

Joint Audit Committee Meeting – PART A

Friday 18th March 2016

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); Alan Hubbard (AH)

Office of the Police and Crime Commissioner (OPCC): Police and Crime Commissioner Nick Alston (NA); Chief Executive Susannah Hancock (SH); Charles Garbett (CG); Abbey Gough (Minute Taker)

Essex Police Force: Chief Constable Stephen Kavanagh (SK); Director of Shared Services Mark Gilmartin (MG); Mark Feeley (MF); Matthew Tokley (MT); Dave Edwards (DE)

RSM: Dan Harris (DH); Anna O'Keefe (AOK)

Ernst & Young: Martina Lee (ML)

1. **APOLOGIES FOR ABSENCE:** OPCC Carly Fry (CF); Chief Finance Officer Debbie Martin (DM); Will Kennedy (WK);
2. **DECLARATION OF INTEREST**
None
3. **MINUTES OF THE MEETING HELD ON 18 DECEMBER 2015**
Minutes of the meeting were approved.
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 PROGRESS REPORT**
DH confirmed that RSM were on course to complete the audit plan in time to inform the Annual Governance Statement. DH noted that the amber/red reports would affect the year end opinion but would not lead to the accounts being qualified. It was confirmed that a follow up audit would take place in quarter 1 on the premise audit. SK confirmed that work was on-going regarding Op Javelin and EP was taking responsibility for this.

AOK said that an amber/green opinion had been issued for the Capital and Fixed Asset report and the recommendations were linked to changes in staff and updating the asset register. The JAC asked if the spread sheet was automatically updated and linked to other systems. CG confirmed that the property department was looking into a potential move to SAP which would mean that the sheet was kept up to date.

DE confirmed that a detailed disposal policy would be completed in time for the June meeting, the current policy deals with disposals at a high level.

25/15 ACTION – Disposal policy to be updated for the June JAC meeting.

AOK confirmed that the Savings Plan Delivery had received a green opinion. This was noted by the JAC members.

The Commissioning Programme report was given and amber/red risk and this included two medium and three low recommendations and was linked to performance reporting. AOK confirmed that the OPCC is aware of this and is working with the provider to improve the information received.

SH confirmed that the OPCC are responsible for victims commissioning with money which is given by the Ministry of Justice. The contract mentioned is worth approximately £700k and there are contractual issues. DH confirmed that there was robust contract management within the OPCC.

SH said that the OPCC had recently commissioned a VFM review of the commissioning programme and that this could be shared with the JAC members.

26/15 ACTION – RSM VFM review to be shared with the JAC members.
NA said he believed the OPCC provided a good commissioning service. He understood that this was a maturing market and going forward there would be greater competition.

The Cash and Banking report received one low recommendation.

27/15 ACTION – A separate brief/presentation on the Fire Service collaboration to be provided outside of the JAC

NA noted that the recent budget had detailed government plans for devolution which is unlikely to affect Essex, however will impact some other areas.

6. INTERNAL AUDIT TRACKER

MG introduced the EP audit recommendation tracker. MG noted that EP had dealt quickly with core areas and this was providing good assurance. It was noted that the completion of recommendations in other areas was slower and that improvement was required.

AH queried the leaver and movers actions and asked if this had been escalated. MG confirmed that a dip sample had been completed and 9/10 of the sample taken was completed. The remaining sample needed to be chased up and this has now been completed.

The JAC passed on their thanks to EP for responding to audit recommendations in a timely manner.

7. INTERNAL AUDIT PLAN 2016/17

DH said that RSM had been reappointed as the internal auditors for Essex and Kent following a joint procurement exercise. DH also noted that RSM were the lead auditor for a number of other regional emergency services, this will provide a good opportunity to benchmark against other forces. DH noted that there have been a number of changes to this plan since it was sent and it should be considered a draft document.

DH highlighted some of the audits which had been deferred and would be reflected within an updated plan. CG noted that the core audit work should continue however the plan will remain under review throughout the year.

JP highlight that the Ethics and Integrity audit was not due to take place until 2018/19 and felt that this should be brought forward to 2017/18. There was a discussion on the Athena audit and whether an audit was required every year or if a post implementation review was required. It is also necessary to decide upon the scope of the report.

Discussion was held on the possible audit of Restorative Justice and whether there was value in having an audit so soon after the work had commenced. SH noted that the report allow the OPCC to report back to the Ministry of Justice and provide evidence.

