

SUSSEX POLICE AUTHORITY

CORPORATE GOVERNANCE COMMITTEE

Minutes of the Corporate Governance Committee held on 19 November 2009, at County Hall, Lewes.

Present:

Mr A Price, JP (Chairman), Mr L Barnard (Vice-Chairman), Prof G Bull, Mr P Evans, Mrs S Knight, Mrs C Shaves OBE JP, Mr A Smith and Mr S Waight.

In Attendance:

Mr M Baker, Director of Finance, Sussex Police
Mr J Eagles, Deputy Treasurer, Sussex Police Authority
Mr G Jones, Chief Internal Auditor, Sussex Police Authority
Mrs D Hill, Policy Officer, Sussex Police Authority
Mrs L Manley, Risk Manager, Sussex Police
Mr M Rowe, Head of Finance, Sussex Police
Mrs H Thompson, District Auditor, Audit Commission
Mr R Webb, Financial Accountant, Sussex Police
Mr P Welch, Deputy Chief Executive, Sussex Police Authority

Also in attendance were Mrs C Swan MBE and Mr V Kempner, Chairman and Vice-Chairman respectively of the Standards Committee.

DISCLOSURE OF PERSONAL INTEREST

27. No disclosures of personal interest were made.

MINUTES

28. It was reported that an initial meeting/training session for the small member group (minute 23.1 refers) would be arranged for early 2010 and that it would give consideration to the Draft Management Strategy.

29. **Resolved** – that the minutes of the last meeting of the Committee held on 24 September 2009 be confirmed and signed by the Chairman.

REPORTS

30. Copies of the reports referred to in the minutes below are included in the Minute Book.

FORWARD WORK PROGRAMME

31. The Committee received a report which set out the provisional Forward Work Programme.
32. It was noted that the programme may need to be amended during the year to allow for developments in particular business areas to be incorporated.
33. **Resolved** – that the provisional Forward Work Programme be approved.

ANNUAL AUDIT LETTER

34. The Committee received the Annual Audit Letter which summarised the findings from the 2008-09 audit.
35. The District Auditor had issued an unqualified audit opinion on the Authority's financial statements and the audit findings had been discussed at the previous meeting of the Committee on 24 September 2009. The Authority's financial statements were of a good standard and had been supported by high quality working papers. The District Auditor had also issued an unqualified value for money assessment which stated that the Authority had adequate arrangements to secure economy, efficiency and effectiveness of resources. The Authority had achieved a successful level three score across all areas of the Use of Resources assessment. The Committee pointed out that the successful outcome of the audit should be reflected by the Audit Commission in the future assessment of audit requirements and fee levels.
36. The Committee thanked the District Auditor and her team of officers for their work on the audit.
37. **Resolved** – that the Annual Audit Letter be received by the Authority and noted.

INTERNAL AUDIT WORK – PROGRESS 2009-10

38. The Committee received the Internal Audit Progress Report which detailed progress against the 2009-10 audit plan as at the end of October 2009.
39. The Committee expressed concern that the audit of electronic data handling had concluded that only limited assurance could be given on the effectiveness of the control environment. The audit included a review of the ownership of datasets, arrangements for handling all types of removable media, secure transportation of back-up media and security arrangements for laptops and Personal Digital Assistants (PDAs). A number of good security controls and policies were reported with some issues identified which needed to be addressed.
40. It was reported that a seminar would be arranged for members of the Committee to examine the principles adopted in formulating the internal audit programme, and the key elements of audit practice. It is anticipated

that this will take place prior to the meeting of the Committee on 25 March 2010.

41. **Resolved** – that

- (1) the arrangements for the member seminar to examine the principles adopted in formulating the internal audit programme, and the key elements of audit practice be arranged by the Treasurer;
- (2) a follow-up report on electronic data handling be presented to the next meeting of the Committee; and
- (3) the report be received and noted.

Post meeting note: the member training seminar will take place at 10am on 25 March prior to the Committee meeting.

