



## CHESHIRE POLICE AUTHORITY

### AUDIT COMMITTEE

#### MINUTES OF A MEETING HELD ON 9 DECEMBER 2008 IN CONSTABULARY HEADQUARTERS, WINSFORD

*Present:* R Hodson, Chairman  
E Lam, Vice-Chairman  
A Bradley  
D Cargill  
J P Findlow  
C Oliver  
P Nurse  
T Savage

*Also present:* M Darby and J Ebo (shadow Member)  
G Parry, Audit Commission (External Audit)  
L Randall and S Welsh, RSM Bentley Jennison (Internal Audit)  
S Wright, AON Insurance

*Authority Officers:*  
M Sellwood, Chief Executive  
L Lunn, Treasurer  
M Eaton, Member Services Manager

*Constabulary Officers:*  
B Simmons, Assistant Chief Officer  
K Watkins, Director of Performance Development

*Apologies:* G A Cousins

#### 25. MINUTES

*RESOLVED:*

That the Minutes of the meeting held on 18 September 2008 be confirmed as a correct record.

#### 26. ANNUAL AUDIT LETTER 2007/08

The External Auditor presented the Audit Letter for 2007/08.

Members in considering the letter, were encouraged by the overall score of 3 which remained the same as last year and raised a number of issues including the areas of focus needed to improve the score; comparisons with authorities for MSF areas and how to identify best practice from high graded forces to which the External Auditor and the Treasurer responded. The Treasurer agreed to circulate details of comparative performance when the 2007/08 national results are available.

The Chairman of the Authority welcomed the Audit Letter and stressed that action was needed to secure an improvement in the rating with a target of a minimum score of '3' across all use of resources themes.

*RESOLVED:*

That the 2006/07 Audit Letter be received.

27. POLICE USE OF RESOURCES: FINAL REPORT

The External Auditor presented the final report on the results of the Police Use of Resources (PURE) assessment following the review undertaken during March-September 2008. The report outlined the approach taken, the results of the assessment, highlighted areas for improvement, and the key messages and actions for the Authority.

The Committee noted the report and discussed with the External Auditor, the Director of Performance Development and the Treasurer the impact of the increase in audit inspections on the Authority's and Constabulary's resources.

*RESOLVED:*

That the final PURE report for 2007/08, be received.

28. PURE ACTION PLAN 2008: UPDATE

The Treasurer submitted a report on the progress against the Police Use of Resources (PURE) Action Plan.

*RESOLVED:*

That progress against the PURE action plan, be endorsed.

29. TRACKING OF OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS

The Treasurer submitted a report on the progress against the outstanding recommendations from internal audit reports.

Members in considering the action plan raised a number of issues including the progress in relation to the use of hire cars; payroll and overtime; and the monitoring mechanisms to ensure actions were undertaken to which the Assistant Chief Officer responded. The Treasurer advised that an automated tracking system to monitor progress against agreed actions had been developed and future tracking reports would incorporate the current actions from Internal Audit.

*RESOLVED That:*

- (1) the report be received.
- (2) the Treasurer further develop the tracking report, as discussed at the meeting, and include some interpretation of the actions being taken and an assessment of the highest areas of risk/concern; and
- (3) the Treasurer report to the Committee on 24 March 2009 on the implementation of the actions in relation to the audit of the use of hire cars and the current position following implementation

30. INTERNAL AUDIT: PROGRESS REPORT 2008/09

The Internal Auditor presented the quarterly report for September-December on progress against the internal audit plan for 2008/09. The report detailed several

issues including the current and planned work programme, key findings from the internal audit work, performance, liaison with management, and the formulation of the 09/10 plan.

In considering the report, Members were reassured by the Internal Auditor on the progress made to date and the proposed work programme for the surplus allocated days.

*RESOLVED:*

That the report be received.

31. REVISED FINANCIAL REGULATIONS AND SCHEME OF DELEGATION

The Treasurer presented a report on the proposed approach to revising and updating Financial Regulations and the Scheme of Delegation.

Members raised a number of concerns about the delay in the review of Financial Regulations and the adverse impact on PURE; the need for greater clarity and brevity, the repetitive nature of the format of the proposed approach; and consultation with External Audit.

*RESOLVED:* That

- (1) the overall approach to developing revised Financial Regulations and the Scheme of Delegation be noted and reviewed in the light of Members' comments, and
- (2) the review of Financial Regulations and the Scheme of Delegation be concluded without delay and reported to the Committee on 24 March 2009, prior to adoption by the Authority on 7 April 2009.

32. BUSINESS CONTINUITY: UPDATE

The Assistant Chief Officer presented an update on the Constabulary's business continuity programme and its future development. The Chairman requested that the outstanding continuity plans be finalised at the earliest opportunity.

*RESOLVED:*

That the progress in developing the business continuity programme, be noted.

33. POLICE AUTHORITY RISK REGISTER: QUARTERLY REVIEW

The Treasurer presented the quarterly review of the Authority's risk register, which detailed the progress against the controls, actions, scores and commented on the areas of commonality with the Constabulary's risk register review.

*RESOLVED:*

That the amended Police Authority Risk Register, be approved.

34. POLICE AUTHORITY CONFIDENTIAL REPORTING POLICY

The Treasurer submitted the draft Confidential Reporting Policy for the Authority. The policy included the provision for an annual report to the Audit Committee, at which time the policy would be reviewed.

*RESOLVED:*

That the Authority's Confidential Reporting Policy be adopted and published.

35. URGENT BUSINESS

(There were no items of urgent business)

36. EXCLUSION OF THE PRESS AND PUBLIC

*RESOLVED:*

That under Section 100(A)(4) of the Local Government Act 1972, as applied by the Police Act 1996, as amended, the press and public be excluded from the meeting for the items of business listed below on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act in the paragraphs indicated:-

<i>Item</i>	<i>Paragraph</i>	
Review of Risk Management and Insurance	(6)	Information relating to the proposed actions by the Authority
Constabulary's Risk Management: Update	(7)	Information relating to the prevention, investigation or prosecution of crime

*PART 2 – MATTERS CONSIDERED IN THE ABSENCE OF THE PRESS AND PUBLIC*

37. CHANGE IN ORDER OF AGENDA

The Chairman requested that the order of the agenda be varied to enable item 14 "Constabulary's Risk Management Register" to be considered earlier in the meeting.

*RESOLVED:*

That the order of the agenda be varied.

38. CONSTABULARY RISK MANAGEMENT: UPDATE

The Director of Performance Development presented an update on the Constabulary's arrangements for identifying and managing business risk.

*RESOLVED:*

That the updated Constabulary's Strategic Risk Register, be noted.

39. REVIEW OF RISK MANAGEMENT AND INSURANCE

Simon Wright of AON, the Authority's independent insurance broker, presented the findings of the independent review of the Constabulary's and Authority's risk management and insurance arrangements and subsequent action plan.

Members in welcoming the comprehensive report, raised a number of issues with Mr Wright.

*RESOLVED:* That

- (1) the report be noted;
- (2) the actions contained in the AON Review Report, be agreed; and
- (3) a progress report be presented to the Committee on 30 June 2009.

*Duration of Meeting: The meeting commenced at 9.30am and concluded at 11.35am*

(Following the meeting the Members of the Committee met in private with the External Auditor)