External Auditors from attending the meeting. Members were advised that all work surrounding the Comprehensive Area Assessment (CAA) had stopped following the General Election, including the Use of Resources assessment. However, work undertaken prior to the CAA being abandoned would be used to inform the Value for Money assessment.

Resolved: 1. That the oral update be noted.	Responsible Officer: -
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08/10. LINCOLNSHIRE AUDIT COMMITTEE NETWORK FORUM

Members were advised that there had been no meetings of the Network Forum since the last update.

Resolved:	Responsible Officer:
1. That the oral update be noted.	-

09/10. POLICE AUTHORITY RISK REGISTERS

The Chairman reminded Members that the Risk Review Task & Finish Group had been reappointed by the Committee to assess the risks facing the Authority in light of the revised Strategic Objectives and to further explore the Authority's risks in relation to partnership working. A number of amendments and additions had subsequently been made to both the Critical and Non Critical Risk Registers. The Task & Finish Group had also recommended that the Authority's Risk Management Strategy be updated to change the way in which the Non Critical Risk Register was reviewed.

The Chairman confirmed that both he and the Chief Executive had attended a meeting with the Deputy Chief Constable on 18 June to discuss the misalignment of Force and Authority risk registers. The Deputy Chief Constable had recognised that the Force risk register did not reflect strategic risk in the same way as the Authority's risk register. The register would therefore be sub-divided into Strategic, Confidential and Tactical risk. The Authority's Research and Performance Officer had agreed to assist with the development of the strategic element of the Force risk register. It was envisaged that the strategic elements of the Force and Authority risk registers would be merged within the next 12 months or so.

Members were also advised of discussions around having a permanent Member presence on the Force Risk Management Board (RMB). The Strategic Planning Committee had recommended that a Member attend meetings as an observer, so that they could speak but not vote. It was agreed that the Chairman would represent the Authority on the RMB and keep the Committee up to date on developments.

The Vice Chairman queried whether Risk "F" within the Critical Risk Register would be better split into two separate risks reflecting the need to secure a fairer share of funding for Lincolnshire and the economic outlook nationally.

Resolved:	Responsible Officer:
That	
1. the work of the Risk Review Task and Finish Group be noted;	-
2. the revisions made to both the Critical and Non Critical Risk Registers be approved;	-
3. all Committees receive a report by exception in terms of Non Critical Risk;	RPO
4. the Chairman represent the Authority as an observer on the Force Risk Management Board;	Chair ARG Committee
5. Critical Risk "F" be split into two separate risks reflecting the need to secure a fairer share of funding for Lincolnshire and the economic outlook nationally.	RPO

10/10. COMMITTEE WORKPLAN

Resolved: 1. That the Workplan be approved.	Responsible Officer: -
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11/10. ANNUAL GOVERNANCE STATEMENT AND CORPORATE GOVERNANCE

The Treasurer invited Members to consider and approve the Annual Governance Statement on behalf of the Authority. As well as reviewing the effectiveness of the governance framework the Statement also included an outline of actions taken, or proposed, to deal with significant governance issues. Once approved, the document would be signed by the Chairman and Chief Executive before being incorporated into the Statement of Accounts.

The Deputy Chief Executive referred to the general uncertainty around whether the joint HMIC/Audit Commission inspection of the Authority scheduled for September 2010 would still go ahead in light of government plans to replace police authorities with directly elected individuals. Members were advised that the inspection framework was being used as a basis for developing an improvement plan for the Authority and that work would continue regardless of whether the inspection went ahead or not.

Resolved: That 1. the Force's Annual Assurance Statement attached at Appendix A be noted; 2. paragraphs 3.1.1, 3.1.2 and 3.1.3 of the Code of Corporate Governance provided at Appendix B to the report be updated with the correctly named Committees i.e. Audit Risk & Governance and Ethical Standards; 3. the draft Annual Governance Statement attached at Appendix C be approved; 4. the Annual Governance Statement be signed by the Chairman and Chief Executive at the conclusion of the meeting.	Responsible Officer: - Treasurer Chair/CE
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12/10. FINANCIAL STATEMENTS 2009/10

The Treasurer reminded the Committee that Members had recently attended a training session on the role of the Audit Committee and on reviewing financial statements, which would assist them in scrutinising the 2009/10 Accounts.

