

**Handling Instructions: For Independent Audit Committee use only
FOIA – Open**



Strategic Alliance Independent Audit Committee

Tuesday 2nd April 2019 at 10.00am

Tamar Room, Andy Hocking House, Middlemoor HQ, Exeter, EX2 7RP

Attendance

Karen James (Welcome, 01/19/01) (KJ)	Head of Audit, Insurance and Strategic Risk
Helen Donnellan (Chair, 01/19/01 onwards) (HD)	Committee Member
Tom Grainger (Vice Chair, 01/19/01 onwards) (TG)	Committee Member
Amanda Gallaher (ABG)	Committee Member
Malcolm Smith (MS)	Committee Member
Linda Williams (LW)	Committee Member
Gordon Mattocks (GM)	Committee Member
Nicola Allen (NA)	Treasurer (Office of the Police and Crime Commissioner, Devon and Cornwall)
Alexis Garlick (AG)	Chief Finance Officer (Office of the Police and Crime Commissioner, Dorset)
Sandy Goscomb (SG)	Director of Finance and Resources (Devon and Cornwall Police Force)
John Jones (JJ)	Assistant Chief Officer (Dorset Police Force)
Lucinda Hines (LH)	Head of Technical Accounting (Alliance)
Alex West (ALW)	Alliance Senior Audit Manager
Rupert Bamberger (RB)	South West Audit Partnership
Laura Wicks (LAW)	South West Audit Partnership
Mark Bartlett (MB)	KPMG
Shaun Sawyer (SS) (partial attendance)	Chief Constable (Devon and Cornwall Police Force)
Frances Hughes (FH) (partial attendance)	Chief Executive Officer (Office of the Police and Crime Commissioner, Devon and Cornwall)

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Pete Windle (PW) (partial attendance) Superintendent, Head of Alliance
Professional Standards Department

Apologies

Simon Bullock Chief Executive Officer (Office of the
Police and Crime Commissioner,
Dorset)

Neal Butterworth Head of Finance (Devon and Cornwall
and Dorset Police Force)

Alex Walling Grant Thornton
Benjamin Deer Superintendent, Strategic Alliance
Programme Delivery Manager

01/19/01 Election of Chair

The Committee was tasked with electing a Chair for the year commencing April 2019. TG nominated HD, seconded by MS. HD accepted the position of Chair and was appointed.

01/19/02 Election of Vice Chair

The Committee was tasked with electing a Vice Chair for the year commencing April 2019. GM nominated TG, seconded by ABG. TG accepted the position of Vice Chair and was appointed. The Chair wished to note the valuable contribution of TG as the Vice Chair over the previous term.

01/19/03 Apologies for Absence

Apologies for absence were received as recorded above.

01/19/04 Declarations of Interest, Equality and Health and Safety Obligations

The following declarations of interest were made:

Name	Agenda Item	Minute ref.	Interest	Action Taken
Karen James	7, 17	01/19/07, 01/19/17	Director of South West Audit Partnership (SWAP) on behalf of Dorset, Devon & Cornwall , Wiltshire and	This declaration was noted.

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			Gloucestershire Police Forces	
Sandy Goscomb	7, 17	01/19/07, 01/19/17	Member of SWAP, Owners Board, on behalf of Dorset, Devon & Cornwall , Wiltshire and Gloucestershire Police Forces	This declaration was noted.
Tom Grainger	23b	01/19/23b	Trustee of a charity receiving funding from the Commissioning Department of the Office of the Police and Crime Commissioner (OPCC) for Dorset	This declaration was noted.

The Committee were informed of the health and safety procedures, the Chair highlighted the need to remember equality obligations during the discussions.

01/19/05 Open Minute Items

The open draft minutes from the meeting of the Independent Audit Committee (IAC) held on 11th December 2018 were agreed as a true and accurate record, with amendments to the following:

- Minute reference 04/18/13, the final paragraph. The first sentence should read ‘The Committee sought clarity about whether the service provided by Grant Thornton in relation to audit conferences was **included as part of the Grant Thornton fee**. It was confirmed that it was.’
- Minute reference 04/18/07a, fourth paragraph. The first sentence should read ‘...and it was clarified that a Capital Strategy **Group** has been established...’

