

**Minutes of the Audit and Review Sub-Committee**

**Thursday 14<sup>th</sup> November 2011 at 10am**

**Held at the Police Authority Conference Room,  
Police Authority Offices, Llangunnor**

**Present:** Councillor M. Hodges (Chair)  
Councillor D. Neale  
Councillor D. B. Davies  
Councillor D. O. Evans  
Mr M. Lewis  
Mrs L. Pepper  
Mr A. Kenwright

**In Attendance:** Mr A. Bevan – Chief Financial Officer  
Ms D. Jones – Financial Controller  
Mr P. Morris – Head of Corporate Services  
Mrs K. Phillips - Policy Officer  
Mr J. Garcia – Wales Audit Office  
Mr J. Herniman – Wales Audit Office  
Mr R. Manning - Deloitte  
Mr I. Hoskison – Business Change Manager (Item 9 only)  
Mr S. Davis – Force Risk Manager (Item 11 only)  
Supt A Harries – Performance Manager (Item 12 only)

**Observing:** Mrs D Humfryes, MBE – Police Authority Chair

**A22). Apologies for Absence**

Apologies were received from Mr I Howse (Deloitte).

**A23). Declarations of Interest**

There were no declarations of interest.

**A24) To confirm the Minutes of the meeting held on 14<sup>th</sup> November 2011**

Members considered the minutes of the last meeting.

**RESOLVED**

**That the Minutes of the meeting held on 1<sup>st</sup> September be confirmed and signed by the Chair as an accurate record**

**A25). To consider the 14<sup>th</sup> November 2011 meeting Action Log.**

The Committee was advised that the action resolved as part of A17 would be under Agenda Item 13.

**A26). Matters Arising.**

There were no matters arising.

**MATTERS FOR DECISION:**

**A27). To receive the Wales Audit Office Annual Audit Letter.**

Cllr Hodges welcomed the Annual Audit Letter which was considered to be positive. Mr Herniman concurred with Cllr Hodges' sentiments, stating that the report reflected previous comments made. Mr Herniman stated that the recommendations contained within would be addressed as part of the following agenda item.

Mr Herniman summarised the content of the report outlining that the Force and Authority's Risk Management processes and project management such as Operation SAGE had assisted in ensuring that the financial savings required by the Force could be achieved. In terms of the internal systems, Mr Herniman stated that any minor issues would be addressed as part of the work carried out with the internal auditors.

WAO would also be carrying out a Value for Money conclusion and were pleased to report that there were no significant issues. Members were advised the WAO, together with HMIC, would be attending the support and challenge meetings being held in Force to reduce duplication of effort or interviewing the same staff in relation to the same matters.

Mr Kenwright referred to a point detailed within the report relating to the governance framework, outlining that the Standards Committee had asked for a health check to be carried out. Mr Bevan advised the Committee that a governance statement was produced annually and there was a joint Governance Group which included Member and Officer representation from the Authority. Members were assured that comprehensive arrangements were in place to oversee any issues. Mr Morris stated that a matrix was in place and the Force concentrated its efforts on any areas marked as red.

Cllr Hodges queried point 23 detailed within the report, and sought clarity on what the minor areas for improvement were. Mr Herniman advised that all minor issues would be addressed as part of the WAO and Deloitte's internal audit programme. Members were assured that there were no major issues with accounting systems etc that needed to be addressed.

Mr Morris advised the Committee that following attendance at a HMIC regional Liaison officers meeting, confirmation had been received that WAO and HMIC would be working together to reduce duplication. Members were advised that in relation to the valuing the police work, the number of forces that would be inspected would no more than 20 and Mr Morris suggested that in view of the positive reports received previously, it was hoped that Dyfed-Powys would not be required to undergo another inspection. However, should a further inspection be scheduled, Mr Morris asked that WAO and HMIC work together to reduce duplication of effort and minimise adverse impact on staff and officers who contributed to the inspections.

Mr Bevan supported Mr Morris's comments and suggested that HMIC should dovetail in with the work programme of the WAO. Mr Herniman assured the Committee that efforts would be made to ensure a joined up approach would be taken wherever possible.

