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**NORTH YORKSHIRE POLICE AND CRIME COMMISSIONER AND NORTH YORKSHIRE POLICE  
JOINT INDEPENDENT AUDIT COMMITTEE**

Minutes of the meeting held at Headquarters North Yorkshire Police, Newby Wiske Hall DL7 9HA at 1pm on Monday 21 September 2015.

**PRESENT:-**

In the Chair: David Portlock (DP)

Members: Howard Cutler (HC)

Officers: Temporary Assistant Chief Constable Ken McIntosh (KM); Commissioner's Chief Executive Officer Joanna Carter (JC); Chief Constable's Chief Finance Officer and Chief Accountant Jane Palmer (JP); Risk and Assurance Manager Donald Stone (DS); Commissioner's Chief Finance Officer Michael Porter (MP); External Audit Engagement Lead and Director (Mazars) Cameron Waddell (CW); External Audit Engagement Senior Manager (Mazars) Gareth Roberts (GR); Head of Internal Audit Neil Rickwood (NR); Representatives of new Internal Auditors (Baker Tilly) Lindsay Straughton (LS), Angela Ward (AW)

Minute taker: Commissioner's Administration and Volunteer Officer Chris Tapster (CT)

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185. **Introductions and Apologies**

Apologies had been received from Chief Constable Dave Jones, Deputy Chief Constable Tim Madgwick, Police and Crime Commissioner Julia Mulligan and Steven Hawksworth (member of Audit Committee). Chief Constable Dave Jones was represented by Temporary Assistant Chief Constable Ken McIntosh.

The Chair welcomed Lindsay Straughton and Angela Ward from Baker Tilly, who are the new internal auditors with effect from 01 October 2015.

186. **Declarations of Interest**

There is a personal conflict of interest following the appointment of Baker Tilly as the new internal auditors. The Chair's wife is an Associate Director with Baker Tilly in its Leeds office. The Statutory Officers of both the Commissioner and Chief Constable have sought clarification from Baker Tilly on the nature and extent of the conflict. Having regard to the information provided by Baker Tilly and after discussion, members concluded that DP's personal interest was not one that would restrict the role of either the JIAC or DP's role as Chair of the JIAC and therefore DP could continue as the Chair of the JIAC. The Monitoring Officer indicated that she agreed with this decision.

**It was further agreed that:** All future JIAC agendas will include *Declarations of Interest* as a standing item.

187. **Minutes of the meeting held on 15 June 2015**

JC requested that:

- **Minute 167 Action 5** should include reference to the fact that HMIC's visits related to the PEEL inspections;
- **Minute 172** should mention that the three audits receiving the highest level of assurance were *Cash Advances, Commissioning and Risk Management*;
- **Minute 173** should mention that the four reports awaiting finalisation were *Follow Up Audit, Second Six Months, Organisational Fraud Risk Assessment, and Victim Care and the Appropriate Use of Places of Safety*. The finalisation of these reports will mark the completion of the 2014/15 audit plan;
- **Minute 176 refers** to York and Scarborough as centres of excellence. This is in the context of dealing with Anti-Social Behaviour and was a comment made by the Commissioner.

The minutes have been amended and approved for publication.

188. **Matters Arising**

The following updates were provided:

**Action 1) from the meeting held on 15 June 2015** – A report will be discussed later in this meeting at item 10 on the agenda.

**Action 2) from meeting held on 15 June 2015** – A report will be discussed later in this meeting at item 12 on the agenda.

**Action 3) from the meeting held on 15 June 2015** – Until the situation regarding the Chair's personal conflict of interest had been resolved it had not been possible to progress this action. Following the satisfactory conclusion of the matter (see Minute 186 above) this action can now be progressed. At MP's suggestion it was agreed that these two reports be brought to the March 2016 meeting in order to include a review of the year ending March 2016.

**Action 1) from the meeting held on 16 December 2014:** the Home Office review of the complaints procedures is still awaited and it is not known when it will be available.

**Action 4 from the meeting on 08 August 2014:** MP confirmed that the procurement process had been completed and this has resulted in Baker Tilly being appointed as Internal Auditors with effect from 01 October 2015 for a period of 30 months.

189. **Confidential items**

It was agreed that Item 12 on the agenda should be treated as confidential, and that any confidential information be excluded from the minutes to be made available for public inspection on the grounds that it will involve, or discussion of it will involve, the likely disclosure of exempt information.

190. **Statement of Accounts 2014/15**

MP commented that the issue of pension commutation payments for retired Police and Fire Service personnel had been raised by the Government at a very late stage in the External Audit timetable. The issue is complex and still unresolved. It needs to be finalised in the very near future because of the statutory deadline of 30 September for producing audited accounts. Whilst the accounts cannot yet be signed off, the two CFOs and Mazars expressed confidence that the statutory deadline would be met. JP observed that because of the pension commutation issue the balance sheets for the previous year will need to be adjusted. She expressed disappointment that this would be necessary in view of the extra work required. MP stated that because of accounting requirements much time and effort are expended in producing the accounts. They are complex documents, and a way ought to be devised to make them simpler and easier for members of the public to understand.

191. **Annual Governance Statement 2014/15**

DS provided a summary of progress in the five key areas for development identified in the Annual Governance Statement for 2014/15. JP reminded the meeting that the Annual Governance Statement needs to be signed and dated at the same time as the Statement of Accounts. It was confirmed that the Chief Constable and the Commissioner have approved the Annual Governance Statement for 2014/15.