The Head of Finance provided the Committee with a detailed presentation of the financial statements. A number of proposed minor changes to the Accounts were also circulated for consideration.

Members questioned whether the public would expect to see more information about the status of the former site of Grantham police station as a non operational asset of the Authority. It was agreed that the Treasurer’s Foreword would be amended to include a statement regarding the disposal of Grantham police station.

[Mr R Palmer left the meeting at 2.15pm]

The Vice Chairman queried whether the actuaries had changed the basis upon which pension costs were being calculated as they appeared to be taking a short term view on pension liability. The Head of Finance explained that whilst actuaries still took a long term view, events such as the recently announced pay freeze meant that their assumptions had to be updated more regularly.

The Treasurer advised that new regulations brought in at the end of 2009 required the Authority to include within the Accounts details of remuneration received by senior officers of both the Authority and the Force. Guidance issued by CIPFA on disclosure had been “unhelpful” so it had been decided to publish all sums paid to, or receivable by, relevant employees. Members noted that the amount of compensation paid to the former Chief Executive for loss of office had also been disclosed.

Following a number of further questions and comments the Financial Statements were approved subject to minor amendment.

Resolved:	Responsible Officer:
<p>That</p> <ol style="list-style-type: none"> 1. the financial statements for 2009/10 as amended by the Committee in its decisions today be approved subject to Audit; 2. the former Chief Executive be notified that the amount of compensation paid to her for loss of office has been disclosed in the Accounts. 	<p>- Treasurer</p>

13/10. SUMMARY ACCOUNTS 2009/10

The Treasurer explained that the Summary of Accounts had been prepared to aid the understanding of the Authority’s financial position for 2009/10. It was confirmed that the Summary Accounts, or “compact accounts” as they were known, would be subject to audit to ensure accuracy. Members were advised that the Summary would need to be amended to reflect revisions made to the Financial Statements earlier in the meeting.

Members were invited to consider the format of the Summary document and explanatory leaflet appended to the report. The Assistant Chief Constable (Safer Neighbourhoods) recommended that further consideration be given to the way in which the Accounts were presented to make them more meaningful to the general public.

<p>Resolved:</p> <p>That</p> <ol style="list-style-type: none"> 1. the Summary Accounts for 2009/10 be approved subject to minor amendment; 2. further consideration be given to the presentation of the Summary Accounts for 2009/10. 	<p>Responsible Officer:</p> <p>-</p> <p>ACC (SN), T, DoFA, HoF</p>
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14/10. POLICE AUTHORITY INSPECTIONS

The Chief Executive tabled a circular from the Association of Police Authorities providing an update on police authority inspections. The Home Office was proposing that the current inspections be replaced with a new “light touch” value for money (VfM) inspection once the current tranche of inspections had been completed in July 2010.

The Deputy Chief Executive advised that HMIC and Audit Commission were to publish a second thematic report by the beginning of September, reflecting the findings from the 22 inspections that would have been completed by July. This would be followed by the publication of a new VfM inspection framework by the end of September.

<p>Resolved:</p> <ol style="list-style-type: none"> 1. That the oral update be noted. 	<p>Responsible Officer:</p> <p>-</p>
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15/10. VOLUME CRIME SCRUTINY

The Vice Chairman presented the findings of a formal review of progress and outcomes relating to the Volume of Crime “follow up” scrutiny. The Committee noted with concern that Force performance had not changed significantly over the last two years and that a number of recommendations from the original scrutiny remained incomplete or unresolved.

The Assistant Chief Constable (Safer Neighbourhoods) accepted that the management of scrutiny recommendations needed to be tightened-up in future. He advised that during the two years since the original scrutiny had taken place, some targets had been changed whilst events outside the control of the Force had also had an impact on performance. He was therefore disappointed but not wholly surprised by the findings of the follow up review. However, he was fully committed to ensuring that all issues highlighted in the report would be resolved by September 2010.

