

Devon and Cornwall Police Authority

MINUTES

A meeting of the **Corporate Governance Committee** was held on Tuesday 17th November 2009 in the Conference Room, Devon and Cornwall Police Authority, Endeavour House, Woodwater Park, Exeter, starting at 10:30hrs.

Present:

Chairman Ms J Norton
Vice Chairman Mrs L Williams
Members: Mrs L Price, Mrs J Owen, Ms J Zito.

Also attending Mr M Bull (Items CG/252 – CG/256 only), Mrs L Dunn, Mr B Preston (Items CG/252 – CG/256 only) .

Officers in attendance:

Police Authority

Mr S Barrett (Interim Authority Treasurer), Mrs G Clifton (Administrator), Mr R Martin (Acting Chief Executive (Items CG/252 – CG/256 only)), Miss J Norris (Assistant Chief Executive), and Mr E Wardle (Head of Internal Audit).

Constabulary

Mr T Burton (Organisational Learning & Risk Manager), Ms A Daveney (Head of Technical Accounting), Mr C Papworth (Head of Finance) Mr M Stamp.(Director of Legal Services)

Audit Commission

Mr M Bartlett (Audit Manager) and Mrs C Brown (Audit Manager),

CG/252 Chairman's Announcements

There were no announcements.

CG/253 Apologies for Absence

Apologies for absence were received from Mr J Hart and Lady Stanhope.

CG/254 Declarations of Interest

No declarations of interest were made in respect of any item on the agenda.

CG/255 Minutes

The minutes of the meeting held on 11th September 2009 were agreed as a correct record.

RESOLVED that the minutes of the meeting held on 11th September 2009 be confirmed as a correct record.

CG/256 Draft Agreement for the Establishment of a Joint Committee for Collaboration in Policing for the South West of England

The Police Authority have debated the principles of becoming signatories to a Joint Committee agreement for collaboration in Policing in the South West of England. The Committee was asked to consider the governance arrangements of the draft agreement and to make recommendation on their suitability to the full Police Authority in December.

Issues discussed during consideration of this item included:

- The draft agreement sets out what was trying to be achieved and details of the roles, responsibilities and membership of the Joint Committee.
- Members were satisfied that the 'opt out' arrangements had been clarified. The agreement provided a clear explanation of what Police Authorities were agreeing to and had sufficient 'opt out' stages.
- The five Police Authorities involved will set up a Board with 17 members comprising the Chair and Chief Executive of each authority and their Chief Constable together with the Senior Responsible Owner and the Authority Treasurer.
- The Board will draft a Business Plan with specific and targeted programmes of work. This will be considered and amended by the Joint Committee and each Authority will have an opportunity to consider the draft plan before it becomes the approved plan.
- An Authority can decide to opt out of any element of the programme of work when considering the draft plan
- Each proposal would be subject to a Section 23 agreement which will deal with issues of financing, and liability sharing etc
- If an Authority withdraws from the agreement they are liable for full costs up to the date of withdrawal bearing in mind that once contracts were in place, there might be contractual obligations that would still have to be honoured after that date.
- The final version of the draft agreement would be considered by the Chairs' Committee after the seminar on 27th November who would formulate an amended recommendation for the full PA meeting.
- There was no indication in the agreement as to whether or not the meetings of the joint Committee or the Board would be held in public and/or webcast. This matter had not yet been considered but it was likely that many of the discussions would be of a commercially sensitive nature.
- The Committee was generally comfortable with the governance arrangements in the draft document.
- Minor changes were suggested to improve the clarity of the document, these were noted and the Director of Legal Services undertook to take any necessary action

RESOLVED (i) that the report be noted;
(ii) that it is reported to the Authority meeting there are no fundamental areas of concern to the Committee in respect of the Governance arrangements in the draft agreement.

CG/257 Annual Audit Letter and Police Use of Resources

As these items are linked it was agreed to discuss these two items together as one item although the Agenda for the meeting has them as separate items. The purpose of the Annual Audit Letter is to summarise the key issues arising from the work that the Audit Commission carried out during the financial year 2009/10. The results of the 2008- 09 Police Use of Resources Assessment (PURE) was in two parts; the first part being the results of the PURE assessment by the Audit Commission and the second part the joint response on behalf of the Authority and the Constabulary

The following issues were discussed during consideration of this item:

- The report commented on the key issues of audit work in 2008/09 and the work done as a result of the previous audit.
- The Audit Opinion covering Finances, Value for Money and Use of Resources was issued on time. There were no major concerns. There was an unqualified Value for Money conclusion and there were satisfactory arrangements in place for Use of Resources. The Audit Fee was as expected.
- The Use of Resources no longer had 'Police' as it is now used to assess Police, Health, Fire Services and Local Government, all of whom are judged on the same criteria. The new framework focused on outcomes rather than inputs.
- The Police Authority has sound arrangements in place; the financial and corporate processes are integrated and supported by robust planning.
- The Force has a clear strategy in place for being a top performing force by 2012.
- The Audit Commission scored 'Managing Resources' as level 2 but improvements were being made.

