**Notes of a meeting of the Police and Crime Commissioner’s Audit Committee held at the Police and Crime Commissioner’s Offices, Hoffmanns Way, Chelmsford on Monday 18th March 2013**

Meeting commenced at 10.00am

**Membership**

* I Robertson (Chair)
* C Cochrane
* A Williams

**Essex Police**

* J.Barker-Mccardle – Chief Constable
* D Martin – Chief Finance Officer
* M Gilmartin – Joint Head of Support Services

**Office of the Police and Crime Commissioner**

* N Alston – The Police and Crime Commissioner (PCC)
* C Garbett – A/Chief Executive & Treasurer
* J Drewett – Operating Manager
* H Occleshaw – Secretarial Support (Notes)

**External Auditors**

* M Lee – Audit Manager - Ernst & Young

**Internal Auditors**

* D Harris – Director - RSM Tenon
* S Lane – Senior Manager - RSM Tenon
* Present

1. **Apologies for Absence**

Debbie Hanson

1. **Declarations of Interest**

None

**4. Audit Committee Terms of Reference**

The Acting Chief Executive and Treasurer introduced the Terms of Reference (TOR) he explained how they were linked to the PCC Governance Documents, CIPFA Code of Practice and Treasury Handbook. He stated that the purpose of committee was to provide appropriate assurance to the two corporation soles and that the TOR should reflect this purpose.

The following points were discussed by the committee:-

* **Terms of Reference**

The Committee asked at what level they were expected to view Value for Money (VFM). Was it to undertake high level scrutiny or in depth reviews of their own.

The PCC indicated that he expected:-

* External Audit to make VFM Judgements
* To adapt Internal/External Audit Programmes
* The Audit Committee to provide a fresh eye on risks and to bring to the attention of the PCC/Chief Constable
* Over time the Audit Committee may develop the ability to commission work on VFM
* To consult with the Audit Committee if a prospective concern is identified.

The Chief Constable suggested that a short narrative which would form a statement of purpose should proceed the terms of reference. He also suggested that the number of bullet points could be reduced to ensure the document was more reader friendly.

**Action 1/7 - A new draft TOR to be brought to the next meeting - C Garbett**

* **Quorum**

Quorum is currently 3 people, which is the total membership of the board. A discussion followed regarding reducing the Quorum to 2 people.

* **Guidance Documents**

There was a discussion regarding the alignment of the guidance documents with the PCC Role. The Audit Committee was hoping the College of Policing and APCC’s would produce something more relevant. The TOR requires reviewing and those presented to the Committee were considered a good first draft.

* **Risk Register**

The Risk Register was agreed to be a standing item on every agenda in order to ensure that risks were being addressed by Audit Arrangements.

**Action 2/7 – A risk register to be standing item on agenda – Office of the PCC**

* **Bribery and Corruption**

A discussion followed regarding where the identification and investigation of Bribery and Corruption fell. Was it a role of Professional Standards Department, or this committee?

The Committee agreed that their role was to review systems and procedures but not the minutiae. The committee would expect Internal and External Auditors in their reports to demonstrate there are effective controls in place.

* **Publication of Minutes**

The Committee discussed public accountability and how to reassure members of the public that there were systems in place to monitor and scrutinise financial activity and audit. The Chairman stated there should be clear TOR and the minutes should be published on the website.

**Action 3/7 – PCC Office to publish TOR and minutes**

* **Collaboration**

Members raised a subject of the Audit of work of a joint nature with Kent such as the Serious Crime Directorate. He raised the point of responsibility and questioned how this procedure would be undertaken. Mr Harris stated that both forces Audit Committee’s should carry out an audit to reassure themselves.

If any irregularities or issues were identified which affected Kent Constabulary the PCC indicated he would expect the matter to be reported back.

Mr Gilmartin stated that Ernst & Young are the External Auditors for both Kent and Essex. RSM Tenon are the Internal Auditors for both Kent and Essex PCC and Force.

**5. Internal Audit Progress Report 2012/13 and Draft Internal Audit Strategy 2013/14**

D Harris introduced this item and stated that the Progress Report was to advise the committee on progress of the Internal Auditors work to date and would highlight any matters affecting year end opinion. He described the four categories of opinion and stated that a full report lay behind each review.

A discussion took place over the frequency and type of reports and the following were discussed:-

* Information should be made available as soon as possible due to the infrequency of committee meetings.
* A report should be produced on all red and amber/red categories.
* Outstanding actions list would be a useful tool.
* Reassurance that problems are/have been addressed should be provided.

Members asked what other sources of assurance were there. It was noted that for example, HMIC also provided reassurance and Internal Auditors would take note of any specific work being carried out that impacted on their own.

Regarding the updated Strategy for Internal Audit 2013/14-2015/16 (appendix B) the following items were discussed:-

* Transport and Fleet Management
* Resource Management
* Partnership with Kent
* Staff Vetting
* Firearms Licensing
* Business Continuity
* Follow up of previous Audit Recommendations – Narrative in the Report

The Chief Constable stated:

* The delivery of the Policing Plan and Commissioning for 2014/15 should be brought forward due to the time it takes to implement change.
* Firearms Licensing is not just a reputational risk it is also a public safety risk.
* With regards to Training the phrase ‘ Potential for working with other partners’ sounded more like a consulting role than an audit, these words need reviewing.

It was noted that custody management should focus on detainees’ safety and not just Reputational Risk.

**6. External Audit Progress Report year ending 2012/13 including audit fee letters to Police and Crime Commissioner and Chief Constable**

The Audit Manager, Ernst and Young stated that the fee letters have been agreed and any change to the scope of the audit which was likely to impact on the fees will be subject to consultation with the S151 Officer, Chief Constable and PCC. She then discussed the levels of the fees for 2012/13, 2013/14.

**7. Quarterly Meeting Dates 2013**

June – Dates to be rearranged

September – Dates to be arranged

2nd December – Agreed

All meetings will fall on a Monday at 10.00am unless otherwise notified.

**Action 4/7 – PCC Office to arrange June and September dates**

**8. Any other Business**

The Chairman stated that hard copies of the papers would be provided one clear week before the meeting. The Chairman should be provided with a Draft Agenda one week before then.

**Action 5/7 – Papers to be prepared by PCC Office.**

The Chief Constable reported that Chris Hughes Chairman of the board at the National Policing Improvement Agency (NPIA) will be happy to meet Audit Committee members for guidance in the working of an Audit Committee.

**Action 6/7 – Joint Director of Support Services to arrange through the Acting Chief Executive.**

D Harris stated that a work programme would be helpful for the next year.

**Action 7/7– D Harris to circulate a suggested work programme.**

The meeting closed at 12.00 Midday.