192. **External Audit Annual Completion Reports**

CW presented Mazars Audit Completion Reports for the Commissioner and the Chief Constable. He is still awaiting the assurance letters from Deloitte in respect of the Pension Fund. There is also the need to amend the Statement of Accounts in respect of the pension commutation payments referred to in Minute 190 above. There were no other matters or concerns in relation to the External Audits to raise with the Committee.

CW drew attention to additional costs incurred by Mazars because of the need to seek legal advice as a consequence of a member of the public's request for information. JC remarked that a Court of Appeal judgement in July stated that members of the public are within their rights to take such action and this has set a precedent.

The Audit Completion Reports concluded that both the Chief Constable and Commissioner have suitable arrangements in place for securing economy, efficiency and effectiveness.

MP recorded his appreciation for the professionalism and support from the Mazars audit team, especially on the pension commutation issue. CW commented that Mazars could have signed off the report earlier if they had not had to deal with this issue. JP advised that most time is spent awaiting reports from third parties rather than producing the accounts themselves.

The Chair asked that the Committee's appreciation of the work which had gone into producing the Statements of Account be recorded and passed on to the Finance Team.

**The Reports were noted.**

193. **Internal Audit Progress Report**

This report covered the six-month period up to the end of September 2015. NR will attend the JIAC meeting in December to present the outstanding reports which are currently being finalised. In response to a question as to why Faye Simmons (auditor) has a North Yorkshire Police email address rather than a West Yorkshire Police email address NR advised that this was for ease of communication. This link will be discontinued and all passes returned in due course.

Two audit reports were tabled – **Victim Support** which was judged to offer good victim care with opportunities to improve compliance with the Code – and **Fraud Risk Assessment** which stated that the Commissioner and the Chief Constable had acted pro-actively and had sanctioned Internal Audit to assess their fraud risks. A number of recommendations were put forward, progress on which will be reported at future meetings.

Discussion ensued about the production and review of reports and the Chair expressed the wish that in future it would be possible to reduce the time taken between producing drafts and final versions of reports.

**All reports were noted.**

194. **Annual Review of Effectiveness of Internal Audit**

This report provided information with which the JIAC could review the effectiveness of the Internal Audit team. The outcome of the review was that the assurance level for the effectiveness of Internal Audit had improved since 2013/14; the current rating being *Reasonable Assurance*. Given the appointment of new Internal Auditors, the Chair felt there was little to be gained in spending a long time on discussing this report.

It was clarified that the “other providers” referred in the text were “partners” of North Yorkshire Police with whom there is collaborative working on operational issues.

A series of meetings is pending with the new Internal Auditors.

**The report was noted**

195. **Corporate Performance Report**

The Chair reminded everyone that this report was provided for the Committee to note. KM gave a summary of the national picture of crime rates. Although the crime rate has increased, North Yorkshire remains the safest area of England and the increase in North Yorkshire is no higher than elsewhere in the country. The increase in the number of offences involving violence, rape and child sexual exploitation is due to improved responses and reporting. Shoplifting offences have also increased, although nationally, crime is becoming more “personal” rather than “acquisitive”, and more online crime is occurring. Anti-Social Behaviour in North Yorkshire has decreased. HMIC has confirmed that NYP performs well. The THRIVE triage system provides a good service, and the Chief Constable and Commissioner aim to provide a bespoke service to victims of crime. Some rural crimes remain unreported because individuals have no confidence in NYP. However, NYP has good links with the community and its partners. JC commented that any misunderstandings take time to remedy

and reassurance to the public is important. Some residents of North Yorkshire feel a sense of isolation and vulnerability. In the future, services will need to be delivered differently as financial efficiencies will need to be achieved. Referring to the potential reduction in numbers of police officers, KM informed the Committee that retirement was an element of the planning for this, but he stressed that recruitment now has a focus on attracting experienced officers.

The Chief Constable and Commissioner continue to monitor the position.

**The Report was noted**

196. **Strategic Risk Report – Confidential Report**

The report was discussed at the meeting. The Joint Corporate Risk Group will evaluate all recommendations from HMIC inspections, the PEEL inspections and the Internal Auditors in order to assess priorities. KM explained that monthly reports compare performance achieved against the priorities. KM also explained some of the terminology in the appendices to the report.

**The Report was noted.**

197. **Commissioner's Decisions**

The meeting was referred to the link in the agenda for details of the Commissioner's recent decisions.

198. **Commissioner's and Chief Constable's items**

- KM stated that NYP is subject to annual PEEL inspections by HMIC. These inspections assess the Force in terms of Efficiency, Effectiveness and Legitimacy. The final reports are expected in February 2016. Possible HMIC judgements are *Outstanding, Good, Requires Improvement, or Inadequate* and include an evaluation of leadership;
- Pending confirmation of future funding (expected by the end of 2015), NYP has developed contingency workforce scenarios for the period to 2019/20.
- Plans for potential collaboration between NYP and other forces have been prepared. KM referred to specific possible agreements which will lead to improvements in performance in some areas. JC stated that reports are awaited on various aspects of collaboration. These will reflect forthcoming reductions in funding and strategic issues;
- There is uncertainty about the impact of the Devolution Bill.

199. **Confirmation of date of next meeting:**

Monday 14 December 2015 at 1pm, in Conference Room One, Police Headquarters.

200. **Dates of 2016 meetings:**

All 2016 meetings to take place at 1pm in Conference Room One, Police Headquarters:

- Tuesday 15 March 2016
- Tuesday 14 June 2016
- Tuesday 20 September 2016
- Tuesday 13 December 2016

201. **Any other urgent business**

There were no items for discussion.

The meeting closed at 1500 hrs.