



Agenda Item No 21

CUMBRIA POLICE AUTHORITY

GOVERNANCE COMMITTEE

Minutes of a Meeting of the Governance Committee held on Wednesday 24 February 2010 in Conference Room 1, Police Headquarters, Carlton Hall, Penrith, commencing at 10.10 am.

PRESENT

	Mrs Lynda Shaw (Chair)	
Miss Elizabeth Barraclough		Mr Andy Hampshire
Mr Ray Cole		Mrs Jill Heath
Mrs Chris Egan		Mr R Watson
Mr Patrick Everingham		

Also present:

Treasurer (Mr D Thomas)
 Audit Manager, Cumbria County Council (Mr P Usher)
 Internal Auditor, Cumbria County Council (Mr K Murray)
 Constabulary Information Technology Operations Team Leader (Howard Bellis)
 Constabulary Director of Finance & Resources (Mr M Thompson)
 Administration Manager (Mrs L Rowbotham)

PART 1 – ITEMS CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC**53. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mrs J Sauntson, Constabulary Acting Head of Strategic Development and Mr A Dobson, Constabulary Director of Legal Services.

54. URGENT BUSINESS AND EXCLUSION OF THE PRESS AND PUBLIC

There were no items of urgent business to be considered by the Committee.

RESOLVED, that under section 100A(4) of the Local Government Act 1972, (as amended), the press and public be excluded from the meeting during consideration of the following items on the grounds that they involve the likely disclosure of exempt information as defined in the paragraph indicated in Part 1 of Schedule 12A to the Act –

<u>Item</u>	<u>Title</u>	<u>Paragraph</u>
15	Collaboration and Shared Services – Regional Initiative (Finance and HR)	3
16	Civil Claims 7 Grievances	1
24	Strategic Risk Working Group Minutes and	



55. DISCLOSURE OF PERSONAL INTERESTS

There were no disclosures of any personal interest relating to any item on the Agenda.

56. MINUTES

The Minutes of the meeting of the Committee held on 4 December 2009 had been circulated with the agenda.

In relation to minute number 40, Anti Corruption Policy, the Constabulary Director of Finance and Resources reported that there were a small number of forms outstanding from staff who were either on maternity or long term sick leave. Members agreed that this item be treated as closed.

RESOLVED, that, the Minutes of the Governance Committee held on 4 December 2009 be confirmed as a correct record and signed by the Chair.

The Chair and Members considered the Governance Committee Action Plan which was attached to the minutes of the 4 December 2009 meeting.

RESOLVED, that the Governance Committee Action Plan be amended as agreed and circulated with the Minutes for discussion at the next meeting of the Committee.

Note: Elizabeth Barraclough joined the meeting at this point.

57. MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTIONS PLANS.

The Authority's Treasurer presented a table which highlighted and monitored key recommendations made in reports considered by the Governance Committee. Members noted that there was similar information contained in the Committee Action Plan already considered by the Committee. It was decided that because of the duplication of information contained in the two documents only high level recommendations would, in future, be mentioned in the Treasurer's table.

RESOLVED, that

- (i) the table be amended to show only high level recommendations considered by the Governance Committee, and
- (ii) the contents of the table be noted.



58 INTERNAL AUDIT REPORTS

The Chair of the Committee decided that item (b) would be considered first as Mr H Bellis and Mr K Murray were in attendance for this particular item only.

(b) Computer Audit Block 2 & 3

The Internal Auditor informed Members that this report was the second and final block of IT audit work within the 2009/10 Audit Plan and it continued with the overarching theme of information security. The first piece of work had dealt specifically with information classification, handling, policies and procedures, and encryption and introduced the relevance and dependency upon secure networks. This audit reviewed the network elements in further detail and the report included a table showing the areas reviewed together with the evaluation and recommendations made.

He explained the complicated methodology used to test the Computer systems which had been undertaken by an outside agency, commissioned by NPIA. Members raised questions regarding the methods used to carry out this work to which the Constabulary's IT Operations Team Leader responded.

