



MINUTES OF A MEETING HELD ON 23 MARCH 2010 IN CONSTABULARY HEADQUARTERS, WINSFORD

Present: P Findlow, Chairman
E Lam, Vice-Chairman
D Bateman
J Ebo
R Hodson
C Oliver
M Ollerenshaw
T Savage
A Walmsley

Also present: J Farmer and G Parry, Audit Commission (External Audit)
L Randall, RSM Tenon (Internal Audit)
H Waller, Chairman, Standards Committee

Authority Officers:
L Lunn, Treasurer
M Eaton, Member Services Manager
Constabulary Officers:
K Watkins, Director of Performance Development
W Bebbington, Principal Management Accountant

30. MINUTES

RESOLVED:

That the Minutes of the meeting held on 1 December 2009 be confirmed as a correct record.

31. INTERNAL AUDIT PLAN 2009/10: QUARTERLY REPORT

The Internal Auditor presented the quarterly report on progress against the internal audit plan for 2009/10. The report detailed several issues including final reports and work completed, the current and planned work programme, key findings from the internal audit work, performance, and liaison with management. The report also detailed the executive summaries and action plans for the advisory audits of strategic planning and budget setting; workforce planning; sustainability; and the Transforming Business Services Project.

Members discussed a number of issues relating to the summaries and action plans in particular workforce planning and the need for Staff Committee to monitor the progress of the recommendations and the expectation of the savings and benefits to be achieved; the integration between the Transforming Business Services Project and the Business Development Programme; and how the lessons learned and cashable benefits were tracked. The Director of Performance Development responded fully to the issues raised.

RESOLVED: That

(1) the report be welcomed; and

- (2) the recommendations in the workforce planning report be referred to Staff Committee to inform the Committee's Service Plan and enable the Committee to monitor management processes.

32. DRAFT INTERNAL AUDIT PLAN 2010/11 AND STRATEGY FOR 2010-13

The Internal Auditor presented the draft Internal Audit Plan for 2010/11 and the updated Strategy for 2010-13.

The Committee in considering the draft Plan and Strategy discussed with the Internal Auditor issues arising and the contract for audit services, including the planned use of days and the proposed fees.

RESOLVED: That

- (1) the strategy for internal audit which covers the Constabulary's key risks as recognised by the Committee, be approved;
- (2) it be accepted that the audit strategy includes all the areas that the Committee would expect to be subject to internal audit coverage, both in terms of Internal Audit's professional responsibilities as well as covering areas of concern flagged by management;
- (3) the level of audit resource be approved, given the level of assurance required; and
- (4) the detailed internal audit plan for 2010/11 which reflects the areas that the Committee considered should be a priority, be approved.

33. EXTERNAL AUDIT: FEES LETTER FOR 2010/11 AUDIT

The External Auditor reported on the fee proposals for external audit for 2010/11 which had increased by 6% on 2009/10 and indicated that there may be an additional charge in respect of the 2009/10 audit.

RESOLVED:

That the External Auditor's fees of £89,770 (gross) £84,689 (net) for 2010/11, be approved.

34. INTERNATIONAL FINANCIAL REPORTING STANDARDS: IMPLEMENTATION

The External Auditor reported on the main changes to the Statement of Accounts, resulting from the implementation of International Financial Reporting Standards (IFRS) which related to property and equipment assets; leases; the PFI scheme; employee benefits; and disclosures.

The External Auditor gave a presentation on the background of IFRS; the timetable for its introduction; the key technical differences; and the major milestones and target dates authorities must meet.

The Treasurer updated the Committee on the good rate of implementation progress, including the new accounting policies and standards which reflected IFRS and confirmed that the Accounts Workshop on 15 June 2010 would also focus on IFRS.

RESOLVED: That

- (1) the External Auditor's report on International Financial Reporting Standards, be received;
- (2) the revised accounting policies and standards to reflect International Financial Reporting Standards as detailed in the report, be approved; and
- (3) the progress in implementing the new standards be welcomed.

