

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



**Independent Audit Committee  
Wednesday 29 July at 10.00am  
Via Microsoft Teams  
MINUTES**

**Attendance**

Helen Donnellan (HD) - Chair	Committee Member
Tom Grainger (TG) Vice Chair	Committee Member
Amanda Gallaher (AG)	Committee Member
Gordon Mattocks (GM)	Committee Member
Linda Williams (LW)	Committee Member
Malcolm Smith (MS)	Committee Member
Simon Bullock (SB)	Chief Executive (OPCC Dorset)
Nicola Allen (NA)	Treasurer (OPCC Devon and Cornwall)
Steve Mackenzie (SM)	Interim Chief Financial Officer (Dorset Police)
Julie Strange (JS)	Chief Financial Officer (OPCC Dorset)
Karen James (KJ)	Head of Alliance Audit, Insurance & Strategic Risk
Jo George (JG)	Senior Audit Manager
Neal Butterworth (NB)	Head of Finance (Devon & Cornwall and Dorset Police)
Helen Morgan (HM)	Executive Assistant (OPCC Devon and Cornwall)
Laura Wicks (LAW)	South West Audit Partnership
Mark Bartlett (MB)	Grant Thornton
Lucinda Hines (LH)	Head of Technical Accounting
David Hill (DH)	Chief Executive South West Audit Partnership
Steve Lyne (SL)	Chief Superintendent Dorset Police
Pete Windle (PW)	Superintendent Dorset Police

**Apologies**

Fran Hughes (FH)	Chief Executive OPCC Devon and Cornwall
Sandy Goscomb (SG)	Director of Finance and Resources (Devon and Cornwall Police)
Alex Walling (AW)	Grant Thornton

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**02/20/01 Apologies for Absence**

Apologies received from FH, SG and AW.

**02/20/02 Declarations of Interest, Equality and Health and Safety Obligations**

HD asked if there were any declarations of interest to update the list for accuracy, particularly bearing in mind grants commissioning over the last few months. TG stated he is a trustee of an organisation in receipt of funds from the force but there were no fresh funds to declare. KJ reconfirmed her role as a Director of SWAP. No new conflicts of interest were declared, nor were there any Equality and Health and Safety Obligations raised.

**02/20/03 Open Minute Items [FOIA – Open]**

The draft open minutes from the meeting of the Independent Audit Committee (IAC) held on 7 April 2020 were agreed as a true and accurate record, with one amendment from LH to 01/07/11 on page 5 to read '31 May for producing the 2019/20 draft set of accounts'. NA and JS confirmed there are no significant changes of priorities to the Police and Crime plan focus as a result of the pandemic. SB highlighted the PCC term of office has been extended by one year to 2021 and although delivery may vary the Plan will not change. HD informed the written responses to questions from the April meeting have been added to the April closed minutes as an appendix.

**02/20/04 Open Items of Chair's Business [FOIA – Open]**

HD advised recruitment to the committee took place virtually and is completed. There is one new appointment and GM will remain. 11 September will be the last meeting for AG and MS as their terms of office come to an end. Refresher and induction training will take place before the October meeting using blended methods of pre-reading and webinars that will also include MOD.GOV

HD reported that HMICFRS having ceased all inspections from the beginning of lock down and are now open for business and consultation ends on 31 July for views regarding Partnership and Collaboration. HD sought clarity on whether this is a new consultation or one that has already been issued.

**02/20/05 Internal Audit Opinion [FOIA – Open]**

LAW presented the Internal Audit Annual Opinion report and set out to members whether sufficient work had been undertaken to support the wider responsibility of the committee in relation to the adequacy of the governance, risk and control environment.

LAW clarified the Annual Opinion awarded of reasonable assurance for 2019/20, and highlighted her rationale of the scoring. Her scoring was based around the fact that

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there was a reduction in Partial Assurance Opinions awarded for audits and an increase in Substantial Assurance Opinions awarded for audits in 2019/20 compared to the previous year. This, together with the fact that the total number of recommendations raised had reduced during 2019/20 compared to the previous year, lead her to the view that a Reasonable Assurance Opinion should be awarded. LAW advised that 100% of the 2019/20 Internal Audit Plan is now at the Reported/Completed stage and advised SM is overseeing the STORM Lessons Learnt report. LAW advised she has liaised with KJ and is in the process of drafting a report around IAC sources of assurance. This should be complete within the next week or so and will be shared. Clarification was requested about the implications of an informal 'carry forward'. LAW explained the 10 days which were an informal 'carry forward' from the 2019/20 plan and so those 10 days carrying forward relate to that year and essentially SWAP will deliver 453 days in 2020/21, made up from the agreed 443 days and the 10 carry forward.

