

NOT PROTECTIVELY MARKED

CUMBRIA POLICE AUTHORITY

AUDIT AND PERFORMANCE COMMITTEE

Minutes of a Meeting of the Audit and Performance Committee held on Friday 9 September 2005 in the Firearms Conference Room, Police Headquarters, Carleton Hall, Penrith commencing at 10.00am.

PRESENT

Mrs L Slavin (Chair)

Mrs C A Egan
Mr J Mallinson

Mrs L L Shaw
Mr W Smith

Also present:

Police Authority Treasurer
Police Authority Performance Management & Policy Officer
Acting Chief Constable
Assistant Chief Constable (Operations)
Constabulary Director of Finance & Resources
Mr R McGahon, Audit Commission
Mr P Usher, Audit Manager, Cumbria County Council
Deputy Clerk

Before commencing the meeting the Chair referred to the late circulation of papers for the meeting. A number of papers had been late for each of the last three meetings of the Committee. The Chair stated that the late circulation of papers was unacceptable and advised that in future if papers were not available at the time the agenda was circulated then they would not be considered by the Committee.

PART 1 – ITEMS TO BE CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC

30. APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr M Ash and Mr R Watson.

31. EXCLUSION OF THE PRESS AND PUBLIC.

RESOLVED, that under Section 100A(4) of the Local Government Act 1972 (as amended) the press and public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined

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in the paragraphs indicated of Part 1 of Schedule 12A of the Act:-

ITEM NO.	ITEM	PARAGRAPH NO.
20	Civil Claims	1
21	Grievances	1
22	Police Negotiating Board Overtime/Work-Life Balance Scheme	14

32. DISCLOSURE OF PERSONAL INTERESTS

There were no disclosures of personal interests in any of the items on the Agenda.

33. MINUTES

RESOLVED, that the Minutes of the meetings of the Committee held on 13 June and 27 July 2005 be confirmed as a correct record and signed by the Chair.

34. FORCE PERFORMANCE

The Assistant Chief Constable (Operations) presented a report to the Committee. In doing so he highlighted particular items by exception for the attention of Members. In particular he referred to vehicle crime, both theft of vehicles and theft from vehicles, robbery and violent crime, which was still a major concern to the Constabulary.

In considering the position with regard to violent crime Members were reminded that there was a very broad definition of violent crime, from the sort of serious offences members of the public would expect to be include in this category of offences to acts which did not include physical contact. In Cumbria the bulk of crimes categorised as violent crimes fell into the latter category. Members referred to the need for clarity in reporting so that the public understood the position, and it was suggested that it might be appropriate to amend the definition of violent crime to clarify matters. Members noted that a considerable amount of work had been undertaken by the Constabulary to address the issue but felt that it had had little impact. As such they suggested it would be helpful for them in understanding the situation to have an explanation that would enable them to comprehend the true position. The Acting Chief Constable undertook to provide a response for Members.

Members then considered the position with regard to crime recording and the considerable amount of work required by the Constabulary to audit the information gathered.

Members then gave consideration to the figures for robbery, which whilst small were increasing. The Assistant Chief Constable (Operations) advised that given that the numbers were so small it was possible for the Constabulary to examine each robbery in detail and the vast majority were low-level offences such as the

theft of mobile phones. To an extent the Constabulary was the victim of increased reporting of such crimes. Members noted the Assistant Chief Constable's response and suggested that if the figures continued to rise then it would be appropriate for the Committee to receive a report briefing them on the position.

Members then considered the question of resourcing and acknowledged that there were instances where either the level or nature of offences meant that it could be legitimate for the Constabulary not to dedicate resources to that particular area of activity if it meant doing so would divert resources from other key priority areas.

RESOLVED, that the report be noted.

35. ACTIVITY BASED COSTING

The Assistant Chief Constable presented Members with a progress report on the most recent work undertaken by the Programme Management Unit. He advised that a full report would be submitted to the next meeting of the Committee, by which time it would be possible to present an analysis of the results.

The Acting Chief Constable advised that ABC allowed the Constabulary to look at activity outputs and analyse what resources were required to achieve particular outputs. The Constabulary was beginning to look at how it agreed desired outcomes and to allocate resources against those outcomes, rather than merely allocating funding for officers. This was a long-term process. Members, therefore, asked that the report they were to receive at the next meeting should also include information on how ABC would feed into budget development and performance monitoring for the next financial year.

Mr McGahon advised that the Audit Commission would be looking at the work on ABC undertaken by the Constabulary in the current year. He was already aware that the data collection exercise was much improved on the previous year. He also advised that the Government were keen to take forward the use of this information and the Audit Commission would be looking at the ways in which the Constabulary were intending to use the information gained through the ABC data collection exercise.

The Treasurer commented that ABC had been used at a headline level by Home Office/ODPM in modelling options under the new funding proposals recently published for consultation.

RESOLVED, that the report be noted.

