



**Joint Audit Committee Meeting – Part A**

**Friday 18<sup>th</sup> December 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); 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); OPCC Carly Fry (CF); Liane Edwards (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); Will Kennedy (WK);

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

**Ernst & Young:** Debbie Hanson (DHanson); Mark Hodgeson (MH)

1. **APOLOGIES FOR ABSENCE:** Candace Bloomfield (CB)

2. **DECLARATION OF INTEREST**  
None

3. **MINUTES OF THE MEETING HELD ON 19 JUNE 2015**  
On Page 3 of the minutes - ‘External results report’; it was notified that there was inconsistency in the penultimate paragraph which should note that EY were satisfied with the adequacy of arrangements.

Part B of the minutes - where it read JAC in the final paragraph were ‘alarmed and critical by this report’, JS requested that ‘critical’ be deleted.

Item 9 4.5 – should read JAC have no decision making powers.

Subject to amendments the minutes were accepted and approved as a true record.

**Matters Arising**

Action 11/15 - CG stated that the final reports had been received.

Action 12/15 - There is an internal audit update on the agenda.

Under part B ‘Access to Premises Report’ JAC did asked if there had been any progress made on addressing the recommendations. SK and MG confirmed that progress had been made and DH advised that a follow up audit is underway.

**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. ESTATES & WIDER TRANSFORMATION PROGRAMME**

CG advised that there has been a fair amount of change since the report was written. ToR and governance had been drawn up and all mechanisms were moving into place. The HQ chosen site has moved into a status of conditional purchase, which will be dependent on particular strict conditions applying so that there is an assurance that the force will have a suitable operational site. Exchange of contracts should take place in January 2016 with a view to application for planning permission being processed in summer 2016 and by autumn there would be clarification on use with a view to starting work in early 2017.

JS thanked CG for the report and wished it be noted that the JAC wanted to emphasise support for the new build but wanted to be assured of the governance and the risk controls, and that this report was very helpful in that respect.

JAC members noted that they fully support the business case but wanted clarification of the nature of the contract in January 2016. CG advised it will allow EP to retain interest in the site while it explores options for use of the site. NA added that the key issue was the access of roads, and it was fundamental that this could be managed and supported with the City and County Councils. SK added that this was more than an estates issue, as it was an opportunity to be able to work with partners. JS noted that he felt that the JAC has assurance as a result of the report. JP felt that while the risk register has workforce morale, it does not come through from the risk register that this is about transformation. SK stated that was because it was a risk management report only. JP looked at the risks on the planning delay risk and the disposal and asked if they were separate issues. CG advised that they were.

**Action 15/15** – CG to separate planning delay risk and the disposal.

AH questioned whether there would be blue lights collaboration. SK had looked at the Kelvedon site but found that it was not suitable for a variety of reasons. EP was working with ECFRS but is not presently able to report more actions. NA noted that the design of the new HQ must be flexible in order that it can adapt/be adapted and include other partners in the future.

**6. ESSEX POLICE INTERNAL AUDIT TRACKER**

DH noted that there are five final reports and four remaining 15/16 reports. There would be 11 in total. With three still in draft, RSM has not had all management comments yet. It was noted there could be 15 reports to review at the next meeting.

**Action 16/15** – Abbey Gough to ensure that next agenda has enough space for 15 audit reports.

JS noted that on p11 KPIs were doing well generally but not on management responses and queried why this is. MG acknowledged that some of the turnaround was quick but there were some issues on the legacy reports.

JP noted that none of the satisfaction surveys have been returned. AOK noted that it may be because it was not mandatory. JS expressed satisfaction with layout/detail of internal audit reports.

AOK stated that in respect of the Creditors Report, partial assurance was issued in main due to one action that needs to be confirmed (9 of 10 had not been confirmed which could mean fraudulent activity). DH added that it was a current issue.

AOK presented the Absence Management Report. Currently HR action and presents in a league table format return to work and fit notes and so on. MG: internally EP felt that the medium recommendation was the more important one for EP because of the need for the Chair of the Absence Management Group to have this information to hand.

AOK presented the General Ledger report, which had two medium priority actions. JS noted that both of these appear process-based and asked if these were now complete because the issues at the time were actioned or if there were further issues. MG's expectation would be that managers take action to address still.

JS raised a point around p28 in the OPCC section, an assurance map is mentioned. JAC would like to do more work on this as a Committee that covers both OPCC and EP. The Athena Strategic Board had met the previously last week. CG stated that the sharing of the costs with the nine forces rather than seven is in place. There are some transitional issues but those are being worked through.

JP queried what should the JAC be seeing. NA advised that there would be a presentation on the risk and control mechanisms. CG advised that this is in hand for the 22<sup>nd</sup> January 2016.