Resolved:	Responsible Officer:
That	
1. the Volume Crime Scrutiny Panel (“the Panel”) review Charging Unit performance and report to the Audit, Risk and Governance Committee (AR&G) on 23 September 2010;	RPO
2. the Panel review the impact of crime training so that the Force can demonstrate a significant reduction in the number of files being returned for further work by the gatekeeper to the officer (currently 38.2% or 1,469 files out of 3,847 files) and report to the AR&G Committee on 23 September 2010;	RPO
3. the Force provide an update to the Panel about the levels of supervision and how the issue is being addressed and report to the AR&G Committee on 23 September 2010;	ACC (SN)
4. the Panel review the potential efficiency savings that could be gained through smarter working and improved performance and report to the AR&G Committee on 23 September 2010;	RPO
5. the Force explore benchmarking in the ‘Most Similar Force’ grouping or with neighbouring forces and update the Panel before in order to report to the AR&G Committee on 23 September 2010;	ACC (SN)
6. the Panel meet in early September prior to the AR&G Committee meeting on 23 September 2010.	RPO

16/10. ACCESS TO POLICING SCRUTINY – FOLLOW UP

The Vice Chairman presented the findings of a formal review of progress and outcomes relating to the Access to Policing “follow up” scrutiny. The Committee noted with concern that progress with a number of recommendations had been unsatisfactory. The Assistant Chief Constable (Safer Neighbourhoods) recognised that only marginal achievements had been made and that actions should have been identified and addressed by the Force at an earlier stage. He fully accepted the actions that had subsequently been assigned to the Force following the follow up scrutiny.

The Chairman thanked the Research and Performance Officer and other volunteers who had participated in the “reality checking” exercise on behalf of the scrutiny panel.

Resolved:	Responsible Officer:
That	
1. the Force provide an update to the Access to Policing Scrutiny Panel (“the Panel”) on the following issues and report the findings to the Audit, Risk and Governance Committee on 23 September 2010:-	ACC (SN)
a. the Force provide a completion date for the regional benefits	

<p>realisation exercise (including any additional officer visibility);</p> <ul style="list-style-type: none"> b. the Force continue to investigate delivery options relating to customer satisfaction training for all existing staff and provide detail to the Panel about how and when this will be delivered; c. the Force provide the Panel with an update about improvements made to improve accessibility to police stations (including a position status on signage/opening hours signage, minicoms, the use of volunteers to maximise opening hours of stations, and the management of mobile police stations); d. the Force provide an update to the Panel about how consultation and feedback activities are reported back to the public and what demonstrable improvements to policing services have been made because of it. It is also suggested that the Force explore the viability of producing a simple feedback form for all stations across the county; e. the Force provide an update to the Panel about achievements made in relation to implementing the self service strategy that includes a demonstration of 'self service' capability. 	
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17/10. SCRUTINY PROGRAMME – IMPLEMENTATION PROGRESS

The Committee was invited to note progress made with the implementation of the recommendations from previous scrutiny sessions and to consider timetabling issues around the current Scrutiny programme.

<p>Resolved:</p> <p>That</p> <ul style="list-style-type: none"> 1. progress made in implementing recommendations from previous scrutiny sessions be noted; 2. proposed revisions to the timings around the 2010/11 Scrutiny Programme as set out in paragraphs (1.3) to (1.8) of the report be approved. 	<p>Responsible Officer:</p> <p>-</p> <p>RPO</p>
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[Mr R Must left the meeting at 3.55pm]

18/10. INTERNAL AUDIT UPDATE

Members received an update on progress with the 2009/10 Internal Audit Plan. This marked the final Committee meeting at which Deloitte & Touche would be represented following the appointment of RSM Tenon as the Authority's new Internal Auditors from 2010/11. It was confirmed that a final report would be prepared for the September meeting regarding two outstanding reviews.

Mr Bennington, Audit Manager thanked the Authority and Force management and staff for their cooperation and support during the last 6 years.