**RESOLVED**

**That the report be noted.**

**A28). To receive the Wales Audit Office Financial Statements Audit.**

Mr Garcia advised the Committee that the report submitted was the final version as all changes had been incorporated.

Mr Garcia summarised the content of the report and referred Members to the page of the document outlining that the minor issues referred to in the earlier report presented by Mr Herniman. The Committee was assured that had there have been any major issues, it would be included in the annual audit letter. Overall conclusions outlined that Dyfed-Powys Police Authority has sound arrangement within its internal control environment and financial systems, although there is scope for improvement in some areas.

Mr Garcia suggested that this was a positive statement and this was supported but a variety of positive outcomes detailed within the report. Members were informed that the recommendations were merely areas for improvements and were not major matters requiring urgent attention. Mr Garcia summarised the recommendations within the report and outlined that the Force had taken cognisance of the information. Measures had been put in place to mitigate some of the risks highlighted such as Recommendation 4 which stipulated that quality checks should be introduced to ensure that depreciation calculations and source formulae are accurate. Members were advised that this recommendation resulted from an inaccuracy in formulae and was reported on within the ISA 260 report. Members were assured that the Force had put measures in place to ensure that such inaccuracies would not be repeated in the future.

Cllr Hodges thanked the Officers who had contributed to the positive outcomes of the report. Cllr Hodges queried Recommendation 1 which referred to regular review and testing of disaster recovery facilities. Mr Garcia advised that the recommendation resulted from work carried out with IT Auditors. Mr Garcia suggested that more could be done in relation to testing the infrastructure procedures and business continuity. Mr Bevan agreed with the Recommendation and stated that plans were in place in terms of business continuity for staffing however, improvements could be made in terms of testing facilities. Mr Bevan advised Members that a plan was in place and it would be progressed.

**RESOLVED**

**That the report be noted.**

**MATTERS FOR SCRUTINY:**

**A29). To consider the reports of the Deloitte internal auditor to include:**

- a) *Current year progress report***
- b) *Management of Police Information***

Mr Manning presented the Committee with the first report which detailed an update of progress made to date by the Internal Auditors. Mr Manning advised Members that one report had been finalised in relation to the Management of Police Information and a further report was in draft format which referred to Freedom of Information.

Members were referred to the Assurance Levels and Summary of Findings of the MOPI internal audit. Mr Manning advised that Limited assurance had been given and further information was detailed in the supporting full report. Members were advised that Deloitte were on track to complete all reviews within the timescales set.

Mr Manning referred Members to the full report in relation to the internal audit of MOPI outlining that it should be noted that an action plan was in place to address the recommendations.

Mr Bevan advised the Committee that the whole programme of work relating to MOPI had many segments. Compliance had to be demonstrated with MOPI to access the Police National Database. Dyfed-Powys Police was the first Force in Wales to receive accreditation enabling to access PND. The three outstanding elements were in relation to Review, Retention and Destruction of Information. Mr Bevan explained that this referred to both structured and unstructured information. The Committee was advised that staffing and resource shortages were attributable to the non-compliance, however, this would be addressed once a full complement was in place.

Cllr Hodges queried the Recommendation relating to the approval of the Records Management Policy. Mr Manning advised that it was accepted that a Policy was in Draft but it had not been approved and disseminated to staff. Mr Bevan assured the Committee that the Policy would be approved and disseminated by the end of the year.

Cllr Hodges queried the recommendation relating to “systems logical access security” and was advised that basic IT controls and access to various systems was not managed as appropriately as it should be. Mr Manning informed Members that management had agreed to address the matter and it would be resolved by March 2012. Mr Bevan outlined that the delay was attributed to the roll out of smart card access to computers as well as the roll out of mobile data. Mr Hoskison stated that the Integrated Access Management project had encountered some technical difficulties and once resolved, it would enable the recommendations to be addressed in due course. It was agreed that an update should be provided to the Sub-Committee next year.