36. CRIME RECORDING

The Assistant Chief Constable (Operations) presented a paper, the purpose of which was to update the Committee on progress being made to achieve the Audit Commission recommendations inclusive of the requirement to update the joint Police Authority/Constabulary Crime Reporting and Recording Policy and also to update Members on the external Audit Programme for the Constabulary within the coming year.

The Chair advised that the Authority was also required to complete a self assessment and that the practical approach would be to combine these in a single response. The Chair also advised that the Authority had not yet been formally notified of when the inspection visit would take place.

Mr McGahon advised that it was anticipated that the visit would take place in early October, though this was subject to confirmation.

RESOLVED , that

- (i) the report be noted;
- (ii) the progress made towards a quality crime reporting, recording and investigative process within the Constabulary be noted.

37. FRONT LINE POLICING MEASURE- UPDATE

The Acting Chief Constable advised that details were still awaited from the Home Office and these would be provided to the Committee when available.

RESOLVED , that the position be noted.

38. BEST VALUE IMPLEMENTATION - UPDATE

The Assistant Chief Constable (Operations) presented a report by the Chief Constable which updated the Committee on the implementation of improvement action plans arising from Best Value Reviews. He advised the Committee of recommendations being made by the Best Value Board and asked that the Committee formally sign off both the Health Management and Training Reviews.

RESOLVED , that

- (i) the current status of actions arising out of Best Reviews be noted;
- (ii) the recommendations made by the Best Value Board be approved; and
- (iii) the following reviews be signed off –
 - Health management
 - Training.

39. NORTH CUMBRIA ACTION PLAN - UPDATE

The Assistant Chief Constable (Operations) presented a report by the Chief Constable, the purpose of which was to update Members on action and performance against recommendations in the North Cumbria Action Plan.

The Acting Chief Constable advised Members that the North Cumbria BCU was improving against its own past performance, but was not showing an improvement

as measured against iQuanta comparator BCU's as they were also improving their performance. However Members considered that the projections for North Cumbria did suggest that its performance overall was improving, and they looked forward to a positive report when this matter was reported again at the next meeting of the Committee.

RESOLVED , that the report be noted.

40. BUDGET UPDATE REPORT

The Treasurer presented the first Budget Monitoring Report for 2005/06, which had been prepared jointly with the Chief Constable. It was based on actual spending and commitments for the three months of the financial year plus estimates for the remaining period, but incorporated the decision made at the Special Meeting of the main Authority in August in relation to funding and amending the capital programme and the resulting effect on the revenue budget. It showed, in the agreed style, details of significant variations from the budget. The overall position at the current time was for spending to come inside the approved budget by £0.312 million.

In presenting the report the Treasurer drew to Members attention the fact that both the Police Staff and Police Officer pay settlements had been agreed at 3%, which was the figure which had been provided for in the Budget.

In response to a question concerning increased transport costs as a result of increasing fuel prices the Acting Chief Constable advised that this was a matter of which the Constabulary was aware and the position was being monitored. The Constabulary was always looking to identify areas in which short term savings could be made and long term projections were being monitored.

RESOLVED , that the report be noted.

41. POLICE NEGOTIATING BOARD – OVERTIME/WORKLIFE BALANCE SCHEME.

The Treasurer advised Members that the Constabulary was now in the final year of three over which the Police Negotiating Board (PNB) Scheme to reduce overtime by 15% as part of a life/balance initiative was taking place. The report submitted jointly with the Chief Constable indicated that based on the information currently available, the Constabulary was on course to comfortably meet the target for the financial year and thus meet the overriding reduction required by the Scheme.

RESOLVED , that the report be noted.

42. AUDIT COMMITTEE PRINCIPLES IN LOCAL GOVERNMENT

The Treasurer presented a report which informed the Committee of a position statement issued by CIPFA's Audit Panel reflecting its view on the role of Audit Committees in local government and which emphasised the importance of Audit Committees being established within all Principal Authorities. The statement

properly asserted that Audit Committees were a key component of corporate governance and it recommended that Authorities should be recommended to formally approve a Statement of Purpose similar to that set out in the recommendations contained within the report. If approved by the Authority such a Statement of Purpose would be incorporated as an introduction to the Committee's Terms of Reference.

RESOLVED, that

- (i) the report be received and its contents noted; and
- (ii) the Authority be **RECOMMENDED** to approve and incorporate the following statement of purpose as an introduction to the Committee's Terms of Reference:

“The purpose of the Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Authority's financial and non financial performance to the extent that it affects the Authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process.”

43. CONSTABULARY GOVERNANCE STANDARD

The Acting Chief Constable presented a report which advised the Committee of the Constabulary's adoption of a Governance Standard, to supplement and support the successful implementation of governance arrangements designed by the Police Authority.

The Chair advised that the Police Authority would pick up this matter with regard to its own Governance Standards during its review of the Committee Structure.

RESOLVED, that the Governance Standard adopted by the Constabulary be noted.

44. AUDIT OF USER SATISFACTION DATA

The Assistant Chief Constable (Operations) presented a report by the Chief Constable which informed Members of the quality assurance audit of the Constabulary's User Satisfaction measures carried out in June 2005 by the Home Office Audit and Assurance Unit on behalf of the Police Standards Unit.