35. MANAGEMENT RESPONSE TO IMPLEMENTING OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS

The Director of Performance Development submitted a report on the progress made against the outstanding actions from agreed internal audit reports which ranged from 'merit attention' to those that were either 'significant' or required significant investment or change in process to implement them. The Committee also received an update on the outcome of the IT business continuity test.

Members considered and discussed with the Director the progress in implementation of the outstanding recommendations ranked significant.

RESOLVED:

That the report be received

36. FINANCIAL REGULATIONS AND SCHEME OF DELEGATION: ANNUAL REVIEW

The Treasurer reported that no major changes had been identified to Financial Regulations since they were approved by the Authority on 7 April 2009 (Minute 6). The implementation of IFRS for the 2010/11 accounts and the new systems proposed under the Transforming Business Services and Transforming Policing Projects would require fundamental revisions of the Regulations and Scheme of Delegation later in the year.

RESOLVED:

That a review of Financial Regulations and Scheme of Delegation be undertaken in Autumn/Winter 2010/11 to take account of TBS and TP Projects and IFRS requirements, for initial consideration by the Committee on 22 March 2011 and approval by the Authority on 12 April 2011.

37. USE OF RESOURCES ASSESSMENT 2009/10

The Treasurer outlined the process and timetable for the 2009/10 Use of Resources Assessment and reported that several meetings had been held with the External Audit team prior to the commencement of the process which had proved very constructive and helpful. The Treasurer updated Members on the current position.

RESOLVED:

That the actions taken to prepare for and respond to the 2009/10 Use of Resources Assessment, be supported.

38. 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. The register had been updated to include those areas for improvement detailed in the Inspection Report and the risks associated with the uncertainty, potential change and impact of the General Election.

RESOLVED:

That the amended Police Authority Risk Register, be approved.

39. AUDIT COMMISSION'S STRATEGIC PLAN 2010

The Treasurer reported on the Audit Commission's consultation on its draft plan entitled 'Trust, Transparency and Value for Money'. The Plan provided a summary of the key influences which comprised the economic recession and the need for public services to achieve better value for money; increasing long term demands on public services; and more openness and transparency from Government and the public sector.

The Committee discussed with the Treasurer the response to the consultation and suggested some additional comments regarding the 'political' nature of the document and the need to highlight the commitment to identify savings and benefits.

RESOLVED: That

- (1) the Audit Commission's draft Strategic Plan 2010, be supported; and
- (2) the Treasurer respond to the Audit Commission based on the draft response contained in the report and comments expressed at the meeting.

40. POLICE AUTHORITY CONFIDENTIAL REPORTING POLICY: ANNUAL REPORT 2009/10

The Treasurer presented the annual report for 2009/10 on the operation of the Authority's Confidential Reporting Policy and reported that no issues had been raised. The Constabulary's annual report would be presented at the next meeting.

RESOLVED:

That the report be welcomed.

41. URGENT BUSINESS
(There were no items of urgent business)

42. 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>Parag raph</i>	
Constabulary's Risk Management and AON Insurance Review: Update	(7)	Information relating to the prevention, investigation or prosecution of crime
Internal Audit: Contract Review	(6)	Information relating to the proposed actions by the Authority

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

43. CONSTABULARY RISK MANAGEMENT AND AON INSURANCE REVIEW: UPDATE

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

RESOLVED: That

- (1) progress in implementing the AON recommendations, be noted; and
- (2) the updated Constabulary's risk management register, be noted.

44. INTERNAL AUDIT: CONTRACT REVIEW
(The External Auditors and the Internal Auditor left the meeting for consideration of this item.)

The Treasurer submitted a report on the arrangements for the provision of internal audit services to the Authority with effect from 1 April 2011.

The Committee considered a number of options for the future procurement of the service.

RESOLVED:

That the decision to procure an Internal Audit contract be deferred until the Committee on 21 September 2010.

Duration of Meeting: The meeting commenced at 9.30am and concluded at 11.20am