

Joint Audit Committee Meeting

Friday 27th July 2018

10:30, GF01, Kelvedon Park

PRESENT:-

Members: Chair: Jonathan Swan (JS); 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 County Fire and Rescue Service: Dave Bill (DB); Glenn McGuinness (GM); Paula Drane (PD)

Ernst and Young: Martina Lee (ML)

1. Apologies for absence: Charles Garbett (CG); Simon Faraway (SF); Anna O’Keeffe (AO), Dan Harris (DH); Jo Turton (JT); Kevin Suter (KS)

2. Declaration of Interest
None

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

4. Action Log / Matters Arising

11/18 – Essex Police have shared their risk register with ECFRS
12/18 – DB confirmed the report used is from JCAD
18/18 – List of audits received from AO, AG to circulate to members
20/18 – Updated annual governance statement completed
21/18 – updates included within statement of accounts
22/18 – meeting took place between RH and GM to discuss the reserves use in 2017/18

5. External Audit Results Report

ML presented the report to the committee. Ernst and Young were in the final stages documenting the audit and were anticipating final sign off either on the 27th July or early the following week depending on availability. Ernst and Young expect to issue an unqualified opinion.

ML noted that the unadjusted pension fund difference. This was below the materiality level and therefore no adjustment was made but a note to the accounts was included. There was a discussion held on the changes to the Council Tax Collection

Fund. It was noted that the budget is set using the precept level, and that the collection fund does not impact the budget setting process. ML said that this was a technical adjustment which had no impact on the bottomline.

ML highlighted the control issue which was linked to firefighters working time and the ability to approve their own times. GM confirmed that there are mitigating controls in place and that a new system was being put in place which would incorporate the mitigating controls.

Areas of significant risk which Ernst and Young had reviewed included management override and management bias. ML confirmed that there were no concerns over management bias and override.

Under value for money two areas of risk which were highlighted which were financial resilience and the change in governance arrangements.

6. Letter of Representation

RH noted that the letter met the statutory requirements and had nothing further to add. ML noted that there were no additional representations required.

JS asked why he was required to sign the letter of representation for the PFCC and not that of the PFCCFRA. ML said that different partners had different requirements, however it is normally just those charged with governance which would sign off the letter. ML confirmed that it was not usual to sign a letter of representation if it was at the request of the audit partner.

7. 2017/18 Statement of Accounts – Recommendation for Signature

GM explained the changes which had been made to the statement of accounts following the previous audit committee on the 6th July. These changes included updates to the outturn table and a previous year comparison, breaking down of funding received and reconciliation table. The annual governance statement has been updated and is now forward looking. Following a meeting with the PFCC it was agreed to reinstatement of £1.2m into reserves. A decision sheet was completed and this was approved by the PFCC.

The members asked about Essex Fire Authority Trading Ltd (EFAT Ltd), note 9, and the governance structure of the company. GM confirmed that this was a separate company which produced their own accounts. DB is a director of the company and is due to present a paper to the PFCC which will include options and a recommendation for the company.

RH explained that the company provides commercial training on areas such as fire risk and is also used to dispose of vehicles from ECFRS. Discussion was held on the benefits of operating the company and the level of involvement the Audit Committee should have on EFAT Ltd.

The members noted that the statement of accounts for the PFCCFRA include very little narrative compared to the Essex Police, also there is no KPI data or inclusion of objectives or achievements. There was a discussion on how to make the narrative statement for the PFCCFRA statement of accounts more in-depth for 2018/19 statement of accounts.

The audit committee members recommended the accounts for signature.

8. Any Other Business

JS said that at the previous audit committee meeting there had been elements of overlap between the Police and Fire. A suggestion had been to hold a third meeting which would discuss the overarching elements for the PFCC. It was agreed that for the September meeting the members would meet with RH in the morning before the Police and Fire audit committees.

ACTION 25/18 – AG to arrange for an additional meeting between the audit committee members and RH ahead of the September audit committee meeting.

JS noted that this was the last meeting for Ernst and Young and thanked ML for her work over the years. ML also gave her thanks to GM and his team for their work, this was echoed by GM.