DH said that an updated plan would be presented at the next JAC meeting with changes highlighted in the meeting and changes that had been discussed by EP and the OPCC outside of the meeting.

28/15 ACTION – Updated internal audit plan to be submitted to the next JAC meeting.

8. EXTERNAL AUDIT SECTOR BRIEFING

ML discussed highlights from the EY sector briefing, and noted the following. EP precept has been increased to 3.36% in 2016/17 following the January Police and Crime Panel. The Home Office have announced further plans for collaboration throughout the bluelight services. It was noted that the planned police funding review has been postponed following technical problems at the Home Office. ML mentioned the future early closure plans.

JP asked when the JAC would get to review the Statement of Accounts. CG confirmed that the process would be refreshed for this year and the JAC members would see the accounts in advance. The 30th June is the deadline for the draft accounts to be signed off and the 30th September the deadline for the audit opinion. CG said he hoped that the accounts could be sent to the JAC members a week in advance of the next June JAC meeting.

29/15 ACTION – Draft SoA to be sent to the JAC members prior to the next meeting.

MT confirmed that the SoA will only need to be published on the website going forward due to changes in audit regulations.

NA noted that EP has been historically underfunded through the government funding formula. NA said that he has raised this with government ministers and that it is a priority for Essex. NA said that the chief constable has had to deliver policing with less than he should. SK noted that local policing has had to be cut in order to deal

with Child Sexual Exploitation, gangs and digital policing. NA noted how important risk management was to the force due to the level of resources.

The JAC members said that given the level of resource available the force performed well and should be commended.

9. SINGLE TENDER ACTIONS

DE said that there has been four Single Tender Actions. DE confirmed that work was taking place to ensure that the number of STAs completed going forward was reduced. DE confirmed that Procurement were working to compile a contract database and were going to be focusing on demand forecasting. DE confirmed that the OPCC will have oversight of this activity.

10. ANTI-FRAUD AND BRIBERY POLICY

RSM introduced the Fraud and Bribery policy which they had drafted for the OPCC. The report sets out the responsibilities of individuals, and that it is important that individuals are made aware of the policy.

DH said that there were a number of assumptions made within the report and that these assumptions should be confirmed. AH asked if external membership such as the JAC should be included within the policy and if the whistleblowing process should be made clearer.

SH noted that the OPCC have adopted a number of EP policies. MG said that the EP protected disclosure policy should be referenced. MG also noted that there is a separate EP policy for Gifts and Hospitality which the OPCC also follow; this policy should be cross referenced within the report.

30/15 ACTION – DH to update report and cross reference with existing EP/OPCC policy.

A discussion took place on national fraud initiatives and whether EP following all guidelines, CG would establish which areas EP adhere to.

31/15 ACTION – CG to determine EP approach to national fraud initiatives

The policy was noted by the JAC members.

11. ELECTION ARRANGEMENTS

SH provided a verbal update on the PCC election process to date. The OPCC was working with Colchester Council and the Chief Executive who was the designated Returning Officer for the PCC elections which would take place on 5th May. The OPCC would enter into purdah from 30th March.

SH and CG had met with all the declared candidates and the OPCC had held a candidate briefing day. All candidates had been sent information packs, and questions and answers had been logged on an internal database. The OPCC has complied with the APCC and APACE guidance on the PCC elections.

12. TONE FROM THE TOP – LEADERSHIP, ETHICS AND ACCOUNTABILITY IN POLICING

CG introduced the report from the Committee on Standards in Public Life. The executive summary had been provided for the members to consider. It is the first time that the committee has looked at policing.

CG highlighted the recommendations made which include the audit committee publishing an accessible annual report.

32/15 ACTION – JAC to publish annual report in line with the final accounts.

JP asked if past minutes were to be published on the website. CG highlighted that there were on-going discussions on elements of the minutes which should be included within a Part B section.

33/15 ACTION – EP to review minutes and highlight areas which they feel should be included within a Part B, once confirmed minutes should be published on the OPCC website.

13. DATE OF THE NEXT MEETING

Friday 24th June 2016

14. ANY OTHER BUSINESS

JS highlighted that there December meeting was scheduled for Thursday 15th and could this be moved to Friday 16th.

34/15 ACTION – Meeting dates to be reviewed and if possible moved to the 16th.

NA thanked the JAC members and internal audit for their work and support during his time as PCC. The JAC member also extended their thanks to the PCC for his support and assistance while the JAC was being established.