CONTINUOUS IMPROVEMENT GROUP (INSPECTIONS WORKING GROUP)

42. The Committee received an oral update from the Deputy Chief Executive on the work on the Inspection Working Group. It was reported that substantial benefits and improvements had already been realised from the work of the Continuous Improvement Group. The Group had reviewed the processes and procedures within the Authority and would continue to promote quality service within the organisation.
43. The Chief Executive, and the Committee, expressed thanks to the Chief Constable for the allocation of Chief Inspector Lawrence Hobbs who was supporting the Authority in the self-assessment process.
44. It was reported that the Police Authority would be inspected during the next tranche of inspections during March 2010 and a timetable for the inspection would be circulated in due course.
45. **Resolved** - That the oral report be noted.

RISK MANAGEMENT ANNUAL REPORT

46. The Committee received the Risk Management Annual Report which provided an overview of activities that had taken place over the past year in the development and implementation of risk management in the Authority and the Force.
47. It was proposed that risk management be a standing item on the agenda for the Committee and that the scrutiny committees be requested to monitor risk within their business areas. The risks identified as corporate risks would be included in the report to the Corporate Governance Committee and, where appropriate, details of risks would be considered in closed session.

48. It was reported that risk had been identified as one of the fundamental pillars of the Authority's overall responsibility for monitoring the effectiveness and efficiency of Sussex Police. A seminar would be organised for members which would focus on the identifying and recording of risk. The Authority's policy on risk management would also be developed as part of its Business Plan.

49. **Resolved** – that

- (1) the details for the proposed future seminar on risk management be noted;
- (2) the review of identified risks to be presented to the next and subsequent meetings of the Committee be approved;
- (3) future scrutiny committees be asked to include 'areas of risk' as a standing item on all future agendas;
- (4) the arrangements for enhancing the Authority's ability to identify risk as set out above be approved; and
- (5) the report be received and noted.

PREPARATION FOR THE ANNUAL GOVERNANCE STATEMENT 2009-10

50. The Committee received a report which detailed the work carried out to verify the Annual Governance Statement in the 2008-09 Annual Report.

51. It was reported that the Authority had a requirement to include an Annual Governance Statement (AGS) as part of the Statement of Accounts each year. Those carrying out the verification process had perceived that there were areas in which improvements and efficiencies could be made to the process. In addition, a Code of Corporate Governance document needed to be considered and adopted by the Authority. It was agreed that consideration should also be given to the actions that could be taken to enhance the Committee's involvement in the process.

52. **Resolved** – that

- (1) the establishment of an Annual Governance Statement Working Group (AGSWG) involving officers of the Treasurer's Department, the Authority and the Force be approved; and
- (2) the AGSWG be asked to take forward work to define a Code of Corporate Governance for the Authority based on that in Appendix A in the report, and oversee the process for developing the Annual Governance Statement.

INTERNATIONAL FINANCIAL REPORTING STANDARDS – PROGRESS REPORT

53. The Committee received a report which detailed progress towards full implementation of International Financial Reporting Standards (IFRS) by financial year 2010-2011.
54. It was reported that the move towards IFRS was obligatory and aimed to standardise accounts across international boundaries.
55. **Resolved** – that
 - (1) a further progress report be presented to the next meeting of the Committee; and
 - (2) the progress towards implementing the new IFRS requirement be supported.

ANY OTHER BUSINESS

56. The Committee were very pleased to welcome the Chairman and Vice-Chairman of the Standards Committee (Mrs C Swan and Mr V Kempner) to the meeting, who gave an overview of their roles within the Standards Committee and welcomed the opportunity of contributing to the consideration of the Annual Governance Statement.
57. The Committee highlighted the importance of ensuring that the work of the Standards Committee and the Corporate Governance Committee were co-ordinated to achieve the highest quality of standards within the work of the Authority.
58. **Resolved** - That the Corporate Governance Committee and the Standards Committee continue to work together to provide the highest standards within the Authority.

ALAN PRICE

Chairman