## **RESOLVED**

**That an update in relation to the control of systems access be provided to the next Sub-Committee meeting.**

### **A30). To consider a draft report of a review carried out in relation to Professionalising Customer Services.**

Mr Hoskison advised the Committee that all recommendations arising from the Professionalising Customer Services (PCS) project were being dealt with as part of the Contact Management Review. Members were informed that a comprehensive paper would be submitted to the Chief Officer Group in mid-December for consideration.

Mr Hoskison explained the rationale behind PCS outlining that in 2008, when the PCS project was initiated, the Policing environment was quite different to that of today's demands. Members were reminded of the Policing Pledge and the National Quality of Service Commitments which has since been replaced with the Home Secretary's single target of reducing crime and anti-social behaviour. Additionally the Comprehensive Spending Review had also greatly impacted on how policing services should be delivered.

The Committee was informed that PCS had significantly changed service delivery to the public. Customers Service Units were established to manage low level calls and provide a first contact service to the public to help increase public confidence. The Contact Management review would be required to research all benefits, costs and assess what aspects of the project still deliver value for money in the current climate.

Cllr Hodges queried how the figure of £27 per Officer had been reached and was advised that a financial calculation had been used which took account of pension and on costs.

Mr Hoskison advised Members that services delivered as part of the PCS project, would be delivered through the territorial policing umbrella once reviewed as part of the Contact Management Programme.

Cllr Hodges suggested that the report would have benefitted from detail relating to the disadvantages and failings of PCS. Mr Hoskison advised that it had focussed on benefits as the failings would be identified as part of the review.

Mrs Humfryes outlined that the Police Authority had received a number of presentations to convey the proposed advantages of implementing PCS as it would cost a considerable sum to do so. The Committee was reminded that Members scrutinised the information presented and questioned value for money and associated costs. The answers provided persuaded Members that the PCS would deliver significant benefits in line with the priorities for policing services. Mrs Humfryes stated the report supported the fact that Members were right to question the Force to the degree it did.

Mr Bevan suggested that the Authority should scrutinise the report detailing the review findings to satisfy itself of the outcomes. It was agreed that an update should be provided to the next Sub-Committee meeting.

#### **RESOLVED**

**That an update in relation to the review of PCS be provided to the next Sub-Committee meeting.**

#### **A31). To consider the report of the Chief Executive on the Authority's Risk Register.**

Mrs Phillips presented the Authority's Risk Register and the Joint Transition Board Risk Register for Members' consideration. Mrs Phillips advised the Committee that the Authority's Risk Register had been updated since the last Sub-Committee meeting. The updated position had been endorsed within Risk Register and Members were advised that there were two points of particular note. The first was that a risk in relation to royal assent being given to the Police Reform and Social Responsibility Bill had been removed as it had since become legislation. Members were also advised that a risk in relation to the Transition Risk Register had been included.

Mr Bevan stated that risk number 8 which referred to the joint transition risk register should be higher as merely placing it within the register did not mitigate the risks associated. Mrs Humfryes agreed with Mr Bevan's comments and stated that the amendments should be made accordingly.

#### **RESOLVED**

**That the Authority's Risk Register be amended in light of the comments made.**

#### **A32). To consider an update in relation to business continuity.**

Mr Davis summarised the content of the report highlighting that there were 3 key themes that had been dealt with during the period, namely Risk Management, Business Continuity Management and Insurance.

In relation to Risk Management, Members were advised that the Force Risk Advisor was in regular contact with the Operation SAGE Programme Manager to ensure linkage

between the respective risk registers. Members were informed that a risk register had also been developed to support the joint Authority and Force Transition Board.

Mr Davis informed the Committee that the Authority's insurances had been renewed under the existing insurers on 1st September 2011. Members were advised that prior to the renewal, the brokers had met with Ch Supt Hughson who provided a presentation on the new Force structure and Operation SAGE. This had enabled a firmer understanding of how the Force was responding to budget cuts thereby ensuring that appropriate premiums were set.

The Committee was informed that preparations and contingency plans were underway to ensure that the Force could appropriately manage the planned industrial action on 30th November. Members were advised that preparations had been considered strategically and operationally and assurance was given that measures were in place to deal with the abstraction of civilian staff due to industrial action.