The committee raised the length of time the Corporate Governance Framework has taken to be finalised. NA explained that there had been a change in both forces OPCC Treasurers during the period of updating this work which has resulted in a delay. JS informed members completion of the Corporate Governance Framework is on the Section 151 agenda, to work through financial regulations with a view to finalising over next couple of months. NA stated there has been a need to consider work that was carried out prior to her appointment to achieve a full understanding in order to be assured nothing is lost in the rewrite before moving forward.

The committee asked LAW for a summary of opinions to inform them how that might compare with those provided for other forces. LAW advised the focus is on areas where a positive opinion can be provided and that Dorset and D&C are on higher side of positive opinion. GM asked for more statistics and further analysis.

**ACTION: LAW to provide more statistics and further analysis on opinions across other forces in the region.**

LAW agreed to share Regional Audits with IAC following a request from GM. HD asked for initial copies to be forwarded, after which a decision will be made whether or not IAC would be need to continue receiving the reports

**ACTION: LAW to provide Regional Audit reports to IAC.**

GM asked for clarification on the delay of the Strategic Alliance – Benefits Realisation audit. LAW updated that draft reports needed further input and additional information from NB and SG for correctness. NB supported this comment and explained the delay occurred as it was felt a different angle was needed and that resulted in it taking longer to work through.

## **02/20/06 External Audit Update [FOIA – Open]**

MB presented the paper and confirmed the audit findings will be reported at the extraordinary meeting on 11 September 2020. MB also advised during the initial pandemic period fortnightly update meetings took place with Section 151s and these are continuing on a monthly basis. MB advised there has been good progress made assisted by these regular meetings. There has been a slight slip in timings due to sickness within Grant Thornton, however, additional resources have been brought in

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to ensure delivery progresses to meet the deadline for the Committee meeting on 11 September 2020.

**02/20/07 Fees for External Audit 2020/21 [FOIA – Open]**

KJ presented the report the purpose of which is to notify the Audit Committee of the external audit fees for 2020/21. KJ updated on the 20/21 audit cycle and summarised that 2.9 of report fees remained unchanged. Fee amendments during the year must be negotiated by the Audit provider and any request for amendment would need to be confirmed by the PSAA.

**02/20/08 Internal Audit Quarterly Update and Highlights [FOIA – Open]**

LAW clarified that due to the limited work completed on the 2020/21 plan to date SWAP are not currently in a position to offer an indicative audit opinion for the year. Internal Audit Opinion for 2019/20 is presented as a separate paper to the IAC.

The process of following up on outstanding recommendations and independently verifying the evidence of implementation is being undertaken by SWAP for those scoring as Priority 1 and 2. Priority 3 recommendations will continue to be monitored internally by the Force and this process remains in place for 2020/21. LAW advised that monthly meetings are taking place with CFOs to progress the plan and extra pages have been provided reporting the current status. The progress of audits has moved on since publishing the paper, 60% of the work scheduled to be completed for Quarter one have now been completed. LAW clarified the climate and regional vetting audits reflects the status on the work SWAP have been asked to do for the regional force audit work and is waiting for a further update on where focus is to be requested. GM referred to the Performance against Schedule Audits list and asked if it would be possible to include a reason for the changes made by SWAP to the audit plan for understanding.

**ACTION: LAW to include some high level narrative and reasoning behind the changes to the SWAP audit plan.**

**02/20/09 Making More of Internal Audit [FOIA – Open]**

DH delivered a presentation on changes in the way the service will be provided and highlighted the key areas. DH emphasised the focus of SWAP is to provide maximum value as well as assurance and to embrace technology in order for this to be delivered. DH advised that analysing data is now a requirement and as such SWAP has employed 2 data analysts.

**02/20/10 Treasury Management Outturn 2019/20 [FOIA – Open]**

NA presented the report for Devon and Cornwall and advised of a number of breaches that have occurred, some of which have gone over rather than under, often as a result of payment not arriving on the right date. When this happens the onus is on the person who owes the money, and sometimes the organisation is not aware of this until the cut-off point. This has now been addressed by putting different working practices in

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place however there may still be some breaches that are out of the organisation's control. It has also been a volatile period during COVID although Local Authorities have been supportive which has helped to reduce borrowing activity and the level of exposure for liquid funds. On 25 March all bodies were instructed to pay suppliers immediately which resulted in the need to increase borrowing over that period. The Committee understood the reasons for the breaches and actions taken to address the matter. The Committee suggested whether the Treasury Management Strategy needed to be revised. NA confirmed it is not necessary to revise the Treasury Management Strategy as it is just the processes that need to be enhanced and the new practices being brought in to the team will resolve the situation. GM asked how the breaches compare year on year. NA said fairly consistent over last few years, however breaches are higher than should be tolerated and hence they have been addressed. GM raised to para 3.3 Cornwall balances 73% should read 0.73%

**ACTION: LH to amend para 3.3 Cornwall balances to read 0.73%**

JS advised of a similar situation for Dorset to DCP and that for Dorset changes had been made to the Treasury strategy. Borrowing at year end was also similar to DCP to ensure there was enough liquidity and access to funding and longer term investments have not been possible. A partial reimbursement from Icelandic investment is due to be received before the end of the month and the investment adjustments will be made when it is received.

