

SCRUTINY & AUDIT COMMITTEE

**MINUTES OF THE MEETING HELD IN THE NPA MEETING ROOM, BUILDING 8,
JUBILEE HOUSE, WYMONDHAM, NORFOLK ON
THURSDAY 11 NOVEMBER 2010 AT 10.00 A.M.**

Present:

Mr R Chapman
Mr P Hardy
Mr H Humphrey – Chairman
Mrs V Jenkins
Ms J McKibben
Mr P Wells

In Attendance:

Mr S Bailey	Deputy Chief Constable, Norfolk Constabulary
Mr P Best	Senior Analyst, Norfolk Constabulary
Mr R Birtles	Assistant Chief Officer (Resources), Norfolk Constabulary
Miss S Bryant	Independent Custody Visiting Scheme Administrator / Research Officer, Norfolk Police Authority
Miss M Buttery	VFM Accountant, Norfolk Constabulary
Mr N Harris	Audit Commission
Mr C Hewitt	Audit Commission
Mr M Hill	Assistant Chief Executive, Norfolk Police Authority
Mrs D Dring	Committee Administrator, Norfolk Police Authority
Mr R Jackman	Business Performance Manager, Norfolk Constabulary
Miss R Mason	Business Analyst, Norfolk Constabulary
Mr S Mellor	Director of Financial Services and Accountancy, Norfolk Constabulary
Ms A Parry	Client Manager, Norfolk Audit Services
Mrs L Savory	Head of Accountancy Services, Norfolk Constabulary
Mr R Summers	Treasurer, Norfolk Police Authority
Miss K Turner	Deputy Crime & Incident Registrar, Norfolk Constabulary

1. **Apologies for absence**

Apologies were received from Mr B Hannah and Mr B Iles

2. **Declarations of Interest**

There were none.

3. **Minutes of the meeting held on 14 September 2010**

The minutes of the meeting held on 14 September 2010 were agreed as a correct record and signed by the Chairman.

4. **Matters of Urgent Business**

None

5. Norfolk Police Authority Corporate Business Plan for 2010/11 Progress Report

The ICV scheme Administrator/Research Officer presented the progress report. Members were apprised of the updated objectives set out in the action plan and their attention was drawn to the;

- Repeat of the Cultural Survey. As Constabulary were assessing their financial position through a 'Challenge Programme' and reviewing the 'Norfolk Policing Model', it was considered an appropriate time to carry out a further cultural survey, which would not be completed until February 2011.
- Improvement of the NPA Environmental Scanning process. Although initial work had been carried out, workloads had effected the completion and the timescale for delivery would be extended to February 2011.
- To share the Norfolk Constabulary Strategic Assessment 'living' document with the Authority as a whole. Although Members were provided with access to the Strategic Assessment in October they would need to be kept informed of updates/changes.

Members queried the development of the NPA website within the timeframe and were given reassurance by the Assistant Chief Executive (ACE) that plans to refresh the website should be brought in within target. Members commented that the NPA Members website was not up to date with minutes and back papers, which was being looked into by the Chief Executive's Office.

RESOLVED:

- i) That the contents of the report be noted;
- ii) To endorse the recommendations outlined in paragraphs 3.1, 3.2 & 3.3 of the report

Agenda Items 12, 13 and 14 were brought forward at this point and there was a break after Item 14 at 10.45am for Members to attend the Armistice Day service. The meeting resumed at 11.15am.

6. Performance Monitoring 2010/11 – 2nd Quarter

The response to the Challenges to the Constabulary quarterly performance report made by the Chairman of Scrutiny and Audit was circulated to Members.

The Senior Analyst presented the report of Performance Monitoring for the second quarter 2010/11. Of the 9 force targets, 5 were well on target and 3 areas needed to be explored further. Serious Violent Offence Detections, Serious Sexual Offence Detections and Public Satisfaction were below the current targeted figure but the performance was better than the same period in the previous year and it was expected to reach targets by the end of the year.

The Serious Sexual Offence Detection rate (37.7%) for the first quarter of 2010/11 was 3.3% points below the new performance target but was an increase of 7.7% points compared to the same period last year. Serious Violent Offence Detections was 9.6% below target but 1.7% better than the same period last year.

The DCC assured Members that the Constabulary were doing everything possible to achieve targets particularly where there was a significant shortfall and progress was being made in the right direction towards meeting these targets. A Serious Crime action plan had been set up to address this issue nationally.

The Senior Analyst pointed out that although Public Satisfaction was 1.9% below the year to date target at 76.1% the performance was 3.7% points better than 12 months ago. Members discussed different approaches to interpreting the public satisfaction responses and that the Constabulary policy of using the top 2 responses (satisfied and fairly satisfied) to show satisfaction was most appropriate. The Committee were reminded that the Public Confidence target set by the previous government had been removed by the new government and Members were pleased to note that performance for the 12 month period June 2010 had increased to 54.3%.