- Issues around partnerships featured heavily and there was scope for improvement. A joint Force/PA draft document had been produced looking at partnerships and arrangements for membership. The results from this would be presented to Members early in 2010.
- Equality and Diversity - there were some areas that worked well but it was not embedded across the Force. The Police Authority was due to set employment targets in this area. The Human Resources Committee had been very thorough in picking up these issues.
- The timetable for 09/10 has been brought forward and indicative scores had to be submitted to the Audit Commission by mid April. Managing Resources will not be reassessed at this stage.
- Self-assessment although not mandatory is a very useful exercise. If this is to be done it should be completed by the end of January.
- The Police Authority's and Force's Carbon Footprint was important in the use of resources. This was due to be discussed at next meeting of the Resources Committee.

RESOLVED (i) that the Committee endorses the draft Annual Audit Letter
(ii) to note the Police Authority/Force joint response to the Audit Commission report on Use of Resources.

CG/258 Update on Issues identified in the Annual Assurance Statement 2009

The Organisational Learning and Risk Manager introduced this item. The Annual Assurance Statement was produced by the Constabulary between March and June 2009 in support of the Police Authority's responsibility to provide an Annual Governance Statement alongside the Annual Accounts. In the document the Constabulary identified 9 challenges that it would be addressing over the coming 12 months to meet certain governance issues. The report provided for the Committee gave information on progress towards meeting those challenges

Issues discussed during consideration of this item included:

- Progress has been made against the Force's nine challenges to meet certain governance issues. In some cases the issues had been completely resolved; for the others work was ongoing.
- The setting up of a sub-committee of the Corporate Governance Committee to oversee the Annual Assurance Statement had been discussed but there were insufficient resources at present. Individual items of concern would be brought to the full Committee who would then decide the best way forward. Work on next year's Statement would start in the next few weeks.

RESOLVED to note progress in addressing the topics identified in the Annual Assurance Statement 2009.

CG/259 Audit Commission 2009/10 Audit Plan Progress Report

The Audit Manager outlined the report which provided a summary of the progress against the external audit plan 2009-10:

Issues discussed during consideration of this item included:

- A web-based learning scheme on core skills in financial managing for local government had been developed to give managers and Members a grounding in financial management.
- The audit fee scales for 2010/11 and indicative proposals for 2011/12 and 2012/13 had been published.
- A paper from the Audit Commission entitled "Nothing but the Truth" had been released. This set out issues for discussion such as how to ensure data is fit for purpose. This would be copied to the Corporate Governance Committee.
- The results of the Comprehensive Area Assessments for Devon and Cornwall will be available on 10th December 2009. The results of the first tranche of PA inspections might also be published on that day.

RESOLVED to note the report.

CG/260 Internal Audit Interim Report – 2009/10

The Head of Internal Auditing presented the report which provided a summary of the progress against the internal audit plan 2009-10.

Issues discussed during consideration of this item included:

- One of the responsibilities of Internal Audit was to evaluate and improve the effectiveness of risk management, control and governance processes. Work on gap analysis / maturity model was being undertaken to identify the difference between our perception of where we are and where we actually are.
- The Core Delivery Programme was well underway but the Committee must seek assurance that key milestones are on track and being delivered. With the different dimensions it was difficult for members to see the full picture. A member was trying to draw together a helicopter view.
- The Firearms Inventory project was on schedule. There had been a minor delay in installing the software but the system should be running by early January 2010.
- The National Fraud initiative highlighted 950 matches, which on investigation showed no evidence of suspicious activity. There were some errors encountered so the exercise was useful for data cleansing.
- A presentation by the Met Office had been organised on the mid to long term effects of climate change and its impact on the emergency services.
- The IT Business Continuity Planning Audit was now complete. Concerns had been raised about the breakdown of ICT systems in the event of major disruption to either of the data centres at Middlemoor and Crownhill. A summary of the response would be brought to the March meeting of this Committee.
- There was no indication from the Seized Cash Audit that anything had been 'lost' but the paper-based system made it difficult to identify losses and track property. Work was underway with the Finance team to develop an electronic system to include seized money.
- The report on the Napoli incident had included some recommendations for policing such events; these and other lessons learnt from major incidents, health and safety etc were included on the organisational learning database. Information on how the organisational learning process works and the audit trail of actions taken would be provided to the Committee.