Cllr Hodges queried whether the numbers of staff who intended to strike were known and was advised that Unison Members were not required to make their intentions known. However, Unison had provided number so members and as such, preparations had been made with that information in mind.

Mrs Humfryes queried whether training had been provided to ensuring emergency and non-emergency calls could be dealt with appropriately and was advised that this had been carried out. Officers on restricted duties had been trained and two shifts would be implemented to cover the 24 hour period of industrial action.

Mr Lewis queried whether the desktop exercise undertaken had revealed any issues that should be addressed prior to 30th November. Mr Davis informed members that all issues raised had been addressed enabling lessons to be learned from in advance.

## **RESOLVED**

**That the update be noted.**

## **MATTERS FOR INFORMATION:**

### **A33). To receive a verbal briefing in relation to mobile data.**

Supt A Harries provided Members with an update as regards to the roll out of mobile data. The Committee was advised that there were four elements to mobile data, all of which sought to help reduce the time spent by Officers commuting back and fore to stations to complete supporting paperwork. The elements were identified as: mobile identification; roads policing which included ANPR and in car video recording; beat vehicles which contained in car computers known as "tough books"; and blackberry's issued to Senior Officers with consideration being given to wider rollout. Mobile data relied on 3G network coverage and should the network be unobtainable, the data terminals would temporarily enter into stand by mode.

Supt Harries outlined the benefits of all forms of mobile data and highlighted in particular that they would help to increase visibility of Officers and support the delivery of a more professional policing service. The rollout of mobile data meant that Officers had fewer reasons to return to Police Stations as most follow up work could be carried out remotely. As such, mobile data had enabled Officers to work smarter.

Members were advised of the operational, customer and business benefits of utilising various forms of mobile data. The Committee was informed that only those with access to

force systems could utilise mobile data equipment and as such, the risk of security breaches was minimal.

The Committee was advised of the supervisory strategy that applied to oversight of Officer's use of mobile data and Members were informed that foot patrol and visibility remained a priority in Dyfed-Powys, which was enabled and supported by the rollout of mobile data.

Cllr Neale sought assurance that Officers must be stationary in Force vehicles before utilising the "tough books" and was advised that access to mobile data would only be permitted if the vehicle was parked.

Cllr Hodges queried whether the Force had adequate finance available to support further rollout of mobile data. Mr Bevan advised the Committee that the NPIA had provided funding in support of the initiative, however sustainability may pose a challenge for the Force in the future.

The Committee was informed that 77 mobile data terminals for police vehicles had been rolled out so far, and a further 50 were due to be rolled out shortly.

Cllr Hodges suggested that mobile data should assist improve public confidence if police officer visibility increased. Supt Harries outlined that this was a clear benefit of mobile data. Members were advised that most police checks could be carried out at the scene through the use of mobile data however, statements would still be required to be taken at police stations. The Committee was informed that this was an issue that was being considered nationally.

## **RESOLVED**

**That the update be noted.**

### **A34). To receive a verbal update on the draft Financial Management Code of Practice, incorporating changes required by the Police Reform and Social Responsibility Act.**

Mr Bevan advised Members that Version 5 of the Financial Management Code of Practice had been recently issued together with a consolidated list of financial concerns with regards to the implications of the Act.

Members were informed that the main concerns were that there will be two corporations sole, both of whom would be required to produce their own set of accounts and group accounts, resulting in the production of three sets of accounts. Both bodies would be subject to internal and external audit and required to appoint an Audit Committee which could be shared, a function that would be entirely separate and distinct from the Police and Crime Panel. Members were advised that the budget for the Audit Committee may be the responsibility of each Corporation Sole. Finally the Committee was advised that each Corporate Sole would be required to register separately for Tax and VAT.

Mr Bevan advised the Sub-Committee that there was some considerable debate on-going nationally as to whether the Chief Constable could be a Section 33 body however such an arrangement could be counter to European Legislation which would result in the Chief Constable being unable to claim back VAT. The Force's VATable expenditure is approximately £4million and as such, the implications were considerable.