Overall the network security had been found satisfactory although there were some areas where recommendations had been made to improve controls. These recommendations were set out in the report.

The Internal Auditor commented on improvements which could be made to security in the HQ building. Members agreed that this should be discussed as a matter of urgency at the next meeting of the Authority's Estates Working Group.

RESOLVED, that

- (i) The contents of the report be noted, and
- (ii) An item regarding security at HQ building should be included on the agenda for the next Authority Estates Working Group.

The Chair of the Committee thanked Mr Murray and Mr Bellis for their work on this report and for explaining the procedures used during the testing of the systems.

Note: Mr K Murray and Mr H Bellis left the meeting at this point.

(a) Main Accounting Systems

The Audit Manager presented the Internal Audit Report on the Main Accounting Systems, which had looked at the controls in place in the Constabulary's main financial systems during December 2009. The evaluation contained within the report showed that controls tested were graded 'good' with one outstanding recommendation from the January 2009 review, that the existing Financial Rules be updated. The amended Financial Rules were currently in draft form and had been



distributed for consultation with the intention of their introduction from the start of the 2010-11 financial year. When approved this document should be made available to all staff.

RESOLVED, that the report be noted.

(c) Functional/Value for Money Reviews - Partnerships

The Audit Manager presented the report on Partnership monitoring, and commented that this was the first such review to be undertaken in a specialised area. It had taken place in January 2010 as part of the 2009/10 audit plan.

He explained the contents of the report and how the review had been undertaken. The overall evaluation of the review was 'weak'.

Members expressed concern regarding the contents of the document and asked that a report, setting out steps to address these issues, be submitted by the Constabulary to the next meeting of the Authority's Governance Committee. It was also suggested that the contents of the management audit report be discussed at the next meeting of the Authority's Strategic Risk Working Group.

RESOLVED, that ,

- (i) The contents of the report be noted,
- (ii) A report be prepared by the Constabulary and submitted to the next Police Authority Governance Committee.
- (iii) The Internal Audit Report be discussed at the next meeting of the Authority's Strategic Risk Working Group

(d) Risk Management

The Audit Manager discussed the report which looked at the implementation of agreed actions arising from the last audit of risk management in November 2008. The previous action plan was agreed with the Director of Legal Services, but the responsibility for the risk management framework had since transferred to the Strategic Development Department. He discussed with Members the agreed actions from the previous review and how they had been followed up.

It was agreed that, because the Constabulary's Acting Head of Strategic Development had given apologies for the meeting, further discussion of this report would take place at the next Governance Committee when it was hoped the Acting Head would be able to attend.

RESOLVED, that

- (i) The contents of the report be noted, and
- (ii) The report should be considered again by the Authority's Governance Committee on 18th May.



59. MANAGEMENT AUDIT PLAN PROGRESS REPORT

The Audit Manager presented a report which summarised internal audit work for the period April 2009 to January 2010. He informed Members that at the end of January approximately 89% of the plan had been completed and the only remaining audits to be completed relate to Basic Command Unit (BCU) visits. It was anticipated that these would be finished by the end of March and reported, with the annual report, to the May Governance Committee.

RESOLVED, that the report be noted.

60. TREASURY MANAGEMENT ACTIVITIES FOR THE PERIOD NOVEMBER 2009 TO JANUARY 2010

The Authority's Treasurer outlined the contents of the joint report which had previously been circulated with the agenda and papers for the meeting. He explained the economic background in which investments had been made during the period and the investment activity which had taken place. The Authority's investment performance was outlined and showed that longer-term investments had all exceeded the average Bank of England base rate for loans maturing during the period October to December.

RESOLVED, that the contents of the report be noted.

