

Joint Audit Committee Meeting – PART A

Friday 6th June 2018

09:00, GF01, Kelvedon Park

PRESENT:-

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

Office of the Police, Fire and Crime Commissioner (OPFCC): Police, Fire and Crime Commissioner Roger Hirst (RH); Deputy Police Fire and Crime Commissioner Jane Gardner (JG); Finance Officer Abbey Gough (Minute Taker)

Essex Police Force: Chief Constable Stephen Kavanagh (SK); Vicki Harrington (VH); Richard Leicester (RL); Denise Breckon (DB); Simon Alland (SA); Darren Chambers (DC); John Stimpson (JS)

RSM: Anna O’Keeffe (AO); Dan Harris (DH)

1. Apologies for absence: Mark Gilmartin, (MG); Charles Garbett (CG); Mark Hodgson (MH); Martina Lee (ML); Debbie Martin (DM); Nicola Newman (NN);

2. Declaration of Interest
None

3. Minutes of the meeting held on 6th April 2018
Minutes of the meeting were approved.

4. Action Log
Action 02/18 the sign off of the financial regulations is outstanding. Intention has been to align the Fire and Police regulations, it is anticipated that sign off will be in place for the end of July.

All other actions are complete.

JS asked for an update on senior management vacancies across the PFCC and Essex Police. RH updated the committee. SK is due to retire on 3rd October, BJ Harrington, currently Temporary Deputy Chief Constable, will take on the role of Chief Constable from 4th October. RH thanked SK for his work. Matthew Horne will return to Essex Police from 31st July and will resume the role of DCC. During this time BJH will shadow SK in readiness for the 4th October.

SH left the OPFCC to take on the role of CEO at the Association of Police and Crime Commissioner (APCC). A new CEO has been appointed and she will start on the 10th September. Both appointments received unanimous support from the Police, Fire and Crime Panel following confirmation hearings on the 28th June. JG has been

acting as Chief of Staff during the interim period with Monitoring Officer role performed by David Lawson from Thurrock Borough Council.

Charles Garbett is currently out of the office, and Section 151 duties are being performed by Abbey Gough for PFCC and Glenn McGuinness for the PFCCFRA.

5. Mobile First

SA and DC presented a Mobile First Presentation to the JAC outlining the functionality of the programme to date and the future vision. SA noted that there have been significant time savings for officers. DC demonstrated the Mobile First app to the committee.

AH asked if pocketbooks have been removed from officers. SA said not at present however this may be considered towards the end of the year. It was noted that Body Worn Video should be the primary source of video evidence for officers.

It was confirmed that a tender process took place and HCL were the successful bidder for the mobile app project which focuses on the integration of software into a mobile app.

6. Athena

JS provided the JAC with an overview of the audited Athena programme to date and the future work expected to take place. The JAC asked if there had been any commercial benefits to Essex from being the first to go live with Athena. SK said that Essex did not own any intellectual property rights however discounts have been achieved in other areas.

JP asked if there was a risk of the partnership becoming too large and what would happen if this was to fail. RH noted that if there was a failure then it would affect all parties involved, however the scale of the partnership of it is not large enough to be of concern yet. RH said that it would be important to have regional contracts which would help mitigate the risk of failure in the future.

7. Risk Register

a. OPFCC Risk Register

Part B

b. EP Risk Management Report

Part B

8. Internal Audit Progress Report

AO informed the committee that there had been seven final reports issued from 2017/18 since the last committee. Of these six were positive opinions and one was an advisory. In 2018/19 an advisory report was issued for GDPR.

Risk Management Essex Police received substantial assurance with three low recommendations and OPFCC reasonable assurance with three medium

recommendations. These recommendations included ensuring that the risk register was discussed regularly at SMT and minuted.

The JAC members congratulated Essex Police on the work that they had done on risk management.

JS asked if ECFRS could review the Essex Police risk register as an example of good practice. SK confirmed that this would not be a problem and that Essex Police would share the risk register with ECFRS.

ACTION 10/18 – VH to liaise with ECFRS service to arrange for the sharing of the force risk register

Follow up audit, reasonable progress. It was noted that 94% of recommendations had been resolved.

GDPR, advisory audit. Four advisory actions issued. DH noted that four actions was good particularly compared to other forces which had been reviewed.