Mr Bevan advised the Committee of other concerns held which included the two stage transfer of staff that would have considerable implications for the Force in terms of payment of pension liabilities equating to £213million.

Mrs Humphries stated the salaries of PCCs had been published. Members were advised that the recommendation of the salary body was that the Dyfed-Powys PCC salary would be £65,000.

Mr Bevan advised Members that post April 2012, merger accounting would be carried out which will result in the production of only one sets of accounts. Mr Herriman stated that the issue with merger accounting was that the discontinuing organisation would be required to produce its own set of accounts. In order to overcome these difficulties, suggestions had been made nationally that the accounting regulations should be amended.

Mr Bevan advised Members that a report would be submitted to the Authority when finalised in January. The Sub-Committee was assured that further updates would be provided when available.

## **RESOLVED**

**That the update be noted.**

### **A35). To receive the Force reports of:**

- a) *Quarter 2 Audit findings of the NSIR ASB Target Audit***
- b) *NSIR Public Safety Welfare & Transport Incidents Target Audit.***
- c) *Qtr 2 NCRS report audit findings***

Mr Morris advised Members that Crime and Incident Data Compliance reports would be submitted quarterly to the Audit Sub-Committee as well as Planning, Performance and Scrutiny Committee.

Mr Morris summarised the content of the report outlining that compliance with NSIR had proved to be a challenge due to the arrangements that were in place for incident closure. Members were advised that the Crime Recording Bureau dealt with the closure of incident logs for three Counties, however closure of Carmarthenshire incident logs was the responsibility of the Divisional Sergeants. The Sub-Committee was informed that approval of a business case which would result in additional capacity within the CRB from January 2012 therefore, ensuring closure of incident logs centrally resulting in increased compliance.

Cllr Hodges queried the decrease in compliance in Ceredigion during the period and was advised that the percentages presented were based on small sample figures.

Mr Morris referred Members to the Public Safety and Welfare audit explaining that the purpose of the audit and the related outcomes. Members were informed that the results had proved positive and that there were very few incidents that had resulted in a crime not being recorded appropriately.

Cllr Hodges queried the lower compliance in Powys and was advised again that the sample was based on small numbers.

Mr Morris presented the National Crime Recording Standards Compliance report noting that the Force had achieved 96% compliance, which was considered to be a very positive result.

Mr Morris advised Members that the HMIC review of crime and incident data had been quite an intensive process consisting of four parts which were pre-document submission, data

quality checks, focus groups/ interviews and reality testing. The Sub-Committee was advised that Mr Kenwright had represented the Authority as Lead for Data Quality.

Members were advised that the report had noted many positives in terms of commitment and professionalism of staff and systemic issues, however, reference had been made to a perceived 40% detection rate target. The Sub-Committee was advised that no such target had been set for a number of years however; a number of people had mentioned it and as such it need to be addressed. Additionally, HMIC had recommended that the process to identify vulnerable and repeat victims could be improved. Mr Morris assured Members that the Force had put measures in place to address these issues and an evaluation would be carried out subsequently.

Mr Kenwright stated that he was pleased that the CRB would become responsible for the closure of all incident and crime logs but queried whether the Sergeants who had responsibility for the role previously, had been relocated. Mr Morris advised that they had been redeployed appropriately.

## **RESOLVED**

**That the audit reports be noted.**

**A36). Member's reports.**

There were no Member's reports.

**A37). Race and Diversity issues.**

There were no race and diversity issues

**A38). Any other business the Chair considers urgent.**

There was no other business the Chair considered urgent.

**Meeting ended at 12:08pm**

## Table of actions

Agenda Item	Action required	Responsibility	Target date for completion
A29	<b>That an update in relation to the control of systems access be provided to the next Sub-Committee meeting.</b>	IS&T	Next Sub-Committee meeting
A30	<b>That an update in relation to the review of PCS be provided to the next Sub-Committee meeting.</b>	Op SAGE	Next Sub-Committee meeting
A31	<b>That the Authority's Risk Register be amended in light of the comments made.</b>	C Godden	Next Sub-Committee meeting