

**Joint Audit Committee Meeting – PART A**

**Thursday 15<sup>th</sup> December 2016**

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

**PRESENT:-**

**Members:** Chair: Jonathan Swan (JS); Simon Faraway (SF); Alan Hubbard (AH)

**Office of the Police and Crime Commissioner (OPCC):** Police and Crime Commissioner Roger Hirst (RH); Chief Executive Susannah Hancock (SH); Charles Garbett (CG); Abbey Gough (Minute Taker)

**Essex Police Force:** Deputy Chief Constable Matt Horne (MH); Director of Shared Services Mark Gilmartin (MG); Mark Feeley (MF); Debbie Martin (DM); Lucy Morris (LM); Vicki Harrington (VH)

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

**Ernst & Young:** Martina Lee (ML)

1. **Apologies for absence:** Julie Parker (JP), Member; Mark Hodgson Ernst & Young; Stephen Kavanagh (SK), Chief Constable
2. **Declaration of Interest**  
JS noted that JP has an interest in PSAA
3. **Minutes of the meeting held on 23<sup>rd</sup> September 2016**  
Minutes of the meeting were approved.
4. **Risk Register**
  - a. **OPCC Risk Register**  
Part B agenda item
  - b. **EP Risk Management Report**  
Part B agenda item
5. **Internal Audit Progress Report**  
DH said that six reports had been issued of which two were advisory, three were awarded substantive assurance and the final was awarded limited assurance. AOK noted that RSM were on track to deliver all field work and opinions within the year. It was noted that there were no opinions which would affect the qualification of the accounts opinion at year end.

Discussion was held on the length of time it takes management to respond to internal audit questions. It was agreed that the delays in responding to the procurement report which would have impacted on the KPI data. DH said that additional data could be added to the report such as the average days taken to respond.

AOK said that the recent HMIC report was an advisory report only with one medium recommendation. The recent General ledger report was awarded substantive assurance with one medium and one low recommendation. Capital Accounting and Fixed Assets report was awarded substantive assurance and one low recommendation. Cash, Banking and Treasury Management report was awarded substantive assurance.

Assurance of Procurement was awarded partial assurance. This audit was requested by the OPCC to look into the reporting and monitoring processes in place. It was established that there is no formal oversight between the OPCC and procurement function. The SLA in place has not been signed and is not complied with also there is no contract register in place. SH said that there are monthly procurement meetings with the OPCC and procurement however these are not currently minuted but will be going forward.

MG said that the procurement improvement plan set out some options for the procurement team. There was temporary staff resource being provided by Sharp Pritchard LLP who are working on the contract register.

DH said that the RSM contract risk specialist has spoken to the head of procurement and will be providing support. DH said that a progress update will be provided at the next meeting.

**ACTION:** DH to include average days taken for management to respond into the KPI section of the Progress Report.

**ACTION:** DH to provide an update on the progress made regarding recommendations from the procurement audits at the March JAC.

## **6. Essex Police Internal Audit Tracker**

It was noted that work has been ongoing with regards to the access to premises report. An increase in the level of challenge to those entering the force has been noted; however there is limited challenge to those already in force.

Work on the firearms reconciliation has slipped due to staff shortages, however it is hoped that once the service moves online this should improve the reconciliation process.

The JAC members noted that the style of the updates provided varied and asked that consistent detail comprising of concise information statements is provided in the Tracker report to provide an understanding of the action status. JS also requested that the oldest recommendation is detailed first.

**ACTION:** Oldest recommendation to be presented first and with consistent detail provided. MG

#### **7. External Audit Annual Audit Letter**

ML summarised the external audit letter and confirmed that an unqualified opinion had been issued for both entities. ML said that they would be working with EP to ensure a faster close down. Discussion was held on the impacts of Brexit. It was noted that Brexit has increased the level of economic uncertainty to the PCC. Other considerations include fuel price changes, and operational implications of data sharing.

#### **8. Treasury Management Strategy**

CG introduced the Treasury Management Strategy and said that it is important that best practice is followed ensuring that maximum return can be achieved for the minimum risk. There was a requirement to set aside adequate provisions for internal/external debt.

RH said that he did not want to borrow however he would consider this as an option if necessary.

#### **9. Single Tender Action**

##### **a. STA Report**

Recent firearms STAs are linked to the increased terrorist threat of marauding gunman and uplift required to shields and vests.

##### **b. STA Next Steps**

MG said that good governance was required and that there have been recent staff changes with the previous head of procurement leaving and the temporary head having to work their notice at the Metropolitan Police. The new head of procurement returned to post in November and Sharp Pritchard LLP are providing interim support.

In 2017/18 an additional £300k resource will be made available to procurement to assist with market premium. In order to fund this an additional £150k savings has been identified in Support Services in 2017/18. It was noted that the procurement department do provide good value for money on goods and services.

A RSM specialist will begin working with the procurement team from quarter four.

#### **10. Appointment of External Auditor for 2018/19**

CG said that this process would be for the appointment of an auditor for 2018/19. CG and JS are due to meet with the Kent CFO and JAC chair to discuss the appointment of an external auditor and ensure alignment between Kent and Essex.

It was noted that the PCC was keen to explore options outside the PSAA. The JAC members were supportive of this option.

**ACTION:** JAC members to advise the PCC on the appointment of an external auditor for 2018/19 by the end of February 2017.

**11. Police/Fire Collaboration**

RH said that progress has been made and the draft business case went to the Fire Authority. It is anticipated that Royal Ascent will take place approximately 31<sup>st</sup> January. CG confirmed that consultants have completed due diligence work on the Police and Fire Collaboration.

**12. Date of the Next Meeting**

24<sup>th</sup> March 2017

**13. Any Other Business**

JS thanked Essex Police and the staff at Boreham following the recent visit by the JAC members.