The Senior Analyst explained that the increase in all recorded crimes in the period could be partly due to a change in the recording process which meant it took longer for crimes to be registered and there was crossover into the following reporting period. The DCC explained that the Constabulary were looking at the procedure for recording initial contact and incidents and a copy of the action plan would be sent to Members to apprise them of progress. Members noted that recorded crimes had reduced by 6.1% in comparison with the same period last year and that the year to date was 4.7% points better than target.

Following a Member's query, the Assistant Chief Executive agreed to look at including a confidence rating relating to serious violent or serious sexual crime in the performance statistics.

Members were pleased that the Anti Social Behaviour performance figure was 1.2% better than target and 8.4% better than the previous year. It was noted that there would be a significant change to the recording method for ASB in April 2011 which will be a more risk based measurement based on the impact of the incident, reducing the categories from 14 to 3.

The DCC reported that a staff training programme had been undertaken for CCR staff on reporting and recording which should improve the accuracy of records e.g. difference between recording an incident as criminal or ASB; an action plan of progress had been drawn up which would be made available to Members. The DCC explained the record would depend on the degree of damage, time, effort and cost involved in the incident.

Following a Members query regarding the deteriorating performance in relation to Racially or Religiously Aggravated Offences in the iQuanta Force Overview Report, the Principal Analyst said he would look into these figures and report back at the next meeting. He would also bring up to date figures on Drug related (Class A) offending, which had not been available at the time the report was compiled. The sickness figure shown was a cumulative figure and would be amended to show the quarter's figures. The DCC assured Members that staff sickness was not a concern.

RESOLVED

- i) That the contents of the report were noted.

- ii) To provide up to date statistics on Racially and Religiously Aggravated Offences, and Drug Related (Class A) Offending

Mr Hardy left the meeting at 11.35am during this item.

7. NPA Efficiency & Productivity Plan 2010/11 – 2nd Quarter position

The VFM Accountant provided a comprehensive overview of the efficiency planning regime, with particular focus on the second quarter of 2010/11. Although the overall corporate budget position was on target, she highlighted the anticipated overspend, which related to;

- Fleet costs relating to fuel, hire transport and spare parts. The anticipated budget savings on fuel had not materialised.
- The sale of goods and services e.g. DVDs was unlikely to be achieved
- Removal of portakabins has not happened as planned as they are still in use for storage for body armour, which will be removed in the near future

Members were pleased to note that the overall operational performance continued to improve and that efficiency was still maintained and that the overall target of 10.3% savings by the year end would be exceeded and that a saving of 13.5% should be achieved.

RESOLVED:

That the contents of the report be noted.

8. National Crime Reporting Standard

The Deputy Crime and Incident Registrar gave a 6 month update report relating to the monitoring of the compliance with the National Crime Reporting Standard and the National Standard for Incident Recording. The recent internal audit of crime reporting had shown the grading had declined from 'good' to 'fair', although it was expected this would improve during the next quarter. The report had shown a significant reduction in compliance in the recording of violent incidents. A review of recording procedures had been undertaken to resolve this issue and the audit team were co-locating to the Control Room and Crime Development Team to provide assistance, understanding and guidance.

The audit team had also been monitoring the Vulnerable People and Diversity Teams compliance and examining in detail any report related to hate crime. As a result of their involvement reporting compliance had substantially improved and excellent results had been achieved particularly in relation to hate crime reporting with a compliance of 98.6%. Correct identification and recording of Domestic Crime/Abuse reports needed to be improved and this area was being looked at closely to achieve better understanding.

RESOLVED:

That the contents of the report be noted.

9. Value For Money Update Report

The Assistant Chief Officer (Resources) presented the Value For Money (VFM) report and strategy, which detailed the activities that the Constabulary were undertaking in response to the reduction in funding allocation and make improvements to efficiency and productivity. The VFM Working Group would be considering the VFM Strategy, Action Plan and Her Majesty's Inspectorate of Constabularies (HMIC) VFM Profiles which would be checked by the inspector when he visited on 21 December 2010.

Following the Chairman's proposal, it was agreed to amend the wording of the VFM Strategy should to reflect the need to ensure value for money for 'businesses' as well as residents and visitors to Norfolk.

RESOLVED:

- i) To approve the VFM Strategy and Action Plan subject to endorsement by the VFM WG.
- ii) To amend the sentence at 3.2. of the VFM Strategy to include 'businesses'.

