

Joint Audit Committee Meeting – Part A

Friday 18th September 2015

09:00, Conference Room, PCC Office, 3 Hoffmanns Way, Chelmsford, Essex
CM1 1GU

PRESENT:-

Members: Chair: Jonathan Swan (JS); Julie Parker (JP); Simon Faraway (SF);

Office of the Police and Crime Commissioner (OPCC): Deputy Police and Crime Commissioner Nick Alston (NA); OPCC Chief Executive Susannah Hancock (SH); OPCC Financial Scrutiny Officer Abbey Gough (AG (minute taker));

Essex Police Force: Chief Constable Stephen Kavanagh (SK); Chief Finance Officer Debbie Martin (DM); Director of Shared Services Mark Gilmartin (MG) Mark Feeley (MF)

Baker Tilly Business Services Ltd: Dan Harris (DH); Anna O’Keefe (AO)

Ernst & Young: Debbie Hanson (DHanson)

1. **APOLOGIES FOR ABSENCE:** Carly Fry (CF); Alan Hubbard (AH) Will Kennedy (WK); Charles Garbett (CG); Martina Lee (ML); Candace Bloomfield (CB)
2. **DECLARATION OF INTEREST**
None
3. **MINUTES OF THE MEETING HELD ON 19 JUNE 2015**
These were accepted and approved as a true record.
4. **RISK REGISTER**
 - a) **OPCC & EP RISK REGISTER OVERVIEW REPORT**
Part B Agenda Item
 - b) **EP RISK REGISTER**
Part B Agenda Item
 - c) **OPCC RISK REGISTER**
Part B Agenda Item
5. **INTERNAL AUDIT**
 - a) **INTERNAL AUDIT PROGRESS REPORT**
DH said that there were three outstanding draft reports from 2014/15 which required management comments before the report could be finalised. For 2015/16 three reports have been finalised and one completed in draft. DH added that there would be approximately 11 reports finalised by the December meeting.

ACTION 11/15)

Copies of reports to be sent to JAC members when finalised (AG/CG)

ACTION 12/15)

Scope of work to be included in the internal audit progress report for all reports (DH/AO)

AO discussed the finalised audit reports. SK noted that there had been good progress in firearms team, MG noted that the backlog was caused, in part, by the FCR move.

Leavers and Movers – MG noted that this audit was requested by EP. It is the line manager's role to complete leaver checklist and ensure access and passes are removed. DH said that follow up work could be completed to provide assurance which could be presented to the March JAC.

b) INDIVIDUAL AUDIT REPORTS:

See part B

c) BENCHMARKING

JAC noted the report.

6. ESSEX POLICE INTERNAL AUDIT TRACKER

JS noted that the tracker showed an improving picture across Essex. DM said that some recommendations were near completion and the report has been updated since this paper was submitted to the JAC. DM confirmed that they would check the formulas on the tracker to ensure that the columns added up.

7. EXTERNAL AUDIT RESULTS REPORT – JAC SUMMARY

DHanson noted that there was one risk which EY consider present in all clients and this was ensuring that there was no abuse of management overrides in the system. Also capital expenditure is checked to ensure that there are no instances of revenue being moved to capital. This work had now been completed and there were no issues. DHanson said that the hope to sign the statement of accounts by the 25th September.

DHanson highlighted the recent Milne v GAD case which relates to the Government Actuary Department not updating the commutation factor tables which are used by the police and fire service for pension calculation.

The decision will be dealt with under IAS 19 as this overrides the IAS 37 contingent liability rules. As there is not material impact to the account there will be a disclosure note in the accounts to explain. DHanson highlight a number of minor adjustments which have been made to the accounts during the recent audit.

DHanson noted the Economy, Efficiency and Effectiveness report and noted that the EP arrangements in response to the financial challenges being faced were appropriate however the challenge was significant. It was noted that there was increased consistency amongst PCC accounts nationwide; however there were still different arrangements.

The JAC thanked the finance team for their work on the accounts.

8. STATEMENT OF ACCOUNTS

DM summarised the upcoming early closure arrangements and confirmed that a new corporate finance manager had been recruited. Signed statement of account and summary of accounts would be published on the EP and PCC website.

JAC members have provided feedback to EP on the draft statement of accounts which were issued to them on 17th July.

9. REVISED JAC TERMS OF REFERENCE

The JAC members agreed the ToR pending the following changes:

4.5 – JAC are unable to make any decisions

9.1.8 - This should be moved under 8.1

7 – Chairman's report to be completed prior the account completion to provide assurance for account sign off.

10. ANTI-FRAUD AND CORRUPTION STRATEGY

The current strategy is to be circulated and discussed at the next meeting.

11. SINGLE TENDER ACTION

SH noted that the OPCC closely monitor the STA requests and only sign off requests if there is a strong business case. Many are not agreed., . Work is currently on going to ensure that all procedures are followed.

JP asked why vehicle recovery was an STA and not a fully tendered contract. MG noted that they were unable to let the contract until the court case had been completed. EP had review the market informally prior to the decision and felt that the supplier was the best for the job.

12. DATE OF NEXT MEETING

The next JAC will be 18th December 2015.

13. ANY OTHER BUSINESS

DHanson asked for the public sector update to be circulated outside the meeting.