It was agreed that these changes would be actioned before the minutes were finalised.

For action by: **TH**

01/19/06 Open Items of Chair’s Business

The Chair raised the following:

a. Summary of the Committee’s work

The Chair gave an update of the work undertaken by the Committee since the previous meeting in December 2018. The Chair and Vice Chair had now met with all four corporations sole who advised that they found the work of the IAC

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valuable and informative. The Chair and Vice Chair met RB and LAW from SWAP during preparation of the 2019/20 audit plan. A meeting between the Chair, Vice Chair, MB and AW from Grant Thornton was requested.

For action by: MB

b. Appraisals

All appraisals for the committee members had been completed. In future the Chair's appraisals should be earlier in the year and would be held in September.

For action by: AG

The question was raised whether the term of office for the Chair should be set at four years, in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance. It was agreed this would be considered for the term beginning April 2020. The need to review the budget for 2019/20 was highlighted as part of the planning process for the 2020/21 budget.

c. Training

Following the 'away day' in February 2019, at Middlemoor HQ and including a tour of the Southside site, the Committee reported that this provided useful information and added to their knowledge.

Treasury management training for the committee was discussed and it was agreed that all four corporations sole would also be invited to attend. Training will be held in Devon & Cornwall and Dorset during November 2019.

For action by: LH and TH

d. IAC Pre-meetings

The need for committee time prior to IAC meetings was highlighted. The Committee will need a pre-meeting before the next IAC meeting in July 2019. It was agreed that this would be held at Bodmin Police Hub in June 2019, and include a visit to the command area.

For action by: TH

e. Officer time at IAC meetings

It was agreed that ways of reducing the amount of officer time spent at IAC meetings would be explored during future agenda setting meetings.

f. IAC's role within Devon and Cornwall OPCC Scrutiny Framework

IAC is included in the OPCC for Devon and Cornwall Scrutiny Framework issued in January 2019 as a 'staff performance and scrutiny group'. This role is currently outside the IAC terms of reference. It was agreed that this will be reviewed to clarify the role of the IAC in the Scrutiny Framework.

For action by: FH

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01/19/07 Internal Audit Plan and Audit Charter

The Committee noted the report brought by Rupert Bamberger. RB highlighted the key points of the 2019/20 plan and how the planning approach and documented risk assessment/coverage assessment differed from 18/19.

The Committee asked if there was any analysis/record of risks included on Force/OPCC corporate risk registers that were not covered within the current audit plan. It was confirmed that this specific information was not recorded currently, but it was agreed that this could be a useful exercise and therefore this mapping would be explored and reported back to the IAC.

For action by: RB

Clarity was sought about who provided assurance for areas not covered by internal audit. It was explained that Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) provides some assurance to the four corporations sole, with further sources of internal and external assurance. A mapping exercise will be undertaken in 2019 to identify these assurance providers and the assurance they offer. Any gaps identified will be considered as part of future audit planning.

For action by: ALW

The Committee requested that the annual programme of HMICFRS reports be brought to the committee once a year for information.

For action by: JJ and SG

The Committee sought clarity about the statutory responsibility to determine the internal audit programme. It was confirmed that IAC will have sight of the draft audit plan and the opportunity to comment, statutory responsibility is with the S151 officers.

A discussion was had about the priority given to planned audits over reserve audits, including 'Tackling County Lines'. JJ and KJ gave assurance that the planned audit items were prioritised appropriately as 'Tackling County Lines' is a high priority for HMICFRS.

It was agreed that future internal audit plans would include internal audit costs, including the day rate charge.

For action by: RB

01/19/08 External Audit Plan

The Committee noted the external audit plan presented by Mark Bartlett. The Chair pointed out that Alex Walling is the named engagement lead but has not attended the last two IAC meetings. MB gave assurance that AW will attend the July 2019 meeting.

a. Devon and Cornwall

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MB highlighted the scope of the audit and that there were no independence issues to bring to the Committee's attention.