**Action 17/15** - CG to ensure that a force and a Northgate representative are available to present for the JAC Athena presentation

[WK left the meeting.]

## 7. **ESSEX POLICE INTERNAL AUDIT TRACKER**

JS noted that the tracker is becoming shorter. MG noted that the report is self-explanatory and as JS noted, EP is making progress in addressing the actions required. DM noted that those highlighted have been covered previously in the meeting. JS requested that it be communicate JAC's satisfaction to EP colleagues.

**Action 18/15** - DM to communicate JAC's satisfaction to colleagues re: tracker.

## 8. **EXTERNAL AUDIT**

MH from Ernst Young introduced himself as a replacement to DH.

### AUDIT LETTER

DH introduced the annual audit letter, which had a slight delay and was circulated to those present as a hand-out. The value for money conclusion has been noted in the

report, and included precept and reserves, and overall arrangements to address financial challenges (which are adequate).

JP stated she would be scrutinising how disciplined OPCC and EP are at close to avoid delays. CG and DHanson accepted this point.

AH asked from an accountant's point of view what should the reserves be. DH advised it was not for Ernest Young to determine these, as previously advised.

#### NAO GUIDANCE

ML ran through some of the key messages including that the Home Office consultation and funding (police) review was now closed. NAO would also be working with HMIC to reduce duplication.

NA asked to what extent Ernest Young and the NAO are engaged with HMIC and the Home Office about the funding formula. DH advised that it was recognised that there was a huge overlap between EY and HMIC and there were two separate streams. Currently EY was not engaging directly with the HO but they were with the NAO, who issued the guidance. Last year, EY sat in on HMIC PEEL assessment meetings.

Funding formula - this is not something that EY have traditionally reviewed, but it was agreed it was worth EY picking up with the NAO but still not for EY to respond directly to.

Code of Audit Practice was handed out and DH noted the key areas. JS asked if the Code was more onerous. DH noted that this was raised under consultation but that the view was that it should not be, and that the work should be re-framed. JP queried what questions the JAC should be asking. SH noted that these should all come up through the risk register discussions and that OPCC and EP should keep the JAC up to date on the funding formula discussions

#### **9. ANTI FRAUD AN CORRUPTION STRATEGY**

CG reported that a fraudulent cheque in the name of the OPCC had been identified because the recipient bank had noted the cheque number was inconsistent. There has been a substantive report around fraud which covers fraud and corruption but not bribery. CG added that a copy was circulated as requested from the last meeting and that this does need to be updated. It was suggested that whistleblowing should be added, along with gifts and hospitality so that they are one policy.

**Action 19/15** - CG to update the anti-fraud and corruption, gifts and hospitality, and whistleblowing policy.

#### **10. SINGLE TENDER ACTION**

MG noted that twelve months ago personnel files were digitalised including historic files and the exercise had gone well. However this had generated a number of file names that were sequential numbers rather than names.

#### **11. OVERVIEW OF THE SCHEME OF GOVERNANCE**

Essex Legal Services had looked into where constitutional review was required and as soon as the report was available it would be presented to the committee. The new framework and guidance would come out in 2016, until then a consultation document would suffice. It was added that while the framework was always applied to authorities but there will be guidance that is PCC specific.

**Action 20/15** - CG to share the review of the scheme of governance with JAC members

#### **12. DATE OF NEXT MEETING**

The next JAC will be 18<sup>th</sup> March 2016.

### **13. ANY OTHER BUSINESS**

JS asked what the purdah and transition arrangements were for the PCC election process. CG set out the arrangements and noted that purdah begins in April 2016. He also noted that he and SH has met with some of the candidates who have asked to come in. SH noted that the OPCC is working on guidance as per APCC guidance and that there is a work plan, and a formal briefing day (OPCC and EP) in February 2016.

**Action 21/15** - SH to report on election arrangements at the next meeting in March.

MG extended his thanks to DH and wished her well; this was echoed by the PCC and JAC members.

#### **ACTION POINTS FROM MEETING;**

13/15 - WK to review 341 and 562 risks re: JAC involvement

14/15 - SH/CF to review risk 15

15/15 - CG planning delay risk and the disposal - to be separated

16/15 - Abbey to ensure that next agenda has enough space for 15 audit reports, new anti-fraud and corruption, gifts and hospitality, and whistleblowing policy, and election arrangements, risk register, internal audit strategy, external audit plans

17/15 - CG to ensure that a force AND a Northgate representative is available to present for the JAC Athena presentation

18/15 - DM to communicate JAC's satisfaction to colleagues re: tracker

19/15 - CG to write anti-fraud and corruption, gifts and hospitality, and whistleblowing policy

20/15 - CG to share the review of the scheme of governance with JAC members

21/15 - SH to report on election arrangements at the next meeting in March