**02/20/11 Update on Fraud and Corruption Investigations [FOIA – Open]**

KJ presented the report informing the number of fraud and investigations that have commenced and been finalised for the period 1 February 2020 to 24 June 2020. KJ assured members that action has been taken to ensure breaches will not happen again and that all cases have been concluded with no further actions. KJ assured the members that recommendations from the overtime audit have been implemented to reduce and eliminate overtime fraud. KJ also confirmed there was no further action relating to the 4 items graded as green for DCP overtime.

**ACTION: KJ to feedback if there was any disciplinary action as a result of the large overtime fraud investigation.**

**02/20/12 Gifts and Hospitality Policy [FOIA – Open]**

PW advised that the Alliance Professional Standards Department (PSD) is the 'owner' of the Gifts and Hospitality policies and as such has conducted a review of the previous separate force policies. The policy seeks to harmonise the two policies and provide a consistent approach in both force areas, to encompass best practise from both forces to provide clear guidelines to officers and staff on what would generally be acceptable or not. The policy is currently subject of formal consultation and is awaiting publication following any feedback received.

**ACTION: PW to make his successor aware to update IAC members for the October meeting of the date the policy will be approved and date of the next review and advise how we can be assured the review date will be adhered to.**

**02/20/13 Data Analytics Sub Group Update [FOIA – Open]**

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NA delivered a presentation on the Data Analytics Sub Group. NA co-chairs the Group of which 34 out of 43 Forces are members as well as a number of other organisations. The purpose of this group is to provide bench marking and examine the type of data available, whether it is fit for purpose, how it is collected and to influence subtle changes that can help to provide better data quality, which will prove more meaningful for Value For Money (vfm). There was a slight step back during the pandemic and NA proposed giving a further update in 12 months.

TG raised inconsistencies between structures and how the group attempt to overcome this. NA explained the group try to use data that already exists and if there are any outliers the group will go back and tease out nuances for more information.

**02/20/14 PSAA – Quality of Audit Service- Feedback Survey [FOIA – Open]**

KJ presented an update on the findings of the PSAA Quality Audit Survey and members were asked to note the report. HD felt this was a disappointing survey. External Audit was reported as not being an outlier. The committee voiced concerns with the limited numbers of responses to the survey, MB spoke on behalf of GT that they do not share the view high level dissatisfaction of auditors. Many of the GT clients understand the amount of pressure on auditors, and there is a lack of trust in PSAA and the process. NA and JS agreed they share a good relationship with External Auditors. It is challenging at times on both sides and parties do not always agree, however when this does occur open and constructive discussions take place in a professional manner to reach a conclusion and the best outcome. SM agreed there are good relations with the External Auditors and shares frustration at the level of support from PSAA and regulators.

**02/20/15 Audit Committee's Draft Annual Report [FOIA – Open]**

HD presented the summary of progress on the Independent Audit Committee (IAC) annual report, 2019-2020 and planned actions to present the report to the IAC meeting on October 29, 2020. The officers and Committee are asked to review and comment on the draft timetable for completion and publication of the annual report. HD is working on providing a draft report and 2 appendices to 151s by 3 August, with responses to be provided by 24 August for presenting at the October committee and a potential date for publication in early November. The officers agreed they are content with the timetable.

**At 12:27 am the open section of the meeting concluded**

**The Committee reconvened at 12:30**

**02/20/16 Closed Minute Items [FOIA – Closed (various)]**

**02/20/17 Action Log [FOIA – Closed s.22]**

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- 02/20/18 Items of Chair's Business [FOIA – Closed (various)]**
- 02/20/19 Internal Audit Quarterly Update and Highlights [FOIA – Closed s.22]**
  - a. Devon and Cornwall Police**
  - b. Dorset Police**
- 02/20/20 Risk Registers [FOIA – Closed s.33]**
  - a. Dorset Police**
  - b. OPCC Dorset**
  - c. COVID 19 Silver Recovery**
- 02/20/21 Mod.Gov Update Report [FOIA – Closed s.22]**
- 01/07/22 Update on Director of Legal, Reputation and Risk [FOIA – Closed s.36]**

**An extra-ordinary meeting of the Committee to consider the audited accounts will take place at 10am on 11 September 2020 via Microsoft Teams.**

**The next full meeting is scheduled for 29 October 2020 at 10:00am via Microsoft Teams.**