ACTION 11/18 – AO to include the date when the audit was issued in the progress report.

VH confirmed that Andy Begent was fulfilling the role of Data Protection Officer presently. RH confirmed that the OPFCC has a separate DPO as they are two separate entities.

Commissioning, reasonable assurance. Audit noted that the commissioning programme was linked to the Police and Crime Plan and the business plan.

Software Licensing, this was a joint audit with Kent Police. Reasonable assurance was provided with two medium recommendations. JP queried the completion dates for the recommendation not being until the end of 2018. DH believed it was due to the number of changes and that the action owner would understand their resource availability better.

The JAC members thanked RSM for the progress report and the sector briefing however noted that some of the questions for JAC consideration should be directed at management rather than the JAC. DH said he would take those comments on board for the next version.

DH noted that the GDPR benchmarking data had been taken over a timeline, therefore forces reviewed nearer to the May deadline would have better awareness and fewer recommendations. JAC requested that in the future RSM plot the result of the force in question against the data being shown.

9. Essex Police Internal Audit Tracker

DB said that there were 25 outstanding recommendations. There was one high recommendation from Contract Management. Work was taking place over the next 12 months and sign off was expected to take place in Q1 2019/20.

Proceeds of Crime Act (POCA) training had been removed from the training package for new recruits. Essex Police is currently reviewing the training provision and the additional work involved to provide further training.

10. Internal Audit Annual Report 2017/18

Reasonable assurance has been awarded to both organisation, this has been fed into the joint Annual Governance Statement within the Statement of Accounts. An unqualified opinion has been issued for 2017/18.

RH asked AO what Strategic Board terms of reference were missing from the review of Risk Management; AO said she would clarify the terms of reference and report back.

ACTION 12/18 – AO to update the committee on what board the Strategic terms of reference relates to.

11. Single Tender Actions

The committee was pleased to note that no single tender actions have taken place in the last three months.

12. 2017/18 Draft Statement of Accounts

DB noted that the draft accounts were signed and published by the end of May 2018 with final sign off required by the 31st July. The final accounts will be taken to an extraordinary meeting of the JAC on the 27th July 2018. DB noted that the under IAS 19 pension tables have had to be restated following the audit of Essex County Council and their valuation. There had been no change to the bottom line. Additional working paper requests have been received from Ernst and Young which are being actioned.

The yearend position was a £15k overspend, with a £300k change from month 11 to yearend.

JP noted the low level of reserves and asked why they were used for pay increase. JP also asked what arrangements are in place for budget monitoring. DB confirmed that 1% pay increase was included in the base budget however the additional 1% was a one off for 2017/18, this was also non-consolidated. Decision taken to include 2% in base budget for future years.

There a budget setting and monitoring timetable which has been presented to Strategic board. Regularly reported to the PFCC and Chief Constable including project bids and the achieved savings. Monitoring due to start following Q1, exceptions reports are taken to the monthly Performance and Resources Board and a more detailed quarterly report is taken.

RH noted that Essex Police had a 'Good' HMICFRS rating and that Essex was one of the most tightly funded forces in England. RH recognised the hard work which the finance team do and how they assist the PFCC and Chief Constable. RH said that there was a more stringent virement process in place. Need to ensure that draft Statement of Accounts is presented to the PFCC prior to publication. The increase in precept came into effect from the 1st April 2018 and the plans to spend relate predominately to the recruitment of 150 officers.

RH noted that the recent update to the Financial Management Code of Practice includes additional reporting requirement on reserves. PFCC's need to be more transparent regarding earmarked reserves. General Reserves should be held at approximately 3% of net revenue expenditure, with any force holding 5% or more of net revenue expenditure providing an explanation for this level.

AH referred to the AGS and noted a couple of amendments. This included highlighting the independence of the JAC.

ACTION 13/18 – AG and DB to ensure Annual Governance Statement is updated as per AH comments

RH noted the improvements to the narrative statement within the accounts. RH asked if the MTFS could be updated to the latest agreed version at the recent Strategic Board. DB to confirm with external audit if this could be updated and what effect this would have on completing the audit work.

ACTION 14/18 – DB to confirm with external audit if the MTFS can be updated and included in the 2017/18 accounts

13. Any Other Business

None