61. BUDGET VARIANCE/ MONITORING REPORT 2009-10

The Director of Finance and Resources presented a report which outlined the predicted financial position of the Authority and Constabulary based on actual spending and commitments for the first nine months of the financial year to the end of December 2009, together with estimates for the remainder of the financial year. He advised that the report did not take into account any loss and damages incurred following the floods in West Cumbria on 19 and 20 November and that the Chief Constable had undertaken to provide a detailed report on the financial impact of the flooding as soon as possible, most probably in March. Accordingly he asked Members to note that the figures and notes contained in the report had not been finalised at this stage.

The report provided detailed analysis of the underlying reasons for budget variances and applied a targeted scrutiny of the budget areas where the reported variance exceeded either £0.5m or 10% of the budget.

Most of the changes to net expenditure could be attributed to changes in the staff structure and the number of staff employed. The Constabulary had decided to slow down its recruitment of police officers and as a result police officer pay was projected to come in £399k below budget. However as all operational units were covering staff shortages overtime was currently projected to be £34k over budget. A member asked what the Constabulary were doing in relation to this. The Director of Finance and Resources advised that the Chief Constable had asked that overtime targets be established in order to preserve the overall financial position of the Constabulary.



The savings in police officer salary would help support next year's budget and cover changes to the Constabulary following its structure review.

A member asked the Director of Finance and Resources to explain what was meant in the report by top slicing £342k from delegated police officer pay budgets and ensuring that it was not re-directed to other areas of expenditure. He advised that by removing this money from the BCU budgets then it could not be used for alternative expenditure and would support next year's budget.

Following a question from a member the Director of Finance and Resources advised that it was too soon for the Constabulary to be able to fully evaluate the cost of damage caused by the recent floods in West Cumbria. He explained that the outcome of discussions with the Government department and Insurance companies were still awaited.

Members were interested to see the table showing levels of activity and performance for the nine months to December for a number of main crime areas. Comparing these figures with previous years it was noted that performance had improved.

RESOLVED, that

- (i) the contents of the report be noted
- (ii) the Authority approval on 17 February 2010 to utilise the estimated year end surplus of £515k to support the 2010-11 budget, as represented in the paper be noted, and
- (iii) Authority approval on 17 February regarding the proposed use of earmarked reserves and general balances, as represented in the paper, be noted.

62. CAPITAL PROGRAMME QUARTERLY REPORT

The Constabulary's Director of Finance and Resources presented a joint report which provided members with an updated position of income and expenditure as approved at the 17 February Police Authority meeting. He informed Members that the report did not include any new proposals which were discussed at that meeting.

Contained within the report were details of the Capital Budget, Firm Schemes, Indicative Schemes and Capital Receipts.

Members asked questions regarding the reclaiming of costs for works at Workington Police Station which were necessary because of the recent floods, to which the Director of Finance and Resources responded.

RESOLVED, that

- (i) the report be noted
- (ii) the latest estimates of expenditure against the agreed Capital Programme be noted



- (iii) Members approve an increase in the Vehicle Replacement programme for 2009-10 budget and beyond amounting to £59k as set out in paragraph 3.2.1
- (iv) Members approve the £20k increase in the Camera Scheme for 2009-10 in respect of funding carried forward from 2008-09, this expenditure will be reimbursed by Cumbria County Council
- (v) Members note the delegated approval of the new scheme in respect of Mobile Armed Support to Surveillance Teams which is being funded by a contribution from the revenue account
- (vi) The proposal to redevelop the ground floor at Workington BCU HQ during the reinstatement works following the flood in November 2009, to make more effective use of the space which was approved by the Police Authority on 17 February 2010 be noted, and
- (vii) Members approve a further £100k drawdown of the mobile working budget to allow the extension of the current pilot scheme for mobile devices in West BCU to the other BCU's as well as increasing resources in West Cumbria.

63. MONITORING OF POLICE AUTHORITY BUDGET 2009-10

The Authority's Treasurer presented a summary of the management accounts illustrating the Police Authority's own expenditure for the nine month period to 31 December 2009. Detailed within the report was any virement and variances to the approved budget for 2009/10.

