

Report to: Police Authority
Agenda : 7
Date: 12 December 2013
Subject: Audit & Risk Assurance Committee
Sponsor: Committee Chairman
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For: Information

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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 05 December 2013.
- 1.2 The A&RAC also reviewed the strategic risks across both the Authority and BTP which are presented elsewhere on the agenda.

2. Agenda Items

- 2.1 **Matters arising** - the revised format Management Assurance Return (MAR) had not been received from the Department for Transport (DfT). DfT officials updated that it was currently going through the testing phase and would be circulated in the near future.
- 2.2 **BTP Interim Director of Corporate Resources report** - the quarterly report was highlighted. There was one outstanding internal audit action from 2011/12 which related to the Transport for London (TfL) pan London Police Services Agreement (PSA). The PSA had now been agreed by the DfT and TfL following some minor amendments and it was expected to be signed before 12 December 2013. The A&RAC noted only three audit actions remained outstanding from 2012/13, which had reduced from five at the previous meeting. One of the three recommendations related to disaster recovery, whilst the other two related to procurement regarding the replacement of the Force multi-functional devices. The failover testing for disaster recovery had been completed but two aspects required a re-test resulting in the outstanding action. The re-test was scheduled for January. Two-thirds of recommendations from 2013/14 had been completed so far.
- 2.3 The Information Commissioner's Office had completed an audit of the information management arrangements. Whilst this had

resulted in a number of recommendations the overall feedback was positive.

- 2.4 The restructure of the Corporate Resources Department to allow centralized invoice processing was nearing completion. The Scotland and former North East areas had currently been migrated and two further Areas would be migrated each month. The top tier had been recruited and a strong team was reported to have been assembled. The Committee were assured that there was a direct line of sight from the top of the structure to the bottom with job descriptions clearly defined and a clear message that everything must operate within the governance framework.
- 2.5 Issues with the E-case and custody system had progressed and a verbal update will be provided in the private section of the meeting.
- 2.6 **Authority Finance Director Report** - Discussions with Virgin West Coast were ongoing with respect to the signing of their PSA but this was expected to be resolved in the near future.
- 2.7 The pension situation was touched on and a paper on the proposed strategy was due to go to the Full Authority taking account of the Hutton Report and long-term situation.
- 2.8 The gifts and hospitality registers for both the Authority and BTP were reviewed and noted. Copies of the quarterly registers are available on request.
- 2.9 **Covert Accounts Audit Report** - The Committee received a briefing on the covert accounts audit. This had not raised any significant issues.
- 2.10 **HMIC Inspection update** - The Deputy Chief Constable updated the meeting on HMIC current and upcoming inspections which are:
 - Valuing Policing
 - Stop and Search
 - Undercover Policing
 - and miscellaneous national reports published by HMIC

None of the miscellaneous national reports requires action by BTP.

- 2.11 **National Audit Office: Audit Planning Report** - The Committee reviewed the Audit Planning Report and were content. The NAO had indicated that they would be looking at the high level control environment and expected that future audits would require less sampling work which should translate into a lower fee. They would also be revisiting the work they had previously

done on the charging model with a focus on the sensitivity of the model and quality assurance work.

2.12 The NAO would also be looking at the arrangements with HMRC with respect to tax on the pension issue, the Regional offices restructuring project and audit control and payroll.

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

- Corporate Governance and Risk Management - assessed as having a Substantial overall assurance rating; and
- Core Financial Controls - Phase 1 (Interim Report) - assessed as having a Substantial overall assurance rating.
- The Internal Auditors anticipated completing audits for 2013/14 in line with the agreed plan but some delays had been experienced because of vetting arrangements - discussions with BTP were expected to resolve the issue. Discussions would shortly take place with BTPA to determine the audit plan for 2014/15.

3. Recommendations

3.1 Members to note the report.