The review had concluded that the Constabulary's approach to measuring user satisfaction was well performed and adequately controlled. It identified a number of areas for improvement, relating to resilience in the relevant arrangements and use of the user satisfaction information. The Constabulary had developed an action plan to address these areas for improvement. The action plan and report by the Home Office Audit and Assurance Unit had been circulated with the Agenda.

A Member referred to the need to be clear about the difference between users of Constabulary services and victims, particularly as not all users were victims. It was suggested that it might be appropriate to conduct a further piece of work in this area. The importance of feedback to service users was also emphasised by Members.

RESOLVED , that the report and action plan be noted.

45. AUDIT COMMISSION – SAS 610 REPORT

Mr McGahon advised that the Audit Commission was required to audit the Authority's accounts once they had been agreed by the Authority itself. Before the accounts could be signed off by the Audit Commission it was necessary for the auditor to consider matters arising from the audit of financial statements and whether there were any issues which should be reported to Members, either by letter or a formal report, in their capacity as "those charged with governance".

The review of statements for 2004/05 had recently been conducted and he was able to confirm that there were no significant matters that the auditor wished to raise with Members under SAS610. However, he wished to draw to Members attention that the Audit Commission was still awaiting an appropriate letter from the Authority's valuer in respect of their assessment of the value of the impairment of the Rickergate Property after the storm damage in January 2005. Until that was received it would not be possible to confirm whether the Authority's treatment of the accounts was consistent with the valuer's review and that letter would be required before the signing off of the audit opinion. The formal letter, addressed to the Chair of the Committee, had been circulated with the Agenda.

The District Auditor's conclusion from the financial statements audit as part of the overall audit of the Authority for the year would be reported, as usual, in the Annual Audit Letter.

RESOLVED , that the position be noted.

46. BLOCK 1 REVIEW (MAIN FINANCIAL SYSTEMS)

Mr Usher presented a report of a review conducted with the purpose of assessing the controls in place for Creditor Payments, Debtors, Income, Impressed Accounts, Main Accounting System and Budget Monitoring. The report contained no grade 1 recommendations, and he advised Members that the Management Audit Unit would be conducting further work with BCU's to be reported to the Committee in December.

RESOLVED , that the report be received.

47. TREASURY MANAGEMENT AND PENSIONS

Mr Usher presented a report of the reviews undertaken into Treasury Management Activities and Pension payments as part of the 2004/05 Audit Plan. He advised Members that Treasury Management was reviewed on an annual basis, looking at

the controls in place to ensure income was maximised at the least possible risk to the Constabulary. Testing had been concentrated on adherence to Treasury Management practices.

The calculation and payment of police pensions and lump sums was also reviewed annually as this particular activity presented a significant cost to the Authority.

In conducting the audit no major uncontrolled risks were identified.

Members welcomed the report. They considered some issues raised with regard to the pension element of the audit, to which the Force Director of Finance responded.

RESOLVED, that the report be noted.

48. IT NETWORK CONTROLS - FOLLOW UP REPORT

Mr Usher presented a report of an audit undertaken to review progress on action taken by the Constabulary to address the recommendations from the Audit Review of Network Security and Controls conducted in 2004.

Eight recommendations had been made as a result of the previous Audit Review, five of which were grade 1 recommendations. Generally those items agreed in the action plan to be completed by April 2005 had not yet been completed, though progress was ongoing and the internally set target dates for completion had been revised to October 2005. Of the grade 1 recommendations all were in the process of being actioned, whilst of the three grade 2 recommendations one was in the process of being actioned, but was dependent upon progress with the new HR system, and two were in the process of being actioned as part of the general CJX accreditation with a target completion date of October 2005.

Members expressed some concern at the delay and urged that early completion of these recommendations be achieved.

The Acting Chief Constable advised that she too would be seeking the necessary reassurances about the undertaking of this work and would arrange to report back to the next meeting of the Committee.

RESOLVED, that the report be noted.

PART TWO – ITEM CONSIDERED IN THE ABSENCE OF THE PRESS AND PUBLIC

49. CIVIL CLAIMS

The Acting Chief Constable presented a detailed report which showed the number of active civil claims against the Constabulary, both public and employer liability, and the number of civil claims which had been settled or otherwise completed since the last reports submitted to the Committee in March 2005. The report also

contained, for the first time, additional detail on significant cases highlighted in the report.

RESOLVED, that the report be noted.

50. GRIEVANCES

The Acting Chief Constable presented the grievance statistic report to Members. The report showed the number of grievances lodged in the current year to date and compared this with those lodged in the previous two financial years. The report also provided a breakdown of those submitting grievances by gender, ethnicity, police officers and police staff and listed those grievances which involved alleged discrimination in terms of race and gender.

RESOLVED, that the report be noted.

51. POLICE NEGOTIATING BOARD OVERTIME/WORK LIFE BALANCE SCHEME

The papers circulated were for information only.

The meeting ended at 12.15pm.

Chair:..... Date:.....