10. Treasury Management - 6 month update

The Treasurer presented the Treasury Management Update Report, which covered the fluctuation of interest rates, cash balances and cash flow management, investment performance, counterparty management, long term borrowing and prudential indicators. He advised a cautious approach to the management of funds had been maintained and that there may be a need to borrow later in the year depending on interest rates and the results of the Comprehensive Spending Review in December.

The Treasurer informed Members that following the previous Scrutiny & Audit Committee meeting (14/09/10) Income Generation, Item 6. Resolution ii) That the fees and charges outlined in Appendix 1 of the report be agreed subject to advice to Members regarding opportunities to increase ACPO recommended charges to maximise income; it was in the Force's interests to work within ACPO guidelines and not to work outside them so charges would not be increased.

RESOLVED:

That the contents of the report be noted.

11. International Financial Reporting Standards Progress Report

The Treasurer presented the report relating to compliance of the Financial Statements to International Financial Reporting Standards. The Authority had fully complied with the standards required in terms of timing and the 2010-11 Financial Statements would be prepared under IFRS. The new standards would provide more clarity to the Annual Accounts and better reflect the year's activities but would involve 50% more paperwork.

RESOLVED:

That the contents of the report be noted.

12. **Norfolk Audit Service – 6 month Audit Review**

The Audit Service presented their half yearly report for the period ended 30 September 2010. Three final reports had been issued during the period relating to Accounts Payable, Resource Management Unit, and Found Property and Property Subject to Enquiry. No audits carried out within the period were deemed to be corporately significant.

Changes to the Audit Plan were agreed in consultation with the Chairman and Treasurer and a risk assessed decision had been taken to postpone 3 of the planned audits until 2011-12; Business Continuity, Community Engagement, and Data Protection and Freedom of Information. The effect is a 10% reduction in the audit plan which will impact on the overall audit cost but not on the audit opinion.

The 2009 -10 Audit Plan had completed all the final and follow up audits except for one of the full audits. The revised 2010 -11 Audit Plan has issued final report for 1 full audit and 2 follow-up audits and draft reports for a further 3 full and 3 follow-up audits. The Treasurer said that, mindful of the financial position and the need to achieve savings, the future audit plan approach would be more risk based and would include drawing on the Constabulary's Risk Registers, ensuring the areas requiring the highest assurance would be identified and addressed.

Questionnaires had been issued to the relevant managers after each audit was completed requiring feedback on the audit work and the response had been 'satisfied' and 'very satisfied'. The Audit Services had assisted the Constabulary's Professional Standards Department in organising an anti-fraud awareness survey and this had shown that the Police Authority had shown that adequate management arrangements for identifying and responding to the risks of fraud and appropriate internal control systems were in place.

Resolved:

That the contents of the report were noted.

13. **Audit Commission: Current Developments**

Neil Harris gave an update on progress within the Audit Commission towards the abolition in December 2012 when the audit of accounts would need to transfer to the private sector. He informed Members that Audit Commission staff were developing a business case to set up an employee owned mutual and would need to in early 2011 whether approval from the government would be received. Legislation was expected in Feb/March 2011 and that this may include a phasing in of the new audit arrangements into 2012/13.

The Treasurer voiced his supported for the Audit Commission's work; its independence and awareness of the public sector was a key part of the overall approach to governance of the Authority. In response to a question about increased risk implications relating to the change in the audit approach, the Audit Manager assured members that Audit Commission's support would continue through the transition process.

Members noted the Audit Managers verbal update report.

14. **Draft Annual Audit Letter 2009/10**

The Audit Manager presented the draft annual audit letter. The document set out the key messages and assessment of the Authority's achievement of value for money. Members were informed that, following consultation with the Treasurer, extra work was incurred on payroll system transactions and the Income and Expenditure Account, and an extra charge of £5,000 would be added to the audit fee. The Treasurer assured Members that the issues relating to this extra charge had since been resolved.

The Chairman highlighted that Norfolk NPA/Constabulary was addressing the future challenges and was taking steps to review service delivery and reduce expenditure in line with the reduction in central funding under the recently announced Comprehensive Spending Review.

Members queried the £35m budget shortfall over the next 4 years. Both the Treasurer and Assistant Chief Officer (Resources) recommended it remain as stated but would be subject to review.

The ACO(R) queried the statements relating to the ways the Constabulary could save money by increasing police staff or reducing overtime (it was already below national average). He queried the rationale behind reviewing/reducing the ratio of inspectors to sergeants and reducing forensic costs as they produced the best performance results. Further clarification and/or explanation was required.

The Audit Manager agreed to look into these points.

15. **Any Other Items of Business**

There were none.

14. **Date of next meeting**

Thursday 13 January 2011.

(The meeting closed at 12.30 am followed by a presentation from Ralph Jackman and Becca Mason on the Operational Partnership Team/ASB pilot in Breckland)

CHAIRMAN