



**MINUTES OF A MEETING HELD ON 29 JUNE 2010 IN CONSTABULARY HEADQUARTERS, WINSFORD**

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

*Also present:* D Cargill and M Darby  
G Parry, Audit Commission (External Audit)  
L Randall and P Kaur, RSM Tenon (Internal Audit)  
H Waller, Chairman, Standards Committee

<i>Authority Officers:</i>	<i>Constabulary Officers:</i>
L Lunn, Treasurer	B Simmons, Assistant Chief Officer
M Eaton, Member Services Manager	K Watkins, Director of Corporate Services
	R Muirhead, Director of Finance
	W Bebbington, Principal Management Accountant

*Apologies:* D Bateman and M Ollerenshaw

1 MINUTES

*RESOLVED:* That

- (1) the Minutes of the meeting held on 23 March 2010 be confirmed as a correct record; and
- (2) the notes of the Final Accounts Workshop held on 15 June 2010, be received.

2 GOVERNMENT REVIEW OF AUDIT AND INSPECTION

The Treasurer reported on the Audit Commission's response to the Government's recent decision to cease all work associated with the Comprehensive Area Assessment (CAA) and the Use of Resources (UoR) assessment.

Members discussed with the External Auditor, their disappointment at the Government's decision to abolish the CAA and UoR and the subsequent wasted effort by the Authority to improve its assessment; concern about the fact that the performance indicators on the CAA website would not be updated. The External Auditor indicated that he would be reporting his UoR findings to date in the Annual Audit Letter and Value for Money Conclusion and his narrative would reflect the UoR improvements made to date and the areas for further action.

*RESOLVED:*

That the Commission's letter, confirming their response to the abolition of CAA and UoR, be noted.

### 3 ANNUAL GOVERNANCE STATEMENT 2009/10

The Director of Finance reported that the Authority was required to review annually, the effectiveness of its framework of corporate governance and report its findings in an Annual Governance Statement. The report detailed the process undertaken and the findings leading to the production of the joint Statement for the Authority and the Constabulary and a summary of the progress against each of the four key areas identified for improvement in last year's Statement. Four areas of improvement were identified for 2010/11.

Members considered the Statement for 2009/10 including the action plan for 2010/11 which had been subject to a wide degree of challenge at the Accounts Workshop on 15 June 2010.

*RESOLVED:*

That the Annual Governance Statement for 2009/10, subject to any amendments resulting from the external audit of the Accounts, be approved.

### 4 DRAFT STATEMENT OF ACCOUNTS 2009/10

The Treasurer presented the draft Statement of Accounts for 2009/10 and outlined the statutory timetable for their publication. Also outlined were a number of amendments which had been made in light of Members comments raised at the Accounts Workshop.

Members commented that the discussions at the workshop on 15 June had been extremely useful in enabling issues to be addressed. The Committee scrutinised the Statement of Accounts and discussed a number of issues including the changes required under the International Financial Reporting Standards; the financial position of the Authority; and the impact of ring-fencing the pension fund with the Director of Finance and the Treasurer.

*RESOLVED:*

That the Statement of Accounts for 2009/10 be approved, in accordance with the Accounts and Audit Regulations 2003.

### 5 EXTERNAL AUDIT OPINION PLAN 2009/10: UPDATE

The External Auditor presented the Opinion Plan in relation to the audit of the 2009/10 accounts. The Opinion Plan set out the risks for the opinion audit; the progress made in delivering the audit; the audit fee; and national reports issued by the Audit Commission.

*RESOLVED:*

That the External Auditor's Opinion Plan update for 2009/10, be supported.

### 6 INTERNAL AUDIT: ANNUAL REPORT 2009/10

The Internal Auditor presented the Internal Audit annual report on the audits undertaken during 2009/10 and advised the Committee that the report provided an overall positive opinion.

In considering the report, Members discussed several issues relating to the format and presentation of the information with the Internal Auditor.

*RESOLVED:*

That the Internal Audit annual report on the audits undertaken in 2009/10 be welcomed.

#### 7. INTERNAL AUDIT PLAN: QUARTERLY REPORT

The Internal Auditor presented the quarterly report on progress against the internal audit plan for 2010/11. The report detailed several issues including final reports and work completed in 2009/10; 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 compliance with the code of practice for victims of crime (pre-arrest); Western Area policing review; and review of supporting documents for the annual governance statement.

Members discussed a number of issues relating to the summaries and action plans in particular the reasons for the delay in progressing some of the recommendations; what action can be taken to ensure management action is proportionate to risk; and how the introduction of electronic management systems would improve financial controls. The Internal Auditor agreed that some of the financial system recommendations were of a lower priority or of an advisory nature and the Director of Corporate Services agreed to review the management responses with more clear information as to timescales and the reasons for delays.

*RESOLVED:* That

- (1) the quarterly report on internal audit activity be welcomed; and
- (2) the revised Internal Audit Plan for 2010/11 and Strategy for 2010-13 be approved.

#### 8. CONFIDENTIAL REPORTING POLICY

The Director of Corporate Services submitted a report on the Constabulary's confidential reporting policy as part of the professional standards reporting procedures. The report detailed the role and work of the Professional Standards department and the measures in place to investigate suspected corruption and serious malpractice within the Constabulary and outlined the number of reports and investigations during the period January 2008-May 2010. The Director of Corporate Services advised that in future an annual report would be submitted to the Authority.

*RESOLVED:*

That the report be received.

9. AUDIT COMMITTEE: COMMITTEE WORK PLAN 2010/11

The Chairman presented the Audit Committee work plan for 2010/11 which had been developed as part of the Authority's ongoing self-improvement programme. The work plan was linked to the Authority's business plan, and aimed to address key issues highlighted in the Inspection Report and contribute to the ongoing development of the Authority.

*RESOLVED:* That

- (1) the Committee work plan for 2010-11 be approved; and
- (2) an update on progress against the work plan be submitted to each meeting of the Committee.

10. 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; the risks associated with the funding reductions; and the development of the threat and risks needs to better inform the Policing Plan and budget setting and the impact of the forthcoming Olympics.

Members discussed with the Treasurer several issues including the Government's plans for directly elected individuals/commissioners and the subsequent impact on the Authority; whether the register had improved; and sought External Audit's views on the register.

*RESOLVED:* That

- (1) the amended Police Authority Risk Register, be approved; and
- (2) the actions to improve further risk management outlined in the Treasurer's report, be welcomed.

11. URGENT BUSINESS

(There were no items of urgent business)

12. 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 item of business listed below on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act in the paragraph indicated:-

<i>Item</i>	<i>Paragraph</i>	
Constabulary's Risk Management Register: Quarterly Update	(7)	Information relating to the prevention, investigation or prosecution of crime

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

13. CONSTABULARY RISK MANAGEMENT REGISTER: QUARTERLY REVIEW

The Director of Corporate Services presented an update on the Constabulary's arrangements for identifying and managing business risk. The report also included progress against an action plan arising from an audit of the risk management arrangements undertaken by the Authority's Insurers, AoN.

*RESOLVED:*

That the updated Constabulary's risk management register, be supported.

*Duration of Meeting: The meeting commenced at 9.30am and concluded at 11.00am*

*(Following the Committee meeting Members met in private to discuss a number of issues with the External Auditor.)*