He advised members that a number of additional commitments totalling £21.2k had been agreed by the Authority which would be met from the contingency budget. These included

- a 50% contribution of £1.7k towards the Constabulary costs in having the Statement of Accounts independently and rigorously reviewed by IPF before submitting them for Authority approval and audit.
- a 50% contribution of £2.3k towards the Constabulary net costs in commissioning (jointly with 5 other police authorities/constabularies) a specialist report for submission to the Home Office Police Allocation Formula Grant Working Group
- the appointment of an Authority Officer (Community Engagement) for which the estimated employment costs in the period to 31 March will be approximately £4k, plus essential equipment based on the officer taking up position on 22 February;
- the appointment of a consultant in connection with the Authority's preparation for inspection in 2010, at £9.1k
- commissioning of Police Authority signage at entrance to Carleton Hall £1.1k



He informed Members that after these expenditures the contingency budget was estimated to still hold £8.8k at 31 December, and that the balance had subsequently been committed in January 2010.

RESOLVED, that the report be noted.

64. POLICE AUTHORITY BUSINESS PLAN ACTION PLAN UPDATE

The Authority's Treasurer presented a report attached to which was the Police Authority Business Plan Action Plan. He informed Members that any changes made to the Action Plan since it was last submitted to the Committee on 4 December 2009 were highlighted in blue.

Members considered the contents of the Action Plan and raised various points. It was suggested that under section 1.4 (2) the completion date of January 2010 should be removed as this item was still ongoing.

Members noted that the Authority's Community Engagement Officer was now in post and asked that the Action Plan be amended to reflect this.

RESOLVED, that, the

- (i) report be noted;
- (ii) Business Plan be updated following the appointment of the Community Engagement Officer

65. POLICE AUTHORITY RISK STRATEGY REPORT

The Authority's Treasurer presented the Risk Management Strategy and Statement which had previously been circulated with the agenda and papers. The document had been considered by the Authority's Strategic Risk Working Group and suggested amendments by the Working Group were highlighted in yellow. He informed Members that the Strategy document should be submitted to the next meeting of the Police Authority for the information of all members.

RESOLVED, that

- (i) the revisions proposed by the Strategic Working Group be accepted, and
- (ii) the (revised) Risk Management Strategy and Statement be adopted with immediate effect and a copy submitted for information to the Authority meeting on 23 March.

66. MEMBERS REPORT BACK

There were no items on which Members needed to report back.



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

67. COLLABORATION AND SHARED SERVICES – REGIONAL INITIATIVE (FINANCE and HR)

The Constabulary's Director of Finance and Resources presented a report which summarised the outcome of a regional initiative to prepare a business case in support of the creation of a 'shared service' centre for parts of the finance and HR functions. In the event the business case had demonstrated insufficient savings to meet the criteria for investment and the initiative was unlikely to proceed any further. Members were guided through the report and the attached Appendix 1.

RESOLVED, that the contents of the report be noted.

68. CIVIL CLAIMS

The Director of Finance and Resources presented a report which illustrated the number and value of active civil claims currently being pursued against the Constabulary and Police Authority. As agreed at the previous Governance Committee meeting the report now included a timeline for each case.

Members discussed the contents of the report and the attached spreadsheets and expressed concern regarding the number of similar incidents reported on one of the spreadsheets, which they suggested could be a training issue. The Constabulary's Director of Finance & Resources noted these comments.

RESOLVED, that the contents of the report be noted.

69. STRATEGIC RISK WORKING GROUP MINUTES AND REGISTER

The minutes of the Strategic Risk Working Group held on 1 February 2010 had been circulated with the agenda. Appended to the minutes was a copy of the Police Authority's Strategic Risk Register together with a copy of the Constabulary Strategic Risk Register (Appendix 2.)

RESOLVED, that, the minutes of the Strategic Risk Working Group held on 1 February 2010 be received.

The meeting ended at 12.45 pm