<p>Resolved:</p> <ol style="list-style-type: none"> 1. That the report be noted. 	<p>Responsible Officer:</p> <p style="text-align: center;">-</p>
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19/10. INTERNAL AUDIT REPORTS – IMPLEMENTATION PROGRESS

The Chairman expressed some difficulty in reconciling the summary table of reports and recommendations provided at appendix A to the report with the summary presented at the last Committee meeting in February. The Director of Finance and Administration (DoFA) explained that during the intervening period some reviews had since been discharged; some were still active whilst others had been carried forward. The Treasurer undertook to meet with the DoFA and Internal Audit to consider how the report might be presented in future.

<p>Resolved:</p> <p><u>Duty Management Practises</u></p> <ol style="list-style-type: none"> 1. (3.1) that the completion date be revised to 23.09.10. <p><u>Catering Function Review</u></p> <ol style="list-style-type: none"> 1. (3.1) that the action is complete. <p><u>Management of Financial Resources</u></p> <ol style="list-style-type: none"> 1. (3.4) that the completion date be revised to 31.08.10. <p><u>Fraud Management Review</u></p> <ol style="list-style-type: none"> 1. (3.1) that the recommendation is complete; 2. (3.1) that a copy of the Fraud Risk Assessment be presented to the next Committee meeting; 3. (3.2) that the completion date be revised to 31.12.10; 4. (3.3) that the action is complete. <p><u>Delegated Purchasing & Purchase Order Processing</u></p> <ol style="list-style-type: none"> 1. (3.1) (1) that the completion date be revised to 31.12.11; 2. (3.1) (2) that progress be reviewed on 31.12.11; 3. (3.1) (3) that the action is complete. <p><u>Insurance Review</u></p> <ol style="list-style-type: none"> 1. (3.1) that the completion date be revised to 23.09.10; 2. (3.2) (1) that the completion date be revised to 23.09.10; 3. (3.2) (2) that the action is complete; 4. (3.3) that the action is complete; 5. (3.4) that the completion date be revised to 23.09.10. <p><u>Repairs and Maintenance</u></p> <ol style="list-style-type: none"> 1. (3.1) that the completion date of 01.09.10 be noted; 	<p>Responsible Officer:</p> <p style="text-align: center;">DoFA</p>
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<p>2. (3.2) that the completion date be revised to 01.04.11; 3. (3.3) that the action is complete.</p> <p><u>Agency Staffing</u></p> <p>1. (3.1) that the completion date be revised to 01.12.10; 2. (3.3) that the action is complete.</p> <p><u>Crime Support</u></p> <p>1. (3.1) that the action is complete; 2. (3.2) that the action is complete.</p>	
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20/10. 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>
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21/10. INTERNAL AUDIT REPORTS – IMPLEMENTATION PROGRESS – APPENDIX D

<p>Resolved:</p> <p><u>IT Disaster Recovery</u></p> <p>1. (3.1) and (3.2) that they be held over until after the Business Continuity scrutiny is complete; 2. (3.1) and (3.2) that a copy of the Force IT Disaster Recovery Plan be presented to the 15.12.10 meeting of the Committee.</p> <p><u>Contractual Agreements with Third Parties</u></p> <p>1. (3.1) that the completion date be revised to 15.12.10.</p> <p><u>IT Data Security</u></p> <p>1. (3.1) that the action is complete; 2. (3.3) that the action is complete; 3. (3.4) that the action is complete; 4. (3.5) that the action is complete; 5. (3.3), (3.4), (3.5) be included within the Force Risk Register.</p>	<p>Responsible Officer:</p> <p>-</p>
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22/10. FORCE RISK REGISTER UPDATE

The Planning, Innovation and Review Manager updated the Committee on developments within the Force's risk management processes and the Force Organisational Risk Register. He confirmed that a number of strategic risks had been identified and owners allocated

although the scoring of individual risks had yet to be resolved. A further update would be provided at the next meeting.

The Research and Performance Officer questioned whether the overall score allocated to risk “D” within the Authority’s Critical Risk Register relating to the effectiveness of Force risk management processes should be reviewed in light of the number of new and developing controls. Members agreed to defer the review until the next meeting in September 2010.

Resolved: 1. That the report be noted.	Responsible Officer: -
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Chairman