

Minutes: of the Meeting of the Audit Committee held 26 September 2011 at 2pm
SPA Meeting Room, Mount Browne, Guildford.

Members

Heather Kerswell (Chair)
Bill Barker
Lynn Hawkins

Claire Storey
Peter Williams

Alison Bolton
Ian Perkin
Sarah Thomas

Clare Davies
Paul Bundy
Miles Corner
Felicity Shead
Simon Humphreys (part)

Mike Attenborough-Cox – Mazars (part)
Graeme Clarke – Mazars

Iain Murray – Audit Commission
Paul Grady – Audit Commission

All item numbers refer to the agenda bound with these minutes

PART ONE
IN PUBLIC

39/11 APOLOGIES FOR ABSENCE (ITEM 1)

None

40/11 DECLARATIONS OF INTEREST (ITEM 2)

No declarations of interest were received.

41/11 MINUTES OF THE LAST MEETING – 20 JUNE 2011 (ITEM 3)

A number of errors were noted throughout the minutes. It was also suggested that the second paragraph should be reworded as it was unclear as to how many substantial recommendations had been made. With these corrections made, it was

Resolved that,

The minutes of 20 June 2011 be accepted as a correct record and signed by the Chairman.

42/11 MATTERS ARISING (ITEM 4)

27/11 – The item on Treasury Management Policy and Practices had been presented to the full Authority on 30th June 2011.

Resolved that,

The Committee noted the Matters Arising.

43/11 HOSPITALITY AND GIFTS REGISTER (ITEM 13)

The Committee received an update from Simon Humphreys on the recommendations of the Force following a review of the Hospitality and Gifts procedures. He informed the Committee that the review had taken place as part of Operation Baronet and confirmed that ownership of the Register would now come under the Professional Standards Department rather than the Finance Department so as to correlate with vetting and business interests. The Committee was asked to note the recommendations that were listed in the paper, which had previously been discussed with Heather Kerswell, Claire Storey and Alison Bolton.

The Committee recommended that the governing procedure should be included on the Force website and that a communications document should be circulated to all officers/staff in due course. It was also suggested that a section could be added to the Register which could capture additional information that would be a useful intelligence tool, such as significant attendees at events/functions. The Committee noted that it was important for Members to have oversight of gifts, hospitality and interests for the Chief Constable. Regular reports would be brought on this issue, with a dip-check procedure for oversight of the wider registers.

The Committee requested a quarterly update on this subject.

Resolved that,

The Committee noted the report.

44/11 EXTERNAL AUDIT – ANNUAL GOVERNANCE REPORT (ITEM 5)

The Committee received an in depth summary of the Annual Governance Report 2010/11 from Paul Grady of the Audit Commission.

The Committee expressed its appreciation for the work of the Force accounting team and acknowledged how well they had implemented the new International Financial Reporting Standards (IFRS).

A further discussion took place and the Committee:

- Took note of the adjustments to the financial statements which were set out in the report at Appendix 2

- Agreed that the process for obtaining related party disclosures from officers and staff who have left the Force be improved
- Asked that efforts be made to locate the missing payroll file
- Asked for urgent steps to be taken to transfer the legal ownership of Woking Police Station from SCC to the Authority and prove the ownership of 1 Chart Lane South, Dorking.

Resolved that,

The Committee noted the report and agreed the action plan as set out in Appendix 5.

45/11 ANNUAL STATEMENT OF ACCOUNTS 2010/11 (ITEM 6)

The Committee was updated by the Treasurer on the Annual Statement of Accounts and the Annual Governance Statement for 2010/11 which was set out in detail in the attached paper.

Resolved that,

The Committee approved the Annual Statements of Accounts and the Annual Governance Statement 2010/11.

46/11 INTERNAL AUDIT QUARTERLY REPORT (ITEM 7)

The Committee received an update from Graeme Clarke regarding the Audit Commission's progress in achieving the 2011/12 Internal Audit Plan. He explained the key points in relation to Risk Management, Seized and Found Property and Project Enterprise and the recommendations that were listed in the paper.

Resolved that,

The Committee noted the report.

47/11 AMENDMENT TO FINANCIAL REGULATIONS (ITEM 8)

The Committee was asked by the Treasurer to make a recommendation to the Authority that a change be made to Financial Regulations regarding the depreciation of assets in the Authority's accounts.

Resolved that,

The Committee agreed to recommend to the Authority that the revised Appendix I in Financial Regulations is approved.

48/11 AUDIT COMMISSION FUTURE (ITEM 9)

Paul Grady updated the Committee following the news that the Audit Commission was to be abolished in 2012. He described the process of appointing a new auditor and explained that companies, including the

Audit Commission audit practice which is to be mutualised, were being invited to tender at the end of October 2011. Members agreed that the Committee should be kept aware of progress on this matter.

Resolved that,

The Committee noted the update.

49/11 TRANSITION TO POLICE & CRIME COMMISSIONERS (ITEM 10)

The Committee received an update from the Chief Executive on the Police Reform and Social Responsibility Bill. She informed the Committee that the Bill had been through Parliament and was now an Act. The Authority would remain in place until the Commissioner came into office on 22nd November 2012. The new arrangements brought with them a number of audit-related implications, as set out in the report. It was not yet clear as to exactly how an Audit Committee would work in the future.

Resolved that,

The Committee noted the report.

50/11 SURREY DISTRICT COUNCIL INTERNAL AUDIT CONSORTIUM UPDATE (ITEM 11)

The Committee received an update from the Treasurer on the internal audit consortium which involved six authorities joining together to share an internal audit service. He explained that the tender process opened on 13th September, interviews would take place on 1st November and the contract was due to be awarded on 2nd November.

Resolved that,

The Committee noted the update.

51/11 COMMITTEE WORK PLAN 2011/12 (ITEM 12)

The Committee requested that the work plan be updated to the end of September 2012 and that the Hospitality and Gifts Register (including dip sampling), Transition and Audit Commission Future were included.

Resolved that,

The Committee approved the amendments.

PART TWO
IN PRIVATE

52/11 EXCLUSION OF PRESS AND PUBLIC (ITEM 14)

Resolved,

That, under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Part 1 of Schedule 12A of the Act.

53/11 ANY OTHER MATTERS TO BE RAISED BY THE INTERNAL AUDITORS

The Committee was given the opportunity to ask questions of the internal auditors.

54/11 FORCE HIGH LEVEL AND SHARED RISKS

The Committee received a copy of the latest risk registers for Force and joint Force/Authority risks. It was agreed that a risk relating to the SIREN project would be upgraded to 'high'.

Resolved

That the report be noted.

55/11 MONITORING OF AUDIT & INSPECTION RECOMMENDATIONS

The Committee received details of progress against those recommendations from the auditors classed as 'fundamental' or 'significant' in accordance with the procedure recently agreed by the Committee.

It was

Resolved

That the report be noted.

56/11 AUTHORITY RISK REGISTER & ASSURANCE FRAMEWORK

The Committee received a copy of the latest risk register and assurance framework for the Authority. It was

Resolved

That the report be noted.

57/11 PRIVATE MEETING OF MEMBERS WITH THE AUDITORS

Members of the Committee met with the auditors in private.

Meeting ended 4.45pm