



CHESHIRE POLICE AUTHORITY

AUDIT COMMITTEE

MINUTES OF A MEETING HELD ON 18 DECEMBER 2007 IN CONSTABULARY HEADQUARTERS, WINSFORD

Present: R Hodson, Chairman
E Lam, Vice-Chairman
A Bradley
D Cargill

J P Findlow
P Nurse
T Savage
P J Walker

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

Constabulary Officers:
B Simmons, Assistant Chief Officer
A Rainford, Head of Finance & Procurement

Also present: J Farmer, External Audit and J Dean, Internal Audit

Apologies: G A Cousins

14. MINUTES

RESOLVED:

That the Minutes of the meeting held on 13 September 2007 be confirmed as a correct record.

15. INTERNAL AUDIT: PROGRESS REPORT 2007/08

The Internal Auditor reported on the progress of the Internal Audit plans for 2006/07 and 2007/08 and on the implementation of the recommendations from recent internal audit reports. The progress in implementing recommendations from 2006/07 was considered and Members noted that of the 65 recommendations made and accepted by the Constabulary, 32 have been fully implemented.

The Committee raised a number of issues including the delays in finalising and implementing the recommendations; the use of purchase cards; and the workload to be undertaken in the final quarter of the audit, to which the Internal Auditor responded. Members asked the Assistant Chief Officer and the Treasurer to ensure all outstanding recommendations were fully implemented as soon as possible.

RESOLVED:

That the report be received.

16. ANNUAL AUDIT LETTER 2006/07

The External Auditor presented the Audit Letter for 2006/07.

Members in considering the letter, welcomed the increase in the overall scoring for PURE from 2 to 3 and raised a number of issues including the role of the Authority in the budget setting process; how to identify best practice from high graded forces; and the work being undertaken and mechanisms needed to improve scorings to which the External Auditor and the Treasurer responded.

RESOLVED:

That the 2006/07 Audit Letter be received.

17. AUDIT COMMISSION NATIONAL FRAUD INITIATIVE

The Treasurer presented a report on the work undertaken to support the National Fraud Initiative (NFI).

The Committee was advised that the Constabulary did not submit payroll data to the Audit Commission on time due to concerns about data protection, particularly in respect of employees' bank details. This had resulted in a reduced grading for the Authority in relation to the NFI.

RESOLVED: That

- (1) the action taken in response to the National Fraud Initiative, be noted; and
- (2) any proposals in future not to comply with requests for information from the Audit Commission, be submitted to the Committee for determination.

18. 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 2007. 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 welcomed the increased grading and discussed with the External Auditor and the Treasurer the work required to maintain and where possible improve the Authority's PURE grading.

RESOLVED: That

- (1) the report be noted; and
- (2) the Treasurer take all necessary action to ensure that the PURE assessment in 2007/08 maintains and where possible improves the Authority's grading.

19. POLICE USE OF RESOURCES: CONSULTATION ON 2007/08 DRAFT KEY LINES OF ENQUIRY

The Treasurer presented a report on the draft 2007/08 Key Lines of Enquiry (KLOEs) for Police Use of Resources (PURE) which had been issued by the Audit Commission for consultation.

In considering the report, Members raised several issues including costs associated with meeting the increased challenges in the assessment; the impact of Local Government Review; and the timescales to which the Treasurer responded.

RESOLVED:

That the report be noted.

20. COMPREHENSIVE AREA ASSESSMENT: CONSULTATION

The Treasurer reported on the Audit Commission's draft proposals for Comprehensive Area Assessment (CAA), and presented a draft response for consideration. The Committee discussed the draft response and asked for further comments to be included in relation to partnership working, joined up government and the Authority's role in LAAs and LPSAs.

RESOLVED: That

- (1) the report on Audit Commission's draft proposals for Comprehensive Area Assessment, be noted; and
- (2) the draft response to the Audit Commission's consultation on the proposals for Comprehensive Area Assessment as detailed in the Appendix to the Treasurer's report, be developed to reflect the comments expressed by Members and approved by the Chairman and Vice Chairman of the Committee.

21. CODE OF CORPORATE GOVERNANCE

The Treasurer reported on the key features of new requirements to increase the scrutiny of governance arrangements and of resources for police authorities, and detailed how this could be achieved.

Members were advised that a revised Code of Corporate Governance and Action Plan was to be submitted to the Committee on 25 March 2008 for consideration prior to formal approval by the Authority on 8 April 2008. The Action Plan would incorporate actions to address the gaps in the self-assessment, PURE and Code of Governance.

RESOLVED:

That the approach to developing a revised Code of Corporate Governance and the associated governance activity, be supported.

22. EXTERNAL AUDIT WORK PROGRAMME AND FEES 2008-11

The Treasurer reported on the Audit Commission's consultation on External Audit work programme and fees for 2008-11 as a result of several changes in work and legislation.

Members in considering the proposed fees agreed that strong representations be made about the level of increases which were well above inflation; the present financial climate; and the need for a proportionate approach to auditing with less inspection as proposed in the CAA.

RESOLVED:

That the Treasurer, in consultation with the Chairman and Vice-Chairman of the Committee, respond to the Audit Commission's consultation on work programme and fees, based on the comments expressed by the Committee.

23. URGENT BUSINESS

(There were no items of urgent business)

24. 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> | |
|---|------------------|---|
| Internal Audit Tendering: Progress Report | (6) | Information relating to the proposed actions by the Authority |

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

25. INTERNAL AUDIT TENDERING: PROGRESS REPORT

[Internal Audit withdrew from the meeting for consideration of this item]

The Treasurer presented a report on the tendering process for internal audit services to the Authority from 1 April 2008. The report detailed the procurement timetable, the various stages and the six successful bodies invited to submit tenders.

RESOLVED:

That the report be received.

Duration of Meeting: The meeting commenced at 9.30am and concluded at 11.10am.