RESOLVED to note the report.

CG/261 Risk Review Group

The Chair gave an oral report on the Group's activities. The Group had met twice to discuss issues raised at the away day about how the Policy Authority strategy is compiled. There had been delays due to the appointment of a new Chief Executive as the strategy should be driven by the Chair and Chief Executive of the PA.

RESOLVED to note the report.

CG/262 Addition of Risk Review to Committee Terms of Reference

The Chair introduced the report. Following deliberation by Members about risk management responsibilities and the role of committees the Risk Review Group recommended that the Terms of Reference for every committee should be amended to include oversight and scrutiny of risks pertinent to the committee. The report outlined the rationale for committees having this devolved responsibility and invited the Corporate Governance committee to make an appropriate recommendation to the Authority.

Issues discussed during consideration of this item included:

- Each committee should have responsibility for overseeing the entries on the Risk Register pertaining to the work of that committee so that an appropriate level of focus on the key issues can be maintained. This should be included in the terms of reference for all committees.
- The role of the Corporate Governance Committee regarding oversight of the work done on risks by each committee.
- Consideration of risks as a standing item on each committee's agenda will ensure risks are not 'lost'.

RESOLVED

- (i) that the terms of reference for all Police Authority committees are amended to include "to have oversight and scrutiny of entries on the Authority's risk register pertaining to the work of the committee and to make recommendations regarding such entries to the Authority's Chief Executive."
- (ii) that consideration of risks devolved to individual committees shall be a standing agenda item at all committee meetings.

CG/263 Authority Risk Register

The Risk Register had been circulated to Committee members for information but actual entries on the list were closed for the purposes of FOI so queries about individual items would be taken outside the meeting. The Risk Register had been reviewed recently by the Risk Register Review Group (comprising the Acting Chief Executive, the Assistant Chief Executive and the Internal Audit Manager).

RESOLVED to note the report

CG/264 Force Risk Register

The Organisational and Learning Manager stated that the Corporate Risk Register is presented to the Chief Officer Group on a quarterly basis. This Group is attended by the Authority's Chief Executive and Treasurer. The risk review policy is reviewed annually in line with the minimum expectations of auditors.

RESOLVED to note the content of the Devon and Cornwall Constabulary Corporate Risk Register and acknowledge that individual risks on the Force Risk Register may need to be treated as closed for FOI purposes.

CG/265 Alignment of Devon and Cornwall Constabulary's Performance & Risk Management Reporting Frameworks

This report provided information about the work that has taken place to bring the Force performance management and risk management frameworks into line so that more effective performance & risk management can take place across the business.

RESOLVED to note the report.

CG/266 Insurance Renewals

The Head of Technical Accounting outlined proposals for insurance renewals. The Force has long term agreements with its insurers. The motor insurance and liabilities policies can be extended by two years so that the renewal date will be the same as the property insurance renewal. The Force insurers have offered to reduce the premiums by 10% as an incentive to extend the motor and liabilities policies. . It was recommended that the Force should remain with the current insurers.

RESOLVED to note the report.

CG/267 Investment Risk and the Treasury Management Strategy

The Head of Technical Accounting introduced this item which presented the Draft Treasury Management Objectives and Governance Arrangements.

Issues discussed during consideration of this item included:

- CIPFA had revised its Treasury Management Code of Practice following the collapse of the Icelandic Bank. The revised code is due to be published at the end of November. The Corporate Governance Committee does not meet again until March 2010 so initial proposals have been brought to this meeting.
- Annex 1 to the report is an additional document to set Management Objectives and Governance Arrangements separately from the Annual Treasury Management Strategy. There are two new objectives:

- i. The Authority's appetite to manage risk by placing funds with financial institutions will be set out in the new strategy.
- ii. Diversification will be a key consideration in setting the treasury management strategy; although this is currently practised it is not overt.
- The Resources Committee will receive monitoring information and will have delegated authority to make changes within the constraints of the objectives.
- The Corporate Governance Committee has responsibility to scrutinise the Annual Treasury Management Strategy.

RESOLVED

- (i) to note the Draft Treasury Management Objectives and Governance Arrangements
- (ii) to arrange for members to meet to the review of the Annual Treasury Management Strategy in January 2010

CG/268 Treasury Management Training

The training would take place before the date of the next Committee meeting; date to be confirmed.

There being no other business the meeting closed at 13:20 hrs