The Committee and officers were concerned about the valuation of the pension fund net liability, due to the national context and the essential need for consistency across the public sector. MB gave assurance that Grant Thornton had contacted its other clients across the public sector with a focus on achieving consistency.

b. Dorset

MB highlighted key differences in the level of materiality of senior officer remuneration within Dorset, which is higher than Devon and Cornwall and an explanation for this was requested.

For action by: MB

01/19/09 External Audit Quarterly Report

The Chair raised concerns about the delay in submission of vetting forms for Grant Thornton auditors and asked if this delay had adversely affected deliverables. It was explained that the delay in submitting forms had not led to delays in deliverables. Specific vetting issues experienced by Grant Thornton will be explored.

For action by: KJ & PW

The Committee noted the paper presented by Mark Bartlett. It was agreed that the joint audit findings report, due for completion by July 2019, will be circulated to Committee members with interim audit findings, after Chief Financial Officers have been briefed.

The Committee sought an explanation about the differing number of qualified conclusions on value for money arrangements from the National Audit Office (NAO) and the Public Sector Audit Appointments (PSAA). The reason is that the NAO includes National Health Service (NHS) bodies, whereas PSAA covers local government only.

01/19/10 Presentation by the Chief Constable of Devon and Cornwall [FOIA – Closed s.23]

01/19/11 Statement of Accounts Preparation

The Committee noted the paper presented by Lucinda Hines. It was highlighted that all four recommendations had been accepted and were progressing well. Accounting changes in International Financial Reporting Standards (IFRS) were also highlighted.

The Committee sought clarity about a review of cost allocation arrangements. It was explained that this will be reviewed by internal audit in 2019/20.

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01/19/12 Force Protected Disclosure Policy

The Committee noted the paper presentation by Supt Pete Windle. A discussion about the vetting process informs the action from minute reference 01/19/09.

It was highlighted that the development of the Force Protected Disclosure Policy aimed to strengthen support for whistle-blowers and be more forward thinking regarding how the outcome may affect the whistle-blower.

The Committee enquired whether the policy will apply to the OPCCs and the timescale for the policy to be agreed and in place. It was explained that the policy will apply to the OPCCs and consultation was ongoing at the time of presentation. The aim is for it to be implemented in the following four months. It was agreed that the final policy will be brought to the September 2019 meeting of the IAC.

For action by: PW

Discussion about the difference between a grievance and whistle-blowing led to the suggestion that the grievance policy is mentioned in the protected disclosure policy, making clear the distinction.

At 12.23pm Frances Hughes left the meeting.

At 12.28pm the open section of the meeting concluded and the Committee adjourned.

The Committee reconvened at 1.03pm.

01/19/13 Closed Minute Items [FOIA – Closed (various)]

01/19/14 Action Log [FOIA – Closed s.22]

01/19/15 Closed Items of Chair's Business [FOIA – Closed (various)]

01/19/16 Draft Annual Governance Statement [FOIA – Closed s.22]

01/19/14 Action Log [FOIA – Closed s.22]

01/19/17 Internal Audit Quarterly Update and Highlights [FOIA – Closed s.33]

01/19/18 Insurance Programme [FOIA – Closed s.43(2)]

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- 01/19/19 Update on Fraud and Corruption Investigations [FOIA – Closed s.30(2)]**
- 01/19/20 Risk Registers [FOIA – Closed s.31]**
- 01/19/21 Strategic Alliance Update [FOIA – Closed s.22]**
- 01/19/22 Audit Committee’s Annual Report [FOIA – Closed s.22]**
- 01/19/23 Police and Crime Commissioner’s Commissioning Intentions [FOIA – Closed s.22]**
- 01/19/24 Executive Summary of the Local Criminal Justice Board Compliance Report [FOIA – Closed s.33]**
- 01/19/25 Protocol for Independent Audit Committee Papers Management [FOIA – Closed s.22]**

Date, Time and Location of Next Meeting

There being no other business the meeting closed at 3.00pm. The next meeting will be held on Tuesday 23rd July 2019 at 10.00am at Winfrith Headquarters, Dorset.