

**Report to:** Police Authority

**Agenda:** 7

**Date:** 13 June 2013

**Subject:** Audit and Risk Assurance Committee  
Report

**Sponsor:** Chair - A&RAC

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## 1. Purpose of paper

- 1.1 The purpose of this paper is to update the Authority on the issues discussed at the Audit and Risk Assurance Committee (A&RAC) held on 31 May 2013.
- 1.2 The A&RAC also reviewed the strategic risks across both BTPA and BTP which is presented elsewhere on the agenda.
- 1.3 Additionally the Annual Accounts were scrutinised and these are presented for approval at agenda item 9.

## 2. Agenda Items

- 2.1 **Terms of Reference and Committee work plan** - these were agreed subject to the Head of Finance being required to attend the Committee.
- 2.2 **BTP Interim Director of Corporate Resources report** - the quarterly report was highlighted and the three outstanding internal audit actions from 2011/12. It was noted that they were nearing completion and progress had been made but they could not yet be closed. The A&RAC discussed the 22 outstanding internal audit recommendations from 2012/13 and requested that those actions which had not been completed by their due date be highlighted to the Committee.
- 2.3 **Authority Finance Director Report** - It was noted that all the Police Service Agreement (PSA) holders had signed the 2013 PSA with the exception of Virgin West Coast, discussions were ongoing. The direct debit was established but had taken longer to set up than expected. The risk around non payment and challenge to the model was discussed in detail. The approvals required from the DfT DAC had been slower than expected as staff at DfT had taken leave, with no deputy able to approve any requests. Although the A&RAC expressed its dissatisfaction,

it was acknowledged that this was a Government wide initiative and no exceptions could be granted. It was noted with disappointment that the letter of delegation from the DfT for 2013/14 was still outstanding.

The gifts and hospitality registers for both the Authority and BTP were reviewed and noted. Copies of the quarterly registers are available on request.

- 2.4 **HMIC Inspection update** - The Force was due to have the 'Valuing the Police Part 3' inspection week commencing 3 June 2013. This was the first time that BTP had participated in this set of inspections. The primary focus of the inspection would be on the impact of cuts on delivery, staff and the organisation. There was also expected to be a strong focus on collaboration. It was noted that the Force's approach to collaboration had been quite different from that of other forces, particularly because of the VAT issue. However, the Force had several examples including its Fusion Centre, CCTV investment from partners, suicide prevention and mental health work with external funding. The Force had been consulted about the upcoming inspection programme and noted that these would need tailoring for BTP. Outstanding actions from HMIC inspection should be reported to the Committee in the same way as the outstanding audit actions, the detail of issues needed to be reviewed by the appropriate committee.
- 2.5 **Annual Health and Safety Reports** - It was requested that the Force and the Authority work together to ensure that both are fulfilling their legal responsibilities and to recommend the oversight framework.
- 2.6 **Annual Insurance Review** - a presentation was given on the insurance cover in place and the relative costs of the premiums and the uninsured losses. It was noted that the purchasing power of BTP is enhanced by being full members of the South East and Eastern Region Police Insurance Consortium (SEERPIC). It was noted that a small number of individual policies had been retained, largely owing to timescales. There had been a decrease in the trend for claims in all categories with the exception of public liability claims which had increased in 2012/13. This was an industry-wide issue, as following the announcement of the removal of the conditional fee agreement from 1 April 2013 there had been a rush for claims to be settled. This matter had been referred to the Solicitors Regulation Authority and was being investigated. Therefore, the number of public liability claims was expected to reduce in 2013/14 as deposits were required and fixed fees in place.

2.7 **Internal Audit** - the DfT submitted the following for approval:

- 2013/14 Audit Plan and Strategy
- Service level Agreement
- Audit Report Template

Approval was given for each without amendment. It was noted that all auditors working on the Authority contract required vetting to the level of security clearance and a letter requesting this would be sent to the DfT.

### **3. Diversity issues**

3.1 There are no significant diversity issues involved in this paper.

### **4. Recommendations**

4.1 It is recommended by the Authority note the contents of this report.